

----- Forwarded message -----

From: **Greg Potts** <[greg@lottery.com](mailto:greg@lottery.com)>

Date: Mon, Apr 24, 2023, 5:27 AM

Subject: Re: Lotto Texas wrap up

To: Matthew McGahan <[matthew.mcgahan@lottery.com](mailto:matthew.mcgahan@lottery.com)>

Cc: pnn group <[np@pnn-group.com](mailto:np@pnn-group.com)>, Mark Gustavson <[mark@lottery.com](mailto:mark@lottery.com)>, Jacob Bernstein <[jacob@lottery.com](mailto:jacob@lottery.com)>, Brandon Marsh <[brandon@lottery.com](mailto:brandon@lottery.com)>, Amar Ali <[amarali1978@gmail.com](mailto:amarali1978@gmail.com)>, Tony DiMatteo <[tony@lottery.com](mailto:tony@lottery.com)>

I've attached a redline version.

Here are my comments:

1. We should not mention anything about Lotto Texas, wholesale operations in the US. This type of business is legal and compliant but is not something we publicize. It is considered cheating by lottery players and we do not want to raise attention to it. There are already several public criticisms of Mido Lotto, our competitor whose facility sold the winning Lotto ticket to our shared customer.

2. We want to be specific to B2B operations in Texas only. We do not want expectations that consumers can go to the website or try and download an app to buy tickets.

3. Lottery sales commissions are a sensitive topic in Texas. Commissions and bonuses are established by the state legislature. They have already removed many of the retailer bonuses in order to allocate more lottery revenue to schools.

Once we finish, a clean version will need to be sent to IGA for approval. I have a meeting with them at 11ET.

Also, we need to reinstate our distribution process. The company can not just issue a press release. There are steps that need to be followed for NASDAQ and the SEC compliance. This has been discussed with Mark. Once this is approved, staff will manage the distribution.

On Mon, Apr 24, 2023 at 2:52 AM Matthew McGahan  
<[matthew.mcgahan@lottery.com](mailto:matthew.mcgahan@lottery.com)> wrote:

Best one yet - be great to get that quote from Texas gaming commission .  
Matt

The logo for Lottery.com, featuring the word "Lottery" in a large, bold, red, italicized sans-serif font. The ".com" is in a smaller, red, italicized sans-serif font, enclosed within a white circle with a thin grey border. The "L" is also in the same red, italicized font.The logo for Lottery.com, featuring the word "Lottery" in a large, bold, red, italicized sans-serif font. The ".com" is in a smaller, red, italicized sans-serif font, enclosed within a white circle with a thin grey border. The "L" is also in the same red, italicized font.

Matthew McGahan

Chairman

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[Lottery.com](https://Lottery.com) <https://>



On 24 Apr 2023, at 10:20, pnn group <[np@pnn-group.com](mailto:np@pnn-group.com)> wrote:

Please see attached first draft of announcement and let me know of any  
comments

We must release it today asap

Thnx

N

<23 04 23 Revenue Release v1.docx>

On 24 Apr 2023, at 05:16, Matthew McGahan <[matthew.mcgahan@lottery.com](mailto:matthew.mcgahan@lottery.com)> wrote:

An outstanding achievement and “timely” is an understatement..  
My gratitude to you and the team , I can only imagine the atmosphere was electrifying when those machines finally started printing ..  
a job well done !!

Kind regards

Matthew

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Matthew McGahan

Chairman

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On 23 Apr 2023, at 16:07, Greg Potts <[greg@lottery.com](mailto:greg@lottery.com)> wrote:

It was a crazy 72 hours. Lottery.com went from not selling a ticket for almost nine months to producing more than 6 million in a few days. For reference, the initial scope of the project was 5M tickets. Our team's ability to quickly react and deploy allowed us to exceed that by 22%.

Our customer won the \$74M Lotto Texas jackpot but unfortunately the winning ticket did not come from our facilities so we will not receive the retailer bonus.

Here are the rough totals:

6,188,996 tickets sold

Gross Commission \$309,238

ALTx commission (\$37,108)

One time set up expenses (\$600)

Personnel (\$7,000)

Net Profit \$263,649

This is a huge win for the company. It has been almost nine months since the company sold a lottery ticket. This is a one-off project that only happens when the correct combination of jackpot size and odds line up. However, our team learned a great deal about mass production. The customer is extremely happy and knows that Lottery can handle a much greater volume when the opportunity presents itself again.

We will have a full accounting tomorrow. I will coordinate with Mark and ALTX on the return of the deposit overpayment and insuring both ticket accounts are properly funded for the sweep on Tuesday night. We will not have access to the commission funds until sometime Wednesday.

Greg