



Fanatics Betting & Gaming

Q2 2023 Massachusetts Sports Wagering Quarterly Report

September 7, 2023



Agenda

- FBG Introductions
- Revenue
- Workforce / Workforce Diversity
- Vendor / Supplier Spend / Supplier Diversity
- Compliance
- Responsible Gaming
- Lottery
- Community / Outreach / Charitable Impacts



FBG Introductions

- Michael Levine, Senior Regulatory Counsel
- Stephanie Althouse, HR Director
- Anthony D'Angelo, Responsible Gaming Senior Manager



Fanatics Betting & Gaming launched in the Commonwealth of Massachusetts on May 25, 2023

Month	Total MA SW Revenue	Monthly Hold %	MA SW Taxes Collected
April 2023	\$0	\$0	\$0
May 2023	\$41,868.52	34.02%	\$8,354.00
June 2023	\$224,685.99	11.84%	\$44,321.61
Total	\$266,574.51	n/a	\$52,675.61



Level	Minority		Women		Veteran		MA Resident		Total Number of Employees
Executive	3	38%	2	25%	0	0%	0	0%	8
Manager, Supervisor	69	37%	60	32%	2	1%	5	3%	189
Entry Level, Non-Manager	198	51%	90	23%	2	1%	14	4%	392
Total	270	46%	152	26%	4	1%	19	3%	589

MA Residents	Level	Minority	Women
	Executive	0	0
	Manager, Supervisor	1	2
	Entry Level, Non-Manager	3	2
	Total	4 (21% of population)	4 (21% of population)



- A core global impact pillar: “Our All-Star Team: Culture and Talent”
- FBG participates in the Fanatics IDEA (Inclusion, Diversity, Equity, Advocacy) Program
- IDEA Program has created 6 FANs (Fanatics Alliance Networks) in an effort to cultivate an environment for IDEA focused learning and development
 - *Family First, Global Black Alliance, Multicultural, Pride, Women’s Initiative Network, Veterans*
 - 20% of our global workforce currently participates in FAN networks
- Our continued recruitment efforts help ensure we are attracting a diverse range of candidates. We continue to focus on sourcing strategies to deliver more diverse slates for each open position. These strategies include:
 - participating in recruiting events at Historically Black Colleges and Universities (HBCU)
 - engaging with diverse-owned professional development organizations focused on placing diverse talent in the sports industry
 - developing our global recruitment team to expand consideration of diverse backgrounds and experiences to reach new audiences
 - introducing new skills-based interviewing to help reduce and mitigate unconscious bias during the interview process
 - leveraging external and internal training for the recruitment team to create and improve their diversity and inclusion talent acquisition strategies



Total Vendor/Supplier Spend Overall: \$44,548,203
Diverse Spend %: 2%

Diversity Certification	Q1 \$	Q1 %	Q2 \$	Q2 %
MBE	\$674,850.26	1.51%	\$170,967.50	0.38%
WBE				
VBE	\$0	\$0	\$0	\$0
Total Diversity Spend	\$674,850.26	1.51%	\$170,967.50	0.38%

*Diverse spend increased from .016% in Q2 2022 to 1.9% in Q2 2023



- FBG has a targeted goal of 3% diverse spend by 2025
- FBG's plan to achieve and surpass this goal includes:
 - Ensuring all competitive bids include at least two vendors classified as Minority, Women, Disadvantaged, and Veteran owned Business Enterprises ("MWDVBE")*
 - Updating our RFP templates to require suppliers to provide their organizations' commitment to DEI*
 - Establishing a DEI baseline: how many MWDVBE companies we currently do business with and managing key performance indicators to improve this metric*
 - Introducing supplier databases (like Tealbook and supplier.io) to help us identify MWDVBE to build new relationships with MWDVBE**
 - Introducing Diversity and Inclusion language into our vendor contract templates to ensure vendor adherence to our policy and goals**

* In effect now

** Coming 2024



FBG beta launched in Massachusetts on May, 25, 2023, therefore we have no metrics for April and the majority of May

Month	Found Sports Wagering or Attempting to SW on a SW Platform	Turned Over to Proper Law Enforcement Authority by The SW Operator	Account Suspended Due to Underage Activity
April 2023	n/a	n/a	n/a
May 2023	0	0	0
June 2023	0	0	0
Total	0	0	0



Month	VSE Enrollees
April 2023	n/a
May 2023	0
June 2023	2
Total	2



As of June 30, FBG had **3,480 active** Massachusetts sports wagering accounts

Tool Type	June ME Total Usage	% Total Active Users
Time Limit	12	.3%
Deposit Limit	56	1.6%
Overall Spend Limit	42	1.2%
Single Wager (Max Stake) Limit	24	.7%
Cooldown Period (Timeout)	4	.1%
Total	138	~4%



- The Massachusetts Council on Gaming and Health:
 - Prior to launch in the Commonwealth FBG RG Leads met with chief executives (Marlene Warner, Chelsea Turner, Odessa Dwarika) at the MACGH to openly discuss procedure and resources available in the Commonwealth for customer contacts involving threats of imminent harm (self, others, etc.)
- GameSense:
 - Prior to launch, FBG hosted a training session for GameSense leadership and GameSense advisors providing insight into our RG tools and resources offered in-app as well as Sports Betting 101 with the goal that GameSense advisors could better assist citizens of the Commonwealth with specific questions on FBG's product or general sports betting questions
 - FBG stood up a Quarterly check-in with GameSense advisors and the FBG RG Operations team to "share notes" and insights on common customer interactions and escalations so that both parties may better serve citizens in the Commonwealth
- NCPG National Conference
 - FBG sent 3 employees (RG Lead, and 2x senior leaders on the RG Customer Operations team) to the NCPG National Conference



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- FBG and Mass Lottery had preliminary discussions on partnership opportunities.



Fanatics Global Impact Day - Merch Madness

- On Tuesday, June 27, 2023, Fanatics hosted its 2nd annual Global Volunteer Day, a companywide day of service that engages thousands of employees from offices around the world. Fanatics paused most of the company's operations on the day, which saw more than 4,000 employees across 10 counties volunteer in their local communities at one of more than 200 different locations
- In Massachusetts alone, Fanatics donated over 6,500 units of merchandise with an estimated original retail value of over \$325,000





COMMUNITY

CHAMPIONING THE CAUSES THAT UNITE OUR EMPLOYEES & FANS

- Global Philanthropy
- Global Volunteer Day & Volunteerism Program
- Employee Match & Grant Program



SOCIAL JUSTICE

ADVOCATING FOR A JUST AND EQUITABLE SOCIETY

- IDEA – Inclusion, Diversity, Equality, Advocacy
- Justice Reform
- Partner Collaborations



RELIEF & AID

ACTIVATING OUR NETWORK TO MEET SOCIETY'S MOST PRESSING NEEDS

- ALL-IN Challenge
- Natural Disaster Relief / Aid
- Violence Response & Aid
- eCommerce & IVR Charity Checkout



SUSTAINABILITY

REDUCING WASTE BY DOING GOOD

- Merchandise Donations
 - eCommerce
 - In-Venue Retail
 - Brands/Wholesale
 - Collectibles/ Memorabilia



FANATICS HOLDINGS, COMMERCE, COLLECTIBLES, BETTING & GAMING