The stock market of sports

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Problem

Traditional Methods are Flawed → It’s Hard to Win

Sportsbooks (*Sports Betting*):

- Take 10% of every bet
- Pin the bookmaker against the consumer
- No liquidity
- Bookmakers, not markets are the price setters
- Prices are designed to maximize profits for the bookmakers

Fantasy Sports (*Daily & Traditional*):

- Pros gobble up all the profits
- Low to negative average returns on investment
The Proposition

What if...
Consumers could invest in fantasy sports teams and trade them like stocks?
Solution

• Our mission is to develop a platform where users can trade shares of sports teams whose value changes based on:
  • Team’s Performance
  • Market Demand

Key features

• Each team will have a share price
• Users buy and sell shares to build their portfolio
• Prices change based on performance and demand
• Users trade with each other, not against us
Competitive Landscape

- Fanvest sits in the market nexus of:
  - Traditional sports gambling
  - Season-long fantasy sports
  - Daily fantasy sports

- By capturing a small slice of each expanding market, we can seize and capitalize upon significant growth opportunities.

- By providing users with a new and complimentary alternative avenue to invest in sports, we don’t view the companies in these markets as direct competitors—we see ourselves as a bolt-on product in the same universe.
## Our Users

<table>
<thead>
<tr>
<th>Investing</th>
<th>Sports Gambling</th>
<th>Fantasy Sports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience trading and investing in the stock market</td>
<td>Frequent sports bettor, has disposable income to wager</td>
<td>Experience analyzing large data sets and building predictive models</td>
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</table>

*Sports Fans who like to make money*
The Business Model

A Phased Approach

• Goal is to get to market quickly to start gathering customer feedback

• Phase 1 will function like a contest, following the DFS model

• Long-Term will feature a fully liquid market
Phase 1 Products

- **Contest** where users compete for cash prizes, like in daily fantasy
- All 32 NFL teams will be priced in *Fanbucks* per share prior to the regular season.
- ITO pricing determined by proprietary formulas.
- *Fanbucks* are the monopoly money used on our site to buy shares

**Weekly**
- Prices reset each week
- Users start with 1,000 FB
- Teams trade like projected scores and move based on market demand
- Users receive a dividend payment based on the team’s performance
- $10 entry fee for a $5,000 cash prize

**Season-Long**
- Prices adjust each Sunday based on performance like an earning’s call
- Users start with 10,000 FB
- For the more analytical users
- $100 entry for $50,000 cash prize
The Long-Term Business Model

The End Goal

• **Liquid Market** to buy and sell shares worth real dollars
• **Trading & market making** Fixed charge of $5.95 per trade + 0.50% per block order (collected from the bid/ask spread differential)
• **Interest income** on un-invested cash balances in customer accounts
• **Fanvest Premium** (monthly subscription between $9.95 and $19.95 for special tiered services ranging from after-hours market access to margin trading)

Fixing the Problem

• **Sportsbooks and DFS sites** take a 10% cut of every bet to generate profits AND they accept risk
• As a **Market Maker** we offer a reduced cost, accept no risk and guaranteed profits
1) Check your Portfolio

2) Check Out the Market

3) Select a Team
4) Make a Trade

5) Review your Order

6) Trade Confirmed!

Buy

- Portfolio value: $1,875.00
- Cash balance: $1,625.00
- Washington
  - Price per share: $29.44

Enter the amount

- Quantity: 0
- Price to pay: $0.00

Preview order

Sell

Review your order

- Team: Washington
- Quantity: 20 Shares
- 1 Share: $29.44
- Est. order value: $588.80
- Est. commission: $5.95
- Est. total cost: $594.75

Confirm your order

Share

Close Tap here

20SHARES SUCCESSFULLY BOUGHT
The Customer Acquisition & Marketing Strategy

**NFL 2019 Season Launch**
- Timeline: Spring 2019 – Fall 2019
- Multichannel marketing campaign targeting micro-influencers across social media platforms and through podcast hits
- Social Media Digital Marketing using Facebook, Google, and Instagram (will ramp up pre-season and mid-season)

**Incentives**
- Incentivize referrals by offering:
  - A jump to the front of the queue for our launch
  - A credit for 1 share of a team
- First two weeks are free for everyone
Tracking Success

- Goal is 2,000 qualified (more than 5 entries played) by season’s end
- Acquire at least 600 users by August 15, 2019 (pre-launch)
- 70% of users who sign up refer at least one friend
- At least 1,000 customers participate in our week 1 contests
- Retain 50% of users when switching from free to pay model
- Customer addition should outweigh attrition in every week
- CAC < $50
**The Timeline**

- **Landing Page with email capture goes live**
- **Send link to friends & family**
- **Kick off social media digital marketing campaign through Facebook and Instagram**
- **Blog post using Fanvest analysis to give free betting picks**
  - (overvalued teams)
- **PRODUCT LAUNCH: Site fully live**
- **Top of the funnel marketing using podcasters**
- **NFL Season Starts: Everyone Plays for Free**
- **Post Season challenge begins**
- **Long blog post outlining how Fanvest evaluates teams and post rankings. This will be boosted through digital marketing**
- **Switch to Paid Model**

**Timeline Dates:**
- Jun-19
- Aug-19
- Feb-20
## Roadmap & Measuring Success

<table>
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<tr>
<th>Phase 0</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Long-Term</th>
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<tbody>
<tr>
<td><strong>March Madness Beta:</strong>&lt;br&gt;• Contest where users trade shares of teams&lt;br&gt;• Share prices change based on performance and highest Return wins&lt;br&gt;• Must include leaderboard&lt;br&gt;• Ability to buy / sell shares and track portfolio performance&lt;br&gt;• Mobile friendly desktop app</td>
<td><strong>NFL Contest:</strong>&lt;br&gt;• Share prices change based off performance and market dynamics</td>
<td><strong>NFL Marketplace:</strong>&lt;br&gt;• Liquid market where users can buy and sell shares for real dollars&lt;br&gt;• Desktop or mobile app</td>
<td><strong>Sports Marketplace</strong>&lt;br&gt;• Expand to all sports&lt;br&gt;• Begin accepting institutional trades</td>
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### Key Objective:
- **March Madness Beta:**
  - Demonstrate a demand for a new sports investment product<br>  - Build a stable product

- **NFL Contest:**
  - Implement a successful growth marketing strategy<br>  - Demonstrate a willingness to pay for the product

- **NFL Marketplace:**
  - Create a profitable exchange<br>  - Establish new revenue stream

- **Sports Marketplace**
  - Demonstrate success with multiple sports

### KPI’s:
- **March Madness Beta:**
  - 100 users in the contest<br>  - <10 complaints about tech issues

- **NFL Contest:**
  - Collect 600 emails from landing page pre-launch<br>  - Achieve 50% retention when switching from free to pay

- **NFL Marketplace:**
  - Generate more revenue than costs in year 1 from the exchange product

- **Sports Marketplace**
  - Get 3 sports with 1,000 qualified users in year 1