

Sep 12, 2025

Consumer

SEGG

NASDAQ

Rating

Outperform

Initiation

Current Price

\$5.63

Target Price

\$20.00

Market Capitalization

22.18m

Shares Outstanding

3.94m

Float

2.90m

Institutional Holdings

1.51%

12-Month Low/High

\$2.20/\$26.45

Average 90-Day Volume

100710

Fiscal Year End

12/31/2025

SEGG Media Corporation

Leveraging Strong Brands As A Foundation For Growth

Initiation of coverage with Outperform rating and \$20 price target. We are initiating coverage on SEGG Media (NASDAQ: SEGG) with an Outperform rating and \$20 target. The company is a development-stage operator of international sports and gaming businesses, anchored by valuable brand assets including Sports.com, Lottery.com, TicketStub.com, and Concerts.com.

Developmental stage. Formed out of Lottery.com's collapse, SEGG has been reconstituted under new leadership with a defined focus on leveraging globally recognized brands. Management is pursuing an asset-light model combining digital platforms, sports media rights, and consumer venues. We believe this strategy positions SEGG to re-establish credibility and execute a compelling growth plan.

Sports initiatives led by Boca Sports Complex. Sports.com was relaunched globally in 2025 as a streaming and digital content platform. Complementing this, SEGG is preparing to open the Boca Sports Complex, a 100,000 square-foot, fully completed arena with paddle, pickleball, basketball, golf simulators, and a premium gym. We expect it to be the company's near-term revenue and cash flow driver.

Lottery business to reemerge. SEGG is also reviving Lottery.com as a mobile-first platform enabling users to digitally purchase, store, and redeem draw-based lottery tickets. International rollout is planned for late 2025, followed by phased re-entry into the U.S. pending state licenses. We believe this is a scalable, regulated business line with strong recurring revenue potential over time.

Valuation grounded in domain and asset value. We value SEGG based on its embedded assets. Our framework assigns \$101 million to its four domain names and \$16 million to the Boca Sports Complex (5x 2026E adj. EBITDA). Applying a 20% discount for execution risk yields an \$81 million enterprise value, or \$20 per share, supporting our Outperform rating.

Equity Research

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**Refer to the last two pages for
Analyst Certification & Disclosures**

Revenues (\$ MIL)

Period

Q1

Q2

Q3

Q4

EPS (\$)

Period

Q1

Q2

Q3

Q4

Investment Appraisal

SEGG Media (NASDAQ: SEGG) is a development-stage company seeking to build a diversified portfolio of international sports and gaming businesses anchored by its highly recognizable brands, Lottery.com and Sports.com. The company was reconstituted following the collapse of Lottery.com, which had suffered from operational failures, liquidity shortfalls, and regulatory challenges that eroded investor confidence and forced restructuring. Out of this reset, SEGG has emerged with a new management team, a redefined strategic focus, and a pathway to monetize valuable brand assets across sports, lottery, and entertainment.

The new leadership team is pursuing a multi-pronged business plan. The company relaunched its Mexican lottery business, called Aganar, in August 2025, with lottery operations in additional international jurisdictions and phased re-entry into select U.S. states expected in late 2025. Parallel to this effort, Sports.com was relaunched in August 2025 as a global streaming and content platform, delivering live sports, esports, and premium programming. Early agreements, including the exclusive international streaming rights for Super League Kerala, a professional soccer league based in India, signal management's intent to position Sports.com at the intersection of sports, technology, and entertainment. Together, these initiatives mark a sharp pivot away from Lottery.com's troubled past and toward a broader, brand-driven ecosystem.

To accelerate momentum, SEGG has complemented organic brand launches with targeted acquisitions and partnerships. Recent deals include Veloce Media, GXR, and a collaboration with David Lloyd. The most significant near-term initiative is the acquisition of rights to the Boca Raton All-Sports Arena, a fully completed 100,000 square foot facility that will relaunch as the "Sports.com All Sports Arena, designed by David Lloyd." The venue will feature high-performance athletic spaces such as padel, pickleball, basketball, golf simulators, and a premium gymnasium. Management expects the Boca facility to be the company's primary revenue and cash flow generator in the near term while broader platform initiatives scale.

As of the most recent quarter, SEGG reported \$5.3 million in notes payable alongside a modest cash position, reflecting limited near-term liquidity and highlighting the importance of cash flow generation from Boca and future capital raises. The company remains in an early-stage buildout phase, with asset value concentrated in its domain portfolio and operating leverage yet to be realized. The absence of significant long-term debt provides financial flexibility, but the company must still secure additional funding to support international launches and scale Sports.com.

From a financial perspective, we believe the most appropriate valuation lens for SEGG at this stage is its embedded asset value. The company controls four highly valuable domain names: Sports.com, Lottery.com, TicketStub.com, and Concerts.com. We benchmark these against valuations of similarly ubiquitous domains. Using a mean peer value of approximately \$21 million per domain, we estimate an aggregate domain value of \$85 million. To this we add the Boca Sports Complex, which we forecast to generate roughly \$3.2 million in adj. EBITDA by 2026. Applying a conservative 5x multiple, we value the Boca complex at \$16 million. Together, these assets total \$101 million. Applying a 20% discount to reflect execution risk, our target enterprise value for SEGG is approximately \$81 million, or \$20 per share, reflecting substantial upside from current trading levels.

While speculative in nature, SEGG offers investors asymmetric upside potential tied to the monetization of globally recognized brand assets. Execution risks remain significant, particularly with respect to capital needs, liquidity constraints, and the challenge of scaling new business models. However, if management delivers on its plan to monetize the Boca facility, relaunch Lottery.com domestically and internationally, and establish Sports.com as a credible global sports media platform, we believe the company is positioned to create meaningful long-term shareholder value.

Investment Highlights

Global relaunch of Sports.com. The brand officially relaunched in August 2025 with a global website and mobile app featuring live streaming, esports, and premium content. Strategic deals with BOXXER/Sky Sports in Africa and Soccerex 2025 sponsorship broaden visibility and audience reach.

Expanded sports presence. Sponsorships in IndyCar and INDY NXT and the build-out of Sports.com Studios for films and docuseries strengthen the company's integration of live sports, media, and entertainment.

Lottery re-entry plans. The company intends to resume international B2C lottery platform operations in late 2025, with phased U.S. expansion to follow, creating a potential incremental growth channel.

Multi-revenue sports ecosystem. Acquisitions (Veloce Media, GXR) and partnerships (Super League Kerala, David Lloyd) are repositioning Sports.com into a global sports hub spanning esports, gamified fan engagement, apparel, live events, and international leagues.

Flagship Boca Raton arena. The planned acquisition of the 100,000 sq. ft. All-Sports Arena, in partnership with David Lloyd, marks his U.S. market entry and provides a platform for high-performance sports, fitness, and fan engagement under the Sports.com brand.

Investment Risks

Capital intensity. Significant capital will be required to fund operations and growth initiatives across streaming, gaming, and arena operations.

Competitive landscape. The company faces entrenched competition from broader sports and entertainment providers, limiting market share capture.

Macroeconomic pressure. Consumer discretionary spending headwinds may affect engagement with sports entertainment and gaming ventures.

Profitability risk. Core businesses in streaming, sports entertainment, and gaming may not scale to sustainable profitability in the near term.

Technological disruption. Rapid advances in digital technology and AI may erode competitiveness if the company fails to adapt quickly.

Liquidity constraints. The stock's limited liquidity and trading volume, coupled with outstanding loans, reduce financial flexibility and increase execution risk.

Industry Overview

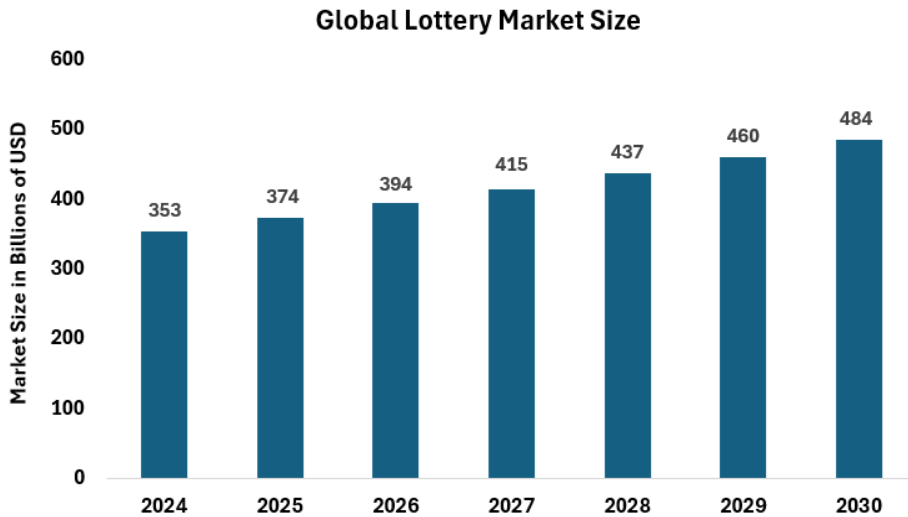
While SEGG Media is a developmental company and has not yet resumed full operations, the company aims to operate three somewhat distinct sectors: digital lottery operations & services, Sports content & lifestyle centers, and live event ticket sales & entertainment. Importantly, the three sectors the company plans to operate in are centered around its flagship domain names, Lottery.com, Sports.com, Concerts.com, and TicketStub.com.

Lottery

The global lottery market is one of the largest segments of the gaming industry. Traditionally, lottery tickets have been sold through retail outlets; however, over the past decade, the market has seen significant growth in digital lottery, or iLottery sales. Importantly, digital platforms allow players to purchase draw tickets, instant-win games, and subscription products through official lottery websites, mobile applications, or in some areas through third-party couriers. As such, digital lotteries provide users more convenience, faster access to results, and the ability to participate in lottery games without visiting a physical location.

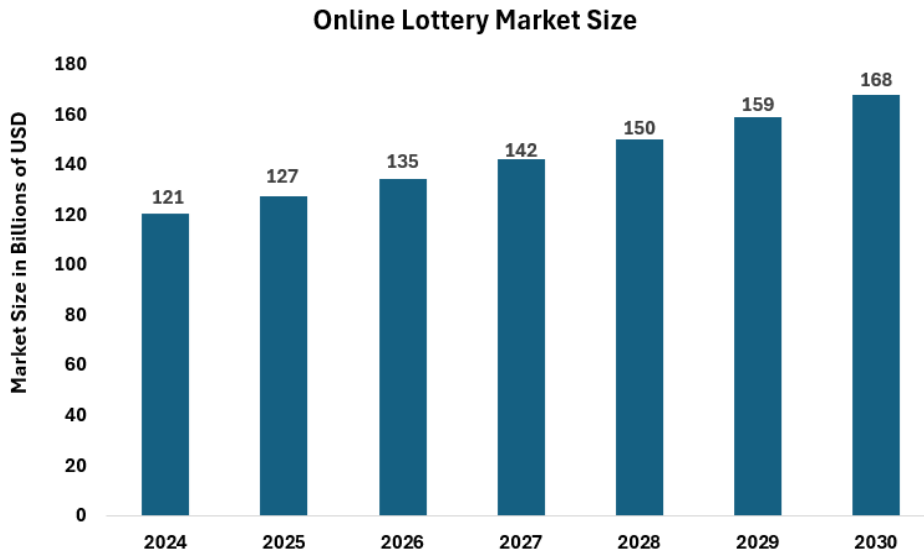
According to Grand View Research, the global lottery market size was estimated to be \$353 billion in 2024 and is expected to grow at a compound annual growth rate (CAGR) of 5.3% from 2025 to 2030, reaching roughly \$484 billion in 2030, as illustrated in Figure #1 Global Lottery Market Size. One of the key factors driving the market's growth is the online lottery market, which was estimated to be worth \$120 billion in 2024 and is projected to grow at a CAGR of 5.7% from 2025 to 2030, as illustrated in Figure #2 Online Lottery Market Size. Importantly, the online lottery market is the fastest growing portion of the global lottery market, and is benefiting from improved internet access, smartphone adoption, secure payment systems, and geolocation verification. Additionally, online lottery sales provide users with a convenient, faster way to access results without visiting a physical location.

Figure #1 Global Lottery Market Size



Source: Grand View Research

Figure #2 Online Lottery Market Size.



Source: Grand View Research

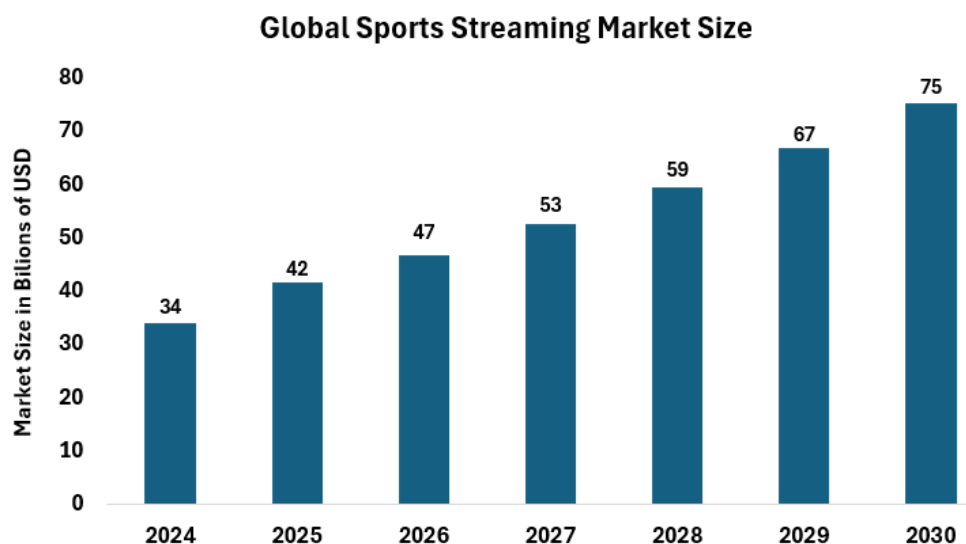
Notably, the online lottery market is highly fragmented, with a complex regulatory environment that varies from one jurisdiction to the next. In the U.S., the regulatory environment varies state by state, with each state adopting its own set of standards. Furthermore, 45 states have lotteries, with 26 states offering online lottery sales, utilizing official lottery websites or third-party courier websites. Moreover, of the 26 states that offer online lottery sales, only 16 allow online lottery sales through third-party couriers. As such, the outlook for third-party lottery ticket couriers in the U.S largely depends on state regulations. Moreover, regulations vary significantly internationally and provide a complex roadmap for operators to navigate if they wish to operate in multiple international jurisdictions.

Sports

Importantly, sports streaming refers to the distribution of sports content over the internet, enabling consumers to watch on smartphones, tablets, smart TVs, and computers. It initially started in the early 2000s with limited live broadcasts of niche events and highlights, and has since expanded into mainstream coverage of major sporting events.

According to ResearchandMarkets.com, the global sports streaming market was estimated to be worth roughly \$34 billion in 2024, and is projected to grow at a CAGR of 12.6% from 2025 to 2030, reaching a value of \$75 billion in 2030, as illustrated in Figure #3 Sports Streaming Market Size. Notably, the industry is benefiting from growing smartphone and internet availability around the world, flexible viewing options, with content available on mobile devices, online, and through Smart TVs. Additionally, streaming expands content reach, enabling viewers to follow international leagues or tournaments that may not be broadcast locally, with subscription-based platforms providing customizable packages, allowing fans to pay only for the content they want. In our view, the sports streaming market stands to benefit from a larger trend of growing internet adoption, and traditional customers “cutting the cord” and moving to internet-based TV.

Figure #3 Sports Streaming Market Size



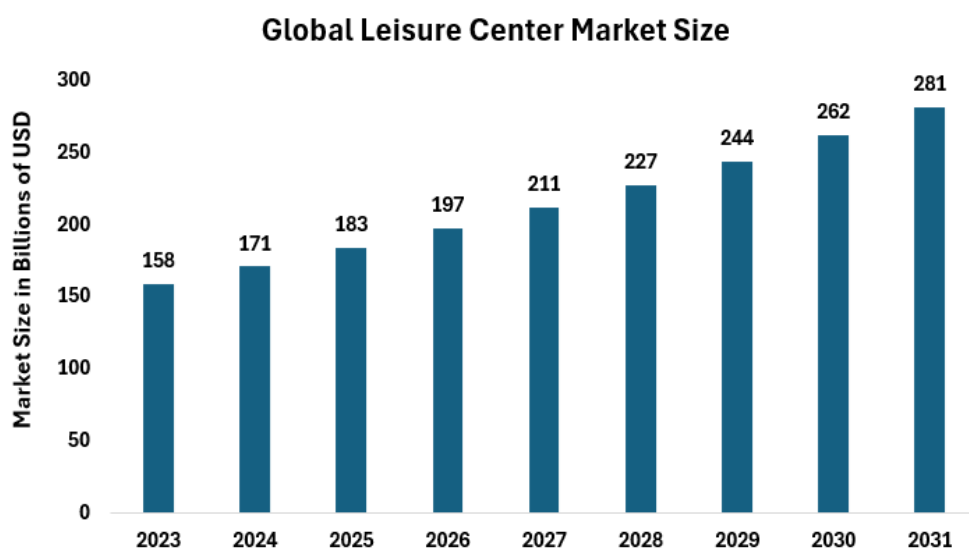
Source: ResearchandMarkets.com

Lifestyle Centers

Lifestyle centers are mixed-use facilities that combine several consumer destinations under one roof, including retail shopping, dining, fitness, entertainment, and co-working space, with a focus on convenience and customer experience. In our view, lifestyle center offerings are aligned with post-pandemic consumer trends, including remote work, convenience, and improved social interaction, which have strengthened their appeal. Notably, by combining these amenities, lifestyle centers encourage repeat visits and create spaces where people can work, live, and socialize in one location.

Furthermore, according to Flair Insights, the global leisure center market was estimated to be valued at \$158 billion in 2023 and is projected to grow at a CAGR of 7.4% from 2023 to 2031, reaching a value of \$281 billion at the end of the forecast period, as illustrated in Figure #4 Global Leisure Center Market Size.

Figure #4 Global Leisure Center Market Size.

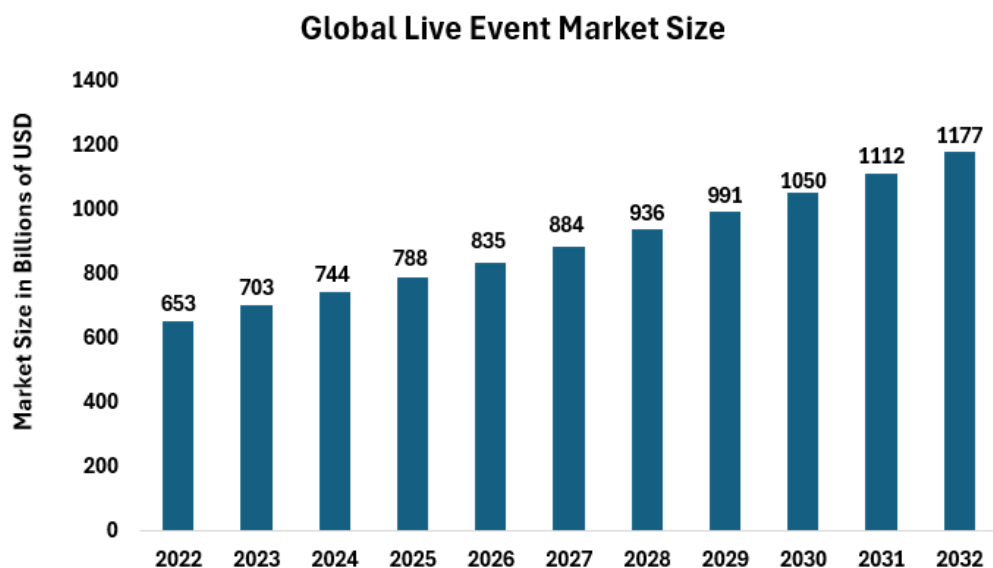


Source: Flair Insights

Entertainment

The live event entertainment industry encompasses a broad range of in-person experiences, including concerts, sports events, and festivals. The industry is largely driven by consumer demand for shared live experiences that cannot be replicated digitally. Revenue is generated through ticket sales, sponsorships, merchandise, concessions, and media rights. Following the COVID-19 pandemic, the sector has rebounded strongly as pent-up demand for in-person gatherings has accelerated attendance. Additionally, technology is reshaping the space, with mobile ticketing, cashless concessions, and live streaming complementing the on-site experience rather than replacing it.

According to Allied Market Research, the global live event market is estimated to be valued \$652 billion in 2022 and is projected to reach roughly \$1.2 trillion by 2032, growing at a CAGR of 5.9% from 2023 to 2032, as illustrated in Figure #5 Live Event Market Size. As previously mentioned, the growth in the live event industry is largely driven by consumer demand for shared live experiences that cannot be replicated digitally, and is currently benefiting from pent up demand following the COVID-19 Lockdowns.

Figure #5 Live Event Market Size.

Source: Allied Market Research

Company Overview

SEGG Media was founded in 2015 as AutoLotto, a mobile-first platform that provided consumers with the ability to digitally purchase, store, and redeem draw-based lottery tickets, with instant confirmation of their chosen or randomized ticket numbers. Following the successful launch of its mobile platform, the company expanded its operational capabilities with the acquisition of TinBu LLC, a provider of lottery and jackpot data services, in 2018. Furthermore, the company's integration of lottery game sales to consumers and lottery data services supported an integrated portal for businesses (B2B API), which enabled commercial partners to sell lottery tickets to end users through white-labeled integrations. Additionally, the company's technological capabilities were utilized to operate and administer all sweepstakes campaigns for WinTogether, a charitable organization founded in 2020.

By early 2021, SEGG Media had its sights set on expanding operations to Mexico's iLottery Market and secured controlling stakes in two existing operators, Aganar and JuegaLotto. Later that year, the company went public through a SPAC, rebranded as Lottery.com, and bolstered its portfolio with the acquisition of Sports.com. Notably, less than a year after going public, the company lacked sufficient financial resources to meet its payroll and operational obligations, resulting in an effective cessation of operations in July 2022.

Cessation of Operations

SEGG Media's Audit Committee retained outside counsel on July 6, 2022, to conduct an independent Internal Investigation into compliance with state and federal lottery ticket procurement and order fulfillment laws and into the company's internal accounting controls. The review led the Board to terminate President, Treasurer, and CFO Ryan Dickinson, and to launch a full review of cash balances, revenue recognition, and other controls.

The company's auditor, Armanino LLP, informed the company that its audited 2021 financial statements and unaudited March 31, 2022, results were no longer reliable, citing an undisclosed line of credit. The results of the audit prompted the Board to conclude that SEGG Media lacked sufficient resources to meet payroll and other obligations. Consequently, on July 28, 2022, the company ceased most lottery sales operations, furloughing the majority of employees, while retaining essential product, IT,

HR, legal, and compliance staff to address legal issues and secure funding.

On September 27, 2022, Armanino resigned as SEGG's independent registered public accounting firm, and on October 7, the Audit Committee retained Yusufali & Associates, LLC as its new auditors. Since the operational shutdown, U.S. activities have been minimal, with the company focused on restarting core business lines and completing its outstanding quarterly and annual SEC filings.

Resumption of Operations

The initial phase of resuming operations was completed in April 2025 with the successful launch of its sweepstakes operations at the Miami Grand Prix. Although there have been no other sweepstakes events this year, the launch confirmed the platform's operational ability, and the company is working towards hosting larger nationwide events.

Furthermore, on August 1, 2025, the company announced the relaunch in Mexico of its B2C lottery platform, called Aganar, and highlighted that it is the first step in a broader Latin American expansion strategy. Additionally, the company recently announced plans for a limited rollout in select U.S. states later this year, including Pennsylvania, Virginia, and Michigan. In our view, the limited initial rollout provides the company with additional time to ensure compliance with local, state, and federal ticket procurement and distribution. Following the limited rollout in select jurisdictions, the company will look at expanding operations in additional jurisdictions where there is a friendly regulatory framework. Additionally, the company has also maintained prepaid advertising credits that it plans to utilize for promotional campaigns, targeting prior customers to return and to acquire new customers.

Moreover, the company's international lottery operation is underpinned by the technology acquired in the Spektrum LTD acquisition in March 2025, enabling the company to operate lottery, sweepstakes, and social gaming operations in several international jurisdictions in Europe, Africa, and Asia. As such, the Company is in the process of procuring the appropriate licensing and business services to launch in multiple international jurisdictions.

In addition to restoring lottery operations, the company is planning to monetize Sports.com and launch its entertainment segment. Notably, the entertainment segment will be underpinned by the recent acquisition of Dotcom Ventures, which includes the domain names Concerts.com and Ticketstub.com.

Numerous changes have been made to resume and expand operations, including securing new financing, hiring new management, completing audits, navigating regulatory hurdles, and pursuing strategic acquisitions and partnerships. The company's revenue is primarily driven by its data business, which continued to operate through cessation, and lottery ticket sales in Mexico. Furthermore, the company anticipates that operational costs will exceed revenue through August 2026, and that the liquidity gap will be satisfied by equity investment or debt. Once the company is fully operational, it will operate through three segments: Sports.com, Lottery.com, and Entertainment, utilizing its flagship domain names, Sports.com, Lottery.com, Concerts.com, and TicketStub.com.

Lottery.com

Lottery.com is a mobile-first platform that allows consumers to digitally purchase, store, and redeem draw-based lottery tickets. The app offers users an easy way to register and purchase lottery tickets, with an instant confirmation of their chosen or randomized ticket numbers. Prior to operational cessation, revenue from Lottery.com was generated through lottery game sales to consumers (B2C), B2B partnerships, and lottery data services.

Prior to cessation, the company's B2C revenue consisted of the retail value of the lottery game and a service fee that was charged on each lottery ticket purchase through its B2C Platform. The amount of the service fee is based on several factors, including the retail value of the lottery game purchased, the number of lottery games purchased per transaction, and whether the user is located within the U.S. or internationally.

Currently, the minimum service fee is \$0.50 for the purchase of a \$1 lottery game and \$1 for the purchase of a \$2 lottery game

in the U.S. The service fee for additional lottery games purchased in the same transaction is 6% of the retail value of all lottery games purchased. For example, the service fee for the purchase of five \$2 tickets is \$1.60, which is comprised of the \$1 base service fee, plus 6% of the aggregate retail value of all lottery games purchased. Notably, in August, the company announced the relaunch of its B2C lottery platform in Mexico, Aganar. In our view, the relaunch of Aganar is a favorable early development as the company is working towards launching B2C operations in additional international jurisdictions and relaunching in select U.S. states. The company anticipates that its flagship B2C Platform, Lottery.com, will become operational in 2025.

B2B API

The platform also previously supported a B2B API that enabled commercial partners in approved regions to offer legal lottery tickets to end users through white-labeled integrations. The company generated revenue by charging a Technology usage fee to its third-party partners on the sale of each lottery game purchased through its B2B API, along with a service fee to be charged to the user. Importantly, the company receives up to 50% of the net revenues from the technology usage fee and a service fee under its agreement with each commercial partner.

Data Services

Customers of the company's Data Service pay a subscription fee for access and pay an additional per-record fee for the acquisition of certain large data sets. Furthermore, the company enters into multi-year contracts where it sells proprietary, anonymized transaction data. Notably, the company's Data Services operations were not impacted by the cessation of Operations. While the company's data services have historically been used for lottery data, we believe there is an opportunity to expand operations to other types of data, including sports.

Sweepstakes Operations

Before suspending operations, the company managed and administered all sweepstakes run by WinTogether, a non-profit organization that funds charitable, educational, and scientific causes. In exchange for operating and administering the campaigns, the company earned a percentage of gross donations. Notably, the company restarted its sweepstakes offerings in April 2025, with Sports.com sponsoring a sweepstakes campaign under the WinTogether trust, which was marketed under the Donate To Win brand. The campaign benefited Florida International University and offered a VIP experience at the 2025 Miami Grand Prix. Moreover, the April 2025 campaign demonstrated the platform's operational capabilities, and the company is currently working towards hosting larger nationwide events.

Sports

The company's Sports.com brand includes the Sports.com website and mobile app, in-person sporting and lifestyle centers, apparel, and sports entertainment. Notably, Sports.com was acquired in 2021, prior to the company's operational cessation, but was never monetized. Initially, Sports.com only operated as a digital sports media platform, providing sports content through the Sports.com website and mobile app. However, over the past year, the company has announced a flurry of favorable developments that expanded Sports.com's offerings, content, brand awareness, and technological capabilities.

Sports.com

Importantly, the company has made significant progress in enhancing Sport.com's content and technological capabilities through strategic partnerships and acquisitions. Notably, the company is focused on growing its presence in the Motorsports and Soccer verticals, with several key partnerships recently announced. In our view, the recent partnerships demonstrate management's ability to execute strategic growth initiatives.

In May 2025, Sports.com entered into a sponsorship agreement with professional INDY car drivers Louis Foster, Callum Ilott, and Sebastian Murray. The sponsorship agreements include Lottery.com and/or Sports.com branding on the vehicle and driver uniform. Additionally, the Sebastian Murray sponsorship includes promotional media rights, social media campaigns, production rights to the content series Rookie Road, and monthly interviews. In our view, the sponsorship is a favorable development that

enhances Sports.com's content and grows brand awareness.

In July 2025, the company announced a strategic investment of \$7.6 million to acquire 12.4% in Veloce Media Group, a digital media platform operating in the Motorsport, gaming, and content space. The investment is payable in two tranches and provides the company with a call option to reach a majority 51% ownership. Notably, Veloce is one of the largest digital racing and gaming media networks globally, with over 750 million monthly views of its digital content. Furthermore, the strategic investment is providing key funding for Veloce's strategic growth initiatives, including the recent acquisition of Quadrant, a Motorsport lifestyle, content, and apparel brand co-founded by Formula 1 driver Lando Norris. In our view, the strategic investment bolsters the company's presence, content offerings, and revenue opportunities in the Motorsport industry.

Furthermore, at the end of July, the company completed a \$10 million acquisition of GXR Racer Holdings, enhancing the company's technological capabilities and providing a sizeable community of over 1 million users. Notably, the acquisition of GXR offers enhanced live streaming capabilities, community chat hubs, stats-based social media tools, e-commerce, real-money and fantasy sports gaming, and sports news. Importantly, the assets acquired in the acquisition were utilized in the recently relaunched Sports.com website, and provide the company with new revenue streams, including premium streaming subscriptions, in-app advertising, merchandising, and interactive gamified challenges. Moreover, the company plans to relaunch the Sports.com mobile app, making the platform more accessible to a broader audience prior to the start of the SLK season.

Soccer

The company recently entered into a five-year commercial partnership with Super League Kerala (SLK), a Soccer League with six clubs in the southwestern Indian state of Kerala. The partnership, valued at over \$11.6 million, marks the company's first official football league collaboration in the Indian subcontinent. Importantly, the agreement grants SEGG Media exclusive international streaming rights to SLK matches across all global territories, alongside integrated gaming and fan engagement products, global sponsorship and brand activation rights, and a focused content distribution strategy targeting India, the Middle East, and Northern Africa.

Importantly, the initiative aims to engage expats from Kerala, a state in southwestern India, who reside in the Middle East, North America, and Europe. Moreover, SLK's inaugural 2024 season attracted approximately 13 million viewers, with the majority of viewers residing outside the state of Kerala. Notably, with distribution on Sports.com and a targeted advertising campaign, the company believes it can increase viewership for SLK's upcoming second season by 25%. The company plans to monetize the partnership through a multi-pronged approach, including subscription models, advertising, and licensing. Additionally, platform integration and revenue rollout will begin immediately, with the goal of being fully operational ahead of the SLK season.

Sporting Centers

The company recently signed a binding Letter of Intent (LOI) with David Lloyd, an esteemed British sport and wellness entrepreneur, to acquire rights to the All-Sports Arena in Boca Raton, Florida, at a \$14 million valuation. This agreement formalizes David Lloyd's first venture into the U.S. market and positions SEGG Media to introduce a new standard in integrated sports and business amenities.

Importantly, David Lloyd is a former professional tennis player, Davis Cup captain, and founder of David Lloyd Leisure. Over the years, Mr. Lloyd has built a network of 130 premium health, fitness, and racquets clubs, which serve over 710,000 members across the UK and Europe. Furthermore, Mr. Lloyd's brand is synonymous with high quality sports infrastructure and member-focused service, providing a proven operational foundation for this U.S. expansion.

Moreover, the Boca Raton facility is a fully completed 100,000 square foot brick arena, which will relaunch as "Sports.com All-Sports Arena, designed by David Lloyd." The facility will offer high-performance athletic spaces, including indoor padel, pickleball, basketball courts, climbing walls, golf simulators, and a premium gymnasium. In addition to its high-end sports offerings, the facility will offer upscale co-working space inspired by the Nook model, private offices, and executive boardrooms tailored to sports professionals and entrepreneurs. A curated street food concept, overseen by celebrity chef Todd English, will

round out the guest experience. Notably, Management anticipates the Boca Raton facility will exceed \$67million in EBITDA in its first year, with additional facilities anticipated to deliver scalable, high-margin returns through a unique convergence of sport, wellness, community, and entrepreneurship.

Furthermore, the company and David Lloyd are preparing additional sites in key U.S. cities and the Middle East. In our view, the company's acquisition of Nook not only enhances the facilities product offerings but also supports its broader Middle East expansion strategy.

Nook Acquisition

The company entered into a Stock Purchase Agreement with the shareholders of Nook Holdings Limited, which is known for its innovative approach to co-working in Dubai. Notably, through its exclusive partnership with the Dubai Multi-Commodities Centre Free Zone (DMCC), Nook provides companies that utilize its co-working facilities with business setup support, insurance, VAT registration, and networking opportunities. In our view, the Nook acquisition makes the company an attractive partner for individuals and businesses in the sports, health, and wellness sectors seeking access to Dubai and broader Middle Eastern markets.

Entertainment

In July 2025, the company entered into an agreement to acquire a majority interest in Dotcom Ventures Inc., the owner of the domain names Concerts.com and TicketStub.com. The transaction is valued at \$5 million for a 51% stake in Dotcom Ventures, and is intended to support the company's expansion into the entertainment space. In our view, Concerts.com and TicketStub.com provide the company with synergistic revenue channels that offer cross-selling opportunities.

Furthermore, the company has announced that TicketStub.com will be geared towards live event ticket sales, while Concerts.com will offer a mix of free and subscription content, including live and recorded concert streaming, music instruction, a merchandise marketplace, and entertainment news. TicketStub.com will utilize its website for direct-to-consumer sales and earn a commission from affiliate website ticket sales. Moreover, we believe the entertainment segment, particularly live event ticket sales, should benefit from cross-selling opportunities in the company's Sports segment. Importantly, the company can utilize data from Sports.com, such as viewing habits and location, to target an audience that is likely to attend a live event, and offer a convenient way to purchase tickets.

Recent Results and Outlook

SEGG Media second quarter 2025 results reflected a business still in transition, with modest top-line contributions offset by continued investment in restructuring and platform development. While revenue levels remain limited as U.S. operations have yet to restart, the company is maintaining activity through its international subsidiaries and digital assets. Importantly, operating expenses declined meaningfully versus the prior year, underscoring management's early progress in tightening costs and streamlining the business. We believe this combination of reduced expense levels, incremental funding agreements, and the expected ramp of the Sports Center positions the company with greater operating flexibility heading into 2026.

Revenue in the quarter totaled \$0.19 million, compared to \$0.26 million in Q2 2024, reflecting lower lottery-related activity but continued contributions from data services and international operations. Gross profit was \$29 thousand, down from \$211 thousand in the prior year, while operating expenses fell to \$4.0 million from \$6.1 million, driven by reductions in personnel costs and professional fees. Net loss attributable to SEGG narrowed to \$4.0 million, or \$(0.13) per share, compared to a loss of \$5.9 million, or \$(1.12) per share, in the prior-year period. On a year-to-date basis, revenue of \$0.42 million compared to \$0.52 million in the first half of 2024, while net loss improved to \$7.2 million from \$11.5 million last year. With a leaner cost base and incremental funding support in place, we believe the company is now better positioned to focus on growth initiatives in 2026.

Looking ahead, we view 2026 as a critical ramp-up year that will lay the foundation for future growth. The company is emerging from its restructuring period with a clearer focus on scalable operations and a platform of assets that can support both near-

term recovery and longer-term expansion. We expect increased brand awareness, targeted marketing efforts, and the development of an events business to drive incremental gains, while improved pricing should further enhance revenue potential.

At the core of this outlook is the Sports Center, which we estimate will generate approximately \$11.7 million in Total Sports Revenue. The largest contribution is expected to come from Activity Revenue of around \$8.0 million, with Food & Beverage sales providing an additional \$2.9 million. These operations carry attractive unit economics and are expected to deliver operating leverage as volumes scale, supporting improved profitability over time.

Beyond the Sports Center, we see a number of green shoots that could provide additional upside. These include the relaunch of U.S. lottery operations, contributions from international subsidiaries, TinBu's lottery data services, and digital platforms such as Sports.com, Concerts.com, and TicketStub.com. Each represents a potential growth avenue that can diversify and strengthen the company's long-term profile.

In our view, the combination of a solid operating base in the Sports Center, disciplined expense management, and the emergence of new digital initiatives positions SEGG to return to growth in 2026 and begin establishing a path toward durable profitability over the following years.

Management and Board Overview

SEGG's leadership team brings broad experience across gaming, digital entertainment, finance, and operations. With backgrounds spanning lottery operations, consumer technology, and sports media, the team blends entrepreneurial vision with restructuring expertise. Chairman and Chief Executive Officer Matthew McGahan has led the company since late 2023, steering its stabilization efforts and driving expansion through the Sports.com subsidiary. The executive team includes seasoned leaders with decades of financial and operational experience, providing the discipline needed to guide the company through its next phase. Together, management has secured critical financing agreements, advanced governance reforms, and positioned SEGG to reestablish scalable operations while diversifying into global sports media. We believe this combination of entrepreneurial leadership, financial rigor, and independent oversight positions SEGG to successfully navigate its restart and pursue growth as a digital lottery and entertainment platform. Notably, four of the five board members are independent directors.

Management highlighted below includes:

- Matthew McGahan
- Tim Scoffham
- Robert Stubblefield
- Gregory Potts
- Marc Bircham

Board Directors include:

- Matthew McGahan
- Christopher Gooding
- Paul S. Jordan
- Tamer T. Hassan
- Warren Macal
- Marc Bircham

Matthew McGahan, President, Chief Executive Officer, Secretary, and Chairperson of the Board — Matthew McGahan has served as Chairman since October 2022 and became Chief Executive Officer in December 2023 after serving as interim CEO. He is also Chairman and CEO of Sports.com, SEGG's wholly owned subsidiary. McGahan previously founded Automotive Group in 1997, which grew into one of Europe's largest Harley-Davidson and BMW dealer groups before its sale in 2010.

Robert Stubblefield, Chief Financial Officer — Robert Stubblefield brings more than three decades of financial leadership

experience. As Chief Financial Officer, he oversees financial planning, accounting, and capital management, playing a central role in aligning capital deployment with SEGG's relaunch priorities and supporting the company's operational restart strategy.

Gregory Potts, Chief Operating Officer — Gregory Potts serves as Chief Operating Officer with responsibility for day-to-day operations, process improvements, and execution of the company's growth strategy. Potts plays a central role in ensuring operational readiness and driving efficiencies as SEGG positions for re-scaling its operations.

Tim Scoffham, Chief Executive Officer, Lottery.com International Limited and Sports.com Media — Tim Scoffham was appointed CEO of Lottery.com International Limited and Sports.com Media in June 2025. He oversees the company's iGaming, international lottery, and sports media operations, with a mandate to deliver secure, compliant, and engaging experiences across global markets. His leadership focuses on aligning commercial, media, and technology platforms, strengthening regulatory partnerships, and unlocking scalable, revenue-generating opportunities in high-growth jurisdictions.

Marc Bircham, Executive Director of Sports.com, and Director — Appointed to the board in May 2025, Marc Bircham serves as Executive Director of Sports.com. A former professional footballer and coach, Bircham brings a deep understanding of the global sports ecosystem and has led initiatives focused on expanding Sports.com's reach and building strategic partnerships across media, sponsorship, and fan engagement.

Tamer T. Hassan, President of Sports.com Studios and Independent Director — Appointed President of Sports.com Studios in June 2025, Hassan leads the division's creative and strategic efforts to develop, produce, and distribute compelling sports-focused films, docuseries, and original programming. A member of the Lottery.com board since June 2023, he brings more than 25 years of experience in international film and television, including acclaimed roles in *Layer Cake*, *The Football Factory*, and *Game of Thrones*. Hassan's leadership marks a key step in positioning Sports.com as a global player in sports media and immersive storytelling.

Christopher Gooding, Independent Director — Christopher Gooding, a Class I director with a term expiring in 2026, is an attorney with deep expertise in corporate governance and international law. He provides oversight on compliance and strategic matters, contributing legal and governance insight to the board.

Warren Macal, Independent Director — Warren Macal was appointed to the board in April 2024 as a Class I director with a term expiring in 2026. His nomination followed an \$18 million investment commitment from Prosperity Investment Management. He brings experience in strategic investment and advisory, aligning with SEGG's efforts to strengthen its capital base and governance.

Paul S. Jordan, Independent Director — Paul S. Jordan, a Class II director with a term expiring in 2027, is a motorsport commercial specialist with more than four decades of international sponsorship and acquisitions experience. He has held senior positions with top Formula One teams, co-founded the Grand Prix Masters series, and advises governments and motorsport organizations on sponsorship and tourism strategy.

Financial Overview

We believe SEGG should gradually strengthen its financial position as it transitions toward relaunching its operations. The company ended the second quarter with \$0.26 million in cash, up from \$0.07 million at year-end 2024, supported by equity issuances, debt conversions, and financing proceeds. Importantly, total assets of \$53.1 million include \$14.5 million in prepaid advertising credits, which represent a unique and significant resource to support customer acquisition and brand visibility once deployment begins. Management intends to begin using these credits in the second half of 2025, positioning the company with a marketing engine to drive scale without incremental cash outlay.

As of June 30, 2025, total liabilities were \$32.4 million, consisting primarily of trade payables and current notes payable, while shareholders' equity stood at \$19.8 million compared to \$20.5 million at year-end 2024, as illustrated in Figure #6 Balance Sheet. We note that SEGG carries no long-term debt, providing balance sheet flexibility and avoiding the constraints of interest-bearing obligations. This capital-light structure allows management to focus resources on growth initiatives rather than debt

service.

While management continues to disclose going-concern risks due to recurring net losses and negative working capital, meaningful progress has been made in reducing operating expenses and streamlining the business. Second quarter operating costs fell more than 30% year over year, underscoring disciplined execution on cost controls. This leaner cost base provides a stronger foundation from which to scale once revenue growth resumes, particularly as management begins deploying prepaid advertising credits to drive customer acquisition and platform engagement. Contributions from international subsidiaries and TinBu's data services provide a recurring revenue base, while access to financing arrangements offers additional liquidity to bridge near-term needs.

In our view, the absence of long-term debt, combined with a streamlined expense structure and the sizable prepaid advertising asset, creates a constructive setup for management to execute on its growth strategy. We believe these elements collectively provide the runway for the company to reemerge as a scalable digital lottery and entertainment platform with improving financial resilience over time.

Figure #6 Balance Sheet

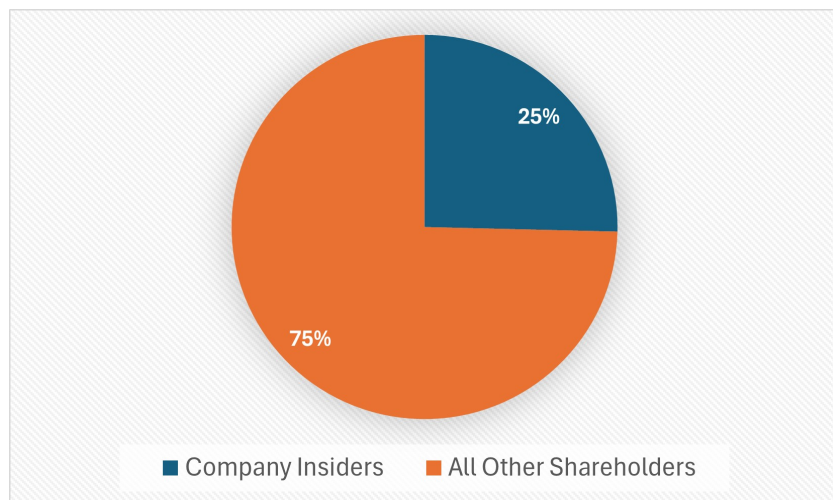
	June 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
ASSETS		
Current assets:		
Cash	\$ 262,570	\$ 68,035
Accounts receivable	580,451	494,129
Prepaid expenses	14,458,252	14,449,333
Other current assets	1,886,712	880,961
Total current assets	17,187,985	15,892,458
Notes receivable	2,000,000	2,250,000
Investments	250,000	250,000
Goodwill	9,061,675	9,061,675
Intangible assets, net	11,684,840	12,569,165
Property and equipment, net	2,660	12,124
Other long-term assets	12,884,686	12,906,849
Total assets	\$ 53,071,846	\$ 52,942,271
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	\$ 8,708,766	\$ 8,241,311
Deferred revenue	196,429	250,000
Notes payable - current	5,280,918	6,110,777
Accrued interest	1,213,458	1,218,864
Accrued and other expenses	12,834,858	12,161,311
Other liabilities	4,162,682	2,415,179
Total current liabilities	32,397,111	30,397,442
Long-term liabilities:		
Convertible debt, net - non current	-	-
Other long-term liabilities	-	-
Total long-term liabilities	-	-
Commitments and contingencies (Note 13)	-	-
Total liabilities	32,397,111	30,397,442
Equity		
Controlling Interest		
Preferred Stock, par value \$0.001, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, par value \$0.001, 500,000,000 shares authorized, 32,429,034 and 18,326,855 issued and outstanding June 30, 2025 and December 31, 2024, respectively	32,429	18,327
Additional paid-in capital	290,627,791	283,913,433
Accumulated other comprehensive loss	47,435	16,880
Accumulated deficit	(270,879,151)	(263,468,728)
Total Lottery.com Inc. stockholders' equity	19,828,504	20,479,912
Noncontrolling interest	846,229	2,064,917
Total Equity	20,674,733	22,544,829
Total liabilities and stockholders' equity	\$ 53,071,844	\$ 52,942,271

Source: Company filings

Stock Overview and Valuation

SEGG Media trades on the NASDAQ under the symbol "SEGG" with an estimated 3.94 million common shares outstanding following a recent 1-for-10 reverse stock split. Insiders, including board members and the executive management team, control roughly 25% of the company's equity, illustrated in Figure #7 SEGG Ownership. Key insider holders include Matthew McGahan, Gregory Potts, Robert Stubblefield, Christopher Gooding, and others.

Figure #7 SEGG Ownership



Source: Eikon and company filings

Over the past year, the SEGG shares have declined approximately 24%, reflecting investor concerns over the company's ability to resume operations and execute a revenue-generating business plan. Trading has been volatile, with sharp rallies tied to organized IR campaigns, regaining Nasdaq compliance in February, and a series of announcements in May including the company's IndyCar initiatives and the Concerts.com transaction. Figure #8 SEGG 1-Year Stock Performance illustrates this dynamic.

Figure #8 SEGG 1-Year Stock Performance

5.63 USD

-1.76 (-23.82%) ↓ past year

Sep 11, 4:00 PM EDT • Disclaimer



Source: Google Finance

Given SEGG's early-stage development profile and ongoing efforts to establish sustainable revenue streams, we value the company on an embedded asset basis rather than traditional cash flow metrics. The valuation is speculative in nature, reflecting both the company's development stage and its significant optionality tied to brand-driven ventures. Our asset-based valuation framework centers on four key assets: the domain names sports.com, lottery.com, concerts.com, and ticketstub.com, alongside the Boca Sports Complex.

We estimate the Boca facility could generate approximately \$3.2 million in adj. EBITDA in 2026. Applying a 5x EBITDA multiple, we value the complex at \$16 million on a standalone basis. The 5x multiple conservatively reflects a multiple below experiential peer trading levels (avg. 7.6x), illustrated in Figure #9 Experiential Peers. For the domain names, we reference a peer set of highly recognizable and ubiquitous domains. These assets command value due to ease of recall, direct navigation benefits, positive impact on search visibility, and branding advantages. Based on GoDaddy.com estimates, the peer set carries a mean value of \$21.3 million, illustrated in Figure #10 Domain Name Peer Set. Applying this proxy to SEGG's four domains yields an estimated \$85 million valuation. Combining the Boca Sports Complex valuation with the domain portfolio produces a total asset value of approximately \$101 million. After applying a 20% discount, we arrive at a target enterprise value of approximately \$81 million, which equates to \$20 per share.

Figure #9 Experiential Peers

	COMPANY	Latest Close	Enterprise value/					
			Revenue			EBITDA		
			2024	2025E	2026E	2024	2025E	2026E
Experiential	LUCKY STRIKE ENTERTAINMENT CORPORATION (XNYS:LUCK)	\$9.60	2.5x	2.4x	2.2x	7.8x	7.7x	7.4x
	DAVE & BUSTER'S ENTERTAINMENT, INC. (XNAS:PLAY)	\$22.23	1.3x	1.3x	1.2x	4.4x	4.7x	4.4x
	VAIL RESORTS, INC. (XNYS:MTN)	\$144.48	1.0x	0.9x	0.9x	8.3x	8.0x	7.7x
	TOPGOLF CALLAWAY BRANDS CORP. (XNYS:MODG)	\$9.27	0.7x	0.7x	0.7x	3.8x	4.7x	4.5x
	LIVE NATION ENTERTAINMENT, INC. (XNYS:LYV)	\$170.90	0.1x	0.1x	0.1x	17.7x	15.5x	13.7x
	MEAN	\$71.30	0.8x	0.8x	0.7x	8.6x	8.2x	7.6x
	MEDIAN	\$22.23	0.8x	0.8x	0.7x	6.4x	6.4x	6.1x

Source: Eikon and Noble estimates

Figure #10 Domain Name Peer Set

Domain Name	Estimated Value (\$M)
Insurance.com	\$35.6
Vacation Rentals.com	\$35.0
Insure.com	\$16.0
Hotels.com	\$11.0
Shoes.com	\$9.0
Mean	\$21.3

Source: GoDaddy.com

Company Profile

SEGG Media is a developmental company located in Fort Worth, Texas, that owns Lottery.com, Sports.com, Concerts.com, and TicketStub.com. The company aims to operate in the digital sports content, lottery services, and entertainment industry. The company was formed in 2015 under the name AutoLotto and was primarily focused on online lottery ticket sales. In July 2022, the company faced financial difficulties, resulting in an effective cessation of operations. Since then, the company has been focused on restarting retail lottery operations and expanding operations to sports content and entertainment. Importantly, the company has made numerous changes to get operations up and running, including securing new financing, hiring new management, completing audits, navigating regulatory hurdles, and even expanding its operating scope through acquisitions and partnerships. Once the company is fully operational, it will operate through three segments: Sports.com, Lottery.com, and Entertainment.

Fundamental Assessment 2.0/5.0

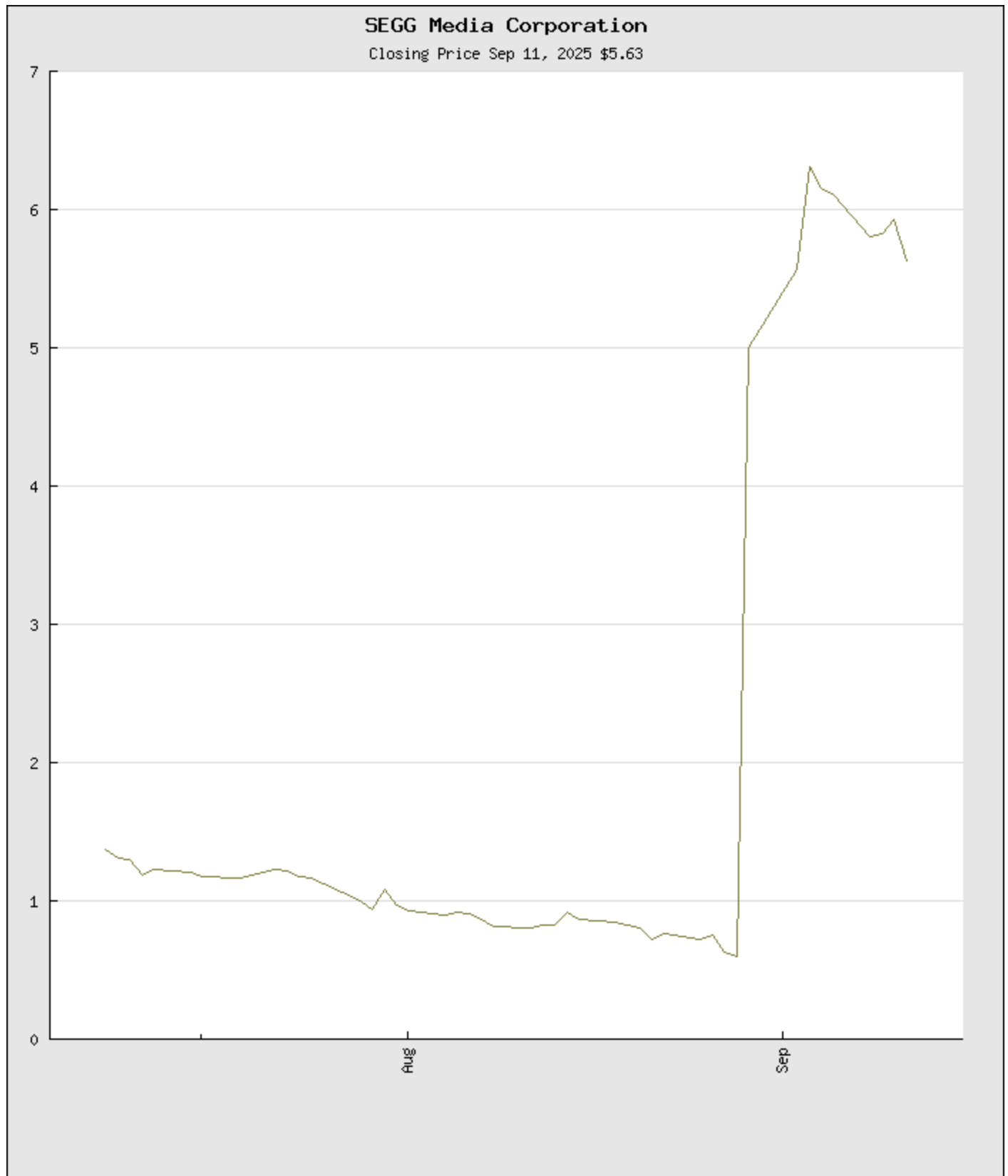
In our assessment, we gave the company 2.0 checks, which implies a below-average fundamental profile. This evaluation incorporates an analysis of corporate governance and management, market opportunity, competitive positioning, operating leverage, and financial leverage. The company scored above average on its corporate governance and management assessment, reflecting the new management team's successful track record following the company's operational cessation, including filing outstanding SEC filings, completing audits, regaining Nasdaq listing requirements, securing new funding, completing acquisitions, and making progress towards restarting operations. Additionally, the company was assigned an average ranking for market opportunity, while all three segments, lottery, sports, and entertainment, are large, growing industries; third-party lottery couriers, particularly in the U.S., face regulatory uncertainty. Furthermore, the company's competitive position assessment was scored as below average. In our view, the company is facing competition with large, well-established companies in the lottery, sports streaming, and entertainment industries that offer similar or identical product offerings. In addition, the company scored below average on its operating leverage and financial leverage assessments, given its current depressed operating fundamentals and its need to raise additional capital. Overall, the company's fundamental assessment is below average, but we believe the company has significant growth prospects if it can resume operations.

Valuation Summary

Given SEGG's early-stage development profile and ongoing efforts to establish sustainable revenue streams, we value the company on an embedded asset basis rather than traditional cash flow metrics. The valuation is speculative in nature, reflecting both the company's development stage and its significant optionality tied to brand-driven ventures. Our asset-based valuation framework centers on four key assets: the domain names sports.com, lottery.com, concerts.com, and ticketstub.com, alongside the Boca Sports Complex.

We estimate the Boca facility could generate approximately \$3.2 million in adj. EBITDA in 2026. Applying a 5x EBITDA multiple, we value the complex at \$16 million on a standalone basis. For the domain names, we reference a peer set of highly recognizable and ubiquitous domains. These assets command value due to their ease of recall, direct navigation benefits, positive impact on search visibility, and branding advantages. Based on GoDaddy.com estimates, the peer set carries a mean value of \$21.3 million. Applying this proxy to SEGG's four domains yields an estimated \$85 million valuation. Combining the Boca Sports Complex valuation with the domain portfolio produces a total asset value of approximately \$101 million. After applying a 20% discount, we arrive at a target enterprise value of approximately \$81 million, which equates to \$20 per share.

Risks to achieving our price target include capital requirements to fund growth, entrenched competition from larger sports and entertainment providers, liquidity constraints that limit financial flexibility, and the possibility that new business lines may not scale to sustainable profitability in the near term.



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Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or underserved needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclical, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

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Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

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Market Perform: potential return is -15% to 15% of the current price	13%	5%
Underperform: potential return is >15% below the current price	0%	0%

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