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

FORM 10-K

(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, 2025

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

SPORTS ENTERTAINMENT GAMING GLOBAL CORPORATION
(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.)**
5049 Edwards Ranch Road, 4th Floor, Fort Worth, TX	**76109**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (737) 587-3391

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	SEGG	The Nasdaq Stock Market LLC
Warrants to purchase one share of common stock, each at an exercise price of $2,300.00	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 31, 2025, the last business day of the registrant's most recently completed fourth fiscal quarter, was approximately $5.2 million, calculated by using the closing price of the registrant's common stock on such date on The Nasdaq Stock Market LLC of $0.73.

As of July 7 2026, there were 22,816,406 shares of the registrant's common stock, par value $0.001 per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

This Annual Report on Form 10-K 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 Sports Entertainment Gaming Global Corporation (“SEGG Media”, “SEGG”, the “Company”, “we” or “us”).

Forward-looking statements appear in a number of places in this Annual 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 SEGG Media 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 SEGG Media, as well as the following:

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

- 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.

- We need additional capital to, among other things, grow operations, add additional employees in key roles 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 expand 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 customers, 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 brands and key business segments.
- 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 industry trends and changes, such as by developing successful new product offerings.
- The effectiveness of our marketing efforts in developing and maintaining our brands 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.
- 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 platforms and product offerings and the processing of user payments and withdrawals on a timely basis.
- Our inability to maintain successful relationships or agreements with 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.
- We are not currently in compliance with the continued listing standards of Nasdaq and we may not be able to regain 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 (each 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 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 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 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 SEGG Media or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. SEGG Media. 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.

Legacy Matters and Corporate Reset

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. On January 27, 2026, the Company changed its name to Sports Entertainment Gaming Global Corporation ("SEGG Media."). Unless the context requires otherwise, references to the "Company," "we," "us," "our," "Lottery.com", "Lottery.com Inc.," "SEGG," and "SEGG Media" refer to Sports Entertainment Gaming Global Corporation and its consolidated subsidiaries.

The Company has undertaken a comprehensive transformation to address historical operational, financial, and governance challenges (collectively, "Legacy Matters") that primarily arose prior to mid-2022. These Legacy Matters materially impacted the Company's business operations, financial condition, and capital structure. Since that time, management and the Board have executed a disciplined corporate reset designed to stabilize the business, strengthen governance, and reposition the Company for sustainable, revenue-driven growth.

Decisive Actions to Address Historical Disruption

In 2022, the Company experienced a significant disruption to its legacy operations, including the cessation of certain core business activities. This disruption resulted in a meaningful contraction in revenue and necessitated immediate action to preserve liquidity and stabilize the enterprise.

Management responded by implementing cost containment measures, rationalizing operations, and prioritizing capital allocation toward critical restructuring and compliance initiatives. These actions, while necessary, fundamentally reshaped the Company and created a clear inflection point from which the current strategy has emerged.

Legacy Revenue Model Concentration

Historically, the Company's revenue model was substantially concentrated in lottery ticket sales and related transactional services. Our legacy lottery platform was designed to enable users to remotely purchase legally authorized lottery games through licensed partners, while providing data analytics, affiliate marketing solutions and promotional tools to commercial clients. This single-line revenue dependence limited diversification and exposed the business to regulatory, operational, and market-specific risks inherent to the lottery ecosystem. The disruption to these operations in 2022 underscored the limitations of this model and highlighted the need for a more diversified and resilient revenue base. As part of the corporate reset, the Company expanded beyond lottery facilitation into broader sports and entertainment verticals, combining content creation, digital publishing, domain-based audience acquisition and interactive gaming technologies. This evolution reflects our strategy to leverage established brands, premium digital assets and media platforms to drive diversified revenue streams.

Strengthening Financial Reporting and Internal Controls

The Company identified material weaknesses in its internal control over financial reporting during this period, including limitations in technical accounting resources, deficiencies in review and oversight processes, delays in financial reporting, and insufficient segregation of duties.

Since that time, the Company has taken targeted actions to enhance its control environment, including upgrading finance and accounting capabilities, implementing more robust review procedures, utilizing outside accounting and reporting resources, and improving financial reporting processes. These efforts are part of an ongoing remediation plan designed to align the Company's internal controls with the expectations of a Nasdaq-listed public company and support reliable, timely financial reporting.

Governance Reset and Leadership Alignment

A key component of the corporate reset has been the realignment of leadership and governance. The Company has refreshed its executive team and Board composition to enhance oversight, improve accountability, and bring in experience aligned with the Company's evolving strategic focus.

This governance reset reflects a deliberate shift toward execution-oriented leadership with experience in capital markets, operational restructuring, and strategic transactions. The current leadership team is focused on disciplined decision-making, capital efficiency, and delivering measurable results.

Resolution and Management of Legacy Legal and Regulatory Matters

The Company has addressed, and continues to manage, certain legal and regulatory matters arising from historical activities. These matters have required the allocation of financial and management resources; however, the Company has taken proactive steps to cooperate with regulatory authorities and implement enhanced compliance and oversight practices.

Management believes these actions have materially strengthened the Company's risk management framework and reduced exposure to similar issues going forward. Additional information is provided in "Item 3. Legal Proceedings" and in the notes to the consolidated financial statements.

Rebuilding the Capital Base and Liquidity Profile

The Legacy Matters had a significant impact on the Company's liquidity and capital structure, necessitating a shift toward external financing to support operations and restructuring efforts. The Company has executed financing transactions involving both equity and debt securities to fund its transformation.

These actions have been critical to stabilizing the business and positioning the Company to pursue growth opportunities. Management remains focused on optimizing the capital structure and deploying capital in a manner that is expected to generate attractive risk-adjusted returns.

Strategic Repositioning Toward Scalable, Revenue-Generating Platforms

As part of its corporate reset, the Company has repositioned its strategy toward building a diversified platform at the intersection of sports, entertainment, and gaming, with a clear emphasis on revenue generation and scalability.

Key elements of this repositioning include:

- Prioritizing acquisitions and partnerships with existing revenue streams and growth potential;
- Expanding digital media, content, and audience monetization capabilities;
- Leveraging owned and controlled brands and platforms to drive engagement and commercial opportunities; and
- Pursuing international expansion opportunities in targeted markets.

This strategy reflects a deliberate move away from early stage, capital-intensive or speculative initiatives toward initiatives with clearer pathways to monetization and value creation.

A Disciplined, Execution-Focused Operating Model

The Company has adopted a disciplined operating framework centered on capital allocation, execution, and accountability. Management prioritizes initiatives that are either supported by existing capital or expected to contribute meaningfully to near- or medium-term financial performance.

This approach is designed to balance growth with financial prudence and to ensure that the Company's resources are deployed efficiently to maximize stockholder value.

Current Position and Path Forward

The actions taken to address Legacy Matters have established a foundation for the Company's next phase of growth. While the effects of these matters continue to influence the Company's financial condition, the business has transitioned from stabilization to a strategic growth phase focused on execution.

Management is focused on:

- Scaling revenue-generating operations;
- Integrating and optimizing strategic acquisitions;
- Strengthening the balance sheet; and
- Maintaining a robust control and compliance environment.

The Company believes that the combination of a refreshed leadership team, improved governance, and a clear strategic focus positions it to capitalize on opportunities within its target markets and deliver long-term value to stockholders.

Overview and Recent Developments

SEGG Media is a global sports, entertainment and gaming company operating at the intersection of digital content, fan engagement and regulated gaming. Originally founded in 2016 as a technology platform focused on facilitating lawful lottery participation and data services, the Company has evolved into a diversified media and interactive entertainment enterprise. Through strategic restructuring and expansion, SEGG Media is building an integrated ecosystem designed to connect fans to the games, events and experiences they care about in compliant, technology-enabled environments.

SEGG Media's growth strategy includes acquiring and scaling revenue-generating assets in sports media, digital publishing, esports, fan communities and gaming technology. The Company has pursued majority and supermajority ownership positions in strategic targets to consolidate operations, expand global reach and create cross-platform monetization opportunities. Our portfolio approach is designed to integrate media distribution, sponsorship, advertising, data, subscription, licensing and regulated gaming revenue models under a unified brand architecture.

We operate with a focus on regulatory compliance, corporate governance and scalable infrastructure appropriate for a publicly traded company. Our operations are subject to applicable federal, state and international laws governing gaming, promotional activities, advertising, data privacy and securities regulation. We are committed to maintaining transparent reporting practices, strong internal controls and aligning management incentives with long-term shareholder value creation.

SEGG Media's mission is to build a globally recognized sports, entertainment and gaming platform that combines immersive content, innovative technology and responsible engagement. By leveraging strategic acquisitions, premium digital properties and experienced leadership, we seek to deliver sustainable growth, expand international market presence and create long-term value for our shareholders.

The Company owns and operates three premium domain brands: Sports.com, Concerts.com, and Lottery.com representing the Company's three operating focuses: Sports, Entertainment, and Gaming.

Sports

Sports.com is a next-generation global sports streaming and content platform designed to meet the evolving demands of digital audiences. Focused on delivering premium short-form video, curated articles, access to predictive markets and live event coverage, the platform combines mobile-first accessibility, AI-driven personalization, and community engagement to create a unified experience for fans worldwide.

The business launched with a sponsor-supported freemium model. Initial target markets include the United States, Latin America (LATAM), India, and the Gulf Cooperation Council (GCC) regions with fast-growing streaming adoption and underserved sports segments. The platform will also build strategic partnerships with regional sports leagues, influencers, and brands to accelerate content acquisition and market penetration.

Additionally, the Company will develop, produce and distribute compelling sports-focused films, docuseries, and premium digital content. This new arm of the business will serve as the cornerstone of the Company's global expansion into entertainment media and immersive storytelling.

Currently in development, Sports.com Predict will introduce prediction functionality directly into the Sports.com ecosystem, creating a high-margin, recurring revenue stream for SEGG Media. By embedding prediction markets at the heart of Sports.com, the Company expects to convert fan engagement into transactional activity, unlocking a scalable growth engine as the global prediction markets sector expands.

The Company has three wholly-owned subsidiaries to support the operations of the Sports-related activities: Sports.com Media Group Ltd, Sports.com Studios Ltd., and Sports Predicts Ltd.

Entertainment

The Company is pursuing multiple revenue models in the entertainment vertical. Through TicketStub.com, the Company has a platform which allows it to generate revenue via direct-to-consumer ticket sales and through affiliate commissions with both first and second tier ticketing services. Concerts.com will focus on delivering free and subscription-based content related to the music industry. Features will include live and recorded concert streaming, music instruction, a licensed and fan-produced merchandise marketplace, and entertainment news.

The Company's majority owned subsidiary, DotCom Ventures, Inc., operates two brands to support the operations of entertainment related activities: TicketStub.com and Concerts.com.

Gaming

The Company has an independent third-party lottery game service. It offers multiple gaming platforms to enable the remote purchase of legally sanctioned lottery and sweepstakes games in the U.S. and abroad (the "Platforms"). The Company's revenue generating activities are focused on (i) offering the Platforms via apps and websites to users located in the U.S. and international jurisdictions where the sale of lottery and sweepstakes games is legal and our services are enabled for the remote purchase of legally sanctioned games (our "B2C Platform"); (ii) delivering global lottery data, such as winning numbers and results, and sports data, such as scores and statistics, to commercial digital subscribers and providing access to other proprietary, anonymized transaction data pursuant to multi-year contracts ("Data Service"); and (iii) transitioning Lottery.com into a high-authority, content-rich website that provides comprehensive information about lotteries, including results, analysis, comparisons, tools, and regulatory context and driving revenue through a Cost-per-Acquisition (CPA) or Revenue-Share model with third-party partners.

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. 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.

Appointment of New Member of the Board of Directors

On May 13, 2025, the Board of Directors of the Company approved the addition of Mr. Marc Bircham as a member of the Company's Board of Directors ("Board"). Mr. Bircham was appointed as a Class II director with a term expiring at the Company's 2027 annual meeting of stockholders or until his successor is duly elected and qualified. He was elected as Chairman of the Board on November 30, 2025.

On February 25, 2026, the Board appointed Robert Stubblefield and Daniel Bailey to serve as members of the Board. Mr. Stubblefield was appointed as a Class II director with a term expiring at the Company's 2027 annual meeting of stockholders or until his successor is duly elected and qualified. Mr. Bailey was appointed as a Class III director with a term expiring at the Company's 2028 annual meeting of stockholders or until his successor is duly elected and qualified.

Asset Acquisition- PlusEVO Ltd. and Spektrum Ltd.

On March 6, 2025, the Company entered into a Stock Purchase and Sale Agreement to acquire certain assets from PlusEVO Ltd. and to create a new entity, Spektrum Ltd, which will become a provider of technology supporting international lottery and gaming operations.

The purchase price for the acquisition was $1.5 million, payable in 50,000 shares of the Company's restricted common stock at a fixed price of $30.00 per share. The shares are to be issued in five installments over a 30-month period following closing, subject to specified vesting and restriction terms. The agreement includes a price protection feature under which additional shares may be issued if the Company's stock price is below the fixed price at certain measurement dates.

The asset acquisition is intended to support the Company's international expansion strategy by providing ownership of a technology platform that can be leveraged to scale operations, enhance product offerings, and support entry into new regulated markets.

Asset Acquisition-DotCom Ventures Inc.

The Company completed the acquisition of 51% of DotCom Ventures Inc ["DVI"] from Concerts Inc. through a signed Share Purchase Agreement (SPA) executed on July 25, 2025. Valuation for DVI is $10 million. At closing, the Company made an in-kind payment of $5.1 million of common stock for 51,000 shares of DVI. The Agreement contains a Call Option, which provides the Company with the right to purchase up to the entire share capital of DVI as follows: (i) Ten Thousand (10,000) shares for One Million Dollars ($1,000,000.00) cash by not later than December 31, 2025; (ii) Fifteen Thousand (15,000) shares for One Million Five Hundred Thousand Dollars ($1,500,000.00) cash by not later than May 31, 2026; (iii) Five Thousand (5,000) shares for Five Hundred Thousand Dollars ($500,000.00) cash by not later than December 31, 2025; and (iv) Twenty Thousand (20,000) shares for Two Million Dollars ($2,000,000.00) in either shares or cash by not later than December 31, 2025 (the "Final Payment"). Unless extended by the parties in writing, portions of the Call Option will be revoked automatically upon the expiration of the funding deadlines set forth above without full payment of the corresponding funding obligation to DVI.

Primary assets acquired include the domain names Concerts.com and Ticketstub.com along with social media accounts and trademarks associated with each and have been recorded as Intangible Assets in the Domain Name category. Amortization began during the third quarter of 2025. There are encumbrances against the domain names and all associated and ancillary assets for Secured Promissory Notes totaling $1,500,000 that were set to mature in December of 2025 but were subsequently modified. The Company must pay the Secured Notes to remove the encumbrances. Subsequent to the execution date of the SPA, the Company and certain Secured Notes holders amended the Secured Notes, extending the maturity dates.

From the time of acquisition to the end of 2025 there was no substantive process where a set of inputs could be converted into a set of outputs and there was no workforce consisting of employees or organized contractors in place for converting acquired inputs into outputs. As a result, for the year ended December 31, 2025, the Company has accounted for this transaction as an acquisition of the intangible assets described above. The Company expects this transaction to change to controlling interest in the first quarter of 2026 when a workforce and substantive process will be in place.

Asset Purchase Agreement with Galaxy Racer Holdings Limited

On July 30, 2025, the Company entered into an Asset Purchase Agreement (the "Agreement") with Galaxy Racer Holdings Limited, a British Virgin Islands entity ("GXR").

Pursuant to the Agreement, the Company agreed to acquire substantially all of the assets of GXR (the "Assets"), including the GXR platform and mobile application, underlying technology stack, user base, and associated licenses, for an aggregate purchase price of $10.0 million (the "Purchase Price"). The Purchase Price was structured to be satisfied through a combination of equity consideration in the form of restricted stock units and the transfer of a minority ownership interest in a newly formed subsidiary that would hold the acquired Assets.

On December 20, 2025, following a review of the Company's strategic priorities, capital allocation framework, and evolving market conditions, the Company's Board of Directors approved a decision to exit the Agreement. As a result, the Company did not complete the acquisition of the GXR Assets. No assets or results of operations related to GXR are included in the Company's December 31, 2025 financial statements

Capital Markets Activity

During 2025, the Company accessed the capital markets through the filing of registration statements on Forms S-1 and S-3, providing flexibility to raise capital and facilitate liquidity for existing investors.

On April 11, 2025, the Company filed a Form S-1 registration statement to registering a number of shares in connection with a Stock Purchase Agreement executed by the company on November 21, 2024, (the "Agreement") with Generating Alpha Ltd., a St. Kitts and Nevis company, (the "Investor"). The Investor has agreed to purchase from the Company up to One Hundred Million Dollars ($100,000,000) (the "Commitment Amount") of the Company's fully registered, freely tradable common stock (the "Common Stock") under certain terms and conditions. Pursuant to the terms of the Agreement the Company can request a "Put" on the purchase of its stock and the Investor has agreed to purchase the Company's shares at ninety (90%) percent of the "Market Price." Market Price shall be defined as the average VWAP of the common stock twenty (20) trading days immediately preceding the Put ("Maximum Put Amount"). The dollar amount of Common Stock sold to the Investor in each Put may not be less than $20,000 and the maximum amount will equal 100% of the Average Daily Trading Volume. The Maximum Put Amount may be increased upon mutual written consent of the Company and the Investor. Puts are further limited to Investor owning no more than 4.99% of the Common Stock at any given time.

The prospectus also relates to the offer and resale from time to time by the selling shareholders named therein (the "Selling Shareholders"), or their permitted transferees of shares of common stock, consisting of (i) 2,810,897 shares of common stock (ii) 458,370 shares of common stock issuable upon exercise of outstanding warrants (iii) shares of common stock related to conversion of 1,906,693 prefunded common stock warrants (together the "Commitment Fee Warrant Shares") and (iv) 512,662 issued to the Investor as a commitment fee (the "Commitment Fee Shares) upon the execution of a stock purchase agreement dated November 13, 2024 (the "Stock Purchase Agreement").

The Company registered the resale of up to 25,688,622 shares of common stock, comprised of (i) 20,000,000 Stock Purchase Agreement Shares (as defined in the Form S-1)), (ii) 2,810,897 shares of common stock, (iii) 458,370 shares of common stock issuable upon exercise of outstanding warrants and (iii) 1,906,693 prefunded warrants (together the "Commitment Fee Warrant Shares") and (iv) 512,662 shares of common stock issued to the Investor as a commitment fee (the "Commitment Fee Shares") upon the execution of a stock purchase agreement dated November 13, 2024 (the "Stock Purchase Agreement").

On November 13, 2025, the Company initially filed a registration statement on Form S-3, as subsequently amended (the "Form S-3"), with the SEC. The Form S-3 was declared effective by the SEC on November 26, 2025.

The Form S-3 provides for a combined shelf registration and secondary resale offering, including: a primary shelf offering of up to $300,000,000 of the Company's securities, which may include common stock, preferred stock, debt securities, warrants, rights, or units; and a secondary offering of up to 1,068,241 shares of common stock for resale by certain selling stockholders.

The securities registered under the Form S-3 may be offered from time to time in one or more transactions at fixed prices, prevailing market prices, or negotiated prices pursuant to Rule 415 under the Securities Act. The Company may receive proceeds from any securities it issues under the primary offering. The Company does not receive proceeds from the resale of shares by selling stockholders, except to the extent of any proceeds received upon the exercise of warrants which were not prefunded.

Securities Purchase Agreement with Evergreen Capital Management, LLC

On December 2, 2025, the Company entered into a Securities Purchase Agreement with Evergreen Capital Management, LLC ("Evergreen"), pursuant to which the Company issued a senior secured convertible promissory note with an aggregate principal amount of $2.875 million. The note included an original issue discount of $0.375 million, resulting in net proceeds of $2.5 million to the Company. Funding was structured in two tranches: an initial $0.5 million at closing and $2.0 million upon (i) the effectiveness of a registration statement covering the underlying shares and (ii) receipt of requisite shareholder approval in accordance with Nasdaq Listing Rule 5635. The transaction was completed as a private placement under Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D.

On January 26, 2026, the Company entered into a Termination Agreement with Evergreen pursuant to which the parties agreed to terminate the convertible promissory note and the related Securities Purchase Agreement. The termination became effective upon the issuance of shares of common stock pursuant to Conversion Notice #7, dated January 13, 2026. As a result, the note and the Securities Purchase Agreement are null and void and of no further force or effect, and no additional amounts are due or payable by either party thereunder.

Stock Purchase Agreement with Generating Alpha Ltd.

As reported on form 8-K on November 29, 2024, on November 21, 2024, a fully executed Stock Purchase Agreement (the "Agreement") was entered into by and between the Company and Generating Alpha Ltd., a St. Kitts and Nevis company, (the "Investor"). The Investor has agreed to purchase from the Company up to One Hundred Million Dollars ($100,000,000) (the "Commitment Amount") of the Company's fully registered, freely tradable common stock (the "Common Stock") under certain terms and conditions. Pursuant to the terms of the Agreement the Company can request a "Put" on the purchase of its stock and the Investor has agreed to purchase the Company's shares at ninety (90%) percent of the "Market Price." Market Price shall be defined as the average VWAP of the common stock twenty (20) trading days immediately preceding the Put ("Maximum Put Amount"). The dollar amount of Common Stock sold to the Investor in each Put may not be less than $20,000 and the maximum amount will equal 100% of the Average Daily Trading Volume. The Maximum Put Amount may be increased upon mutual written consent of the Company and the Investor. Puts are further limited to Investor owning no more than 4.99% of the Common Stock at any given time.

In accordance with the Agreement, the Company issued to the Investor a Commitment Fee in shares of the Company's common stock equivalent to 1.5% of half of the Commitment Amount. After drawing down half of the Commitment Amount, the Company shall issue an additional 1.5% of half the Commitment Amount in shares of the Company's common stock, not to exceed 4.99% of the Company's issued and outstanding. Any amount that would exceed 4.99% of the Company's issued and outstanding shall be issued in the form of a prefunded Common Stock Purchase Warrant.

As reported on form 8-K on June 23, 2025, on June 16, 2025, a fully executed Amended Stock Purchase Agreement (the "Agreement") by and between the Company and Generating Alpha Ltd., a St. Kitts and Nevis company, (the "Investor") was entered into. The Investor has agreed to purchase from the Company up to Three Hundred Million Dollars ($300,000,000) (the "Commitment Amount") of the Company's fully registered, freely tradable common stock (the "Common Stock") under certain terms and conditions. Pursuant to the terms of the Agreement the Company can request a "Put" on the purchase of its stock and the Investor has agreed to purchase the Company's shares at ninety-four (94%) percent of the "Market Price." Market Price shall be defined as the lowest VWAP of the common stock five (5) trading days after the Put ("Maximum Put Amount") shares are delivered to Investor. The dollar amount of Common Stock sold to the Investor in each Put may not be less than $20,000.00 and the maximum amount will equal 100% of the Average Daily Trading Volume. The Maximum Put Amount may be increased upon mutual written consent of the Company and the Investor. Puts are further limited to Investor owning no more than 4.99% of the Common Stock at any given time.

Upon execution of the Agreement, the Company issued to the Investor a Commitment Fee of 682,410 shares (68,241 shares of the Company's common stock after the 10:1 reverse split effectuated on August 28, 2025) of the Company's common stock in the form of a prefunded Common Stock Purchase Warrant. After the Company has received $100,000,000 of the Commitment Amount from Investor, for each subsequent tranche of $50,000,000, the Company shall issue an additional 1.5% of $50,000,000 in shares of the Company's Common Stock in the form of a prefunded Common Stock Purchase Warrant. Calculation for the number of shares to be included in the prefunded Common Stock Purchase Warrant shall be based off of the volume weighted average price of stock on the Clearing Date of the last Put Notice. Payment may be withheld from the last Put Notice until the prefunded Common Stock Purchase Warrant has been issued.

2025 Annual Meeting of Shareholders

The Company held its 2025 Annual Meeting of Stockholders on February 9, 2026. A quorum was present at the meeting. A proposal to amend the Company's certificate of incorporation to change its name from "Lottery.com Inc." to "Sports Entertainment Gaming Global Corporation" was withdrawn, as stockholder approval was not required under Delaware law. Stockholders approved the election of one Class III director to serve until the 2028 annual meeting of stockholders, ratified the appointment of the Company's independent registered public accounting firm for the fiscal year ending December 31, 2025, approved the issuance of shares of common stock and warrants in excess of 20% of the Company's outstanding common stock in accordance with applicable Nasdaq listing rules, approved amendments authorizing the Board of Directors to effect one or more forward and reverse stock splits within specified ranges, and approved, on an advisory basis, the adjournment of the Annual Meeting, if necessary, to solicit additional proxies.

Executive Leadership Changes

On November 30, 2025, the Board of Directors approved a leadership transition as part of the Company's ongoing operational reset. Matthew McGahan was terminated from his roles as Chief Executive Officer, President, Secretary, and Chairman, effective immediately, and no longer serves in any executive or subsidiary capacities. He remained a member of the Board through the expiration of his current term which was the Annual Meeting of Shareholders held on February 9, 2026.

In connection with this transition, the Board appointed Robert Stubblefield, the Company's Chief Financial Officer since July 2023, as Secretary as well as Interim Chief Executive Officer and Interim President. Mr. Stubblefield also assumed oversight of the Company's subsidiaries. His interim appointment is expected to continue through March 31, 2026, or until a permanent Chief Executive Officer is appointed.

Mr. Stubblefield brings significant public company financial and operational experience, including approximately 18 years in senior finance and operations roles and expertise in internal controls and Sarbanes-Oxley compliance. The Company have not finalized the terms of his separation, including customary matters relating to compensation, equity treatment, and other standard provisions. As of the date of this Report, no separation agreement has been finalized. The Company has not yet established compensation terms for Mr. Stubblefield's expanded role, each of which is expected to be disclosed in a future filing.

Nasdaq Listing

The Company currently trades on the Nasdaq Stock Exchange under the symbol, SEGG, and its warrants trade on the Nasdaq Stock Exchange under the symbol, LTRYW. The Company is not currently in compliance with Nasdaq listing standards. The Company has previously experienced periods of non-compliance, most frequently as a result of failure to satisfy Rule5250(c)(1) which requires timely filing of all required periodic financial reports with the SEC1. There can be no assurance that the Company will be able to meet its Nasdaq listing requirements and maintain its Nasdaq listings on a long-term basis.

2022 Loan Agreement with Woodford Eurasia Assets, Ltd.

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 advanced under 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 $56.00 per share after the 1:10 reverse split which occurred on August 29, 2025), subject to a 4.99% beneficial ownership limitation which can be waived on 60 day's 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 could only be used by the Company to restart its operations and for general corporate purposes as 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 Woodford common stock purchase warrants (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 currently equates to an exercise price of $56.00 per share following the 1:10 reverse stock split on August 29, 2025. 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 $42.00 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 the matter has been referred to the Company's legal counsel.

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

Credit Facility with United Capital Investments London Limited

On July 26, 2023, The Company entered into a credit facility (the "UCIL Credit Facility"), represented by a loan agreement, which 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 then Chief Executive Officer and Chairman of the Company's Board, and Barney Battles, a former 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 terms and conditions of 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 terms and conditions of 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 22, 2024, on February 16, 2024, the Company and UCIL entered into an "Amendment and Restatement Agreement No. 2" to the UCIL Loan Agreement to increase the amount of the UCIL Credit Facility from $49,000,0000 to $149,000,000 (the "UCIL Amendment").

On January 20, 2026, the Company terminated all financing agreements with UCIL.

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 a total of $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").

Current Operations

Data Services

In 2018, we acquired TinBu, LLC ("TinBu"), a wholly owned subsidiary, which is a digital publisher and provider of syndicated data feeds including lottery results, jackpots, and other related 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, at times, 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. On March 26, 2025, the Company registered Sports.com as a fictious name in the state of Florida under AutoLotto, Inc. Content provided by Sports.com was available worldwide as a website and a mobile application. The website was relaunched in August 2025 and is currently being rebuilt to support the Company’s launch of Sports.com Predict.

In February 2025, the Company entered into a multi-year global partnership with Soccerex, the world’s leading soccer business event organizer. The Agreement makes Sports.com the title sponsor for six global events including Soccerex 2025 for MENA, Europe and USA which were held in Cairo, Amsterdam and Miami, respectively. In April 2026, the Company renewed the sponsorship for an additional two years.

This collaboration provides the Company with an influential platform to engage with key stakeholders in the football industry, further solidifying Sports.com’s position at the intersection of sports, technology and entertainment. Working with the Soccerex team and its community presents an opportunity to build brand awareness internationally for the Company’s gaming, content and entertainment brands.

In May 2025, the Company entered into sponsorship agreements with Louis Foster and Calum Ilott, drivers in the NTT IndyCar Series, and Sebastain Murray, a driver in the INDY NXT by Firestone series. The agreements provide the Company’s brands with exposure throughout the 2025 racing seasons with vehicle and attire logo placement and social media postings by the drivers.

On June 17, 2025, the Company appointed Tamer Hassan as president of Sports.com Studios, Ltd. In this role, Hassan will lead the division’s creative and strategic efforts to develop, produce and distribute compelling sports-focused films, docuseries, and premium digital content. This new arm of the business will serve as the cornerstone of Sports.com’s global expansion into entertainment media and immersive storytelling.

On June 24, 2025, the Company appointed Tim Scoffham CEO of Sports.com Media Group, Ltd (“Sports.com Media”). In this role, Scoffham oversees the strategic integration and international expansion of Sports.com Media, a premium digital sports content and engagement platform. His leadership will focus on aligning commercial, media, and technology platforms, bolstering regulatory partnerships, and unlocking scalable, revenue-generating opportunities in high-growth markets.

On July 17, 2025, the Company entered into its first official football league partnership in the Indian subcontinent through a five-year commercial agreement with the Super League Kerala (“SLK”), valued at more than $11.6 million based on potential advertising and sponsorship revenue. The agreement establishes SEGG Media and Sports.com as the exclusive global commercial and broadcast partner for SLK, encompassing: exclusive international streaming rights across all territories; integrated gaming and fan engagement products; global sponsorship and brand activation rights; and distribution focus across the Indian subcontinent and MENA, especially targeting the vast Keralite diaspora in the Middle East, North America, and Europe. The season concluded on December 19, 2025. During the 33 match season, SLK content reached more than 150 million views via the Sports.com website, app, and social channels.

Sports.com Studios Ltd, entered into a revenue-driven co-production partnership with GOATS Entertainment (Greatest Of All Time) on August 7, 2025. This alliance will transform the legacies of the world's greatest athletes into cash-generative content assets, combining premium docuseries, exclusive merchandise, global fan activations, and immersive storytelling. The collaboration is designed to drive high-margin revenue streams across OTT, e-commerce, experiential and licensing platforms.

On Sept. 10, 2025, Sports.com Studios entered into a strategic global distribution partnership with the Døds Diving League ("DDL"), the official global platform for the world's fastest-growing extreme sport. The partnership will be managed by Sports.com Studios Ltd, the newly launched sports content subsidiary of SEGG Media. The partnership will bring the thrill of Døds to millions of fans worldwide. Under the agreement, Sports.com Studios became a global distribution partner for DDL events, ensuring competitions and original content will be delivered through Sports.com platforms.

During 2025, Sports.com content surpassed 102 million views across all platforms. The growth was driven by surging interest the Kerala Super League, and the Company's accelerating global social-media presence

Our common stock and warrants are traded on The Nasdaq Stock Market LLC ("Nasdaq") under the ticker symbols "SEGG" and "LTRYW," respectively. As of the date of this Report, we are not 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 continue improving its systems of internal control over financial reporting and invest in additional legal, accounting, and financial resources.

Even when the Company has full operations in its sports, entertainment, and gaming verticals there can be no assurance that the Company will be able to maintain compliance with Nasdaq's applicable Listing Rules. 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 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. 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 continue to 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 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.

While raising revenues for the particular country, state, or authorizing jurisdiction, lottery and gaming laws are generally based upon declarations of public policy designed to protect consumers from fraud and other misdeeds. To protect consumers, 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 jurisdictions, 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.

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, to 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 multi-nationally, 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 enter new foreign markets, 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 2022 Operational Cessation have resigned from such positions and are no longer serving in any capacity with the Company or its subsidiaries. Robert Stubblefield is now the sole shareholder representative for all subsidiaries 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 Report, there are nine individuals employed by the Company. Additionally, the Company's subsidiaries have more than 60 employees to support their 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 2022, the LOTTERY.COM logo was registered on the Supplemental Register of the U.S. Patent and Trademark Office. As of December 31, 2024, the registrations of our LOTTERY.COM word mark was pending with the U.S. Patent and Trademark Office. We are also using 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 open patent applications or own any issued patents as of December 31, 2025, 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.seggmedia.com. Our website and the information contained therein or linked thereto are not part of this 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 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 Prior Management, 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 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 an Internal Investigation that revealed past 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 its internal investigations, including legal expenses and costs associated with the restatement and adjustments to its 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, or the Company's 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. 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.

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.

The Company and 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. 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 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, 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.

Matters relating to or arising from the restatements of financial filings, 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.

We have incurred significant losses and require additional capital; substantial doubt exists regarding our ability to continue as a going concern.

We have a history of operating losses and negative cash flows and have previously reduced operations due to liquidity constraints. We expect to continue to incur expenses as we rebuild infrastructure, personnel, compliance systems and operations and pursue growth initiatives, including acquisitions and commercialization of digital assets. Our financial statements include a going concern explanatory paragraph. Our ability to continue as a going concern depends on our ability to raise additional capital, execute our strategy and generate sustainable revenues. There can be no assurance that we will be successful in doing so.

If we are unable to obtain adequate financing or generate sufficient cash flow, we may be required to delay, scale back or discontinue operations, restructure obligations, sell assets, or seek protection under applicable bankruptcy laws.

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, 2025 but many have been addressed. 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.

Past material weaknesses 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 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 remained ineffective as of December 31, 2025.

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 Company's internal investigations 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 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 maintain 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 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

Our strategic repositioning from a lottery-focused business to a diversified sports, entertainment and gaming media platform involves substantial execution risk.

We are repositioning SEGG Media Corporation as a diversified sports, entertainment and gaming platform, including through the development and monetization of premium digital assets and the acquisition of media and gaming-adjacent businesses. This transformation requires successful execution across multiple disciplines, including traffic acquisition, product development, content operations, advertising and sponsorship monetization, technology infrastructure and regulatory compliance. We have limited operating history in certain of these verticals. If we fail to execute this strategy, our growth prospects, financial performance and valuation may be materially adversely affected.

Our acquisition strategy exposes us to integration, valuation and impairment risk.

We may pursue acquisitions as a core component of our growth strategy. Acquisitions involve significant risks, including overpayment, inaccurate valuation assumptions, integration challenges, diversion of management attention, loss of key personnel, undisclosed liabilities, regulatory approval risks, and failure to achieve anticipated synergies. Acquisitions may require significant cash, debt or equity financing and may be dilutive. If acquired businesses or assets fail to perform as expected, we may be required to record impairment charges relating to goodwill or intangible assets, which could materially adversely affect our results of operations and financial condition.

Our business depends significantly on premium domain assets and digital traffic, and our ability to monetize such assets is uncertain.

Our strategy includes commercialization of premium digital assets, including domain names and related brands. The value of such assets depends on traffic, consumer behavior, search engine rankings, brand recognition, intellectual property protection and successful monetization (including advertising, sponsorship, subscriptions, licensing or commerce). Search engine algorithm changes, increased competition, changes in platform policies, reputational issues, or failure to convert traffic into revenue could materially reduce the value of these assets and could require impairment charges.

Our forecasts, projections and internal plans are subject to significant uncertainty and may differ materially from actual results.

Any forecasts, targets or projections we provide (including in investor presentations or otherwise) are subject to significant risks, assumptions, estimates and uncertainties, including assumptions regarding future legislation, regulatory developments, market adoption, consumer demand and competitive conditions. Our actual revenues, expenses, market share and profitability may differ materially from any projections. We may invest in the development or marketing of products, services or distribution channels that do not achieve commercial success, in which case we may not recover those investments and our operating results could be adversely affected.

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 sufficient 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. There may be an increasing risk of a recession or inflationary economic impacts due to international trade and monetary policy, variations in interest rates and inflation, and acts or threats of acts of war, along with other economic challenges. If the national and international economic growth 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: 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. Our business may be impacted by several factors, 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 customers 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, growth in the mobile and online gaming 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 users 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.

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, or 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.

<u>General Operational Risks</u>

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 U.S. operations since July 2022, the Operational Cessation. We may not be able to achieve or maintain a needed level of profitability in the future. On a fully consolidated basis we experienced net losses of approximately $20.3 million for the year ended December 31, 2025, and approximately $28.2 million and $25.6 million for the years ended December 31, 2024 and December 31, 2023, respectively. As of December 31, 2025, we had an accumulated deficit of approximately $284 million. While we have received some limited revenue since the U.S. 2022 Operational Cessation, we cannot predict when or whether we will be able to fully restart our operations 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 U.S. operations, any failure to increase our revenue or to manage our costs could prevent us from achieving or maintaining profitability or positive cash flow.

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 will 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 sports, concerts and lottery games are offered on a year-round basis, there is seasonality in purchasing that may impact our operations and activities 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 events and those events often have different calendars 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.

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 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 brands is important to our ability to grow our business and to attract new users and customers in the future, which can be costly. 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 industries in which we operate are 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.

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 grow, 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 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.

<u>Regulatory and Compliance Risks</u>

We operate in highly regulated industries, and changes in law or regulation could restrict our operations and increase compliance costs.

Our operations are subject to federal, state and foreign laws and regulations governing, among other things, lottery and gaming activities, promotional programs, digital advertising, consumer protection, data privacy and payment processing. These regulatory regimes are complex and evolving. Changes in laws, regulations, interpretations or enforcement priorities could restrict or prohibit aspects of our business model, require additional approvals or licensure, increase compliance costs, result in fines or penalties, or require cessation of operations in certain jurisdictions.

Adverse interpretations of federal statutes and related enforcement priorities could materially impair our business.

Federal statutes affecting gaming and related activities, including interpretations of the Wire Act and other federal laws, have been subject to evolving interpretations and enforcement priorities. Although certain appellate decisions have limited the scope of the Wire Act to sports wagering, no definitive ruling from the U.S. Supreme Court exists. An adverse reinterpretation, enforcement action, or related regulatory development could materially restrict aspects of our operations and negatively affect our business and financial condition.

We are involved in, and may become involved in, litigation, investigations or other legacy matters that may be costly and could adversely affect our liquidity and operations.

We have been subject to, and may continue to be subject to, litigation, regulatory inquiries, investigations and other proceedings, including matters relating to historical events, financial reporting, financing arrangements and related disputes. These matters are inherently uncertain and may result in substantial defense costs, settlements, judgments, penalties, injunctive relief, management distraction and reputational harm. Any adverse outcomes could materially adversely affect our business, financial condition and results of operations.

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 may determine or be required to secure licenses from 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 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 for which we apply. The 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 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 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 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 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 online gambling by 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 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.

<u>Human Capital Risks</u>

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.

Except for those employed in our foreign subsidiaries (e.g. Veloce Esports Ltd. ("Veloce"), Aganar and JuegaLotto), we currently have nine employees who manage and operate our business, including our Interim Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, other employees as well as 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 retain current, 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 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.

Risks Relating to our Dependence on Third Parties

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.

<u>Risks Relating to Future Growth</u>

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 controls;

- 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. . The Company has launched additional international operations Sports.com Media Group Ltd., Sports.com Studios Ltd., Lottery.com International Ltd. and completed the acquisition of a majority interest in Veloce Esports Limited. 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 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 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, 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, 2025, we had one trademark, "Lottery.com", registered with the U.S. Patent and Trademark Office. As of December 31, 2025, the registrations of our LOTTERY.COM word marks was pending with the U.S. Patent and Trademark Office. We are also using or have common-law trademark rights in the trademarks AUTOLOTTO, SPORTS.COM, CONCERTS.COM, TICKETSTUB, 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.

<u>Legal Proceedings Risks</u>

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 attempted 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 proceeded 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.

More details are available in Item 3. Legal Proceedings

Public Company Operating Risks

We have identified material weaknesses in internal control over financial reporting; our remediation efforts may not be successful.

We have disclosed material weaknesses in our internal control over financial reporting. Although we have implemented and will continue implementing additional remediation measures, we may be unable to remediate these weaknesses in a timely manner or at all. Failure to remediate could result in inaccurate financial reporting, additional restatements, inability to timely file required reports, increased audit and compliance costs, regulatory scrutiny, loss of investor confidence and a decline in our stock price.

The requirements of being a public company strain our limited resources, and our compliance costs may be higher than expected.

As a public company, we incur significant legal, accounting, compliance and other costs and are subject to reporting, internal controls and corporate governance requirements under the Exchange Act, Sarbanes-Oxley, Dodd-Frank, SEC rules and Nasdaq listing standards. Compliance can be costly and time-consuming and may divert management attention. Our costs may increase further as we cease to qualify as an "emerging growth company," including with respect to internal control requirements, audit fees and financial reporting complexity. If we fail to meet these obligations, we could face regulatory action, investor litigation, loss of investor confidence and declines in the trading price of our securities.

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 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 indemnitee 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 SEGG Media; 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

We are not currently in full compliance with the continued listing standards of Nasdaq and we may not be able to regain 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 "SEGG" and "LTRYW," respectively. Our failure to remain in full compliance with these requirements may result in our securities being delisted from Nasdaq.

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 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 or warrants and the ability of our stockholders to sell our common stock or warrants in the secondary market. If our common stock or warrants are delisted by Nasdaq, our common stock 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 or warrants. In the event our common stock or warrants are delisted from The Nasdaq Global Market, we may not be able to list our common stock 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 trading price of our securities may be highly volatile due to many factors, including our operating performance, liquidity, financing activity, regulatory developments, litigation, acquisitions and integration results, macroeconomic conditions and market dynamics affecting micro-cap issuers. Broad market and industry factors may negatively affect the trading price of our securities regardless of our actual performance. In addition, securities class action litigation is often brought against companies following periods of stock price volatility or decline, which could result in substantial costs and diversion of management attention.

Our securities may be subject to short squeezes and other market dislocations, which could result in extreme volatility and losses for investors.

Our securities may experience periods of extreme volatility due to short interest and the potential for short squeezes, as well as speculative trading activity, options and derivatives activity, margin availability and social-media-driven market dynamics. A short squeeze can occur when investors with short positions are forced to purchase shares to cover their positions, which may cause the stock price to rise rapidly. Such price increases may be temporary and may be followed by rapid declines. Investors who purchase securities during such periods may incur substantial losses. We do not control these market dynamics and may be unable to respond effectively to mitigate volatility.

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

Our ability to fund operations depends in part on third-party financing sources that may not be available when needed.

We may rely on third-party financing arrangements as a source of liquidity. Certain lenders may have discretion regarding future advances and may not provide funding when requested or at all. If we are unable to obtain funding under existing arrangements or from other sources on acceptable terms, we may be required to delay or abandon initiatives to restart or expand operations and could be forced to materially curtail operations.

Our debt agreements contain covenants that may restrict operations and financing flexibility.

Our financing arrangements include covenants, representations, warranties and events of default that may restrict our ability to incur additional indebtedness, sell assets, grant liens, amend organizational documents, declare or pay dividends, repurchase shares, or issue securities in certain circumstances. These restrictions could limit our operational flexibility, impair our ability to raise additional capital and increase the risk of default. If an event of default occurs and is not cured, lenders may have remedies that could include accelerating amounts due and enforcing security interests, which could materially adversely affect our business and could render an investment in our securities worthless.

Our obligations may be secured by substantially all of our assets; enforcement could materially harm the Company.

Certain obligations may be secured by a first-priority security interest in substantially all of our assets. If we default, secured parties may be able to foreclose on collateral, restrict cash flows and force sales of assets, any of which could materially impair our ability to operate.

Conversions and warrant exercises could cause substantial dilution and depress our stock price.

Certain financing arrangements include conversion features and warrants that, if exercised or converted, would result in the issuance of a significant number of shares of our common stock. Such issuances would dilute existing stockholders and could depress the market price of our common stock.

If conversion prices are based on discounts to market prices and holders sell shares into the market, the trading price may decline, which could result in additional shares being issuable upon further conversions, potentially creating a downward-spiral effect. These dynamics could materially impair the market price of our common stock and increase volatility. Any resale of shares issued upon conversion or exercise, including by selling stockholders, could further increase selling pressure and adversely affect the trading price.

We may not have sufficient funds to repay indebtedness, and our indebtedness increases financial risk.

We have indebtedness and other obligations that we may not have sufficient funds to repay when due. Indebtedness increases the risk of default, limits financial flexibility and may require us to devote cash to debt service rather than operations and growth. If we are unable to repay or refinance amounts due, we may be required to raise capital on unfavorable terms, sell assets, restructure obligations, or curtail operations.

We will likely require additional financing, which may be highly dilutive and may adversely affect our stock price.

We expect to seek additional capital through equity, equity-linked securities or debt financings. Such financings may be unavailable on acceptable terms, may be senior to existing equity, may include warrants or conversion features, and may result in substantial dilution to existing stockholders. Financing terms common for micro-cap issuers may include discounts to market price, variable pricing, resets or other features that can increase the number of shares issuable as the trading price declines and can exert downward pressure on our stock price.

Market conditions, including interest rates, investor risk appetite and micro-cap volatility, may increase the cost of capital and reduce financing alternatives. Investors in this offering may experience significant dilution, and we may be required to raise capital at prices materially below the offering price.

General Risk Factors

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

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.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

The Company recognizes the importance of maintaining the confidentiality, integrity, and availability of its information systems and data. As a global digital media, sports, entertainment, gaming, and technology company, the Company utilizes information systems and third-party technology platforms to support its operations, including content distribution, customer engagement, digital marketing, payment processing, financial reporting, and other business functions.

The Company maintains processes designed to assess, identify, and manage cybersecurity risks. These processes include periodic evaluation of information technology systems, implementation of access controls, security monitoring, data backup procedures, vendor assessments, employee awareness initiatives, and incident response planning. The Company regularly evaluates cybersecurity risks as part of its broader enterprise risk management activities and considers cybersecurity threats in connection with operational, financial, legal, regulatory, and reputational risks.

The Company relies on various third-party service providers and technology vendors, including cloud hosting providers, software vendors, payment processors, communication platforms, and other service providers that may have access to Company systems or data. The Company considers cybersecurity risks associated with these third parties through contractual protections, vendor diligence, ongoing monitoring, and other risk management measures, although the Company cannot guarantee that such measures will prevent all cybersecurity incidents.

As part of its cybersecurity risk management framework, the Company monitors potential threats and vulnerabilities that could adversely affect its operations, financial condition, reputation, or strategic objectives. The Company periodically reviews and updates its cybersecurity controls and procedures in light of evolving threats, business requirements, and industry practices.

The Company has experienced routine cybersecurity events common to organizations operating in digital environments, including attempted phishing attacks, unauthorized access attempts, and other malicious activities. To date, the Company has not identified any cybersecurity incident that has materially affected, or is reasonably likely to materially affect, its business strategy, results of operations, or financial condition. However, cybersecurity threats continue to evolve in sophistication and frequency, and future incidents could have a material adverse effect on the Company’s business, operations, reputation, financial condition, or results of operations.

Cybersecurity Governance

The Board of Directors oversees the Company’s risk management processes, including risks related to cybersecurity and information security. The Board receives periodic updates from management regarding significant cybersecurity matters, cybersecurity risks, information technology initiatives, and related risk mitigation efforts. The Board considers cybersecurity risks as part of its overall oversight of enterprise risk management.

Management is responsible for assessing and managing the Company’s cybersecurity risks on a day-to-day basis. The Company’s cybersecurity risk management activities are led by senior management personnel responsible for information technology, compliance, finance, and operational functions. These individuals work together to identify, assess, manage, and respond to cybersecurity risks and incidents and to implement appropriate security measures throughout the organization.

Management monitors cybersecurity developments, evaluates emerging threats, coordinates with external service providers and advisors when appropriate, and escalates significant cybersecurity matters to executive leadership and the Board of Directors as necessary. The Company may engage third-party consultants, technology vendors, legal counsel, cybersecurity specialists, and other advisors to assist in evaluating cybersecurity risks, responding to incidents, and enhancing cybersecurity controls.

As the Company continues to expand its digital operations, including through acquisitions, strategic partnerships, media platforms, and technology-enabled products, management expects to continue enhancing its cybersecurity governance, risk management processes, and information security controls to address evolving business needs and cybersecurity threats.

Item 2. Properties.

Our principal business location is in Fort Worth, Texas. 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 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.

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 SDNY 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, 2023, 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. On June 12, 2024, plaintiffs amended their complaint (the “Third Amended Complaint”). On July 12, 2024, the Company filed its motion to dismiss the Third Amended Complaint (the “MTD Third Amended Complaint”). On August 8, 2024, the plaintiffs filed their response in opposition to the MTD Third Amended Complaint. The Company filed its reply on August 22, 2024, to plaintiffs’ response in opposition to the MTD Third Amended Complaint. On February 25, 2025, the Court granted in part and denied in part the MTD Third Amended Complaint (the “Order). As set forth in the Order, the Class Plaintiffs’ Section 10(b) claim shall proceed against Defendant Dickinson and the Company based on post−merger representations regarding Lottery’s financial performance and financial reporting. Class Plaintiffs’ and Hoffman’s Section 20(a) claim premised on Section 10(b) shall likewise proceed against Defendant Dickinson. Class Plaintiffs’ Section 14(a) claim shall proceed against the Company and Defendants DiMatteo, Clemenson and Dickinson with respect to certain legal and regulatory compliance statements in the Proxy. The remainder of Plaintiffs claims were dismissed, including all claims against Komissarov. The Court also ordered that Plaintiffs shall have leave to amend within twenty−one (21) days of this opinion and order. On March 13, 2025, the Court granted Plaintiff Hoffman’s motion for leave for additional time to amend his complaint. Accordingly, Hoffman’s Third Amended Complaint shall be due April 24, 2025. Defendants’ motions to dismiss shall be due June 30, 2025; Plaintiff Hoffman’s opposition brief will be due August 14, 2025; and Defendants’ reply briefs shall be due September 17, 2025. On or about September 5, 2025, the Government filed a motion to intervene and requested the court to stay the action in its entirety. On or about September 5, 2025, the Court granted the Government’s motion to intervene and its motion to stay the case. The matter remains stayed in accordance with the Court’s September 5, 2025 order.

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 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 appealed the Court’s Order to Compel Arbitration in Texas, however the Compel Arbitration in Texas still stands.

On July 19, 2024, the Company received notice that the Tinbu Plaintiff’s requested a voluntary dismissal of their claims. The Tinbu Complaint has been voluntarily dismissed without prejudice by the District Court of Appeal of the State of Florida Second District and the Circuit Court of the Thirteenth Judicial Circuit in and for Hillsborough County, Florida, indicating that no further action will be pursued by the plaintiffs in Florida State Court at this time. The District Court of Appeals also denied the Tinbu Plaintiff’s motion for attorney’s fees and costs.

In accordance with the Court’s Order to Compel Arbitration in Texas, Plaintiff filed its Demand for Arbitration on February 23, 2026 (Case 01-26-0000-9122) and the matter currently sits for arbitration with the American Arbitration Association (AAA) in Dallas, Texas. On May 28, 2026, the AAA confirmed the appointment of the 3 arbitrators (the “Arbitrators” or the “Panel”) and a chair of the Panel (the “Chair”) was designated. A preliminary hearing was held on June 25, 2026, before Arbitrators and the Chair ordered a Final Hearing in this matter to commence before the Arbitrators in Dallas, Texas on February 16, 2027.

Global Gaming Data

On November 14, 2023, the Company and its wholly owned subsidiary TinBu, LLC (“TinBu”) (collectively, “Plaintiffs”) filed a separate lawsuit in the United States District 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”), which was subsequently amended on November 21, 2023, for damages and injunctive relief arising out of Defendants’ various 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 breaches of various fiduciary duties, including the duty of loyalty, in a case styled Lottery.com, Inc. f/k/a AutoLotto, Inc. and TinBu, LLC v. John J. Brier, Jr., Bin Tu, & Global Gaming Data, LLC (Case No.: 8:23-cv-2594-KKM-TGW).

In response, Defendants asserted counterclaims against Plaintiffs, essentially filing exactly the same claims they previously alleged in the Hillsborough County Circuit Court Action that had been compelled to arbitration, and they also joined JBBT to the lawsuit. The Company sought dismissal of the counterclaims, as well as a Temporary Restraining Order. The request for temporary injunctive relief was denied by the MDF in February 2024, and on June 11, 2024, the MDF also denied Plaintiffs' motion to dismiss, allowing the litigation to move forward. On June 25, 2024, Plaintiffs filed their answer and affirmative defenses to Defendants' counterclaims. On December 5, 2024, the parties participated in a court-ordered mediation; however, no resolution was reached.

On February 25, 2025, Plaintiffs' claims were dismissed without prejudice for failure to prosecute, and Defendants immediately moved for default judgment on their counterclaims. On March 14, 2025, the Court entered an order denying without prejudice Defendants' Motion for various deficiencies in the filing. On March 18, 2025, Defendants filed an Amended Motion for Default Judgment on their Counterclaims, followed by additional support for their purported damages on April 25, 2025. The Company engaged new counsel, who made an appearance on June 5, 2025, and thereafter sought and obtained additional time to respond to Defendants' filings. On August 6, 2025, Plaintiffs filed a Motion to Dismiss for Lack of Subject Matter Jurisdiction, or in the Alternative, Motion to Set Aside Default and Compel Arbitration, which was renewed on August 14, 2025. At the same time, Plaintiffs also submitted opposition briefing and supporting evidence to contradict Defendants' filings relating to damages evidence. Defendants' reply to Plaintiffs filings is due to be filed on August 29, 2025. In the interim, the MDF has stayed all deadlines in the case management order and has cancelled any pretrial proceedings, pending resolution on the parties' motions.

On January 28, 2026, the Court entered an order dismissing Defendants counterclaims and adopted the "thorough and well-reasoned" report and recommendation by the Magistrate (the "Order"). Pursuant to the Order, the Report and Recommendation was adopted and made a part of the Order for all purposes, Plaintiffs' Renewed Motion to Dismiss for Lack of Subject Matter Jurisdiction was granted in part, and the case was dismissed without prejudice for lack of subject matter jurisdiction. The Court Clerk as directed by the Court to terminate any pending deadlines an close the file.

Woodford Eurasia Assets, Limited

Woodford Eurasia Assets Limited filed a complaint in the High Court of Justice in London Chancery Division. On 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 Lottery.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.

On March 9, 2026, Woodford filed a Letter of Claim and Request for Arbitration against the Company with the London Court of International Arbitration ("LCIA") (LCIA Arbitration No. 266904). The Company filed its response to the Letter of Claim on May 3, 2026.

McTurk

On June 10, 2024, the Company and Matthew McGahan ("McGahan") (Company and McGahan collectively, "Defendants") filed their *Notice of Removal* and *No Answer Motion to Dismiss* a state court complaint filed by Sharon A. McTurk ("McTurk"), Rutherford Enterprises, LLC ("Rutherford"), SJB Solutions, LLC ("SJB") and Astra Supply Chain, LLC ("Astra"), McTurk, Rutherford, SJB and Astra (collectively, "Plaintiffs" or "Appellant")) alleging fraudulent and negligent misrepresentation, aiding and abetting, and conspiracy by Defendants. On July 2, 2024, McGahan filed his *Motion to Dismiss for Lack of Personal Jurisdiction* and Defendants filed their *Motion to Dismiss for Failure to State a Claim and Supporting Memorandum of Law* ("Motions to Dismiss"). On July 19, 2024, Plaintiffs filed their response to the Motions to Dismiss. Defendants filed their reply on August 29, 2024, to Plaintiffs response to Defendants' Motions to Dismiss. On February 25, 2025, the Court entered an Order granting Defendants' Motion to Dismiss for Failure to State a Claim (the "Order"). Accordingly, Plaintiffs' complaint was dismissed with prejudice. All pending deadlines and hearings were terminated, and any other pending motions were denied as moot. Plaintiffs filed a notice of appeal as to the Order and subsequently filed Appellants' Brief. On June 16, 2025, Appellee's filed their Answer Brief in the United States Court of Appeals for the 11th Circuit ("Court of Appeals") and filed and served the Supplemental Appendix to Appellees' Answer Brief. On February 27, 2026, the Court of Appeals directed the Clerk's Office to place this appeal on the next oral argument calendar with a vacancy. Accordingly, the oral argument before the Court of Appeals is set for July 27, 2026.

Honey Tree Trading

On September 4, 2024, Honey Tree Trading, LLC ("Honey Tree" or "Plaintiff") filed a verified original complaint (the "Complaint") against Lottery.com ("Lottery.com" or the "Company") and directors Matthew Howard McGahan ("McGahan"), Christopher Gooding ("Gooding"), Paul Jordan ("Jordan"), Tamer Hassan ("Hassan") and Warren Macal ("Macal" together with McGahan, Gooding, Jordan and Hassan, the "Individual Defendants" and, collectively Lottery.com, the "Defendants") in Delaware Chancery Court alleging, amongst other things, breach of contract by the Company with respect to certain notes and warrants and breach of fiduciary duties by the Individual Defendants. (CA. No. 2024-0921-NAC: styled Honey Tree Trading, LLC v. Lottery.com Inc., et al.). On October 10, 2024, Honey Tree amended its Complaint by filing an amended verified complaint (the "Amended Complaint") and a motion to expedite proceedings (the "Motion"). On November 6, 2024, at a hearing on Plaintiff's Motion (the "Hearing") and on the issue of breach of fiduciary duties against the Individual Defendants, Honey Tree's counsel informed the Court that, "[t]here is no question that Honey Tree is presently a shareholder and was a shareholder at the time it presented its pleading." On November 12, 2024, Plaintiff's counsel informed the Court that "Honey Tree did own shares prior to the filing of the Amended Complaint but sold them prior to that filing; and (ii) Honey Tree did not subsequently purchase shares of Lottery.com until November 7, 2024, the day after the [H]earing," (Plaintiff's Admission"). Following Plaintiff's Admission on November 13, 2024, Plaintiff dismissed without prejudice its claims against Hassan and Macal (the "Dismissal"). The Court ordered the Dismissal on November 15, 2024. On December 13, 2024, Plaintiff filed amended its Amended Complaint by filing a second amended verified complaint (the "Second Amended Complaint") and a renewed motion to expedite proceedings (the "Second Motion to Expedite") against the Company and remaining Individual Defendants. In accordance with a briefing stipulation entered by the Court on December 11, 2024, defendants shall answer the Second Amended Complaint and file its opposition to the Second Motion to Expedite by January 13, 2025. On January 13, 2025, the Company and Individual Defendants timely filed their Answer to the Second Amended Complaint, an Opposition to Motion to Expedite and a Partial Motion to Dismiss. On March 6, 2025, Plaintiff notified the Court that it withdraws its Motion to Expedite. On April 25, 2025, Plaintiff filed its Motion to Dismiss Count IV of the Second Amended Complaint as Moot. The motion was granted and Count IV of the Second Amended Complaint was dismissed by the Court. On April 14, 2026, the Court denied Plaintiff's Proposed Order Governing Case Schedule.

Manna World Ministries

On September 8, 2023, Manna World Ministries and Summit Church (collectively, the "Plaintiffs") filed a civil lawsuit in the San Diego Superior Court, North County Division, under case number 37-2023-00039279-CU-CO-NC. The action was brought against Ryan Dickinson, Matthew Clemenson, Lawrence Dimatteo, Incircl, Inc., Paul King, LAD Holdings Group, LLC, MC Holdings Group, LLC, RD Holdings, LLC, and Jeff Sparrow (collectively, the "Defendants"). The Plaintiffs allege that the Defendants defaulted on a personal loan totaling $2,700,000, which was purportedly secured by their personal shares of stock in Lottery.com Inc. (the "Company"). On April 4, 2024, the Plaintiffs filed an amended complaint naming the Company as an additional defendant. The Company subsequently filed an answer and asserted affirmative defenses on December 6, 2024, denying all allegations of wrongdoing. The Company has stated its intent to vigorously contest the claims and to pursue all legal remedies available. The matter is currently set for trial on September 28, 2026.

Dawn Nettles

On February 14, 2025, Dawn Nettles, et. al ("Nettles" or "Plaintiff") filed a verified original class action (the "Complaint") against Lottery.com ("Lottery.com" or the "Company"), Rook TX LP, Gary N. Grief, IGT Solutions Corporation ("IGT") (collectively the "Defendants") in the District Court of Harris County, 333rd Judicial District (the "Court") alleging that the Defendants engaged in systematic fraud, misappropriated lottery funds, illegally sold tickets across state lines, and manipulated the outcome of lottery games, including, but not limited to the April 22, 2023 Lotto Texas drawing. On March 25, 2025, the judge issued a ruling that the claims against IGT be dismissed without prejudice. Nettles filed a notice on May 30, 2025, that she is "taking a Nonsuit Without Prejudice Against All Parties Effective Immediately." The Notice, under Texas Rule of Civil Procedure 162, terminated the case effective immediately.

Jerry R. Reed

On April 8, 2025, *Jerry R. Reed* ("Reed" or the "Plaintiff") commenced an action against *ALTX Management, LLC; AutoLotto, Inc.; Matthew Clemensen; Colossus Bets Limited; Ryan Dickinson; Lawrence Anthony Dimatteo III; Lottery Now Inc.; Lottery.com, Inc.* ("Lottery.com" or the "Company"); *Bernard Marantelli; Qawi and Quddus, Inc.; Zeljeko Ranogajec; Rook GP, LLC; Rook TX LP;* and *White Swan Data Limited* (collectively, the "Defendants"). The action was filed under Case No. 25-BC03A-0007, styled *Jerry B. Reed v. Rook TX LP, Rook GP LLC, Colossus Bets Limited, Lottery.com, Inc., AutoLotto, Inc., Lottery Now, Inc., ALTX Management, LLC, Qawi and Quddus, Inc. d/b/a Luck Zone, Lawrence Anthony "Tony" Dimatteo III, Matthew Clemensen, Ryan Dickinson, Zeljeko Ranogajec a/k/a John Wilson, White Swan Data Limited, and Bernard Marantelli*, in the Business Court of Texas, Third Division.

The matter was subsequently removed to the 353rd Judicial District Court of Travis County, Texas and assigned Case No. D-1-GN-25-002446. Plaintiff seeks to recover funds that he contends were wrongfully excluded from the Lotto Texas jackpot he purportedly won on May 17, 2023. The Company maintains that it is yet to be properly served in the case and has not formally appeared in the matter. In the event it is properly served or an appearance is required, the Company intends to vigorously contest the claims and to pursue all legal remedies available, including defenses and counterclaims.

SEC Compliant

On January 22, 2026, the U.S. Securities and Exchange Commission (the "SEC") filed a civil complaint in the United States District Court for the Southern District of New York naming certain former senior executive officers of the Company, the Company and the former CEO of the SPAC Trident Acquisitions Corp as defendants (the "Complaint"). The Complaint asserts claims under various provisions of the federal securities laws and seeks injunctive relief, disgorgement, civil monetary penalties, and other equitable remedies. The Complaint relates to alleged conduct occurring primarily between 2020 and mid-2022, including periods prior to and shortly following the Company's merger with Trident Acquisition Corp. The individuals identified in the Complaint, who previously served as executive officers, are no longer employed by the Company and have no ongoing association or involvement with the Company in any capacity. Since mid-2022, the Company has undergone substantial changes in management, governance, and internal controls. The Company's current management team was not involved in the conduct alleged in the Complaint. The Company has fully cooperated with the SEC's investigation and intends to continue full cooperation with the SEC in connection with this matter. While the Company maintains the Complaint lacks merit against the Company and will defend against the lawsuit if necessary, the Company has entered into non-binding discussions with the SEC regarding a potential settlement. There can be no assurance that a final agreement will be reached, but the matter appears to be very close to being resolved without any material liability to the Company. On June 16, 2026, the Court ordered a 30-day stay of the proceedings for the SEC and the Company to make meaningful progress towards settlement and report back to the Court.

Virtu Financial Capital Markets LLC, Virtu Americas LLC, GTS Securities, LLC and G1 Execution Services, LLC

On February 10, 2026, Sports Entertainment Gaming Global Corporation filed a lawsuit in the District Court of Tarrant County, Texas against Virtu Financial Capital Markets LLC, Virtu Americas LLC, GTS Securities, LLC and G1 Execution Services, LLC (Cause No: 236-374531-26). The complaint alleges that the defendants engaged in unlawful securities trading practices, including alleged market manipulation, spoofing, naked short selling and other trading activities that artificially depressed the market price of the Company's common stock. The Company asserts claims under the Texas Securities Act and certain provisions of the Securities Exchange Act of 1934 and seeks monetary damages, attorneys' fees, costs, interest and other relief deemed appropriate by the court. The complaint states that the amount in controversy does not exceed $178.75 million.

Alumni Capital LP

On June 18, 2026, Alumni Capital LP sent the Company an Event of Default Redemption Notice threatening to commence legal proceedings against the Company relating to an unsecured convertible promissory note issued pursuant to a Securities Purchase Agreement dated March 16, 2026. Alumni alleges that the Company defaulted under certain provisions of the transaction documents and seeks, among other relief, redemption of the note, liquidated damages, interest, attorneys' fees, and other remedies provided under the applicable agreements.

White Diamond Research LLC

On June 26, 2026, the Company filed a lawsuit in the District Court of Tarrant County, Texas against Defendants White Diamond Research LLC and Adam Gefvert (Cause No.: 352-379280-26). The complaint asserts claims arising from statements and publications made by the defendants concerning the Company, including a claim for business disparagement. The Company alleges that the defendants published false and misleading statements regarding the Company's business and operations and seeks monetary damages, injunctive and other equitable relief, attorneys' fees where recoverable, costs, and such other relief as the court deems appropriate.

USA Today

On July 6, 2026, the Company filed a lawsuit in the District Court of Tarrant County, Texas against Defendant USA Today Co., Inc. (formerly Gannett Co., Inc. and Gatehouse Media, LLC), arising from an advertising agreement entered into in December 2016 (the "Advertising Agreement") (Cause No.: 048-379558-26). Under the Advertising Agreement, the Company acquired contractual rights to receive approximately $18.0 million of advertising inventory and related services from defendants. The Company alleges that, despite repeated requests beginning in 2024 to utilize the remaining advertising inventory available under the Advertising Agreement, defendant has refused to acknowledge approximately $16.4 million of advertising media credits or honor the Company's contractual rights.

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

On October 16, 2025, the Company achieved a material regulatory milestone by regaining full compliance with the listing requirements of Nasdaq Stock Market LLC. Specifically, on October 16, 2025, Nasdaq confirmed the resolution of a previously disclosed shareholder-approval deficiency under Listing Rule 5635(c) linked to equity grants made in 2023 and early 2024, and the matter is now formally closed.

Being removed from Nasdaq’s non-compliant list provides the Company greater operational and financial flexibility to pursue its growth agenda across sports, entertainment and gaming verticals (including its core brands Sports.com, Concerts.com and Lottery.com).

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 or trigger defaults and penalties under its outstanding agreements or securities. Further, 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 or warrants and the ability of our stockholders to sell our common stock or warrants in the secondary market. If our common stock or warrants are delisted by Nasdaq, our common stock 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 or warrants. In the event our common stock or warrants are delisted from The Nasdaq Global Market, we may not be able to list our common stock or warrants on another national securities exchange or obtain quotation on an over-the counter quotation system.

<u>Legacy Matters</u>

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 might have been 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 was eligible to receive its pro rata portion of 150,000 Seller Earnout Shares and each Founder Holder was eligible to receive one-third of 100,000 Founder Holders Earnout Shares, subject to adjustments in the normal course of business. Conditions for earning the Seller Earnout Shares and Founder Holders Earnout Shares were not met within the designated deadline and all potential earnout shares were forfeited.

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, bank prov 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.

Current Matters

Loan Agreement with Woodford Eurasia Assets, Limited

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 is currently equal to $56.00 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 required 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 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 a current exercise price of $56.00 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.

Reverse Stock Split

On August 28, 2025, the Company filed a Certificate of Amendment (the "Certificate of Amendment") with the Secretary of State of the State of Delaware to amend the Company's Third Amended and Restated Certificate of Incorporation to effect, effective as of 5:30 p.m. Eastern Time on August 28, 2025, a 1-for-10 reverse stock split (the "Reverse Stock Split") of its common stock, par value $0.001 per share ("Common Stock"). At the effective time of the Reverse Stock Split, every ten(10) shares of Common Stock either issued and outstanding or held as treasury stock was automatically reclassified into one new share of Common Stock. The total number of shares of Common Stock authorized for issuance did not change as a result of the Reverse Stock Split. The Reverse Stock Split was approved by the Company's stockholders at the Company's 2024 annual meeting of its stockholders held virtually on February 20, 2025 (the "Annual Meeting") and approved by the board of directors of the Company (the "Board") on August 13, 2025.

In addition, as a result of the Reverse Stock Split, proportionate adjustments were 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.

An adjustment was made to the Company's warrants based on the 1-for-10 split ratio. The adjustment was made automatically. The number of shares of common stock issued subject to stock options, warrants, or convertible securities was automatically decreased by the split ratio and the exercise price or conversion ratio will automatically be proportionately increased by the same split ratio.

The effects of the Reverse Stock Split were reflected in the Quarterly Report on Form 10-Q for the period ended September 30, 2025 and in all subsequent reports for all periods presented.

Current Operations

Despite the 2022 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 2022 Operational Cessation through the date of this 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 revenues continue 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, and other related 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. On March 26, 2025, the Company registered Sports.com as a fictious name in the state of Florida under AutoLotto, Inc. Content provided by Sports.com is currently available worldwide as a website and a mobile application. The website was relaunched in August 2025.

In February 2025, the Company entered into a multi-year global partnership with Soccerex, the world's leading soccer business event organizer. The Agreement makes Sports.com the title sponsor for six global events including Soccerex 2025 for MENA, Europe and USA which were held in Cairo, Amsterdam and Miami, respectively. In April 2026, the Company renewed the sponsorship for an additional two years and participated in the 30th anniversary celebration of Soccerex which was held in Amsterdam in May 2026.

This collaboration provides the Company with an influential platform to engage with key stakeholders in the football industry, further solidifying Sports.com's position at the intersection of sports, technology and entertainment. Working with the Soccerex team and its community presents an opportunity to build brand awareness internationally for the Company's gaming, content and entertainment brands.

In May 2025, the Company entered into sponsorship agreements with Louis Foster and Calum Ilott, drivers in the NTT IndyCar Series, and Sebastain Murray, a driver in the INDY NXT by Firestone series. The agreements provide the Company's brands with exposure throughout the 2025 racing seasons with vehicle and attire logo placement and social media postings by the drivers.

On June 17, 2025, the Company appointed Tamer Hassan as president of Sports.com Studios, Ltd. In this role, Hassan will lead the division's creative and strategic efforts to develop, produce and distribute compelling sports-focused films, docuseries, and premium digital content. This new arm of the business will serve as the cornerstone of Sports.com's global expansion into entertainment media and immersive storytelling.

On June 24, 2025, the Company appointed Tim Scoffham CEO of Sports.com Media Group, Ltd. In this role, Scoffham will oversee the strategic integration and international expansion of Sports.com Media, a premium digital sports content and engagement platform. His leadership will focus on aligning commercial, media, and technology platforms, bolstering regulatory partnerships, and unlocking scalable, revenue-generating opportunities in high-growth markets.

On July 17, 2025, the Company entered into its first official football league partnership in the Indian subcontinent through a five-year commercial agreement with the Super League Kerala ("SLK"), valued at more than $11.6 million based on estimated advertising and sponsorship revenue. The agreement establishes SEGG Media and Sports.com as the exclusive global commercial and broadcast partner for SLK, encompassing: exclusive international streaming rights across all territories; integrated gaming and fan engagement products; global sponsorship and brand activation rights; and distribution focus across the Indian subcontinent and MENA, especially targeting the vast Keralite diaspora in the Middle East, North America, and Europe.

Sports.com Studios Ltd, entered into a revenue-driven co-production partnership with GOATS Entertainment (Greatest Of All Time) on August 7, 2025. This alliance will transform the legacies of the world's greatest athletes into cash-generative content assets, combining premium docuseries, exclusive merchandise, global fan activations, and immersive storytelling. The collaboration is designed to drive high-margin revenue streams across OTT, e-commerce, experiential and licensing platforms.

On Sept. 10, 2025, Sports.com Studios entered into a strategic global distribution partnership with the Døds Diving League ("DDL"), the official global platform for the world's fastest-growing extreme sport. The partnership will be managed by Sports.com Studios Ltd, the newly launched sports content subsidiary of SEGG Media. The partnership will bring the thrill of Døds to millions of fans worldwide. Under the agreement, Sports.com Studios became a global distribution partner for DDL events, ensuring competitions and original content will be delivered through Sports.com platforms.

During 2025, Sports.com content surpassed 102 million views across all platforms. The growth was driven by surging interest in the Kerala Super League, and the Company's accelerating global social-media presence.

Nook Holdings, LTD

On June 10, 2025, the company entered into an Amended 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 for the acquisition of 90% of Nook is approximately $2.46 million. The Company has paid $1,470,000 towards the acquisition and anticipates the transaction closing at a time when the current unrest in the Middle East surrounding the US war with Iran has subsided. 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.

Notes to Company Operations

As of the date of this filing, the current estimated cash balance of the Company and its subsidiaries is approximately $111,961. The Company believes that this cash on hand, along with future borrowings, will be sufficient for the Company to meet it current operational obligations.

As of the date of this Report, our common stock and warrants are traded on The Nasdaq Stock Market LLC ("Nasdaq") under the ticker symbols "SEGG" and "LTRYW," respectively. As of the date of this Report, we are not in compliance with Nasdaq's continued listing requirements (the "Listing Rules"). See, "*Risk Factors - Risks Related to Our Common Stock and Warrants – We are not currently in full compliance with the continued listing standards of Nasdaq, we may not be able to regain 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 continue to improve its systems of internal control over financial reporting and invest in additional legal, accounting, and financial resources.

Even when the Company has full operations in its sports, entertainment, and gaming verticals, there can be no assurance that the Company will be able to remain in compliance with the applicable Nasdaq Listing Rules. 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 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.

Item 6 Reserved

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

Impact of Legacy Matters on Current Operations

Legacy Matters have had, and continue to have, a material impact on the Company's current operations, financial condition, and strategic execution. While the Company has transitioned from stabilization toward execution of its strategic growth phase, the effects of prior operational disruption, control deficiencies, and capital constraints remain relevant to an understanding of current performance.

Operational Restart and Execution Focus

Following the cessation of certain legacy operations in 2022, the Company has been engaged in a phased operational restart. Current operations reflect a transition from a legacy model primarily dependent on lottery-based revenue toward a more diversified platform across sports, entertainment, and gaming.

As a result, period-over-period comparisons may not be indicative of underlying performance trends, as prior periods reflect a fundamentally different operating structure. Current operating results are more closely aligned with early-stage platform development, integration of newly acquired or partnered assets, and the reestablishment of commercial activities.

Revenue Profile and Business Mix

The Company's historical concentration in lottery-related revenue has been replaced by a broader, but still developing, revenue base. While this transition is expected to improve long-term scalability and diversification, it has resulted in near-term variability in revenue and limited comparability to historical results.

Revenue generation in the current period is increasingly tied to digital media, content platforms, and strategic acquisitions, including the Company's investment in Veloce, which expands the Company's reach into global digital motorsports and gaming audiences. These platforms introduce different revenue recognition patterns, margin profiles, and monetization timelines compared to the Company's legacy operations.

Cost Structure and Investment Requirements

The Company's cost structure has been significantly impacted by its transition. Current operating expenses reflect:

- Ongoing investments in stabilizing and growing operational capabilities;
- Costs associated with integration of acquisitions and strategic initiatives, including Veloce-related activities;
- Professional fees related to legal, accounting, and compliance matters stemming from Legacy Matters; and
- Continued investment in infrastructure necessary to support scalable operating platforms.

These costs are expected to remain elevated in the near term as the Company continues to execute its transformation strategy as part of the strategic growth phase.

Liquidity and Capital Allocation

Legacy Matters have materially affected the Company's liquidity profile, necessitating a continued reliance on external financing to fund operations and strategic initiatives.

On March 16, 2026, the Company entered into a Securities Purchase Agreement pursuant to which it agreed to issue unsecured convertible promissory notes in an aggregate principal amount of up to approximately $11.8 million, to be funded in multiple tranches. The initial tranche was funded upon execution, with subsequent tranches subject to customary conditions.

This financing, along with other recent capital raises, have been critical in supporting the Company's operational restart, funding strategic initiatives, and addressing obligations arising from Legacy Matters. However, such financings have resulted in, and may continue to result in, dilution to existing stockholders.

Management has implemented a disciplined capital allocation framework focused on deploying capital into revenue-generating opportunities and initiatives that are expected to support near- to medium-term financial performance. The Company's ability to execute its strategy remains dependent on its ability to access additional capital on acceptable terms.

Internal Controls and Reporting Processes

The Company continues to operate under a remediation plan to address previously identified material weaknesses in internal control over financial reporting. While progress has been made, these matters continue to impact the Company's financial reporting processes, including the timing and complexity of period-end close and reporting activities.

Management continues to invest in personnel, systems, and processes to strengthen the control environment and support scalable operations.

Strategic Execution and Integration Risk

The Company's current strategy includes the acquisition and integration of complementary businesses and platforms. While these initiatives are expected to contribute to revenue growth and strategic positioning, they introduce execution risks, including integration complexity, alignment of operating models, and realization of anticipated synergies.

Legacy Matters have necessitated a more measured and disciplined approach to execution, with an emphasis on transactions that are expected to deliver tangible revenue contributions and align with the Company's capital constraints.

Inflection Point and Transition to Execution

Management believes the Company has reached an inflection point in its transformation. Having addressed critical Legacy Matters, stabilized operations, and secured incremental capital, the Company is transitioning from a period defined by remediation and restructuring to one focused on execution and revenue generation as part of the strategic growth phase.

This inflection point is characterized by:

- The reactivation of core operations following prior cessation;
- The deployment of capital into strategic acquisitions and partnerships, including Veloce;
- The establishment of a more diversified revenue model beyond lottery-based activities; and
- The implementation of a more disciplined operating and capital allocation framework.

While risks remain, including liquidity constraints and execution risk associated with integrating new platforms, management believes the Company is better positioned to pursue scalable growth opportunities and improve operating performance.

Ongoing Impact and Path Forward

Notwithstanding the progress achieved, Legacy Matters continue to influence the Company's current operations, including through elevated operating costs, a transitional revenue profile, and ongoing capital requirements.

Management remains focused on scaling revenue-generating operations, improving operating efficiency, strengthening the balance sheet, and continuing to enhance internal controls and compliance processes. The Company's future performance will depend on its ability to successfully execute this strategy and convert its repositioned platform into sustainable revenue growth and long-term stockholder value.

Our Current Revenue

The Company currently derives its revenue from three areas of focus:

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 under multi-year agreements and in accordance with our Terms of Service in consideration of a fee.

Digital Media and Advertising Revenue generated from our digital media platforms is primarily driven by audience scale, engagement, and monetization through advertising, sponsorships, and content partnerships.

Gaming Platforms Our gaming and interactive revenue in 2025 was driven by our Mexican operations and includes iLottery products.

Company 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

Our results of operations and financial condition are influenced by trends affecting our core business focuses—digital media, sports and esports, ticketing and live experiences, and gaming and interactive platforms—as well as broader strategic, regulatory, and capital market factors.

Digital Media and Advertising Revenue generated from our digital media platforms is primarily driven by audience scale, engagement, and monetization through advertising, sponsorships, and content partnerships. Key factors affecting this area include:

- growth in global audience reach and monthly impressions across owned and partner platforms;
- pricing dynamics in digital advertising markets, including CPM variability and demand from brand advertisers;
- reliance on third-party distribution platforms and associated algorithm or policy changes; and
- continued investment in content creation, talent, and technology infrastructure.

Revenue in this area may fluctuate based on seasonality in advertising spend, major sporting or entertainment events, and changes in platform monetization policies.

Sports and Esports Operations Our sports and esports business generates revenue through sponsorships, commercial partnerships, media rights, and team-related activities. Results in this segment are influenced by:

- the performance and visibility of affiliated teams and leagues;
- the ability to secure and renew commercial partnerships with global brands;
- growth in esports viewership and engagement; and
- expansion into new sports formats, leagues, and international markets.

This area may experience variability based on competitive performance, event timing, and the timing of sponsorship agreements.

Ticketing and Live Experiences Revenue from ticketing and live experiences will be driven by consumer demand for events, platform adoption, and strategic partnerships. Key factors include:

- volume of ticket sales and transaction-based revenue;
- relationships with venues, promoters, and rights holders;
- seasonality tied to event calendars and major tours or sporting events; and
- consumer discretionary spending trends and macroeconomic conditions.

Our results in this area may also be impacted by the timing of large-scale events and the pace of platform development and market adoption.

Gaming and Interactive Platforms Our gaming and interactive business focus includes or will include initiatives in predictive gaming, digital engagement, and related technologies. Performance in this area is influenced by:

- regulatory frameworks governing gaming and event-based contracts across jurisdictions;
- user acquisition, retention, and engagement levels;
- product development timelines and platform scalability; and
- strategic partnerships with technology providers and market operators.

This part of our business remains subject to evolving regulatory conditions and may require ongoing investment prior to achieving scale.

Acquisition and Integration Activity Across all of our business focus areas, our growth strategy includes the acquisition of complementary businesses and assets. Our results are affected by:

- the timing of acquisition closings and associated transaction costs;
- integration execution and realization of expected synergies;
- the revenue and profitability profile of acquired businesses; and
- the use of equity or other consideration, which may result in dilution.

As a result, period-over-period comparisons may be impacted by acquisition timing and integration progress.

Capital Resources and Funding Strategy Execution across our segments depends on available capital and disciplined allocation of resources. We prioritize investments that support near-term revenue generation or are supported by committed funding sources. Our results may be affected by:

- access to capital and cost of financing;
- working capital requirements; and
- efforts to manage dilution while funding strategic initiatives.

Regulatory Environment and Compliance Our operations across media, gaming, and live experiences subject us to multiple regulatory regimes. Our results are influenced by:

- compliance costs and reporting obligations as a Nasdaq-listed company;
- licensing and regulatory requirements in gaming and international markets; and
- ongoing remediation and governance enhancements related to legacy matters.

We have implemented strengthened internal controls, governance frameworks, and financial reporting processes, and needed to restate prior period financials, which may continue to impact comparability.

Reputational and Market Factors Our operating performance may be affected by investor confidence, analyst coverage, and broader market perception as we continue to execute our strategic transformation. We believe that improved governance, operational discipline, and a focus on revenue-generating activities position the Company for long-term growth; however, market perception may continue to evolve.

Industry Trends and Convergence We operate in markets characterized by increasing convergence across sports, media, entertainment, and gaming. Our results are influenced by:

- shifts toward digital and interactive content consumption;
- growth in esports and alternative sports formats;
- integration of content, commerce, and community-driven platforms; and
- evolving monetization models, including advertising, sponsorship, and direct-to-consumer revenue streams.

Our ability to capitalize on these trends depends on execution, strategic partnerships, and continued innovation across our platform.

Current Plan of Operations

Our plan of operations is focused on disciplined execution and revenue generation as we position the Company for sustainable growth. Following a period of restructuring and remediation of legacy issues, management has adopted a strategy centered on (i) completing and integrating targeted acquisitions, (ii) scaling revenue-generating business lines, (iii) strengthening operational infrastructure and controls, and (iv) allocating capital to initiatives with clear, near-term economic return.

We are prioritizing the completion and integration of previously announced acquisitions. The Company has already completed the acquisition of Veloce Esports Limited and anticipates finalization of the acquisitions of Nook Holdings Limited once current regional conflicts in the Middle East are resolved. These transactions are intended to expand our footprint across sports, gaming, and entertainment while adding scalable, revenue-generating assets. Our focus is on achieving operational integration, realizing synergies, and leveraging shared technology, media distribution, and commercial partnerships across these platforms.

Through our Sports.com, Concerts.com, and related digital properties, we are building a unified media ecosystem designed to drive audience engagement and monetization. We intend to expand content distribution, increase direct-to-consumer engagement, and develop diversified revenue streams, including advertising, sponsorships, content licensing, and transactional platforms. The addition of Veloce's digital media network is expected to significantly enhance our global reach and audience scale.

Management is prioritizing initiatives that are either currently generating revenue or have a clear and near-term path to monetization. We have deprioritized or discontinued certain non-core or capital-intensive initiatives that do not meet our return thresholds. This disciplined approach is intended to improve operating efficiency and accelerate the path to profitability.

We are pursuing selective international expansion opportunities, beginning with targeted markets such as Mexico, where we believe there is strong demand for our sports, gaming, and entertainment offerings. Our strategy is to enter new markets through partnerships, acquisitions, or localized platforms that leverage our existing technology and media capabilities.

We are continuing to invest in strengthening our operational and financial infrastructure. This includes enhancing internal controls over financial reporting, improving financial close processes, and expanding our accounting and finance capabilities to support complex transactions and multi-entity operations. We are also implementing improved governance, oversight, and compliance frameworks to support our growth as a public company.

Our capital allocation strategy is focused on preserving liquidity while funding high-priority initiatives. We intend to utilize a combination of equity and debt financing, strategic partnerships, and structured transactions to fund our operations and acquisitions. We will continue to evaluate opportunities to strengthen our balance sheet and reduce dilution to existing shareholders.

We expect our primary uses of capital over the next 12 months to include:

- Funding acquisition-related obligations and integration activities;
- Supporting working capital needs and ongoing operations;
- Investing in technology development and platform enhancements; and
- Expanding sales, marketing, and commercial capabilities.

Over the next 12 months, our operating plan is centered on transitioning from a restructuring phase to a growth phase driven by execution. Key milestones include completing pending acquisition tranches, integrating acquired businesses, scaling revenue across our core platforms, and improving overall financial performance.

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, 2025 Compared to Year Ended December 31, 2024

The following table summarizes our results of operations for the years ended December 31, 2025 and December 31, 2024, respectively.

	For the Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
Revenue	$ 559,590	$ 958,645	$ (399,055)	-42%
Cost of revenue	774,823	320,869	453,954	141%
Gross profit	$ (215,233)	$ 637,776	$ (853,009)	-134%
Operating expenses:				
Personnel costs	$ 2,469,812	$ 4,761,186	$ (2,291,374)	-48%
Professional fees	6,637,644	5,436,831	1,200,813	22%
General and administrative	4,306,273	3,688,547	617,726	17%
Depreciation and amortization	4,238,921	5,020,647	(781,726)	-16%
Total operating expenses	17,652,650	18,907,211	(1,254,561)	-7%
Loss from operations	$ (17,867,883)	$ (18,269,435)	$ 401,552	-2%
Other expenses				
Interest expense	$ 217,905	$ 508,563	$ (290,658)	-57%
Other expenses	1,248,967	968,903	280,064	29%
Other Income	(4,234,581)	(107,143)	4,127,438	3,852%
Reserve for loss of prepaid advertising credits	5,688,078	4,745,000	943,078	20%
Loss on impairment of intangibles & goodwill	-	4,298,002	(4,298,002)	-100%
Total other expenses, net	2,920,369	10,413,325	(7,492,956)	-72%
Net loss before income tax	$ (20,788,252)	$ (28,682,760)	7,894,508	-28%
Income tax expense (benefit)	16,815	26,315	(9,500)	-36%
Net loss	$ (20,805,067)	$ (28,709,075)	$ 7,904,008	-28%
Other comprehensive loss				
Foreign currency translation adjustment, net	$ 280,490	$ 317,424	$ (36,934)	-12%
Comprehensive loss	$ (20,524,577)	$ (28,391,651)	$ 7,867,074	-28%
Net income (loss) attributable to noncontrolling interest	$ (220,969)	$ (170,046)	$ (50,923)	30%
Net loss attributable to Lottery.com, Inc.	$ (20,303,608)	$ (28,221,605)	$ 7,917,997	-28%

<u>Revenues</u>

Revenue. Revenue for the year ended December 31, 2025 was $560,000, a decrease of $399,000, or (42)%, compared to revenue of $959,000 thousand for the year ended December 31, 2024. The decrease is the result of decreases both in Tinbu ($287,000) and Global Gaming ($175,000) partially offset by an increase of $63,000 for Sports.com Media which is included for twelve months in 2025 but only four months 4 in 2024 because it was acquired on September 1, 2024.

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, 2025 was $775,000 thousand, an increase of $454,000 thousand, or 141%, compared to cost of revenue of $321,000 thousand for the year ended December 31, 2024. The increase in COGS was due to a $315,000 thousand increase at Sports.com Media and a $127,000 increase at AutoLotto.

Gross Profit (Loss). Gross loss for the year ended December 31, 2025 was ($215,000), compared to a gross profit of $638,000 for the year ended December 31, 2024, a decrease of $853,000, or (134%). Decreases in revenue for Tinbu, and Global Gaming and increases in COGS in AutoLotto and Sports.com which is an early stage growth business combine to result in a decrease to gross profit of $831,000.

Operating Costs and Expenses

	For the Year Ended December 31,			
	2025	2024	$ Change	% Change
Operating expenses:				
Personnel costs	2,469,812	4,761,186	(2,291,374)	-48%
Professional fees	6,637,644	5,436,831	1,200,813	22%
General and administrative	4,306,273	3,688,547	617,726	17%
Depreciation and amortization	4,238,921	5,020,647	(781,692)	-16%
Total operating expenses	17,652,650	18,907,211	(1,254,561)	-7%

Operating expenses for the year ended December 31, 2025 were $17.7 million, a decrease of $1.3 million or (7%), compared to $18.9 million for the year ended December 31, 2024. Personnel costs decreased by $2.3 million and Depreciation and Amortization decreased by $782,000 whereas Professional fees increased by $1.2 million and General and administrative increased by $618,000.

Personnel Costs. Personnel costs decreased by $2.3 million, or (48%), from $4.8 million for the year ended December 31, 2024, to $2.5 million for the year ended December 31, 2025. The decrease was due to stock grants made to officers in 2024 for retention during the turnaround that did not recur in 2025 and also due to the reduction of highly compensated people at one of the Company's subsidiaries approximately half way through 2025.

Professional Fees. Professional fees increased by $1.2 million, or 22% from $5.4 million for the year ended December 31, 2024 to $6.6 million for the year ended December 31, 2025. Utilization of attorneys was higher in 2025 than in 2024 particularly for matters such as the class action, DOJ lawsuit and other matters including the TinBu lawsuit.

General and Administrative. General and administrative expenses of $4.3 million for the year ended December 31, 2025 are $618,000 or 17% higher than the $3.7 million incurred for the year ended December 31, 2024. The increase relates primarily to sponsorships and investor relations activities in 2025 that were not present in 2024 offset by lower use of outside consultants in 2025 and also because stock grants which were made to outside consultants in 2024 did not recur in 2025.

Depreciation and Amortization. Depreciation and amortization decreased $782,000, or (16%), from $5.0 million for the year ended December 31, 2024 to $4.2 million for the year ended December 31, 2025. The decrease in 2025 is because intangible assets for TinBu became fully amortized around mid-2024 and because write-offs of other intangibles in 2023 and 2024 resulted in lower amortization expense during 2025.

Other Expense, Net

	For the Year Ended December 31,			
	2025	2024	$ Change	% Change
Other expenses				
Interest expense	217,905	508,563	(290,658)	-57%
Other expense	1,248,967	968,903	280,064	29%
Other income	(4,234,581)	(107,143)	4,127,438	3,852%
Reserve for loss of prepaid advertising credits	5,688,078	4,745,000	943,078	20%
Loss on impairment of intangibles & goodwill	-	4,298,002	(4,298,002)	-100%
Total other expenses, net	2,920,369	10,413,325	(7,492,956)	-72%

Interest Expense. Interest expense decreased by $291,000, or (57%), for the year ended December 31, 2025, from $509,000 to $218,000 as compared with the year ended December 31, 2024. This decrease is due to a large conversion from debt to equity by UCIL in the summer of 2024 along with more frequent conversions by UCIL during 2025 and conversions in the second quarter of 2025 of convertible debt placed by Univest in 2024 which combined to result in lower balances of convertible debt and therefore lower interest accruals in 2025.

Other Expense. Other expense increased by $280,000 or 29%, for the year ended December 31, 2025 as compared to the year ended December 31, 2024 from $969,000 to $1.25 million. This increase resulted primarily from increases to other expense for Global Gaming due to differences in classification of certain expenses during 2025 as compared with prior periods.

Other Income. Other income increased by $4.1 million or 3,852%, for the year ended December 31, 2025 as compared to the year ended December 31, 2024 from $107,000 to $4.2 million. This increase was the result of recording statutory interest accrued on the Streicher judgement for the year ended December 31, 2025. In previous years we had taken a conservative approach given the uncertainty of collecting on this judgement. However, prior to filing this report, the Company gained new information which increases confidence of management that we will collect on the Streicher judgement and the statutory interest.

Reserve for loss of prepaid advertising credits. Reserve for loss of prepaid advertising credits increased by $943,000 or 20% to 5.7 million for the year ended December 31, 2025 as compared to $4.75 million for the year ended December 31, 2024. These reserves were recorded to reflect the possibility that the Company may not be able to fully utilize the value of prepaid advertising credits that was included on its Balance Sheet at December 31 2025 and 2024.

Loss on impairment of intangibles & goodwill decreased by ($4.3) million or (100%) for the year ended December 31, 2025 as compared with the year ended December 31, 2024. For the year ended December 31, 2025, there were no impairments recorded to goodwill or intangible assets whereas for the year ended December 31 2024, impairments to intangible assets were recorded for $1.6 million related to the TinBu subsidiary and $2.7 million related to the Global Gaming subsidiary, respectively, for a total of $4.3 million.

Liquidity and Capital Resources

Prior to the 2022 operational cessation, the Company's primary liquidity requirements were driven by working capital needs, growth initiatives, capital expenditures and general corporate purposes. Historically, these requirements were funded primarily through financing activities, including the proceeds received in connection with the business combination completed on October 29, 2021, which generated approximately $42.8 million in net cash proceeds.

Following the 2022 operational cessation, the Company has repositioned its liquidity strategy to support the disciplined restart and scaling of operations, with a focus on capital-efficient growth and the acquisition of revenue-generating businesses. The Company's liquidity needs are currently centered on funding strategic acquisitions, supporting integration activities, rebuilding operational capabilities, and investing in core infrastructure aligned with its long-term growth objectives.

In March 2026, the Company entered into a Securities Purchase Agreement providing for the issuance of unsecured convertible promissory notes. This financing provides the Company with near-term capital to advance its strategic initiatives and reflects continued access to institutional capital in support of its business plan. The Company expects to deploy proceeds from this financing, together with additional capital sources, to execute on its acquisition strategy, including the completion of the integration of Veloce Media Group, and to pursue additional accretive opportunities across its target markets.

The Company's operating strategy is focused on building a diversified, revenue-generating platform at the intersection of sports, entertainment and gaming. Management believes that its ability to structure and execute strategic transactions, combined with access to capital markets, positions the Company to accelerate growth while maintaining flexibility in capital allocation. The Company continues to evaluate a range of financing alternatives, including debt, equity and structured capital solutions, to support its expansion and optimize its capital structure over time.

Capital Deployment Framework

The Company employs a disciplined capital deployment framework designed to prioritize investments that drive near- and medium-term revenue generation while preserving balance sheet flexibility. Capital is allocated based on a structured evaluation of (i) the ability of a transaction or initiative to contribute to revenue growth and cash flow generation, (ii) the strategic alignment with the Company's core verticals of sports, entertainment and gaming, (iii) the potential for operational synergies and scalable platform integration, and (iv) the overall impact on shareholder value, including dilution considerations. The Company prioritizes transactions that can be funded through existing or committed capital sources and that demonstrate a clear path to monetization. Management continuously evaluates capital allocation decisions to ensure alignment with its objective of building a sustainable, high-growth, revenue-generating platform.

While the Company's growth strategy is dependent on continued access to capital, management believes that the progress made in securing financing and advancing key transactions provides a strong foundation for execution. The Company remains focused on aligning capital deployment with revenue-generating initiatives and maintaining financial discipline as it scales operations.

There can be no assurance that additional financing will be available on favorable terms, or at all; however, the Company believes it is well-positioned to access capital in support of its strategic objectives. If the Company is unable to obtain sufficient capital, it may be required to adjust the pace of its growth initiatives; however, management intends to prioritize capital allocation toward opportunities that enhance the Company's revenue profile and long-term shareholder value.

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 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 of the Business Combination, 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, 2025, we had $2,297,683 of convertible debt outstanding. A portion of this debt has matured and is theoretically in default.

See "*-Recent Developments- Loan Agreement with Woodford*" and *"Loan Agreement with United Capital Investments London Limited"* above for additional information.

Cash Flows

Net cash used by operating activities was negative $3.43 million for the year ended December 31, 2025, compared to net cash used by operating activities of negative $1.88 million for the year ended December 31, 2024. Factors affecting changes in operating cash flows were increased legal fees and expenses for investor relations and sponsorships in 2025 as compared to 2024.

Net cash used in investing activities during the year ended December 31, 2025 was $2.57 million, compared to $1.55 million for the prior year. The increase for 2025 was due to payments made during 2025 as deposits for pending acquisitions of Veloce eSports and Nook

Net cash provided by financing activities was $6.27 million for the year ended December 31, 2025, compared to $3.25 million used by financing activities for the year ended December 31, 2024. The increase was primarily due to funding received under the Stock Purchase Agreement with Generating Alpha during 2025.

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.

ASU 2023-07, Segment Reporting (Topic 280)

In November 2023, the FASB issued ASU 2023-07, which enhances disclosures for reportable segments, including the requirement to disclose significant segment expenses and other segment items. The amendments are effective for fiscal years beginning after December 15, 2023. The Company adopted this guidance in the current fiscal year. The adoption has not had a material impact on the Company's consolidated financial statements but the Company is currently evaluating the impact of this standard on its future consolidated financial statements.

ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740)

In December 2023, the FASB issued ASU 2023-09, which enhances income tax disclosures, including additional disaggregation of the effective tax rate reconciliation and income taxes paid by jurisdiction. The amendments are effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

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 that was required under previous 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

The Company recognizes revenue in accordance with ASC 606. 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 evaluates whether it acts as a principal or agent in these arrangements. Where the Company acts as an agent, revenue is recognized on a net basis representing the commission or fee retained.

The Company also has contracts with subscribers for the continued delivery of lottery 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.

Cost of Revenue

Cost of revenue consists primarily of payments to lottery providers and partners, data acquisition costs, content and media production expenses, platform and transaction processing fees, and affiliate commissions. Costs are recognized as incurred and are matched to the period in which the related revenue is recognized. Certain costs, such as revenue share arrangements, are recognized concurrently with the associated revenue.

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 2021 through 2024 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 2021 through 2024 tax years remain open for examination by the tax authorities under the normal four-year statute of limitations.

Income taxes for the year ended December 31, 2025 were not a significant component of the Company's results of operations. The Company has incurred cumulative losses and maintains a full valuation allowance against its deferred tax assets. As a result, no material income tax expense or benefit has been recognized.

The Company's accounting for income taxes reflects management's current assessment of available information and is subject to refinement as additional analysis is completed. Any such adjustments are not expected to be material.

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.

Collectability of Note Receivable

The Company maintains a secured note receivable from a third party with an outstanding principal balance of $2.0 million as of December 31, 2025. The note matured during 2025 and remains outstanding. Management evaluates the collectability of this receivable in accordance with ASC 326 and exercises significant judgment in estimating expected credit losses. In performing this assessment, management considers the borrower's financial condition, the value of the collateral securing the note, the personal guarantee provided by the borrower's principal, the Company's contractual enforcement rights, and other available information. Based on this evaluation, management concluded that no allowance for expected credit losses was required as of December 31, 2025. Changes in the financial condition of the borrower or guarantor, the value of the collateral, or other facts and circumstances could result in changes to this estimate in future periods.

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

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

Sports Entertainment Gaming Global Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sports Entertainment Gaming Global Corporation (the 'Company') as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity/ (deficit) and cash flows for each of the two years in the period ended December 31, 2025 and 2024, and the related notes (collectively referred to as the "financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025 and 2024, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company suffered an accumulated deficit of $(284,007,361), net loss of $(20,805,067) and a negative working capital of $(19,019,072). The Company is dependent on obtaining additional working capital funding from the sale of equity and/or debt securities to execute its plans and continue operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. 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 audits to obtain reasonable assurance about whether the 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 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. Communication of critical audit matters does not alter in any way our opinion on the financial statements taken as a whole and we are not, by communicating the critical audit matters, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

<u>Valuation of asset acquisition.</u>

Description of the Matter

As discussed in Note 3 to the financial statements, on July 23, 2025 the Company acquired a 51% interest in the assets of DotCom Ventures Inc., through a share purchase agreement whereby the company issued 1,700,000 shares of its common stock valued at $3 per share prior to the August 2025 reverse stock split. The acquisition consists primarily of the Concerts.com and TicketStub.com **domain names and certain related technology assets**.

The Company evaluated the transaction under the applicable accounting guidance and concluded that the acquired set of assets did not meet the definition of a business acquisition because there was no substantive process where a set of inputs could be converted into specific outputs and there was no workforce consisting of employees or organized contractors in place for converting acquired inputs into outputs as of December 31, 2025. Accordingly, the transaction has been accounted for as an asset acquisition, with the purchase price allocated to the acquired assets based on their relative fair values

We identified the valuation of the asset and the adequacy of the accounting treatment applied by management as a critical audit matter because this required a higher degree of auditor's judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's assumptions.

The primary procedures we performed to address this critical audit matter included:

- We reviewed and challenged the reasonableness of key management assumptions used in the estimate.
- We reviewed the report of the independent valuation firm that performed the valuation of the intangible assets.
- We evaluated whether the relative fair value allocation was consistent with observable market data and industry benchmarks.
- We assessed the suitability of the market approach and Auction discount table used by the valuation specialist.
- We obtained and reviewed the executed stock purchase agreements provided by management
- We assessed whether management's disclosures in Note 3 adequately described the basis for accounting as an asset acquisition rather than a business combination.
- We re-performed the Screen test and framework evaluation of ASC 805 criteria to assess the appropriateness of the accounting treatment applied by management.
- We performed data integrity procedures, including testing the accuracy of selected journal entries by agreeing them to approved supporting documentation.

<u>Accounting for Material Prepaid Advertising Credits</u>

Description of the Matter

The Company recorded a material prepaid asset related to advertising credits received from third-party vendors in exchange for the Company's issuance of shares approximately seven years ago. As of December 31, 2025, the prepaid asset remains substantially unutilized, with only approximately 55% amortized through the income statement to date. The remaining balance continues to be carried as a prepaid asset.

Auditing this balance was especially challenging due to the nature of the transaction (a non-cash exchange), the long duration of inactivity, and the lack of direct confirmation from the third-party vendors. While the Company provided internal documentation, including historical agreements, email correspondence, and written representations from management, the audit team exercised significant judgment in evaluating the recoverability of the asset and whether sufficient appropriate audit evidence existed to support its continued recognition.

Our procedures included, among others:

- We obtained and reviewed the original transactions documentation and correspondence between the parties.
- We considered the guidance under ASC 340 (Other Assets and Deferred Costs) in evaluating whether continued recognition of the prepaid balance was appropriate.
- We evaluated the consistency of management's position, reviewed legal representations and opinions regarding enforceability.
- We assessed whether management's representations were corroborated by external evidence, including legal opinions on enforceability of the advertising agreements.
- We considered whether the asset remained probable of being realized in future periods.
- We considered whether partial impairment was necessary to reflect recoverability risk, and whether disclosure in Note 6 adequately described the uncertainty.
- We proposed an additional allowance of 30% to the income statement which is included in the approximately 55% described above.
- We reviewed the journal entry posting, recalculated the prepayment amortization schedule and remaining credit balance on the advertising agreements
- We evaluated whether the Company's disclosures in Note 6 met SEC Regulation S-X and PCAOB requirements related to this prepaid balance.

/S/ Boladale Lawal
BOLADALE LAWAL & CO.
(Chartered Accountants)
(PCAOB ID 6993)
Lagos, Nigeria

We have served as the Company's auditor since 2024.

July 9, 2026

SPORTS ENTERTAINMENT GAMING GLOBAL CORPORATION
CONSOLIDATED BALANCE SHEETS

		December 31, 2025		December 31, 2024
ASSETS				
Current assets:				
Cash	$	171,524	$	68,035
Restricted cash		-		-
Accounts receivable		231,259		494,129
Prepaid expenses		8,634,275		14,449,333
Other current assets		3,843,228		880,961
Total current assets		12,880,286		15,892,458
Notes receivable		2,000,000		2,250,000
Investments		250,000		250,000
Goodwill		9,061,675		9,061,675
Intangible assets, net		14,648,458		12,569,165
Property and equipment, net		1,095		12,124
Other long-term assets		16,818,711		12,906,849
Total assets	$	55,660,225	$	52,942,271
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Trade payables	$	8,556,029	$	8,241,311
Deferred revenue		21,990		250,000
Notes payable - current		6,186,163		6,110,777
Accrued interest		1,557,032		1,218,864
Accrued and other expenses		13,512,607		12,161,311
Other liabilities		2,065,537		2,415,179
Total current liabilities		31,899,358		30,397,442
Long-term liabilities:				
Other long-term liabilities		-		-
Total long-term liabilities		-		-
Commitments and contingencies (Note 13)		-		-
Total liabilities		31,899,358		30,397,442
Stockholders' Equity				
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, 6,880,287 and 1,832,685 issued and outstanding as of December 31, 2025 and December 31, 2024, respectively		6,880		1,833
Additional paid-in capital		307,012,770		283,929,927
Accumulated other comprehensive loss		264,768		16,880
Accumulated deficit		(284,007,361)		(263,468,728)
Total SEGG Media stockholders' equity		23,277,057		20,479,912
Noncontrolling interest		483,810		2,064,917
Total Stockholders Equity		23,760,867		22,544,829
Total liabilities and stockholders' equity	$	55,660,225	$	52,942,271

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

SPORTS ENTERTAINMENT GAMING GLOBAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Years Ended December 31,	
	2025	**2024**
Revenue	$ 559,590	$ 958,645
Cost of revenue	774,823	320,869
Gross profit (loss)	(215,233)	637,776
Operating expenses:		
Personnel costs	2,469,812	4,761,186
Professional fees	6,637,644	5,436,831
General and administrative	4,306,273	3,688,547
Depreciation and amortization	4,238,921	5,020,647
Total operating expenses	17,652,650	18,907,211
Loss from operations	(17,867,883)	(18,269,435)
Other expenses		
Interest expense	217,905	508,563
Other expense	1,248,967	968,903
Other income	(4,234,581)	(107,143)
Reserve allowance for prepaid advertising credits	5,688,078	4,745,000
Loss on impairment of intangibles & goodwill	-	4,298,002
Total other expenses, net	2,920,369	10,413,325
Net loss before income tax	(20,788,252)	(28,682,760)
Income tax expense (benefit)	16,815	26,315
Net loss	(20,805,067)	(28,709,075)
Other comprehensive loss		
Foreign currency translation adjustment, net	280,490	317,424
Comprehensive loss	(20,524,577)	(28,391,651)
Net income (loss) attributable to noncontrolling interest	220,969	170,046
Net loss attributable to SEGG Media	$ (20,303,608)	$ (28,221,605)
Net loss per common share		
Basic and diluted	$ (5.78)	$ (19.63)
Weighted average common shares outstanding		
Basic and diluted recheck WA shares	3,515,444	1,437,534

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

SPORTS ENTERTAINMENT GAMING GLOBAL CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE YEAR ENDING DECEMBER 31, 2025 and 2024

	Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total AutoLotto Inc. Stockholders'	Noncontrolling	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income	Equity	Interest	Equity
Balance as of December 31, 2023	287,705	288	269,693,158	(235,132,590)	(91,667)	34,469,189	2,120,176	36,589,618
Stock based compensation	183,929	184	1,686,465			1,686,649		1,686,649
Stock issued for Acquisition of Subsidiary	9,848	10	90,297			90,307		90,307
Stock issued to convert debt to equity	274,020	274	2,512,519			2,512,519		2,512,793
Warrants to retire debt			70,671			70,671		70,761
Exercise of Stock Options	4,872	5	44,672			44,677		44,677
Stock issued for Commitment fee, Stock Purchase Agreement	51,266	51	470,064			470,116		470,116
Stock issued in lieu of cash	1,021,046	1,021	9,362,081			9,363,102		9,363,102
Other comprehensive loss								
Net loss				(28,221,605)		(28,221,605)	(170,046)	(28,391,651)
Balance as of December 31, 2024	1,832,686	$ 1,833	$ 283,929,927	$ (263,468,728)	16,880	$ 20,479,912	$ 2,064,917	$ 22,544,829
Stock issued for asset acquisition	170,000	170	6,010,707			6,010,877		6,010,877
Conversion of debt to equity	672,553	673	3,649,565			3,650,238		3,650,238
Stock issued under Stock Purchase Agreement	1,495,118	1,495	2,945,632			2,947,127		2,947,127
Stock issued in lieu of cash	2,709,931	2,709	9,726,937			9,729,646		9,729,646
Stock issued for Commitment fee, Stock Purchase Agreement			750,003			750,003		750,003
Prior period adjustment				(235,025)		(235,025)	(1,360,138)	(1,595,163)
Other comprehensive loss					247,888	247,888		247,888
Net loss				(20,303,608)		(20,303,608)	(220,969)	(20,524,577)
Balance as of December 31, 2025	6,880,288	6,880	307,012,770	(284,007,361)	264,768	23,277,057	483,810	23,760,867

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

SPORTS ENTERTAINMENT GAMING GLOBAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
Cash flow from operating activities		
Net loss attributable to SEGG Media	$ (20,303,608)	$ (28,221,605)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net income (loss) attributable to noncontrolling interest	220,969	170,045
Depreciation and amortization	4,523,487	5,020,647
Stock based compensation expense	-	1,640,274
Stock issued in lieu of cash payments	9,746,138	9,352,892
Stock issued for commitment fee, stock purchase agreement	750,003	469,602
Warrants issued to retire debt	-	70,671
Loss on impairment of goodwill and intangibles	-	4,298,002
Changes in assets & liabilities:		
Accounts receivable	262,870	(438,543)
Prepaid expenses	5,815,058	4,570,826
Other current assets	(121,838)	(250,000)
Other long term assets	(3,911,862)	26,671
Trade payables	314,718	(191,780)
Deferred revenue	(228,010)	(107,143)
Accrued and other expenses	1,351,296	461,604
Other liabilities	(1,849,642)	543,508
Liability for acquisition of subsidiary	-	704,560
Net cash used by operating activities	(3,430,421)	(1,879,769)
Cash flow from investing activities		
Payments made as deposits for acquisitions	(2,816,849)	-
Investment in subsidiaries, net	-	(1,549,184)
Proceeds from collection of note receivable	250,000	-
Net cash used in investing activities	(2,566,849)	(1,549,184)
Cash flow from financing activities		
Accrued Interest	338,168	359,989
Proceeds (Payments) from stock purchase agreement	2,947,127	-
Proceeds (Payments) from loans from execs and key consultants	-	375,667
Proceeds (Payments) from convertible notes payable	2,986,707	2,510,053
Net cash provided by financing activities	6,272,002	3,245,709
Effect of exchange rate changes on cash	(171,243)	(108,547)
Net change in net cash and restricted cash	103,489	(291,791)
Cash and restricted cash at beginning of period	68,035	359,826
Cash and restricted cash at end of period	$ 171,524	$ 68,035
Supplemental Disclosure of Cash Flow Information:		
Interest paid in cash	$ -	$ -
Franchise taxes paid in cash	$ 381,842	$ -
Supplemental non-cash Operating, Investing, and Financing activities:		
Common stock issued for investing and financing activities	$ 6,010,877	$ 10,621,823
Common stock issued from conversion of convertible debt	$ 3,650,407	$ 2,512,793
Payments made via issuance of common stock in lieu of cash	$ 9,729,646	$ 9,363,102

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

Note 1. Nature of Operations

Description of Business

During fiscal year 2025 and into fiscal year 2026, the Company has transitioned from a period of operational disruption and restructuring to a renewed focus on execution, revenue generation, and scalable growth. The Company's strategy is centered on the development and monetization of a multi-vertical platform at the intersection of sports, entertainment, and gaming, supported by targeted acquisitions, proprietary technology, and international expansion initiatives.

Sports Entertainment Gaming Global Corporation (formerly Lottery.com Inc., and prior to that Trident Acquisitions Corp.) is a Delaware corporation formed on March 17, 2016. On October 29, 2021, the Company consummated a business combination with AutoLotto, Inc. ("AutoLotto"), which became its primary operating subsidiary.
In January 2026, the Company changed its name to Sports Entertainment Gaming Global Corporation to reflect its transition to a diversified, technology-enabled platform operating at the intersection of sports, entertainment, and gaming.

SEGG's strategy is focused on building and monetizing a portfolio of digital platforms, media assets, and operating businesses through disciplined capital allocation, targeted acquisitions, and scalable technology infrastructure.

Operational History and Transformation

In July 2022, the Company ceased substantially all operations due to liquidity constraints (the "Operational Cessation"). Since that time, the Company has executed a structured turnaround, including leadership changes, financial remediation, and the re-establishment of core operations.

Beginning in 2023 and accelerating through 2024 and 2025, the Company transitioned from restructuring to execution, with a focus on revenue generation, capital discipline, and platform expansion. The Company has prioritized initiatives that are either revenue-generating or have a clear path to near-term monetization.

Media and Content Platforms

The Company's primary growth engine is its sports media platform, including Sports.com. Launched in 2024, Sports.com is designed to deliver global sports content, live event streaming, and audience engagement at scale.

The acquisition of Sports.com Media provided a foundation for the continued development and monetization of Sports.com, including opportunities across advertising, sponsorship, content distribution, and strategic partnerships. The Company has begun expanding its international footprint through live event streaming and targeted market entry initiatives.

The Company's broader media strategy also includes the development and monetization of entertainment-focused digital assets, including Concerts.com, which is intended to expand the Company's reach into live entertainment, music content, and related experiences. These initiatives are designed to complement the Company's sports media platform by increasing total addressable audience, diversifying content offerings, and creating additional monetization opportunities across advertising, sponsorship, and ticketing-related services. While these platforms are in earlier stages of development relative to Sports.com, management believes they represent a natural extension of the Company's integrated media and engagement strategy.

Lottery and Gaming Services

The Company continues to operate its legacy lottery and gaming platform, which enables the remote purchase of legally sanctioned lottery games in permitted jurisdictions. While this segment remains operational, it is no longer the primary driver of the Company's growth strategy. The current offering is a B2C Platform providing direct-to-consumer lottery services via mobile and web applications in Mexico.

Data, Technology and Digital Services

The Company delivers proprietary data and technology solutions, including data feeds, live and curated sports content, analytics, and API-driven services. These capabilities support both internal platforms and third-party customers under contractual arrangements.

The Company's technology stack is a core asset that enables scalability across its media, gaming, and data-driven initiatives.

Strategic Acquisitions

The Company's growth strategy is supported by a disciplined acquisition program focused on assets that:

- Generate or are expected to generate near-term revenue;
- Expand audience reach and engagement;
- Strengthen the Company's technology and content capabilities; and
- Enhance overall enterprise value.

The Company prioritizes transactions that can be funded through existing capital resources or that are expected to improve the balance sheet and reduce reliance on dilutive financing.

Revenue and Market Opportunity

The Company's revenue model is derived from a combination of transactional sales of gaming and event tickets, subscriptions, data licensing, advertising, sponsorship, and content monetization streams across its platforms.

Management believes that the Company's integrated model positions it to participate in large and growing global markets, including digital sports media, gaming, and data services. The Company's strategy is to leverage its platforms and acquisitions to aggregate audiences and increase engagement, which in turn supports the expansion of monetization opportunities across multiple revenue channels.

As the Company scales its audience reach and platform capabilities, it expects to enhance revenue per user and expand margins through increased operating leverage, cross-platform integration, and the introduction of additional monetization features. The Company's ability to execute on this strategy will depend on a number of factors, including successful integration of acquisitions, continued platform development, regulatory conditions, and overall market adoption.

Regulatory Environment

The Company operates in regulated industries, particularly within lottery and gaming, and is subject to applicable laws in each jurisdiction in which it operates. In addition, the Company is subject to regulations relating to data privacy, consumer protection, digital content, and information security.

Forward Strategy

The Company is focused on scaling its platform through:

- Expansion of its sports media and content ecosystem;
- Monetization of audience and engagement across digital channels;
- Continued execution of targeted, revenue-focused acquisitions; and
- Strategic expansion into international markets.

Management believes that the combination of media, gaming, and data-driven capabilities positions the Company to capture opportunities across large and growing global markets

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 2022 Operational Cessation, the Company has experienced recurring net losses and negative cash flows from operations and has on a consolidated basis an accumulated deficit of approximately $284 million and working capital of approximately negative $19.0 million on December 31, 2025. For the year ending December 31, 2025, the Company sustained a net loss of $20.8 million. The Company sustained a loss from operations of $17.9 million and $18.3 million for the years ending December 31, 2025 and 2024, 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 or by issuing convertible debt obligations to provide the additional cash needed to meet the Company's obligations as they become due.

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 plans for the launch of its new business initiatives, the successful monetization of Sports.com, supporting legacy operations, and keeping 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 reflects 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 for which discrete financial information is available and is regularly reviewed by the Company's chief operating decision maker ("CODM") to allocate resources and assess performance in accordance with ASC 280 – Segment Reporting. We determined that our Chief Financial Officer is the Chief Operating Decision Maker

Historically, the Company operated as a single-reporting unit focused on its lottery and gaming platform, and its organizational structure, internal reporting systems, and resource allocation processes were aligned accordingly. As a result, the Company previously operated as one operating and reportable segment.

Following the Company's strategic transformation and expansion into a broader sports, entertainment, and gaming ecosystem, including the development and monetization of Sports.com and related media, technology, and experiential assets, the Company is in the process of evolving its internal reporting structure to reflect these distinct business activities.

As of the reporting date, the CODM continues to evaluate financial performance and allocate resources on a consolidated basis; however, management is actively assessing whether the Company's emerging business lines—principally gaming, sports media, and entertainment—meet the criteria for separate operating and reportable segments under ASC 280.

The Company expects that, as these business verticals continue to scale and discrete financial information becomes more routinely reviewed by the CODM, it may present disaggregated segment information in future filings.

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 $315,159 at June 29, 2026 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. For Global Gaming, translations are from Mexican Pesos [MXN] to U.S. Dollars. For Sports.com Media translations are from British Pounds [GBP] to U.S. Dollars. 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, 2025 and 2024, cash was comprised of cash deposits, and there were no deposits with banks which exceeded federally insured limits with the majority of cash for the parent company 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, 2025 and December 31, 2024.

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. In the fall of 2024, the Company completed a project whereby certain older items in accounts receivable for the TinBu subsidiary were offset against the allowance for uncollectible receivables, resulting in a reduction in the number of individual items in accounts receivable which were aged greater than 90 days and the total amount for them. At the completion of this project, the balance in the allowance for uncollectible receivables was $33,000 on December 31, 2024.

In the Fall of 2025, the Company completed a similar project and offset older items in accounts receivable for the TinBu subsidiary against the allowance for uncollectible receivables. Approximately $55,000 representing individual items aged greater than 90 days was written-off against the allowance leaving approximately $8,000 aged greater than 90 days in accounts receivable and reducing the allowance for uncollectable receivables to zero. At December 31, 2025 the allowance for uncollectible receivables was $0 whereas, it was $33,000 at December 31, 2024.

Prepaid Expenses for Advertising Credits

Prepaid expenses consist of payments made on contractual obligations for services to be consumed in future periods. The Company entered into an agreement with two third parties 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 parties. 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. For the period ending December 31, 2025, the Company determined that an estimated $5,688,000 of prepaid advertising credits purchased during 2017 and 2018 may not be able to be fully utilized. As a result, the Company decreased prepaid expenses by $5,688,000 and increased its reserve for loss of prepaid advertising credits by $5,688,000 for the year ended December 31, 2025. Similarly, for the period ending December 31, 2024, the Company determined that approximately an estimated additional $4,745,000 of prepaid advertising credits purchased during 2017 and 2018 might not be able to be fully utilized. As a result, the Company decreased prepaid expenses by $4,745,000 and increased its reserve for loss of prepaid advertising credits by $4,745,000 for the year ended December 31, 2024. Prepaid expenses are included in current assets on the consolidated balance sheets. The Company had total remaining prepaid expenses of $8,634,275 and $14,449,333 for the years ended December 31, 2025 and 2024, 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, 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.

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.

<u>Cost of Revenue</u>

Cost of revenue consists primarily of payments to lottery providers and partners, data acquisition costs, content and media production expenses, platform and transaction processing fees, and affiliate commissions. Costs are recognized as incurred and are matched to the period in which the related revenue is recognized. Certain costs, such as revenue share arrangements, are recognized concurrently with the associated revenue.

<u>Stock-based Compensation</u>

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.

<u>Advertising Costs</u>

Advertising costs are charged to operations when incurred. Advertising costs for the years ended December 31, 2025 and 2024 were approximately $1,248,000 and $104,000 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 2021 through 2024 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 2021 through 2024 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.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires enhanced disclosures regarding significant segment expenses and other segment items for entities that report segment information under ASC 280. The amendments do not change the definition of a segment, the method for determining reportable segments, or the criteria for aggregating operating segments. The Company adopted ASU 2023-07 effective January 1, 2024 for annual reporting purposes. The adoption did not have a material impact on the Company's consolidated financial statements but required expanded segment disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires expected credit losses on financial assets held at the reporting date to be measured based on historical experience, current conditions, and reasonable and supportable forecasts. The Company adopted ASU 2016-13 effective January 1, 2023. The adoption did not have a material impact on the Company's consolidated financial statements or related disclosures.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires enhanced income tax disclosures, including additional information in the effective tax rate reconciliation and expanded disclosures of income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the effect of adopting this standard on its consolidated financial statement disclosures.

Note 3. 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 16,243 shares of AutoLotto that were then converted into 48,823 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 30,000 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 20,000 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. 15,000 of the Seller Earnout Shares and 10,000 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.

<u>Global Gaming Acquisition</u>

On June 30, 2021, the Company completed its acquisition of 100 percent 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 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 or 3,437 at $134.00 reflective of subsequent reverse stock splits. 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**

S&MI Ltd. Acquisition

On September 1, 2024, the Company finalized an agreement for the acquisition of S&MI, Ltd. which was renamed Sports.com Media Services Ltd. on September 12, 2024 and subsequently renamed Sports.com Media Group Ltd. on February 17, 2025 ("Sports.com Media"). The agreement with Sports.com Media shareholders (the "Share Purchase and Sale Agreement"), wherein the Purchase Price was the total equivalent One Million Dollars USD ($1,000,000.00) in restricted stock units of common shares in the Company. (the "Payment-In-Kind") fixed at Thirty Dollars USD ($30.00) per share (the "Fixed Price") post August 28, 2025 reverse stock split. The Purchase Price was to be paid out over five payments on the following schedule*: The* first payment of $150,000 in restricted common stock (50,000 shares) of the Company is due and payable on September 1, 2024 (the "Completion Date" and the "First Issuance Date".). The remaining payments in restricted common stock to the shareholders of Sports.com Media by the Company were made as follows: (i) a second payment of $212,500 (7,083 shares) due on or before the 31st day following ninety days after the Completion Date (the Second Issuance Date"); (ii) a third payment, of $212,500 (7,083 shares) due on or before the 31st day following ninety days after the Second Issuance Date (the Third Issuance Date"); (iii) a fourth payment of $212,500 (7,083 shares) due on or before the 31st day following ninety days after the Third Issuance Date (the "Fourth Issuance Date"); and (vi) a final and fifth payment of $212,500 (7,083 shares) due on or before the 31st day following ninety days after the Fourth Issuance Date.

In the event that the closing price of the restricted stock units of common shares of the Company to be issued to the shareholders of Sports.com Media is lower than the Fixed Purchase Price on the six (6) month anniversary of any issuance date of said shares (collectively the "Anniversary Issuance Price"), then the Fixed Purchase Price shall be adjusted downward to the volume-weighted average price ("VWAP") of the common stock for the five (5) consecutive trading days immediately preceding the six (6) month anniversary date of said issuance date. Accordingly, the Company shall be obligated to tender to the shareholders of Sports.com Media additional restricted stock units of common shares of the Company to make up the difference between the Fixed Purchase Price and the Anniversary Issuance Price.

The opening balance of Sports.com Media has been included in our consolidated balance sheet since the date of the acquisition. Since the Sports.com Media's financial statements were denominated in British Pounds, the exchange rate of 1.3141 pounds 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 the valuation analysis performed by a third-party valuation firm.

The total purchase price of $1,000,000 consists of 33,333 shares of common stock at $30.00 per share after the August 28, 2025 reverse split. The total consideration transferred after net assets and assumption of long-term debt was approximately $440,000, reflecting the purchase price, net of cash on hand at Sports.com Media and the principal amount of certain loans assumed by the Company. The purchase price is for a 100% ownership interest. 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:

Accounts receivable, net		124,928
Other Receivables		50,817
Intangible assets		234,000
Goodwill		1,315,000
Total assets	$	1,724,745
Accounts payable and other liabilities	$	(175,543)
Director's Loan		(558,632)
Total liabilities	$	(734,175)
Total net assets of Acquirees	$	990,570

Asset Acquisition- PlusEVO Ltd. and Spektrum Ltd. (March 2025)

On March 6, 2025, the Company entered into a Stock Purchase and Sale Agreement to acquire certain assets from PlusEVO Ltd. and to create a new entity, Spektrum Ltd, which will become a provider of technology supporting international lottery and gaming operations.

The purchase price for the asset acquisition was $1.5 million, payable in 50,000 shares of the Company's restricted common stock at a fixed price of $30.00 per share. The shares are to be issued in five installments over a 30-month period following closing, subject to specified vesting and restriction terms. The agreement includes a price protection feature under which additional shares may be issued if the Company's stock price is below the fixed price at certain measurement dates.

Asset Acquisition-DotCom Ventures Inc. (August 2025)

On July 23, 2025 the Company acquired a 51% interest in the assets of DotCom Ventures Inc., consisting primarily of the Concerts.com and TicketStub.com domain names and certain related technology assets. The Company evaluated the transaction under the applicable accounting guidance and concluded that the acquired set of assets did not meet the definition of a business because there was no substantive process where a set of inputs could be converted into specific outputs and there was no workforce consisting of employees or organized contractors in place for converting acquired inputs into outputs as of December 31, 2025. Accordingly, the transaction has been accounted for as an asset acquisition, with the purchase price allocated to the acquired assets based on their relative fair values. As of December 31, 2025, the acquired assets are included within intangible assets on the accompanying consolidated balance sheet. The Company expects this transaction to change to controlling interest in the first quarter of 2026 when a workforce and substantive process will be in place.

Note 4. Property and Equipment, net

Property and equipment, net as of December 31, 2025 and 2024, consisted of the following:

		December 31, 2025		December 31, 2024
Computers and equipment	$	115,162	$	123,911
Furniture and fixtures		18,612		16,900
Software		2,026,200		2,026,200
Property and equipment		2,159,974		2,167,011
Accumulated depreciation		(2,158,879)		(2,154,887)
Property and equipment, net	$	1,095	$	12,124

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to $4,241 and $9,185, respectively.

Note 5. 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 third quarter of 2026. Accordingly, they are presented as current assets.

Note 6. Notes Receivable

Secured Note Receivable

On March 22, 2022, the Company entered into a three-year secured promissory note with an original carrying amount of $2,000,000. The note bears simple interest at approximately 3.1% per annum, with principal and accrued interest due upon maturity. The note is secured by substantially all assets, accounts, and tangible and intangible property of the borrower and is further supported by a personal guarantee from the borrower's principal. The borrower may prepay the note at any time without penalty.

The note was received in consideration for cash advanced by the Company to the borrower, including a previously funded bridge loan, and in connection with a broader technology development and licensing relationship under which the Company agreed to develop technology for use by the borrower in connection with the launch of an online gaming platform in a jurisdiction outside the United States. As of December 31, 2025, the outstanding principal balance of the note was $2,000,000.

The note matured during 2025 and remained outstanding as of December 31, 2025. Management evaluated the collectability of the note in accordance with ASC 326, including consideration of the Company's security interests, the personal guarantee, and the contractual enforcement rights available under the related agreements. Based on this evaluation, management concluded that the recorded carrying amount of the note remains recoverable as of December 31, 2025.

SP Global Holdings

On October 5, 2021, the Company provided $250,000 to SP Global Holdings in exchange for a 3 year promissory note with interest at 8%. Principal and accrued interest were due in a balloon payment at maturity. The note was repaid in March 2025.

Note 7. 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, 2025, management conducted a review as to whether there are conditions or circumstances that might 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, Global Gaming Enterprises, Inc., Sports.com Media Ltd, and 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 quantitative assessment for each of the reporting units described above and determined that goodwill and intangibles were not impaired for the year ended December 31, 2025.

For 2023, the Company performed a valuation of each of the reporting units using discounted cash flow methodologies and estimates of fair market value. Based on 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. Accordingly, 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 reversed this transaction by reducing goodwill for Global Gaming by $1,653,067 and increased accumulated deficit to remove the income tax benefit which was incorrectly recorded for year ended December 31, 2021.

Similarly, the Company performed an impairment analysis for the three months ended September 30th, 2024 and as a result of that analysis it was determined that impairment charges were necessary. Impairments of goodwill for $1.6 million against Tinbu's goodwill and $1.9 million against Global Gaming's goodwill were recorded and an impairment of $817 thousand against intangibles of Global Gaming was recorded. This consisted of impairments against Trade Names & Technology in the amount of $547 thousand, Technology in the amount of $119 thousand and Customer Relationships in the amount of $150 thousand. There were no other impairments identified or recorded for the year ended December 31, 2024.

Note 8. Intangible assets, net

Gross carrying values and accumulated amortization of intangible assets:

		December 31, 2025			December 31, 2024		
	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortizing intangible assets							
Customer relationships	6 years	$ 1,352,200	$ (1,331,700)	$ 20,500	$ 1,352,200	(1,318,033)	$ 34,167
Trade name	6 years	2,577,000	(2,435,000)	142,000	2,577,000	(2,314,769)	262,231
Technology	6 years	4,754,800	(2,911,676)	1,843,124	3,254,800	(2,737,567)	517,233
Software agreements	6 years	14,450,000	(14,035,000)	415,000	14,450,000	(11,545,000)	2,905,000
Gaming license	6 years	4,020,000	(3,015,000)	1,005,000	4,020,000	(2,345,000)	1,675,000
Internally developed software	2 - 10 years	3,316,923	(1,804,924)	1,511,999	3,316,923	(1,450,754)	2,342,969
Domain name	15 years	12,035,000	(2,324,165)	9,710,835	6,935,000	(2,016,417)	4,832,565
		$ 42,505,923	$ (27,857,465)	$ 14,648,458	$ 35,905,923	$ (23,727,540)	$ 12,569,165

Amortization expense with respect to intangible assets for the year ended December 31, 2025 and 2024 totaled $4,234,680 and $5,011,329, respectively, which is included in depreciation and amortization in the Statements of Operations. For the year ended December 31, 2025, the Company determined there was no impairment of long-lived assets

During the year ended December 31, 2022, the Company determined that there was an impairment of long-lived assets of $412,450, which relates to a project no longer being pursued by the Company. In connection with the annual review of goodwill and intangibles for the year ended December 31, 2023, the Company determined that it was necessary to write down goodwill by $5.65 million for TinBu and $1.06 million for Global Gaming. The total impairment charges related to goodwill were $6.71 million 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, for the year ended December 31, 2023 the Company recorded impairment charges of $488 thousand to trade names and trademarks and $311 thousand to technology acquired from Global Gaming. The total impairment charges to intangible assets for the year ended December 31, 2023 were $799 thousand

Similarly the company performed an impairment analysis for the three months ended September 30th, 2024 and determined that impairment charges were necessary. Impairments of goodwill for $1.6 million against Tinbu's goodwill and $1.9 million against Global Gaming's goodwill were recorded and $817 thousand against intangibles of Global Gaming was recorded. This consisted of impairments against Trade Names & Technology in the amount of $547 thousand, Technology in the amount of $119 thousand, and Customer Relationships in the amount of $150 thousand. There were no other impairments identified or recorded for the year ended December 31, 2024 or for the year ended December 31, 2025.

Estimated amortization expense for years of useful life remaining is as follows:

Years ending December 31,		**Amount**
2026	$	2,197,764
2027		1,154,181
2028		678,075
2029		643,941
2030		598,539
Thereafter		9,375,958
	$	14,648,458

The Company had software development costs of $476,850 related to projects not placed in service as of both December 31, 2025 and December 31, 2024, 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 9. 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 6,991 shares 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 could not prepay the loan without consent from the noteholders. As of December 31, 2021, there were no Qualified Financing events, that triggered conversion, this included the TDAC combination. As of both December 31, 2025, and December 31, 2024 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, 2025 and 2024.

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 48,823 shares of SEGG Media common stock after accounting for the 20:1 reverse stock split that took place on August 9, 2023 and the 10:1 reverse stock split that took place on August 28, 2025. As of December 31, 2025, 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, 2025 was $94,455 and $79,647 at December 31, 2024.

PPP Loan

The Company received a loan under the Paycheck Protection Program in 2020, which was fully forgiven in 2021. The Company recognized a gain on extinguishment of debt in 2021. No amounts remain outstanding.

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, 2025 and 2024, the balance of the loan was $150,000. As of December 31, 2025 and December 31, 2024, the accrued interest on this note was $8,255 and $6,756 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, 2025 and 2024, 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, 2025 and December 31, 2024, the balance of the notes was $2,336,081. Accrued interest on these notes was $410,669 on December 31, 2025 and $350,434 on December 31, 2024, respectively.

Note 10. Stockholders' Equity

Reverse Split

On August 28, 2025, the Company filed a Certificate of Amendment (the "Certificate of Amendment") with the Secretary of State of the State of Delaware to amend the Company's Third Amended and Restated Certificate of Incorporation to effect, effective as of 5:30 p.m. Eastern Time on August 28, 2025, a 10-for-1 reverse stock split (the "Reverse Stock Split") of its common stock, par value $0.001 per share ("Common Stock"). At the effective time of the Reverse Stock Split, every ten(10) shares of Common Stock either issued and outstanding or held as treasury stock was automatically reclassified into one new share of Common Stock. The total number of shares of Common Stock authorized for issuance did not change as a result of the Reverse Stock Split. The Reverse Stock Split was approved by the Company's stockholders at the Company's 2024 annual meeting of its stockholders held virtually on February 20, 2025 (the "Annual Meeting") and approved by the board of directors of the Company (the "Board") on August 13, 2025.

The new CUSIP number for the Common Stock following the Reverse Stock Split is 54570M306. The par value per share of Common Stock will remain unchanged at $0.001. The Company's publicly traded warrants continue to be traded on Nasdaq under the symbol "LTRYW" and the CUSIP number for the warrants remains unchanged.

In addition, as a result of the Reverse Stock Split, proportionate adjustments were 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.

No fractional shares were issued in connection with the Reverse Stock Split. Stockholders who would otherwise be entitled to receive fractional shares as a result of the Reverse Stock Split were entitled to a cash payment (without interest or deduction) in lieu thereof at a price equal to the fraction of one share to which the stockholder would otherwise be entitled multiplied by the closing price per share of Common Stock on Nasdaq on August 28, 2025 at 5:30 pm Eastern Standard time, the date of the effective time of the Reverse Stock Split.

The effects of the Reverse Stock Split were reflected in the Quarterly Report on Form 10-Q for the period ended September 30, 2025 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, 2025, 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, 2025 and December 31, 2024, 6,880,287 and 1,832,685 shares of Common Stock, post reverse stock split, respectively, were outstanding.

As of December 31, 2024	1,832,685
Stock granted in lieu of cash	2,709,931
Conversion of Debt to Equity	672,553
Stock Purchase Agreements	1,495,118
Stock for acquisition of assets from Dotcom Ventures Inc.	170,000
As of December 31, 2025	6,880,287

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 $3,200.00 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, and the reverse stock split which took place on August 28, 2025, as of December 31, 2025, there were Public Warrants outstanding for the issuance of 100,625 shares of common stock of the Company, which total includes previously issued warrants of AutoLotto, now warrants of Sports Entertainment Gaming Global Corporation., which are exercisable for the purchase of an aggregate of 1,978 shares of common stock of the Company.

Adjustments were made to the Company's warrants based on the 10:1 reverse split in August of 2025 and the previous 20:1 reverse split in August of 2023. The adjustments were made automatically. The number of shares of common stock issued subject to stock options, warrants, or convertible securities was automatically decreased by the split ratio and the exercise price or conversion ratio was automatically proportionately increased by the same split ratio.

Private Warrants

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

Common Stock Warrants

During the year ended December 31, 2025, 68,241 warrants were issued. The Company issued 236,506 warrants during the year ended December 31, 2024. All warrants issued during the years 2024 and 2025 are fully vested.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2023	2,441	$ 304.02	1.8	$ -
Granted	2,365,063	-	4.5	1,726,496
Exercised	-	-	-	-
Forfeited/cancelled	-	-	-	
Outstanding at December 31, 2024	2,367,504	3.11	3.9	-
Granted	682,410	-	4.5	498,159
Exercised	(2,626,415)	-	-	(1,917,283)
Forfeited/cancelled	(2,292)	30.40	-	
Outstanding at December 31, 2025	421,207	$ -	4.5	$ 307,482

Note 11. 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 Two Thousand Two Hundred Fifty (2,250). 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 61,652 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.

On February 9, 2026, Company stockholders unanimously approved to increase the number of shares reserved for issuance under the 2021 Plan to 3,750,000.

Stock Options

There were no grants of stock options during the year ended December 31, 2025. On February 5, 2024, the Company issued stock options to officers, directors, and key consultants. The exercise price for the options is $19.50 and the maturity date in February 5, 2029. The following table shows stock option activity for the years ended December 31, 2025 and 2024:

	Shares Available for Grant	Outstanding Stock Awards	Average Exercise Price	Weighted Remaining Contractual Life (years)	Weighted Average Aggregate Intrinsic Value
Outstanding at December 31, 2023		1,728	$ 81.49	2.4	$ -
Granted		105,000	19.50	4.1	
Exercised		-	-	-	-
Forfeited/cancelled	-	-	-	-	-
Outstanding at December 31, 2024		106,728	20.50	2.8	-
Granted	-	-	-	-	-
Exercised	-	(4,871)	19.50	-	-
Forfeited/cancelled (uncancelled)	-	(744)	12.00	-	
Outstanding at December 31, 2025		101,113	$ 20.10	2.8	$ -

Stock-based compensation expense related to the employee options was $0 for the years ended December 31, 2025 and December 31, 2024

Note 12. Loss Per Share

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

	Year ended December 31, 2025	Year ended December 31, 2024
Comprehensive net loss attributable to stockholders	$ (20,303,608)	$ (28,221,605)
Weighted average common shares outstanding		
Basic and diluted	3,515,444	1,437,534
Net loss per common share		
Basic and diluted	$ (5.78)	$ (19.63)

As of December 31, 2025, the Company excluded 1,046 stock options, 2,342 restricted awards, 42,406 warrants, 25,000 earn out shares and 8,750 unit purchase options from the calculation of diluted net loss per share with the effect being anti-dilutive.

As of December 31, 2024, the Company excluded 1,728 stock options, 10,064 convertible debt into common shares, 19,162 restricted awards, 19,347 warrants, 8,630 earn out shares and 3,021 unit purchase options from the calculation of diluted net loss per share with the effect being anti-dilutive.

Note 13. Income Taxes

The Company accounts for income taxes in accordance with ASC 740, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences and net operating loss ("NOL") carryforwards.

Income Tax Provision

For the years ended December 31, 2025 and 2024, the Company recorded an income tax provision of $0.

The Company has generated net losses in the current and prior periods and does not expect to incur current income tax expense. Accordingly, no current income tax expense has been recorded.

Deferred tax assets generated during the period have been fully offset by a valuation allowance, resulting in no net deferred tax benefit recognized in the consolidated statements of operations.

Deferred Tax Assets and Valuation Allowance

The Company's deferred tax assets primarily relate to net operating loss carryforwards and other temporary differences. Due to cumulative losses and uncertainty regarding the timing and extent of future taxable income, the Company has recorded a full valuation allowance against its deferred tax assets as of December 31, 2025 and 2024.

As a result, no net deferred tax assets are presented on the consolidated balance sheets.

Net Operating Loss Carryforwards

As of December 31, 2025, the Company has generated federal and state net operating loss carryforwards. Such carryforwards may be subject to limitations under Section 382 of the Internal Revenue Code due to ownership changes.

The Company has not completed a formal Section 382 analysis as of the date of these financial statements.

Uncertain Tax Positions

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. As of December 31, 2025 and 2024, the Company has not identified any material uncertain tax positions.

Open Tax Years

The Company remains subject to examination by taxing authorities for all periods in which net operating losses are available for utilization.

Preliminary Assessment

The Company's accounting for income taxes is based on currently available information and represents a preliminary assessment under ASC 740. The Company continues to evaluate its deferred tax assets, including net operating loss carryforwards, and related valuation allowance. Adjustments, if any, are not expected to be material to the consolidated financial statements.

Note 14. 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, 2025 and 2024.

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, 2025 and December 31, 2024, 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 through December 31, 2025.

Leases and Rent

On September 1, 2024, the company moved its headquarters to Fort Worth, Texas under a membership agreement with monthly cost of $154. The Company also leased a campus in Boca Raton Florida for $25,000 per month under a 12 month lease agreement that commenced on August 1, 2024 and continued thru July 31, 2025. For the twelve months ended December 31, 2025 and 2024 rent expense was $346,382 and $252,406, respectively.

As of December 31, 2025, future minimum rent payments due under non-cancellable leases are as follows:

Years ending December 31,	**Amount**
2026	-
Thereafter	-
	$ -

Litigation and Other Loss Contingencies

As of December 31, 2025, 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 15. Related Party Transactions

The Company has from time to time 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, 2025 and December 31, 2024.

Christopher Gooding, appointed as a director of the Company on August 10, 2023, is an attorney licensed in the United Kingdom. He previously provided limited consulting services to the Company's outside general counsel on select U.K. legal matters that could potentially impact the Company. These consulting services began in February 2024, and Mr. Gooding was compensated separately from his director compensation, receiving a total of $264,000 in 2024. To maintain his independence as a director, Mr. Gooding ceased providing consulting services to the Company's outside general counsel as of June 30, 2025. His compensation for consulting services from January 1, 2025 to June 30, 2025 was $144,000. Other than matters where Mr. Gooding is a named defendant alongside the Company, he provides opinions on all Board matters solely in his capacity as an independent director, without additional compensation from the Company or its outside general counsel.

During the quarter ended September 30, 2024, the Company entered into a borrowing arrangement with Robert Stubblefield, the Company's Chief Financial Officer, to provide funding for certain operating expenses of the Company. At September 30, 2024 the Loan amount was $57,682. Additional amounts were provided by Mr. Stubblefield during the quarter ended December 31, 2024 and the loan amount at year end was $67,941. The Loan was issued at zero percent interest. In February 2025, the Company granted shares of common stock which repaid the loan in full.

See Subsequent Events regarding certain convertible promissory notes issued to Robert Stubblefield, CFO and Interim CEO & President and to Gregory Potts, COO in January of 2026 for unpaid compensation still owed to them from 2023 and 2024. As officers of the Company, they are related parties.

Note 16. Subsequent Events

Management has evaluated these events in accordance with ASC 855, Subsequent Events, and determined that they represent non-recognized subsequent events, as it relates to conditions arising after the balance sheet date. Accordingly, no adjustments to the consolidated financial statements were required.

Related Party Transaction

On January 15, 2026, the Company entered into certain convertible promissory notes with Robert Stubblefield, CFO and Interim CEO & President and to Greg Potts, COO, for unpaid compensation still owed to Messrs. Stubblefield and Potts from 2023 and 2024. As officers of the Company, they are related parties. The maturity date of the convertible promissory notes is January 15, 2027. Interest at a rate of 10% per annum shall accrue on the principal amount of each note until the maturity date. The principal amount is: $291,485 and $258,448, respectively for Messrs. Stubblefield and Potts. As of the date of this report, neither Messrs. Stubblefield or Potts have converted any portion of their notes.

Other Convertible Note

On January 15, 2026, the Company entered into a convertible promissory note with the Amar Ali Law, PLLC for outstanding legal fees provided to the Company. The maturity date of the convertible promissory note is January 15, 2027. Interest at a rate of 10% per annum shall accrue on the principal amount of $1,445,361 for the note until the maturity date. As of the date of this report, no portion of the note has been converted.

Capital Markets Activity with Dawson James

On January 16, 2026, the Company entered into a placement agency agreement with Dawson James Securities, Inc., pursuant to which Dawson James agreed to act as the Company's exclusive placement agent, on a reasonable best-efforts basis, in connection with a registered direct offering of 2,449,857 shares of the Company's common stock at a purchase price of $0.70 per share. The offering closed on January 20, 2026 and resulted in gross proceeds of approximately $1.7 million, before deducting placement agent fees and offering expenses.

The securities in the foregoing offerings were issued pursuant to the Company's effective shelf registration statement on Form S-3 (File No. 333-291505), which was declared effective by the U.S. Securities and Exchange Commission on November 26, 2025.

On March 16, 2026, the Company entered into a Securities Purchase Agreement with certain institutional investors pursuant to which the Company agreed to issue unsecured convertible promissory notes in an aggregate principal amount of up to approximately $11.8 million in a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. The notes are issuable in multiple tranches, including an initial tranche of approximately $3.5 million funded upon execution, with additional tranches subject to specified conditions, including the filing and effectiveness of a resale registration statement and, for subsequent tranches, based on mutual agreement of the parties through December 31, 2026.

The notes were issued at a 15% original issue discount, bear interest at 12% per annum, and mature 24 months from issuance. The notes are convertible into shares of the Company's common stock at a conversion price based on a discount to market price, subject to a floor price, and include customary terms, including events of default and a beneficial ownership limitation initially set at 4.99%, which may be increased to 9.99% upon notice.

In connection with the foregoing arrangement, the Company entered into placement agency agreements with Dawson James and agreed to pay customary placement fees and expenses. The Company also entered into a registration rights agreement in connection with the convertible note financing requiring the filing and effectiveness of a resale registration statement covering the shares issuable upon conversion of the notes within specified time periods.

Termination of UCIL Loan Agreement

On January 20, 2026, the Company terminated its financing arrangement with United Capital Investments London Limited ("UCIL") originally entered into on July 23, 2023, subsequently amended and restated on August 8, 2023, later amended on August 18, 2023, and finally amended and restated on February 16, 2024. UCIL has informed the Company that it is considering legal action to preserve is rights under the financing arrangement, however, as of the date of this filing, the Company has not received notice of any action nor has UCIL provided the requisite accounting information and evidence to substantiate its claims.

SEC Complaint Relating to Legacy Conduct

On January 22, 2026, the U.S. Securities and Exchange Commission (the "SEC") filed a civil complaint (the "Complaint") in the United States District Court for the Southern District of New York naming the Company, certain former senior executive officers of the Company, and the former Chief Executive Officer of Trident Acquisitions Corp. as defendants.

The Complaint alleges violations of certain federal securities laws and seeks injunctive relief, disgorgement, civil monetary penalties, and other equitable remedies. The allegations relate to conduct occurring primarily between 2020 and mid-2022, including periods prior to and shortly following the Company's business combination with Trident Acquisitions Corp.

The individuals identified in the Complaint who previously served as executive officers are no longer employed by the Company and have no ongoing affiliation or involvement with the Company. Since mid-2022, the Company has implemented significant changes in executive leadership, governance, and internal controls. The current management team was not involved in the conduct alleged in the Complaint.

The Company has cooperated with the SEC's investigation and intends to continue its cooperation. While the Company believes the claims asserted against it are without merit and is prepared to defend the matter, it has engaged in non-binding discussions with the SEC regarding a potential resolution. Although no assurances can be provided, the Company believes the matter is nearing resolution and does not currently expect the outcome to have a material adverse effect on its financial condition.

This disclosure does not constitute an admission of liability by the Company or any other party.

Corporate Name Change

On January 23, 2026, the Company announced that it had changed its corporate name from *Lottery.com Inc.* to *Sports Entertainment Gaming Global Corporation* to better reflect its strategic focus on the convergence of sports, entertainment, and gaming. The name change became effective on January 27, 2026, following the filing of an amendment to the Company's certificate of incorporation with the State of Delaware.

In connection with the name change, the Company began operating under the brand "SEGG Media" and updated its corporate identity, including its website and marketing materials. The Company's common stock continues to trade on the Nasdaq Capital Market under the ticker symbol "SEGG," and the name change did not affect the Company's capital structure, trading symbol, or shareholder rights.

Termination of Securities Purchase Agreement with Evergreen Capital Management, LLC

On December 2, 2025, the Company entered into a Securities Purchase Agreement with Evergreen Capital Management, LLC ("Evergreen"), pursuant to which the Company issued a senior secured convertible promissory note with an aggregate principal amount of $2.875 million. The note included an original issue discount of $0.375 million, resulting in net proceeds of $2.5 million to the Company. Funding was structured in two tranches: an initial $0.5 million at closing and $2.0 million upon (i) the effectiveness of a registration statement covering the underlying shares and (ii) receipt of requisite shareholder approval in accordance with Nasdaq Listing Rule 5635. The transaction was completed as a private placement under Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D.

On January 26, 2026, the Company entered into a Termination Agreement with Evergreen pursuant to which the parties agreed to terminate the convertible promissory note and the related Securities Purchase Agreement. The termination became effective upon the issuance of shares of common stock pursuant to Conversion Notice #7, dated January 13, 2026. As a result, the note and the Securities Purchase Agreement are null and void and of no further force or effect, and no additional amounts are due or payable by either party thereunder.

$500,000 was funded by Evergreen in December of 2025 and converted into equity in December 2025 and January 2026. The remaining $2,000,000 was not received and there are no remaining obligations of either party with respect to the $2,000,000.

Federal Case Dismissal

On January 28, 2026, in *Lottery.com, Inc. f/k/a AutoLotto, Inc., et al. v. John J. Brier, Jr., et al.*, Case No. 8:23-cv-2594, the United States District Court for the Middle District of Florida granted, in part, the Company's renewed motion to dismiss for lack of subject matter jurisdiction, declined to exercise supplemental jurisdiction over the remaining state-law counterclaims, overruled the defendants' objections to the magistrate judge's findings and recommendations, and directed that the case be closed.

Simon Lewis Appointment

On February 5, 2026, the Company announced the appointment of Simon Lewis as Chief Executive Officer of Concerts.com and EVP of Entertainment for SEGG Media. In this role, Mr. Lewis will lead the strategic development and commercial rollout of Concerts.com and oversee the Company's broader entertainment portfolio strategy.

Mr. Lewis brings significant experience in the global live entertainment and media industries, including prior service as President of Live Nation Europe. The appointment supports the Company's previously disclosed strategy to expand its presence across sports, entertainment, and media platforms, including the development of Concerts.com and related digital assets.

Illegal Trading Lawsuit

On February 10, 2026, the Company announced that it had filed a civil complaint in the District Court of Tarrant County, Texas, *Sports Entertainment Gaming Global Corporation v. Virtu Financial Capital Markets LLC, et al.*, alleging illegal trading activities and market manipulation involving the Company's securities. The complaint seeks damages of approximately $179 million, along with other relief, against multiple defendants.

The Company alleges that the defendants engaged in unlawful trading practices that adversely impacted the market for the Company's common stock. The litigation is in its early stages, and the outcome cannot be predicted at this time. The filing of the complaint does not constitute a determination of liability with respect to any party.

Veloce Acquisition

On February 17, 2026, the Company completed the acquisition of a controlling interest in Veloce Media Group Limited ("Veloce"), a digital motorsports, gaming and sports media platform. The acquisition was effected pursuant to a definitive share purchase agreement under which the Company acquired a supermajority ownership position of approximately 68% of the issued and outstanding equity interests of Veloce.

The transaction represents a strategic expansion of the Company's media and content capabilities, providing immediate scale in audience reach, digital distribution and commercial partnerships. Veloce operates a global media network with a focus on esports, gaming and motorsport content, generating significant monthly digital impressions and audience engagement across multiple platforms.

The consideration for the acquisition consisted primarily of equity issued by the Company, along with certain contingent or deferred elements customary for transactions of this nature. The transaction is subject to customary closing adjustments and post-closing integration activities. The Company is in the process of finalizing the purchase price allocation and accounting for the transaction in accordance with ASC 805, Business Combinations. As such, the initial accounting for the acquisition is incomplete as of the date of issuance of these financial statements.

The Company intends to extend an offer to acquire the remaining equity interests of Veloce, subject to applicable regulatory requirements and shareholder approvals, with the objective of increasing its ownership position over time.

Board Appointments

On February 25, 2026, the Board of Directors of the Company appointed Robert Stubblefield and Daniel Bailey to serve as members of the Board. Mr. Stubblefield was appointed as a Class II director with a term expiring at the Company's 2027 annual meeting of stockholders or until his successor is duly elected and qualified, and Mr. Bailey was appointed as a Class III director with a term expiring at the Company's 2028 annual meeting of stockholders or until his successor is duly elected and qualified. Mr. Stubblefield currently serves as the Company's Chief Financial Officer and Interim Chief Executive Officer and President. Mr. Bailey is the Chief Executive Officer of Veloce Media Group. As previously disclosed in the Company's Current Report on Form 8-K filed on February 23, 2026, Mr. Bailey was a party to the Share Purchase Agreement entered into in connection with the Company's acquisition of a controlling interest in Veloce, and the transaction constituted a related party transaction under Item 404(a) of Regulation S-K. Other than as previously disclosed, the Company has not identified any additional related party transactions with Mr. Bailey requiring disclosure under Item 404(a) of Regulation S-K.

Predictive Markets

On April 24, 2026, the Company announced the formation of Sports Predicts Limited, a wholly owned subsidiary, to develop and operate "Sports.com Predict," a prediction markets offering intended to be integrated into the Company's Sports.com platform.

The Company believes the initiative aligns with its broader strategy to expand monetization opportunities across its digital ecosystem by introducing interactive, engagement-driven features. Once developed and launched, Sports.com Predict is expected to enhance user engagement and create incremental, scalable revenue opportunities within the Sports.com platform. The global prediction markets sector has experienced significant recent growth, and the Company intends to position this offering to participate in that expanding market, subject to applicable regulatory considerations.

On April 27, 2026, Sports Predicts Limited, a subsidiary of the Company, entered into a Partnership and Integration Agreement with Blockratize Inc. (d/b/a Polymarket) pursuant to which the Company will integrate Polymarket's decentralized prediction markets technology into the Sports.com platform. Under the agreement, Polymarket will provide application programming interfaces, software development kits and related infrastructure to support the integration of prediction market products within the Sports.com ecosystem. The agreement provides for the sharing of net transaction fee revenue generated from users of the platform and grants Polymarket exclusivity as the Company's provider of prediction markets technology during the term of the agreement. The agreement has an initial term through June 30, 2029, unless terminated earlier in accordance with its terms. The Company began allowing users to purchase contracts on June 10, 2026.

Amorua Global Securities Purchase Agreement

On May 26, 2026, the Company entered into a Securities Purchase Agreement with Amorua Global, Inc. pursuant to which the Company issued an unsecured convertible promissory note with an original principal amount of $3.5 million. The note bears interest at a rate of 12% per annum, matures twenty-four months from issuance and was issued with an original issue discount of 15%. Subject to the terms of the note, outstanding principal and accrued interest may be converted into shares of the Company's common stock at a variable conversion price based on market prices of the Company's common stock, subject to certain adjustments and a 9.99% beneficial ownership limitation. The Company intends to use the net proceeds for general corporate purposes, including the repayment of certain existing indebtedness. In connection with the financing, the Company agreed to file a registration statement covering the resale of shares issuable upon conversion of the note.

Alumni Capital Notice of Default

On June 18, 2026, the Company received a notice from Alumni Capital LP ("Alumni"), the holder of an unsecured convertible promissory note issued pursuant to a Securities Purchase Agreement dated March 16, 2026. In the notice, Alumni alleged that certain events of default had occurred under the applicable transaction documents, including alleged failures relating to registration obligations and periodic reporting requirements, and demanded redemption of the outstanding note at an asserted redemption price of approximately $4.4 million, plus other amounts that Alumni contends may be due under the transaction documents.

The notice further states that Alumni may pursue legal remedies if the amounts demanded are not paid. The Company is evaluating Alumni's claims, its rights and obligations under the transaction documents, and potential defenses, and is engaged in discussions with Alumni regarding the matter. As of the date of issuance of these financial statements, no conclusion has been reached regarding the ultimate outcome of this matter. Accordingly, the Company cannot reasonably estimate the amount or range of any potential loss, if any, that may result from the resolution of this matter.

Virtu Financial Capital Markets LLC, Virtu Americas LLC, GTS Securities, LLC and G1 Execution Services, LLC Action

On February 10, 2026, the Company commenced litigation in the District Court of Tarrant County, Texas against Virtu Financial Capital Markets LLC, Virtu Americas LLC, GTS Securities, LLC and G1 Execution Services, LLC alleging violations of state and federal securities laws arising from alleged manipulative trading activity affecting the Company's common stock. The complaint seeks monetary damages, attorneys' fees, costs, interest and other available relief. The Company will continue to evaluate developments in the litigation and disclose material updates as appropriate.

White Diamond Research LLC and Adam Gefvert Civil Action

On June 26, 2026, the Company filed a civil action in the District Court of Tarrant County, Texas against White Diamond Research LLC and Adam Gefvert. The complaint alleges, among other things, business disparagement and other claims arising from statements and publications made by the defendants concerning the Company and its business. The Company seeks monetary damages, injunctive and other equitable relief, attorneys' fees where recoverable, costs, and such other relief as the court may deem appropriate.

The Company believes the claims asserted in the action are meritorious and intends to prosecute the matter vigorously. Because the litigation is in its preliminary stages, the ultimate outcome cannot be predicted, and the Company is unable to reasonably estimate any potential recovery, if any. Accordingly, no asset has been recognized in the accompanying financial statements related to this matter.

USA TODAY Litigation

On July 6, 2026, the Company commenced litigation in the District Court of Tarrant County, Texas against USA TODAY Co., Inc. (formerly Gannett Co., Inc.), and certain affiliated entities relating to an Advertising Agreement executed in December 2016. The complaint alleges that the defendants have refused to recognize or permit the Company's use of the remaining advertising inventory available under the agreement despite the Company's efforts since 2024 to exercise its contractual rights. The Company is seeking declaratory relief, damages, and other available remedies. As of the date these financial statements were issued, the litigation remains in its preliminary stages, and no estimate of any potential recovery can be made.

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 for Legacy Matter

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 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 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 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 evaluation required by Rules 13a-15(d) and 15d-15(d) under the Securities Exchange Act of 1934, as amended, management, with the participation of the Company's Audit Committee and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting for the period ended December 31, 2025.

As previously disclosed, the Company identified material weaknesses in its internal control over financial reporting, including (i) a lack of a sufficient number of personnel with appropriate technical expertise to account for complex or non-routine transactions, (ii) deficiencies in the design and operating effectiveness of policies and procedures related to the review, supervision and monitoring of the Company's accounting and financial reporting functions, (iii) challenges in the timely completion of the financial close process, and (iv) incomplete segregation of duties across certain transaction cycles and processes.

These material weaknesses arose during a prior period and reflect a legacy control environment that did not keep pace with the Company's operational complexity and public company reporting requirements. Since that time, the Company has taken decisive actions to stabilize and rebuild its financial reporting infrastructure.

During the period ended December 31, 2025, the Company continued to execute against a structured remediation plan focused on accountability, discipline, and scalability. Key actions include strengthening the finance and accounting organization through targeted hiring and the engagement of external technical experts, implementing formalized policies and procedures and enhancing review and supervisory controls, and introducing a more rigorous and structured financial close process. The Company has also made progress in improving segregation of duties and implementing compensating controls, while investing in systems, processes, and governance frameworks designed to support long-term growth.

These efforts are part of a broader transformation initiative to align the Company's control environment with the expectations of a Nasdaq-listed company and to support a disciplined, execution-focused operating model. Management believes that the remediation actions undertaken to date are materially improving both the design and operating effectiveness of internal controls and are establishing a durable foundation for consistent, timely, and transparent financial reporting.

We have identified a potential material weakness in our internal control over financial reporting related to the concentration of authority resulting from our Chief Financial Officer also serving as Interim Chief Executive Officer. This dual role may impair the effective segregation of duties and oversight functions that are fundamental to a robust control environment, particularly with respect to the review and approval of significant transactions, financial reporting, and management judgments. While we have implemented certain compensating controls, including enhanced involvement of the Chairman and other members of our Board of Directors and Audit Committee in key decisions and financial reporting oversight, these measures may not fully mitigate the risk associated with this concentration of responsibilities. Accordingly, we have concluded that this represents a potential material weakness in our internal control over financial reporting. We are in the process of evaluating and implementing remediation measures, including the appointment of additional qualified personnel and the enhancement of governance and review procedures, to address this issue.

Except as otherwise described herein, there were no changes in the Company's internal control over financial reporting during the period ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. However, the material weaknesses described above have not yet been fully remediated. Management expects continued progress as these enhancements are fully implemented and demonstrate sustained effectiveness over successive reporting periods.

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.

While internal controls can provide only reasonable assurance, management is committed to completing the remediation process and maintaining a best-in-class control environment that supports long-term shareholder value, operational discipline, and financial transparency.

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 period ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None

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
Executive Officers		
Robert Stubblefield [2]	62	Chief Financial Officer, Interim President, Interim Chief Executive Officer, and Secretary
Gregory Potts	55	Chief Operating Officer
Daniel Bailey[3]	35	Chief Commercial Officer
Jack Clarke	38	Chief Strategy Officer
Non-Employee Directors		
Marc Bircham[2]	47	Director and Chairperson of the Board
Christopher Gooding[1]	68	Director
Warren Macal[1]	50	Director
Paul S. Jordan[2]	66	Director
Tamer T. Hassan[3]	58	Director

(1) Class I director, with a term expiring at the annual meeting of Shareholders to be held in 2026.
(2) Class II director, with a term expiring at the annual meeting of Shareholders to be held in 2027.
(3) Class III director, with a term expiring at the annual meeting of Shareholders to be held in 2028.

Robert J. Stubblefield served as the chief financial officer of DeMeta, Inc. from January 2022 until July of 2023 and of Regnum Corp. from March 2020 to July of 2023. 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 approximately 17 years of 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. Prior to being appointed as COO, he most recently served as Global Vice President of Affiliate Success at Lottery.com. He has 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 serves as Chairman of the American Advertising Federation Lexington chapter.

Daniel Bailey has over ten years of experience in the motorsport and sports commercial sectors. Prior to joining the Company, he held senior roles at Veloce Esports Ltd., where he contributed to the company's growth through the development of commercial partnerships, the structuring of strategic transactions, including the acquisition of Quadrant, and participation in multiple capital raising activities. Over the course of his career, Mr. Bailey has been involved in generating more than $53 million in commercial partnerships and has worked with a range of global brands and rights holders, including Formula 1, VISA, Ferrari, McLaren, Mercedes, E.ON, Tencent, Sotheby's, and Deutsche Bank. Earlier in his career, Mr. Bailey worked within the commercial division of IMG Motorsports and co-founded MPA, a marketing agency, where he continues to serve as a director.

Jack Clarke began his career as a professional racing driver, achieving wins and podium finishes in international racing series, including FIA Formula 2. In 2015, he transitioned into business roles within the sports and media industry, including experience with a sports technology investment fund and IMG. Mr. Clarke is a co-founder of Veloce, where he contributed to the development of its esports and digital media operations and supported the growth of its media network to over 600 million monthly views. Throughout his tenure at Veloce, Mr. Clarke has been involved in commercial strategy, content development, and partnership initiatives.

Marc Bircham is a seasoned executive, entrepreneur, and former international footballer with a dynamic career that spans professional sports, business development, and strategic leadership. Widely known as a Queens Park Rangers icon, Marc earned 21 caps for Canada and played over 300 games at the professional level. Beyond the pitch, he has built a respected reputation as a forward-thinking leader with deep commercial insight. As Director of Sports.com, Marc has spearheaded international growth, led complex acquisition projects, and forged high-value partnerships across the sports and entertainment industries. Bircham brings not only his global network and football expertise, but also a proven track record in entrepreneurial execution and board-level strategy.

Christopher Gooding has been a member of the Board of Directors since August of 2023. Mr. Gooding brings decades as a partner at respected English, US and Canadian law firms, predominantly within the heart of London's financial district. He has also held from 1999 to 2009 an advisory Board position of US Issuer of 144A funds - the Sovereign Trade Corporation, New York and supervised the triple rating of its 144a funds. His professional journey began at Clifford Turner in London and Dubai, advancing to a 15-year tenure at Clyde & Co. A consummate legal strategist in the area of political and commercial risk, he also served as a partner at LeBoeuf Lamb Greene & MacRae and Howard Kennedy, Fasken Martineau and CMS. Since 2022, he has held the position of Consultant at Crowell and Moring LLP London.

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 such as Renault Formula One, Jordan Grand Prix, British American Racing Honda and Minardi Formula One. He Was the "Founding Partner" for the "One Make" Racing car series "Grand Prix Masters" with Ex Formula One World Champions, Nigel Mansell, Emerson Fittipladi, Derick Warwick, and Alain Prost. He currently holds consultancy roles with both the Romanian and Cypriot Governments working with their respective Tourism Departments to promote tourism through both Motorsport sponsorship and activation programs. He also continues to consult for M-Sport Ford World Rally Team – Saudi Motorsport as its Head of Motorsport Strategy (KSA Government Organization).

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 SEGG Media continues to expand its global reach and product offerings and develops its Sports.com brand.

Our Executive Officers

Mr. Stubblefield, our Chief Financial Officer ("CFO"), Interim Chief Executive Officer and Interim President, 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.

Mr. Bailey, our Chief Commercial Officer ("CCO") serves at the discretion of our Board and holds office until his successor is duly appointed or until his earlier resignation or removal.

Mr. Clarke, our Chief Strategy Officer ("CSO") 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 seven 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 Marc Bircham Christopher Gooding, Paul S. Jordan, Tamer T. Hassan, Robert J. Stubblefield, Daniel Bailey and Warren Macal, with Mr. Bircham acting as chairman of the Board.

Our Board has affirmatively determined that each of Messrs. Gooding, Jordan, Hassan and Macal 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 sole Class II directors are Mr. Bircham, Mr. Jordan and Mr. Stubblefield, whose terms will expire at the 2027 annual meeting of stockholders; and
- our Class III directors are Mr. Bailey and Mr. Hassan, and their terms will expire at the 2028 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 and Corporate Governance 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. Gooding, Hassan and Macal. Mr. Gooding 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. Gooding 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. Gooding 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 Macal. 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 and Corporate Governance Committee

The members of our Nominating and Corporate Governance Committee ("NCG Committee") are Messrs. Gooding, Jordan and Hassan. Mr. Gooding is the chairman of our NCG Committee. All members of the NCG 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. The Board has adopted Corporate Governance Guidelines designed to support effective oversight and independent decision-making with respect to the Company's business and affairs Gorman v. Salamone, 2015 Del. Ch. LEXIS 202, Spradlin v. E. Coast Miner, LLC (In re Licking River Mining, LLC), 599 B.R. 552. The Guidelines address, among other matters, Board and committee composition, director selection and performance evaluation practices, Board meeting practices, director qualifications and expectations (including continuing education), and management succession planning, including CEO succession.

Code of Business Conduct and Ethics. The Company maintains a Code of Business Conduct and Ethics applicable to all directors, officers, and employees, including the Chairperson, Chief Executive Officer, and other members of management. The Code establishes standards for ethical conduct, including conflicts of interest, compliance with applicable laws and regulations, accurate and timely disclosures, protection and proper use of Company assets, and mechanisms for reporting suspected illegal or unethical conduct.

The Code is intended to satisfy the requirements applicable to a public company code of ethics disclosure framework under federal securities disclosure rules. Any amendment to, or waiver of, the Code applicable to senior executive or senior financial leadership roles will be disclosed in accordance with applicable federal securities disclosure requirements, including, where permitted, by posting the information on the Company's website rather than filing a current report.

Amendments to the Code must be approved by the Board and, except for technical, administrative, or non-substantive changes, will be promptly disclosed through the Company's website disclosure practices. A copy of the Code is available without charge upon written request directed to the Company's corporate headquarters, attention: Compliance Manager.

Delinquent Section 16(a) Reports

Federal securities law requires certain insiders—executive officers, directors, and beneficial owners of more than a specified threshold of a registered class of equity securities—to file initial ownership reports and reports of changes in ownership with the securities regulator. Based on a review of available filings and written representations from executive officers and directors, the Company believes that certain executive officers and directors did not timely comply with these reporting obligations during the fiscal year ended December 31, 2024. The Company further states that, as of the date of this disclosure, all executive officers and directors are currently in compliance with the applicable filing requirements.

Item 11. Executive Compensation.

This section describes the material components of the executive compensation program for the Company's named executive officers for fiscal year 2025. The discussion may include forward-looking statements reflecting current plans and expectations regarding future compensation practices, and actual future programs may differ materially from those described.

As an emerging growth company, the Company has elected to provide executive compensation disclosure consistent with the scaled disclosure framework available to smaller reporting companies, which generally requires disclosure for the principal executive officer and the next two most highly compensated executive officers.

Introduction

The stated objectives of the executive compensation program are to attract and retain talented executives to manage and lead the Company. For fiscal year 2025, the Company identifies the following individuals as named executive officers: (i) Robert Stubblefield, Interim Chief Executive Officer (effective November 30, 2025), and Matthew McGahan, former Chief Executive Officer (through November 30, 2025); and (ii) Gregory Potts, Chief Operating Officer, and Robert Stubblefield, Chief Financial Officer.

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 ($)	All Other Compensation(4) ($)	Total ($)
Matthew McGahan, *CEO*	2024	550,000	275,000	385,000	195,000	-	-	1,405,000
	2025	554,583	-	-	-	-	-	554,583
Robert Stubblefield, *CFO*	2024	302,500	75,625	133,000	146,250	-	-	657,375
	2025	346,688	108,396	75,000	-	-	-	530,084
Gregory Potts, *COO*	2024	250,000	55,000	35,000	48,750	-	-	388,750
	2025	302,500	48,400	75,000	-	-	-	425,900

(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) The Company is investigating any potential U.S. tax consequences as the result of Company employees or directors who resided for extended periods of time at the Company's Boca Raton, Florida, campus while conducting business. As appropriate, individual tax assessments are being determined and will be applied according to U.S. tax law

Narrative Disclosure to Summary Compensation Table

Equity Awards

The Company maintains the 2021 Equity Incentive Plan (the "2021 Plan"), which was adopted in connection with the Company's business combination and subsequently amended and restated on December 21, 2021. The 2021 Plan provides for the grant of equity-based awards, including stock options, restricted stock, restricted stock units and other stock-based awards, to employees, directors and consultants of the Company and its affiliates.

Shares of the Company's common stock issuable under the 2021 Plan have been registered pursuant to a registration statement on Form S-8 filed with the Securities and Exchange Commission. The number of shares reserved for issuance under the 2021 Plan is subject to adjustment in the event of stock splits, recapitalizations and similar transactions, and may include an "evergreen" provision pursuant to which the share reserve may be increased periodically as provided in the 2021 Plan.

Fiscal 2025

During 2025 there were no S-8 common stock grants to our executive officers.

During 2024 additional S-8 common stock was awarded to Matthew McGahan, CEO, who received a 175,000 share common stock grant (issued subsequently on January 22, 2024), Robert Stubblefield, CFO, received 20,000 shares of common stock and Greg Potts, COO, received 5,000 shares of common stock.

During 2024, restricted stock units for common stock were awarded to Matthew McGahan, CEO, who received a grant for 195,720 restricted stock units (issued subsequently on February 5, 2024), Robert Stubblefield, CFO, received a grant for 75,000 restricted stock units, and Greg Potts, COO, received a grant for 20,000 restricted stock units.

During 2024 options for common stock were awarded to Matthew McGahan, CEO, who received a grant for 100,000 stock options (issued subsequently on February 5, 2024), Robert Stubblefield, CFO, received a grant for 75,000 stock options, and Greg Potts, COO, received a grant for 25,000 restricted stock units.

Cash Compensation

<u>Base Salary</u>

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 2025 and 2024, the amounts earned by our named executive officers are shown in the Summary Compensation Table above.

<u>Bonuses</u>

In addition to base salaries, the named executive officers may receive discretionary annual bonuses, guaranteed or retention bonuses at the discretion of the Compensation Committee.

Retirement Benefits, and Termination and Change in Control Provisions on December 31, 2025 and 2024

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, 2025

There were no equity awards to executive officers in 2025.

Of our executive officers, Matthew McGahan, CEO, Robert Stubblefield, CFO and Gregory Potts, COO, each received equity awards in 2024. Matthew McGahan, CEO, received a 125,000 share common stock grant, Robert Stubblefield, CFO, received 25,000 shares of common stock and Gregory Potts, COO, received 25,000 shares of common stock.

DIRECTOR COMPENSATION

On July 14, 2023, our Board reconfirmed 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 2025 and fiscal 2024 were $42,000 and $15,000, respectively.

The following table sets forth the total compensation earned by each of our directors for their service on the Board during fiscal 2025:

Name(1)	Directors Fees Earned ($)(8)	Stock Awards ($)	Total ($)(9)
Matthew McGahan (2)	72,000	-0-	72,000
Marc Bircham(3)	130,918	-0-	130,918
Christopher Gooding (4)	137,000	-0-	137,000
Paul S. Jordan (5)	137,000	-0-	137,000
Tamer T. Hassan (6)	137,000	-0-	137,000
Warren Macal (7)	137,000	-0-	137,000

(1) Represents all directors who served on our Board during fiscal 2025. Amounts accrued per director may include an $85,000 USD initial fee earned after 3 months of service, which is to be paid in stock. During 2025, this fee was earned by Mr. Bircham and during 2024 this fee was only earned by Mr. Macal.

(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 was accrued for his service on the Board during fiscal 2023 and 2024 at the rate of $6,000 per month as for 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. Board fees for Mr. McGahan were accrued at $6,000 per month during 2025.

(3) Mr. Bircham was appointed to our Board on May 13, 2025. Compensation for Mr. Bircham was accrued for his service on the Board on a pro-rated basis for time in the role during 2025 at the rate of $6,000 per month. In 2025 Mr. Bircham was also eligible for the initial director fee in the amount of $85,000.

(4) Mr. Gooding was appointed to our Board on August 10, 2023 and compensation for his service was accrued at the rate of $6,000 per month on a pro-rated basis during 2023, and for each month in 2024 and 2025.

(5) Mr. Jordan was appointed to our Board on July 20, 2023 and compensation for his service was accrued at the rate of $6,000 per month on a pro-rated basis during 2023, and for each month in 2024 and 2025.

(6) Mr. Hassan was appointed to our Board on July 20, 2023 and compensation for his service was accrued at the rate of $6,000 per month on a pro-rated basis during 2023, and for each month in 2024 and 2025.

(7) Mr. Macal was appointed to our Board on April 29, 2024 and compensation for his service was accrued at the rate of $6,000 per month on a pro-rated basis during 2024, and for each month in 2024 and 2025. In 2024 Mr. Macal was also eligible for the initial director fee in the amount of $85,000.

(8) Of the aggregate total accrued for our Board during 2025 and 2024, of the "Director's Fee Earned", only $42,000 of the accrual was paid in cash on June 12, 2025 and only $15,000 of the accrual was paid in cash on February 16, 2024.

Compensation Committee Interlocks and Insider Participation

None of the individuals who served as a member of the Compensation Committee during fiscal 2025 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, 2025, 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, 2025, there were 7,065,813 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 as of December 31, 2025:

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 STOCKHOLDERS [1]	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF COMMON STOCK OUTSTANDING
OFFICERS AND DIRECTORS		
Matthew McGahan, CEO(former), Director(former)	443,773	6.28%
Robert Stubblefield, CFO and Interim CEO	213,318	3.02%
Greg Potts, COO	174,099	2.46%
Marc Bircham, Chairman	235,952	3.34%
Christopher Gooding, Director	191,834	2.71%
Tamer T. Hassan, Director	94,286	1.33%
Paul S. Jordan, Director	109,095	1.54%
Warren Macal, Director	89,255	1.26%
DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (EIGHT PERSONS)	1,491,612	21.11%

(1) The business address of each of these stockholders is c/o SEGG Media, 5049 Edwards Ranch Road, 4th Floor, Fort Worth, TX 76109.

Equity Compensation Plan Information

The following table summarizes share and exercise price information about the Company's equity compensation plans as of December 31, 2025.

	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)a]	—	—	86,483

(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. Gooding, Jordan, Hassan and Macal 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 October 7, 2022, the Audit Committee approved the engagement of Yusufali & Associates, LLC ("Yusufali") as the Company's independent registered public accounting firm, effective immediately, for the fiscal year ended December 31, 2022. Yusufali continued its engagement for the Company as its independent registered public accounting firm for 2023 and for the quarters ended March 31 and June 30 2024. Yusufali resigned as independent accountants on November 15, 2024 and Boladale Lawal & Co ("Boladale") was appointed effective for the reporting period ended September 30, 2024 and remains the Company's independent registered public accounting firm. The following table sets forth the aggregate fees billed to us for the fiscal year ended December 31, 2025 and December 31, 2024 by the independent accounting firms:

	2025	2024
Audit Fees(1)	$ 100,000	$ 170,000
Audit-Related Fees(2)	45,000	65,000
Tax Fees	—	—
All Other Fees(3)	—	—
Total:	$ 145,000	$ 235,000

(1) Audit Fees represent the aggregate fees billed for professional services rendered for the audits of the annual financial statements, for the audits 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 2024, Boladale performed a reaudit of the financial statements for the year ended December 31, 2023 as a result of the resignation of Yusufali for $80,000, as well as an audit of the financial statements for the year ended December 31, 2024 for $90,000. Boladale has also audited the financial statements for the year ended December 31, 2025 for $100,000.

(2) Audit-Related Fees represent the aggregate fees billed for assurance and other services related to the performance of review of our consolidated quarterly 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 financial statements for March 31 and June 30, 2024. Boladale reviewed financial statements for September 30, 2024 and for March 31, June 30, and September 30, 2025

(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 Boladale Lawal & Co, and also reviews and pre-approves the engagement of Boladale 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.

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 Report.

(2) Exhibits

The exhibits listed below are filed as part of this 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 Form 8-K, on February 23, 2021).
3.1**	Amended and Restated Certificate of Incorporation of Lottery.com Inc. (incorporated by reference to Exhibit 3.1 of Form 8-K filed on January 30, 2026).
3.2**	Amended and Restated Bylaws of Lottery.com Inc. (incorporated by reference to Exhibit 3.2 of Form 8-K filed 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 Form 8-K filed on June 4, 2018).
4.2**	Description of Capital Stock (incorporated by reference to Exhibit 4.2 of Form 10-K filed 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 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 on Form 8-K, filed on June 4, 2018).
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 on Form 8-K filed 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 on Form 8-K filed on November 4, 2021).
10.14#	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.6 on Form 8-K filed on November 4, 2021).
10.15#	AutoLotto, Inc. 2015 Stock Option/Stock Issuance Plan (incorporated by reference to Exhibit 10.8 on Form 8-K filed 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 on Form 8-K filed on November 4, 2021).
10.17#	Lottery.com 2021 Incentive Plan (incorporated by reference to Exhibit 10.7 on Form S-4 (Reg. No. 333- 257734), filed 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 on Form 10-K filed 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 on Form 10-K filed 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 on Form 10-K filed 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 on Form 8-K filed on July 22, 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 Form 10-K/A filed 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 Form 10-K/A filed on May 10. 2023)
10.26****	Amended and Restatement Loan Agreement and Deed, dated August 8, 2023, between Lottery.com and United Capital Investments London Limited as lender (incorporated by reference to Exhibit 10.3 of Form 10-Q filed on August 22, 2023)
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. (incorporated by reference to Exhibit 10.1 of Form 8-K filed on August 24, 2023)
10.28**	Business Loan Agreement dated January 4, 2022, between AutoLotto, Inc. and The Provident Bank (incorporated by reference to Exhibit 10.1 on Form 10-Q filed 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 on Form 10-Q filed on May 22, 2023).
10.30**	Amendment and Restatement Agreement in respect of Loan Agreement (Deed) dated December 7, 2022, between Lottery.com and Woodford Eurasia Assets Ltd. (incorporated by reference to Exhibit 10.28 of Form 10-K filed on June 15, 2023)
10.31**	Share Purchase and Sale Agreement between Lottery.com and DotCom Ventures Inc. dated July 22, 2025 (incorporated by reference to Exhibit 10.40 of Form 10-Q filed on August 19, 2025)
10.32*	Asset Purchase Agreement between Lottery.com and Galaxy Racer Holdings Limited dated July 30, 2025
10.33*	Share Purchase Agreement between Lottery.com and Plusevo Ltd dated March 12, 2025
10.40**	Stock Purchase Agreement Between Lottery.com Inc. and Generating Alpha Ltd. dated November 16, 2024. (incorporated by reference to Exhibit 10.27 of Form 10-Q filed on November 20, 2025)
10.41**	Amended -Stock Purchase Agreement Between Lottery.com Inc. and Generating Alpha Ltd. dated as of June 16, 2025. (incorporated by reference to Exhibit 10.35 of Form 10-Q filed on November 20, 2025)
10.42**	Short-term Convertible Note Agreement Between Lottery.com Inc. and Generating Alpha Ltd. dated September 22, 2025. (incorporated by reference to Exhibit 10.40 of Form 10-Q filed on November 20, 2025)
10.43**	Common Stock Purchase Warrant Agreement Between Lottery.com Inc. and Generating Alpha Ltd. dated September 22, 2025. (incorporated by reference to Exhibit 10.41 of Form 10-Q filed on November 20, 2025)
10.44**	Registration Rights Agreement Between Lottery.com Inc. and Generating Alpha Ltd. dated September 22, 2025. (incorporated by reference to Exhibit 10.42 of Form 10-Q filed on November 20, 2025)
10.45**	Securities Purchase Agreement Between Lottery.com Inc. and Generating Alpha Ltd. dated September 22, 2025 (incorporated by reference to Exhibit 10.43 of Form 10-Q filed on November 20, 2025)
10.46**	Asset Purchase Agreement Between Lottery.com Inc. and Galaxy Racer Holdings Limited dated July 30, 2025 (incorporated by reference to Exhibit 10.6 of Form 10-Q filed on August 19, 2025)
10.50**	Nook Holdings Share Purchase Agreement (incorporated by reference to Exhibit 10.50 of Form 10-K/A filed on June 6, 2024)
10.51**	Amendment 1 to Nook Holdings Share Purchase Agreement (incorporated by reference to Exhibit 10.51 of Form 10-K/A filed on June 6, 2024)

10.52*	Amendment 2 to Nook Holdings Share Purchase Agreement
10.60**	Securities Purchase Agreement Between Lottery.com Inc. and Evergreen Capital Management, LLC (incorporated by reference to Exhibit 10.60 of Form 8-K filed on December 4, 2025)
10.61**	Senior Secured Promissory Note Between Lottery.com Inc. and Evergreen Capital Management, LLC (incorporated by reference to Exhibit 10.61 of Form 8-K filed on December 4, 2025)
10.62 **	Loan Agreement, dated as of July 26, 2023, by and between Lottery.com Inc. and United Capital Investments London Limited (incorporated by reference to Exhibit 10.2 of Form 8-K filed on August 1, 2023).
10.63**	Amendment and Restatement Agreement in respect of Loan Agreement (Deed), dated as of June 12, 2023, between Lottery.com and Woodford Eurasia Assets Ltd. (incorporated by reference to Exhibit 10.28 of Form 10-K filed on June 15, 2023).
10.64**	Amended and Restated Loan Agreement, dated as of August 8, 2023, by and between Lottery.com Inc. and United Capital Investments London Limited (incorporated by reference to Exhibit 10.3 of Form 10-Q filed on August 22, 2023).
10.65**	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 (incorporated by reference to Exhibit 10.1 of Form 8-K filed on August 24, 2023).
10.66*	Termination Letter for Loan Agreement with United Capital Investments Limited dated January 20, 2026
10.67*	Termination Letter for Securities Purchase Agreement with Evergreen Capital Management, LLC dated January 26, 2026.
10.70**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and Daniel Bailey for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.70 on Form 8-K/A filed on May 5, 2026)
10.71**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and Darryl Eales for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.71 on Form 8-K/A filed on May 5, 2026)
10.72**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and Andrew Webb for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.72 on Form 8-K/A filed on May 5, 2026)
10.73**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and James Maclaurin for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.73 on Form 8-K/A filed on May 5, 2026)
10.74**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and Jack Clarke for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.74 on Form 8-K/A filed on May 5, 2026)
10.75**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and MPA Creative Limited for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.75 on Form 8-K/A filed on May 5, 2026)
10.76**	Share Purchase Agreement by and between Sports Entertainment Gaming Global Corporation and Crimson Swordblade Limited for the Purchase of Veloce Esports Limited dated February 18, 2026 (incorporated by reference to Exhibit 10.76 on Form 8-K/A filed on May 5, 2026)
10.80**	Placement Agency Agreement dated January 16, 2026, between Lottery.Com Inc. and Dawson James Securities Inc. (incorporated by reference to Exhibit 1.1 of Form 8-K filed on January 20, 2026).
10.81**	Securities Purchase Agreement dated January 16, 2026, between Lottery.Com Inc. and Dawson James Securities Inc. (incorporated by reference to Exhibit 10.1 of Form 8-K filed on January 20, 2026).
10.82**	Common Stock Equity Distribution Agreement, dated February 18, 2026, by and between Sports Entertainment Gaming Global Corporation and Dawson James Securities, Inc. (incorporated by reference to Exhibit 1.1 of Form 8-K filed on February 19, 2026).
10.83**	Placement Agency Agreement, dated March 16, 2026, by and between Sports Entertainment Gaming Global Corporation and Dawson James Securities, Inc. (incorporated by reference to Exhibit 1.1 of Form 8-K filed on March 18, 2026).
10.84**	Securities Purchase Agreement, dated March 16, 2026, by and between Sports Entertainment Gaming Global Corporation and the Purchasers. (incorporated by reference to Exhibit 10.1 of Form 8-K filed on March 18, 2026).
10.85**	Form of Convertible Promissory Note (incorporated by reference to Exhibit 10.2 of Form 8-K filed on March 18, 2026).
10.86**	Registration Rights Agreement, dated March 16, 2026, by and between Sports Entertainment Gaming Global Corporation and the Purchasers (incorporated by reference to Exhibit 10.3 of Form 8-K filed on March 18, 2026).
21.1*	List of Subsidiaries of Lottery.com Inc.
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 Report on Form 10-K, included in the Exhibit 101 Inline XBRL Document Set.

* Filed herewith.

^ Furnished herewith.

** Incorporated by reference

† 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 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 Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Sports Entertainment Gaming Global Corporation.

Date:	July 10, 2026	By:	*/s/ Robert J. Stubblefield*
		Name:	Robert J. Stubblefield
		Title:	Interim Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this 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/ Robert J. Stubblefield Robert J. Stubblefield	Interim Chief Executive Officer and Director (Principal Executive Officer)	July 10, 2026
/s/ Marc Bircham Marc Bircham	Chairman of the Board	July 10, 2026
/s/ Dan Bailey Dan Bailey	Director	July 10, 2026
/s/ Christopher Gooding Christopher Gooding	Director	July 10, 2026
Paul S. Jordan	Director	July 10, 2026
/s/ Tamer T. Hassan Tamer T. Hassan	Director	July 10, 2026
/s/ Warren Macal Warren Macal	Director	July 10, 2026

Exhibit 10.32

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is entered into as of **July 30, 2025** (the "Effective Date"), by and between **Lottery.com Inc.**, a Delaware corporation ("Buyer" or "SEGG"), and **Galaxy Racer Holdings Limited**, a BVI entity ("Seller"). Each of Buyer and Seller may be referred to hereinafter as a "Party" or, collectively, as the "Parties".

WHEREAS, Seller is the sole owner of the unencumbered assets listed on Schedule A (collectively, the "Assets"); and

WHEREAS, Seller desires to sell the Assets to Buyer, and Buyer desires to purchase the Assets from Seller, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, and certain other good and valuable consideration, the Parties agree as follows:

1. Recitals. The foregoing recitals and all terms and conditions contained therein are material, substantive, and integral provisions of this Agreement and are enforceable as if hereinafter restated.

2. Transactions. Buyer and Seller will engage in the following transactions (collectively, the "Transactions") prior to, at, or after the Closing (as defined below):

a. Payment of Purchase Price. As consideration for the Assets, Buyer will, at Closing pay and deliver to Seller (or its designees) the sum of **Ten Million Dollars USD ($10,000,000.00)** (the "Purchase Price") for 100% of the Assets. The Purchase Price is payable as follows:

i. Buyer to pay Seller (or its designees) **Five Million One Hundred Thousand Dollars USD ($5,100,000.00)** of the Purchase Price as Payment-In-Kind (as defined below) equivalent to the Purchase Price. The term "Payment-In-Kind shall be defined as restricted stock units of common shares in SEGG to be applied towards the Purchase Price at a fixed price of Three Dollar USD ($3.00) per share (the "Fixed Price") irrespective of the trading price of SEGG stock at the execution of this Agreement or the Closing Date. At Closing, Buyer shall cause to be issued to Seller (or its designees) the equivalent in restricted stock units of common shares in SEGG to be applied towards the Purchase Price. Seller (or its designees) shall receive the Payment-In-Kind within three business days following the Closing Date. Any Payment-In-Kind made as part of the consideration to satisfy any portion of the Purchase Price shall carry full piggyback registrations rights for the benefit of Seller (or its designees); and

ii. Buyer to pay Seller (or its designees) **Four Million Nine Hundred Thousand Dollars USD ($4,900,000.00)** by transferring 49% ownership interest in NewCo, a newly formed wholly owned entity of SEGG to be domiciled at the discretion of Buyer that shall hold free and clear of any encumbrances all Assets.

iii. Conveyance of Assets. At Closing, Seller will: (i) sell and convey the Assets exclusively and in their entirety to Buyer by delivery in person or by conveyance of access to the log-in information regarding the Assets; and (ii) take all actions necessary to transfer the license registration of the Assets to Buyer and all other instruments of transfer necessary to transfer good and conveyable title to such Asset licenses, free and clear of all liens, charges, claims, and encumbrances of any nature and third- party licenses, other than the originating ownership licenses or terms of use related thereto (e.g., ICANN) and. Except for the Assets, no other assets or licenses of Seller are included in this Transactions.

iv. True-Up. The Parties agree that in the event that the closing price of the restricted stock units of common shares in SEGG. to be issued to the Seller as above is lower than the Fixed Price on July 30, 2026 (the "Reprice Date"), then the Fixed Price shall be adjusted downward to the VWAP of the common stock for the five (5) consecutive trading days immediately preceding the Reprice Date (the "Market Price"). Accordingly, Buyer shall be obligated to tender Seller additional restricted stock units of common shares in SEGG. to make up the difference between the Fixed Price and the Market Price.

v. Shortfall Earnout. The Parties agree that if the NewCo's valuation is less than a certain amount ("amount" to be agreed in the Schedule B and defined as "Shortfall Earnout Amount") on June 30, 2027, then Seller's equity in NewCo and SEGG (respectively) shall be diluted down on July 1, 2027 by certain percentages prorated based on the Shortfall Earnout Amount (the "Shortfall Earnout Equity"). Shortfall Earnout Amount and Shortfall Earnout Equity collectively referred to herein as "Reverse Earnou**t**".

vi. No Excessive Earnout**.** Alternatively, the Parties further agree that no excessive earnout amount shall be included in the SPA

vii. The term "business day" means any day of the week other than Saturday, Sunday, or any other day on which Nasdaq is closed for business. The term "piggyback registration rights" means the right for all Payment-In-Kind shares of SEGG issued at Closing or upon True-Up to be registered alongside any other shares of SEGG that are registered for sale from time to time with the Securities and Exchange Commission ("SEC") for offer or sale to the public, including pursuant to any amendment of any existing effective or pending registration as at Closing; provided, however, that such term will exclude: (i) any such registration statement that is for the benefit of reselling shareholders who have received shares from SEGG in exchange for cryptocurrency; and (ii) any prior registration statement that excludes the shares of reselling shareholders.

3. Limited Assumption of Liabilities. Buyer does not assume any responsibility for any liabilities or obligations of Seller, fixed or contingent, arising prior to the Closing of the Transactions. No fees, expenses, liabilities, or obligations are being assumed by Buyer, and all such liabilities and obligations incurred by Seller prior to the Effective Date will remain the sole responsibility of Seller. Without limiting the generality of the foregoing, Buyer will not assume, purchase, or be obligated on any existing contracts, licenses, or any ongoing obligations currently existing and binding upon Seller, unless otherwise expressly assumed by Buyer in writing.

4. Bills of Sale and Assignments. Seller agrees to execute any separate bills of sale and assignments of title, in recordable form, as may reasonably be requested by Buyer to effect the sales and assignments embodied in the Transactions.

5. Closing. All Transactions will be conducted and fully performed on a date to be determined by the Parties after the satisfaction of each Closing Contingency (the "Closing"), which date will be on or before 5:00 p.m., Eastern Time, on or before **August 1, 2025** (the "Closing Deadline") or as extended by Buyer as reasonably and commercially required to complete the Transactions as contemplated in this Agreement.

6. Closing Contingencies. It is acknowledged and agreed by the Parties that:

a. Each and every Transaction contemplated by this Agreement is contingent upon and subject to:

i. Formation of NewCo by Buyer; and

ii. The ability of each Party to materially perform each other material Closing obligation hereunder by the Closing Deadline (each a "Closing Contingency"); and

b. Neither Party will be liable to the other Party for any breakup fee or otherwise for any failure to close the Transactions due to a Closing Contingency that is not cured or remedied by the non-performing Party or mutually resolved by the Parties in writing on or before the Closing Deadline, or any permitted extensions thereof.

7. Representations and Warranties of Seller. Seller represents and warrants to Buyer as of the Effective Date and at the Closing that:

a. No Active Litigation. To Seller's knowledge, there is no action, suit, proceeding, inquiry, or investigation by or before any court, governmental agency, public board or body pending or, to the knowledge of Seller, threatened against the Assets or enjoining Seller's consummation of the Transactions.

b. No Regulatory Restrictions. Neither Seller nor the Assets are the subject of or party to a memorandum of understanding or any supervisory agreements, cease-and-desist orders, consent agreements, or regulatory restrictions that would affect Seller's ability to consummate the Transactions.

c. Authority to Contract. Seller has full legal power and authority to perform its obligations under this Agreement, and this Agreement constitutes a legal, valid, and binding obligation of Seller enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, liquidation, or other similar laws affecting generally the enforcement of creditors' rights.

d. Title. Seller has good and conveyable license or title to the Assets, free and clear of all liens, charges, claims, and encumbrances or third-party licenses of any nature, subject to the terms and conditions of use dictated by the issuers of any domain name licenses or account holder agreements.

e. No Past Due Accounts. All Seller third-party accounts relating to the Asset licenses: (i) have positive balances, are current, or have balances not in excess of thirty (30) days in arrears as of the Effective Date; and (ii) are not subject to any known or anticipated third-party claim or liability.

f. Brokers. Buyer shall not be responsible for any any brokerage, finder's, or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Seller.

g. Disclaimer of Other Representations and Warranties. The Assets are conveyed to Buyer with express and implied warranties, including, but not limited to, the warranties of merchantability, fitness for a particular purpose, and non-infringement, and Seller specifically claims such representations or warranties.

8. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as of the Effective Date and at the Closing that:

a. Authority to Contract. Buyer has full legal power and authority to perform its obligations under this Agreement, and this Agreement constitutes a legal, valid, and binding obligation of Buyer enforceable against it in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency, liquidation, or other similar laws affecting generally the enforcement of creditors' rights.

b. Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Buyer.

c. Financing Commitment. Buyer shall commit financing to NewCo up to Fifteen Million Dollars USD ($15,000,000.00) (the "Financing Commitment") during the first year, under customary financing terms applicable in the United States of America with an interest rate not to exceed statutory usuary limitations (the "SEGG Note"). Notwithstanding the foregoing, the Financing Commitment shall be subject to Buyer's prior approval (in writing) of certain licenses for football leagues or other sports leagues. For clarity, Buyer shall have the right at its sole discretion to review, select and which licenses, broadcasting or streaming rights for football leagues or other sports leagues NewCo enters into.

9. Termination and Survival. This Agreement will commence on the Effective Date and terminate in the event the Closing has not occurred by the Closing Deadline, as may be extended pursuant hereto. The representations and warranties of the Parties contained in this Agreement, including the Schedules and Exhibits attached hereto, or in any writing delivered pursuant to the provisions hereof, shall survive the Closing for a period of one (1) year.

10. Confidentiality. Each Party agrees to safeguard and hold confidential from disclosure to unauthorized third parties all non-public information relating to this Agreement and the mutual business dealings of the Parties. For purposes of the foregoing, only officers, directors, and employees of either Party or its affiliates, including bankers, broker-dealers, accountants, auditors, and attorneys, shall be authorized parties on a 'need to know basis' consistent with their respective positions, legal obligations, and responsibilities. Each Party agrees that it will not make any statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action which may, directly or indirectly, disparage any Party, its affiliates, or their respective officers, directors, employees, advisors, businesses, or reputations. Notwithstanding the foregoing, nothing in this Agreement shall preclude a Party from making truthful statements or disclosures that are required by applicable law, regulation, or legal process or otherwise make certain public announcements with the consent of the other Party.

11. Indemnities. The Parties each agree to indemnify and hold harmless (the "Indemnifying Party") the other Party and all of its officers, directors, employees, and agents (the "Indemnified Party") from and against any and all liability, claim, cost, or expense (including court costs and attorney's fees) incurred by the Indemnified Party attributable to:

a. Breach. A material breach of any material representation or warranty by the Indemnifying Party, its officers, directors, employees, or agents pursuant to this Agreement; or

b. Default. Any default by the Indemnifying Party, its officers, directors, employees, or agents in any of its obligations or covenants under this Agreement.

12. Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any third parties to this Agreement.

13. Notices. All notices under this Agreement will be in writing and will be sent:

If to Buyer, to:

Lottery.com Inc.
5049 Edwards Road, 4th Floor
Fort Worth, Texas 76109

With copies to:

matthew.mcgahan@lottery.com
(will not constitute notice)

If to Seller, to:

Galaxy Racer Holdings Limited ("GXR")
Attn: Paul P. R. Phanbuh
Vistra Corporate Services Centre, Wickhams Cay II,
Road Town, Tortola, British Virgin Islands

All notices to be sent or delivered hereunder will be deemed to be given or become effective for all purposes of this Agreement as follows: (i) when delivered in person, when given;

(ii) when sent by mail, when received by the person to whom it is given, unless it is mailed by registered, certified or express mail, in which case it will be deemed given or effective on the earlier of the date of receipt or refusal; and (iii) when sent by electronic mail, facsimile or other form of electronic transmission, twelve (12) hours after the transmission with proof that it was sent to the correct electronic mail address, telephone number or similar address, as the case may be.

14. Litigation Notices. In the event a subpoena or other legal process including any notice, order, or inquiry from any state or federal regulatory authority concerning the Assets is served upon Seller, Seller agrees that it will notify Buyer immediately upon receipt of such legal process and will cooperate in a lawful effort to comply with or contest the validity of the legal process, at Buyer's sole cost and expense.

15. Costs and Fees. Each Party agrees to pay its own costs, expenses, and attorneys' fees incurred in connection with this Agreement and any enforcement hereof. After Closing, Buyer shall be liable for any license or use fees related to the Assets.

16. Further Acts and Instruments. Each Party agrees to execute and deliver such other and further instruments and to do such other and further acts as may be necessary or desirable to effect the transactions contemplated in this Agreement and carry out the intent and purpose of this Agreement.

17. Call Option. The Parties agree to enter into a call option agreement, whereby Buyer has the irrevocable right to acquire any remaining interest in NewCo up to100% interest in NewCo at the valuation mutually agreed to and later set forth in in the call option agreement, (the "Call Option") with said Call Option to expire on December 31, 2027. The Call Option may only be exercised by Buyer so long as SEGG remains listed on Nasdaq's Global Market Exchange and is current with all statutory financial filings at the time Buyer exercises any portion of the Call Option. At the sole discretion of Buyer, the consideration for the Call Option or any portion thereof, may be made in cash or restricted stock units of common shares in SEGG at market value at the time the Buyer exercises its Call Option or any portion thereof.

18. Opportunity to Review and Consultation with Legal Counsel. The Parties acknowledge and agree that they have had a full and fair opportunity to review, comment, and make compromise revisions to this Agreement. Each Party acknowledges that it has had a full and complete opportunity to consult with legal counsel or other advisers of its own choosing concerning the terms, enforceability, and implications of this Agreement, and that no Party has made any representations or warranties to any other Party concerning the terms, enforceability, and implications of this Agreement other than as are reflected in this Agreement.

19. Succession; Assignment. This Agreement and any other agreement or documentation necessary to give effect to the transactions contemplated hereby will bind and inure to the benefit of the heirs, administrators, executors, successors, and assigns of the Parties.

20. Severability. The Parties agree that, if any term or condition of this Agreement is found to be illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the validity of the balance of this Agreement, and the Parties will substitute for the affected term or condition an enforceable provision that approximates as nearly as possible the intent and economic benefit of the affected term or condition.

21. Entire Agreement. The Parties acknowledge and agree that this Agreement and the documents that are to be executed pursuant to this Agreement contain the entire agreement between or among the Parties, as the case may be, regarding the subject matter hereof and supersede and replace any and all prior oral and written agreements, arrangements, or understandings between or among the Parties, as the case may be, relating to the subject matter hereof.

22. Applicable Law. The Parties agree that this Agreement will be governed by, construed, and enforced in accordance with, and subject to, the laws of the **State of Delaware**, except with respect to the choice of law provisions thereof.

23. Jurisdiction; Venue. Each Party hereby submits to the jurisdiction and venue of the state and federal courts located in the **State of Delaware** for purposes of any arbitration or litigation related to this Agreement.

24. No Fiduciary Duty; No Joint Venture. Nothing contained in this Agreement is intended to create any fiduciary duty of one Party to another Party, any joint venture between the Parties, or any partnership or other type of business entity involving the Parties.

25. Remedies. In the event of any breach or threatened breach of any term of this Agreement, a Party seeking relief will be entitled to seek specific performance, injunctive, and other equitable relief, which will be in addition to, and not in lieu of, money damages or any other legal remedy available to the Party seeking relief.

26. Amendments; Changes; Modifications. No amendment, change, or modification to this Agreement will be valid unless set forth in writing and signed by a duly authorized representative of each Party.

27. Waivers. No delay or omission by any Party hereto in exercising any right, power, or privilege under this Agreement will impair such right, power, or privilege, nor will any single or partial exercise of any such right, power, or privilege preclude any further exercise thereof or the exercise of any other right, power, or privilege.

28. Headings. All headings in this Agreement are provided for convenience and reference only, are not integral or substantive provisions of this Agreement, and will not affect any interpretation of the substantive provisions to which they relate.

29. Counterparts. The Parties agree that this Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original and all of which together will constitute but one and the same instrument.

30. Electronic Signatures. This Agreement may be executed by original, facsimile, and electronic signatures, each of which when affixed will be deemed to be an original that is enforceable against the executing Party.

31. NON-REPRESENTATION NOTICE. SELLER ACKNOWLEDGES THAT THE UNDERSIGNED SIGNATORY IS AN ATTORNEY WHO IS ACTING IN A NON-LEGAL CAPACITY WITH RESPECT TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN AND DOES NOT REPRESENT ANY PARTY HERETO OR THIRD PARTY REFERENCED HEREIN. SUCH ATTORNEY WILL NOT BE DEEMED TO REPRESENT ANY PARTY HERETO IN THE ABSENCE OF A SEPARATE WRITTEN AGREEMENT SETTING FORTH THE EXISTENCE AND SCOPE OF ANY LEGAL ENGAGEMENT OR ATTORNEY-CLIENT RELATIONSHIP. THIS LETTER MAY NOT BE RELIED UPON BY ANY PARTY AS LEGAL ADVICE.

(Signature page follows.)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

"BUYER"		**"SELLER"**	
LOTTERY.COM INC.		GALAXY RACER HOLDINGS LIMITED.	
By:	*/s/ Matthew McGahan*	By:	*/s/ Paul P. R. Phanbuh*
Name:	Matthew McGahan	Name:	Paul P. R. Phanbuh
Title:	CEO and President	Title:	Director

<u>Schedule A</u>

SCHEDULE OF CONVEYED ASSETS
(Assets)

The Assets to be conveyed by **Galaxy Racer Holdings Limited**, a BVI entity, to **Lottery.com Inc.**, a Delaware corporation, or its designee pursuant to the accompanying Asset Purchase Agreement, dated **July 30, 2025**, include the following: exclusive ownership and rights to the GXR Platform and App, the GXR tech stack, all users (approximately 1.1 million monthly active users) and licenses as identified and further described in:

Appendix 1A (App Flow);

Appendix 1B (Spector Integration);

Appendix 1C (Social Module and Open Specifications); and

Appendix 1D (Techs Stack Summary).

Schedule B

SHORTFALL EARNOUT

On June 30, 2027, NewCo's Valuation must equal $30,000,000 USD based on the mutually agreed valuation formula applied to the Call Option. In the event that NewCo's Valuation is less than $30,000,000 USD on June 30, 2027, a Reverse Earnout shall be triggered against Seller in accordance with Section 2(a)(v) of this Agreement.

GXR App

The GXR App is a comprehensive, multi-feature mobile platform designed to be the "Home of Football." It seamlessly blends social engagement, live football streaming, real-money gaming (RMG), and dynamic missions & achievements into one immersive, gamified experience. With social interaction as the primary entry point, GXR creates a community-centered approach that puts fans at the center of the football world.

1. Onboarding & Login Flows

1.1 Splash Screen

Purpose: Give a brief welcome, display the app logo/branding ("GXR").

Layout:

- Center: App logo (e.g., "GXR").
- Bottom: Brief loading indicator or tagline ("Connect, Stream, Play & Win").

Navigation:

- After 1–2 seconds, transitions automatically:
    - If first-time user → Onboarding Slides.
    - If returning user → Login (or Social Feed if the user's session is still valid).

1.2 Onboarding Slides

Purpose: Introduce the app's social-first approach and core features (community, live streaming, RMG, daily trivia, missions, etc.) in 3-4 swipes.

Layout:

- Full-Screen Image/Illustration per feature highlight.
- Headline Text (e.g., "Connect with Football Fans," "Catch Live Matches," "Win Real Prizes," "Complete Missions for Rewards").
- Short Description (1–2 lines max).
- Pagination dots at the bottom indicating the current slide.
- Skip / Next button in the bottom-right corner.

Navigation:

- Skip → directly to Login/Signup.
- Next → moves through slides.
- Final slide → transitions to Login/Signup.

1.3 Login / Signup Screen

Purpose: Let returning users log in and new users create an account.

Layout:

- Tabs or Buttons: Login (default) | Signup.
- Login Form (if Login tab is active):
  - Email/Phone input
  - Password or OTP input
  - Forgot Password? link
  - Login button
- Signup Form (if Signup tab is active):
  - Name field
  - Email/Phone
  - Password or OTP
  - Sign Up button
- Social Login: Buttons for Google, Facebook, or Apple login.

Authentication Integration with Specter:

- User authentication flows through Specter to social backend
- JWT or similar token validation
- SSO implementation between backends
- Consistent user data across both systems
- Unified logout flow across systems

Navigation:

- After successful login or signup → Social Feed (Tab 1).
- Forgot Password? → Forgot Password Flow.

2. Social Feed (Tab 1)

Primary Focus: The central social hub of the app featuring stories, social posts, live matches, and trending content.

2.1 Top Navigation Bar

- Left: GXR App logo
- Right:
  - Wallet Icon + Balance (e.g., “₹14000”)

- GXR Points/Stars Indicator (e.g., “0/100”)
- Notifications Bell icon

2.2 Content Filter Tabs

- For You (default): Personalized content based on user preferences and behavior
- Following: Content exclusively from accounts the user follows
- Trending: Popular content across the platform

2.3 Stories/Profiles Carousel

- Horizontal scrolling row of circular profile icons:
    - Your Story (add button to create new story)
    - Featured profiles (e.g., players, teams, influencers) with Elite badges
    - LIVE indicator on profiles currently streaming
- Story creation flow:
    - Tapping “Your Story” → Camera/upload interface
    - Media selection → Add text/effects → Post
    - Option to share to specific hubs or communities

2.4 Live Matches Section

- Section header with “Live Matches” title and “See All” link
- Cards showing current live matches:
    - League information and match time
    - Team logos and current score
    - LIVE indicator
    - “Watch Now” button to enter streaming view

2.5 Social Post Feed

- Scrollable feed of posts from players, teams, hubs, and other users
- Post components:
    - Author profile picture, name, and post time
    - Post content (text, images, videos)
    - Engagement options (like, comment, share)
    - Interaction counts (likes, comments, shares)
- Post types:
    - Standard posts (text, images)
    - Video posts
    - Match highlights
    - Community announcements
    - Poll/Survey posts

- User Flows:
  - Post creation: User taps “New Post” → Media selection → Add text → Post
  - Engagement: User taps like → Update like count → Store in user activity
  - Comment: User adds comment → Comment stored → Notification sent to post owner
  - Share: User taps share → Sharing options appear → Content shared to selected destination

2.6 Navigation

- Bottom Navigation Bar: Feed (active), Discover, Scores, Play, Profile.

3. Discover (Tab 2)

Primary Focus: Content and community discovery, featuring recommendations, hubs, and trending topics.

3.1 Top Banner

- Featured content carousel highlighting:
  - Fan Community Leaderboards
  - Special events
  - Tournaments
  - Premium content

3.2 Quick Access Icons

- Horizontal row of feature icons:
  - Hubs: Access to interest-based communities
  - Shop: Merchandise and premium features
  - Flicks: Short-form video content
  - Trivia: Quiz games and challenges
  - Spin: Gamified rewards feature

3.3 Feature Cards

- Medium-sized cards highlighting key features:
  - Player Analysis: Global rankings and statistics
  - Daily Rewards: Claimable bonuses and incentives
  - Trending Hubs: Popular community spaces
  - Premium Subscription: Exclusive benefits

3.4 Live & Upcoming Section

- Cards showing live and upcoming matches or events
- User can tap to watch live or set reminders for upcoming events

3.5 Hub Discovery

- Featured and trending hubs
- Personalized hub suggestions based on user interests
- Browse and search functionality for finding specific communities
- Hub joining flow:
  - User discovers hub → Views hub details
  - Taps "Join" (instant for public, request for private)
  - Receives welcome notification and introduction

3.6 Navigation

- Bottom Navigation Bar: Feed, Discover (active), Scores, Play, Profile.

4. Scores (Tab 3)

Primary Focus: Live scores, schedules, fixtures for multiple leagues.

4.1 Header / Filtering

- Title: "Scores & Fixtures"
- League Filter Dropdown (e.g., "All Leagues," "La Liga," "EPL").
- Date Selector: small horizontal date picker or "Today / Tomorrow / Past."

4.2 Scores Dashboard

- List of matches grouped by date or league.
- Match Card:
  - Team A vs Team B with team logos
  - Score or "Starts at 10:00 PM"
  - Match Status: LIVE, FT (Full Time), or upcoming.
- Tap a match → Match Detail Screen.

4.3 Match Detail Screen

- Header: Teams, Score, League Name, Match Time/Status.
- Tabs within Match Detail:
  - Overview: Main stats (possession, shots, timeline).
  - Lineups: Starting XI, bench, formation.
  - Social: Fan reactions, trending posts about the match
  - Hub: Match-specific hub for fan discussions
  - Trivia / RMG: Real-time or pre-match predictions ("Who will score first?").

- CTA: “Watch Live” → takes user to Live Stream if the match is live.
- Social Integration:
  - “Share” button to post match details to feed
  - “Join Match Hub” to enter match-specific discussion space
  - Real-time comment thread for match discussion

4.4 Navigation

- Bottom Navigation Bar: Feed, Discover, Scores (active), Play, Profile.

5. Play & Win (Tab 4)

Primary Focus: Real-money gaming (RMG), trivia, contests, leaderboards.

5.1 Top Bar

- Title: “Play & Win”
- Wallet Balance or small “Wallet” button is also shown here.

5.2 Featured Games & Trivia

- Carousel/Grid of game cards:
  - Daily Trivia, Opinion Polls, Predict & Win, etc.
  - Each card includes:
    - Game Name (e.g., “Daily Football Quiz”)
    - Icon or small image
    - Entry Fee (if RMG)
    - CTA: “Play Now” or “Enter”
- Tapping a card → Game Detail screen.

5.3 Tournaments & Leaderboards

- Scrolling list of ongoing/future tournaments:
  - Tournament Name (e.g., “Weekend Predictions Contest”)
  - Prize Pool & Entry Fee
  - Time Left or countdown
  - CTA: “Join” or “View Details”
- Leaderboard snippet shows top players, user’s own rank.
- “View Full Leaderboard” → a dedicated leaderboard screen.
- Social integration:
  - “Challenge Friends” option to invite social connections
  - “Share Results” to post outcomes to feed
  - Tournament hubs for participants to discuss strategy

5.4 Past Results & Rewards

- A sub-tab labeled “My History” or “Past Results.”
- History Screen:
  - List of completed games/tournaments:
  - Date, final rank, winnings
  - Tapping an entry → detailed breakdown (questions, correct answers, etc.).

5.5 Navigation

- Bottom Navigation Bar: Feed, Discover, Scores, Play (active), Profile.

6. Profile and Player Stats (Tab 5)

Primary Focus: User account, social profile, wallet, settings, preferences, missions access, achievements.

6.1 Profile Header

- User Avatar & Name
- Edit Profile button (change avatar, update info)
- User Level (e.g., “Level 5”) based on Missions/Achievements
- “Favorite Teams/Leagues” link to manage user preferences
- Social stats (followers, following, engagement)

6.2 Social Profile Elements

- Bio/About section
- Achievements and badges display
- Content tabs:
  - Posts: User’s social content
  - Activity: Recent interactions and engagement
  - Collections: Saved content
- “Find Friends” option to grow social network
- “Invite Friends” to share the app

6.3 Wallet

- Balance Display: current wallet amount.
- Deposit / Withdraw buttons:
  - Opens respective flows with payment gateways and KYC prompts.
- Transaction History: deposit, withdrawal, and RMG winnings logs.

6.4 Complete KYC Button

- Always visible if KYC not completed.
- Tapping leads to the KYC Flow (upload ID, etc.).
- Mandatory when deposit/withdraw surpasses a certain threshold.

6.5 Settings & Preferences

- Account Settings: change email, phone, password.
- Notifications: toggle match alerts, game invites, social notifications.
- Privacy Settings: control who can see profile, contact user, view stories
- Responsible Gaming: set deposit limits, disclaimers.
- Language & Region: multi-lingual support.
- Help & Support: FAQs, contact info, T&Cs, privacy policy.

6.6 Missions & Achievements

- Fully Integrated Loyalty & Rewards: This section shows daily/weekly missions, cumulative GXR Points earned from multiple actions (e.g., watching matches, playing RMG, chatting, sharing content), and achievement badges.
- Tiered Rewards: Displays user level and progress toward unlocking VIP fan tiers with exclusive perks such as bonus multipliers and discounted RMG entry fees.

6.7 Premium Subscription Option

- A dedicated section where users can subscribe to a premium plan. Premium users enjoy:

  - Ad-free streaming across all features.
  - Priority access to RMG tournaments.
  - Bonus GXR Points multipliers on all activities.
  - Exclusive match experiences and rewards.
  - Premium badge for social profile
  - Priority in chat and hub discussions

6.8 Log Out

- Located at the bottom or in a top-right overflow menu.

6.9 Navigation

- Bottom Navigation Bar: Feed, Discover, Scores, Play, Profile (active).

7. Live Streaming

Primary Focus: Live match streaming with integrated social and gaming features.

7.1 Live Matches Overview

- Accessible from:
    - “Live Matches” section on Social Feed
    - Live tab on Scores
    - Direct notifications for favorite teams
- Layout:
    - If multiple matches, show a list of match thumbnails with team logos, match time, “LIVE” label
    - CTA: “Watch Now”

7.2 Match Live Stream

- Full Screen Video Player
- Top Overlay: Display basic match info (teams, score, time).
- Overlay Icons:
    - RMG/Trivia icon: Opens an integrated side panel with one-click betting options and real-time interactive polls.
    - Chat icon: Opens in-stream chat that also supports quick ‘chat bets’ (e.g., type YES to bet).
    - Share icon: Capture and share moments to social feed
    - Premium Indicator (if applicable): Visible for premium subscribers for exclusive offers.
- Embedded Betting Options: A non-intrusive banner overlay within the video reading ‘Who will score next? Tap to bet instantly’ without redirecting to a separate page.

7.3 In-Match Gaming Overlays

- When the user taps the Game Icon, a slide-in panel appears with match-specific RMG activities:
    - Who will score the next goal?
    - Will there be a goal in the next 5 minutes?
    - Predict the final score.
- Each “game” or “challenge” includes:
    - Possible outcomes (Team A, Team B, or “No goal” in X minutes).
    - Entry Fee (if it’s paid) or “Free” if it’s a promotional challenge.
    - Potential Real-Money Prize or a share of a prize pool.
    - Time-limited: The option closes if the event is resolved or a countdown ends.

7.4 Live Chat & Social Integration

- In-stream live chat with:
    - Text messages, reactions, and emojis
    - Quick bet options (type YES/NO to participate in predictions)

    - @mentions for other viewers
    - Moderation tools to control spam and offensive content

- Social sharing options:

    - Capture and share moments to feed
    - Invite friends to join the stream
    - Post predictions and results to profile or hubs

7.6 Highlights & Replays

- Accessible after matches or from dedicated sections
- Cards showing recent matches' highlights
- Social integration allows users to:

    - Share highlights to feed
    - Comment on key moments
    - Tag friends in remarkable plays

8. Hubs & Communities

Primary Focus: Topic-focused communities that function similar to forums or specialized social groups.

8.1 Hub Features

- Interest-based communities:

    - Team-specific hubs (Barcelona, Manchester United, etc.)
    - League-focused hubs (Premier League, La Liga, etc.)
    - Topic-based hubs (Tactics, Transfer News, Fantasy Football, etc.)
    - Match-specific temporary hubs that activate around live games

- Privacy options:

    - Public hubs visible to all users
    - Private hubs require approval to join
    - Unlisted hubs (discoverable only by direct link)

- Hub roles and permissions:

    - Admins have full control over hub settings and membership
    - Moderators help enforce community guidelines
    - Members have standard participation rights

8.2 Hub Content

- Specialized content types based on hub theme:

    - Dedicated feed of hub-specific posts
    - Hub-exclusive events and challenges
    - Custom content organization and curation
    - Polls and discussions

    - Match threads for live game discussions
    - Expert analysis and fan theories

8.3 Hub Discovery

- Accessible via:

    - Discover tab
    - Search functionality
    - Recommendations based on user interests
    - Featured and trending hub highlights

- User flows:

    - Browse featured and trending hubs
    - Search for specific interests or teams
    - Join request flow (instant for public, approval for private)
    - Recommendation engine suggests hubs based on user behavior

8.4 Hub Engagement

- Activity feed showing posts from hub members
- Discussion threads for specific topics
- Event calendars for hub-organized activities
- Member directory and engagement leaderboards
- Hub-specific challenges and rewards

9. Chat Functionality

Primary Focus: Private messaging between users and group conversations.

9.1 One-to-One Messaging

- Features:

    - Private conversations between two users
    - Text-based communication with rich formatting options
    - Media sharing (photos, videos, files)
    - Read receipts and typing indicators
    - Message reactions and replies
    - Search functionality within conversations
    - Online/offline status indicators

- User flows:

    - Starting a chat: Select contact → Chat history loads or new chat created
    - Media sharing: Tap attachment icon → Select media → Preview → Send
    - Contextual suggestions based on conversation content

9.2 Group Chat

- Features:
    - Multi-user conversations (three or more users)
    - Group creation and management
    - Member permissions and roles (admin, member)
    - @username mention functionality
    - Group settings for notifications
- User flows:
    - Group creation: Tap “New Group” → Add participants → Set group name/image → Create
    - Group management: Add/remove members, assign roles, change settings
    - Group interaction: Similar to regular chat with member indicators

9.3 Key Differences Between Hubs and Group Chats

- Hubs:
    - Purpose: Community building around specific topics or interests
    - Structure: Forum-like with content organization
    - Scale: Designed for larger communities (potentially thousands of members)
    - Content focus: Emphasizes content creation and discovery
    - Visibility: Can be public, private, or unlisted with searchable discovery
    - Example comparison: Similar to Reddit subreddits or Facebook Groups
- Group Chats:
    - Purpose: Direct multi-person messaging for coordination
    - Structure: Messaging-focused with chronological conversation
    - Scale: Optimized for smaller groups (typically under 100 members)
    - Content focus: Emphasizes real-time communication
    - Visibility: Private by default, accessible only to invited members
    - Example comparison: Similar to WhatsApp groups or Telegram groups

10. Notifications System

Primary Focus: Keep users informed about relevant activities across the platform.

10.1 Notification Types

- Social notifications:
    - New followers
    - Likes, comments, and shares on posts
    - Mentions and tags
    - Hub invitations and updates

- Match notifications:

    - Upcoming matches for favorite teams
    - Live match alerts (kick-off, goals, etc.)
    - Match results and highlights

- Gaming notifications:

    - RMG challenge invites
    - Tournament reminders
    - Winnings and results

- System notifications:

    - Account updates
    - Wallet activities
    - New features and app updates

10.2 Notification Center

- Accessed via Bell Icon in top navigation
- Shows chronological list of notifications
- Categories tab to filter by notification type
- Read/Unread status indicators
- Action buttons (Accept, Decline, View, etc.)
- Mark as Read or Delete options

10.3 Notification Settings

- Granular control over notification types
- Push notification toggles
- In-app notification preferences
- Email notification options
- Do Not Disturb scheduling

11. Missions & Achievements

Primary Focus: Gamification system that rewards user engagement across all features.

11.1 Missions Screen

- Access points:

    - Missions Icon in the top nav
    - Missions card on Social Feed or Discover
    - Profile → "Missions & Achievements"

- Layout:

    - Daily Missions: e.g., "Complete 2 Trivia Games," "Watch 1 Live Match," "Make 3 posts in hubs," etc.
    - Weekly Missions: more extensive tasks with bigger rewards.
    - Social Missions: "Invite friends," "Engage with 5 posts," "Create a hub post," etc.
    - Progress Bars or checklists for each mission.
    - Claim Button to redeem GXR Points or other rewards once a mission is complete.

11.2 Achievements & User Level

- User Level: Gains experience or GXR Points for completing missions, RMG participation, daily logins, social engagement, etc.
- Achievements: Milestone-based badges (“Won 10 Tournaments,” “Watched 50 Live Streams,” “Created 100 posts,” etc.).
- Display:
  - Shown on Profile Header (e.g., “Level 5 / 1500 XP”).
  - Separate listing of unlocked badges or trophies.
  - Social integration to share achievements to feed

11.3 Rewards & GXR Points

- GXR Points & Loyalty Rewards:
  - Earned from multiple actions: watching matches, playing RMG, participating in live chat, posting in hubs, sharing content
  - Tiered System: Points contribute toward unlocking VIP fan tiers which offer special perks
  - Automatically updates in the user’s profile, top navigation, and throughout the app
- Reward redemption:
  - Exchange points for in-app benefits
  - Unlock premium features
  - Enter special tournaments
  - Get discounts on RMG entry fees

Integration Plan for Specter and Galaxy Racer Platform

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1. Executive Summary

Brief Overview of the Integration Goals

The primary goal of the integration is to introduce real money gaming (RMG) and fan engagement features into the Galaxy Racer (GXR) app. This will include both frontend and backend components, with Specter handling the entire backend system to streamline operations and ensure a seamless user experience. Key backend capabilities provided by Specter include:

- **Payment Gateway Integration**: Seamless deposits and withdrawals via Razorpay, Stripe, PayU, and other supported gateways.

- **RMG Wallet Management**: Creation and management of wallets, enabling smooth money movement for actions like competition entry fees and prize distributions.
- **Match and Competition Systems**: Competitive systems like tournaments and matches, allowing users to participate in structured competitions with defined entry fees, prize pools, and rankings.
- **Event Tracking and Achievement Systems**: Tools for missions, quests, and rewarding users for actions within the app.
- **Leaderboards and Referral Systems**: Dynamic leaderboards to encourage competition and referral programs to drive organic growth.

The frontend implementation can be customized based on GXR's vision—either as a fully integrated experience within the existing app or through a dedicated web view.

Key Features of the Integration

1. **Real Money Gaming (RMG)**: Engage users through competitions with entry fees and real-money payouts.
2. **Gamification Tools**: Enhance user engagement with trivia, prediction games, missions, and quests.
3. **Seamless Wallet Functionality**: Enable secure deposits, withdrawals, and intra-system money flow.
4. **User Engagement Features**: Leaderboards, referral incentives, and achievement tracking to create a competitive and rewarding experience.

Value Proposition for GXR Users

1. **Enhanced Engagement**: By introducing interactive trivia, prediction games, and rewarding actions, users stay engaged with the app during and beyond live matches.
2. **Monetization Opportunities**: The RMG system incentivizes users to participate in competitions, creating additional revenue streams for GXR.
3. **Personalized Rewards and Recognition**: Leaderboards, achievements, and referral incentives add a layer of personalization, driving user retention and satisfaction.

This integration not only deepens user interaction with the platform but also positions GXR as a comprehensive entertainment hub for fans of La Liga, Serie A, and beyond.

2. Scope of Integration

Description of the GXR Platform

Galaxy Racer (GXR) is a streaming platform in India that broadcasts La Liga and Serie A matches. It offers fans a rich viewing experience with live streams, match highlights, and other football-related content, catering to a growing audience of football enthusiasts.

Overview of Specter

Specter is a Backend-as-a-Service (BAaaS) platform designed for gaming and gamification. It provides robust features like wallet management, seamless payment gateway integrations (e.g., Razorpay, Stripe, PayU), and support for RMG systems. Specter also handles event tracking, leaderboards, and engagement tools to boost user interaction.

Specific Use Cases for GXR

1. **Trivia During Live Matches**: Engaging fans with real-time trivia questions related to ongoing games.
2. **Prediction Games**: Allowing users to make predictions about match outcomes and win rewards.
3. **Competitive Gaming Formats**: Introducing tournaments and matches for fans to compete and earn prizes.

Additionally, the Specter team will assist GXR in implementing and managing gamification features and LiveOps to ensure smooth user engagement.

- **Gamification Elements**: Integration of missions, achievements, leaderboards, and reward systems.
- **LiveOps Execution**: Management of real-time events, competitions, and updates to interactive features.
- **Competitive Systems Management**: Handling operational workflows for tournaments, prize pools, and result validation.

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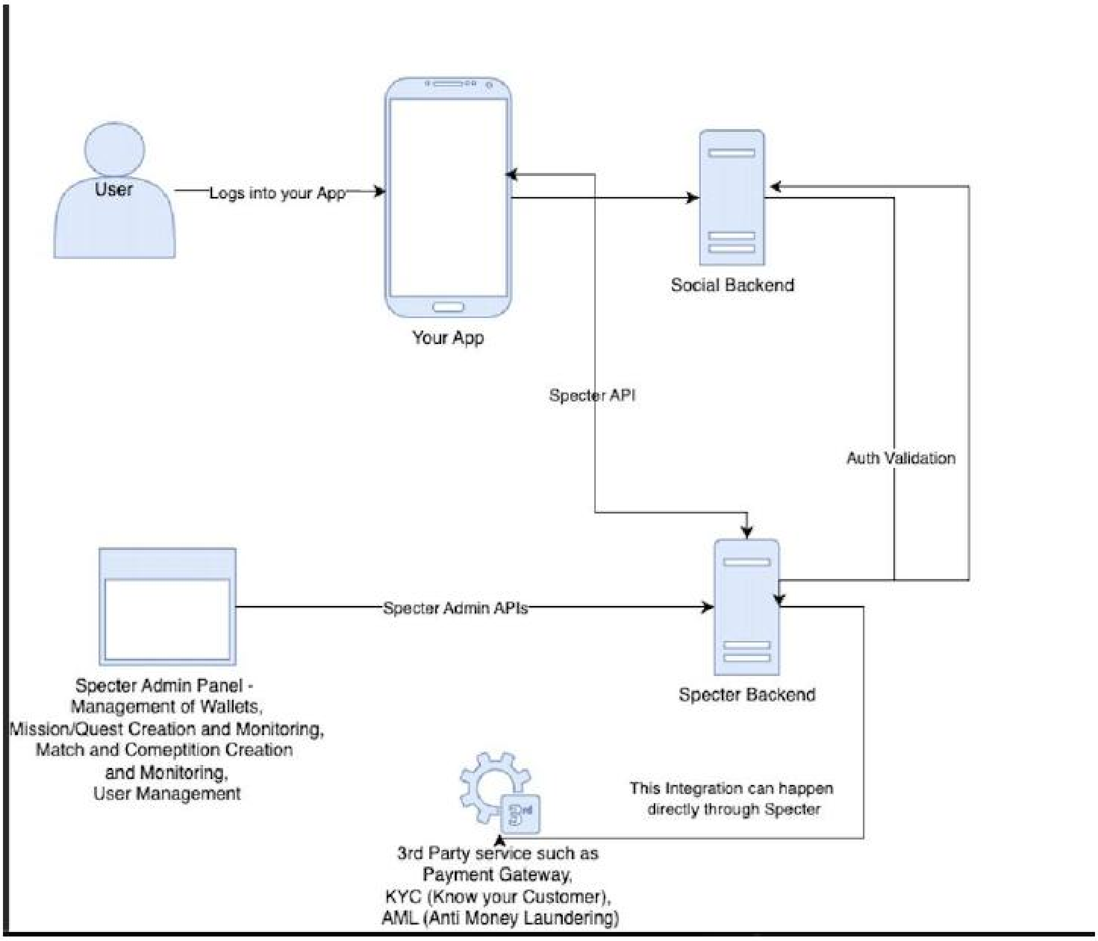
3. Integration Flow

Technical Architecture Diagram



Key Components Involved

1. **User**:
   - End user accessing the GXR app.
2. **GXR Frontend**:
   - Mobile app interface through which the user interacts (e.g., trivia, tournaments, wallet).
3. **Social Backend**:
   - Handles social layer and validates users with Specter API auth validation.
4. **Specter APIs**:
   - Key integration layer managing RMG features, wallet operations, game mechanics, and gamification tools.

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5. **Specter Admin APIs**:

   ○ Allows administrative access for managing gamification, wallets, and user data.

6. **Third-Party Integrations**:

   ○ Payment gateways (Razorpay, Stripe), AML/KYC providers, and compliance systems integrated with Specter.

This architecture ensures seamless communication between the GXR platform and Specter while supporting backend operations, live updates, and third-party compliance tools.

User Journey Steps

1. Joining a Game/Trivia/Prediction Session

- **Step 1**: The user logs into the GXR App and is authenticated through Specter and Afterthe user logs in through the app (authenticating with the Spector server), the app must call the Social API Login Event API to notify the Social API server. Upon receiving this event, the Social API server will call a REST API provided by Specter to fetch the user's information for storage and synchronization purposes.
- **Step 2**: The GXR frontend fetches available matches and competitions using **Specter APIs**.
- **Step 3**: The user selects a match(e.g., trivia during a live match, prediction session, or competitive tournament).
- **Step 4**: If it's an RMG competition, the user proceeds to pay the **entry fee** using their in-app wallet managed by Specter.

2. Participating in an RMG Competition

- **Step 1**: The user's wallet balance (handled via Specter APIs) is checked to ensure sufficient funds.
- **Step 2**: The entry fee is deducted, and the user's participation is confirmed.
- **Step 3**: Specter sends a confirmation via **webhooks** to the GXR backend, which updates the frontend for the user.
- **Step 4**: The user actively participates in the selected game or competition (e.g., answering trivia, submitting predictions, or competing in a tournament).

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3. Earning or Losing Rewards Based on Outcomes

- **Step 1**: Specter evaluates game outcomes, processes results, and calculates winnings based on pre-defined logic.
- **Step 2**: Rewards or losses are updated in the user's wallet via Specter APIs:
    - **Winning Scenario**: Winnings are credited to the user's wallet instantly or post review if GXR requires a manual review pre prize distribution.
    - **Losing Scenario**: No further action; participation fee remains processed.
- **Step 3**: Specter triggers an event notification (via webhooks) to update the GXR app, displaying the outcome to the user (e.g., leaderboard position or game result).

4. Redeeming Rewards or Withdrawing Winnings

- **Step 1**: The user navigates to the wallet section in the GXR app to redeem winnings.
- **Step 2**: The user initiates a withdrawal request, selecting a preferred payment method (e.g., UPI, bank transfer).
- **Step 3**: Specter processes the withdrawal request through integrated **payment gateways** (Razorpay, Stripe, PayU, etc.).
- **Step 4**: Funds are transferred to the user's account, and the transaction status is updated in real-time via Specter webhooks.

Summary

- **Joining**: User is authenticated on **GXR** and **Specter**, ensuring a secure start.
- **Participation**: Seamless entry into trivia, predictions, or tournaments with entry fees.
- **Results**: Rewards (winnings) or losses are updated securely in the user's wallet.
- **Withdrawal**: Easy redemption of winnings through integrated payment gateways.

API Requirements for Specter-GXR Integration

1. Authentication & User Management

To manage user onboarding and authentication seamlessly across GXR and Specter platforms:

- **APIs Required**:
    - Auth/Sign up with Custom ID
    - Auth/Login with Custom ID
    - (Optional) Auth/Sign up with Email
    - (Optional) Auth/Login with Email
    - (Optional) Auth/Sign up with Username
    - (Optional) Auth/Login with Username

Usage by GXR:

- Since GXR will already authenticate users on their platform, **Custom ID** is the best fit for a double-authentication flow.
- GXR can generate a unique Custom ID for each authenticated user and pass it to Specter during login/signup.
- Additional verification steps like **OTP verification** can be handled on GXR's end before logging in users to Specter.
- Other methods (Email, Username) can also be used if GXR prefers or already has similar mechanisms in place.

2. Wallet Management (Deposits, Withdrawals, and Transfers)

For handling user wallets, validating transactions, and enabling real-money gaming (RMG) operations seamlessly.

- **APIs Required**:
  - Wallet/Validate Deposit
  - Wallet/Deposit
  - Wallet/Validate Withdrawal
  - Wallet/Withdraw
  - Player/Get Wallet Balance
  - Player/Get Wallet History
  - Wallet/Update Balance

Usage by GXR:

- Validate and process deposits into user wallets securely.
- Validate and process withdrawals, ensuring proper checks before funds are transferred.
- Fetch and display wallet balances for users in real time.
- Show wallet transaction history, including deposits, withdrawals, and in-app spending.
- Update wallet balances when needed for specific use cases and manual adjustments.
- Enable smooth money movement within the system for RMG competitions (e.g., entry fees and prize distribution).

3. Game Mechanics

To support trivia, prediction games, tournaments, and competitive systems:

- **APIs Required**:
  - App/Get Matches
  - App/Get Tournaments
  - Competition/Enter Competition
  - Competition/Post Score to Tournament
  - Competition/Get Tournament Result
  - Competition/Get Tournament Ranking
  - Matches/Create Match Session
  - Matches/Start Match Session
  - Matches/End Match Session

Usage by GXR:

- Retrieve and display ongoing matches, tournaments and rankings.
- Allow users to enter RMG competitions (e.g., trivia, predictions).
- Manage game sessions (create, start, and end).
- Post scores and retrieve tournament results.

4. Event Triggers and Leaderboards

For enabling dynamic events, tracking progress, and rewarding users:

- **APIs Required**:
  - Events/Send Custom Event
  - Leaderboards/Post Score to Leaderboard
  - Leaderboards/Get Leaderboard Details
  - Leaderboards/Get Leaderboard Results
  - Player/Get Player Progress
  - Progression/Update Marker
  - Achievements/Grant Reward
- **Usage by GXR**:
  - Track user actions like completing trivia, winning predictions, or competing in matches.
  - Send events to Specter to trigger rewards or achievements. **Every API fires an event but custom events can be used for actions not defined by Specter APIs.**
  - Update and display leaderboard standings in real time.
  - Grant rewards based on user achievements and outcomes.

5. Badges and Inventory Management

Specter provides APIs to manage user inventories, which can be utilized for features like badges, achievements, and rewards on the GXR platform.

1. **API Required**:
   - Get My Inventory (players/me/get-inventory)
2. **Usage by GXR**:
   - **Badges and Achievements**:
     - Fetch and display user-earned badges, achievements, and rewards.
     - Maintain a history of accomplishments for users.

- **Reward System Integration**:
    - Enable users to view, collect, and interact with their earned inventory items, such as virtual trophies or collectibles.
- **Gamification Elements**:
    - Seamlessly integrate inventory items with leaderboard rewards, and Mission Outcomes

This ensures a centralized and user-friendly system for tracking and displaying gamification elements like badges and rewards.

4. Money Flow & Wallet Integration

The **Specter RMG Wallet System** handles user transactions, wallet balances, game participation, prize distribution, and taxation seamlessly. Specter ensures that all fund flows, including **entry fee deductions**, **GST**, and **platform fees** (revenue for GXR), are properly validated, recorded, and managed in a compliant manner.

1. User Deposit Flow

1. **User Action**: The user initiates a **deposit request** within the GXR app.
2. **Specter Validation**:
    - Specter validates the deposit request (e.g., wallet ID, deposit amount) against rules set up on the Specter Dashboard.
3. **Payment Gateway Integration**:
    - Specter creates an **order** via the payment gateway (e.g., Razorpay, Stripe, PayU).
    - The user completes the payment, and funds are transferred to the **GXR Bank Account**.
4. **Specter Wallet Credit**:
    - Once payment is confirmed, Specter credits the **user's wallet** within its internal system.
    - **Analogy**: Specter acts like a casino issuing "chips" to users after receiving funds, ensuring all game-related transactions are contained within its ecosystem.

2. Wallet Operations for Competitions

1. **User Action**: The user pays an **entry fee** to participate in an RMG competition (e.g., tournaments, predictions).
2. **Wallet Deduction**:
    - The entry fee is **deducted from the user's Specter wallet**.

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3. **Fee Deductions**:

    - **GST Deduction**: A portion of the entry fee is deducted as GST, which is recorded within the Specter system for compliance.
    - **Platform Fee**: Specter also deducts the **platform fee**, which is recorded as GXR's revenue.

4. **Prize Pool Management**:

    - The remaining amount (post-GST and platform fee) is aggregated into the **Prize Pool**, managed and tracked by Specter.

Key Notes:

- Specter ensures that **GST** and **platform fees** are calculated and deducted seamlessly during the wallet transaction.
- Platform fees directly contribute to GXR's revenue and are recorded in Specter for reporting.

3. Prize Distribution Flow

1. **Competition Results**: Specter calculates the results and determines the winners.
2. **Winnings Validation**:

    - Winnings are validated, and applicable deductions such as **TDS** are applied.

3. **Wallet Credit**:

    - Net winnings (post-TDS) are credited to the **user's Specter wallet**.

Compliance Highlight:

- **GST** is already deducted at the entry fee stage and recorded.
- **TDS** ensures winnings comply with tax regulations before crediting.

4. User Withdrawal Flow

1. **User Action**:

    - The user initiates a **withdrawal request** from their wallet via the GXR app.

2. **Specter Validation**:

    - Specter validates the withdrawal request to check for sufficient funds and other business logics set up on the Specter Dashboard
    - To prevent double withdrawal, **Specter temporarily deducts the requested amount from the user's wallet**.

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3. **Payment Gateway Integration**:
   - Specter processes the withdrawal via an integrated payment gateway (e.g., RazorpayX, Stripe, PayU).
   - **Fund Transfer**:
     - The requested amount is transferred from the **GXR Bank Account** to the user's bank account.
     - If the **transaction fails** (e.g., due to payment gateway errors), Specter automatically **refunds the temporarily deducted amount** back to the user's wallet.
4. **Wallet Update**:
   - If the transaction is successful:
     - The wallet balance remains updated to reflect the withdrawal.
   - If the transaction fails:
     - Specter refunds the temporarily held amount, and the user's wallet balance is restored.

Key Components of the System

1. **GXR Bank Account**:

○ Centralized account for all fund flows, including deposits and withdrawals.

2. **Specter Wallet System**:

○ Internal wallet that manages all user transactions securely.

○ Handles wallet balances, deductions (GST, platform fees), and winnings.

3. **Payment Gateways**:

○ Facilitate secure movement of funds to and from the GXR Bank Account.

4. **Compliance**:

○ **GST**: Applied and recorded during entry fee deductions.

○ **Platform Fee**: Deducted as part of the entry fee and recorded as GXR revenue.

○ **TDS**: Applied to winnings before crediting the wallet.

System Flow Summary

1. **Deposits**: Specter validates deposits, creates payment orders, and credits user wallets post-payment.
2. **Competitions**: Entry fees are deducted, **GST is applied and recorded**, and the **platform fee is captured as GXR revenue**. The remaining funds form the prize pool.
3. **Winnings**: Results are validated, **TDS is deducted**, and net winnings are credited to wallets.
4. **Withdrawals**: Specter validates and processes withdrawals via payment gateways.

Conclusion

The **GXR Wallet System**, integrated with Specter, ensures:

- **Accurate fund management** with validations at every step.
- **GST and platform fee deductions** are handled seamlessly and recorded for compliance and revenue tracking.
- **Secure wallet operations**, taxation compliance (GST, TDS), and efficient prize pool management.

5. Specter Integration with KYC and AML Platforms

Specter can integrate with third-party platforms to facilitate **Know Your Customer (KYC)** and **Anti-Money Laundering (AML)** processes, ensuring secure and compliant user onboarding and transaction monitoring.

Suggested 3rd party partner - Idfy

1. **KYC Integration**:
    - Verifies user identities during onboarding.
    - Ensures only verified users can access the platform and participate in RMG activities.
2. **AML Integration**:
    - Monitors transactions against regulatory lists (e.g., sanctions, PEP, adverse media).
    - Identifies and flags suspicious activities to maintain compliance with financial regulations.

This integration supports secure operations while aligning with necessary regulatory standards.

GXR App - Social Module Open Specifications

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1. Overview

The GXR App ("Home of Football") is a comprehensive mobile platform that integrates social engagement, live football streaming, and real-money gaming (RMG). This document outlines the technical specifications for the development of the Social Module backend by a third-party development team.

The GXR App consists of two primary backend systems:

1. **Specter Backend**: Existing system that handles authentication, user management, gaming, loyalty/missions, and core platform functionality
2. **Social Backend**: New system to be developed by the third party to handle social features

This document provides recommendations and guidelines for the Social Backend development and how it will integrate with both the GXR mobile application and the Specter Backend.

2. System Architecture

2.1 Architecture Overview

The GXR App architecture consists of three main components that interact with each other:

1. **Mobile Client Application**: React Native-based mobile app that communicates directly with both backend systems
    - Communicates with Specter for authentication, gaming, and loyalty features
    - Communicates with Social Backend for all social features
2. **Specter Backend**: Existing backend system that handles:
    - User authentication and profile management
    - Real-money gaming (RMG) features
    - Loyalty, missions, and achievements
    - Game state and wallet management
3. **Social Backend (to be developed)**: New backend system responsible for:
    - Social feed and posts management
    - User social profiles and relationships
    - Stories functionality
    - Hub/forum features
    - Basic non-real-time messaging
    - Social-related notifications

2.2 Communication Flow

The communication flow between these components works as follows:

1. **Mobile Client → Specter**:
    - Initial authentication and token retrieval
    - Gaming and RMG activities
    - Mission/loyalty-related actions
2. **Mobile Client → Social Backend**:
    - All social feature requests (feed, posts, comments, etc.)
    - The mobile client sends the Specter authentication token with all requests
3. **Social Backend → Specter**:
    - Token validation requests to verify user authentication using Specter's existing validation endpoints
    - User profile synchronization requests using Specter's existing user profile endpoints
    - No direct database access between systems

2.3 Authentication Flow

The authentication process follows these steps:

1. User logs in via the Mobile Client using either email/password or phone/OTP
2. Specter authenticates the user and issues a JWT token to the Mobile Client
3. For social features, the Mobile Client includes this token in requests to the Social Backend
4. The Social Backend validates this token using Specter's existing token validation API
5. After validation, the Social Backend processes the request and returns the response

2.4 Notification System

The notification system implementation will need to be discussed and finalized between the Specter team and the Social Backend team. Here are some key considerations:

1. **Single Firebase/OneSignal Configuration:**
    - Both teams will need to agree on how this configuration is shared and managed
2. **Notification Responsibilities:**
    - Social Backend will need to store and manage social notifications (likes, comments, etc.)
    - The implementation of push notification delivery needs further discussion
3. **Open Discussion Point:**
    - The notification implementation strategy should be finalized during the planning phase

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    - Both teams should collaborate to determine the most effective notification architecture
    - The goal is to provide a unified notification experience for users while maintaining clear separation of responsibilities

3. Features & Screens

Based on the existing app screens, the Social Backend should support the following key features:

3.1 Social Feed

Support for the main social feed screen with multiple feed types:

- "For You" (personalized) feed
- "Following" (accounts the user follows) feed
- "Trending" (popular content) feed

Various post types should be supported, including standard text posts, image posts, video posts, polls, and other content types as shown in the app screens.

3.2 User Profiles

Support for user profile screens with:

- User stats (followers, following, posts)
- User post history display

3.3 Stories

Support for ephemeral content (stories):

- Story creation and retrieval
- 24-hour expiration logic
- Story viewing tracking
- Live status indicators

3.4 Hubs & Communities

Support for forum-like communities:

- Team/league/topic-based communities
- Match-specific hubs for fan discussions
- Post and comment organization within hubs
- Member management and moderation features
- Public and private community options

3.5 Post Creation & Interaction

Support for post creation and interaction:

- Text posts with media (images, videos)
- Polls (TBD)
- Comments and replies
- Like and reaction functionality

3.6 Basic Messaging

Support for basic messaging features (non-real-time):

- Direct messages between users
- Message history and retrieval
- Basic read status tracking

4. Suggested API Endpoints

The following are suggested API endpoints that the third-party team may consider implementing for the Social Backend. These are recommendations and can be modified as needed during the development process.

4.1 Authentication Integration

Specter already provides the following endpoints for authentication that the Social Backend should use:

```
POST /v2/client/auth/validate-token
{
    "accessToken": "string", "entityToken":
    "string"
}

Headers:
- api-key: "string"
- Authorization: "Bearer <token>"

POST /v2/client/player/get-profile
{
    "id": "string" (optional)
```

```
}
```

```
Headers:
- api-key: "string"
- Authorization: "Bearer <token>"
```

The Social Backend should integrate with these existing endpoints for token validation and user profile retrieval.

4.2 Suggested Social Feed Endpoints

Endpoint	Method	Purpose
/feed	GET	Retrieve personalized feed
/feed/followi ng	GET	Retrieve feed from followed accounts
/feed/trendin g	GET	Retrieve trending content

4.3 Suggested Posts & Content Endpoints

Endpoint	Method	Purpose
/posts	POST	Create new post
/posts	GET	Get posts with filtering
/posts/:id	GET	Get single post details
/posts/:id	PUT	Update a post
/posts/:id	DELETE	Delete a post
/posts/:id/like	POST	Like a post
/posts/:id/unli ke	POST	Unlike a post

4.4 Suggested Comments Endpoints

Endpoint	Method	Purpose
/posts/:id/comments	GET	Get post comments
/posts/:id/comments	POST	Add a comment
/comments/:id	GET	Get comment details
/comments/:id	PUT	Update a comment
/comments/:id	DELETE	Delete a comment
/comments/:id/replies	GET	Get comment replies
/comments/:id/replies	POST	Add a reply

4.5 Suggested Stories Endpoints

Endpoint	Method	Purpose
/stories	GET	Get available stories
/stories	POST	Create a story
/stories/:id	GET	Get story details
/stories/:id/views	GET	Get story viewers
/stories/:id/views	POST	Mark story as viewed

4.6 Suggested User Endpoints

Endpoint	Method	Purpose
/users/:id	GET	Get user profile
/users/:id/posts	GET	Get user posts
/users/:id/follow	POST	Follow a user
/users/:id/unfollow	POST	Unfollow a user
/users/followers	GET	Get user's followers
/users/following	GET	Get users being followed
/users/search	GET	Search for users

4.7 Suggested Hubs Endpoints

Endpoint	Method	Purpose
/hubs	GET	Get list of hubs
/hubs	POST	Create a hub
/hubs/:id	GET	Get hub details
/hubs/:id	PUT	Update hub details
/hubs/:id/join	POST	Join a hub
/hubs/:id/leave	POST	Leave a hub
/hubs/:id/posts	GET	Get hub posts
/hubs/:id/posts	POST	Create post in hub
/hubs/:id/members	GET	Get hub members

4.8 Suggested Messaging Endpoints

Endpoint	Method	Purpose
/messages	GET	Get all message threads
/messages/:userId	GET	Get message thread with user
/messages/:userId	POST	Send message to user
/messages/:userId/read	POST	Mark messages as read

5. Data Models

The following are suggested data models that the Social Backend might implement. These are provided as a reference and can be adapted based on implementation requirements.

5.1 User Profile

```
{
   "id": "string", "username":"string",
   "display_name": "string", "bio":"string",
   "avatar_url":"string",
   "cover_image_url": "string", "verified":
   boolean,
   "team": "string (FCB, RMA, etc.)",
   "favorite_teams":["string"], "favorite_leagues":
   ["string"], "followers_count":number,
   "following_count":number, "posts_count":
   number,
   "level":number, "points": number,
   "badges": [
      {
         "id": "string",
         "name": "string",
         "icon": "string"
      }
   ],
   "created_at": "ISO timestamp",
   "updated_at":"ISO timestamp"
}
```

5.2 Post

```
{
  "id": "string", "user": {
    "id": "string", "username": "string",
    "display_name": "string", "avatar_url":
    "string", "verified": boolean, "team":
    "string", "level": number
  },
  "content": {
    "type": "text" | "image" | "video" | "carousel" | "poll" | "update", "text": "string",
    "caption": "string", "media": [
      {
        "type": "image" | "video",
        "url": "string", "thumbnail_url":
        "string", "width": number, "height":
        number, "duration": number
      }
    ],
    "poll": {
      "question": "string", "options": [
        {
          "id": "string",
          "text": "string", "votes": number
        }
      ],
      "total_votes": number, "expires_at": "ISO
      timestamp"
    }
  },
  "hub_id": "string", "stats": {
    "likes": number,
```

```
    "comments": number, "shares":
    number
  },
  "liked_by_user": boolean, "created_at":
  "ISO timestamp", "updated_at":"ISO
  timestamp"
}
```

5.3 Comment

```
{
  "id": "string",
  "post_id": "string", "user": {
    "id": "string", "username":
    "string", "avatar_url": "string",
    "verified":boolean, "team":
    "string", "level":number,
    "badge":"string"
  },
  "text":"string", "liked":number,
  "parent_id": "string", "replies": [
    {
      "id": "string", "user": {
        "id": "string", "username":
        "string", "avatar_url": "string"
      },
      "text":"string", "timestamp": "ISO
      timestamp"
    }
  ],
  "timestamp": "ISO timestamp"
}
```

5.4 Story

```
{
    "id": "string", "user": {
        "id": "string", "username": "string",
        "avatar": "string", "verified":
        boolean
    },
    "isLive": boolean, "content": {
        "type": "image" | "video",
        "media": "string",
        "caption": "string", "duration":
        number
    },
    "viewers_count": number, "created_at":
    "ISO timestamp", "expires_at":"ISO
    timestamp"
}
```

5.5 Hub/Community

```
{
    "id": "string",
    "name": "string",
    "topic":"string", "match_time":
    "string", "match_status": "string",
    "current_score":{
        "home": number, "away":
        number
    },
    "teams": {
        "home": {
            "name":"string", "shortName":
            "string", "logo":"string"
        },
        "away": {
            "name":"string", "shortName":
            "string",
```

```
            "logo": "string"
        }
    },
    "live": boolean, "members_online": number,
    "total_members": number,
    "active_predictions": number, "background":
    "string", "team_tags": ["string"],
    "privacy": "public" | "private" | "unlisted", "created_at": "ISO
    timestamp",
    "updated_at": "ISO timestamp"
}
```

5.6 Message

```
{
    "id": "string", "thread_id": "string",
    "sender_id": "string", "receiver_id":
    "string", "sender": {
        "id": "string", "username": "string",
        "avatar_url": "string"
    },
    "text": "string", "media": {
        "type": "image" | "video",
        "url": "string", "thumbnail_url":
        "string"
    },
    "read":boolean, "created_at": "ISO
    timestamp"
}
```

5.7 Notification

```
{
  "id": "string",

  "type": "like" | "comment" | "follow" | "mention" | "hub_invite", "actor": {
    "id": "string", "username":"string",
    "avatar_url": "string"
  },
  "target": {
    "type":"post" | "comment" | "user" | "hub", "id": "string"
  },
  "content": "string", "read":
  boolean,
  "created_at": "ISO timestamp"
}
```

6. Authentication & Security Requirements

6.1 Authentication Flow

The Social Backend should implement the following authentication process:

1. Receive requests from the Mobile Client with Specter JWT token in Authorization header
2. Validate the token using Specter's existing validation endpoint
3. Extract user identity from the token
4. Process the request based on the authenticated user's permissions
5. Return appropriate responses with proper status codes

6.2 Security Requirements

1. All API requests must be made over HTTPS
2. Proper API key management for Specter backend communication
3. Rate limiting for all endpoints to prevent abuse
4. Input validation on all requests
5. Content moderation systems for user-generated content
6. Secure storage of user data
7. Regular security audits
8. Data privacy compliance

---

7. Performance Requirements

7.1 API Performance

The Social Backend should meet the following performance criteria:

1. **Scalability:**
    - Support for 100,000+ concurrent users
    - Ability to handle traffic spikes during major matches

7.2 Media Handling

1. **Image optimization:**
    - Multiple resolutions for different device sizes
    - Progressive loading
    - Efficient format selection (WebP, JPEG, etc.)
2. **Video optimization:**
    - Thumbnail generation
    - Multiple quality levels
    - Efficient caching strategies

8. Testing Requirements

8.1 Testing Approach

The Social Backend should be thoroughly tested using:

1. **Unit testing**: For core business logic
2. **Integration testing**: For API endpoints and Specter integration
3. **Performance testing**: To validate performance requirements
4. **Security testing**: To identify vulnerabilities

9. Deliverables

The third-party development team is expected to deliver:

9.1 Backend Development

1. Complete Social Backend implementation with all required API endpoints
2. Database schema and data models
3. Integration with Specter APIs for authentication
4. Notification system implementation as agreed upon in planning
5. Media handling and optimization

9.2 Documentation

1. API documentation for all endpoints (OpenAPI/Swagger/Postman)
2. Integration guide for the Mobile Client team
3. Deployment and operation instructions
4. Database schema documentation

9.3 DevOps Support

1. Deployment scripts and configuration
2. Monitoring setup
3. Backup and disaster recovery processes

9.4.1 Infrastructure Provisioning & Management

- Designing and deploying the complete cloud infrastructure required for the Social Backend
- Selecting appropriate cloud services and infrastructure components based on performance requirements
- Provisioning and configuring all production, staging, and development environments
- Infrastructure-as-code implementation for reproducible deployments

9.4.2 Operational Management

- Monitoring and operational support of the production environment
- Performance optimization and scaling of resources as needed
- Security patch management and regular system updates
- Implementation of logging and alerting systems
- Incident response and resolution

9.4.3 Maintenance & Updates

- Regular maintenance windows and planned downtime management
- Database maintenance including backups, optimization, and scaling
- System upgrades and security patches
- Coordinating deployment schedules with the Specter team

9.4.4 Capacity Planning

- Monitoring resource utilization and planning for capacity increases
- Implementing auto-scaling solutions where appropriate
- Providing regular capacity planning reports and recommendations

---

10. Appendix

10.1 Glossary

- **GXR**: The parent app platform ("Home of Football")
- **Specter**: The core backend service handling authentication, user management, and gaming features
- **Social Backend**: The backend system to be developed for social features
- **Hub**: Topic or interest-based community within the Social Module
- **Story**: Ephemeral content that disappears after 24 hours
- **RMG**: Real Money Gaming features within the platform

10.2 Reference Materials

- Figma prototype links:
    - Old Prototype:

      https://www.figma.com/proto/gCYHVmFdr6CqUcyqbQd9vD/GXR-Prototype?page-id=1%3A2865&node-id=1%3A2872&scaling=min-zoom&content-scaling=fixed&starting-point-node-id=1%3A2872

    - New Social Features Prototype:

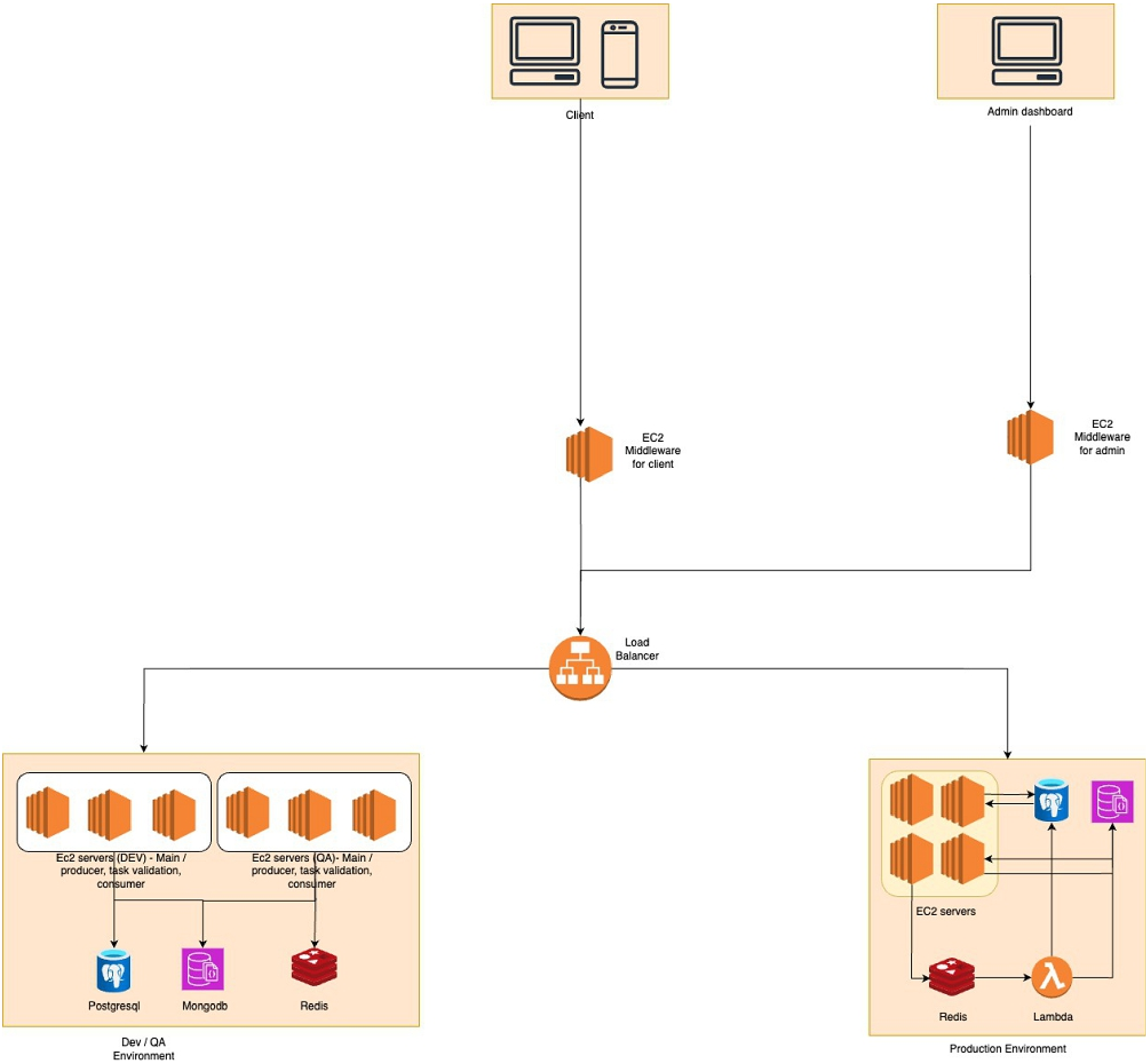
      https://www.figma.com/proto/gCYHVmFdr6CqUcyqbQd9vD/GXR-Prototype?page-id=253%3A2&node-id=271%3A476&scaling=min-zoom&content-scaling=fixed&starting-point-node-id=271%3A476

    - Figma Screens for all pages:

      https://www.figma.com/proto/gCYHVmFdr6CqUcyqbQd9vD/GXR-Prototype?page-id=0%3A1&node-id=0%3A1&scaling=min-zoom&content-scaling=fixed

- Expo Go app access instructions provided separately
- Specter Console Link: https://console.specterapp.xyz/
- Specter API Docs Link: https://doc.specterapp.xyz/
- Specter Sandbox Link: https://sandbox.specterapp.xyz/

Specter Server Architecture



GXR App - Social Module Product Requirements

1. Introduction

This document outlines the product requirements for the Social Module of the GXR App. It complements the technical specifications by focusing on user flows, screen functionality, and feature requirements from a product perspective.

2. User Personas

2.1 Primary User Personas

1. **Social Football Fan**
    - Primarily interested in connecting with other fans
    - Enjoys sharing opinions and reactions during matches
    - Follows favorite players and teams
2. **Content Consumer**
    - Primarily looks for football news, highlights, and updates
    - Reads discussions more than contributes
    - Uses the app to stay informed about football events
3. **Engaged Gamer**
    - Actively participates in RMG features
    - Shares predictions and results
    - Competitive and achievement-oriented

3. Key User Journeys

3.1 First-Time Social Experience

1. User completes initial app onboarding
2. User is prompted to select favorite teams, players, and leagues
3. Initial social feed is populated based on these preferences
4. User is guided to follow recommended accounts and join relevant hubs
5. User receives a notification about their first achievement

3.2 Daily Engagement Flow

1. User opens app and lands on the Social Feed
2. User scrolls through feed, viewing a mix of content types
3. User interacts with posts (likes, comments)
4. User checks and views available stories
5. User navigates to Live Matches or other sections based on interests

---

3.3 Match Day Experience

1. User receives notification about upcoming match
2. User accesses match-specific hub before the match
3. During match, user engages with live discussion in the hub
4. User creates and shares content about the match
5. User views related stories and posts from other fans

4. Screen Flows & Features

4.1 Social Feed Screen

Purpose: Primary entry point providing a personalized stream of content

User Story: As a user, I want to view a stream of relevant content so I can stay updated on football news, opinions, and activities from accounts I follow.

Features & Components:

1. **Top Navigation Bar**
   - App logo (left)
   - Wallet/Points indicator (right)
   - Notification bell (right)
2. **Feed Filter Tabs**
   - For You (personalized algorithm-based content)
   - Following (content exclusively from followed accounts)
   - Trending (popular content across the platform)
3. **Stories Carousel**
   - Horizontal scrolling row of circular profile icons
   - “Your Story” option with plus icon
   - Stories from followed accounts
   - LIVE indicator for streaming stories
4. **Live Matches Section**
   - Card showing current live matches
   - Team logos and score
   - “Watch Now” CTA
   - Swipeable if multiple matches are live
5. **Post Types in Feed**
   - Standard posts (text with optional media)
   - Image posts (single or multiple images)
   - Video posts (auto-play on scroll)
   - Poll posts (interactive voting)
   - Update posts (match updates, news)
   - Promo posts (special announcements)

---

6. **Post Interaction Elements**
   - Like button
   - Comment button
   - Share button
   - Action menu (report, hide, save)

Interaction Flows:

1. **Pull-to-refresh**: Updates feed with latest content
2. **Tapping story circle**: Opens story viewer screen
3. **Tapping “Your Story”**: Opens story creation flow
4. **Post engagement:**
   - Tapping like: Increments like count
   - Tapping comment: Expands comment section
   - Tapping share: Opens sharing options
   - Long-pressing: Shows reaction options
5. **Tapping “Watch Now”**: Navigates to live stream

4.2 Stories Experience

Purpose: Provide ephemeral content sharing and viewing

User Story: As a user, I want to create and view short-lived content to share moments and see real-time updates from other users.

Features & Components:

1. **Story Creation Screen**
   - Camera/gallery access
   - Text overlay tools
   - Filters and effects
   - Drawing tools
   - Stickers/GIFs
   - Audience selection (public/followers)
2. **Story Viewer Screen**
   - Fullscreen display of stories
   - Tap to skip/advance
   - Swipe to next/previous user
   - View count indicator
   - Reply input field
   - Quick reaction buttons

---

3. **Story Types**
   - Photo stories
   - Video stories (max 15 seconds)
   - Text-only stories
   - Poll stories
4. **Story Duration & Lifecycle**
   - 24-hour visibility
   - View tracking
   - Archiving options

Interaction Flows:

1. **Creating a story**:
   - Tap “Your Story” → Camera interface → Capture/select media → Add text/effects → Post
   - Stories automatically expire after 24 hours
2. **Viewing stories:**
   - Tap on a user’s story circle → View story → Swipe for more
   - Stories auto-advance after their duration
   - Tap left/right to navigate between stories

4.3 Post Creation & Interaction

Purpose: Enable users to create and interact with various content types

User Story: As a user, I want to create posts to share my thoughts, media, and engage with the football community.

Features & Components:

1. **Post Creation Screen**
   - Text input field
   - Media attachment button (photos/videos)
   - Poll creation option
   - Location tagging
   - User tagging
   - Hashtag support
   - Post visibility settings

---

2. **Post Detail Screen**
    - Complete post content
    - Like, comment, share actions
    - Comments section
    - Related content
3. **Comment Section**
    - Comment input field
    - Existing comments list
    - Reply functionality
    - Like comments option
    - Comment sorting options
4. **Poll Interaction**
    - Vote option selection
    - Real-time results display
    - Expiration countdown

Interaction Flows:

1. **Creating a post**:
    - Tap “New Post” → Enter text → Add media (optional) → Add location/tags (optional) → Post
2. **Commenting on a post:**
    - Tap comment icon → View existing comments → Enter comment → Post comment
3. **Replying to comments:**
    - Tap reply on a comment → Enter reply → Post reply
4. **Creating a poll post:**
    - Select poll option during post creation → Add question → Add options (2-4) → Set duration → Post

4.4 User Profiles

Purpose: Display user information, activity, and enable social connections

User Story: As a user, I want to view profiles to learn more about other users and manage my own profile information.

Features & Components :

1. **Profile Header**
    - Profile picture/avatar
    - Cover photo
    - Username and display name
    - Bio/About section
    - Follower/Following counts
    - Action buttons (Follow/Message)
2. **Profile Content Tabs**
    - Posts (user's created content)
    - Media (photos and videos)
    - Liked (content the user has liked)
3. **Profile Settings**
    - Edit profile information
    - Privacy settings
    - Notification preferences
    - Blocked accounts management
4. **Profile Badges/Indicators**
    - Verification badge
    - Level indicator
    - Special achievements

Interaction Flows:

1. **Viewing a profile**:
    - Tap username or avatar anywhere in the app → View profile → Scroll through content tabs
2. **Following a user:**
    - Visit profile → Tap Follow button → Button changes to Following
3. **Editing own profile:**
    - Navigate to own profile → Tap Edit Profile → Modify details → Save changes

4.5 Hubs (Community Forums)

Purpose: Provide topic-focused community spaces for discussion and content sharing

User Story: As a user, I want to join communities focused on specific teams, leagues, or football topics to engage with like-minded fans.

Features & Components:

1. **Hubs Discovery Screen**
    - ○ Featured hubs
    - ○ Recommended based on preferences
    - ○ Categories (Teams, Leagues, Topics)
    - ○ Search functionality
2. **Hub Detail Screen**
    - ○ Hub header (name, image, member count)
    - ○ Description and rules
    - ○ Join/Leave button
    - ○ Content feed specific to the hub
    - ○ Member list
3. **Match-Specific Hubs**
    - ○ Temporary hubs activated around live matches
    - ○ Match info and score updates
    - ○ Pre/during/post-match discussion tabs
    - ○ Quick access to match streaming

Interaction Flows:

1. **Discovering hubs**:
    - ○ Navigate to Discover tab → Browse hub categories → View hub details
2. **Joining a hub:**
    - ○ View hub details → Tap Join → Receive welcome notification
3. **Posting in a hub:**
    - ○ Navigate to hub → Create post (similar to main feed post creation) → Post appears in hub feed
4. **Match hub experience:**
    - ○ Receive notification about match hub → Join hub → Participate in live discussion

4.6 Messaging

Purpose: Enable basic one-to-one communication between users

User Story: As a user, I want to have private conversations with other users to discuss matches, share content, and connect personally.

Features & Components:

1. **Chat List Screen**
   - Recent conversations list
   - User search
   - Online status indicators
   - Message preview
   - Timestamp
2. **Chat Detail Screen**
   - Message history
   - Message input field
   - Media attachment option
   - User info/profile access
   - Read indicators
3. **Message Types**
   - Text messages
   - Image messages
   - Video messages

Interaction Flows:

1. **Starting a conversation**:
   - Navigate to Chat List → Tap New Message → Select recipient → Start conversation
     OR
   - Visit user profile → Tap Message button → Start conversation
2. **Sending messages:**
   - Enter text in input field → Tap send
   - Tap attachment → Select media → Add optional caption → Send

4.7 Notifications

Purpose: Keep users informed about relevant activities and engagement

User Story: As a user, I want to receive timely notifications about interactions, content from followed accounts, and important events.

Features & Components:

1. **Notification Center**
    - ○ Chronological list of notifications
    - ○ Notification grouping
    - ○ Read/unread status
    - ○ Action buttons
2. **Notification Types**
    - ○ Like notifications
    - ○ Comment notifications
    - ○ Follow notifications
    - ○ Mention notifications
    - ○ Hub invitations
    - ○ Message notifications
    - ○ System notifications

Interaction Flows:

1. **Viewing notifications**:
    - ○ Tap notification bell icon → View list of notifications → Tap notification to navigate to relevant content
2. **Managing notification preferences:**
    - ○ Navigate to Settings → Notification Settings → Toggle preferences for different notification types

5. Content Types & Specifications

5.1 Post Types

1. **Standard Text Post**
    - ○ Text: Up to 500 characters
    - ○ Optional media: Up to 4 photos or 1 video
    - ○ Support for @mentions and #hashtags
2. **Media Post**
    - ○ Photos: Up to 10 images, swipeable carousel
    - ○ Videos: Up to 2 minutes, auto-play in feed with sound off
    - ○ GIFs: Standard format support
3. **Poll Post**
    - ○ Question text: Up to 200 characters

- Options: 2-4 choices
- Duration: 1 hour to 7 days
- Results visibility settings

5.2 Story Specifications

1. **Story Duration**
   - Photos: 5 seconds by default (user adjustable)
   - Videos: Up to 15 seconds
2. **Story Media Requirements**
   - Photos: Support for portrait, landscape, and square formats
   - Videos: Support for portrait, landscape, and square formats
   - Text-only: Colored backgrounds with typography options
3. **Story Interactions**
   - Quick reactions (emoji responses)
   - Direct replies
   - Sharing to feed

5.3 Comment Specifications

1. **Comment Structure**
   - Text: Up to 300 characters
   - Optional single image attachment
   - Support for @mentions
   - Nested replies (up to 3 levels deep)
2. **Comment Sorting Options**
   - Most relevant (default)
   - Newest first
   - Oldest first
   - Most liked

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6. User Journey Maps

6.1 New User Onboarding to Social Engagement

Journey Touchpoints:

1. User downloads the GXR App
2. User creates an account (email/phone) or signs in with social
3. User selects preferred teams, leagues, and players
4. User is presented with suggested accounts to follow
5. User's personalized social feed is generated

6.2 Creating and Sharing Content

Journey Touchpoints:

1. User decides what type of content to create (post, story, poll)
2. User creates the content using the appropriate tools
3. User previews and edits the content before sharing
4. User publishes the content to feed or specific hub
5. User engages with feedback (likes, comments, shares)

6.3 Match Day Social Experience

Journey Touchpoints:

1. User browses pre-match content and discussions
2. User joins the match-specific hub
3. User watches match through the live streaming feature
4. User participates in post-match reactions and analyses

7. Feature Requirements by Priority

7.1 Must-Have Features (MVP)

1. **Social Feed**
    - Basic feed functionality with the three tab types (For You, Following, Trending)
    - Standard post types (text, image, video)
    - Basic interaction capabilities (like, comment, share)
2. **User Profiles**
    - Profile viewing and editing
    - Follow/unfollow functionality
    - Basic user search

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3. **Hubs**
    - Hub discovery and joining
    - Hub-specific content feeds
    - Basic team and league hubs
4. **Basic Messaging**
    - One-to-one messaging
    - Text and image support
    - Conversation history
5. **Post Creation**
    - Text posts with media attachment
    - Basic formatting options
    - Posting to main feed or hubs

7.2 High-Priority Features

1. **Stories**
    - Story creation and viewing
    - 24-hour expiration logic
    - Basic interaction (view tracking)
2. **Enhanced Feed**
    - Media carousel support
    - Video auto-play
    - Advanced sorting algorithms
3. **Comments & Replies**
    - Nested comment replies
    - Comment likes
    - @mentions in comments
4. **Match-Specific Hubs**
    - Temporary hubs for live matches
    - Match information integration

7.3 Nice-to-Have Features

1. **Advanced Stories**
    - Interactive poll stories
    - Location tagging
    - Multiple media types in one story

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2. **Enhanced Messaging**

   - Read receipts
   - Typing indicators
   - Rich media previews

3. **Content Discovery**

   - Advanced content recommendation algorithms
   - Explore page with trending topics
   - Content categorization

4. **Bookmarking & Collections**

   - Save posts for later
   - Organize saved content into collections
   - Private/public collection options

8. Integration Requirements

8.1 Specter Backend Integration

The Social Module must integrate with the following Specter features:

1. **Authentication & User Identity**

   - Single sign-on between systems (Cognito) or Suggested Authentication using Specter Validate Token as mentioned above
   - User profile synchronization
   - Authorization token validation

2. **Wallet & Points System**

   - Display wallet balance from Specter
   - Show GXR points/stars earned through social engagement
   - Redirect to appropriate screens for transactions

3. **Notifications**

   - Unified notification experience
   - Clear handoff for different notification types
   - Consistent notification styling

8.2 Content Syncing

The following content types should be synchronized between systems:

1. **User Profile Information**
    - Basic information (name, username, email)
    - Profile picture and cover photo
    - Level and achievement information
2. **Preference Settings**
    - Favorite teams and leagues
    - Language and region preferences
    - Privacy settings

9. Implementation Considerations

9.1 Phased Rollout Approach

1. **Phase 1: Core Social Foundation**
    - Social feed (basic functionality)
    - User profiles and connections
    - Basic posting capabilities
    - Authentication integration
2. **Phase 2: Engagement Features**
    - Comments and replies
    - Hub functionality
    - Basic notifications
    - Enhanced post types
3. **Phase 3: Rich Media & Advanced Features**
    - Stories implementation
    - Messaging functionality
    - Advanced media support
    - Enhanced search and discovery

9.2 Testing Focus Areas

1. **User Experience Testing**
    - Navigation flow efficiency
    - Content discovery effectiveness
    - Posting and interaction simplicity
    - Overall engagement metrics

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2. **Performance Testing**
    - Feed loading times
    - Media loading optimization
    - Interaction responsiveness
    - Battery and data usage
3. **Integration Testing**
    - Authentication handoff
    - Profile synchronization
    - Cross-system notifications
    - Wallet and points display

10. Success Metrics

10.1 Engagement Metrics

1. **Daily Active Users (DAU)**
    - Target: 30% of total user base within 3 months
2. **Content Creation**
    - Posts per active user: 2+ weekly
    - Stories created: 15% of DAU daily
3. **Interactions**
    - Likes per post: 5+ average
    - Comments per post: 2+ average
    - Shares per post: 0.5+ average

10.2 Retention Metrics

1. **Social Feature Retention**
    - 7-day retention: 40%+
    - 30-day retention: 25%+
2. **Time Spent**
    - Average session duration: 8+ minutes
    - Daily time spent on social features: 12+ minutes

10.3 Growth Metrics

1. **Network Expansion**
    - Average connections per user: 15+ after 2 months
    - Hub membership: 3+ hubs per user
2. **Viral Coefficient**
    - K-factor: 0.3+ (each user brings 0.3 new users through sharing)

11. Conclusion

This product requirements document outlines the user flows, screen functionality, and feature priorities for the GXR App Social Module. It should be used in conjunction with the technical specifications document to guide the development and implementation of the social features.

The focus should remain on creating a seamless social experience that enhances football fandom, encourages engagement, and integrates smoothly with the existing Specter backend services while maintaining a distinct user experience that puts social interaction at the forefront.

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1. Content Discovery & Feed Algorithms

1.1 "For You" Feed Logic

Purpose: Personalized content feed that shows most relevant posts to each user

Content Selection Criteria:

- **User Interest Signals**
    1. Teams/players the user follows (highest weight)
    2. Content types user engages with most (videos, images, polls)
    3. Topics from hubs user has joined
    4. Engagement patterns (what time they're active, what they interact with)
- Content Scoring Factors
    1. **Relevance Score (40% weight)**
        - Match with user's favorite teams/leagues
        - Author is someone user follows
        - Content from user's joined hubs
        - Similar to previously engaged content
    2. **Engagement Score (30% weight)**
        - Total engagement (likes + comments + shares)
        - Engagement velocity (how fast it's getting engagement)
        - Engagement from user's network (friends' activity)
    3. **Freshness Score (20% weight)**
        - Newer content gets priority
        - But exceptional older content can still appear
        - Posts older than 7 days rarely shown
    4. **Quality Score (10% weight)**
        - From verified/elite users
        - High-quality media (not blurry/low-res)
        - Meaningful text content (not just emojis)

Diversity Rules:

- No more than 2 posts in a row from same author
- Mix content types (don't show 5 videos in a row)
- Include at least 20% content from new sources user hasn't seen
- Balance between different teams/topics user follows

1.2 “Following” Feed Logic

Purpose: Chronological feed from accounts user explicitly follows

Display Rules:

- Pure chronological order (newest first)
- Include all content from followed accounts
- No algorithmic filtering
- Group multiple posts from same user if posted within 1 hour
- Show “You’re all caught up” message after showing last 48 hours of content

1.3 **“Trending” Feed Logic**

Purpose: Surface most engaging content across entire platform

Trending Qualification:

- Minimum 50 engagements in first 2 hours
- Engagement rate above platform average (currently ~5%)
- Growing engagement (not declining)
- Not from blocked/reported users

Trending Score Calculation:

- Engagement velocity matters most (engagement per hour)
- Boost for content from verified users (1.5x)
- Boost for original content vs reposts (2x)
- Decay factor - older content needs higher engagement to stay trending

Display Order:

- Sort by trending score (highest first)
- Refresh every 30 minutes
- Keep content maximum 24 hours in trending

2. Hub (Community) Features

2.1 Hub Discovery & Recommendations

Hub Categories:

1. **Team-Specific Hubs** (e.g., “Barcelona Fans”)
2. **League Hubs** (e.g., “Premier League Discussion”)
3. **Topic Hubs** (e.g., “Transfer News”, “Match Analysis”)
4. **Event Hubs** (e.g., “World Cup 2026”)
5. **Local Hubs** (e.g., “Mumbai Football Fans”)

Recommendation Logic:

For New Users:

- Show most popular hubs in their country
- Show hubs for teams from their selected favorite leagues
- Show general football discussion hubs

For Existing Users:

- Hubs related to their favorite teams (top priority)
- Hubs their friends are active in
- Hubs related to content they engage with
- Local hubs based on their location
- Similar hubs to ones they've already joined

Hub Ranking Factors:

1. **Relevance** - How well it matches user interests
2. **Activity** - Posts per day, active members
3. **Quality** - Low spam, good moderation
4. **Growth** - Increasing membership and engagement
5. **Network Effect** - How many user's friends are members

2.2 Hub Content Organization

Content Streams in Each Hub:

1. **Hot** - Currently most engaged content (last 24 hours)
2. **New** - Latest posts (chronological)
3. **Top** - Best content (by time period: day/week/month/all-time)
4. **Pinned** - Important posts pinned by moderators

Hub-Specific Features:

- Match threads (auto-created for relevant matches)
- Recurring discussion threads (e.g., "Monday Motivation")
- Hub-specific polls and predictions
- Member rankings/leaderboards
- Hub achievements and badges

2.3 Hub Membership & Participation

Joining Rules:

- **Public Hubs**: Instant join
- **Private Hubs**: Require approval
- **Premium Hubs**: Require subscription

Member Privileges by Reputation:

- **New Members** (0-100 points): Can view and like
- **Active Members** (100-500 points): Can post with moderation
- **Trusted Members** (500+ points): Can post without pre-moderation
- **VIP Members** (1000+ points): Can create events, polls

Reputation Points in Hubs:

- Post gets 10+ likes: +5 points
- Quality comment: +2 points
- Reported for spam: -10 points
- Post removed: -20 points

3. Social Features & User Interactions

3.1 Social Discovery

"Suggested Users to Follow" Logic:

1. Users followed by people you follow (mutual connections)
2. Active in same hubs
3. Support same teams
4. Similar engagement patterns
5. Geographic proximity (same city)

Weighting:

- Followed by 3+ users you follow: High priority
- Same favorite team + active in same hub: High priority
- Only geographic proximity: Low priority

3.2 User Activity Signals

What We Track for Personalization:

- Teams/players followed
- Content liked/shared
- Time spent viewing different content types
- Active hours (when user uses app)
- Hub participation
- Friends interacted with most

Privacy Rules:

- User can opt out of personalization
- User can clear their interest history
- User can make profile private

3.3 Content Promotion Rules

When to Boost Content:

- First post from user in a week (welcome back boost)
- Significant achievement (user reached new level)
- High-quality content from new user (encouragement boost)
- Important community announcements

Elite/Verified User Benefits:

- Content gets 1.5x visibility boost
- Appears higher in search results
- Can post longer videos
- Access to exclusive features

4. Content Moderation & Quality

4.1 Auto-Moderation Rules

Immediate Flags:

- Duplicate posts (same user, same content within 24 hours)
- Excessive hashtags (more than 5)
- Spam keywords list
- Excessive capital letters (more than 50%)
- Too many mentions (more than 5 @mentions)

Quality Thresholds:

- Minimum 10 characters for posts
- Images must be > 200x200 pixels
- Videos must be < 3 minutes (non-premium users)

4.2 Community Moderation

User Reporting:

- 3 reports = automatic review
- 5 reports = temporary hide until review
- False reports = reporter gets warning

Moderation Actions:

1. Warning (first offense)
2. 24-hour mute
3. 7-day ban
4. Permanent ban

5. Notification Logic

5.1 Push Notification Triggers

High Priority (sent immediately):

- Someone followed you
- Direct message received
- Your team is playing (match start)
- You won a prediction

Medium Priority (bundled):

- Likes on your posts
- Comments on your posts
- Friend joined a hub you're in

Low Priority (daily digest):

- Trending in your hubs
- Friend achievements
- New features

5.2 Smart Notification Timing

- Learn user's active hours
- Don't send during typical sleep hours
- Batch similar notifications
- Respect notification preferences

6. Search & Discovery

6.1 Search Ranking

When User Searches:

People Results:

1. Exact username matches (highest)

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2. Verified/Elite users
3. Users with mutual friends
4. Active users (posted in last 7 days)

Hub Results:

1. Exact name matches
2. Most members
3. Most active
4. User’s friends are members

Content Results:

1. Recent content (last 30 days)
2. High engagement content
3. From followed users/hubs
4. Matching hashtags

6.2 Hashtag Trending

Hashtag Qualifications:

- Used 50+ times in last hour
- Growing usage (not declining)
- Not in banned list

Display Order:

- Current velocity (uses per hour)
- Total uses today
- Unique users using it

7. Performance & Anti-Spam Measures

7.1 Smart Anti-Spam (Not Hard Limits)

Instead of daily limits, use behavior-based detection:

Spam Indicators:

- Posting identical content multiple times
- Posting more than 10 times in 5 minutes (clearly automated)
- Following/unfollowing same users repeatedly
- Copy-pasting same comment everywhere
- Posting links to external sites excessively

What We Actually Do:

- **Rate limiting**: Slow down actions if too rapid (e.g., can't like 100 posts in 1 second)
- **Cooldowns**: After 50 rapid actions, require 30-second break
- **Shadow restrictions**: Spammers see their content but others don't
- **New account restrictions**: Can't DM until they've been active for 24 hours

Real Users Can:

- Post as much quality content as they want
- Like everything they genuinely enjoy
- Comment on every post they care about
- Follow all the accounts they're interested in

The goal is stopping bots and spam, not limiting genuine fans who are excited about a match or having great discussions. A real football fan might post 50 times during El Clasico - that's engagement we WANT!

7.2 Content Retention

Keep it Simple:

- Posts: Kept forever (users can delete their own)
- Stories: 24 hours (standard)
- Deleted content: Actually deleted after 30 days (for recovery purposes)
- User data: Compliant with local laws

GXR Tech Stack

App Frontend

React Native: Allowing cross platform deployment across Android, iOS and Web

Databases

- **MongoDB**: MongoDB's is used for in game/app events, player stats and analytics.
- **PostgreSQL**: PostgreSQL is used for transactional data, content data, player data and configs.

Backend Framework

- **NestJS**: A progressive Node.js framework for building efficient, scalable, and maintainable server-side applications. With its modular architecture, NestJS simplifies the integration of features like authentication, event handling, and microservices.

Runtime Environment

- **Node.js**: powers the backend, ensuring high performance and scalability for real-time applications like gaming.

Admin Dashboard

- **React**: React is used for the admin dashboard, enabling smooth and interactive user experiences.

DevOps Infrastructure

1. **Cloud Infrastructure**

- **AWS (Amazon Web Services):** Specter is hosted on AWS, leveraging its scalable and secure infrastructure. The following services make up our core:
  - **EC2:** API servers
  - **S3:** Media storage
  - **Aurora:** Postgres database
  - **Lambda:** On demand compute for achievements systems, event calculations and rule validations
  - CloudFront: CDN

- **Load Balancers:** AWS Elastic Load Balancers to distribute traffic evenly across EC2 instances, ensuring high availability and fault tolerance for both client and admin services.

- **All infrastructure is contained within a private VPC**

5. **Monitoring and Logging**

- **AWS CloudWatch:** Provides detailed monitoring metrics for AWS-hosted resources.

6. **Caching and Message Queues**

- **Redis:** Used for caching to speed up data retrieval and as a message broker to handle asynchronous tasks, such as event processing.

- **AWS SQS:** Reliable message queues for task distribution and microservice communication.

Exhibit 10.33

1. Plusevo Ltd

and

2. Lottery.com Inc

Share Purchase Agreement

Contents

THIS AGREEMENT is made on 12th March 2025

PARTIES

(1) PLUSEVO LTD incorporated in Cyprus number HE 467339 whose registered office is at 1 Kalymnou, Q Merito 4th Floor, Larnaca, 6037 Cyprus (the **Seller**), and

(2) LOTTERY.COM INC., a corporation organized and existing under the laws of the State of Delaware, and having its principal office at 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669 (the **Buyer**),

(each of the **Seller** and the **Buyer** being a **Party** and together the **Seller** and the **Buyer** are the **Parties**).

BACKGROUND

A The Company (as defined below) is a private company limited by shares and is incorporated in the Republic of Cyprus. Details of the Company are set out in **Error! Reference source not found.**.

B The Seller is the legal and beneficial owner of the Sale Shares (as defined below), being in aggregate the entire allotted and issued share capital of the Company.

C The Seller has agreed to sell and the Buyer has agreed to purchase the Sale Shares on the terms of this Agreement.

D The parties have agreed that the effective date of this agreement shall be deemed to be 6 March 2025.

THE PARTIES AGREE:

1 Definitions and interpretation

1.1 In this Agreement:

Business Day	means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London and **Business Days** means more than one of them;
Code	the software code described in Schedule 1;
Company	means Spektrom Ltd number HE 471560 registered office 1 Kalymnou, Q Merito, 6037 Larnaca Cyprus;
Completion	means completion of the matters described in this Agreement (including the sale and purchase of the Sale Shares) by the performance by the Parties of their respective obligations in accordance with clause 4;

Completion Date means on or before 5 business days after the Effective Date or such other time as the parties may agree;

Encumbrance means any mortgage, claim, charge (fixed or floating), pledge, lien, hypothecation, guarantee, right of set-off, trust, assignment, right of first refusal, right of pre-emption, option, restriction or other encumbrance or any legal or equitable third party right or interest including any security interest of any kind or any type of preferential arrangement (or any like agreement or arrangement creating any of the same or having similar effect) and **Encumbrances** means more than one of them;

Effective Date 6 March 2025;

Sale Shares means the 1,000 ordinary shares of €1.00 each in the capital of the Company, being the entire allotted and issued share capital of the Company;

Seller's Field of Operation the provision to businesses (but not consumers) of a Crypto Friendly Casino Technology Platform;

Territory the world; and

VWAP means Volume Weighted Average Price.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 each gender includes the other genders;

1.2.2 the singular includes the plural and vice versa;

1.2.3 references to this Agreement include its Schedules;

1.2.4 references to clauses, sub-clauses and/or Schedules are to clauses and/or sub-clauses of and Schedules to this Agreement and references in a Schedule or part of a Schedule are to a paragraph of that Schedule or that part of that Schedule;

1.2.5 references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal personality), bodies corporate, governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;

1.2.6 references to legislation include any amendment, modification, consolidation or re-enactment of it before the date of this Agreement;

1.2.7 references to 'law' include any legislation, any common or customary law, constitution, decree, judgment, order, ordinance, treaty or other legislative measure in any jurisdiction and any directive, request, requirement, guidance or guideline (in each case, whether or not having the force of law but, if not having the force of law, compliance with which is in accordance with the general practice of persons to whom the directive, request, requirement, guidance or guideline is addressed);

Initial Initial Initial

1.2.8 references to this Agreement, any specified clause in this Agreement, any other document or any specified clause in any other document are to this Agreement, that document or the specified clause as in force for the time being and as amended, varied, novated or supplemented from time to time;

1.2.9 references to time shall mean London time, unless otherwise stated; and

1.2.10 any English legal term for any legal document, action, remedy, judicial proceeding, court, official, status, doctrine or any other legal concept shall, in relation to any jurisdiction other than England and Wales, be deemed to include the term which most nearly approximates in that jurisdiction to the English legal term.

1.3 If any provisions of the Schedules conflict with any of the other provisions of this Agreement that are not contained in the Schedules, the provisions of this Agreement that are not contained in the Schedules shall take precedence.

2 Sale and purchase of Sale Shares

This Agreement shall be deemed to take effect on the Effective Date and on the Completion Date, the Seller shall sell, or procure the sale of, the Sale Shares to the Buyer free from Encumbrances and third-party claims with full title guarantee and the Buyer shall purchase from the Seller the Sale Shares together with all rights and benefits attached or accruing to them as at Completion. The Buyer shall be entitled to all rights and advantages accruing to the Sale Shares including dividends, distributions and any return of capital declared, paid or made in respect of the Sale Shares, on or after the Effective Date.

3 Consideration

The consideration for the Sale Shares shall be One and a half million US dollars ($1,500,000) to be satisfied by the Buyer in restricted stock units of common shares in the Buyer (the "Payment-In-Kind") fixed at Three Dollars USD ($3.00) per share (the "Fixed Price") in accordance with Schedule 2 to the Seller.

4 Completion

4.1 Completion shall take place on the Completion Date at New Media Law LLP of Tapestry Building, 51-52 Frith Street, London W1D 4SH on the Completion Date, or at such other place and time as the Parties may agree. At Completion, the matters set out in clauses 4.2 and 4.3 shall be transacted.

4.2 At Completion, the Seller shall:

4.2.1 deliver, procure the delivery of, or make available to the Buyer, the documents set out in Schedule 3, Part A; and

4.2.2 procure that the matters set out in Schedule 3, shall be transacted and shall deliver to the Buyer duly signed minutes of all such resolutions together with all duly completed forms that need to be filed with the Registrar of Companies.

Initial Initial Initial

4.3 Subject to the Seller materially performing its obligations in accordance with this clause 4, at Completion, the Buyer shall satisfy the consideration of $1,500,000 in the manner set out in Schedule 2.

5 Non-compete

5.1 The Buyer shall not and shall procure that none of its Associates shall directly or indirectly:

5.1.1 compete with the Seller in the Seller's Field of Operation nor shall they offer services similar to the services offered by the Seller in the Seller's Field of Operations in the Territory; or

5.1.2 provide, deal with, market or sell any services which compete with the Seller in the Seller's Field of Operation in the Territory.

6 Warranties

6.1 The Seller warrants and represents to the Buyer that:

6.1.1 it is the sole legal and beneficial owner and the sole registered holder of the Sale Shares;

6.1.2 it is entitled to sell, or procure the sale of, and transfer the full legal and beneficial interest in the Sale Shares to the Buyer on the terms of this Agreement, without obtaining the consent or approval of any third party;

6.1.3 the Sale Shares comprise the entire issued and allotted share capital of the Company;

6.1.4 no shares in the capital of the Company have at any time been issued, and no transfers of shares in the capital of the Company have been registered, otherwise than in accordance with the memorandum and articles of association of the Company for the time being, the Companies Law (Cap 113) and further all necessary consents and approvals have been obtained for each issue and transfer of such shares;

6.1.5 the Sale Shares are fully paid or credited as fully paid and were not allotted at a discount;

6.1.6 there is no Encumbrance on, over or affecting the Sale Shares and no person has any conditional or absolute option, right of pre-emption or conversion, right to put, security interest over, right to acquire and/or the right to call for the transfer, allotment or issue of any share or loan capital of the Company or any right or interest therein and there is no agreement or other arrangement to give or create any of the foregoing and/or an Encumbrance and no person has claimed to be entitled to the same;

6.1.7 the Company has not given any guarantees of the liabilities of any person or undertaken obligations in the nature of guarantees (by whatever name called);

6.1.8 there is no liability whatsoever (whether legally binding or not) to make any payment to any third parties other than the outstanding commitment reflected in the provided management accounts to the original beneficial owners of the Company, of which will be waived. It is understood that following completion and execution of this agreement, the Company will be delivered free from any debts.

Initial Initial Initial

6.1.9 details of all the rights over the Code granted to the Company or its predecessors in title are set out in Schedule 1, including its respective restrictions as detailed in Section 7 below.

6.2 The Buyer warrants and represents to the Seller that:

6.2.1 The Buyer has the full corporate power and authority to enter into this Agreement and to perform its obligations hereunder. They are no under any liquidation process, and are in good standing.

6.2.2 The execution, delivery, and performance of this Agreement by the Buyer have been duly authorized by all necessary corporate action and do not violate any applicable law, regulation, or its constitutional documents.

6.2.3 There are no claims, proceedings, or investigations pending or threatened against the Buyer that would adversely affect its ability to perform its obligations under this Agreement.

6.2.4 The Sale Shares and its assets are acquired on an "AS-IS" basis, and expressly disclaims any reliance upon any representations, warranties, or statements made by the Seller or its representatives, except as expressly set forth in this Agreement

6.2.5 The Buyer acknowledges and agrees that it has conducted its own independent due diligence checks and analysis with respect to the Company and its assets, liabilities, financial condition, operations, and any other matters deemed relevant by the Buyer. The Buyer further declares that is not relying upon any statement or representation (whether oral or written, express or implied) made by the Seller in relation to the Company and its assets except as expressly set forth in this Agreement.

6.2.6 The Buyer agrees to indemnify and hold harmless the Seller against any losses, liabilities, or claims arising from the Buyer's breach of its warranties and obligations under this Agreement.

6.3 Subject to clause 6.1, the Seller gives no warranties hereunder in respect of the Sale Shares or the Company and it is agreed that all warranties implied by law in respect of the Sale Shares shall be excluded so far as permitted by applicable law.

6.4 The Buyer represents and warrants to the Seller that the Buyer shall provide at least $20,000 per month commencing on the Completion Date to cover the cost of a dedicated technical resource team for an indefinite period whilst the LTRYINT tech/platform is operational and being utilised by the Buyer for international activities including any company sites or brands for the purpose. The initial team, required to manage and maintain the platform will comprise of one front end developer, one backend developer, one account/content manager, one quality assurance manager and one fractional CTO.

7 Assets owned by the Company

7.1 The Company has the ownership of software 'LTRYINT', which is a replicated version of an existing intellectual property. For the avoidance of doubt 'LTRYINT' is only a copy of the technology and does not constitute the original or sole version of the software.

7.2 Restrictions on the 'LTRYINT'

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7.2.1 Use of ‘LTRYINT’ is strictly limited to the B2C market, and all activities involving ‘LTRYINT’ shall be restricted to B2C purposes only.

7.2.2 The Company can use ‘LTRYINT’ for any B2C brand or business operated directly by them, either individually or jointly, including any B2C businesses they may establish or acquire in the future, provided such businesses remain under their ownership and control.

7.2.3 The Company (or any B2C business directly owned and controlled by them) shall have the right to modify, amend, upgrade, or adapt ‘LTRYINT’ as necessary for their own internal use within the B2C market only.

7.2.4 The Company shall have the right to sublicense or transfer ‘LTRYINT’ to any business, provided that such entities use ‘LTRYINT’ solely for B2C purposes in line with the IP ASSIGNMENT AND SALE AGREEMENT dated 26th February 2025, mentioned in Schedule 1.

7.2.5 The Company is allowed to sell ‘LTRYINT’ to any entity. If sold, the new owner shall be bound by the same rights and restrictions and limitations as outlined in the IP ASSIGNMENT AND SALE AGREEMENT dated 26th February 2025, mentioned in Schedule 1 and such sale does not extend or alter the scope of use beyond the B2C market.

7.2.6 In the event of such sale or transfer, the new owner shall be entitled to use ‘LTRYINT’ within its own business activities, but only within the B2C market, and subject to the same rights, restrictions, and limitations set out in the IP ASSIGNMENT AND SALE AGREEMENT dated 26th February 2025, mentioned in Schedule 1

7.3 For the avoidance of doubt, nothing in the present agreement shall be construed as transferring ownership of the original source code, The Company has a copy of the source code which is named ‘LTRYINT’, which has restrictions to be used solely for the B2C market.

8 Miscellaneous

8.1 Variation

No amendment or variation of this Agreement shall be valid or effective unless made in writing and signed by or on behalf of the Seller and the Buyer or by their authorised representatives.

8.2 Relationship of Parties:

The Parties shall not be deemed to be partners or joint venturers with each other nor shall either of them be deemed to be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement.

8.3 Fees and Expenses:

Each party shall be responsible for its own fees and expenses incurred in connection with this Agreement.

8.4 Announcements.

Save as may be required by Statute or regulation, no announcement shall be made regarding a pending or completed transaction or agreement between the Parties without the prior written consent of other non-announcing party such consent not to be unreasonably withheld or delayed or conditioned.

8.5 Further assurance

Each Party (at its own cost) shall, and shall use its reasonable endeavours to procure that any necessary third parties shall, execute and deliver to the Parties such other instruments and documents (including deeds) and do all such further things as may be reasonably requested by the Buyer to carry out, evidence and give effect to the provisions of and the matters contemplated by this Agreement.

8.6 Anti-Disparagement.

Neither Party will disparage, derogate, undermine, embarrass or otherwise impair the reputation, goodwill or commercial interests of the other Party or any of its executive officers, directors, partners or control persons, or portray the other Party or any of its executive officers, directors, partners and control persons, in a false, competitively adverse or poor light.

8.7 Entire agreement

8.7.1 This Agreement constitutes the entire agreement and understanding between the Parties relating to the matters contemplated by this Agreement and supersedes all previous agreements (if any and whether in writing or not) between the Parties in relation to such matters.

8.7.2 The Buyer acknowledges and agrees that, except as otherwise expressly provided for in this Agreement, it is not entering into this Agreement on the basis of, and is not relying on and has not relied on, any statement, representation, warranty or other provision (in any case whether oral, written, expressed or implied) made, given, or agreed to by any person (whether a party to this Agreement or not) in relation to the subject matter of this Agreement, provided that nothing in this clause shall exclude the Seller from liability for fraudulent misrepresentation.

8.8 Counterparts

This Agreement may be signed in any number of counterparts and by the Parties on separate counterparts, each of which, when executed and delivered by a Party, shall be an original, and such counterparts taken together shall constitute one and the same Agreement.

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9 Notices

9.1 All notices or other communications under this Agreement will be in writing and sent to the person and address in clause 9.2. They may be given, and will be deemed received:

9.1.1 by first-class post: two Business Days after posting;

9.1.2 by airmail: seven Business Days after posting;

9.1.3 by hand: on delivery; and

9.1.4 by email: on receipt of a read return mail from the correct address.

9.2 Notices will be sent:

9.2.1 to the Seller at: Plusevo Ltd, 1 Kalymnou, "Q MERITO", 4th floor, Agios Nikolaos, Kamares, 6037 Larnaca, Cyprus; and

9.2.2 to the Buyer at: Lottery.com Inc, 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669 USA.

9.3 Either Party may change the address to which such notices to it are to be delivered by giving not less than five Business Days' notice to the other Party.

10 Confidential Information

10.1 Each Party undertakes that it shall keep the terms of this Agreement, any information that it has acquired that is confidential in nature concerning the other Party (including, without limitation, its business, affairs, customers, clients, suppliers, plans or strategy or that of any member of the group of companies to which the other party belongs) and any information developed by either Party in performing its obligations under, or otherwise pursuant to this Agreement (**Confidential Information**) confidential and that it shall not use or disclose the other Party's Confidential Information to any person, except as permitted by clause 10.2.

10.2 A Party may:

10.2.1 disclose any Confidential Information to any of its employees, officers, representatives or advisers (**Representatives**) who need to know the relevant Confidential Information for the purposes of the performance of any obligations under this Agreement, provided that such party must ensure that each of its Representatives to whom Confidential Information is disclosed is aware of its confidential nature and agrees to comply with this clause 10 as if it were a Party;

10.2.2 disclose any Confidential Information as may be required by law, any court, any governmental, regulatory or supervisory authority (including, without limitation, any securities exchange) or any other authority of competent jurisdiction to be disclosed; and

10.2.3 use Confidential Information only to perform any obligations under this Agreement.

10.3 On termination of this clause 10, all Confidential Information relating to or supplied by a Party and which is or should be in the other Party's possession will be returned by the other Party or (at the first Party's option) destroyed and certified by an officer of the Party destroying it as destroyed.

10.4 This clause 10 will remain in force for as long as the information in question remains confidential.

11 Governing law and jurisdiction

11.1 This Agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of the Republic of Cyprus.

11.2 The Parties irrevocably agree that the courts of the Republic of Cyprus shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

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SCHEDULE 1 THE CODE

The code contained in the repository at https://github.com/ltryint.

A copy of the LTRYINT white paper, Document Version 1.5 describing the code is appended to this Agreement.

The IP Assignment and Sale Agreement dated 25th February 2025, in which the Company acquired the IP ‘LTRYINT’,

SCHEDULE 2 PAYMENT IN KIND

(a) First Payment: The equivalent of Three Hundred Thousand Dollars ($300,000.00) in restricted stock units of common shares in the Buyer. at the Fixed Price (the “First Payment”) issued on the thirty first day following the Completion Date (the “First Issuance Date”). The restricted stock units of common stock in the Buyer. underlying the First Payment shall fully vest on the First Issuance Date. The restricted stock units of common shares in the Buyer. that constitute the First Payment shall include full piggyback registration rights for the benefit of Seller. The restricted stock units of common stock in Lottery.com that constitute the First Payment shall be restricted for a period of six (6) months immediately following the Closing Date and shall then be unrestricted;

(b) Second Payment: The equivalent of Three Hundred Thousand Dollars ($300,000.00) in restricted stock units of common shares in the Buyer. at the Fixed Price (the “Second Payment”) issued on the thirty first day following the expiration of ninety (90) days after the Completion Date (the “Second Issuance Date”). The restricted stock units of common stock in the Buyer underlying the Second Payment shall fully vest on the Second Issuance Date. The restricted stock units of common shares in the Buyer that constitute the Second Payment shall include full piggyback registration rights for the benefit of Seller. The restricted stock units of common stock in the Buyer that constitute the Second Payment shall be restricted for a period of twelve (12) months immediately following the Completion Date and shall then be unrestricted;

(c) Third Payment: The equivalent of Three Hundred Thousand Dollars ($300,000.00) in restricted stock units of common shares in the Buyer at the Fixed Price (the “ Third Payment”) issued on the thirty first day following the expiration of one hundred and eighty (180) days after the Completion Date (the “Third Issuance Date”). The restricted stock units of common stock in the Buyer underlying the Third Payment shall fully vest on the Third Issuance Date. The restricted stock units of common shares in the Buyer that constitute the Third Payment shall include full piggyback registration rights for the benefit of Seller. The restricted stock units of common stock in the Buyer that constitute the Third Payment shall be restricted for a period of eighteen (18) months immediately following the Completion Date and shall then be unrestricted;

(d) Fourth Payment: The equivalent of Three Hundred Thousand Dollars ($300,000.00) in restricted stock units of common shares in the Buyer at the Fixed Price (the “Fourth Payment”) issued on the thirty first day following the expiration of two hundred and seventy (270) days after the Completion Date (the “Fourth Issuance Date”). The restricted stock units of common stock in the Buyer underlying the Fourth Payment shall fully vest on the Fourth Issuance Date. The restricted stock units of common shares in the Buyer that constitute the Fourth Payment shall include full piggyback registration rights for the benefit of Seller. The restricted stock units of common stock in the Buyer that constitute the Fourth Payment shall be restricted for a period of twenty four (24) months immediately following the Completion Date and shall then be unrestricted; and

(e) Fifth and Final Payment: The equivalent of Three Hundred Thousand Dollars ($300,000) in restricted stock units of common shares in the Buyer at the Fixed Price (the “Fifth and Final Payment”) on the thirty-first (31st) day following the expiration of three hundred sixty-five days (365) days after the Completion Date (the “Fifth and Final Issuance Date”). The restricted stock units of common shares in the Buyer underlying the Fifth and Final Payment shall fully vest on the Fifth and Final Issuance Date. The restricted stock units of common shares in the Buyer that make the Fifth and Final Payment shall be restricted for a period of thirty (30) months immediately following the Completion Date and shall then be unrestricted.

In the event that the closing price of the restricted stock units of common shares in the Buyer issued to the Seller forming the Payment-In-Kind is lower than the Fixed Price on the six (6) month anniversary of the issuance date (whether the First Issuance Date, Second Issuance Date, Third Issuance Date, Fourth Issuance Date or Fifth and Final Issuance Date) (collectively the “Anniversary Issuance Price”), then the Fixed Price shall be adjusted downward to the VWAP of the common stock of the Buyer for the five (5) consecutive trading days immediately preceding the six (6) month anniversary date of the relevant issuance date. Accordingly, Buyer shall be obligated to tender Seller additional restricted stock units of common shares in the Buyer to make up the difference between the Fixed Price and the Anniversary Issuance Price at Three Dollars USD ($3.00).

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SCHEDULE 3
SELLER DELIVERABLES AND COMPANY BOARD MEETING

Part A
Documents to be delivered by the Seller on Completion

1 At Completion, the Seller shall deliver, procure the delivery of, or make available to the Buyer, the following documents:

1.1 A proper instrument of transfer, duly signed by the Seller as transferor and the Buyer as transferee delivered to the Company, accompanied by the definitive share certificates of the Sale Shares (or an indemnity in a form satisfactory to the Buyer in relation to any lost or damaged share certificate).

1.2 A completed Registrar's form (HE57) to be filed with Registrar of Companies within 14 days of Completion

1.3 A certified copy of the minutes recording the resolution of the board of directors of the Seller authorising, amongst other things, the sale of the Sale Shares and the execution of the transfers in respect of them, and the execution and delivery of this Agreement.

1.4 The certificate of incorporation, registers and minute and other record books (fully written up to the time immediately prior to Completion) and share certificate books of the Company

1.5 Relevant notification shall be submitted to the Cyprus Registrar of Companies

Part B
Board Meeting of the Company

1 At Completion, the Seller shall procure that a resolution of the sole director is produced approving the registration of the instrument of transfer in the Company's register of members.

THIS AGREEMENT has been executed and delivered as a deed on the date written at the beginning of it.

Signed for and on behalf of Plusevo Ltd

Signed by:
2B7687FDE14E45E...
MERIVERIA DIRECTORS LTD
Director
3/12/2025

Signed for and on behalf of Lottery.com Inc

DocuSigned by:
CF007FEF40CA40C...
[*signature of director*]
Director

3/13/2025

Signed by:
BA47925D6BEA4FA...

3/13/2025

Exhibit 10.52

DATED ___ JUNE 2025

AMENDMENT TO SHARE PURCHASE AGREEMENT

amongst

DANI ALYAMOUR

DAVID COOK

PAUL DAVID SEBRIGHT

NISHANT JOHN FARIA

OSAMA MUNIR RAGHEB ALKALOTI

KGM HOLDINGS LIMITED

WEST IRELAND INVESTMENT LIMITED

TRILIV HOLDINGS LIMITED

DUPLAYS HOLDINGS LIMITED

and

LOTTERY.COM INC.

CONTENTS

CLAUSE

SCHEDULE

THIS AMENDMENT TO SHARE PURCHASE AGREEMENT (the "Amendment") is dated Mm **June 2025**

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) **KGM HOLDINGS LIMITED**, a limited liability company incorporated in Ras Al Khaimah International Corporate Centre with registered number ICC20230926 and having its registered address at c/o Creative Zone FZ LLC 19th Floor, Fujairah - Creative Tower, Fujairah, P.O. Box 27363, United Arab Emirates;

(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;

(8) **TRILIV HOLDINGS LIMITED**, a private limited company incorporated and registered in theADGM with company number 000004370 whose registered office is at Cloud Suite 313 - D05 & D06, 11th, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates,

(9) **DUPLAYS HOLDINGS LIMITED**, a private limited company incorporated and registered in the ADGM with company number 000004370 whose registered office is at DD-15-134-004-007, Level 15, Wework Hub71, Al Khatem Tower, Al Maryah Island, Abu Dhabi, United Arab Emirates;

(together the **Sellers**); and

(10) **LOTTERY.COM INC.**, a Delaware corporation and having its registered address at 5049 Edwards Ranch Rd., 4^{th} Floor, Fort Worth, Texas 76109 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 Amendment.

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this Amendment.

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.

Closing: the completion of the sale and purchase of the Closing Shares in accordance with this Amendment..

Closing Consideration: has the meaning given in clause 3.1.

Closing Date: has the meaning given in clause 4.1.

Closing Shares: the Sale Shares set out in column 3 of the table at Schedule 2.

Commission: has the meaning given in clause 3.3.

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.

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.

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.

Option Shares: 1,000,000 ordinary shares of USD0.0001 each in the Company, all of which have been issued and are fully paid and which are held by Duplays Holdings Limited, which are set out in Schedule 2.

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 4 of the table at Schedule 2.

Sale Shares: 8,500,000 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.

Sellers' Bank Account: means the nominated account of the shareholder of the Company nominated by all the Sellers to receive the Closing Consideration and having the following details:

Bank name:	Emirates NBD
Account name:	Nook Office DMCC
Currency:	USD
IBAN:	AE82 0260 0010 2550 5051 702

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 Amendment and references to paragraphs are to paragraphs of the relevant Schedule.

1.3 The Schedules form part of this Amendment and shall have effect as if set out in full in the body of this Amendment. Any reference to this Amendment includes the Schedules.

1.4 This Amendment shall be binding on and enure to the benefit of, the Parties to this Amendment 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 Amendment).

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 percent 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 Amendment. A reference to a statute or statutory provision shall include all subordinate legislation made as at the date of this Amendment under that statute or statutory provision.

2. SALE AND PURCHASE

2.1 The Sellers shall sell and the Buyer shall buy, with effect from 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 Amendment.

2.2 The Sellers also grant to the Buyer an option to purchase all of the Option Shares on the terms set out in a call option agreement dated on or about the date thereof.

3. PURCHASE PRICE

3.1 The Purchase Price is USD 2,459,016 (two million four hundred fifty nine thousand and sixteen of which USD 271,858 has already been paid as a non-refundable deposit (**Deposit**). The remainder of USD 2,187,158 (**Closing Consideration**) shall be paid by the Buyer in cash. on or before the Closing Date.

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 Sellers have agreed pursuant to prior arrangements to pay to Duplays Holdings Limited and Dani Alyamour a commission of USD 122,951 being 5 per cent. of the total Purchase Price (the **Commission**) of which 2.5 per cent. is payable to Duplays Holdings Limited and 2.5 per cent. is payable to Dani Alyamour and, provided always that the Buyer shall under no circumstances have any liability to any person in respect of the Commission. The Commission will be payable by the Sellers from the proceeds of the Closing Consideration to such account as Duplays Holdings Limited and Dani Alyamour shall notify the other Sellers in respect of the Commission.

3.4 Each Seller shall be entitled to its Relevant Percentage of the Purchase Price (less the Commission).

4. CLOSINGS

4.1 Closing shall take place on or before 30 June 2025 (the **Original Closing Date**) or such date as the Parties may agree in writing (the **Closing Date**) being no more than 2 weeks from the Original Closing Date at such place as the Parties agree.

4.2 Prior to Closing, the Parties shall confirm all documents set out in Part 1 of Schedule 3 are in agreed form.

4.3 On or prior to Closing, the Sellers shall confirm to the Buyers that all documents set out in Part 1 of Schedule 3 are available in signed but undated format.

4.4 Subject to the Sellers complying with clause 4.3, the Buyer shall pay the Closing Consideration to the Sellers' Bank Account.

4.5 Payment of the Purchase Price made in accordance with clause 4.4. shall be a good and valid discharge of the Buyer's obligation towards the Sellers to pay the Purchase Price.

4.6 Upon receipt of the Closing Consideration by the Sellers, the Sellers shall release all documents set out in Part 1 of Schedule 3.

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 Amendment.

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 ofthis Amendment; and

5.4 to hold all Sale Shares as encumbered in favour of the Buyer pending transfer to the Buyer on the terms of this Amendment,

provided that the obligations of the Sellers pursuant to this clause 5.3 shall:

(a) 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 Amendment, on default of the Buyer or otherwise; and

(b) 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 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 the Closing. Notwithstanding the foregoing, Buyer does not waive its right to assert any Claim(s) within the statute of limitations provided in the appropriate jurisdiction governing this Amendment.

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 Amendment 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 Amendment; 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 Amendment without the prior written consent of the other Parties.

7.2 The Buyer may, at any time after = 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 Amendment 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 Amendment.

9. ASSIGNMENT

9.1 The 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 Amendment 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 Amendment, 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 Amendment 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 Amendment by any such assignment(s).

10. ENTIRE AGREEMENT

This Amendment 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 Amendment and the transaction contemplated by this Amendment.

11.2 The Parties shall be entitled to set-off any amount which is due by one Party to the other Parties under this Amendment against any amount owed to the first Party by the second Party.

12. DEFAULT INTEREST

Any sums not paid when due pursuant to this Amendment 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 Amendment 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 Amendment 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 Amendment or by law is only effective if it is in writing.

13.3 Except as expressly provided in this Amendment, the rights and remedies provided under this Amendment 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 Amendment 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., 5049 Edwards Ranch Rd, Fort Worth, Texas 76109
Email:	matthew.mcgahan@lottery.com
with copy to (which shall not constitute Notice):	legal@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 Amendment 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 Amendment.

16. THIRD PARTY RIGHTS

A person who is not a party to this Amendment shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Amendment.

17. GOVERNING LAW AND JURISDICTION

17.1 This Amendment 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 Amendment or its subject matter or formation.

This Amendment has been entered into on the date stated at the beginning of it.

(The remainder of this page is intentionally left blank. Signature page follows.)

SIGNATURES

/s/ Dani Alyamour

Dani Alyamour
Date: 6/9/2025

/s/ David Cook

David Cook
Date: 6/9/2025

/s/ Paul David Sebright

Paul David Sebright
Date: 6/9/2025

/s/ Nishant John Faria

Nishant John Faria
Date: 6/9/2025

/s/ Osama Munir Ragheb Alkaloti

Osama Munir Ragheb Alkaloti
Date: 6/9/2025

/s/ Ravi Bhusari

Ravi Bhusari for and on behalf of **Duplays Holdings Limited**
Date: 6/9/2025

/s/ Mahesh Gobind Dalamal

Mahesh Gobind Dalamal for and on behalf of **KGM Holdings Limited**
Date: 6/9/2025

/s/ Mahesh Gobind Dalamal

Steven Daniel Mayne for and on behalf of **West Ireland Investment Limited**
Date: 6/10/2025

/s/ Jigar Ramesh Sagar

Jigar Ramesh Sagar for an on behalf of **Triliv Holdings Limited**
Date: 6/9/2025

/s/ Matthew McGahan

Matthew McGahan for and on behalf of **Lottery.com Inc.**
Date: 6/9/2025

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
	Number and class of shares held		Number of Sale Shares			
Shareholder	**Preference shares**	**Ordinary shares**	**Preference shares**	**Ordinary shares**	**Relevant Sale Percentage**	**Purchase Price allocation in USD (excluding Commission)**
Duplays Holdings Limited	500,000	1,000,000	500,000	0	5	136,612
Dani Alyamour	500,000	500,000	500,000	500,000	10	273,224
David Cook	2,000,000	0	2,000,000	0	20	546,448
Paul David Sebright	1,500,000	0	1,500,000	0	15	409,836
Nishant John Faria	1,000,000	0	1,000,000	0	10	273,224
Osama Munir Ragheb Alkaloti	1,000,000	0	1,000,000	0	10	273,224
KGM Holdings Limited	910,000	0	910,000	0	9.1	248,634
West Ireland Investment Limited	910,000	0	910,000	0	9.1	248,634
Triliv Holdings	180,000	0	180,000	0	1.8	49,180
Totals	**8,500,000**	**1,500,000**	8,500,000	500,000	90.00%	**2,459,016**

Schedule 3 Seller's Closing obligations

PART 1: CLOSING

1. DOCUMENTS TO BE DELIVERED AT CLOSING

At Closing, the Sellers shall deliver to the Buyer:

(a) transfers of the 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 and Davinder Rao;

(d) where required, a written resolution of the board of the Company appointing at least three (3) Buyer's representatives 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 Closing Shares from the Sellers to the Buyer and removing the resigning directors from the board of the Company and authorised signatory positions of the Company 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 3; and

(h) a completed and signed copy of the Disclosure Letter provided by Buyer to Company.

2. CLOSING BOARD MEETING

The Sellers shall cause a board meeting of the Company to be held at Closing at which the matters set out in this Amendment 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 Amendment 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 Amendment 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 90 percent. 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 Amendment, 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 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 10.66

SEGG MEDIA

January 20, 2026

United Capital Investments London Limited ("UCIL")
Unit Ss Stratford Road
Shirley, Solihull England, B90 4AA
Via Email: barney.battles@ucilondon.com, matthew.mcgahan@ucilondon.com, and Colin Marsh via post to 40 Holmefield Court, Belsize Grove, London, NW3 4TT

Re: Lottery.com Inc. *dba* SEGG Media Corporation ("SEGG") and UCIL Termination Notice – Effective Immediately

Dear UCIL, Mr. Battles, Mr. McGahan and Mr. Marsh:

At a recent SEGG Board of Directors (the "Board") special meeting held on January 20, 2026, the Board determined that it is in the best interest of the Company and its shareholders to terminate the financing arrangement with United Capital Investments London Limited ("UCIL") originally entered into on July 23, 2023, subsequently amended and restated on August 8, 2023, later amended on August 18, 2023, and finally amended and restated on February 16, 2024 (collectively, as amended and restated, the "UCIL Loan Agreement").

We previously advised you that the UCIL Loan Agreement is voidable. We are now informing you that the UCIL Loan Agreement is hereby terminated effective immediately ("Termination Notice").

This Termination Notice does not constitute a waiver of any of SEGG's rights. SEGG reserves all rights in law and in equity.

Sincerely,

/s/ Robert J. Stubblefield
Robert J. Stubblefield
Chief Financial Officer, and Interim Chief Executive Officer and President SEGG Media Corporation

cc: Marc Bircham Greg Potts
Christopher Gooding Tamer Hassan
Warren Macal
Paul Jordan

TERMINATION AGREEMENT

This TERMINATION AGREEMENT (this “***Termination Agreement***”) is made and entered into as of January 26, 2026, by and among Lottery.com Inc., a Delaware corporation (the “***Company***”) and Evergreen Capital Management, LLC, a Nevada company (the “***Purchaser***”, and together with the Company, the “***Parties***”, and each, a “***Party***”). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Note (as defined below) or Purchase Agreement (as defined below), as applicable.

RECITALS

A. The Company issued that certain Senior Secured Convertible Promissory Note to the Purchaser on December 2, 2025, as amended by Amendment No. 1 to the Senior Secured Convertible Promissory Note, dated as of January 21, 2026, between the Company, as the borrower, and the Purchaser, as the holder (the “***Note***”).

B. The Company and the Purchaser have entered into that certain Securities Purchase Agreement, dated as of December 2, 2025, between the Company and the Purchaser (the “***Purchase Agreement***”, and together with the Note, the “***Transaction Document(s)***”), pursuant to which the Company issued the Note to the Purchaser.

C. In connection with the consummation of the transactions contemplated by the Purchase Agreement, the Parties hereto desire to terminate the Note and the Purchase Agreement on the terms and subject to the conditions set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Termination of the Note and the Purchase Agreement. Subject to the terms and conditions of this Termination Agreement, the Note and the Purchase Agreement are hereby terminated effective as of the date of the delivery to the Purchaser of the Common Shares pursuant to that certain Conversion Notice #7 delivered by the Purchaser (the “***Effective Date***”), dated as of January 13, 2026 (“***Conversion Notice #7***”). From and after the Effective Date, the Note and the Purchase Agreement will be null, void, and of no further force or effect, the rights and obligations of each of the Parties thereunder shall terminate in their entirety, and no further payments will be due, or will become due, under or in respect of the Note or the Purchase Agreement.

2. Representations and Warranties. Each Party hereby represents and warrants to the other Party that:

(a) It has the full right, power, and authority to enter into this Termination Agreement and to perform its obligations hereunder.

(b) The execution of this Termination Agreement by the individual whose signature is set forth at the end of this Termination Agreement on behalf of such Party, and the delivery of this Termination Agreement by such Party, have been duly authorized by all necessary action on the part of such Party.

(c) This Termination Agreement has been executed and delivered by such Party and (assuming due authorization, execution, and delivery by the other Party hereto) constitutes the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms.

(d) EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS TERMINATION AGREEMENT, (i) NEITHER PARTY HERETO NOR ANY PERSON ON SUCH PARTY'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND (ii) EACH PARTY HERETO ACKNOWLEDGES THAT, IN ENTERING INTO THIS TERMINATION AGREEMENT, IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY THE OTHER PARTY, OR ANY OTHER PERSON ON SUCH OTHER PARTY'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS TERMINATION AGREEMENT.

(e) The $500,000 initial investment and $75,000 original issue discount ("***OID***") amount, as contemplated by the Note and the Purchase Agreement, have been converted, and there is no remaining amount owed to either Party under the Note and the Purchase Agreement.

(f) No covenants were breached and no Events of Default (as defined in the Note) have occurred under the Note through the date of this Termination Agreement. If the Company breached any covenants or an Event of Default occurred under the Note, the Purchaser shall not be entitled to the rights and remedies under the Note for such breach or Event of Default as of the date of such breach or occurrence.

3. Covenants.

(a) Opinion Letters. The Company agrees to deliver to the Purchaser an opinion letter from its legal counsel in connection with the remaining Common Shares pursuant to Conversion Notice #7 within one (1) business day after the date hereof.

(b) Non-Disparagement. Both Parties agree not to disparage the other party, and the other party's attorneys, directors, managers, partners, employees, agents and affiliates, in any manner likely to be harmful to them or their business, business reputation or personal reputation; provided that both Parties may respond accurately and fully to any question, inquiry or request for information when required by legal process.

(c) Filing of 8-K. The Company shall file a Current Report on Form 8-K with the U.S. Securities and Exchange Commission to announce the entry of the Parties into this Termination Agreement within four (4) business days after the date hereof, and the Company shall permit the Purchaser a reasonable opportunity to review such Current Report on Form 8-K before it is filed.

4. Delivery of Common Shares. The Parties acknowledge that the Common Shares deliverable to the Purchaser pursuant to Conversion Notice #7 have been issued by the Company, and the Company shall authorize its transfer agent to deliver the shares pursuant to Conversion Notice #7 to Purchaser within one (1) business day after the date hereof.

5. Release. In further consideration for the execution of this Termination Agreement by each Party and without limiting any rights or remedies that each Party may have, each Party hereby releases each other and each of its Related Parties (each a "Releasee" and, collectively, the "Releasees") from any and all Claims that each Party or any of its Subsidiaries has or may have against any Releasee, under the Note or any other Transaction Document, any obligation or liability owing thereunder and any legal relationship that exists or may exist between any Releasee and any of the Parties or any of their Subsidiaries under the Note or any other Transaction Document. Each Party, for itself and for its Subsidiaries, acknowledges and agrees that it or its Subsidiaries may discover information later that could have affected materially their willingness to agree to the release in this paragraph and that neither such possibility, which it took into account when executing this amendment, nor such discovery, as to which it expressly assumes the risk, shall affect the effectiveness of the release in this paragraph, and waives the benefit of any legal requirement that may provide otherwise. As used in this paragraph, (A) "Claims" means all liabilities, rights, demands, covenants, default or Event of Default, duties, obligations (including, without limitation, indebtedness, receivables and other contractual obligations), claims, actions and causes of actions, suits, disputes, judgments, damages, settlements, losses, debts, responsibilities, fines, penalties, sanctions, commissions and interest, disbursements, taxes, charges, interest, costs, fees and expenses (including, without limitation, fees, charges and disbursements of financial, legal and other advisors, consultants and professionals and, if applicable, any value-added and other taxes and charges thereon), in each case of any kind or nature, whether joint or several, whether now existing or hereafter arising and however acquired and whether or not known, asserted, direct, contingent, liquidated, due, consequential, actual, punitive or treble and (B) "Related Party" means, with respect to any Subject Person, any Affiliate of such Subject Person or of another Related Party of such Subject Person and such Subject Person's and such Affiliate's predecessors, successors, assigns, managers, members, partners, directors, officers, staff members (including, without limitation, individuals with independent contractor or similar status), agents, attorneys-in-fact, trustees, fiduciaries, representatives and advisors.

6. Miscellaneous.

(a) Governing Law. This Termination Agreement shall be governed by and construed and enforced in accordance with the internal, substantive Laws of the State of Delaware, without giving effect to the conflict of Laws principles that would apply the Laws of any other jurisdiction.

(b) Amendments. This Termination Agreement shall not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing executed and delivered by an authorized representative of each party.

(c) Assignment. Neither Party may assign, transfer, or delegate any or all of its rights or obligations under this Termination Agreement without the prior written consent of the other Party. Any attempted assignment, transfer, or other conveyance in violation of the foregoing will be null and void. This Termination Agreement will inure to the benefit of and be binding upon each of the Parties and each of their respective permitted successors and permitted assigns.

(d) Construction. The Parties drafted this Termination Agreement without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

(e) Severability. If any term or provision of this Termination Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Termination Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties hereto shall negotiate in good faith to modify this Termination Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

(f) Further Assurances. Each of the Parties shall, and shall cause its respective affiliates to, from time to time at the request and sole expense of the other Party, furnish the other Party such further information or assurances, execute and deliver such additional documents, instruments and conveyances, and take such other actions and do such other things, as may be reasonably necessary or appropriate to carry out the provisions of this Termination Agreement and give effect to the transactions contemplated hereby and thereby.

(g) No Third-Party Beneficiaries. This Termination Agreement benefits solely the Parties hereto and their respective permitted successors and permitted assigns, and nothing in this Termination Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Termination Agreement.

(h) Counterparts. This Termination Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. This Termination Agreement may be executed by facsimile, portable document format (pdf) or other electronically or mechanically reproduced signature and such signature shall constitute an original signature for all purposes notwithstanding any statute or decisional law to the contrary.

(i) Expenses. Each party shall pay their own legal fees, other costs and expenses of negotiating, preparing, executing and performing its obligations under this Termination Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Termination Agreement effective as of the date first set forth above.

LOTTERY.COM INC.

By: ______________________________
Name: Robert J. Stubblefield
Title: Interim Chief Executive Officer

SIGNATURE PAGE TO TERMINATION AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Termination Agreement effective as of the date first set forth above.

EVERGREEN CAPITAL MANAGEMENT, LLC

By:
Name: Jeff Pazdro
Title: Manager

SIGNATURE PAGE TO TERMINATION AGREEMENT

EXHIBIT 21.1

Subsidiaries of Sports Entertainment Gaming Global Corporation

The following is a list of the subsidiaries of Sports Entertainment Gaming Global Corporation (the “Company”) as of April 1, 2026:

Subsidiary Name	Jurisdiction of Organization
AutoLotto Inc.	Delaware
Global Gaming Enterprises Inc.	Delaware
ELECTRÓNICOS Y DE COMUNICACIÓN, S.A.P.I. DE C.V. (3)	Mexico
Juega Lotto (3)	Mexico
Tinbu LLC	Florida
LDC WinTogether Inc.	Texas
LDC IP Holdings Inc.	Delaware
Sports.com Media Group Ltd	United Kingdom
Sports.com Studios Ltd	United Kingdom
Lottery.com International LTD	United Kingdom
DotCom Ventures Inc.(4)	Nevada
Veloce ESports Ltd(5)	United Kingdom
Concerts.com	Nevada
Spektrum Ltd	Cyprus

Notes:

1. The Company owns, directly or indirectly, 100% of the outstanding equity interests of each subsidiary listed above, except where otherwise indicated.
2. Certain subsidiaries may be omitted from this list as permitted under Item 601(b)(21) of Regulation S-K because, considered in the aggregate, they would not constitute a significant subsidiary as of December 31, 2025.
3. 80% ownership through Global Gaming Enterprises Inc.
4. 51% ownership as of the date of this report
5. 68% ownership as of the date of this report.

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, Robert J. Stubblefield, certify that:

1. I have reviewed this Report on Form 10-K of Sports Entertainment Gaming Global Corporation;

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: July 10, 2026

By: */s/ Robert J. Stubblefield*
Robert J. Stubblefield
Interim 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 J. Stubblefield, certify that:

1. I have reviewed this Report on Form 10-K of Sports Entertainment Gaming Global Corporation;

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: July 10, 2026

By: */s/ Robert J. Stubblefield*
Robert J. 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 Report of Sports Entertainment Gaming Global Corporation (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "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 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 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: July 10, 2026

By: */s/ Robert J. Stubblefield*
Robert J. Stubblefield
Interim 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 Report on Form 10-K for the period ended December 31, 2025 of Sports Entertainment Gaming Global Corporation, a Delaware corporation (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “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 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 Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

July 10, 2026

By: */s/ Robert J. Stubblefield*
Robert Stubblefield, Chief Financial Officer, Principal Accounting Officer