Lotto Nation

A decentralized, hyper-connected lottery platform

DISCLAIMER

Potential purchasers of our Winners tokens (LNT as referred to in this Whitepaper) must carefully consider and evaluate all risks and uncertainties associated with Lotto Nation and Winner's Group IEO and all its affiliated businesses, the companies' operations, the IEO, the LNT tokens and all information presented in this whitepaper and the Winners Group business plan, the technical documents and all information provided on all Winners Group associated websites and social media channels.

In case any of these uncertainties, risks or problems develop into actual events, the companies, the business operations, the financial state of the companies, effect and results of Winners Group operations and material provided with Lotto Nation and Winners Group could be materially and adversely affected. In case of one of these events you might lose part or all of the value of the acquired LNT tokens.

This white paper and its contained information shall not be considered legal, financial, business, tax or investment advice concerning Lotto Nation, Winners Group and its LNT tokens and its associates businesses and operations.

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Adoption of smart contracts and blockchain technology provides a solution for the most crucial problems in the online gambling industry.

Part 1

ABSTRACT

Lotto Nation is a first-of-its-kind, decentralised lottery platform run on the blockchain and powered by A.I, that allows companies, charities, and individuals to set-up their own lottery and connect with players through the most reputable and acknowledged technology.

Our mission is to become the best fully licensed blockchain lottery in the world and we're in the first step of bringing our vision to life with the new generation of lottery built on the Ethereum blockchain.
Lotto Nation allows any person or organisation to create and run their own lottery and invite friends, family or members to become part of a syndicate (a group of participants). By applying a social aspect to playing the lottery we will attract a new customer segment and become the main provider for privately run lottery syndicates. We will digitalise and revolutionise the social aspect of playing the lottery, and introduce systematic, decentralised and autonomous modules thanks to fair and secure blockchain protocols.

As the digital economy matures, blockchain is revolutionizing the way we do business and have fun. Adoption of smart contracts and blockchain technology provides a solution for the most crucial problems in the online gambling industry, such as rigged results, low payouts, lack of transparency due to the lack of information, and, consequently, lack of trust.

Lotto Nation is positioned to become the first globally accessible lottery platform for the blockchain era that unites companies, charities and individuals into a decentralized, transparent and fair ecosystem. Through the combination of user-centric modules for revenue sharing, state of the art technology, social lotteries, affiliate marketing and a unique insurance model the new blockchain-based lottery platform will offer features, opportunities, and customer rewards that extend beyond current platforms.

Fundraising and the use of LNT Tokens will help finance platform development and marketing, so we can focus on building a better, more user-friendly service offering for the online gambling industry. Our goal is to create a blockchain-based lottery platform that is accessible and affordable to experienced and novice players who wants to access a host of value-adding features, such as frequent draws, high jackpots, instant wins, a secure insurance model, direct communication channels, powerful analytics and a social aspect of playing.

INTRODUCTION

People like to risk a little to win big. The fantasy of becoming an overnight millionaire has turned the lottery business into the $300 billion industry that it is today. It has steadily been increasing the share of the global gaming market since 2013, from $ 187 billion in 2004, up to $ 294.3 billion in 2016 with a projected market cap of US$ 379 billion, for a total growth of 25.5% and a CAGR 9.44% by 2021 [1].

> *"The lottery industry stands out in the gambling industry by virtue of several unique features. It is the most widespread form of gambling in the U.S."*
> — NATIONAL GAMBLING IMPACT STUDY COMMISSION

People have been drawn to lotteries for hundreds of years. Today, **lotteries are the most rapidly growing sector of online gambling** and generate tremendous revenue for companies and governments around the world.

Despite this phenomenal growth, lotteries around the world are plagued with problems. The lack of transparency results in rigged jackpots and large-scale fraud scandals. Needless to say, the odds of winning a lotto jackpot are not particularly good, and the limitations of the current government and private lotteries are turning away a great number of players as fairness is difficult to demonstrate even for genuine lotteries.

Since the advent of the large-scale lottery, software and protocols to determine lottery winners in the fairest way possible have consistently grown more sophisticated. However, none of the existing solutions has succeeded in addressing the major issues currently faced within the lottery industry worldwide.

Large lotteries such as EuroMillions offer a significant advantage, which is also due to the digital and technical development of recent years: the possibility to play the lottery in the internet cross-border. Now, blockchain technology is opening the door for fairer, safer, and more transparent lottery platforms that could revolutionize the industry. The online gaming sector and the demographic trends of lottery players are changing rapidly. Blockchain technology is the next logical step in the evolution of lotteries that enables autonomous decentralized playing with a high level of participants' gains, transparency and security, and global access to fair

lottery services for all.

ABOUT WINNERS GROUP

Winners Group is a Nordic company providing an innovative next-generation software solution designed to enhance the experience of participants and continue to be the meeting point between technology, fairness and entertainment.

While competitors do exist in this space, Winners Group is the only operational platform to integrate the latest blockchain technology alongside a proven and successful B2B and B2C solution for the lottery market. Our extended knowledge, experience and successful business model, combined in-depth industry knowledge are integral components of our new brainchild - Lotto Nation. A global lottery platform – online-based, mobile-friendly and fully secure, which will drive the future of gambling innovation.

Lotto Nation will be the world's first hyper-connected lottery platform and will be changing the way lotteries are run today by creating a global blockchain-based platform that connects lottery players and lottery providers directly.

The team behind Lotto Nation has a strong track record of delivering game-changing B2C and B2B solutions to the lotto industry. As one of the main players in the Nordic market, Winners Group has been going strong for over 20 years and made a name with projects such as The Lyca Group.

One of our long-lasting partnerships is with The Lyca Group (consisting of brands such as Lycamobile, Lycachat, Lycafly, Lycamedia, LycaTv, Lycaradio and Lycalotto) and the unique solutions we developed for them are steadily onboarding an in increasing number of new players every day. Lyca has a customer base with approximately 20 million customers across 170 countries, and we have been able to tap into several of these markets in Europe. Following the launch of Lycalotto, we have been focused on the European lottery market. The launch of Lycalotto in Spain marked another successful milestone in Winners Group's journey and we have been enjoying a steady expansion into the Spanish lottery market.

Since 2017, our main focus has been on white label solutions and B2B customers, and we now provide a fully-integrated, customizable B2B online lottery platform.

MISSION

We are disrupting the $300+ billion lottery market. Our mission is to reshape the lottery industry and in doing so – take it to the era of decentralization. By changing the way lotteries are run and how participants interact – we will be able to create a global platform built on the blockchain that connects with the real needs of lottery players, lottery providers and charities.

Lotto Nation will be the leading worldwide decentralised lottery platform run on the blockchain, that allows companies, charities or individuals to connect with players through the most reputable and acknowledged technology. We want to apply a social aspect the lottery industry. Currently, lotteries are played individually and **we want to change that by allowing people to play together**.

We enable players to do so through our cutting-edge lottery platform that ensures secure money remittance, fair allocation of winnings, transparent lottery offerings and results on the blockchain. Through the use of A.I we can analyse the customer's lifetime value and do intelligent customer acquisition and KYC of the players.

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1. Global Lottery Market Growth at CAGR of 9.44%, 2017-2021: Latest Market Trends, Challenges & Drivers - Research and Markets

Despite the significant growth of the online lottery industry, several ongoing issues are hindering and deterring consumers from participating

THE PROBLEMS

Traditional lotteries are plagued by a host of issues and inefficiencies - the result, a lack of trust between players, developers and service providers due to multiple intermediaries, high fees and unintuitive user experiences. There is a pressing need for an overhaul of the whole online lottery industry. A solution to a fair and modern gambling system is a decentralized gaming platform that leverages the advantages of blockchain technology.

Despite the significant growth of the online lottery industry, several on-going issues are deterring players from participating. Problems with trust, security, transparency, limited lottery options, unreliability, a lack of a social component and small jackpots are all contributing to the loss of players.

Today, all aspects of online betting - from launching a lottery to user account management, market access for charities and cashing out for players - are affected by the centralized model of traditional lotteries. This creates a host of issues for players, charities and businesses alike.

Problems for Players:

- Few and small jackpots
- Lack of social interaction
- Hidden fees: lotteries charge a fee for withdrawal
- Withdrawal restrictions
- Limits and slow processing speed of payouts
- Risk of fraud
- Mainly only access to national lotteries
- Limited weekly draws

Problems for Charities and Companies:

- High entry fees for lottery providers
- High costs of running an online lottery
- Operations overheads such as integrating payment systems and user account balance management
- Lack of transparency and credibility
- Lack of support for blockchain services/protocols
- Inability to offer large jackpots
- Long and expensive license and operational applications

There are many other problems with traditional and online lottery systems. For example, starting from game selection, the transparency of random number generation and payment process will greatly affect the player's gaming experience.

INDUSTRY CHALLENGES

1.	2.	3.	4.	5.
LIMITED LOTTERY OPTIONS	**LACK OF TRUST & TRANSPARENCY**	**NON SOCIAL ACTIVITY**	**SMALL PRODUCT SELECTION**	**FEW AND SMALL JACKPOTS**
We offer players the opportunity to play the biggest lotteries from all over the world	Through the use of smart contracts and an RNG on the blockchain, we ensure full transparency	We make lotteries social by allowing users to play together with friends and family	We have large product offering and enable players to partake in lotteries from all over the world	Through our insurance model, we can offer large jackpots up to 250 million € every minute

THE SOLUTIONS

The Lotto Nation team is currently developing a platform that will create a paradigm shift in the online lottery industry and solve all aforementioned issues. After the IEO, Lotto Nation will fully implement and run a blockchain-based platform with its own set of protocols, where companies, charities and individuals can run their own lotteries with custom features to meet their specific needs and requirements. The ultimate goal of Lotto Nation is to remove the risk inherent in the current system by making it decentralized, transparent and trustful for everyone involved.

KEY BENEFITS OF LOTTO NATION

Lotto Nation is ideally positioned to become the first legally operating blockchain lottery platform worldwide with over 20 years of experience and a proven track record.

We are positioning Lotto Nation as the link between Winners Groups' current platform and offerings and the inevitable modernisation of the lottery industry. Lotto Nation will be a frontrunner for how companies can use lotteries as part of their business model and redefine what consumers will expect when playing the lotteries.

Lotto Nation is a hyper-connected lottery platform built on the blockchain and powered by A.I. Lotto Nation will be the leading worldwide decentralised lottery platform run on the blockchain, that allows companies, charities or individuals to connect with players through the most reputable and acknowledged technology.

Smart contracts

Social lotteries

RNG on the blockchain

A.I. powered platform

LOTTO NATION

A.I. powered marketing

Charity integrations

Insurance model

Worldwide lotteries

A decentralized platform built both to generate revenue and to contribute to charitable pursuits, Lotto Nation is the solution to the world's lottery problems. Our decentralised platform is:

SMART
Everything is based on smart contracts. We have selected the Ethereum blockchain for its capacity to handle thousands of instant payment transactions.

PROVEN
Winners Group is fully operational and our solutions are enjoyed by players around the world.

RELIABLE
Full decentralization of the platform makes it independent, autonomous, anonymous, secure and transparent.

INNOVATIVE
Lotto Nation offers a scalable, modern and disruptive approach to the lottery market with new games and novel ways of participating through shared pooling.

INCLUSIVE
Anyone with Internet access can participate in or start their own lottery.

Lotto Nation has a number of strategic advantages to become the leading worldwide lottery platform run on the blockchain and set a new standard of interaction for charities, businesses and players. By digitalising and introducing a social aspect into playing the lottery, we are creating a transparent ecosystem with the use of smart contracts and a Random Number Generator (RNG) build on blockchain to ensure full fairness in the drawing process. **The application of fair and secure blockchain protocols** will allow any individual or organisation to create their own lottery and invite friends and family to participate, thus opening new revenue streams and more winning possibilities.

As an international platform, Lotto Nation is an ecosystem at the interface of the most advanced technologies with multiple benefits.

LOTTO NATION	TRADITIONAL LOTTERIES
Open source code of the random number generator	A closed system of the winner selection
Transparent system of awards distribution, tickets sold, etc	The organising companies do not disclose this information
Increased chances of winning the jackpot.	Average jackpot chances are 1 to 70'000'000
Social component	Lack of interaction between players and lottery organizers
More frequent and larger jackpots	A limited number of jackpots as well as fixed jackpot amounts
Access to different types of lotteries around the world	A limited number and type of lotteries
No tampering with the payment of winnings	Nominees winners are possible
Minimum costs for the lottery operation and participation	Huge expenses on platform distribution, offices, sales points.
Payments of winnings are carried out instantly, without the participation of third parties	A personal appearance in the head offices is needed for large payments. Often there is a time limit of six months to a year

WHAT MAKES LOTTO NATION UNIQUE

We have identified five major advantages over other blockchain lotteries:

1. Strong Track Record

We have a strong track record in building and running successful B2C lottery sites for the past 20 years. We have a proven retention strategy - 90% of Winner's Group retail customers are on subscriptions, which secure recurrent revenue streams.

2. Disruptive microservices platform

We offer a disruptive agile online lottery turnkey solution built on microservices for our B2B clients.

3. Larger product offering

We are in a unique position as we can offer players the opportunity to play 26 national lotteries with the highest jackpots from all over the world. We specialize in syndicates and keep players entertained by offering multiple daily drawings instead of just once or twice a week.

4. Unique insurance model

We have a unique insurance-based solution offering for our B2b clients. Our insurance partner Lloyds of London allows us to insure and offer high jackpots.

5. Social interaction

We allow any person or entity can create their own lottery and invite friends and family to become part of the "group". It creates a lot of trust being invited by a friend and the customers' loyalty rises significantly as there is now also a social aspect to playing the lottery.

 By adopting a mobile-first approach with an emphasis on instant games, Lotto Nation taps into a whole new enormous segment of participants who previously have not been able to play online lotteries nor subscribe to services before. The development allows our clients to tap into new markets and increase their customer base profoundly.

Another market Lotto Nation can tap into by using our mobile developments is the millennial segment. Millennials, more than previous generations, rely on their phones and technology for information and engagement.

We have several existing solutions that allow customers to buy lottery tickets directly from their phone by spending mobile data or SIM card top-up credit. This may sound simple, but it is a game-changer within the industry. This will help us in attracting the users and the Millennial segment who are more prone to participate in lotteries with multiple daily draws and instant games.

HOW LOTTO NATION WORKS

Lotto Nation will be an ecosystem consisting of its own blockchain-based platform with masternode functions, hybrid consensus algorithm, LNT tokens, smart contracts, participant wallets, affiliate program, third-party insurance audit and mobile applications. Thus, we are creating a new type of a worldwide decentralised lottery platform run on the blockchain, that allows companies, charities or individuals to connect with players through the most reputable and acknowledged technology.

Lotto Nation will utilise the existing framework of Winners Group to create an ecosystem at the interface of the most advanced technologies. The fully automatized and decentralized solution will serve as the world's first hyper-connected, smart contact-based lottery Ethereum platform. Thus, Lotto Nation is introducing blockchain technology into the online gaming industry together with a new level of transparency and availability of lotto playing from any part of the world.

The new approach to the arrangement and staging of lottery games positions Lotto Nation as a unique, legally operating decentralised lottery platform. Thanks to blockchain technology and Ethereum smart contracts we have eliminated the most crucial disadvantages of the most popular game in the world and offer a viable business everywhere in the world.

Leveraging ubiquitous technologies, Lotto Nation enables the convergence of existing, but fragmented systems, and creates the basis for immersive online gaming.

We are developing a next-generation lottery environment that addresses the main weak points of online gambling. The use of blockchain technology and Winners Group's white-label B2C solutions offers a practical approach to simplifying the online lottery model and fixing its defects by enabling fast, reliable, and updated technology access to players, charities and businesses worldwide.

The backbone of the Lotto Nation platform will be several features and services that provide ironclad assurance of security and reliability of the professional-grade platform built on blockchain and powered by A.I.

Winners Group's existing solution means Lotto Nation players will have access to approximately 35 international lotteries simultaneously and 70 weekly jackpots. We enhance the user experience by offering our customers the ability to participate in lotteries worldwide with new jackpots every day. By adding an element of 'instant satisfaction', we streamline the output of results from drawings and shorten the time for publishing them on the blockchain.

Lotto Nation will match the prizes of the official lottery operators on the platform. Players can bet on multiple lotteries from all over the world at the fraction of the cost of a regular ticket from the official national lotteries.

When choosing your numbers, lottery betting may be the same, but you are not buying a lottery ticket in the official draw. Lottery betting on the Lotto Nation platform is not connected in any way to the official national lottery operators. Prizes are paid out by Lotto Nations insurance solution, not the official lottery operator. We match the prizes of each tier, including the jackpot that the official lottery operators pay out as if players have won with an official lottery ticket. To consumers, there is no real difference in the customer journey apart from the much larger product selection and improved user experience.

KEY COMPONENTS OF THE LOTTO NATION PLATFORM

The Lotto Nation system is designed from the ground up to both utilise and work on-top of the Ethereum Blockchain. Our system leverages the blockchain in order for transaction ledgers and other components to remain recorded and immutable within the blockchain whereas specific code resides outside of it. The expected scale of the Lotto Nation platform, according to the number of our potential users, represents tens of thousands of lotteries and businesses, and millions of players.

Lotto Nation represents a decentralized lottery platform, which enables users to enjoy their favorite lottery games via a fair ecosystem, which will hold an online gambling license and offer a number of value-adding services.

SOCIAL LOTTERY

Historically, playing the lottery has never been a social activity. This is very contradicting to the digital age where connectivity is everything and younger generations want to stay connected everywhere they go and whatever they do.

For this purpose, Lotto Nation will create a full-service environment where any person or entity can launch their own lottery and invite friends and family to become members of a "group". With a team of players, they can pool their money together and buy more entries for the same amount, which increases the chances of winning. In the event that a syndicate wins, the prizes are shared amongst all team members.

Each syndicate can either be closed or open for others to join. Players can also join open syndicates already set up by other players and play with people in their local community or from around the world.
Lotto Nation will provide the entire infrastructure and give customers a multilevel revenue system with opportunities to develop their own international lotto platform. All the conditions of the platform performance are governed by the smart contract and cannot be changed by anyone.

The model of social lottery gaming will nurture a lot of trust and engagement as players will invite other participants and grow the Lotto Nation community worldwide. The intention is to expand the initial solution to create a specific B2B business model, which will identify companies with a large number of members or customers to become a de facto lotto initiator. The initiator will get a cut of the turnover and earn a percentage of the winnings and tickets purchased. The rest of the people joining will get a fair share of the jackpot pool guaranteed by the public ledger of the blockchain. The more people who join, the more chances of winning and the cheaper participation is.

Built on smart contracts—computer protocols intended to facilitate, verify, or enforce the negotiation or performance of a contract on the Blockchain—Lotto Nation deploys the optimal technical solution to decentralize rigid lottery platforms. By implementing smart contracts, the platform can establish and maintain an open system that millions of global users can access and take advantage of the decentralized peer-to-peer lottery platform. Using the blockchain principles it has already applied, Lotto Nation will work seamlessly to enable billions of transactions between its members. This will also allow organizations, charities and players to connect and interact in a few clicks using the Lotto Nation Platform, thereby encouraging engagement and socialization.
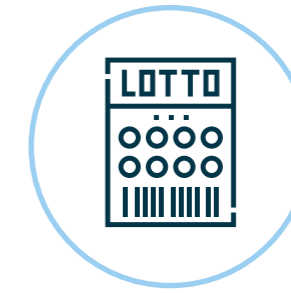
1.
Build your own lottery
Choose from a long list of international and instant lotteries and create your own personal lottery syndicate
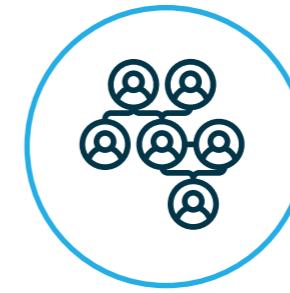
2.
Invite your friends & family
Invite your friends, family, colleagues and social contacts to join your lottery team

3.
Get ready for the draws
Receive and automatically distribute the tickets to the players

4.
Share the winnings
If the team wins a prize the members will be notified and the winnings will be automatically be fairly distributed

How to initiate a lottery:

Lotto Nation is enabling everyone to create their own lottery. You can make a lottery syndicate for fun, profit - or both. It doesn't matter why you want to run a syndicate - Lotto Nation makes it easy to create a personalized lottery syndicate whether it's just for a few friends, a group of co-workers or hundreds of people all over the world.

Anyone who wishes to create their own lottery can customize it down to every little detail. The syndicate creator can choose from the components below:

> **1. Draw frequency:** Keep players entertained with up to 10 daily draws from international lotteries and up to 60 instant draws an hour
> **2. Jackpot size:** Choose a jackpot up to 250 million €
> **3. Select the lotteries:** Pick and choose from the most popular national and international lotteries. Fx. Euromillions, Powerball, Mega Millions, UK Lotto, Irish Lotto, etc.
> **4. Number of lotteries:** Choose how many lotteries you want to include
> **5. Private or public:** Invite as many people you wish to join
> **6. Charity donation:** Should a percentage of the potential winnings or ticket prices be donated to a selected charity organisation?

Easy to manage

Lotto Nation makes it manageable and simple for everyone to start their own lottery. Through our software initiators can easily:

> Create lotteries
> Design personalized lottery site
> Track member activity and bets
> Automize and track payments
> Engage social contacts or members to play
> Get an overview of what numbers are being played
> Rightful and fair divisions of winnings to players
> Upsell activities and marketing material free to use

CHARITY LOTTERY SOLUTION

Charities, companies with loyalty programs, and any other business that wants to direct money to a good cause or to be able to monetize their membership base will benefit from Lotto Nation's membership-based features. What's even more - backed by the use of smart contracts, all the transactions that a lottery organization carries out will be recorded on the blockchain, so the community can keep track of how closely management holds to its budgeting promises.

Charity lotteries do great work in raising money for good causes and charities across the globe. However, existing lottery models impose very high operational costs, leaving little money to the people and causes that need it.

Charities and good causes will be a key driver of the Lotto Nation ecosystem. They are part of our effort to encourage socially beneficial ventures to generate revenue through lottery as we offer the support and framework to charity organisation to generate alternative revenue streams and additional contributions by allowing them to launch their own lotteries.

> *To date, National Lottery players have helped to raise over £38 billion for Good Causes, with more than 535,000 individual awards made across the UK - the equivalent of around 190 lottery grants in every UK postcode district. Contributions to good causes from lotteries totaled £195.7 million between 2014 and 2015.*

Lotto Nation recognizes that lottery is a mass-market consumer product and that both the charitable and voluntary sectors have a large opportunity for fundraising using our betting license with attractive jackpots rather than the very low, unattractive prices they can currently offer with a traditional lottery or raffle license. We allow charities to offer a large and attractive jackpot from the very beginning regardless of the number of tickets sold.

We want to offer charities the opportunity to add a weekly draw to their fundraising portfolio. A lottery is an excellent way to grow a supporter database as well as obtaining donations. Lotto Nation's blockchain-based platform will have a positive impact on the level of funding available to charities – it would also ensure that the charity lottery model for funding charities is sustainable for the years ahead.

CHARITY ADD-ONS FOR B2B

Lotto Nation will use blockchain technology to transfer charity donations via smart contracts. Companies can choose to support charities through their revenue. They can for example choose to donate a percentage of each ticket sold to a charity of their choosing. The player can choose and vote from a list of reputable charities. Once chosen, the smart contract will automatically send the contribution directly to the charity, minimising administration fees.

Recording the charity donation on the blockchain will create more trust and transparency in both the company and the charity. Companies can also choose to use our charity solutions for marketing campaigns

OPTION A	OPTION B:
The company allow players to donate directly to a charity of their liking. All transactions are transparent and recorded on the blockchain.	The company makes a campaign and done a percentage to charity. Players can vote on which charity they want the campaign to support.

Furthermore, companies can choose to match the number of tickets sold or the amount of the jackpot with a set amount they wish to contribute. For example: For every ticket sold the company will donate 2% to a given charity.

UNIQUE INSURANCE SOLUTIONS

One of the unique value propositions of Lotto Nation is our insurance model that makes it easier for businesses to run a lottery. We have developed a model that mitigates the risk for paying out the large jackpots without buying the official ticket with little or no discount from the official resellers.

Lotto Nation will offer insurance coverage of all jackpot payouts in partnership with reputable insurance providers such as Lloyd's of London, Munich RE etc. This will ensure that the insurance coverage offered by Lotto Nation will pass on the commercial liability of each lottery to the insurance company. **Thus, allowing new operators to offer large jackpots with few existing clients and to compete with established lotteries.**

Payouts will only occur in the event of a win. This enables us to offer the exact same product as buying a ticket (through an insured bet on the lottery) with potentially the same or cheaper price. The margins are among the highest in the entire gambling industry. The insurance guarantee is based on a model built on trust and convenience:

> **1.** Each sold lottery ticket is automatically and instantly insured via our registered insurance provider that covers all winnings. This eliminates the operational risk of large wins.

> **2.** Players receive an automated response with a confirmationof the ticket purchases, which can be verified on athird-party website, operated by the insurer.

> **3.** Following the draw, winnings are automatically transferred to the players' accounts/wallet ensuring convenience and trust.

> **4.** The transparency and set-up with the insurance company guaranteeing winnings is a key reason behind the historically llow churn of 2-3% monthly.

Smart contracts

Blockchain is a computational network where automated processes and applications can be programmed to run on it. As a result of all transactions being only strings, they can contain random information. It is clear at this point that this technology can be used for any kind of notarization, and not only in the financial system. Storing a promise to do at a later time, in the form of code and executing the promise in an automated manner using blockchain, are called smart contracts. A simple example to explain how a contract could run smoothly in a smart manner between two family members; a father promises to reward his son £100 if he gets three A's on his GCSEs. If the promise was written in code form and agreed on by both parties on the blockchain, an API can check if the conditions are met, and the system will then execute the transaction.

As a result of smart contracts, there is prominently a need for an intermediary to govern and moderate a contract between two parties. This has been significantly reduced or disregarded altogether when dealing with a range of industries such as lottery platforms. Lotto Nation takes advantage of this functionality embedded in Ethereum's blockchain to remove the middleman. It allows all parties to transact securely and safely as long as every communication and transaction happens within the platform.

The sale of LNT tokens and the Lotto Nation platform will take place on the Ethereum Blockchain. We have chosen Ethereum for its popularity, functionality and smart contract capabilities. As Lotto Nation will utilise the Ethereum Blockchain and the ERC20 standard for its native cryptocurrency, there will be minimal costs involved for development as well as for its use by players, organizations and charities.

Lotto Nation will ensure complete transparency for lottery players and operators by leveraging decentralised technologies. Powered by Ethereum blockchain smart contracts, all the processes from ticket sales, winning numbers, prize payouts and insurance models will be automated, transparent and fully secure. We eliminate the risk of manipulation while maximising efficiency.

We see blockchain technology as having the best real-life application in creating an easier, safer and more enjoyable experience for all participants.

The new blockchain-based lottery platform has the capacity to improve existing product offerings and to do things faster with greater trust, reduced frictions, and inefficiencies, and notably minimized operational costs and complexities. Applying blockchain to our current framework will truly improve our position as a frontrunner within the lottery industry both as a B2C and B2B operator.

Across the Lotto Nation platform, there are several processes and actions that we will utilise smart contracts. Thanks to the smart contracts, users will be provided with automated transactions that are low in fees, much more secure in betting and other services. This will improve the latency problem is common in execution with smart contracts. Smart contracts will manage approval workflows between counterparties, calculating jackpot settlement amounts accurately.

Syndicate smart contracts

A smart contract will be created every time a new syndicate is set up on the platform. This will deliver the most transparent lottery syndicate (on and off the blockchain) that currently exists on the market today. The smart contract will be available for both players and clients to independently view or use as part of an audit. The aim of the syndicate smart contract is it acts as 'Proof of Syndicate' to both players and clients.

The creation of a syndicate smart contract then allows two separate syndicates to digitally merge in a Mega Syndicate by connecting the smart contracts or merging them to form one single smart contract.

Insurance smart contracts

The current process of insurance administration and claim processing is cumbersome, inefficient and slow due to the lack of automation. This creates a host of issues for both customers and insurance companies.
Smart contracts are the answer to simplifying and streamlining insurance processes by automatically triggering payment for a claim when certain conditions are met. They can automate all parts of application and claim processing, saving customers time and insurance companies money. The immutable nature of the blockchain ledger will also give transparency into the entire process, eliminating the possibility of fraud, duplicate claims and other issues.

We will further substantiate Lotto Nation's insurance model by transferring it onto the blockchain.
Today the insurance process is centralized with:

> **1.** Lotto Nation is creating an initial BetFile of information for the insurers on the platform
> **2.** The insurer taking a copy of that Betfile via FTP
> **3.** The insurer creating their own copy of the Betfile sat with an independent 3rd party

Lotto Nation will create a smart contract that will represent and act as the policy itself. The aim with the Insurance smart contract is it acts as 'Proof of Pot' for players.

Client operations smart contract

We will create a specific smart contract for clients of the platform to deliver them greater transparency in their operations on the platform. Currently, clients can use Lotto Nation's reporting tool in the client dashboard to generate reports.

Smart contracts are one of the most successful applications of blockchain technology.
We will use smart contracts to manage our client operations. Smart contracts allow us to exchange anything of value including money, tokens, winnings, etc, in a transparent manner eliminating the need for a middleman and keeping the system conflict-free.

Using smart contracts in place of traditional ones will reduce transaction costs significantly and it will us establish credibility with our clients and thus improve our partnerships with all business partners. Smart contracts are most beneficial in business collaborations in which they are used to agree upon the decided terms set up by the consent of both the parties. This reduces the risk of fraud and as there is no third-party involved, the costs are reduced too.

We will store any detail of transactions on the contract and all involved parties can access it at any given time. Smart contracts are accurate and precise down to the minute of any agreement, which will provide a sense of security to all parties involved.

Subsequently, the use of smart contracts within the client operations will also help us onboard more clients as one of the unique features of smart contracts is their capability to significantly lessen the requirement of lawyers and litigation. Third-parties like lawyers, government, etc. tend to charge high fees for making agreements. Smart contracts will save everybody a lot of money and eliminate the need for such intermediaries. Smart contracts give us the ability to make routine transactions and processes more streamlined and automated.

TECHNOLOGY

PROTOCOL AND PLATFORM

The core of the Lotto Nation platform is the tech stack used to govern the interaction of players, smart contract, website, and blockchain nodes. The online betting technology protocol leverages the transparency, security, and efficiency of the blockchain to power a unique ecosystem which connects companies, charities and players in real time. The protocol has been built to effortlessly support a near limitless number of trustful, transparent, decentralized lottery operations.

Our fully functional platform is a modern microservices stack, using Kubernetes for optimized performance and speed with real-time insights for clients to respond to players.

The dashboard allows participants to see sales statistics, manage players, run lotteries, give bonuses, generate reports, handle payments and much more.

The platform is easy to configure and supports both multiple brands and multiple distribution channels giving operators maximum flexibility and reach. An intuitive administration interface offers a host of features for player management including granular permission levels to ensure data security and full audit trail for control of players. It has been designed for multiple geographies and supports all major currencies and a range of languages that easily can be extended.

Integrated support for major analytics platforms and a built-in content management system allows for SEO optimization and session tracking & recording. Open APIs cater for easy integration and B2B partners can choose which functions to deploy thereby streamlining their architecture. A built-in push messaging functionality ensures easy communication with players.

FRAMEWORK COMPONENTS

The Lotto Nation platform and solution is built on a modular and scalable lottery framework. We provide full-stack solutions for our clients depending on their wants and needs.

Track performance
Get customized reports in order to track key information of your business

Player Management
Manage all player data and understand their behavior

Manage payments
See transactions and billing history of all players and manage withdrawals directly in the dashboard.

Sales statistics:

Track your performance with a visual overview. You can get an overview of ticket sales numbers, registered users, active users and subscriptions sold, etc.

Marketing:

There are several marketing functionalities built into the dashboard that allows our clients to communicate directly to their players. They can send notifications directly to users through the platform or use external communication methods. This enables them to send promotions, personalized messages and greetings or other offers through e-mail or SMS.

Player management:

The dashboard allows companies to manage everything evolving around your players. They can access all the player information, transaction history and sessions, etc. If necessary, the tool also allows you to 'cool off' players or set deposit, wager and loss limits for the players.

Bonuses:

Everything from free tickets, buy x get x free, discounts, deposit bonuses to wagering requirements is built right into the dashboard. Each bonus or promotion has a qualifying action, award, and segment giving unseen control and flexibility. We have taken the principles of e-commerce (what consumers would expect) and paired it with the best of the bonus tools available in online gambling.

Payment:

Our payment solution makes it easy to handle all payment processes. Identify transaction history, withdrawals, billings, etc. Make sure players pay on time and get paid whenever they win any prizes.

Lottery:

The lottery section in the dashboard allows our clients to manage all the different lotteries they are offering to their players. They can see the draw history, upcoming draws, and prices. It also allows one to get an overview of tickets and syndicates. They can access lottery ticket prices, numbers of tickets, shares left and drawing dates.

Reporting:

With the reporting tool, one can easily create customized reports depending on the information you wish to see. Access 26 'out the box' report views or generate reports within seconds. You can export the reports as a CSV file or PDF report.

WHY BLOCKCHAIN?

Blockchain is a rapidly growing technology that is engulfing every possible business domain. With many reports predicting a huge rise in the blockchain market, expecting it to extend to over $20 billion by 2024[2], the promising technology is changing the landscape of online gambling a long side most online industries.

In recent years, the new technology has emerged with the potential to revolutionize the way financial or non-monetary transactions occur digitally. Blockchain, the technology introduced behind the first cryptocurrency "Bitcoin", by anonymous software developer(s) known as "Satoshi Nakamato", has been forked and developed by many other software enthusiasts to combine the openness of the Internet with the security of cryptography. This creates innovation in the interaction with governments, corporations, and even between ordinary people. It has been used in a variety of applications to provide transparency and create trust between parties without the necessity of any intermediary intervention.

Since its early development just under a decade ago, blockchain has produced far more than just faster financial digital transactions. The smart contract functionality of this technology, adopted by the Ethereum foundation, has stepped in and is currently being used by a variety of organizations from food supply chains, property deed, voting, e-commerce and many more. This is creating a transparent yet secure way of collaboration between users. Because of its properties, such as security, faster and cheaper transactions, anonymity, transparency and traceability of transactions, many companies are shifting to blockchain. These properties help them nurture consumer loyalty and secure B2B and B2C interactions due to the decentralized nature of the blockchain.

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2. CBD Market Could Reach $20 Billion By 2024, Says New Study

Put simply, blockchain databases are amenable, secure, efficient and can reduce costs. Blockchain strengths are that it is a shared ledger and immutable record that removes intermediaries, validates and authenticates users and interactions, and interactions can be enforced with smart contracts.

This is important because there is a huge number of younger people who turn away from state-run and private lotteries due to their inefficiency, lack of transparency and anonymity and models that leave players feeling disconnected. Blockchain, with its immutable ledgers and fast execution of transactions, is highly secure and efficient. This makes it an ideal contender for the online lottery industry.

Blockchain technology has multiple real-life applications in the lottery industry that can solve existing issues and create value through improvement of the current framework and models. The innovative technology is changing the status quo of the online lottery industry by empowering enterprises to do things faster with greater trust, reduced frictions, and inefficiencies, and notably minimized operational costs and complexities.

BENEFITS OF BLOCKCHAIN ADOPTION

How Blockchain Technology is Revolutionizing Lotteries:

› **Infallible**
Thanks to its autonomous decentralized nature, blockchain technology eliminates the possibility of human intervention.

› **Reliable**
The prizes and the means by which they are delivered to winners are guaranteed by smart contracts.

› **Transparent**
The immutable nature of the blockchain ledger stores all data on ticket sales, income, costs and other performance indicators.

› **Democratic**
Blockchain technology is beyond governmental control. At the same time, it facilitates compliance with regulation as well as local cultural practices in the region of the lottery's operation.

› **Fair**
A decentralized RNG protocol that runs on a platform of blockchain nodes ensures randomness in the unpredictability manner but also requires public randomness which cannot be manipulated or in control of any organization.

› **Low-cost**
With blockchain integration, most business processes can be automated, thereby reducing costs. In this way, the prize pool can be expanded, and a greater percentage of total revenue can be directed towards charitable causes.

› **Social**
Increases engagement between all participants by creating direct communication channels between charities organizations and players.

RNG

The core process of any lottery is the means by which winners are selected. This is done through a Random Number Generation (RNG, which in the vast majority of cases, is a method of which the winning numbers in a lottery is chosen by the lottery organisation using some kind of internal or external software.
Since the advent of the large-scale lottery, many techniques have been invented to determine the winner in the most fair way possible.
While the RNG is an effective way to ensure fair winner selections, it's implemented by centralised organisations and has proven itself open to manipulation and tampering. For example, In 2010, an employee of the US Multi-State Lottery Association managed to install software that manipulated the random number generator. The wrongdoer managed to win a $14.3 million jackpot.
By carrying out RNG protocols on a distributed ledger, the entire process can be made transparent and visible to all network participants. With integration of blockchain technology, inherent transparency can absolutely eliminate manipulation and create greater trust in lotteries.

BLOCKCHAIN RNG PROJECT

Schedule the draw date
Call 1. API
Last digits are date and time:
/2020/4/2/12/30
2nd April 2020 at 12:30

Blockchain

2nd April 2020 12.30:
Draw date is reached

Call 2. API
Last digit is Draw ID: /8
from Result of 1. call

RESULT STEP 2

RNG winning numbers in unencrypted form
+AES key
+AES IV

RESULT STEP 1

Anyone can decrypt the numbers in the blockchain

Date is fixed
Draw ID is fixed
RNG winning numbers are drawn and fixed
Shown in encrypted form

Using the AES key and the AES IV you can decrypt the encrypted results from the 1. call to ensure that these winning numbers are correct and were drawn beforehand

Lotto Nation will be a frontrunner for how companies and charities can use lotteries as part of their business model and redefine what consumers will expect when playing the lotteries.
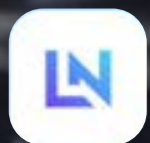
MARKETING STRATEGY

To ensure that Lotto Nation is able to be accessed by the maximum number of potential and existing lotto enthusiasts, Lotto Nation will access all marketing avenues. Our marketing team will initially communicate to the lottery community through established platforms such as Facebook, Twitter, Telegram, Medium, Bitcointalk and Reddit amongst others, demonstrating to a wide community the benefits of utilizing the Lotto Nation platform.

Parallel to this, the digital marketing team, community managers and relationship marketing team will further enhance the creative development of Lotto Nation to advance our market position, build relationships with new, credible sources of data and information, develop relationships with commercial partners. We will communicate the benefits and new developments of Lotto Nation, not only to our target market, but also to the wider community, with the aim of enticing new gambling and blockchain enthusiasts into the market with the confidence they will make use of the platform in various ways.

By having a proactive and diverse marketing team as well as strong referral program, every Lotto Nation user is supported by the same team that is working to maintain and increase the success of the Lotto Nation platform. The Lotto Nation aim is be a unique, accessible and highly successful platform that serves the best interests of the lottery industry.

AFFILIATE PROGRAM

Lotto Nation will have an affiliate program that gives publishers of our affiliate platform a scalable solution to create and manage a profitable business.

Partner affiliates can earn more by driving traffic and promoting their lotteries on one of the world's leading lottery platforms and generate a lucrative income through transparent tracking and customer analytics.
Automation, Transparency and Scalability
Publishers can use Lotto Nation's integrated analytics and marketing tools to discover new, relevant audiences and to help manage partnerships. Through automation Lotto Nation helps reduce friction in contracts and improves overall operational efficiency while maintaining campaign performance.

Automation within affiliate means advertisers will have more control over marketing spend by being focused on strategic marketing goals, while managing the end-user journey across touchpoints.

Publishers will benefit from the platform's AI-driven data insights and metrics into audience segmentation and better position their product offerings. Transparency and visibility into audience segments mean that we can advertise to more relevant audiences with higher lifetime-value potential.

HOW DOES AFFILIATE MARKETING WORK

AFFILIATE PUTS YOUR AD ON THEIR WEBSITE

CUSTOMER CLICKS & CONVERTS

CONVERSIONS ARE TRACKED

AFFILIATE GETS A COMMISSION, YOU GET A SALE!

The use of AI and machine learning is integral to the efficiency of Lotto Nation's affiliate program as it helps us deliver better understanding into the publisher's audience demographics, behaviors, and intent to purchase. Ultimately, automation within affiliate will result in serving data-driven advertising that drives higher engagement and conversion for advertisers and delivers better experiences for consumers.

Affiliate benefits for our partners include:

❯ State of the art affiliate software
❯ Very generous revenue share deals
❯ Regular affiliate partner promotions
❯ Useful information and tips to enhance campaigns
❯ Immediate access to our latest banners and creative
❯ Widely recognised lottery brands with a great international reach

PROJECT ECONOMICS

Fundraising and the use of Winners Group Tokens (LNT) will help finance platform development and marketing, so we can focus on improving the online lottery ecosystem and making it mainstream. Our goal is to create a blockchain-based lottery platform that is accessible and affordable to experienced and novice players for leveraging the benefits of blockchain-based lottery betting.

THE WINNERS GROUP TOKEN (LNT)

To reach our aims we intend to issue our own token, the LNT, for initial fundraising.
Many tokens offered in crowd sales are used as pure speculative objects, but ours stands apart from the crowd as it will have direct utility.

As LNT is purely a utility token it is expected that the buyers during the IEO (Initial Exchange Offering) will be end users of our service and although we do not encourage speculation we will not restrict market forces and the token will be fully and directly transferable.

TOKEN NAME	WINNERS TOKEN
Symbol	LNT
Tech standard	ERC-20
Total supply	400 000 000
IEO sale supply %	38%
IEO sale supply	152 000 000
Standard price	$ 0,10
Soft-cap	$ 1 500 000,00
Hard-cap	$ 12 500 000,00

TOKEN DISTRIBUTION

The total supply of tokens will be distributed in the following way:

- **38%** IEO Token Sale
- **22%** Lotto nation
- **8%** Advisors & Partners
- **32%** Reserve fund
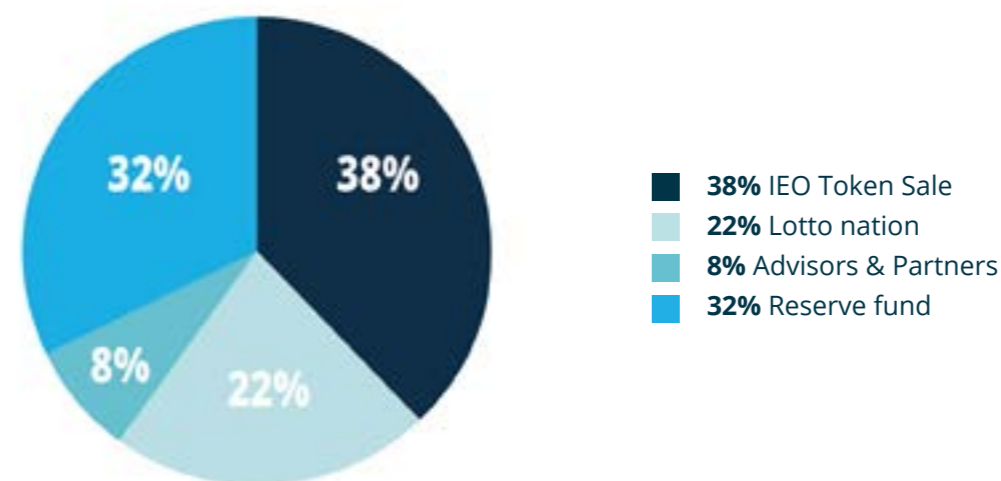
The LNT tokens distributed to Winners Group, advisors and partners, will be a compensation for their efforts in ideating, developing and implementing the Lotto Nation platform. The reserve fund will be destined to finance the implementation, maintenance and upgrades to the Lotto Nation ecosystem.

IEO STAGES

The IEO will be conducted in two stages: a private pre-IEO sale, and a public IEO sale.

The private pre-sale will begin on the 1st of March, 2020 and will have a duration of 2 months, finishing on 15th April , 2020. During pre-sale, interested buyers will digitally sign a token pre-purchase agreement, where Winners Group commits itself to deliver a specified number of LNT tokens in the buyer's digital wallet at the end of day 1 of the IEO public sale.

STAGE	PERIOD	DISCOUNT	PRICE
Pre-IEO	1 March	30 %	$ 0,0665
IEO public sale	15th April	10 %	$ 0,0855

TOKEN DELIVERY AND LISTING

LNT tokens purchased throughout the IEO will be delivered into the digital wallets of buyers during the IEO public sale stage. For those who pre-purchased tokens in the pre-sale, the delivery will be done at the end of day one. For those who buy tokens in the public sale, the delivery will be executed at the end of the respective purchasing day.

After the IEO is concluded, the LNT token will be listed on a digital exchange chosen by the management team and announced on the website. From that moment on, the price of the LNT token will be established by the market according to supply and demand. LNT tokens in the reserve fund might be put into circulation after the IEO by listing them on a digital exchange, in order to fund the implementation, maintenance or upgrade of the Lotto Nation ecosystem. This decision will be taken, under careful consideration, by the management team.

LNT tokens assigned to Winners Group member teams, advisors and partners, will be delivered under a vesting schedule of 1 year, in the following way: 3 months after IEO, 25%; 6 months after IEO, 25%; 9 months after IEO, 25%; 12 months after IEO, 25%.

THE TEAM

At Lotto Nation, we have seen clear use case for blockchain technology in the lottery industry. With more than 20 years of experience within the industry, we understand the dynamics of the business and how emerging tech trends affect it.

We have a unique approach to innovate and modernise the lottery industry due to our extensive knowledge about the sector and our successful track record in working with international organisations such as Lycamobile, Make a Wish Foundations and Crown, to name a few.

Lotto Nation is not only supported by a team of extraordinary people with ample experience in everything from design to cyber security all the way to software development, customer relations and strategic planning.

Nils Thomsen

Founder and CEO
Nils has 20 years of experience in the gaming industry with strategic planning, customer relations, and international operations. He has founded numerous successful companies as well as not-for-profit organization. Since 1995, he has been focusing on software application within the gaming industry. Nils holds an HD(A) in Marketing from Copenhagen Business School.

Rorie Devine

CEO Advisor
Rorie has worked internationally and has held growth and technology leadership positions at companies including Ladbrokes, Betfair, Coral Group, John Lewis Partnership, Camelot, Hailo, Moneyfarm and gro.team. His hands-on approach is what maximises the impact from talent by creating great platforms and frameworks.

Regitze Grønlund

COO
Regitze specialises in digital and innovative business development. She has extensive experience in using technology to enhance business models and to create more lucrative businesses. Regitze holds a Master's in Digital Management and prior to joining Winners Group held roles such as Head of Marketing and CMO for several tech companies. She has experience in creative and strategic planning, product development and been focused on B-to-C and B-to-B marketing, strategic development, innovation and creative business processes. Subsequently, she's previously functioned as a mentor to new entrepreneurs in Africa and has been working as a loan coordinator to startups assessing the risk/ reward of business plans, models and concepts as well a financial models.

Bo Flindt Jørgensen

CMO
Bo has more than 13 years of experience working within the gaming and gambling industry for large organisations and government gaming institutions. Bo holds a Master in Marketing and an MBA. Throughout his very impressive career, he has developed terrific management competencies with a focus on leadership and organisational management and holds skills within organisational structure, employee development, corporate strategy, E-commerce, PR and Crisis management, relationship marketing.and financial decision making.

Tony Sloane

CTO

Tony is a versatile & results-driven Senior IT Leader / Senior Manager with 20+ years of experience in the B2B, B2C, banking, financial, gaming, automotive, healthcare, and global corporate sectors. He has also utilized his expertise within Agile and Scrum management and has held several roles as project manager for Apple, Honda, and BUPA.

Per Pedersen

CFO

Per has 30 years of experience within accounting and finance from employment at Winners Group, SK Energi and DZ Wine. He has been the Head of Finance in Winners Group since 2000. Previously, Per worked as an accountant trainee at KPMG.

Sebastian Adlercreutz

Head of Cyber Security

Sebastian has many years of experience as a CTO for multiple software companies. His main areas of focus include Cyber Security and development within the telecommunication industry. He is specialised in evolving, running and maintaining data center facilities. Sebastian has developed several web-based CMS solutions and client-specific web-portal solutions.
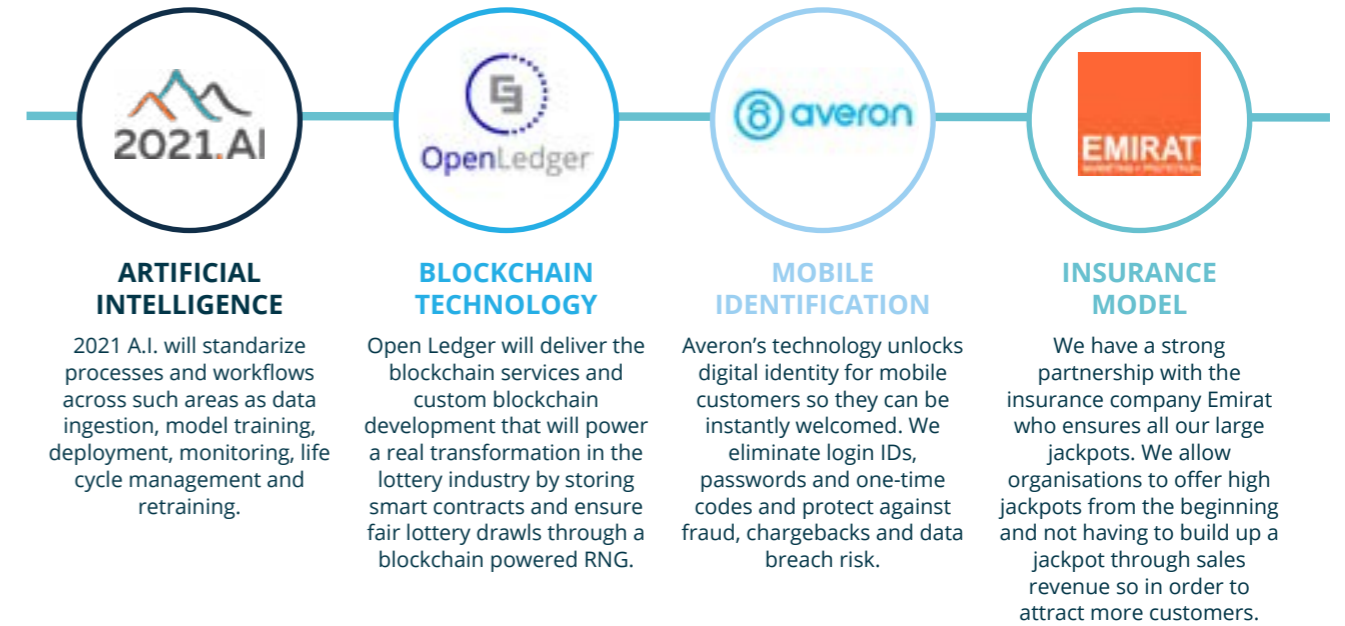
Stuart Prestedge

Development Director and Software Architect

Stuart has 25 years of experience in product delivery, having designed and launched a number of commercial software products during his career. Stuart was a senior architect for the ShareFile division of Citrix for 3 years, helping make ShareFile one of the most successful file-sharing products in the world. He also co-founded and built several startups, including Byte Squared - a company that created a Microsoft Office clone iOS app used by over 11 million users.

OUR PARTNERS

Lotto nation has formed strategic alliances with some of the leading blockchain and A.I. companies of the world to guide the company through the execution of our strategy. Partnerships with custom application and blockchain development agencies, smart contract experts, insurance companies and technology consultants allow us to benefit from a wealth of experience and comprehensive intelligence systems across diverse industries and domains to turn Lotto Nation into a successful and high-performance ecosystem.

Furthermore we have actively sought out partnerships from the outset which will enable us to deliver on our goals, all in line with the continued development of the global lottery market.

ARTIFICIAL INTELLIGENCE	BLOCKCHAIN TECHNOLOGY	MOBILE IDENTIFICATION	INSURANCE MODEL
2021 A.I. will standarize processes and workflows across such areas as data ingestion, model training, deployment, monitoring, life cycle management and retraining.	Open Ledger will deliver the blockchain services and custom blockchain development that will power a real transformation in the lottery industry by storing smart contracts and ensure fair lottery drawls through a blockchain powered RNG.	Averon's technology unlocks digital identity for mobile customers so they can be instantly welcomed. We eliminate login IDs, passwords and one-time codes and protect against fraud, chargebacks and data breach risk.	We have a strong partnership with the insurance company Emirat who ensures all our large jackpots. We allow organisations to offer high jackpots from the beginning and not having to build up a jackpot through sales revenue so in order to attract more customers.

MARKET POTENTIAL

> *The gambling industry continues to prove that it's one of the most vibrant entertainment economies in the world.*

The market for gambling, which includes sports betting, gambling, poker, slots and the lottery has been around for a long time. This is a stable market with a steadily increasing market cap from $ 187 billion in 2004, up to $ 294.3 billion in 2016[3], showing an average growth of 4.3% per year. Even in countries where traditional betting and casino-style gambling is outlawed, lotteries remain legal. This has led to a rise in lotteries' share of overall gaming online, from 2.3% in 2013 to 4% in 2016 and its current 29% share of the global gambling revenue[4].

GLOBAL LOTTERY MARKET 2018-2022

GEOGRAPHY
EMEA led the global lottery market in 2017, accounting for a market share of around 38%.

KEY TREND
Growing promotion of lottery through social media.

MARKET DRIVER
High return for low investment.

FORECAST
The market is expected to grow at a CAGR close to 10% during the forecast period.

As global lottery sales crossed the $300 billion mark for the first time in 2017, mobile lotteries accounted for $45 billion of the total sum. From 2015 onward the online lottery market has been observing GCR of 76% and revenues for mobile app-based lotteries are expected to grow 82% from 217 to 2023.

> *Lotteries rank first among the various forms of gambling in terms of gross revenues. They are also the largest source government revenue from gambling, accounting for $13.8 billion, or 32% of money wagered, for governments at all levels.*

World gambling statistics show that around 26% of the population gamble. When it comes to online gambling, a UK study concludes that 17% of the population gamble online, resulting in £5.3 billion revenue for the online market alone. The National Lottery draws continue to be by far the most popular gambling activity followed by other lotteries and scratchcards in the UK.

And the US showed equally promising numbers with Americans spending a total of $70.15 billion on lottery tickets, according to the North American Association of State and Provincial Lotteries, in 2015 alone. That topped the $62.7 billion spent on all of those different forms of leisure and entertainment, according to most recent sales figures.

With nearly half of all U.S. adults saying they play the state lottery at least once a year, it's not surprising that the collective revenue for the US online gambling market topped $306.5 billion. In fact, Americans have been spending more money playing the lottery than on books, video games, and tickets for movies and sporting events combined since 2015 onward.

3. Global Gambling Industry in Recent Years
4. Global Gambling Report 11th edition, 2015

LOTTERY AND ENTERTAINMENT: ANNUAL SPENDING IN BILLIONS OF DOLLARS
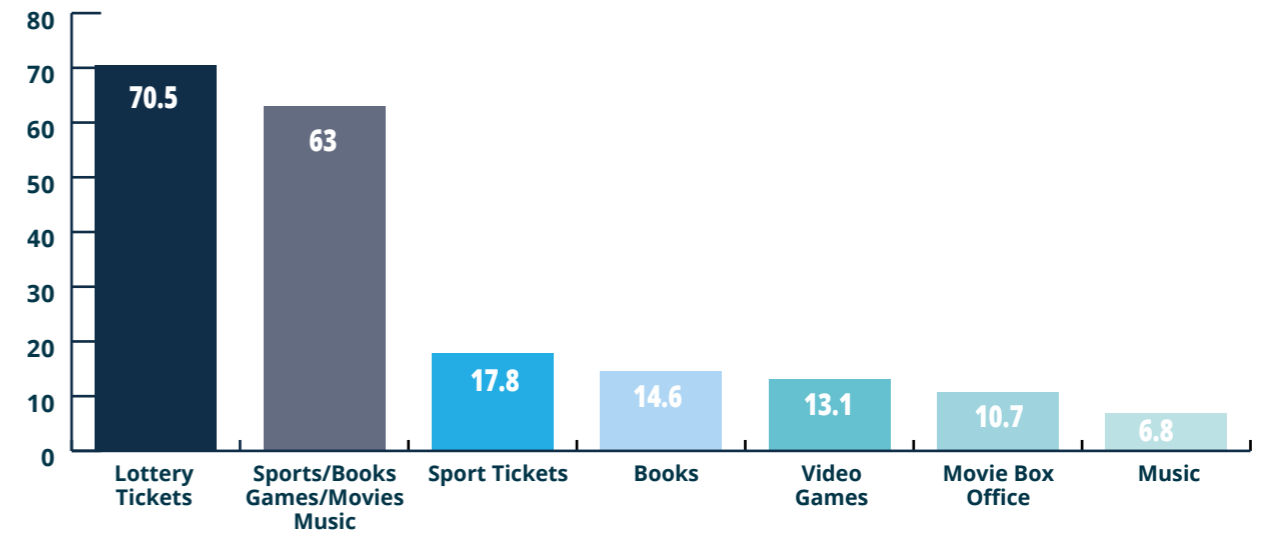
CNN Money/North American Association of State and Provincial Lotteries

As the global lottery market surpassed the $300 billion mark ain 2017, it is on track to reach $ 393 billion by 2023[5]. At the same time, the growing number of mobile users contributes to the rapid growth of online lotteries. The total revenue of lotteries on mobile devices in 2013 is estimated at 34 billion dollars, of which 44% - in Europe and North America. The pace of mobile technology adoption may be even faster in developing markets.

2016-2020 GLOBAL GAMES MARKET: FORECAST SEGMENT TOWARD 2020
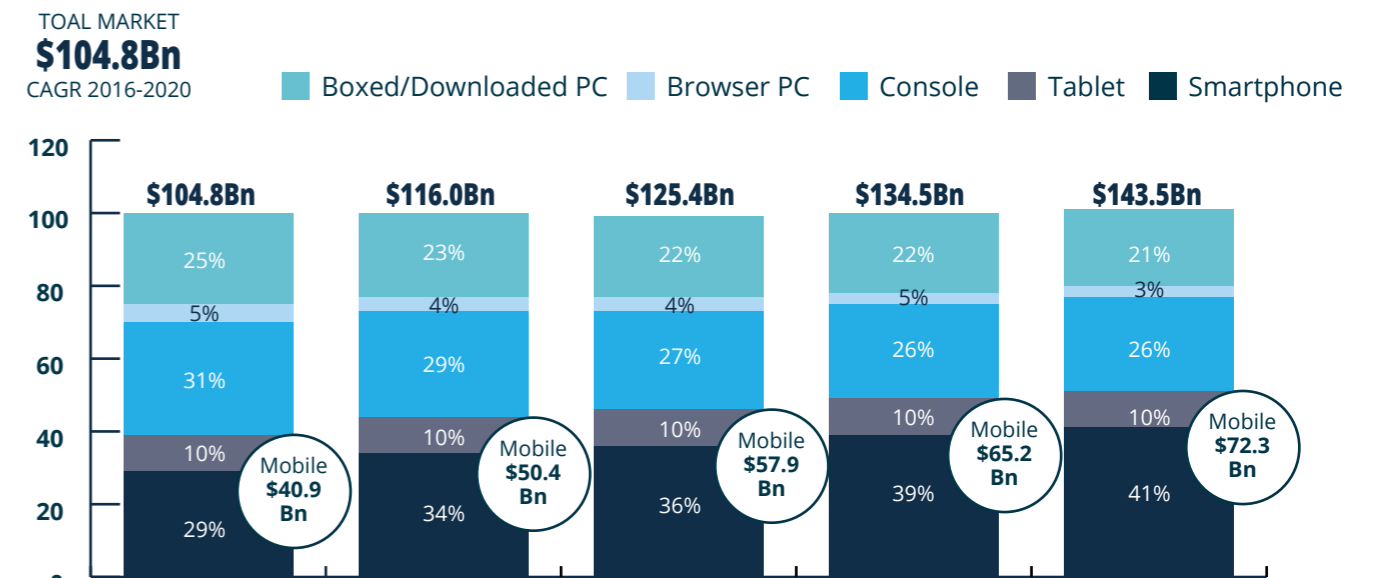
Source: NewZoo | Q4 2017 Update | Global Games Market Report / newzoo.com/globalgamesreport

5. World Lottery Association

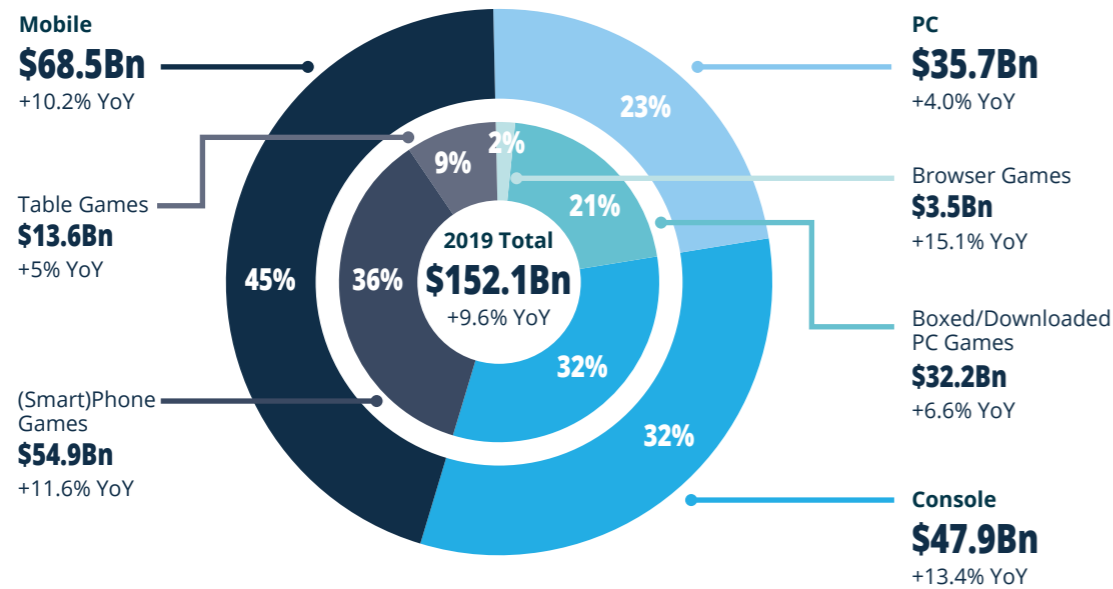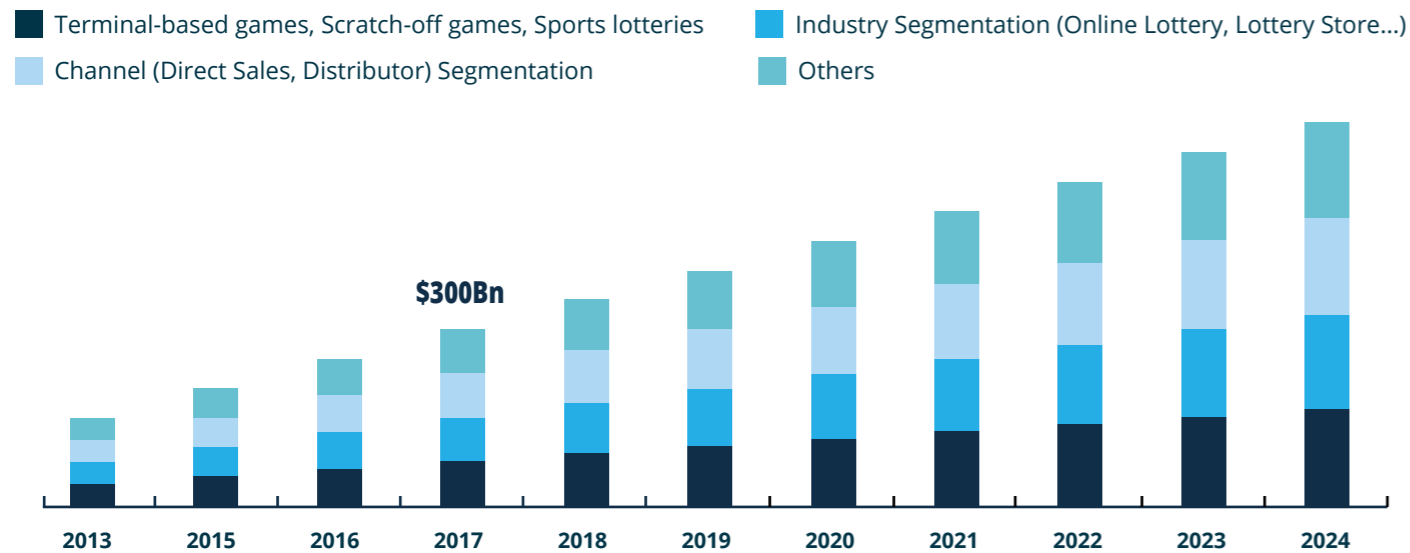## 2019 GLOBAL GAMES MARKET: PER DEVICE & SEGMENT WITH YEAR-ON-YEAR GROWTH RATES

Mobile
$68.5Bn
+10.2% YoY

Table Games
$13.6Bn
+5% YoY

(Smart)Phone Games
$54.9Bn
+11.6% YoY

PC
$35.7Bn
+4.0% YoY

23%

9% 2%

21%

45% 36%

2019 Total
$152.1Bn
+9.6% YoY

32%

32%

Browser Games
$3.5Bn
+15.1% YoY

Boxed/Downloaded PC Games
$32.2Bn
+6.6% YoY

Console
$47.9Bn
+13.4% YoY

Source: NewZoo | 2019 Global Games Market Report / newzoo.com/globalgamesreport

Demand for online lotteries has been increasing at a consistent rate – so much that the global online lottery market is estimated to reach revenues of more than $10 billion by 2023, growing at a CAGR of around 8% during 2017-2023.

- ■ Terminal-based games, Scratch-off games, Sports lotteries
- ■ Channel (Direct Sales, Distributor) Segmentation
- ■ Industry Segmentation (Online Lottery, Lottery Store...)
- ■ Others

$300Bn

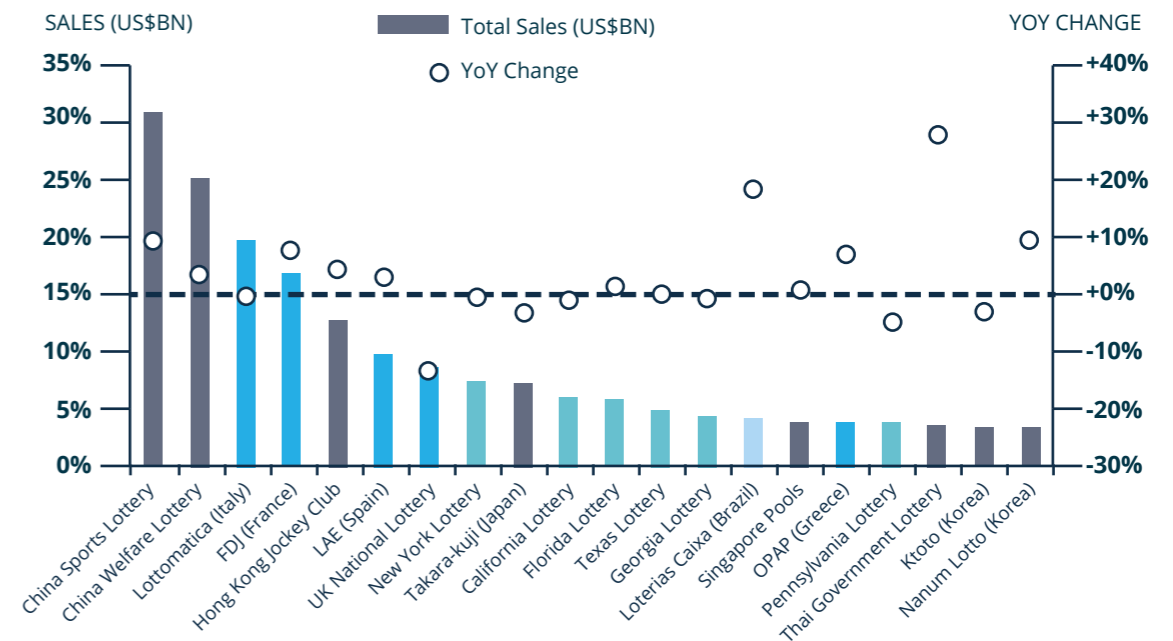2013   2015   2016   2017   2018   2019   2020   2021   2022   2023   2024

While the increased penetration of smartphones has given rise to a number of mobile application-based lotteries, there is still a lack of innovation within the industry due to a low amount of competition. For years, the online lottery market has remained underserved. Now, its consistent and phenomenal growth of 76% is opening opportunities to utilize and scale new online lottery offerings. With the rising prevalence of the Millennial and Gen Z demographic, the demand for mobile lotteries and the use of new technologies in the coming years will increase.

> *Total UK gambling industry revenue 2014-2015, including live, online and lottery betting = £12.6 billion*

The online gambling industry is also credited with being one of the most dynamic industries, with more innovations, trends, and breakthroughs than virtually any other industry in existence. It, therefore, makes perfect sense, from an investment point of view, to incorporate many of these exciting elements into the next generation of online lotteries. As online lotteries are also taking note of the needs of younger demographics as far as online gambling is concerned, we will be seeing an increase in the real-life applications of platforms such as Bitcoin, Ethereum, and other so-called altcoins, in the coming years.

For the time being, the largest market for online gambling is Europe, but this probably won't come as a surprise to anyone. Across the globe during 2015 - 2018 the EU market made up 47.6% of the €34.6 billion of online gaming gross win (stakes minus winnings) generated. While the success of online gambling in Europe is pretty well known, what's helping the continent be seen as the leader in gambling is its level of innovation, especially through the growth of successful casino platforms.

WORLD LOTTERY ASSOCIATION: TOP 20 MEMBERS BY SALES (US$BN) - FY2017

SALES (US$BN)   ■ Total Sales (US$BN)   YOY CHANGE

○ YoY Change

China Sports Lottery, China Welfare Lottery, Lottomatica (Italy), FDJ (France), Hong Kong Jockey Club, LAE (Spain), UK National Lottery, New York Lottery, Takara-kuji (Japan), California Lottery, Florida Lottery, Texas Lottery, Georgia Lottery, Loterias Caixa (Brazil), Singapore Pools, OPAP (Greece), Pennsylvania Lottery, Thai Government Lottery, Ktoto (Korea), Nanum Lotto (Korea)

Source: World Lottery Association * Data excludes sales from VLTs, electronic lotteries & horse racing

The growing popularity of draw-based games and scratch-off instant games across European countries will positively impact the development of the global market. The increasing focus on innovative technology, improving digital sales, and tapping on the new customer groups will propel the transformation of the online lottery market.

As younger generations continue to maintain a relationship with their mobile devices, introducing mobile-based games that offer various play experiences is becoming a necessity for lotteries that want to increase engagement and to entice younger players.

COMPETITIVE ADVANTAGE

Competition within the lottery industry remains fairly small compared to its large market size. Lack of competition is partly due to the state control of the market. There are currently a few types of competitors, which can be divided into groups depending on their business model and offerings.
The probability of winning a lottery differs extensively depending on the lottery design. It is mainly determined by such factors as the count of winning numbers drawn, the count of possible numbers, whether the order of them is significant, whether drawn numbers are removed in subsequent draws and whether bonus balls are also included.

Lotteries run on the Lotto Nation platform will be exclusively based on a smart contract and blockchain's decentralised and immutable nature to provide a completely transparent lottery mechanism.
We are entering a new, promising and competitive market. Backed by the successful track record of Winners Group and a strong value proposition, Lotto Nation holds several advantages over existing platforms.

Kibo claims to be the first decentralized lottery that uses smart contracts. It aims for "complete transparency" of its processes and zero space for fraud. Kibo has some potential bottlenecks. First, only 70% of ticket funds go to the jackpot. That's high compared with traditional lotteries, but much lower than some of the other projects below. Also, the marketing strategy has had a mixed reaction from users and it's unclear if the community will support it yet. This could be a problem when combined with the fact that Kibo could be on shaky legal ground.

Smart Billions provides a new, fully transparent economy to the lottery world, bringing incontestable freedom and equal chances of winning to all players around the world." A transparent, global lottery with max winnings in the billions of dollars. However, a hackathon held by the company to test the security of their system, with 1,500 Eth in prize money for the hacker that breaks their contract, produced unexpected results. Allegedly, a hacker did find a way past the contract and began withdrawing funds, only to have Smart Billions go back on their word and remove the rest of the prize money.

Blockchain technology offers many ways to solve the issues that online gambling and betting has faced for decades. However, companies attempting to implement the technology have to overcome other obstacles to grab a market share of the new niche - build a large customer base by offering an intuitive interface while keeping attackers away from its enormous grand prize, and retaining regulatory compliance and transaction transparency. This has proven to be a challenge for all existing competitors to date.
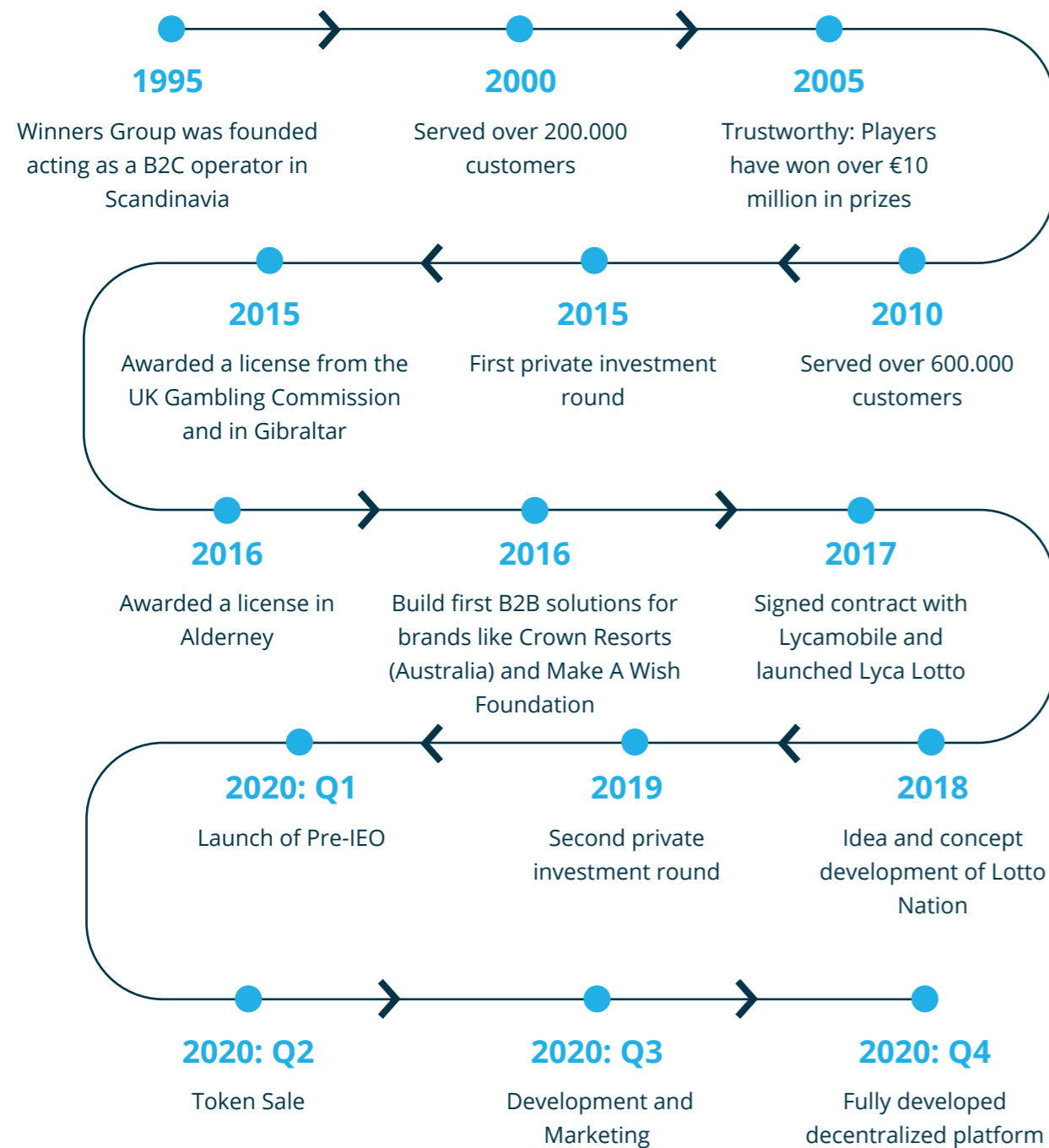
WORLD LOTTERY ASSOCIATION: TOP 20 MEMBERS BY SALES (US$BN) - FY2017

Competitor Overview

	License	Blockchain	Insurance Model	Target Market	A.I.	Proven track-record
Lotto Nation	Yes	Yes	Yes	B2B & B2C	Yes	Yes
LottoLand	Yes	No	Yes	B2B & B2C	No	Yes
Fire Lotto	No	Yes	No	B2C	No	No
Betpoint Group	Yes	No	No	B2B	No	No
IGT	Yes	No	No	B2B	No	Yes
Quanta	Yes	Yes	No	B2B	No	No

There are already a few blockchain lottery projects up and running. The general idea behind them is much the same. FireLotto is an international, decentralized lottery using Ethereum smart contracts. The pitch is quite similar to the other projects we've looked at, but with a couple of differences. One of the downsides of FireLotto is the fact that to you need to keep buying lottery tickets yourself to get your referral commissions. They also took a hit to their reputation when they asked users for their private keys when paying for tickets in an earlier version of their product

ROADMAP

1995
Winners Group was founded acting as a B2C operator in Scandinavia

2000
Served over 200.000 customers

2005
Trustworthy: Players have won over €10 million in prizes

2015
Awarded a license from the UK Gambling Commission and in Gibraltar

2015
First private investment round

2010
Served over 600.000 customers

2016
Awarded a license in Alderney

2016
Build first B2B solutions for brands like Crown Resorts (Australia) and Make A Wish Foundation

2017
Signed contract with Lycamobile and launched Lyca Lotto

2020: Q1
Launch of Pre-IEO

2019
Second private investment round

2018
Idea and concept development of Lotto Nation

2020: Q2
Token Sale

2020: Q3
Development and Marketing

2020: Q4
Fully developed decentralized platform

RISKS

The user understands and acknowledge that there might be some risks owing to the development process, company success, as well as risks relating to blockchain, transactions or unanticipated risks. By taking part in the IEO a user confirms that he/she is aware of the following and/or other associated unmentioned risks and that the company would not be liable to bear any loss owing to these risks. If you are not willing to acknowledge and accept these risks in future DO NOT BUY LNT TOKENS. The probable future risks might include but are not limited to the following:

1.1. Risk of software weakness:

The user should be aware of the fact that there are no warranties or assurances to the perfect, uninterrupted or error-free working of the smart contract system or other underlying software. Thus, there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses or bugs, causing inter alia, the complete loss of contributions and/or STU. If such bugs, defects and/or viruses affect the creation of LNT tokens or in some way affect the contributions of the contributor the company in no situation shall be held responsible for the loss and/or be liable to bear any loss and/or return of the amount.

1.2. Regulatory risk:

Blockchain is a new technology and many aspects of blockchain are yet improving including its development, utilization as well as associated regulations. The user shall acknowledge and accept that the current regulations and laws on blockchain might change in future and that these regulations might affect their experience. Future regulations might affect the current smart contract system and/or the Lotto Nation platform and lead to termination or loss of LNT tokens for the contributor.

1.3. Risk of loss of private key:

The user should be well aware of the blockchain and its processes. Thus, you should acknowledge and accept that your information, such as 'Private Key(s)' and 'Password(s)' is essential to access your wallet and thus the LNT tokens. If you lose your Private Key and/or Password, you will not be able to access your wallet and LNT tokens and thus you will lose all your tokens permanently.

1.4. Risk of theft/mining attacks:

Users shall acknowledge and accept that despite blockchain being a very secure platform, there might be some risks of theft and mining attacks, double-spend attacks, majority mining power attacks, "selfish-mining" attacks, rare condition attacks, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Any such successful attacks can result in loss of LNT tokens, improper functioning of software, irregular transactions and/or improper smart contract computations.

1.5. Risk of incompatible wallet services:

LNT tokens are ERC20 compatible tokens thus you shall first ensure that you own an ERC20 compatible token wallet or else you might lose access to the LNT tokens you buy, and the company will hold no responsibility for it.

1.6. Risk arising from taxes:

There are no certain tax characterization of the LNT tokens thus the contributor shall refer to his/her tax advisor for the transfer, usage and storage of LNT tokens. The customer shall be well aware of the tax regulations including withholding taxes, transfer taxes, value added taxes, income taxes and similar taxes, levies, duties or other charges and tax reporting requirements applicable in their geographical area. The contributor shall bear any loss resulting from not adhering to regional and national tax regulations him/herself.

1.7. Risk of uninsured losses:

Unless you obtain a private insurance for the LNT tokens you hold, they are otherwise uninsured. Thus, we can offer you no recourse on the loss of LNT tokens or their value.

1.8. Unanticipated risks:

The contributor acknowledges and accepts that there might be unexpected risks other than those mentioned in this document. And that in case of any risks affecting the growth of company or the utility of LNT tokens the contributor will bear the loss and the company would not be liable to compensate him/her for the losses.

1.9. Legislative risks of the lottery market:

Despite the fact that the legislation of most countries concerning lotteries is written and applied, we do not exclude the fact that there may be any changes in certain countries and jurisdictions that will impose certain restrictions on our users.

Lotto Nation

WHITEPAPER 1.0