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**DIGITAL GAMING INDUSTRY:
CEO INTERVIEW SERIES**

Volume 11: We talk to Lucra CEO Dylan Robbins



Dylan, we have gotten to know each other over the last couple of years; for those that don't know your background and origin story; tell us a little about Lucra in a nutshell and what the genesis of your business model was?

Lucra was born out of me and my partner, Mike's, love for friendly competition. We competed with each other growing up as friends for 15 years, and we always kept track on our phones. It was who's up, who's down, five bucks on this, 10 bucks on that. No one would ever pay each other and we'd be settling up quarterly. We never had a leaderboard, and it was just kind of a mess. We said, well, there's got to be a digital way to do this, and so we created Lucra as a platform to try and be the digital platform for friendly competition. The genesis of our business model is that it was a direct to consumer business where Dylan and Joel could challenge each other for five bucks, but we've since evolved that business model into a B-B vertical that's had a lot of success.

You were successful in raising \$10m of capital from some pretty notable investors during the go-go days of a fairly loose funding environment in Spring 2022. How are you navigating the funding environment today and have you raised additional capital recently?

Very timely, yes, we just closed a \$10 million raise announced in December, led by some great folks like 7GC, Steve Kuhn, SeventySix Capital and NBA MVP, Giannis Antetokounmpo. We're thrilled about bringing these folks into the cap table. This \$10 million really gives Lucra the ammunition it needs to take it to the next step. In 2025, we're going to be launching a ton of new products, expanding into new markets, and really amplifying our existing ecosystem of partners. So really, really exciting. And, yeah, you were right. You mentioned 2022 was a much different fundraising environment, so we're even more proud to be able to get such a great raise done in this more challenging fundraise market.

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When we first met each other in early 2022 the business was largely focused on delivering a peer-to-peer wagering platform. Obviously developing a massive consumer following with limited funds isn't easy, with your more recent pivot to white-label technology, what does the future hold for your more legacy enterprise?

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I think, Joel, you hit the nail on the head with the question, which is that the direct to consumer model is really tough. From an LTV to CAC standpoint, you have to spend so much money to acquire customers that then need to wager so many dollars to make that payback worthwhile. As a company like Lucra that didn't have a brand, it's really challenging to build one. It costs a lot of money and a lot of time, and you have to get a lot of consumer awareness. By shifting to a B2B model, we could get the best of both worlds. We could use our expertise, which is technology, user experience, legal compliance, you know, the infrastructure behind these fun experiences, and then partner with brands that were experts on marketing, customer acquisition and brand affinity. Some of the best brands in the world are our partners. We could each use our own superpower, and so that way, it provides us a much more attractive and profitable business model and gives us a much better path forward to long term success.

Throughout 2024 you announced numerous partnerships, notably TouchTunes, Dave & Busters, and Five Iron Golf. What excites you the most about these partnerships and how can they serve as a springboard for other white label deals?

Lucra can fit anywhere that competition does, anywhere you're seeing people competing. Whether they're competing on arcade games, competing on darts, competing on golf, you name it.

You named some of our most exciting partnerships for next year. We've got over 17 partners now signed. There's a few others on there that I'm sure I would mention as well, but you certainly named some of some of ones we're most excited about. Obviously, Dave & Busters was our first landmark deal, the largest family entertainment center in the country. Touch Tunes with over 60,000 bars across the US, it's a great access channel to a ton of competitive folks around the country. And then golf is a space we've really been wanting to enter, and we're thrilled to be entering it with Five Iron Golf, as it's one of the fastest growing golf simulator companies in the world. I think what these deals signify is that

Lucra can fit anywhere that competition does, anywhere you're seeing people competing. Whether they're competing on arcade games, competing on darts, competing on golf, you name it. It's a great signal to the market that we can be flexible, and our gamification suite can really amplify the fun for customers across many different ecosystems. So I think you're right. This will act as a springboard for us as we take the next step in our in our journey.

I'd love to hear more about Lucra's user demographics. Can you share more on who your power users are? I recall the original thesis around this business was that people don't always want to bet against the house and prefer the thrill of playing their friends or people they meet online; what are you seeing from this perspective?

Absolutely. So our customer base is very broad. Everything we do here at Lucra is 18+, so that's the youngest you're going to see for a Lucra user. We generally see about 50% of our users are between the ages of 18 and 35. Pretty broad diversity in terms of geography and gender, as well as things like income demographics, but you did hit the nail on the head, which is that users play Lucra's technology because they crave a social interaction.

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We're built around peer to peer competition. We're built around playing with either friends or other people in your community. What's great about that, is that I could challenge you to \$5 on who's gonna hit the longest drive, or I could enter a tournament with 100 other users that I've never met, and we each put in \$5 for who's gonna hit the longest drive. So when I say social and peer to peer, I don't only mean with your friends, but also with other people in that community as well. It's definitely still a core part of our business, and we're expanding what the word social really means.

As you scale the white label business, what does the integration process look like for your third party partners to incorporate gamification options into their apps and other consumer interfaces?

The goal for Lucra is that this is as quick and easy as possible. It's a hard thing to sell someone an expensive piece of technology that is really high value, that then takes months and months and months to integrate. The goal is that we sell them something that's affordable, easy to integrate, and value added right away. We're trying to do something like 3-4 week implementations under a month. That's our goal with all partners, and we are trying to make that value creation happen for them almost instantaneously. We're really focused around short implementation timelines, delivering really clean and crisp products, and working hand in hand with our partners.

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Now, where we see a ton of success to be achieved is where this eventually becomes out of the box. We're still scaling, it still takes us about three or four weeks to implement, but I think you'll see us reduce that number down to one or two weeks in 2025, and hopefully at some point it's something that you can just download out from our website and integrate directly into your technology.

Lucra has grown rapidly and developed partnerships in various sectors and across well known consumer brands; what future opportunities are you most excited about and what are the ideal partnerships you'd like to form going forward?

We're really focused, as you've probably seen, on the in-person entertainment space, where people are going to compete. Our partners like Dave and Busters and Five Iron Golf are a great example. You're going to see us continue to expand in this space rapidly, and see some big deals we'll be launching early next year on that. We're also really excited about the media entertainment space. We just signed a deal with Hollywood.com in the movie ticketing space. They're one of the largest movie ticketing providers in the country and soon you're going to be able to challenge your friends on trivia. You'll also see us expanding into the UK. We're going to be moving overseas and expanding internationally. We're incredibly excited about these parts of our 2025 roadmap.

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I must confess, I'm enjoying my Founder journey and entrepreneurship vs. my largely big banking career; on a personal note what has been your most rewarding experience to date since launching Lucra and building out your business plus what sounds like a great culture?

We don't want to have a clock in, clock out culture. You're not a good fit at Lucra. You just want a place to come work for nine to five and leave. We're really looking for people who are investing in our in our community.

I think there's a lot of ups and downs, as you know, Joel, now in the founder journey. I think the thing I'm most proud of is the culture that we've built. We've got 30 people here now on the Lucra team. These people are my friends. When you're working at a startup, when you work with your team, they become your family. You're spending more time with your people that you work with, than you do with your spouse sometimes. We spent a lot of time together, and I built great, great bonds with the people on my team. And so I think that's been the most rewarding experience, coming to work every day and working with people that I really care about and that I trust. We got people having babies, people getting promotions people getting

married - they were celebrating all these life experiences, that I get to celebrate with them. It is really, very special.

I think that's the important thing about building a great environment, is getting buy-in from folks to develop a culture they want to be around. We don't want to have a clock in, clock out culture. You're not a good fit at Lucra. You just want a place to come work from nine to five and leave. We're really looking for people who are investing in our community.

I know that you are a big oenophile given that you and your wife have some connections to the wine business; imagine we are sitting down for a nice steak dinner after you monetize the business in a few years. What are the 2 bottles of red wine you order for us at dinner to celebrate?

Wow, now you're getting me thirsty. I think that we would probably start with a bottle of white and a bottle of red, but since you said two reds, let's go with two reds. Maybe we'll start with a wine from one of my favorite producers from Greece, it's called Domaine Tatsis. It's not a producer that a lot of folks know about, but it's a great Greek wine. It's kind of like an Italian style, Nebbiolo style wine from a grape called Xinomavro. Domaine Tatsis is spectacular, so I think you would really liked that one. We can drink that together, and then maybe we just go classic Bordeaux. I know you're also a Bordeaux fan, so we could drink some Cabernet from Bordeaux, and we can celebrate all this monetization you're talking about!

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

Joel, you have an interesting point in the landscape where you're interviewing a ton of founders, right? So you're hearing from people in my world, probably a lot of my friends, competitors, and partners. I'd be interested to hear what your take is on what people are saying about 2025. 2024 was such a year of challenge, and I'm hoping that we're going to see more M&A, more raises, more IPOs. What are you hearing and feeling from these folks, and what do you think 2025 is going to bring?

Thanks Dylan for a great question. What we are hearing is some meaningful optimism about a more “risk on” environment around capital raising, not quite the 2020-2022 days but a feeling that this industry continues to mature, benefits from some of the pivots made by the class of entrepreneurs that raised during that period, and a belief that the future is bright for digital gaming. Most folks are paying close attention to the growth in sweepstakes and whether or not that category is sustainable, potential opportunities around increased regulation or now the move toward deregulation (I don't think I've ever said deregulation when it comes to gaming in my entire career), and potential risks around responsible gaming reforms. With that said, now that we are 6 years post PASPA there is a firm believe that digital gaming isn't going backwards particularly relative to land-based which looks like its structurally peaking.



Dylan Robbins - Biography

Dylan Robbins is the Founder and CEO of Lucra, a white-label gamification platform that helps brands gamify loyalty experiences for customers. Lucra helps its partners drive new user acquisition, increase engagement and retention of its customers, and launch new revenue streams. Dylan started his career in Investment Banking at Goldman Sachs and then worked in business development at AQR Capital Management. Prior to Lucra, Dylan Co-Founded and sold Lifetime Vintage, a successful wine e-commerce platform focused around wine experiences. Dylan is a fanatic New York Knicks fan as well as an avid darts player, and competes nationwide in events.

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