

CEO INTERVIEW SERIES

XST CAPITAL GROUP LLC CAPITAL, M&A, STRATEGY

Volume 16: We talk to Griddy CEO Brian Birt

Griddy is an incredibly unique platform, combining fantasy sports and puzzles. Can you give us some detail on the genesis of Griddy and how your product works?

Griddy is a mobile game that transforms the concept of the fantasy football draft into a highly strategic, single-player card game. In a Griddy draft, users build their team by selecting from randomly dealt NFL player cards that they attempt to match up on their "grid" based on shared characteristics. Finding ways to connect players from the same team, same division, or same draft year is the key to scoring big in Griddy and is the cornerstone of the game's puzzle mechanics.

Users get three drafts per day to try to build the highest-graded team possible. Because Griddy's proprietary scoring system isn't based on live NFL games or player stats, it's playable year-round. Creating a game that was available to users every day was the primary driver for me to build Griddy.

Football fans are one of the most rabid consumer bases in the world, but don't have a consistent outlet for that passion. The popular options (fantasy football and sports betting) are dependent on the NFL schedule and therefore are highly seasonal. What do fans do on the 300 days a year without an NFL game? That's a massive void we're addressing.

I'd love if you could walk us through some of the product development process. What were some of the early challenges you faced in defining the core gameplay and user experience for Griddy, and what led you to the final concept?

The magic that makes the game so fun and addicting was crafted over time through exhaustive <u>trial and error.</u>

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Griddy was built through nonstop user testing. I always had a strong vision for the core concept, but knew that the app's success would hinge on the details of the underlying game mechanics. The magic that makes the game so fun and addicting was crafted over time through exhaustive trial and error.

The first version of Griddy was created with a Google Sheet as the backend, designed to allow me to change the scoring rules and draft probabilities in real-time. This unconventional approach gave me the ability to run nonstop experiments until we hit what is - in my opinion - a game with the perfect blend of strategy and chance. Closed beta testers completed over 10,000 drafts before we launched a game that was available to the public. Many were staying up all night playing hours on end, often completing over 100 drafts in a single day. At that point, I knew it was time to open the floodgates and release the game.

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Your previous experience at Sleeper clearly gave you a strong foundation in the sports gaming industry. What were some of the most important takeaways from your time there that you brought with you when you founded Griddy?

Sleeper became a juggernaut in the fantasy space almost entirely through organic growth. That's not an accident, it's the result of leadership prioritizing user experience above all else and investing in the Sleeper community every step of the journey. That approach is how you design a product with staying power and turn users into vocal advocates for your brand. Nonstop communication with users builds trust and creates a fanbase that will scale and retain organically, which is an incredible foundation to build an app on. The user-first mentality is contagious throughout the company, and I've applied that same mindset into everything I've done to create Griddy.

At Sleeper, I launched games across Fantasy Football, DFS Picks, and PvP Pools alongside some of the most talented people in sports tech. Building across a wide range of verticals within sports gaming gave me an incredible understanding of the business of the industry, which has been pivotal in starting my own company. I'm extremely grateful for my time at Sleeper, and have a huge amount of love and respect for the whole Sleeper team!

You've built some incredible momentum in the past few months. What was your go-to-market strategy, and how have you maintained that strong growth in user base and retention?

I've grown the userbase without spending a dime on user acquisition, starting by connecting directly with fans in fantasy football forums and sharing my story and mission. From there, the app has spread entirely from user referrals and word-of-mouth. Our users love Griddy and are excited to share it with friends because it's so drastically different from anything that exists in the space.



That authenticity and vulnerability resonates with people who see that I myself am a diehard fan and power user of my own app who's extremely passionate about <u>what I'm building.</u> We've parlayed that enthusiasm into growing our own highly active communities on Reddit and Discord that are flooded daily with UGC. That's a great way to acquire and retain users - the Griddy subreddit has gotten over 400,000 visitors since launch!

I spend a huge amount of time talking with users directly, posting updates, and personally responding to nearly every message sent in. The Griddy userbase is truly along for the ride, I field their opinions when making difficult decisions, and am transparent about issues when we run into them. That authenticity and vulnerability resonates with people who see that I myself am a diehard fan and power user of my own app who's extremely passionate about what I'm building. I'm taking a "brick-by-brick" approach to creating a game and community that's going to last a lifetime.

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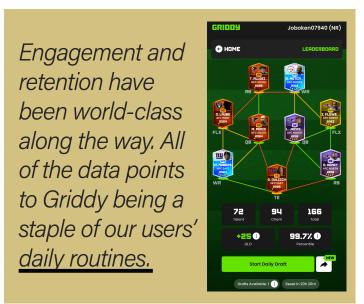
Since launch, what kind of feedback and metrics have you seen, and how have you adapted your strategy as you learned more about your users and the market?

We're closing in on 1,000,000 drafts completed since our November launch! Engagement and retention have been world-class along the way. All of the data points to Griddy being a staple of our users' daily routines. Over 60% of weekly active users play Griddy 6 or 7 days per week. On average, 90% of daily active users complete all of their available drafts.

Importantly, the qualitative feedback supports the data. I'm constantly receiving messages from users telling me how much they love the game and look forward to playing every morning - that was always the main goal.

Griddy utilizes an in-app purchases monetization model, which is uncommon in the sports gaming industry. How does this model fit into your business strategy and what benefit do you see over other monetization models?

Griddy's monetization will resemble a traditional mobile game and consist of in-app purchases of consumables and cosmetics, a "battle pass" subscription with daily perks and draft analysis tools, and rewarded ads that users can watch to unlock additional plays.



There's no betting or payouts in the app, which comes with significant advantages to both the business and our users. Because Griddy isn't a real-money game, we avoid the barriers to entry, regulatory restrictions, and costly operational overhead that most sports gaming companies deal with. It also drastically increases the accessibility of the game - Griddy is available to people of all ages, locations, and socioeconomic situations. Anyone can sign up and play instantly without having to share the sensitive personal information required to KYC and link a payment method. That decreased friction makes a massive difference in user acquisition.

Can you tell me more about Griddy's brand identity and how you've positioned the platform to stand out in the market? Who is your target demographic?

Griddy appeals to both diehard fantasy users and casual fans who love the strategy and speed of the game. Unexpectedly, we've also seen the app become popular with a third demographic of users who don't follow football at all, but play Griddy religiously.

This third cohort is a testament to the strength of the game's underlying mechanics and broad appeal. You don't need background knowledge of the NFL to play Griddy, all the information needed to match players is written on the cards. This widens the scope of our addressable market beyond traditional fantasy users and into fans of strategy games and puzzles. With that, we're working to position Griddy to convey that people of all levels of football fandom can play.

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While you're still in the early days of development, I'd love to hear about your vision for Griddy long-term. How do you see Griddy evolving and fitting into the digital gaming ecosystem, and how do you see yourself advancing the sports gaming industry?

There's a huge appetite for fast-paced, bite-sized entertainment that's available on demand. Griddy is filling that massive void that has existed in sports gaming by building the free-to-play pillar the industry desperately needs. We're carving out an entirely new vertical within sports gaming that aligns closely with modern consumption habits driven by instant gratification. There's a huge appetite for fast-paced, bite-sized entertainment that's available on demand. Griddy is filling that massive void that has existed in sports gaming by building the free-to-play pillar the industry desperately needs.

What are some of the biggest opportunities and threats that you see both in the industry and specifically for Griddy's future?

Griddy is built in a templatized manner with gameplay that we can easily re-create for other sports or even new industries. This presents a huge long-term opportunity to build versions of Griddy

across various consumer verticals. Countless reality shows, movie franchises, and fictional worlds face the same problem as the NFL: their passionate fans don't have a deeper way to consistently engage with the IP they love. Working directly with other businesses to solve this problem and deepen their connection with fans could lead to incredible scale for Griddy.

Meanwhile, the threat of new entrants or imitation always looms (as it does for most apps), but we're constantly innovating on what's already a proprietary game and investing heavily in gamification, social features, and community - all of which create a network effect that builds our moat.

With all that we've discussed about Griddy's performance and long-term vision, I want to hear about what's next for Griddy. What are your goals for 2025?

From a business perspective, we're aiming to reach profitability by year-end. This is a highly attainable goal due to the high margin nature of casual mobile gaming paired with our lean, low-cost operation.

That said, improving the product and gameplay will always be my top priority. Our north star is to build the most beloved and user-friendly game in sports. An experience that is delightful for all players, even those who choose not to spend money on the app. With that, we have a lot of exciting features on the roadmap, many of which are already in development. I don't want to spoil too much by getting into specifics, but the app will evolve and expand significantly throughout the year. The team is working relentlessly to build extremely fun, strategic, and competitive features and game modes that users can feel good about playing every day.

It sounds like you're putting all your energy into building Griddy - and rightfully so! When you have a chance to step away from that, even briefly, what do you do to relax and unwind?

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I love watching sports (particularly my beloved Buffalo Bills and Sacramento Kings), playing soccer and basketball, and have spent many years honing my game in a "Thirsty Thursday" bowling league. If you can't tell, most of my life revolves around a common theme. I owe sports so much: connections built with family, great friends, and strangers alike, some of the best memories of my life, a refuge that I can always count on. I know how meaningful sports are to so many people, and Griddy is my way to pay the sports world back. I truly love what I'm doing and feel incredibly blessed to get to work in sports and games full-time.

Question for Joel: Thank you for sharing about Griddy and your vision for the platform, it has been a fascinating conversation. Fair is fair - with all my questions for you, go ahead and ask me anything you want on the industry.

Thanks so much for having me, Joel! I know you play Griddy daily (along with much of the XST team), so first I wanted to know what you personally enjoy about the game and what you think has made it so popular with early adopters?

Thanks for the question Brian, I'll confess that as a Type-A ultra competitive investment banker, I love the thrill of trying to land a big score every once in a while either to talk trash around the office, mostly to our other power player and 790 SAT Math wizard Andrew "Bermanator" Berman, as well as see how I'm stacking up across the broader ecosystem. As someone that has a 1,000+ day streak on Duolingo learning German and Spanish for the last few years, Griddy also serves as a great brain teaser to go along with my morning coffee typically around 6am every day, so kudos to getting my mind going in a fun light hearted fashion.

From a broader industry perspective, what role can a free-to-play game like Griddy play in a sports gaming landscape that's currently dominated by real money games?

First and foremost, as you touch upon, games like Griddy for football and hopefully down the line for baseball or basketball serve as a great user engagement tool for the post-season period. As most people know by now, I'm a suffering New York Jets fan and I was very quick to notice that the day after the recent flurry in post-season trade activity you immediately had Justin Fields up as QB for the Jets, not Aaron Rodgers (sold to you Giants, Raiders, or Steelers if you take the bait)! Kudos to you for refreshing your player cards so quickly and I'll definitely be hoping to draw a Justin Fields (QB) to Garrett Wilson (WR) to Breece Hall (RB) to Jeremy Ruckert (FLX) lineup magically one of these days soon!



Brian Birt - Biography

Brian Birt is the Founder and CEO of Griddy, a mobile game that reinvented the fantasy football draft as a highly strategic daily puzzle. Brian got his start in sports gaming working in product development at Sleeper, where he was a driving force behind the launch and growth of the company's real-money gaming business. In a previous life, Brian was a CPA at Ernst & Young, where he audited financial statements for some of the biggest social media apps in the world. Brian is a passionate sports fan whose mission is to build a new free-to-play vertical within sports gaming.

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