



Lottex

WHITEPAPER

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Lottex - World's first decentralize lottery

Lottex is a decentralize lottery powered by Ethereum Smart Contracts. All bets and results are public and anyone can view in the Ethereum blockchain.

Lottex token (LTX) holders can withdraws dividends after each game.

Welcome

As experienced decentralization enthusiasts and blockchain professionals, we created the first independent blockchain lottery based on the Ethereum smart contract architecture.

Lottex is not a company. It is a smart contract conducting a decentralized Jackpot lottery with a theoretically unlimited Jackpot potential.

We stand against greedy ICO's business models, fraudulent intentions and unfair fund and token distribution schemes without genuine products behind them. We stand for the fundamental blockchain values (decentralization, disintermediation, transparency, security and freedom), as well as comprehensive investor transparency.

The Token and fund distribution models offered by Lottex are extremely favorable for the Investors.

Blockchain is not just about people - it's about the technology for the people. It is revolutionizing old industries which have long been based on community-unfavorable monopolies and lack of transparency. And just like blockchain and the idea of the smart contract, Lottex is not about the people behind it. It is for the people that use it and for their fully transparent freedom to win.

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1.PRODUCT INTRODUCTION

A blockchain-based smart contract is a decentralized system architecture existing between a variety of permitted parties, where all intermediaries are eliminated. Banks and governments are now turning to blockchain systems as they are cheaper, faster and more secure than existing traditional system of data organization and exchange. While the blockchain model of operations is designed as an expanding order (called blocks) register, it makes data fundamentally immune to alteration; the orders registered in blocks are distributed to make any future changes impossible.

The idea of smart contracts based on a decentralized ledger (digital contract, blockchain contracts, self-executing contracts) emerged from the work of cryptographer and legal academic Nick Szabo in the early 1990s. In essence, the idea can be summarized as a conversion of contracts to computer code, where the storing and replication takes place on the network. The process is automatically supervised by the network of computer devices participating in the blockchain circuit. As a result, the ledger feedback loop takes place and the transfer of assets or receiving of services products is made possible.

They become an infrastructure that allows a zero conflict and fully transparent exchange of value (e.g. shares, money, property), bereft of middleman” intermediaries. The smart contract infrastructure allows users to easily pay to the system (ledger), receive value and benefit from the security of automatically-enforced obligations based on rules and penalties specified in the contract.

Conceived and built by Vitalik Buterin, the Ethereum currency optimizes the smart contract approach by transferring currency (or assets) into the program-based platform. From that point on, the program runs this code and at some point it automatically validates a condition and it automatically determines whether the asset should go to one person or back to the other person, or whether it should be immediately refunded to the person who sent it or some combination thereof,”explained Buterin at a DC Blockchain Summit. Meanwhile, this decentralized ledger system automatically stores and multiples the document securing its immutability.

2. LOTTERY MARKET OVERVIEW

The global gambling market, including both offline and online activities, surpassed USD 540 billion in 2023 and continues to expand, with the online segment growing at nearly 12% CAGR, reaching USD 78.6 billion in 2024 and expected to more than double by 2030. Online betting and lotteries remain among the fastest-growing categories.



A lack of transparency is the main factor slowing down the growth of online lotteries. None of the currently operating online lotteries are decentralized or transparent. Their processes depend on third-party involvement, which is not subject to any verifiable control mechanisms and creates a high risk of operators influencing draw results and prize payouts.

With its innovative architecture, Lottex overcomes the existing challenges of online chance-based gaming, bringing full transparency to online lotteries and marking the birth of a new standard of trust and quality in the market.

Furthermore, the global lottery market data does not limit Lottex's potential, as it represents an entirely new market category, designed for both blockchain professionals and the general public.

3. NEW LEVEL OF TRUST. THE LOTTEX MISSION AND VISION

The launch of Lottex marks the birth of a lottery providing a new level of quality and trust. Designed as a community-driven initiative on Ethereum, it forms part of the global disruptive blockchain movement.

According to Grand View Research, the global blockchain market is projected to reach USD 1,431.54 billion by 2030, growing at over **90% annually from 2025. (Source: [grandviewresearch.com](https://www.grandviewresearch.com)) The transparency and trust of smart contracts derive from agreements executed automatically on-chain, without third-party access or administrator intervention, enabling verifiable and tamper-resistant operations.

Lottex leverages these advantages through commit-reveal mechanics and Chainlink VRF randomness, it guarantees that all lottery operations are auditable, provably fair, and immune to interference. This represents a paradigm shift from opaque centralized games to a new global standard of transparency in online lotteries. The world's lotteries must adapt to this model or face disruption, as full transparency is the industry's inevitable future.

Lottex' mission is to provide a new, fully transparent economy to the lottery world, bringing incontestable freedom and equal chances of winning to all players around the world. Self-regulated smart contract solution gives Lottex an unprecedented chance to disrupt gaming category politics. The absence of internal and external governance, hidden fees, unclear rules and potential of deception will become the industry standard.

Lottex' vision is to become the first truly global, transparent and anonymous lottery with unlimited Jackpot potential. Lottex, with its internal and transparent management will revolutionize and create a new standard for all lotteries and will become a reference point for all future lottery projects. In short, we believe that Lottex will become the world's biggest lottery.

4. LOTTEX KEY FEATURES AND COMPETITIVE ADVANTAGES

The key features of the Lottex Ethereum lottery sum up to both its uniqueness and fully transparent character. The most important defining features are:

A. FULLY TRANSPARENT

All lottery data – bets, results, and payouts – are public and immutable on Ethereum.

B. FAIRNESS THROUGH VRF

Winning numbers are drawn using Chainlink VRF v2, cryptographically verifiable and immune to manipulation.

C. COMMIT-REVEAL SCHEME

Players submit commitments of chosen numbers before the draw, preventing front-running or ticket manipulation.

D. ANONYMOUS PARTICIPATION

No KYC or registration is required. A simple Ethereum wallet is sufficient.

E. LOW TRANSACTION COSTS

Optimized Solidity architecture ensures gas fees as low as USD 0.03 per ticket.

F. FAIR TICKET SALES DISTRIBUTION

- 69.44% Jackpot
- 14.88% Dividends
- 14.88% Rollover Reserve
- 0.8% Protocol fee (including oracle rewards)

	LOTTEX	TRUE FLIP	POWERBALL
Max Win	> 2 billion USD	518 549 (518.5 thousand) USD**	52 800 000 (52.8 million) USD**
Jackpot payout	7000 000x	223 260x	Volatile (26 400 000 x **)
Jackpots odds	1:3.921.225	1:49 578 984	1:292 201 338
Structure	Decentralised	Centralised	Centralised
Jackpot Management	Smart Contract	Admin	Operator
% of tickets sales to jackpot	96%	60%	50%
Transaction cost	0.03 \$	0.35 \$	Ticket purchase in person

G. INVIOABLE ANONYMITY

The systemic anonymity provided by Lottex protects the players and secures their interests. All potentially threatening and risk-generating factors have been eliminated from the lottery operating processes. Participating in and placing bets on the Lottex lottery does not require prior registration or deposits. The only thing the players need is a secure Ethereum wallet or Metamask wallet installed. Bet placing and lottery win payout processes do not produce any emails or confirmations and don't require any personal information to be provided.

H. CONVENIENT FLEXIBILITY AND USER-FRIENDLY UX

Lottery participation by Ticket purchase is available to everyone. To place a bet, a player may use the interface together with a Matamask wallet (a simple and user-friendly solution) or place a bet directly from their Ethereum wallet.

I. FLEXIBLE TICKET VALUE

The value of each lottery ticket is pegged to a fixed USD amount, rather than a fixed ETH amount, to ensure long-term affordability. This mechanism protects players from potential ETH price appreciation in the future, which could otherwise make tickets too expensive.

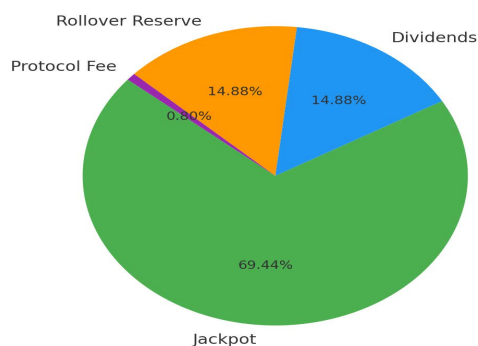
Pricing is enforced on-chain using Chainlink Price Feeds, which automatically convert the USD reference price into ETH (or any supported cryptocurrency) at the moment of purchase.

J. FAVORABLE TICKET SALES FUNDS DISTRIBUTION

69.44% of funds from ticket sales are transferred directly to the Jackpot. When compared to centralized competitors, this allocation remains highly favorable for the product's growth and sustainability. It guarantees the constant increase of the Jackpot while simultaneously funding dividends and rollover reserves, making Lottex increasingly more attractive for both players and LTX token holders.

This model guarantees that ticket costs remain stable and fair over time, while still ensuring transparent and decentralized pricing through oracle technology.

Ticket Sales Distribution (Lottex Smart Contract)



The % values are hardcoded in the smart contract and cannot be changed.

5. CROWDFUNDING MODEL AND TOKENS

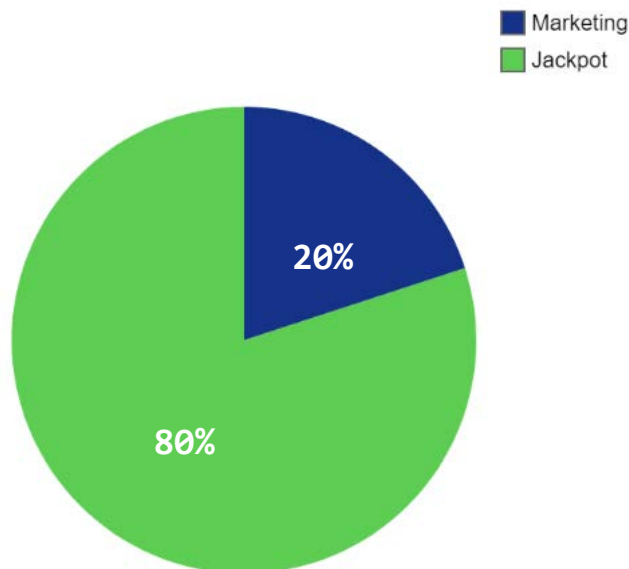
Lottex limited Token sales model will use the “Initial Coin Offering” (ICO) process. Lottex Token sales will last for approximately seven weeks. There is no minimal cap set. The total supply is 50.000.000 LTX

A. LOTTEX TOKEN SALES FUNDS DISTRIBUTION

80% of the raised sum will become the initial value of the Jackpot. The remaining 20% will be allocated to the lottery’s marketing budget to fuel the unceasing growth of the Jackpot value.

Unlike other “ICOs”, 80% will be kept within the contract as the Jackpot funds, making Lottex crowdfund highly attractive for the investors.

Funds distribution from crowdfund
(LOTTEX Token sales)

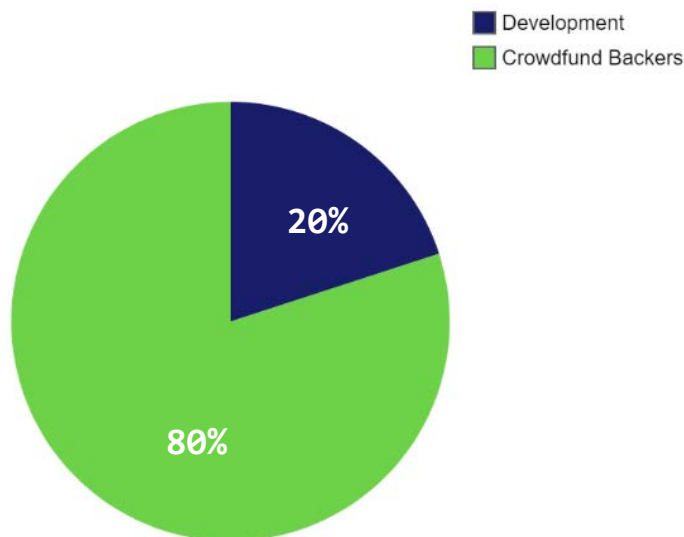


B. TOKEN DISTRIBUTION

Crowdfund backers will receive 80% and development team will receive 20% off all Lottex Tokens created.

The supply is 50.000.000 Lottex tokens. The supply is fixed and cannot be changed.

Lottex tokens Distribution



C. LOTTEX TOKEN KEY FEATURES

Lottex Token (LTX) is a standard ERC20 Token.

D. TOKEN DIVIDEND PAYOUTS

Token holders are entitled to claim dividends after each lottery round. A fixed 15% of net ticket sales (approximately 14.88% of gross income) is allocated to the dividend pool.

All payouts are executed directly by the smart contract, and only LTX holders recorded in the on-chain snapshot are eligible to claim. Both ticket sale revenues and contract balances are fully transparent and immutable, ensuring that dividends cannot be influenced or withheld by any third party.

This model makes Lottex fundamentally different from other ICOs that promised dividends but relied on centralized entities to manage distributions.

6. GOVERNANCE AND ORACLE SECURITY

The oracle system is one of the core governance mechanisms of Lottex. Oracles are independent addresses responsible for submitting the Merkle roots that define which tickets are eligible for prizes after each draw. Their role is not to generate randomness (this is handled by Chainlink VRF), but to efficiently consolidate and validate winners in a way that reduces gas costs for the network.

A. ORACLE QUORUM

A lottery round can only be finalized once at least two independent oracles submit identical Merkle roots.

This quorum ensures that no single oracle has control over the outcome.

The Merkle root contains cryptographic proofs of all valid winning tickets.

B. EQUIVOCATION RULES

Each oracle is restricted to one submission per round.

Once an oracle submits a root, it cannot change its vote.

This prevents oracles from equivocating or attempting to manipulate the process by submitting multiple different results.

C. ORACLE REWARDS

Oracles are incentivized with a share of 0.3% of gross ticket revenue per round, distributed equally among those participating in the quorum.

This reward system ensures active participation while keeping protocol costs minimal.

D. ROGUE ORACLE PROTECTION

Even if one or more oracles act maliciously, they cannot insert fake winners.

All prize claims must pass on-chain Merkle proof verification against the finalized root.

If quorum is not reached, the system automatically falls back to the Emergency Finalizer, allowing direct claims without oracle involvement.

E. GOVERNANCE BY MULTISIG

The oracle set can only be updated by a multisignature governance wallet with strict time-lock and cooldown rules.

This ensures that changes to the oracle set are transparent, deliberate, and protected against unilateral control.

F. EMERGENCY FINALIZATION AND ROLLOVER

If no quorum is reached, direct claim mode allows players to validate tickets against the VRF draw without oracles.

Rollover:

Unclaimed prizes after 90 days.

Dividends not distributed.

Jackpot tiers without winners.

All are automatically rolled into the next jackpot, ensuring long-term sustainability and increasing future rewards.

7. LOTTEX LOTTERY SYSTEM



Decentralized system with multiple security layers and recovery mechanisms
Governance via multisig, Chainlink VRF, independent oracles and permissionless automation
Fixed 90-day claim deadline, no pause/unpause, with automatic sweep