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THE NEXT

**DIGITAL GAMING INDUSTRY:
CEO INTERVIEW SERIES**

Volume 10: We talk to Dabble CEO Tom Rundle



You joined Dabble at its inception 4 years ago, bringing over 20 years of experience from the operations and technology facet of the gaming industry. What brought you to Dabble, and how have you been able to leverage your extensive experience since then?

The 3 founders of the business approached me to help make their idea of a more community-based betting experience a reality, and I was excited about doing something new from the start. Between the four of us we had a really good balance of skills, but along with being able to run the bookmaking operations, the biggest advantage of my experience was relationships with good people that we could bring to Dabble. Most of those early hires remain in leadership roles within the business. The other thing I brought is being the person who has to sometimes be the one that says 'no' to crazy ideas.

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Dabble currently operates in two markets, Australia and the US. How does the operating landscape differ between the two markets, and how do you go about managing two separate brands?

It's been the question at the forefront of my mind for nearly 12 months.

A lot of the key selling points of our two businesses are similar, notably the social experience we give customers and our commitment to a great product to service them. We also use a lot of the same technology components and technology partners, the Brand is the same name and uses the same colours, so we definitely get scale advantages in the running of the two businesses.

The main two differences are in the Total Addressable Market and the spend profile. Just the population of Texas is larger than Australia, so we can reach a lot more people in the US with our product. Having said that, the amount of money spent per person is much lower in the US, with DFS being a smaller stakes game than full sportsbook wagering. Our US fantasy business is definitely aligned with just having a dabble.

In terms of operations, we are a more mature business in Australia, but I recently spent 3 months until mid-November in our US headquarters (Austin, Texas) to help oversee development of our US business. We've hired out some more key staff now, and our US operations are maturing quickly as a result.

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Could you give us some detail on your user demographic, and the type of consumer you are typically serving? As a social betting platform, do you find that the newer evolution in the gaming space of combining betting and social media has influenced your target demographic?

We're really targeting any consumer that wants a wagering experience that feels like it was built in 2024. Just as social media users are of all ages, so are customers of Dabble.

'Social Betting' can take a lot of different meanings so we try to stay away from that term. To be clear, Dabble offers all of the same core transactional features as the sportsbooks and DFS operators that are household names (FanDuel, DraftKings, Sportsbet, or PrizePicks depending on the market). Our differentiation comes in the user experiences that we offer on top of, or adjacent to, the transactional features. Features like Follow, Copy, and Chat.

In that sense, we're really targeting any consumer that wants a wagering experience that feels like it was built in 2024. Just as social media users are of all ages, so are customers of Dabble. We do skew

younger than most of our competitors (notably in Australia) because younger people generally adopt new technology quicker, but our product is still very much enjoyed by a wide variety of customers across all demographics. Nearly every adult has a smartphone these days after all.

The Dabble app was the 2nd highest ranked sports app in November 2024 and has garnered over 1M global users since launch. What has been key to your growth over the past couple years, and how are you attracting and retaining users?

The business in Australia grew off the back of our own Technology that was built over 3 years. Once we entered the US market, we found that the underlying features we had built over this time allowed us to be highly competitive from the very start of our US launch.

We have unique features that makes Dabble as much a social media company as a wagering business, meaning customers are likely to refer their friends, and this has enabled us to get a lot of people trialling the product without necessarily spending tens of millions on marketing. We also have unique products, including our 12 pick 1000x.

We have always had a high level of focus on the small things that could cause friction. Placing an Entry or Bet, making a deposit, or getting your withdrawals into your bank should be the fastest in the business. Having accurate and fun messages as part of our engagement are the sorts of things we focus on because we know they are important. These (alongside unique products) have been keys to our customer retention.

As a follow up to that, what do you see as the reason Dabble stands out from competitors? Where do you differentiate, and what positions you to further build market share?

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It's definitely in the community elements of our products. You can see other people's entries, copy them, comment, then chat in our banter rooms about the game while it's happening. While DFS has always been a social product, our features make this more so.

The best thing is that we've just got started. There are so many more features and ideas we want to bring to life that deepen the community element of our app so that customers experience more fun.

Dabble has announced numerous partnerships throughout 2024, including OpticOdds and Supercars. How do you go about developing and rolling out new partnerships?

We are not crazy enough to try and build everything ourselves, and rather than relying on a single vendor or partners we use a range of services.

We have 8 or 9 providers of data and pricing services across both our markets. We have 6 or 7 providers of payment processing across our two businesses, and we are happy to promote our partners when they are providing a good service.

We've been selective, as we only want to partner with organisations that share our values of having fun.

In terms of the Supercars, and now our relationship with the Australian PGA, these demonstrate our move into top of funnel awareness marketing channels that continue to support our growth in Australia and demonstrate our maturity as a business. For these partnerships we've been selective, as we only want to partner with organisations that share our values of having fun. The livery on our Dabble Supercar we had for the Darwin round looked insane, and our million-dollar party hole at the Australian PGA golf event looks sick!

We have recently been talking a lot about responsible gaming in our CEO series. Considering Dabble joined the Coalition for Fantasy Sports earlier this year, I'd love to talk about your goals for protecting consumers. How does Dabble ensure responsible gaming, and how do you see yourself innovating and furthering the space?

Dabble's first guiding principle is a commitment to sustainable gaming. That's why we're really supportive of the Coalition's decision to join with idPair in building an industry wide self-exclusion platform. This will provide protection to at risk players, with a trial to be launched by March next year in a couple of States before being rolled out nationwide.

In Australia we were at the front of the industry from the start, trialling and releasing safety features above our legislated requirements. We are also currently hiring to expand the research capability within our team so we can focus on interrogating our own data and data sharing with academic researchers. The insight that comes from this will allow us to make evidence-based decisions internally, and advocate for regulations that are effective at a wider industry level in both our regions.

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With Dabble rapidly growing, where do you see the most opportunity for expansion? Do you have plans to expand outside of DFS in the US or maybe expand into other markets?

We are definitely looking at other markets, so watch this space! The biggest challenge is the sequencing of how we can be effective in new environments without causing too much distraction to the existing operations. Having said that, our long-term goal is to be a global business.

What is your view on the sweepstakes market and using sweeps as an alternative game type? Do you see any opportunities for Dabble in the space moving forward?

Very similar to the question about new regions, we also regularly consider whether we should be moving into new verticals that will allow us to grow. With that in mind we're monitoring sweepstakes closely, but for now we're focusing on our current businesses.

You recently announced that you were considering an IPO as part of your growth strategy. Can you tell us a little about this decision and how Dabble is positioned for growth following a public listing?

Now that we're a sustainable business, we're considering what the best options are for both our shareholders and the business itself. Moving to an IPO would take some planning and time, so we feel it's a good time to start looking at how that would play out including the impact on operations, the options of which exchange to pursue (if any) and any capital raises we might consider as part of the pathway to IPO.

What can you tell us about the roadmap for Dabble? What can users expect to see in the next couple years?

Wagering apps are single player games that enable transactions and Dabble wanted to be a multi-player game that enabled ongoing engagement.

Our first investor deck included a visual that showed wagering apps are single player games that enable transactions and Dabble wanted to be a multi-player game that enabled ongoing engagement.

Not much has changed for us. We want to find more ways to create richer communities and more fun for players. We also want to continue to remove as much as possible any friction points around the process of selecting picks or props, placing an entry or bet, tracking performance (including as a second screen experience) and then celebrating or commiserating once the outcome is known.

When you take a step back from running one of the top DFS platforms in the US, what do you like to do to wind down and relax?

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In simple terms I collect sports teams. They only get officially added when I've seen them both live and on TV. On my recent 3-month tour based in Austin, I added the UT Longhorns to my list that now includes the Richmond Tigers, Buffalo Bills, New York Yankees, Nottingham Forest, Melbourne Storm, Tasmania Jackjumpers and Hobart Hurricanes. National Australian teams are included by default! My eldest son has also inherited all the teams so it's great to be able to share my hobby with him.

Question for Joel: Thank you for participating in our CEO interview series, it has certainly been an interesting discussion. With all my questions for you, I think it's only fair to now turn the tables on me. Go ahead and ask me anything you want on the industry.

Joel, one thing I've noticed is a lot of companies (including Dabble) have intangible value in their technology that internally is a lead indicator of performance but isn't always understood by the market for years. How do analysts and bankers like yourself determine whether companies are about to be slowed down by their owned technology, or whether they have an edge that will enable sustained success?

Tom, that's a great question; at the end of the day when it comes time for businesses like yours to exit, having your own internalized tech stack that is robust, scalable, and reliable is a huge point of differentiation. Many of the investors and strategic acquirers we speak to daily are looking for the "one of one" solution versus businesses that are cookie cutter in nature. Bottom line, while its costly to develop your own technology and might be a short-term limiting factor it should allow the company to accrete more value in the long run. Lets be honest, most potential acquirers are going to have legacy technology and the opportunity to onboard the latest platforms as well as feature sets should be in high demand. I bet if you asked DraftKings for instance if they had built their own pricing models or platform in the beginning perhaps they would have taken a different approach albeit hindsight is always 20/20.

Tom Rundle - Biography

Tom Rundle is the CEO of Dabble, a wagering business with operations as a sportsbook in Australia and a Daily Fantasy Sports operation in the US. Dabble owns much of it's own core technology platform, and in addition to wagering services provides unique community features including the ability to copy, comment and chat with other players on its platforms.

After spending his early career as a public policy economist, Tom has spent the past 20 years leading teams in product, technology and operations across gaming verticals for companies including Australia's Sportsbet, BetEasy, and Pointsbet, with a stint of 4 years in London with Pokerstars in between. When not focused on building a company that'll be bigger than Flutter, Tom enjoys watching live sport (a mixture of seeing professionals and seeing his three Children play).



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