



Myths and Untruths

Lottoland is a 'fake' lottery - FALSE

Lottoland is officially licensed by the:

- a. Australia's Northern Territory Government to offer remote bookmaker activities.
- b. Government of Gibraltar to: (i) accept bets on lotteries (license number RGL 066); (ii) offer instant win products (including but not limited to casino-style games and scratchcards) (license number RGL 085); and (iii) offer lottery messenger services (license number RGL 096);
- c. UK Gambling Commission to offer "Remote General Betting Standard - Real Event and Casino" activities (license number 38991);
- d. Republic of Ireland License National Excise License Office (Revenue Commissioner) to offer remote bookmaker activities (license number 1011284); and

We are careful not to infringe anyone else's trademarks and own many of our own. It is very flattering that in just a few years we have created a business that is well-liked by over 6 million customers and is also on the radar of large gambling companies who insist on trying to undermin what we are doing. We are passionate about choice and value, and we strongly believe that once people understand our offering any misperceptions will disappear. Betting customers have been betting on the outcome of lottery draws for years but winnings have been capped at low amounts – at Lottoland we enable players to bet to win life-changing jackpot prizes.

Lottoland brings better choice, value and innovation to customers and the betting market via a wide range of new and differentiated products and features. We offer our customers bets on more than 30 different lotteries (most of which customers do not have direct access to otherwise).

Moreover, Lottoland's insurance-backed business model, allows it to offer unique features such as "DoubleJackpot" (allowing players to double their jackpot winnings on any lottery) or "NumberShield" (allowing players to protect themselves from dilution), all this from the comfort of their home. In this way, our lotto betting products are distinctly different to what the lotteries out there offer, many of our unique features (such as "DoubleJackpot") are even contrary to the traditional lottery mechanics and logic.

Through customer research we've found that often people who bet on Lottoland will remain buying lottery tickets from their national lotteries. That's because when coming to Lottoland customers are looking for something very different to the turgid and stale traditional lottery buying experience. For this reason and as further explained we do not



see ourselves in direct competition with existing lottery providers – we are attracting a new customer group.

Lottoland does not pay tax and are not investing in Australian economy/society - FALSE

Lottoland pays both corporate and income tax just like everybody else in Australia. As of July 1 2017 Lottoland will also pay GST taxes, in line with the suggested amendments.

With respect to gambling taxes, unfortunately the existing regime does not address our business model in an appropriate manner. We are however working hard alongside the NT to amend the current legislation in order to enable us to pay the relevant taxes, as we do in other jurisdictions.

Lottoland would encourage governments to change arrangements to direct its tax to charitable causes.

We generate significant amounts of revenue for the local economy. For example, in just our first year in operation we have already invested millions in marketing in Australia. This year we will invest a further millions and in line with our projected growth of 87% year-on-year we will generate millions in additional taxes in 2017. But keep in mind that this is only the beginning, as we transform from a start-up to a more mature company these figures will grow exponentially.

No guarantee of pay-outs/unclear if they can payout - FALSE

Lottoland guarantees all payouts through a sophisticated tried-and-tested insurance structure. This structure is at the heart of our operation and, as pioneers in this area, we are extremely proud of it.

We have had to prove our payout capabilities across all of our products as part of the stringent due diligence process in all the regulated markets we have entered into – this includes the UK and Irish Gambling commissions and the NT regulator.

To-date Lottoland has paid out more than \$1Billion dollars in lottery prizes globally. The biggest single prize paid out by Lottoland to-date was of \$32 million dollars. On the 4th July 2017 we made our first Australian Millionaire – a 56 year old Grandma from Melbourne collected \$1,315,650.04 for a \$5 bet by successfully matching five from five main numbers on MegaMillions.

Moreover, Lottoland is fully audited by KPMG who are also responsible for verifying all losses (winnings) ensuring they are paid out in an expeditious manner.

The core of our insurance structure is collateralised which means we are able to pay-out sums like those referred to above without delay. Our insurance counterparts are some of



the top institutional investors which are known worldwide and also heavily regulated themselves.

We are putting livelihoods at risk e.g. Newsagents personnel loses jobs - MISLEADING

The aim of Lottoland is to bring choice and innovation to Australian consumers. It is an undeniable fact that we are in a digital world, where the consumers want the choice to play/bet anytime and anywhere. In offering our products online we are not different to our competitors or indeed many other online companies outside of gaming who are focusing their efforts online. Consumers should be allowed to decide where they spend their hard-earned dollars and in doing so new jobs will be created in the online sector.

In any developed economy innovation, entrepreneurship and consumer choice should be encouraged and not hindered. Indeed, Lottoland's half million registered customers would agree.

Lottoland is having a direct impact on Tatts and therefore returns to Good causes - FALSE

Lottoland account for less than 1% of Tatts overall revenue, we are not having an impact on their business or returns to Good Causes.

Traditional lotteries from around the world are struggling to attract, maintain and engage with consumers. The aim of Lottoland is to bring choice and value through innovation to Australian consumers. It is an undeniable fact that we are in a digital world, where the consumers want the choice to bet anytime/anywhere. Consumers should be allowed to decide where they spend their hard-earned dollars – Lottoland is just one of their options.

Lottoland has changed and improved the lottery segment and is in fact growing the market. We are not impacting the lottery market – we are growing the market.

Through customer research we've found that often people who bet on Lottoland will remain buying lottery tickets from their retail outlets. That's because when coming to Lottoland customers are looking for something very different to the turgid and stale traditional lottery buying experience. For this reason and as further explained we do not see ourselves in direct competition with existing lottery providers – we are attracting a new customer group.



About Lottoland Australia

Since launching in Australia January 2016, Lottoland Australia has registered over 600,000 Australian players . Innovation, coupled with the freedom to offer players a unique and enhanced lottery playing experience, has been key to the company's success.

Lottoland boasts a range of exciting options that set it apart from the competition. By using an insurance-backed business model, Lottoland can offer features such as DoubleJackpot - allowing players to double their jackpot winnings on any lottery.

Players are able to bet on the outcomes of the biggest lotteries from around the world, with mega jackpots available seven days a week. Major draws available to bet on at Lottoland include all local Australian Lotteries and international lotteries such as the EuroMillions, EuroJackpot and America's PowerBall and MegaMillions lotteries.

Lottoland Australia PTY LTD has offices in both Sydney and Darwin and is regulated and licensed by the Northern Territory's Racing Commission. Globally Lottoland has over 6 million customers with 11 offices across 4 continents.

RELEASE ENDS