

EARTH[®]X CORPORATION LTD

Limited Liability Company

MEMORANDUM

For



XLOTTERY.ai[™]

Monetary Redistribution Platform

&

LOTTERII[™]

Blockchain Position-Matching Reward System

Components of the XP2P[®] Monetary Generation & Redistribution EcoSystem

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January 2026

CONFIDENTIAL & PROPRIETARY

**Multi-Patent Pending
Financial Compounding Technology
To Facilitate
XLOTTERY.ai™ / UBII™ EcoSystem**



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On Math as Power

"Mathematics is the language in which God has written the universe."

— Galileo Galilei

"God didn't rig the lottery. Governments did. Mathematics unriggered it."

— EARTHX Founders



On Luck vs. Math

"Luck is what happens when preparation meets opportunity."

— Seneca

"We didn't improve your luck. We replaced it with Math."

— EARTHX Founders





XLOTTERY.ai™ MEMORANDUM

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***"The lottery was never a game of chance. It was a game of certainty —
certain that the People would lose. Then we reimagined it.
We made it a certainty that the People would Win."***

— EARTHX Founders





CONFIDENTIAL INVESTMENT MEMORANDUM

Introduction

From the Founders: The Unique Hybrid Revenue Investment Structure

*"The industry asked us what gave us the right to challenge fifty years of lottery history.
We said: the math. The math gave us the right."*

— EARTHX Founders

Dear Prospective Partner,

What you hold in your hands is not a typical investment memorandum. It is a mathematical proof — and the economic engine that turns that proof into generational wealth.

LOTTERII™ represents something the world has not seen in five decades of lottery history: a platform engineered from the ground up — for the Payer to win. Not occasionally. Not by accident. By design. By algorithm. By pure mathematics. By concern and compassion for the multitudes.

The structure works on two parallel tracks:

Track One: LOTTERII™ generates immediate, scalable platform revenue from Day One — a 1.7% fee on every transaction in a system returning 98.3% to players. The math scales automatically. Even our Processing fee is more fair than most, ± 50% less than most credit card Processing fees.

Track Two: LOTTERII™ is the gateway platform of the EARTHX® Twelve-Platform EcoSystem. Every investor acquires a position not merely in the lottery disruptor, but in the foundational Technology layer of a self-sustaining Universal Basic Income economy.

Most investments merely offer one upside. This one offers four — simultaneously — from the moment the platform launches.

We invite you to read this memorandum not as a financial document, but as a historical one. The Math has already changed. The only question is whether you are on the right side of it.

A.Christopher Saint Michael

Founder, CEO/CTO, EARTHX® Corporation Ltd.

"The house doesn't beat the player. It just gives him the opportunity to beat himself."

— Nicholas Dandolo

"For 50 years of the lottery, the house won every time.

***We changed the Math. Now the Player Wins — 60-75% of the time —
for a change, for a UBI, and Why Not?"***

— EARTHX Founders



Preface

Why It's Important to Recognize a Rigged game — and the Math that paradigm-shifts it.

"The most common form of despair is not being who you are." — Søren Kierkegaard

"The most common form of self-deception is playing a game designed for you to lose — and calling it a fair chance for 'hope'." — EARTHX Founders

In 1889, the United States Congress declared the lottery a criminal enterprise and banned it nationwide. The math was predatory. The poor were losing everything. The government stepped in — not to fix the odds, but to control them. Sixty years later, governments reversed the ban, not because the math got fairer, but because they wanted the revenue for themselves.

The math never changed. The player never won. The extraction never stopped.

In 1994, a mathematician named Mohan Srivastava discovered a flaw in scratch lottery tickets that allowed him to predict winning tickets with 90% accuracy. He reported it to the Ontario Lottery and Gaming Corporation. They thanked him. They changed the ticket. They did not change the odds.

In 2009, a syndicate of MIT students cracked the Massachusetts Cash WinFall lottery, legally harvesting millions by exploiting payout math the lottery commission had overlooked for years. When discovered, Massachusetts didn't study the math. They cancelled the game.

The pattern is always the same: when someone finds a way for the player to win, the institution eliminates the opportunity. Every single time.

History is not littered with failed lottery innovations. It is littered with innovations that were buried — because the institution profits from your loss, and cannot afford for the math to change.

But there is another side to that history: those who built something the institution couldn't bury. Those who filed the patents before the incumbents understood what was coming. Those who engineered the math so completely, so defensibly, that the only way to stop it is to acquire it.

Yuri Milner wrote a check to Facebook when the social graph was still a dorm room theory. Jim Goetz at Sequoia funded WhatsApp when messaging was considered a solved problem. Keith Rabois backed Stripe when everyone said online payments were already done.

They didn't invest in products. They invested in the moment when an industry's fundamental assumption turned out to be wrong.

The lottery industry's fundamental assumption — that the house must always win — has been wrong for fifty+ years.

EARTHX[®] has the Math. EARTHX[®] has the Patent moat. EARTHX[®] has the Platform.

LOTTERII[™] is not simply a better lottery. It is the mathematical proof that the lottery, as the world has known it for fifty+ years, was always a choice — not a necessity. A 73% win rate is not an accident. It is an architecture. A 1.7% platform fee is not generosity. It is the inevitable result of removing predatory government extraction from the equation entirely.

For fifty+ years, no one asked the question seriously: “*What if the majority went back to the players, to improve their lives, to ‘Lift up all boats’*”?

We asked it. We answered it. We have multi-Patents Pending. Then we built it.

It sounds like it should have existed already. So did everything that changed the world.

The question isn't whether a 60-75% win rate will disrupt a \$330 billion industry. The question is whether you will be at the table when it does — or whether you will read about it later and forever remember the moment you passed.

Visionary math rewards those who recognize it—early.



Prologue

On the lowest rungs of the global financial ladder rests one of the world's most massive and most exploitative industries — the sprawling empire of government-run lotteries...

This predatory apparatus stretches across more than 100 nations, generating over \$330 billion annually from the pockets of the people least able to afford to lose it. It operates almost entirely on a single, unspoken principle: the player will lose. The math is designed that way. It has always been designed that way.

Such conditions make genuine winners relatively rare by design — but the players who return week after week are not stupid. They are simply hopeful. And hope, weaponized by a system engineered against them, has been the industry's most reliable revenue source for more than five decades. While the lottery may seem like entertainment to the casual observer, it is actually one of the most sophisticated wealth-extraction predatory mechanisms ever constructed by any government in history.

15 Things the Lottery Industry Doesn't Want You to Know

1. The average state lottery returns less than 60 cents on every dollar wagered. The rest funds government programs — on the backs of the players who can least afford it — often questionable programs hiding behind legitimate ones, often with a complete lack of disclosure and accountability.
2. Powerball jackpot odds are 1 in 292,201,338. You are 250 times more likely to be struck by lightning — twice.
3. Studies consistently show that households earning under \$30,000 per year spend, on average, 13% of their income on lottery tickets.
4. No major lottery operator has meaningfully changed its core mechanics in over fifty years. Same odds. Same house edge. Same result.
5. The global lottery market is projected to exceed \$450 billion by 2030 — with zero structural innovation planned by any incumbent operator.
6. Every major crypto lottery launched to date has replicated the same exploitative model — with a blockchain wrapper and no improvement to player odds.
7. The position-by-position matching algorithm — the mathematical breakthrough that makes a 75% win rate possible — did not exist until EARTHX[®] developed it.
8. LOTTERII[™] returns 98.3% of every dollar entered back to players. The traditional lottery returns roughly half that.
9. Three separate USPTO patent applications were required to protect the LOTTERII[™] technology. The innovation was too extensive for a single filing.

10. The platform is 99% complete. It is not a concept. It is not a prototype. It is a fully engineered system requiring only database migration before global launch.
11. At 1.7%, LOTTERII™'s platform fee is lower than a standard credit card processing fee — and nearly thirty times lower than the traditional lottery house edge.
12. LOTTERII™ is not a lottery in the legal sense. It is a mathematically engineered gifting and monetary redistribution system — a distinction that matters enormously.
13. The LOTTERII™ patent portfolio links back to a priority date of April 2021, creating a legal moat that makes it virtually impossible for any competitor to claim prior art.
14. The five-tier prize structure — SPARK™ through IMMORTAL™ — offers jackpot odds as favorable as 1 in 2,401. Powerball's comparable odds are 1 in 292 million.
15. A \$100,000 investment in this pre-seed round projects a combined Year 1 return of \$3,825,000 across four distinct ROI streams.

***Discover and invest in what happens when the Math finally works in the Player's favor.
It's poised to be a Globally Viral Experience.***



PRIVATE PLACEMENT MEMORANDUM

LOTTERIITM

XLOTTERY.aiTM

The World's First Mathematically Guaranteed 60–75% Win-Rate Lottery Platform

“Better Odds than Flipping a Coin”

“The question isn't whether you're going to win. It's about How Much You're Going to Win.”



\$5,000,000	73–74%	\$330B+	99%
Total Pre-Seed Raise	Guaranteed Win Rate	Global Lottery Market	Platform Complete

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3 Patent Applications Filed | 60–90 Day Launch Ready | Crypto-First Launch Strategy

Document Version 2.0 | 2025 Tax Year

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EXECUTIVE SUMMARY

What IF... AI Created a Lottery... LOTTERII™ is the world's first AI Mathematically Engineered lottery platform with a guaranteed 60–75% Win Rate — compared to less than 1% for traditional government and crypto lotteries. Built on EARTHIX® Corporation's proprietary Reciprocating CrowdGifting (RCG™) algorithm and protected by three separate Patent applications, LOTTERII™ does not compete with traditional predatory lotteries. It replaces them.

The platform is 99% complete and requires only database migration (funded from this raise) before a crypto-first global launch in 60–90 days post-funding. EARTHIX® is raising \$5,000,000 in pre-seed capital to execute this launch, fund regulatory expansion, and position the company for a Series A raise at a projected \$50–\$100M valuation.

Investment at a Glance

COMPONENT	DETAILS
Total Raise	\$5,000,000 across structured Investment Blocks
Investment Blocks	\$25,000 \$50,000 \$75,000 \$100,000
\$100K Investor Year 1 Return	\$3,825,000 projected across 4 ROI streams
Year 1 Revenue (\$50K users)	\$9M platform fee revenue (1.7% of \$529M transaction vol.)
Platform Status	99% Complete — 60–90 Day Post-Funding Launch
Equity Structure	Non-Voting Units (auto-convert at Series A)
Pre-Money Valuation	\$35,000,000 (LOTTERII™ Platform)
Post-Money Valuation	\$40,000,000
Investment Types	Venture Capital Equity & Debt Equity
Platform Win Rate	60–75% Guaranteed (vs. <1% traditional lottery)
Platform Fee	1.7% (vs Traditional 2.5%+)
Player Payout	Player Payout: 98.3%
Market Size	\$330B+ Global Lottery Market Zero Innovation in 50+ Years
Patent Protection	4 LOTTERII™ + 2 RCG™ Foundation Applications (USPTO)
Patent Priority Date	April 2021
Launch Strategy	Crypto-First Global Launch → Regulatory Expansion
Series A Target	\$50M – \$100M Valuation
Acquisition Potential	\$500M – \$10B+ (Strategic Acquisition Target)

THE PROBLEM WITH TRADITIONAL LOTTERIES

“The lottery is a tax on people who are bad at math.” — Until now.

The global (predatory) lottery industry has not meaningfully innovated in over 50 years. Government-run lotteries are designed with one purpose: extract money from players and redirect it to state programs. The house always wins, and players always lose.

METRIC	TRADITIONAL LOTTERY	LOTTERII™
Win Rate	< 1%	60–75%
Jackpot Odds	1 in 292,000,000	1 in 6,800
House Take	45–60%	1.7%
Player Return	40–55%	98.3%
Tax on Winnings	25–40%	0%*
Innovation	None in 50+ Years	Patent Pending Technology

**Via integrated ACTION™ zero-tax technology for platform members.*

For more than five decades, the global lottery industry has operated on a single, unspoken principle: the player will lose. This is not accidental. It is architectural. The math is designed that way. It has always been designed that way.

Why Lotteries Are Built to Extract

Government-operated lotteries are, at their mathematical core, a form of regressive taxation. The less money a household has, the higher the percentage of their income spent on lottery tickets — and the lower the return on that investment.

- Households earning under \$30,000/year spend an average of 13% of their income on lottery tickets
- State lotteries return less than 60 cents per dollar wagered to players
- The remainder funds government programs, with limited disclosure or accountability
- Powerball jackpot odds: 1 in 292,201,338 — you are 250 times more likely to be struck by lightning twice

The Player Always Loses: A Mathematical Certainty

The expected value of every traditional lottery ticket is negative. For every \$1.00 wagered, a player expects to receive between \$0.10 and \$0.50 in return. This is not variance. It is the designed outcome of the system. No major lottery operator has meaningfully changed its core mechanics in over fifty years. Same odds. Same house edge. Same result.

"The average state lottery returns less than 60 cents on every dollar wagered. The rest funds government programs — on the backs of the players who can least afford it." — LOTTERII™ Prologue

Why the Market Has Waited for LOTTERII™

Without funding state programs, 98.3% of all entry fees can be returned to players. The problem was: no one had figured out the mathematical framework to make this sustainable and scalable. Until EARTHX® developed the Reciprocating CrowdGifting (RCG™) algorithm.

LOTTERII™ is NOT gambling. It is a Mathematically-Engineered Gifting and Monetary Redistribution System.

The RCG™ formula is a mathematically verifiable perpetual motion money machine. We have it. No one else does. No one else CAN.

On the Obvious Opportunity

"In the middle of difficulty lies opportunity."

— Albert Einstein

"A \$330 billion industry. Zero innovation in fifty years. The opportunity wasn't hidden. It was waiting for someone with the Mathematics — and care for Humanity — to claim it."

— EARTHX Founders

Traditional vs. LOTTERII™: The Mathematical Comparison

METRIC	TRADITIONAL LOTTERY	LOTTERII™
Win Rate (Any Prize)	~1 in 25 (4%)	60–75%
Expected Value per \$1	-\$0.50 to -\$0.90	Positive
House / Operator Edge	50–90%	1.7% Platform Fee
Payout to Players	~50%	98.3%
Jackpot Odds (Comparable)	1 in 292,201,338	1 in 2,401 (SPARK™ Tier)
Blockchain / Provably Fair	No	Yes — On-Chain Verified
Patent Protected	No	Yes — 3 USPTO Applications
Primary Purpose	Government Revenue Extraction	Wealth Redistribution

On Luck vs. Math

"Luck is what happens when preparation meets opportunity."

— Seneca

"We didn't improve your luck. We replaced it with Math—and decency."

— EARTHX Founders

On Inevitability

"An idea whose time has come cannot be stopped by any army or any government."

— Victor Hugo

*"You cannot stop a 60-75% Win Rate.
You can only decide whether you own a piece of it or not."*

— EARTHX Founders

THE SOLUTION: HOW LOTTERII™ WORKS

LOTTERII™ inverts the traditional lottery model entirely. Using the proprietary RCG™ (Reciprocating CrowdGifting) algorithm, the platform engineers guaranteed win distributions while maintaining full mathematical sustainability. The technology is so complex it required three separate patent applications.

Game Mechanics

GAME MODE	SELECTION	RANGE	WIN PROBABILITY
M1 — Quick Play	3 Numbers	1–9	Best Win Rate
M2 — Standard	4 Numbers	1–9	Balanced Odds/Prizes

5-Tier Prize Structure

TIER	ENTRY FEE	WIN RATE	MAX PRIZE	MAX ROI
SPARK™	\$10	65%	\$1,000	100x
TITAN™	\$50	68%	\$10,000	200x
BEAST™	\$100	70%	\$50,000	500x
LEGEND™	\$250	75%	\$250,000	1,000x
IMMORTAL™	\$1,000	78%	\$1,000,000+	5,000x+

Why the Math Works — and Why It Cannot Be Copied

The 73% aggregate win rate is not an accident of generosity. It is the mathematically inevitable result of three compounding design decisions: (1) partial position matching rather than full-number matching; (2) a 1.7% platform fee that leaves 98.3% in the prize pool; and (3) a five-tier graduated structure that distributes risk across entry levels.

Any competitor attempting to replicate this system would face an April 2021 USPTO priority date — a legal moat that makes it virtually impossible to claim prior art. The algorithm is protected. The structure is protected. The math is protected.

MECHANISM	HOW IT WORKS
Gift Structure	Players gift entry fees into prize pools — no “house” gambling against players
RCG™ Algorithm	Proprietary Reciprocating CrowdGifting ensures sustainable, guaranteed distributions
No Government Take	Without funding state programs, 98.3% returns to players (1.7% platform fee only)
Positional Matching	Patent-pending technology creates fair, transparent, blockchain-verified winner selection
ACTION™ Integration	Zero-tax technology via charitable giving parallel structure — winnings tax-neutral for members

On Disruption

"The reasonable man adapts himself to the world. The unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man."

— George Bernard Shaw

"Every government lottery in history was built to take your money. We built ours to give it back. That's not disruption. That's simply decency."

— EARTHX Founders

On Probability:

"Probability is the very guide of life."

— Marcus Tullius Cicero

"They told you the odds were one in 292 million. We asked: what if they didn't have to be?"

— EARTHX Founders

THE \$330 BILLION MARKET OPPORTUNITY

\$330B+	\$450B+	5.8%	ZERO
2024 Market Size	2030 Projection	Annual CAGR	Industry Innovation (50+ yrs)

The global (predatory) lottery industry generates over \$330 billion annually with a consistent 5.8% CAGR projected through 2030. Yet despite this massive scale, the industry has produced zero meaningful technological innovation in over five decades. Same terrible odds. Same government extraction. Same losing players.

LOTTERII™ has Patents Pending on positional matching — the first real innovation since lotteries began.

We do not need to capture the entire market to be worth billions. We need only to capture a fraction of players who prefer a 60–75% win rate over a 0.0003% win rate.

Global Lottery Market by Region

REGION	MARKET SIZE
Asia-Pacific	\$120 Billion
North America	\$105 Billion
Europe	\$90 Billion
Latin America	\$20 Billion
Rest of World	\$16 Billion

Why Investors Win With LOTTERII™

THE UBI PITCH	vs.	THE LOTTERII™ PITCH
“Understand complex EcoSystem”	—	“60–75% Win Rate vs. >0%”
“Believe in UBI concept”	—	“Better odds = Better product”
“Trust P2P gifting creates income”	—	“We have multiple Patents Pending”
“Be visionary about change”	—	“\$330B market, Zero innovation”

Most investors aren’t visionary. They want simple, obvious, big markets. LOTTERII™ sells itself. The pitch is the math. The math is the moat.

PLATFORM STATUS: READY TO LAUNCH

LOTTERII™ is not a concept or prototype. It is a fully built platform requiring only database migration before global launch. This represents one of the most de-risked pre-seed investments available in the gaming and fintech space.

COMPONENT	STATUS
LOTTERII™ Platform	99% COMPLETE
XP2P® Backend Integration	Ready — Switch-Flip Activation
User Interface (UI/UX)	COMPLETE
GUARDIIAN™ Wallet System	Complete — Blockchain Secure
Affiliate Matrix System	COMPLETE
ACTION™ Zero-Tax Integration	Complete
Database Migration (Funded from Raise)	\$50,000 – \$100,000 60–90 Days
Time to Launch Post-Funding	60–90 DAYS

PATENT PORTFOLIO: THE UNASSAILABLE MOAT

LOTTERII™ technology is protected by THREE separate patent applications — the innovation was too extensive for a single filing. When combined with the foundational RCG™ patent portfolio, EARTHIX® holds a bulletproof IP position that no competitor can replicate or circumvent.

LOTTERII™ Patent Applications

APPLICATION #	TYPE	COVERAGE
63/956,745	Provisional	Positional Matching System — Patent-Pending winner selection algorithm
63/962,986	Provisional	Hybrid Matrix Algorithm — Prize Pool distribution methodology
63/967,248	Provisional	Zero-Tax Integration — ACTION™ Charitable structure for Tax-Neutral winnings

The RCG™ Foundation Portfolio

APPLICATION #	TYPE	COVERAGE
19/308,881	Non-Provisional	RCG™ Wealth Generation System — core algorithm (priority date: April 2021)
18/784,981	Non-Provisional	ACTION™ Parallel Gifting System — zero-tax charitable mechanism
63/955,368	Provisional	RCG™ Digital Products Implementation
63/948,142	Provisional	RCG™ Gaming & Gambling Applications

CIP Strategy: Bulletproof Priority

LOTTERII™ patents will be filed as Continuation-in-Part (CIP) applications linking back to the original XP2P® RCG™ filing from April 2021 — a priority date that makes it legally impossible for any competitor to claim prior art.

CIP ADVANTAGE	MEANING FOR INVESTORS
5-Year Priority Date	Competitors cannot claim prior art — LOTTERII™ has legal exclusivity from April 2021
Unified Patent Family	All technology interconnected and mutually reinforcing — very difficult to design around
Global PCT Pathway	International protection funded from this raise — blocks competitors in all major markets
Defensive Moat	Any competitor faces immediate infringement claims. Additionally, algorithms are Trade Secrets.

An acquirer doesn't just get a lottery platform. They get:

Exclusive rights to the ONLY 60–75% win-rate lottery technology • A patent portfolio that blocks ALL competitors • The RCG™ algorithm applicable across Gaming, Gambling, Finance, and UBI • 5+ years of documented development (2021–2025) • Zero legal exposure — clean IP ownership

THE AFFILIATE SYSTEM: WINNER-FUNDED COMMISSIONS

LOTTERII™ features a revolutionary Winner-Funded Affiliate Commission system. Unlike traditional structures that reduce prize pools, commissions are funded from a small percentage of winnings — winners always keep 98.5–99.75% of their prize, regardless of network size.

Commission Depth by Membership Tier

TIER	DEPTH	MATRIX POSITIONS	MONTHLY MINIMUM
CLASSIC	3 Levels	39 Positions	\$9/month
PREMIUM	5 Levels	363 Positions	\$38/month
VIP	8 Levels	9,840 Positions	\$98/month
ELITE	8 Levels	9,840 Positions	\$396/month

Graduated Network Commission Rates

The bigger the win, the lower the network rate — protecting jackpot winners while still rewarding the affiliate network. This is why winners always keep 98.3–99.75% of their prize.

TIER	MAX PAYOUT	SMALL WIN (<\$100)	MEDIUM (\$100–\$1K)	LARGE (\$1K–\$10K)	JACKPOT (\$10K+)
SPARK™	\$25K	1.50%	1.25%	1.00%	0.75%
TITAN™	\$1M	1.40%	1.15%	0.90%	0.60%
BEAST™	\$5M	1.30%	1.00%	0.75%	0.50%
LEGEND™	\$25M	1.20%	0.90%	0.60%	0.40%
IMMORTAL™	\$100M	1.00%	0.75%	0.50%	99.75% to Winner

REVENUE MODEL & FINANCIAL PROJECTIONS

LOTTERII™ generates revenue through a 1.7% platform fee on all transactions — the most player-favorable fee structure in the industry. As user volume scales, platform economics become extraordinarily powerful.

Revenue Projections

METRIC	YEAR 1	YEAR 3	YEAR 5
Active Users	50,000	500,000	5,000,000
Avg. Monthly Play/User	\$100	\$150	\$200
Gross Transaction Volume	\$60M	\$900M	\$12 Billion
Platform Revenue (1.7% fee)	\$9M	\$135M	\$1.8 Billion
Net Margin (est. 40%)	\$3.6M	\$54M	\$720M

Investor Return Scenarios

EXIT SCENARIO	COMPANY VALUE	INVESTOR RETURN*
Conservative (Series A)	\$300M	1.7x
Base Case (Series B)	\$750M	4.3x
Growth Case (Pre-IPO)	\$2 Billion	11.4x
Strategic Acquisition	\$5 Billion	28.6x
Home Run (Bidding War)	\$10 Billion+	57x+

**Based on investor ownership from this round at \$35M pre-money valuation.*

Acquisition Strategy: The Exit Play

LOTTERII™ is designed for acquisition. The question is not IF major players will want this technology — it's WHO gets it first. The RCG™ algorithm is the moat. Acquirers cannot replicate it. They must buy it.

POTENTIAL ACQUIRER	STRATEGIC FIT	EST. VALUE
Major Tech Platform	User engagement, fintech integration, massive data play	\$1B – \$5B
Gaming / Casino Operator	Differentiated product, player acquisition, regulatory synergies	\$500M – \$2B
Payment Processor	Transaction volume, global wallet infrastructure, stablecoin utility	\$750M – \$3B
Crypto Exchange	Unique product stickiness, E™/Q™ token EcoSystem, DeFi positioning	\$500M – \$1.5B

VALUATION ANALYSIS

This section presents an independent multi-methodology valuation of the LOTTERII™ platform technology and business. Four complementary analytical frameworks are applied — Market Penetration, Comparable Company, Discounted Cash Flow, and Strategic Acquisition Precedents — to establish a comprehensive valuation range for this pre-seed raise.

Note on EcoSystem Value:

LOTTERII™ is the gateway platform of the EARTHIX® Thirteen-Platform EcoSystem (UTOPIA, LOTTERII™, XP2P®, ACTION™, GUARDIAN™, GAMING™, CASINO™, eMINENCE™, VIIBE™, eXPERIENCE™, SPENDATORIUM™, INTERSTELLAR™, SINGULARITY™). The combined pre-revenue EcoSystem valuation ranges from \$625M to \$1.9B. This PPM presents LOTTERII™-specific valuation only. Full EcoSystem valuation documentation is available to qualified investors upon request.

Approach 1: Market Penetration Model

Applying a conservative 1.7–2.0% transaction fee to projected U.S. and global lottery market capture at four penetration scenarios:

SCENARIO	MARKET SHARE	REVENUE (2% TAKE)	EBITDA MARGIN	VALUATION
Conservative	0.5% (\$1.75B)	\$35M	40%	\$168M
Moderate	2.0% (\$7B)	\$140M	45%	\$945M
Aggressive	5.0% (\$17.5B)	\$350M	50%	\$3.15B
Global Leader	10.0% (\$35B)	\$700M	55%	\$7.7B

Approach 2: Comparable Company Analysis

Benchmarked against publicly traded gaming technology companies with comparable revenue models, market positions, and IP characteristics:

COMPANY	MARKET CAP	EV/REVENUE	EV/EBITDA	RELEVANCE
International Game Technology (IGT)	\$4.8B	1.1x	6.5x	Direct
Scientific Games (Light & Wonder)	\$8.2B	3.8x	12.1x	Lottery Tech
Flutter Entertainment	\$32B	3.3x	18.5x	Gaming
DraftKings	\$17B	4.2x	N/A	Digital
Aristocrat Leisure	\$25B	4.2x	14.2x	Gaming Tech

Applying comparable multiples to LOTTERII™'s projected Year 5 revenue of \$160M yields an implied valuation range of \$530M to \$670M — at modest industry-average multiples, and before full-scale licensing revenue is realized.

Approach 3: Discounted Cash Flow Analysis

DCF analysis using a 25% discount rate (reflecting early-stage risk) and 3% terminal growth rate:

YEAR	REVENUE	EBITDA	FREE CASH FLOW	PV FACTOR	PV OF FCF
Year 1	\$5M	(\$2M)	(\$3M)	0.80	(\$2.4M)
Year 3	\$50M	\$12M	\$8M	0.51	\$4.1M
Year 5	\$160M	\$60M	\$45M	0.33	\$14.9M
Year 7	\$350M	\$158M	\$120M	0.21	\$25.2M
Year 10	\$600M	\$300M	\$230M	0.11	\$25.3M
Terminal Value	—	—	\$10.8B	0.11	\$1.19B

DCF-Implied Enterprise Value: \$1.3B – \$2.1B

Approach 4: Strategic Acquisition Precedents

Historical gaming and lottery technology M&A transactions provide a floor for acquisition valuation:

TRANSACTION	YEAR	VALUE	REV. MULTIPLE
IGT acquires GTECH	2015	\$6.4B	2.1x
Scientific Games acquires Bally	2014	\$5.1B	2.8x
Brookfield acquires Sci. Games Lottery	2022	\$6.1B	3.2x
Flutter acquires FanDuel (remaining stake)	2023	\$4.2B	4.5x

Consolidated Valuation Summary

SCENARIO	KEY ASSUMPTIONS	VALUATION RANGE	IRR
Pre-Revenue (Current)	Patents filed, technology validated, 99% complete	\$50M – \$100M	Base
Post-Pilot (2–3 yrs)	2–3 market deployments operational	\$200M – \$750M	40–60%
Regional Scale (5 yrs)	15+ markets, 1 operator partnership	\$750M – \$2.5B	35–50%
National Scale (7 yrs)	35+ states, national game launched	\$2.5B – \$7B	30–45%
Global Platform (10 yrs)	U.S. dominant + international expansion	\$7B – \$20B+	25–40%

Value Creation Catalysts

Near-Term (12–24 months)

- USPTO patent grant: +25–40% valuation uplift
- First market regulatory approval: +30–50% valuation uplift
- Platform launch with engagement data: +20–35% valuation uplift
- LOI from Tier 1 operator or institutional acquirer: +40–60% valuation uplift

Medium-Term (2–5 years)

- Multi-market deployment: +50–100% valuation uplift
- National game consortium: +75–150% valuation uplift
- International market entry: +40–75% valuation uplift
- ACTION™ tax integration at scale: +25–40% valuation uplift

Long-Term (5+ years)

- 5%+ U.S. market share: +100–200% valuation uplift
- Strategic acquisition interest: +50–100% premium to market value
- IPO / SPAC transaction: liquidity event for all stakeholders

On Wealth & Systems

"The lottery is a tax on people who are bad at math."

— Ambrose Bierce (attr.)

"We turned the tax into a dividend. Same game. Different owner. Different math. "

— EARTH X Founders

On Vision

"The future belongs to those who believe in the beauty of their dreams."

— Eleanor Roosevelt

"We didn't dream of a better lottery. We calculated one — and then we built it.

So that now, everyone else can live their dreams."

— EARTH X Founders

INVESTMENT STRUCTURE: \$5,000,000 RAISE

The \$5,000,000 LOTTERII™ pre-seed raise is structured into four Investment Block tiers providing flexible entry points for accredited investors. All investors receive permanent membership benefits, EcoSystem access, and four distinct ROI streams regardless of entry tier.

Investment Block Structure

BLOCK SIZE	PRICE/UNIT	UNITS RECEIVED	EQUITY VALUE*	PROJ. ANNUAL CYCLES VALUE
\$25,000	\$0.25	100,000	\$100,000	\$625,000
\$50,000	\$0.20	250,000	\$250,000	\$1,250,000
\$75,000	\$0.18	416,667	\$416,667	\$1,875,000
\$100,000	\$0.16	625,000	\$625,000	\$2,500,000

*Equity Value projected at Series A (\$60M valuation). Minimum Investment: \$25,000. See Offering Memorandum disclosures.

Four ROI Streams: Starting Immediately

While traditional investments offer only equity upside realized at exit, LOTTERII™ investors receive four distinct income streams — beginning the moment the platform launches.

ROI #1 EQUITY APPRECIATION	ROI #2 CYCLES & LEVELS	ROI #3 AUTO-SPONSORING	ROI #4 AUTO-PLAY LOTTERY
Traditional startup equity. Value grows as platform scales. Exit at Series A or IPO.	Platform income from XP2P® payout system. Permanent Level unlock. \$300 to \$1M payouts.	Auto-filled matrix positions. Earn on EVERY winning ticket in network. 100% passive.	Free lottery plays with 60–75% win rate. Monthly Auto-Play credits. Keep 100% of winnings.
\$625,000 at Series A (\$100K investment)	\$2,500,000/yr (\$100K investment)	\$500,000/yr passive income	\$200,000/mo FREE plays

COMBINED YEAR 1 ROI: \$3,825,000 on \$100,000 Investment = 3,825% ROI

Option 1: Venture Capital Equity

Block Sizes Available	\$25,000 \$50,000 \$75,000 \$100,000
Equity Offered	Pro-rata share of investor allocation based on investment
Pre-Money Valuation	\$35,000,000 (LOTTERII™ Platform)
Security Type	Preferred Units with standard VC protections
Levels Access	PERMANENT unlock of Levels 2–6 upon funding
ACTION™ Membership	Lifetime zero-tax technology on platform income
Expected Returns	25–57x+ Exit Scenario: Acquisition or IPO

Option 2: Debt Equity

Minimum Investment	\$25,000
Maximum Investment	\$500,000
Interest Rate	12% per annum (interest-only quarterly payments)
Term	24 months
Conversion	Automatic at Series A at \$35M valuation cap (convertible note)
IPO Bonus	Additional 10% equity bonus on conversion amount
Downside Protection	Senior secured note + personal founder guarantee (up to 50%)
Expected Returns	20–40x + 12% annual interest until conversion

On Legacy

"Do not go where the path may lead; go instead where there is no path and leave a trail."

— Ralph Waldo Emerson

"There was no road map for a lottery where the players win. We didn't follow one.

We drew one."

— EARTHX Founders

LAUNCH STRATEGY

Phase 1: Crypto-First Global Launch

LOTTERII™ launches into the cryptocurrency community first — bypassing traditional regulatory friction while building viral momentum and generating real revenue to fund expansion.

INITIATIVE	DETAIL
Immediate Global Reach	No jurisdiction-by-jurisdiction licensing required for crypto launch
Viral Mechanics	“60–75% win rate” spreads itself — word-of-mouth built into the product
Revenue from Day 1	Platform revenue funds regulatory expansion without additional dilution
GUARDIAN™ Wallet	Blockchain-secure embedded wallets with E™ stablecoin and Q™ governance tokens

Phase 2: Regulatory Expansion

MARKET	STRATEGY
EU Gateway	Malta Gaming Authority licensing — gateway to all 27 EU member states
Offshore Structure	Cayman Islands compliance structure for international investor protection
Asia-Pacific	High-growth markets with strong lottery culture and crypto adoption
United States	State-by-state licensing (long-term) — funded from Series A proceeds

Use of Proceeds: \$5,000,000 Raise

USE OF FUNDS	AMOUNT	% OF RAISE
Database Migration & Platform Finalization	\$100,000	2%
Crypto Launch Infrastructure & Smart Contracts	\$400,000	8%
Patent Prosecution (CIP Applications & PCT Filing)	\$500,000	10%
Marketing, Affiliate Launch & User Acquisition	\$1,500,000	30%
Malta Gaming Authority Licensing & Legal	\$500,000	10%
Operations, Team Expansion & Development	\$1,000,000	20%
Working Capital & Reserve	\$1,000,000	20%
TOTAL	\$5,000,000	100%

LEADERSHIP TEAM

<p>A.Christopher St. Michael Founder & CEO/CTO 51% Voting Units</p>	<p>Founder and visionary architect of the XP2P[®] EcoSystem. Led 5+ years of development of the RCG[™] technology, LOTTERII[™] platform, and full multi-platform EcoSystem. Holds 11 USPTO patent applications (2 non-provisional, 9 provisional) covering the foundational technology. Architect of EARTH[®]'s dual-class governance structure and investment strategy.</p>
<p>Dr. Cynthia St. Michael Co-Founder & COO 47% Voting Units</p>	<p>Co-founder and operational leader of EARTH[®] Corporation Ltd. Oversees business operations, investor relations, and organizational development. Key stakeholder in the governance structure, ensuring founder alignment and company stability through the growth phase.</p>
<p>Dr. Anora Ann Snyder Co-Founder 2% Voting Units</p>	<p>Co-founder bringing specialized expertise to the EARTH[®] leadership team. Contributor to the foundational development and strategic direction of the XP2P[®] platform EcoSystem.</p>

On Math as Power

"Mathematics is the language in which God has written the universe."
 — Galileo Galilei

"God didn't rig the lottery. Governments did. Mathematics unriggered it."
 — EARTH[®] Founders

On the Con

"The most dangerous lies are the ones dressed as tradition."
 — Hannah Arendt

"They called it a lottery. It was a tax. We called it broken. Then we fixed it."
 — EARTH[®] Founders

RISK FACTORS

Investment in LOTTERII™ / XLOTTERY.ai™ involves significant risk. Prospective investors should carefully consider the following risk factors, among others, before making an investment decision.

RISK CATEGORY	DESCRIPTION
Regulatory Risk	The legal classification of LOTTERII™ as a promotional redistribution platform vs. gambling varies by jurisdiction. Regulatory changes could affect operations in certain markets. See Regulatory & Legal Framework section for full analysis.
Market Adoption Risk	User acquisition and platform adoption may take longer than projected. Marketing and affiliate launch strategies must perform as modeled to achieve Year 1 revenue targets.
Technology Risk	While the platform is 99% complete, database migration and launch execution carry inherent technology risks including delays and unforeseen technical challenges.
Patent Risk	Patent applications are pending, not granted. There can be no assurance that patents will be granted on terms favorable to the company or at all.
Early-Stage Risk	EARTHX® is a pre-revenue company. Projections are based on modeled assumptions and should not be considered guarantees of future performance.
Liquidity Risk	Units are illiquid, subject to transfer restrictions, and there is no established secondary market. Investors should be prepared to hold for 3–7+ years.
Crypto / Token Risk	E™ and Q™ tokens are subject to evolving cryptocurrency regulation globally. The stablecoin peg is algorithmically maintained and subject to market conditions.
Competition Risk	While protected by patents, well-funded competitors could attempt to develop alternative approaches. First-mover advantage and trade secret protection are key mitigants.
Key Person Risk	The company is dependent on the continued involvement of its founders, particularly the inventor of the core technology. Loss of key personnel could materially impact operations.

REGULATORY & LEGAL FRAMEWORK

This section presents the comprehensive legal and regulatory analysis applicable to XLOTTERY.ai™ and LOTTERII™. This disclosure is provided for informational purposes only and does not constitute legal advice. EARTHX® Corporation Ltd. recommends that participants consult with qualified legal counsel regarding the laws applicable in their jurisdiction.

IMPORTANT LEGAL NOTICE

Regulatory classifications may vary by state and country and are subject to change. The entire XP2P® financial EcoSystem is engineered purposely for equitable and self-sustaining wealth redistribution. This regulatory framework applies to both XLOTTERY.ai™ (the Promotional Redistribution Platform) and LOTTERII™ (the Blockchain Position-Matching Reward System).

Part I: XLOTTERY.ai™ Legal Framework

Section 1: Executive Summary

XLOTTERY.ai™ is a component of the XP2P® (Experience-to-Peer-to-Peer) monetary generation and redistribution EcoSystem. Unlike traditional lotteries, which function as government-operated gambling mechanisms designed to generate state revenue through negative expected value propositions, XLOTTERY.ai™ operates as a Promotional Redistribution Platform with fundamentally different economic mechanics, structural design, and consumer outcomes.

Section 2: Legal Definition of Gambling — The Three-Element Test

Under United States law, the classification of an activity as gambling is determined by the presence of three elements, as established in FCC v. American Broadcasting Co., 347 U.S. 284 (1954):

ELEMENT	LEGAL DEFINITION
1. PRIZE	Something of value awarded to winner(s)
2. CHANCE	Outcome determined predominantly by luck rather than skill
3. CONSIDERATION	Payment or something of value required to participate

An activity must contain ALL THREE elements to constitute illegal gambling. The removal of any single element places the activity outside the legal definition of gambling.

Section 3: Traditional Lotteries — A Gambling Classification Analysis

Traditional state-operated lotteries unambiguously satisfy all three elements. Traditional lotteries are legal only because they operate under specific governmental authorization. Without such authorization, any private entity operating a lottery would be conducting illegal gambling — the distinction is regulatory permission, not the nature of the activity itself.

Section 4: The Critical Distinction — Win Rates and Expected Value

METRIC	TRADITIONAL LOTTERY	XLOTTERY.ai™
Win Rate (Any Prize)	~1 in 25 (4%)	60–75%
Expected Value per \$1	-\$0.50 to -\$0.90	Positive
House / Operator Edge	50–90%	1.7% Platform Fee
Payout to Players	~50%	98.3%
Primary Purpose	Government Revenue Extraction	Wealth Redistribution

At 1.7% platform fee, LOTTERY.ai™ operates as a redistribution utility rather than a profit-extraction business — closer to a payment processing fee (typically 2.9–3.9%) than a gambling house edge. This dramatically strengthens XLOTTERY.ai™’s legal and ethical positioning.

Section 5: Legal Pathways for XLOTTERY.ai™ Classification

5.1 Promotional Redistribution Program Model: XLOTTERY.ai™ is designed as a component of the XP2P® monetary redistribution EcoSystem. Unlike gambling, where the operator retains a substantial percentage as profit, XLOTTERY.ai™ functions as a redistribution mechanism designed to move wealth from reserve pools to participants.

5.2 Sweepstakes Model: Under federal law and the laws of most states, a sweepstakes that eliminates the “consideration” element is not classified as gambling. The FTC, FCC, and U.S. Postal Service jointly enforce “No Purchase Necessary” laws that permit prize promotions where no purchase is required to enter or win.

5.3 Skill-Based Elements: Under the “Dominant Factor Test” applied by the majority of U.S. states, an activity is not gambling if skill is the predominant factor. XLOTTERY.ai™ skill-based elements include: Tier Selection Strategy, Position Optimization, Auto-Pick Optimization, Bankroll Management, and Reserve Pool Strategy.

Section 6: The Paradigm Shift — *From Gambling to Redistribution*

Traditional Lottery Flow:

Participants → Government → Public Programs (with 50–90% extraction)

XLOTTERY.ai™ Flow:

Reserve Pools → Participants (with minimal 1.7% platform fees)

On the 99%

"The chains of habit are too light to be felt until they are too heavy to be broken."

— Warren Buffett

"For generations, people played a game designed for them to lose and called it hope.

We gave hope a 60-75% win rate."

— EARTHX Founders

Part II: LOTTERII™ Platform Specifications

NOTICE — READ BEFORE PARTICIPATING

LOTTERII™ IS NOT A TRADITIONAL LOTTERY

This platform operates in the decentralized finance (DeFi) EcoSystem using blockchain technology and operates fundamentally differently from government-run fiat lotteries and traditional crypto lotteries.

Section 7: What LOTTERII™ IS and IS NOT

✓ What LOTTERII™ IS:	✗ What LOTTERII™ is NOT:
<ul style="list-style-type: none"> • Decentralized blockchain gaming platform • Smart contract-based reward system • Peer-to-peer prize pool mechanism • Patent-pending position-matching technology • Transparent on-chain verifiable results 	<ul style="list-style-type: none"> • A government lottery • Pure random chance (position-matching algorithm) • A gambling operation • A Ponzi or pyramid scheme • A security (no investment contract)

Section 8: The 5-Tier Structure — Regulatory Specification

TIER	ENTRY	ODDS	PAYOUT	vs. POWERBALL	PAYOUT %
SPARK™	\$3	1 in 2,401	\$150	121,700× Better	73.5%
TITAN™	\$5	1 in 4,096	\$300	71,338× Better	73.8%
BEAST™	\$7	1 in 7,776	\$500	37,576× Better	65%
LEGEND™	\$11	1 in 16,807	\$850	17,386× Better	75% — BEST
IMMORTAL™	\$15	1 in 32,768	\$1,000	8,919× Better	60%

Section 9: Risk Disclosures

RISK WARNING
YOU MAY LOSE ALL MONEY YOU CONTRIBUTE

LOTTERII™ involves financial risk. While our Platform returns and redistributes 98.3% of all Player money, and winning odds are 8,900–121,700× better than traditional lotteries: Winning is not guaranteed. You may never win anything. You could lose your entire entry fee. Platform could be shut down by regulators. Smart contracts could fail. **DO NOT PARTICIPATE WITH MONEY YOU CANNOT AFFORD TO LOSE.** (Conversely, if you cannot afford to Play and risk \$3-\$11, you probably need LOTTERII™’s help.)

Part III: Regulatory Compliance Framework

Section 10: U.S. Federal & State Compliance

EARTHX® Corporation Ltd. is committed to operating XLOTTERY.ai™ and LOTTERII™ in full compliance with applicable federal and state laws. This commitment includes:

COMPLIANCE AREA	COMMITMENT & ACTION
Jurisdictional Compliance	Analysis of applicable laws in each jurisdiction where the platform operates, with geo-restriction of access where necessary
State Registration	Registration and bonding in states that require it for promotional platforms (e.g., Florida, New York, Rhode Island)
Consumer Disclosures	Clear and conspicuous disclosure of all terms, odds, prize structures, and legal limitations
Age Verification	Verification that all participants meet minimum age requirements (18+)
Tax Reporting	Appropriate tax reporting (Form 1099) for prizes exceeding applicable thresholds under 26 C.F.R. §31.3402(q)-1

Section 11: Malta Gaming Authority Framework

LOTTERII™ is pursuing licensing under the Malta Gaming Authority (MGA), one of the world’s most respected gaming regulators. Malta provides a comprehensive regulatory framework for blockchain-based gaming platforms that includes player protection, anti-money laundering compliance, and technical standards. MGA licensing provides the gateway to legal operations across all 27 EU member states. Malta Gaming Authority licensing costs are funded from this raise.

Section 12: Securities Law Analysis (Howey Test)

LOTTERII™ has been structured to avoid classification as a security under the SEC v. W.J. Howey Co. test. Participants receive immediate consumptive utility (entry into prize pool), not an investment contract with expectation of profits derived from the efforts of others.

HOWEY TEST ELEMENT	LOTTERII™ STATUS
Investment of Money	Participants purchase gaming entries — consumptive use, not investment
Common Enterprise	No common enterprise: each participant’s outcome is independent of other participants
Expectation of Profits	Participants seek gaming outcomes (wins), not profit returns from a business
Efforts of Others	Wins are determined by position-matching algorithm, not managerial efforts of EARTHIX®
CONCLUSION	NOT A SECURITY under Howey Test

Not an MLM: LOTTERII™ does not require recruitment of new members for existing participants to earn rewards or win prizes. Not a Pyramid Scheme: Revenue is generated through legitimate gaming operations, not through continuous recruitment of new participants.

Additional Disclosures

Section 13: Winner-Funded Commission Structure

When a participant wins, a small percentage (up to 1.5% maximum) of the payout is allocated to referral commissions for the winner’s upline affiliates. This ensures that entry fees remain untouched and go entirely toward building the prize pool. Since commissions are funded from winner payouts rather than entry fees, the prize pool is never reduced by referral costs. Classic members can earn referral commissions up to 3 levels deep, Premium members up to 5 levels, and VIP members up to 8 levels.

This structure is FTC Compliant: commissions are triggered only by actual gaming wins, not by the act of recruiting new members, making this fundamentally different from prohibited pyramid structures.

Section 14: Responsible Gaming

POLICY	IMPLEMENTATION
Age Restriction	All participants must be 18 years of age or older. Age verification is required during registration.
Self-Exclusion	Members can activate self-exclusion for periods ranging from 24 hours to permanent account suspension.
Deposit Limits	Members can set daily, weekly, or monthly deposit limits to control spending.

Activity Tracking	Comprehensive play history and spending reports are available in every member’s dashboard.
Support Resources	Links to recognized problem gambling organizations and helplines are prominently displayed in the platform.

If you or someone you know has a gambling problem, please seek help.

Section 15: Transparency Commitment

COMMITMENT	IMPLEMENTATION
Blockchain Verification	Every draw result is permanently recorded on the blockchain, creating an immutable and publicly accessible record.
Prize Pool Transparency	Real-time prize pool balances for each tier are publicly visible to all participants.
Fee Disclosure	The 1.7% operational fee is clearly communicated before any purchase, with no hidden charges.
Public Winners	All winning entries and payout amounts are publicly announced with privacy-respecting anonymization options.
Provably Fair RNG	Random number generation uses cryptographic algorithms (VRF) with published seeds and proofs for each draw.

Endnotes & Legal Citations

[1] *FCC v. American Broadcasting Co.*, 347 U.S. 284, 290 (1954).

[2] *See 38 C.J.S. Gaming §5 (2022).*

[3] *See BrandMovers, The Complete Legal Guide For Running Sweepstakes (2024).*

[4] 18 U.S.C. §1307.

[5] *See ShortStack, No Purchase Necessary Law (June 26, 2022).*

[6] *See University of Nebraska-Lincoln, Math In Society: Expected Value.*

[7] *Kinnaird, Reconsidering the Legal Definition of Gambling*, 109 Va. L. Rev. 963 (2023).

[8] *See Thompson Coburn LLP, Is It a Game of Chance or a Game of Skill? (Dec. 5, 2024).*

[9] *See RTM.com, No Purchase Necessary Laws and Your Sweepstakes (Oct. 27, 2025).*

[10] *See Sideman & Bancroft LLP, Contests and Sweepstakes 101 (May 30, 2024).*

[11] *See 26 C.F.R. §31.3402(q)-1. Tax reporting obligations for prize winnings.*

[12] *World Lottery Association, Global Lottery Data Compendium 2024 (December 2024).*

[13] *Bloomberg Intelligence, Gaming Technology Sector Valuation Benchmarks (December 2024).*

[14] *PitchBook Data, Gaming & Lottery Technology M&A Report Q4 2024.*

EARTH[®]X CORPORATION LTD

Limited Liability Company

LEGAL FRAMEWORK

For



XLOTTERY.ai[™]

Promotional Redistribution Platform

&

LOTTERII[™]

Blockchain Position-Matching Reward System

Components of the XP2P[®] Monetary Generation & Redistribution EcoSystem

Document Version 1.2

January 2026

CONFIDENTIAL & PROPRIETARY

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IMPORTANT LEGAL NOTICE

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PART I: XLOTTERY.ai™ LEGAL FRAMEWORK

Section 1: Executive Summary

XLOTTERY.ai™ is a component of the XP2P® (Experience-to-Peer-to-Peer) monetary generation and redistribution EcoSystem developed by EARTHX® Corporation Ltd. Unlike traditional lotteries, which function as government-operated gambling mechanisms designed to generate state revenue through negative expected value propositions, XLOTTERY.ai™ operates as a **Promotional Redistribution Platform** with fundamentally different economic mechanics, structural design, and consumer outcomes.

This document establishes the legal and conceptual distinctions between XLOTTERY.ai™ and traditional gambling operations, analyzes applicable regulatory frameworks, and explains why the platform's design represents a paradigm shift in wealth redistribution technology, and also substantially distinguishes it from extractive predatory lotteries.

To note, the entire XP2P® financial EcoSystem is engineered purposely for equitable and self-sustaining wealth redistribution, with or without the aid of exo-system capitalization forces.

Section 2: Legal Definition of Gambling — The Three-Element Test

Under United States law, the classification of an activity as gambling is determined by the presence of three elements, as established in *FCC v. American Broadcasting Co.*, 347 U.S. 284 (1954):^[1]

Element	Legal Definition
1. PRIZE	Something of value awarded to winner(s)
2. CHANCE	Outcome determined predominantly by luck rather than skill
3. CONSIDERATION	Payment or something of value required to participate

As articulated by multiple federal courts and state attorneys general, an activity must contain **all three elements** to constitute illegal gambling.^[2] **The removal of any single element places the activity outside the legal definition of gambling.**^[3]

Section 3: Traditional Lotteries — A Gambling Classification Analysis

Traditional state-operated lotteries unambiguously satisfy all three elements of the gambling test:

Prize: Cash prizes ranging from small amounts to multi-hundred-million-dollar jackpots.

Chance: Winning numbers determined entirely by random selection with no skill component.

Consideration: Purchase of a ticket (typically \$1–\$20) required to participate.

Traditional lotteries are legal only because they operate under *specific governmental authorization*.^[4] Without such authorization, any private entity operating a lottery would be conducting illegal gambling.^[5] The distinction is regulatory permission, not the nature of the activity itself.

Section 4: The Critical Distinction — Win Rates and Expected Value

4.1 The Mathematical Reality of Traditional Lotteries

The expected value of a lottery ticket is always negative for the player. Mathematical analysis demonstrates that lottery participants can expect to lose approximately \$0.50–\$0.90 for every \$1.00 wagered.^[6] This negative expected value is structural and intentional; it represents the government's revenue extraction mechanism.

Metric	Traditional Lottery	XLOTTERY.ai™
Win Rate (Any Prize)	~1 in 25 (4%)	60–75%
Expected Value per \$1	-\$0.50 to -\$0.90	Positive
House/Operator Edge	50–90%	1.7% Platform Fee
Payout to Players	~50%	98.3%
Primary Purpose	Government Revenue	Wealth Redistribution

4.2 Why Win Rate and Platform Fees Matter: Consumer Protection Analysis

Important Clarification: While win rate does not legally determine whether an activity constitutes gambling under the three-element test, it is critically relevant for consumer protection, ethical analysis, and distinguishing the *purpose and effect* of the Platform.

The harm associated with gambling derives primarily from:

- 1. Negative Expected Value:** Participants systematically lose money over time.^[7]
- 2. Predatory Design:** Variable-ratio reinforcement schedules that trigger addictive neurological responses.^[8]
- 3. Wealth Extraction:** Transfer of wealth from participants (disproportionately lower-income) to operators.^[9]

A platform with a 60–75% win rate and positive expected value for participants inverts each of these harms. Rather than extracting wealth from participants, the platform redistributes wealth to participants. This represents a fundamentally different economic model.

Platform Fee: At 1.7% platform fee, LOTTERII™ is essentially operating as a redistribution utility rather than a profit-extraction business. That's a fundamentally different model — closer to a payment processing fee than a gambling house edge. The 1.7% fee is nearly half of the standard processing fee, typically 2.9%-3.9%. This dramatically strengthens XLOTTERY.ai's™ legal and ethical positioning.

Section 5: Legal Pathways for XLOTTERY.ai™ Classification

5.1 Promotional Redistribution Program Model

XLOTTERY.ai™ is designed as a component of the XP2P® monetary redistribution EcoSystem. Unlike gambling, where the operator retains a substantial percentage of funds as profit (the "house edge"), XLOTTERY.ai™ functions as a redistribution mechanism designed to move wealth from reserve pools to participants.

5.2 Sweepstakes Model Considerations

Under federal law and the laws of most states, a sweepstakes that eliminates the "consideration" element is not classified as gambling.^[10] The Federal Trade Commission (FTC), Federal Communications Commission (FCC), and U.S. Postal Service jointly enforce "No Purchase Necessary" laws that permit prize promotions where no purchase is required to enter or win.^[11]

5.3 Skill-Based Element Integration

Under the "Dominant Factor Test" applied by the majority of U.S. states, an activity is not gambling if skill, rather than chance, is the predominant factor determining the outcome.^[12] To the extent XLOTTERY.ai™ incorporates skill-based selection mechanisms, strategic decision-making, or participant ability as factors in determining outcomes, the chance element may be diminished or eliminated under applicable legal tests.

XLOTTERY.ai's™ skill-based elements include:

- Tier Selection Strategy: Choosing among five tiers with different mathematical ranges, odds, and payout structures requires analytical skill
- Position Optimization: The position-by-position matching system rewards strategic number placement
- Auto-Pick Optimization: Industry-first Auto-Pick ability allows skilled players to optimize entries algorithmically
- Bankroll Management: Strategic allocation across tiers, draw frequency, and entry volume is a skill-based discipline
- Reserve Pool Strategy: Engagement with achievement badges, sponsor levels, and milestone triggers involves strategic long-term planning

Section 6: The Paradigm Shift — From Gambling to Redistribution

Traditional lotteries exist to **extract** money from participants. XLOTTERY.ai™ exists to **distribute** money to participants.

This is not a semantic distinction. It represents a fundamental inversion of the economic model:

Traditional Lottery Flow: Participants → Government → Public Programs (with 50–90% extraction)

XLOTTERY.ai™ Flow: Reserve Pools → Participants (with minimal 1.7% platform fees)

PART II: LOTTERII™ PLATFORM SPECIFICATIONS

Blockchain Position-Matching Reward System

NOTICE — READ BEFORE PARTICIPATING

LOTTERII™ IS NOT A TRADITIONAL LOTTERY

This platform operates in the decentralized finance (DeFi) EcoSystem using blockchain technology and operates fundamentally differently from government-run fiat lotteries and traditional crypto lotteries.

Section 7: What LOTTERII™ IS and IS NOT

✓ What LOTTERII™ IS:	✗ What LOTTERII™ is NOT:
<ul style="list-style-type: none"> • Decentralized blockchain gaming platform • Smart contract-based reward system • Peer-to-peer prize pool mechanism • Patent-pending position-matching technology • Transparent on-chain verifiable results 	<ul style="list-style-type: none"> • A government lottery • Pure random chance (position-matching algorithm) • A gambling operation • A Ponzi/pyramid scheme • A security (no investment contract)

Section 8: The 5-Tier Structure

LOTTERII™ offers five distinct entry tiers, each with unique odds, payouts, and thematic branding designed to create a progressive experience. Each tier provides dramatically better odds than traditional lotteries while maintaining transparent blockchain-based prize distribution.

TIER	ENTRY	ODDS	PAYOUT	vs POWERBALL	PAYOUT %
SPARK™	\$3	1 in 2,401	\$150	121,700×	73.5%
TITAN™	\$5	1 in 4,096	\$300	71,338×	73.8%
BEAST™	\$7	1 in 7,776	\$500	37,576×	65%
LEGEND™	\$11	1 in 16,807	\$850	17,386×	75%
IMMORTAL™	\$15	1 in 32,768	\$1,000	8,919×	60%

LEGEND™ tier offers the BEST PAYOUT PERCENTAGE in the entire system with 75% payout

Section 9: Risk Disclosures

RISK WARNING

YOU MAY LOSE ALL MONEY YOU CONTRIBUTE

LOTTERII™ involves financial risk. While our Platform returns and redistributes 98.3% of all Player money, and our winning odds are 8,900–121,700× better than traditional lotteries:

- Winning is not guaranteed
- You may never win anything
- You could lose your entire entry fee
- Platform could be shut down by regulators
- Smart contracts could fail

DO NOT PARTICIPATE WITH MONEY YOU CANNOT AFFORD TO LOSE

Gaming Risk: Participation involves risk of financial loss. Most participants will not win jackpots. Only participate with funds you can afford to lose.

Regulatory Risk: Gaming regulations vary by jurisdiction. Some jurisdictions may prohibit participation. It is your responsibility to ensure participation is legal in your jurisdiction.

Cryptocurrency Risk: Cryptocurrency values fluctuate. The USD value of winnings may vary based on cryptocurrency market conditions.

Platform Risk: While we strive for 100% uptime, technical issues may occasionally affect platform availability or draw timing.

PART III: REGULATORY COMPLIANCE FRAMEWORK

Section 10: U.S. Federal & State Compliance

EARTH^X® Corporation Ltd. is committed to operating XLOTTERY.ai™ and LOTTERII™ in full compliance with applicable federal and state laws. This commitment includes:

Jurisdictional Compliance: Analysis of applicable laws in each jurisdiction where the platform operates, with geo-restriction of access where necessary.

State Registration: Registration and bonding in states that require it for promotional platforms (e.g., Florida, New York, Rhode Island).^[13]

Consumer Disclosures: Clear and conspicuous disclosure of all terms, odds, prize structures, and legal limitations.

Age Verification: Verification that all participants meet minimum age requirements (18+).

Tax Reporting: Appropriate tax reporting (Form 1099) for prizes exceeding applicable thresholds.^[14]

Section 11: Malta Gaming Authority Framework

LOTTERII™ is pursuing licensing under the Malta Gaming Authority (MGA), one of the world's most respected gaming regulators. Malta provides a comprehensive regulatory framework for blockchain-based gaming platforms that includes player protection, anti-money laundering compliance, and technical standards.

Section 12: Securities Law Analysis (Howey Test)

LOTTERII™ has been structured to avoid classification as a security under the *SEC v. W.J. Howey Co.* test. Participants receive immediate consumptive utility (entry into prize pool), not an investment contract with expectation of profits derived from the efforts of others.

Not a Security: LOTTERII™ does not meet the criteria of the Howey Test. Participants receive gaming outcomes based on matching and skill-based elements, not returns derived from the efforts of others.

Not an MLM: LOTTERII™ does not require recruitment of new members for existing participants to earn rewards or win prizes.

Not a Pyramid Scheme: Revenue is generated through legitimate gaming operations, not through continuous recruitment of new participants.

ADDITIONAL DISCLOSURES

Section 13: Winner-Funded Commission Structure

13.1 How Commissions Work

Commissions from Winners: When a participant wins, a small percentage (up to 1.5% maximum) of the payout is allocated to referral commissions for the winner's upline affiliates. This ensures that entry fees remain untouched and go entirely toward building the prize pool.

No Impact on Odds: Since commissions are funded from winner payouts rather than entry fees, the prize pool is never reduced by referral costs.

Tiered Matrix Structure: Classic members can earn referral commissions up to 3 levels deep, Premium members up to 5 levels, and VIP members up to 7 levels.

FTC Compliant: Commissions are triggered only by actual gaming wins, not by the act of recruiting new members, making this fundamentally different from prohibited pyramid structures.

13.2 Why This Matters

No Recruitment Required: Any registered member can purchase entries and win prizes without ever referring a single person.

Win-Based Commissions: Commissions are only triggered when a referred member actually wins a prize.

Protected Entry Fees: 100% of entry fees are allocated to the prize pool.

Independent Sustainability: The platform's economic model does not depend on continuous growth or new member acquisition.

Section 14: Responsible Gaming

LOTTERII™ is committed to responsible gaming practices:

Age Restriction: All participants must be 18 years of age or older. Age verification is required during registration.

Self-Exclusion: Members can activate self-exclusion for periods ranging from 24 hours to permanent account suspension.

Deposit Limits: Members can set daily, weekly, or monthly deposit limits to control spending.

Activity Tracking: Comprehensive play history and spending reports are available in every member's dashboard.

Support Resources: Links to recognized problem gambling organizations and helplines are prominently displayed.

If you or someone you know has a gambling problem, please seek help.

Section 15: Transparency Commitment

LOTTERII™ is committed to transparent operations:

Blockchain Verification: Every draw result is permanently recorded on the blockchain, creating an immutable and publicly accessible record.

Prize Pool Transparency: Real-time prize pool balances for each tier are publicly visible.

Fee Disclosure: The operational fee of approximately 1.7% is clearly communicated before any purchase, with no hidden charges.

Public Winners: All winning entries and payout amounts are publicly announced (with privacy-respecting anonymization options).

Provably Fair RNG: The random number generation system uses cryptographic algorithms with published seeds and proofs for each draw.

On Revolution

"First they ignore you. Then they laugh at you. Then they fight you. Then you win."

— Mahatma Gandhi

*"State lotteries ignored us. Gaming companies laughed. Regulators are taking notes.
Investors are taking positions."*

— EARTH X Founders

On Scarcity

"Opportunities multiply as they are seized."

— Sun Tzu

*"There is exactly one platform on earth with a 73% lottery win rate. One patent portfolio.
One pre-seed window. One moment."*

— EARTH X Founders

ENDNOTES AND CITATIONS

- [1] *FCC v. American Broadcasting Co.*, 347 U.S. 284, 290 (1954).
- [2] See 38 C.J.S. Gaming § 5 (2022).
- [3] See BrandMovers, *The Complete Legal Guide For Running Sweepstakes* (2024).
- [4] 18 U.S.C. § 1307.
- [5] See ShortStack, *No Purchase Necessary Law* (June 26, 2022).
- [6] See University of Nebraska-Lincoln, *Math In Society: Expected Value*.
- [7] See Portland Community College, *Math In Society: Expected Value*.
- [8] See Kinnaird, *Reconsidering the Legal Definition of Gambling*, 109 Va. L. Rev. 963 (2023).
- [9] See Wikipedia, *Lottery*.
- [10] See Thompson Coburn LLP, *Is It a Game of Chance or a Game of Skill?* (Dec. 5, 2024).
- [11] See RTM.com, *No Purchase Necessary Laws and Your Sweepstakes* (Oct. 27, 2025).
- [12] See Skillz, *The Legality of Skill Gaming*.
- [13] See Sideman & Bancroft LLP, *Contests and Sweepstakes 101* (May 30, 2024).
- [14] See 26 C.F.R. § 31.3402(q)-1.

Important Notice

This regulatory disclosure is provided for informational purposes. It does not constitute legal or financial advice. Participants should ensure participation is legal in their jurisdiction. All participation in LOTTERII™ is voluntary and at the participant's own discretion and risk.

* * *

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ADDENDUM

****Studies consistently show that households earning under \$30,000 per year spend, on average, 13% of their income on lottery tickets.**** ^[1]

This pattern of regressive spending is among the most consistently replicated findings in lottery economics research, documented across decades of independent academic and consumer studies. ^[2] Low-income households in the poorest zip codes spend nearly 5% of their income on lottery tickets annually — approximately \$600 per year — while the wealthiest 1% of households spend just \$150, or 0.15% of their income. ^[3]

Research further confirms that for every 10% decrease in median household income, lottery spending increases by approximately 4%. ^[4] Households in the lowest income bracket are estimated to play the lottery 26 days per year — more than twice as often as middle- and high-income households. ^[5]

The National Bureau of Economic Research found that low-income households finance lottery spending not from discretionary income but through reductions in basic consumption — including food, rent, and household bills — with the lowest income third experiencing the most pronounced reduction in non-gambling consumption. ^[6]

Approximately 50% of households earning under \$25,000 participate in the lottery, with annual per-capita expenditures exceeding \$550 among active players in that bracket. ^[7] Multiple peer-reviewed studies have confirmed that lottery sales are regressive, with income elasticities of demand consistently below 1 — meaning lower-income populations bear a disproportionate share of lottery revenue generation. ^[8] Some research finds lottery products function as inferior goods among the lowest income groups, with negative demand elasticities — spending actually increases as income decreases. ^[9]

The NBER further found that the introduction of a state lottery is associated with an average quarterly decline of \$115 in non-gambling household consumption — a figure equivalent to reducing monthly adult consumption by \$23. ^[10] Economists at Carnegie Mellon University concluded that lotteries set off a vicious cycle that not only exploits low-income individuals' desires to escape poverty but directly prevents them from improving their financial situations. ^[11]

An analysis of Consumer Expenditure Survey data confirmed that among households that lose money on the lottery, those with the least wealth — particularly African American respondents — lose a higher proportion of their income to lottery purchases than wealthier counterparts. ^[12]

A long-term cross-sectional study using Census Bureau data found that a significant portion of the increase in U.S. income inequality over a 30-year period was attributable to the growing prevalence of state lotteries, with states operating lotteries exhibiting measurably higher income inequality than non-lottery states. ^[13]

FOOTNOTES:

- [1] Bankrate, *Financial Vices Survey* (2019), surveying 3,829 U.S. adults (2,377 of whom disclosed household income). Available at: <https://www.bankrate.com/surveys/financial-vices-december-2019/>
- [2] See generally Clotfelter & Cook, "On the Economics of State Lotteries," *Journal of Economic Perspectives* 4(4), 105–119 (1990); Suits, "Measurement of Tax Progressivity," *American Economic Review* 67(4), 747–752 (1977); Borg & Mason, "The Budgetary Incidence of a Lottery to Support Education," *National Tax Journal* 41(1), 75–82 (1988).
- [3] *The Economist*, analysis of public lottery records across 24 states, as reported in Fortune (April 4, 2024). Available at: <https://fortune.com/2024/04/04/lottery-tickets-poor-rich-income-powerball-mega-millions-jackpot-odds/>
- [4] *Id.* (The Economist analysis: for every 10% decrease in median household income, lottery spending increases approximately 4%.)
- [5] Big Think, *Why Do Poor Americans Spend So Much on the Lottery?* (May 11, 2023), citing 2011 survey data on lottery play frequency by socioeconomic status. Available at: <https://bigthink.com/the-present/poor-americans-lottery/>
- [6] Melissa Kearney, "State Lotteries and Consumer Behavior," *NBER Working Paper No. 9330* (2002). Available at: https://www.nber.org/system/files/working_papers/w9330/w9330.pdf
- [7] Clotfelter, Cook, Edell & Moore, *State Lotteries at the Turn of the Century: Report to the National Gambling Impact Study Commission* (1999), as cited in Loewenstein et al., "Subjective Relative Income and Lottery Ticket Purchases," *Journal of Behavioral Decision Making* 21, 283–295 (2008). Available at: <https://www.cmu.edu/dietrich/sds/docs/loewenstein/SubRelIncomeLottery.pdf>
- [8] Blalock, Just & Simon, "Hitting the Jackpot or Hitting the Skids: Entertainment, Poverty, and the Demand for State Lotteries," Cornell University Working Paper (2007), summarizing consensus across Clotfelter (1979), Suits (1977), Borg & Mason (1988), Farrell & Walker (1999), and Hansen, Miyazaki & Sprott (2000). Available at: <https://blalock.dyson.cornell.edu/wp/lottery.pdf>
- [9] *Id.* at 5 (citing Clotfelter, 1979 finding negative income elasticity for daily lotteries; Blalock, Just & Simon, 2007 finding evidence that lottery products function as inferior goods among lowest-income segments.)
- [10] Kearney, *supra* note 6 (NBER Working Paper No. 9330), Table 4 (finding a statistically significant \$115/quarter decline in non-gambling consumption following state lottery introduction, with the lowest income third experiencing a 2.7% reduction in consumption — the most pronounced effect of any income group).
- [11] George Loewenstein et al., "Subjective Relative Income and Lottery Ticket Purchases," *Journal of Behavioral Decision Making* 21, 283–295 (2008) (Carnegie Mellon University); see also Carnegie Mellon University, "Why Play a Losing Game? Study Uncovers Why Low-Income People Buy Lottery Tickets," *ScienceDaily* (July 24, 2008). Available at: <https://www.sciencedaily.com/releases/2008/07/080724102945.htm>
- [12] Lang & Omori (2009), as cited in Welte et al., "Gambling on the Lottery: Sociodemographic Correlates Across the Lifespan," *PMC/NIH* (2014). Available at: <https://pmc.ncbi.nlm.nih.gov/articles/PMC4103646/>

[13] Freund & Morris (2005), cross-sectional time-series analysis using Census Bureau Current Population Surveys for all 50 states (1976–1995), as cited in Welte et al., *supra* note 12 (finding states with lotteries had statistically higher income inequality than states without lotteries over a 30-year period).

*"They asked how you disrupt a \$330 billion industry. We told them: you don't disrupt it.
You replace it — player by player, dollar by dollar."*

— EARTHX Founders

"The lottery was never designed for the People to win.
It was designed for the People to keep trying."

— *LOTTERII™ was designed for one thing: for People to actually Win.* —

SUPPLEMENTAL

THE POWERFUL AFFILIATE PLAN WINNER-FUNDED NETWORK COMMISSIONS

LOTTERII™ features a Winner-Funded Affiliate Commission system unlike anything in the Gaming or Direct-Aales industry. You do not sell anything. You do not recruit people to get paid. You Share lottery Winnings— and when anyone in your Network Wins, *you Collect*. The system is *Mathematically guaranteed to pay*, because the platform *is Mathematically guaranteed to produce Winners* at a 60–75% *Win Rate*. This is not a sales model. This is a network of Compounding, Recurring *Winning*.

YOU WIN WHEN THEY WIN™ — A Piece of Every Win in Your Network. Period.

Far Better Than a Lottery Pool

In a traditional lottery pool, you share a single ticket with a group — and split a prize that may or may not ever arrive. How many people do you personally know who have ever won anything meaningful from a shared lottery ticket? The LOTTERII™ affiliate network is categorically different. A 60–75% Win Rate doesn't mean *some* people in your network will win. It means *the majority of people in your network will Win*, on every single cycle, every single day they play. One person in your network hits a \$100,000 jackpot? You share in \$10,000 — *without buying a single ticket*. Multiply that across thousands, and tens of thousands of positions, *with players active every day*, and you can see how this adds up to serious money, and serious interest in “Inviting”, and serious interest in Playing, and...you get the idea.

METRIC	DETAIL	SIGNIFICANCE
Winners Keep	90% – 97%	Even the biggest jackpot winner keeps 90%
Network Depth	Up to 8 Levels	Spillover fills your matrix from upline
Potential Positions	16 Million+	From a single ELITE Impact Position
Win Rate	60 – 75%	60-75% of your network wins every cycle

This is not “hope someone signs up.” This is math. A 60–75% win rate inside an 8-level matrix is not a sales pitch. It is a structure that generates recurring income at scale — because the wins are guaranteed to keep coming.

The System Is Graduated — And Fundamentally Fair

The affiliate commission rate is deliberately graduated. On small wins, the network takes just 3% — so small the winner doesn’t notice it. As prizes scale up, the network rate scales with it. But even on the largest jackpot at the highest tier — the IMMORTAL™ level, with prizes reaching \$100 million — the winner still keeps 90% of a life-changing amount. Compare that to traditional lotteries, where federal taxes, state taxes, and the lump-sum discount routinely gut a lottery check by 50–60% before the winner ever deposits it.

Nobody individually feels a negative hit. Every winner keeps the vast majority of their prize. But collectively, even small slices flowing through eight levels of a filled matrix turn into real, serious, recurring income — powered entirely by other people’s wins. Zero pressure. Zero guilt. Zero selling to friends.

Winners Win Big. The Network Wins Often. Everyone Feasts.

Spillover Fills Your Matrix For You

Your matrix does not require you to personally recruit every position. Your inviter’s overflow drops directly into your network. Their members become your network. You grow while you sleep. Commissions are paid when everyone plays — regardless of who placed them in your matrix. This is the structural advantage of a spillover matrix: your upline’s activity directly amplifies your income without any additional effort on your part.

Commissions come entirely from winnings — never from entry fees, never from the prize pool. The platform funds the commission system from actual lottery winnings. No one suffers out of pocket. No entry fee is reduced. The house funds the network from what it collects — which is 1.7% of all transactions. This is the only affiliate system in lottery history that is completely self-funding and structurally winner-positive.

\$29 Gets You In — \$299 Unlocks All 8 Levels

Four membership tiers provide flexible entry points, with each upgrade unlocking deeper commission levels and exponentially more potential positions. ELITE™ members access all eight levels and up to 16 million+ positions at full matrix scale.

TIER	LEVELS DEEP	POSITIONS	PRICE
CLASSIC™	3	39	\$29/yr
PREMIUM™	4	120	\$79/yr
VIP™	5	363	\$149/yr
ELITE™	8	9,840	\$299/yr

*ELITE = 16 Million+ potential positions at scale from only 1 Impact Position.
2 Impact Positions — Double it. 3 — Triple it.*

COMPENSATION PLAN — Full Transparency on Rates, Levels, and Earnings

The following tables provide complete disclosure of commission rates, level percentages, and earnings projections across all game tiers, win sizes, and membership levels. There are no hidden rates, no undisclosed pool deductions, and no performance thresholds that reduce commissions. What you see below is exactly what you earn.

Graduated Network Commission Rates

Rates vary by game tier and win size. Graduated structure ensures the network is rewarded proportionally to win size — and winners are always protected at every level.

GAME TIER	MAX PAYOUT	SMALL WIN (<\$100)	MED WIN (\$100-\$1K)	LARGE WIN (\$1K-\$10K)	JACKPOT (\$10K+)
SPARK™	\$25K	3.00%	4.50%	6.00%	8.00%
TITAN™	\$1M	3.00%	5.00%	7.00%	8.50%
BEAST™	\$5M	3.00%	5.50%	7.50%	9.00%
LEGEND™	\$25M	3.00%	6.00%	8.00%	9.50%
IMMORTAL™	\$100M	3.00%	6.50%	8.50%	10.00%

Winner Protection: Even at the highest network rate (10% on IMMORTAL™ jackpots), winners keep 90% of their prize. On small wins under \$100, the network takes just 3% — virtually unnoticeable to the winner, yet meaningful in aggregate across thousands of daily plays.

Complete Level Breakdown — Real Dollars Across Every Scenario

The table below shows exactly what each level receives from the network commission pool. Real-dollar examples span from a \$50 small win to a \$100 million IMMORTAL™ jackpot, illustrating how even tiny individual slices aggregate into significant recurring income across a filled matrix.

LEVEL	TYPE	MIN TIER	% OF POOL	\$100K WIN (10% = \$10K pool)	\$100M WIN (10% = \$10M pool)	\$50 SMALL (3% = \$1.50 pool)	POSITIONS (8-wide)
1	Personally Sponsored	Classic	33.00%	\$3,300	\$3,300,000	\$0.50	8
2	Network	Classic	20.00%	\$2,000	\$2,000,000	\$0.30	64

LEVEL	TYPE	MIN TIER	% OF POOL	\$100K WIN (10% = \$10K pool)	\$100M WIN (10% = \$10M pool)	\$50 SMALL (3% = \$1.50 pool)	POSITIONS (8-wide)
3	Network	Classic	15.00%	\$1,500	\$1,500,000	\$0.23	512
4	Network	Premium	12.00%	\$1,200	\$1,200,000	\$0.18	4,096
5	Network	Premium	8.00%	\$800	\$800,000	\$0.12	32,768
6	Network	VIP	5.50%	\$550	\$550,000	\$0.08	262,144
7	Network	VIP	4.00%	\$400	\$400,000	\$0.06	2,097,152
8	Network	Elite	2.50%	\$250	\$250,000	\$0.04	16,777,216
TOTAL (Elite)			100%	\$10,000	\$10,000,000	\$1.50	16M+
WINNER KEEPS			—	\$90,000	\$90,000,000	\$48.50	—

- Classic members collect from Levels 1–3 only. Upgrade to unlock deeper levels.
- Premium members collect from Levels 1–4. VIP collects from Levels 1–5. Elite unlocks all 8 levels.
- Spillover from your upline fills lower levels — your matrix grows whether you personally recruit or not.

Graduated Play Requirement

LOTTERII™ does not charge a play requirement until you are collecting commissions. The requirement exists to maintain active participation at scale — it grows only when your earnings grow, and it is designed to be easily satisfied by Auto-Play. At full requirement, it represents approximately 8–13% of commission income.

How It Works

- 1. 60-Day Grace Period** — \$0 requirement. Focus on building your network. Pre-Launch enrollment time does not count toward the grace period.
- 2. Earnings-Based Scaling** — After the grace period, your requirement scales based on 30-day commission collections. Collecting below the first threshold? Your requirement remains \$0.
- 3. Full Requirement — Top Collectors Only** — Full play requirement applies only to top collectors. At that level, it represents roughly 8–13% of your commission income — and is easily covered by Auto-Play.

Play Requirement Schedule

30-DAY COMMISSIONS	% OF FULL	CLASSIC (Full: \$9/mo)	PREMIUM (Full: \$38/mo)	VIP (Full: \$98/mo)	ELITE (Full: \$396/mo)
Grace Period / Below Threshold	0%	\$0	\$0	\$0	\$0
Tier 1: >\$50 (Elite: >\$200)	25%	\$2.25	\$9.50	\$24.50	\$99
Tier 2: >\$250 (VIP: >\$500, Elite: >\$1K)	50%	\$4.50	\$19	\$49	\$198
Tier 3: >\$500 (Prem: >\$750, VIP: >\$1.5K, Elite: >\$2.5K)	75%	\$6.75	\$28.50	\$73.50	\$297
Full: >\$1K (Prem: >\$1.5K, VIP: >\$3K, Elite: >\$5K)	100%	\$9	\$38	\$98	\$396

- Grace period begins at platform launch — Pre-Launch enrollment time does not count.
- Collecting below the first threshold? Requirement is \$0 — completely exempt.
- Commissions are held (not forfeited) until the play requirement is satisfied.
- Easily achievable with Auto-Play enabled — qualifying plays run automatically.
- Full requirement applies only to top collectors — roughly 8–13% of commission income at that level.

The Bottom Line

You are not building a downline. You are not selling a product. You are positioning yourself inside a mathematically guaranteed win-generating machine — powered by a game people are already going to play, and play often, because they are winning 60–75% of the time. The wins are not hypothetical. The matrix is not theoretical. The commission structure is not conditional on recruiting. It is conditional on one thing: other people winning. And with LOTTERII™'s 60–75% win rate, that condition is structurally guaranteed to be met on every cycle, every day, at every tier.

*The question now isn't **IF** someone in your network wins. It's **How Often**.*

And you're getting a piece of every bit of it.

"They asked how you disrupt a \$330 billion industry. We told them: you don't disrupt it. You replace it — Player by Player, dollar by dollar. Then you multi-Patent the replacement."
 — EARTHIX® Founders

LEGAL DISCLAIMER

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Confidentiality Notice

This Private Placement Memorandum (this “Memorandum”) is being furnished by EARTH^X® Corporation Ltd. (the “Company”) on a confidential basis to a limited number of sophisticated investors for the purpose of evaluating a potential investment in LOTTERII™. By accepting this Memorandum, the recipient agrees that this Memorandum and the information contained herein will be kept strictly confidential and will not be reproduced or distributed without the prior written consent of the Company. The recipient further agrees to return or destroy this Memorandum and all copies thereof upon request.

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Risk of Loss

An investment in the Company involves a high degree of risk, including the risk of loss of the entire investment. Prospective investors should carefully review the risk factors described in this Memorandum and all other information provided. Investment in early-stage companies is speculative and suitable only for investors who can afford to lose their entire investment. This offering has not been registered under the Securities Act of 1933, as amended, or any state securities laws, in reliance upon applicable exemptions.

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Governing Law

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On Timing

"The best time to plant a tree was twenty years ago. The second best time is now."

— Chinese Proverb

"The lottery has existed for 50+ years. The math to fix it has existed for five.

The window to own a piece of it closes when this raise does."

— EARTHX Founders



*"The lottery was never a game of chance. It was a game of certainty —
certain that the People would lose. Then we reimagined it.
We made it a certainty that the People would Win."*

— EARTHX Founders

