



**XST CAPITAL GROUP LLC**

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# THE NEXT

**DIGITAL GAMING INDUSTRY:  
CEO INTERVIEW SERIES**

## **Volume 9:** We talk to SoBet CEO Cooper Lycan



**Tell us a bit about the genesis of SoBet and how it began. How did you go from West Point and military service to developing a sports betting media platform?**

I got into Daily Fantasy and Sports Betting at West Point. Early on, I figured out it was really tough to win, so I quickly sought an edge. I started building a model around +EV and became passionate about it. After graduating, I had to serve five years in the military. So I was always looking for quick betting insights online because I didn't have much time to spend building models due to training and deployment cycles. However, as the industry grew, many creators on social media started to pop up, building brands around content, giving out picks, and creating the perception that they were winning. A lot of them had paid silo'd subscription channels hosted on other platforms, but as I started to talk to them, I realized that most of the time, it was a zero-sum game. They had to consistently market themselves via

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social media to acquire subscribers, who would inevitably churn when they lost because it is impossible to win all the time. All the while, on the customer side, navigating it was timely and tedious to navigate all the different platforms, and even more challenging to tell who was actually winning. So basically, we came up with the idea to put multiple creators onto one platform, build an elite experience for the user that delivered the transparency needs they were looking for as someone wanting betting insights, and charge customers one flat subscription fee: Better ecosystem, elite product, more winning experiences. I started the company when I was in the military, we launched our beta with 8 initial creators on board and have exponentially grown MoM ever since.

**SoBet has taken an exciting approach of positioning itself against sportsbooks and creating a community to win more against them. Tell us a bit about this strategy - why have you taken this position, and what kind of path forward does it provide?**

When I was incubating the idea, the only platform close to what I wanted to build was the Action Network. However, post-PASPA, the Action Network became diluted with marketing efforts trying to get people to sign up for sportsbooks, and all the relevant sports bettors left the platform (See the birth of OddsJam lol). If you are attempting to provide winning experiences through insights, there will always be a taboo if you are trying to push people to a traditional sports book. Sportsbooks want people to lose. Those two messages and brands clashing do not work.

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## DIGITAL GAMING INDUSTRY: CEO INTERVIEW SERIES

**SoBet has reached over 20k active users and 7k monthly posts, exhibiting rapid growth in 2024. How have you worked to grow your user base, and what acquisition strategies have you found the most fruitful?**

The growth of our creator team and the culture built within that side of the business have developed into a very efficient engine through which our SoBet Pros acquire customers for the platform. Wes, our Head of Brand, has led that progress. We also have a very efficient paid advertising model that drives users into the platform through various channels. I can't give all our secrets away, but a scrappy approach has led to incredibly competitive acquisition costs in a crowded market. I credit much of what we've done on that side to the creativity of our head of marketing and expert consumer lens, John Morse.

**You recently rolled out V2 of the SoBet mobile app, with a redesign and new features. What were some of the key changes you made, and how do they improve the user experience?**

*Users now have ultimate confidence that everything posted on the platform is calculated correctly and displayed in transparent rankings.*

The most significant improvements in V2 of our mobile app were our automatic bet-tracking functionality and the final version of our leaderboards. Users now have ultimate confidence that everything posted on the platform is calculated correctly and displayed in transparent rankings, where they can see the best bettors over given time periods. Our screenshot-to-share capability and shareable post features also allow users and creators to share anything on the platform with other social platforms in the ecosystem.

**SoBet focuses largely on independent creator content. What kind of opportunities and challenges have you faced with this type of media platform?**

When we first started building the platform, we had to be less restrictive with the creators on the platform to throw together the first version of what we were trying to develop. Fast-forward to today, and we have stringent requirements for anyone trying to become a creator on SoBet. Along the way, we faced a significant challenge: parting with creators who didn't meet that developing standard and/or figuring out how to get existing creators up to those new benchmarks. In the end, though, I think it has given us a quality-over-quantity type approach, which is our key differentiator when you compare our product to some of the Lamborghini-driving Vegas Daves out there who are selling snake oil.

**On the same topic, how do you see the media industry evolving, and how do you fit into it? As well, where do you see yourself innovating the industry?**

I've said this for the past 3 or 4 years, but there was a time when sports betting and media were separate things in the US. Today, they are getting closer to being one and the same. As it continues to develop, I think "Media" companies as we know them will fully transition into "Social Media" companies, and the smart ones will be completely attached to the brands or products that they're trying to build.

# THE NEXT WITH XST CAPITAL

## DIGITAL GAMING INDUSTRY: CEO INTERVIEW SERIES

The best media businesses will fully own their customers and control the loyalty of their audience through their media elements. We want to follow suit in line with that trend, but the ultimate kicker is that people will decide who actually has the most beneficial brands, products, and messaging that they want to align with. Social Media is the great equalizer in that now marketing isn't dependent upon reaching a certain level to have the ability to access the masses, so winning with product in building something that people identify with becomes even more paramount in my mind.

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**You have a pretty active social media presence across X, TikTok, Meta, and Youtube. Can you go into your use of content and how it supports your business?**

I explained it above, but we use our content to highlight the brand, product, and messaging we want our users to identify with, and then we use our product to drive them back into that content. For us, it's less about building something clickbaity and more about identifying trends we can use to benefit our growth while staying in line with the brand, product, and messaging we want to build. Another big thing we wanted to accomplish when building our socials was authenticity. A lot of companies buy their followers nowadays, which is a shame. It's not happening as much anymore but when we started our company, it was happening a lot, and entirely frankly duped many investors. All our growth has happened organically, and most of it recently.

**SoBet prides itself on providing a transparent platform and supporting responsible play, partnering with Birches Health. How do you factor responsible gaming into your business development, and where do you see opportunities to further best practices?**

As we continue to build, identifying problem gamblers, and maintaining the stance of truly building with responsible gaming in mind is one of our biggest priorities. We're a small but lean company with a very stacked roadmap, and building technological automation into our platform to help with this battle is the end state in our mind. However, we're grateful and immediately willing to partner with companies like Birches, which enables us to provide some of the same coverage to our user base. At the same time, we continue to build toward our ultimate vision. I've turned down numerous opportunities we saw as detrimental to the ecosystem and/or that vision.

**As a firm we are very bullish on the tools space and have closely followed the growth of your peers like Pikkit, Outlier, Oddsjam, JuiceReel and others; how are you differentiating versus these groups?**

I kind of blanket the entire corner of the space as "Betting Information." I break it down into three sub-categories: data-based insights, pick-tracking, and siloed subscription platforms for creators. I would also say some sweepstake models may touch the betting information space a little with social elements, but again, sportsbooks giving good information will always be taboo with users.

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## DIGITAL GAMING INDUSTRY: CEO INTERVIEW SERIES

When you look at many companies in the broader betting information space, many look and feel precisely the same. Additionally, I think that everyone in gaming intuitively knows sports betting is a social activity, and there

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hasn't been a product that has won socially with consumers. Some have built tools, some have given people the ability to build communities (most of the time losing), and some have allowed users to gauge their true performance. In my mind, we want to continue differentiating ourselves from everything else by genuinely building what people seek. I think I'm fairly unique because I am also the ultimate consumer in this space. I've built a model, created content, used tools, bought subscriptions, and now I'm a creator building a community on SoBet. And I think when you look at it through the lens of being the true end user, we're building something that has significantly more social traction than anything in the market.

**Tell us a little about the roadmap for SoBet - what can users expect to see in the next couple years?**

We want to keep building a product that our users love to use daily and provide entertaining, winning experiences through a consumer application. Our product team led by Ron and Bhavik focuses on building toward a vision, and letting our customers tell us what to build along the way.

**How are you thinking about the long-term exit path for the business, particularly as traditional affiliate platforms that rely on SEO optimization are struggling? Are you a potential way for these platforms to better approach a rapidly changing market?**

I'm currently focused on delivering winning insights/entertainment to the Kings Court (my community of over 1,000 people on SoBet), running a profitable business that delivers maximum value back to our investors, and building a product/brand that transforms an industry that has been built by a game fixed against consumers. Maybe it's time to create a game that is fixed for consumers to win?

**You spend a lot of your time and effort developing SoBet and promoting it, but when you can find some free time, what do you like to do to take a step back and unwind?**

I don't. I'm either working, watching sports, using SoBet, or working out. And when I have big winning weekends, I'll go get a steak at Halls Chophouse (shout out Billy Hall) and get back to the grind. I wouldn't want it any other way.

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## DIGITAL GAMING INDUSTRY: CEO INTERVIEW SERIES

**Question for Joel:** Thank you for participating in our CEO interview series, it has been very interesting discussing SoBet. 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.

What do you think is the number one thing investors get wrong about companies they invest in that fail?

**Thanks Cooper,** thats a great question and I could certainly pontificate on that for a few hours! With that said, I think people, whether its when making personal investments in public companies or private companies, may overestimate their own knowledge of the subject matter company or tend to fall back on their "gut" reaction to the overall investment thesis. I think its easy to get trapped in your own personal views and or sometimes group think at times (ex: let me ask only sports betting experts about the subject matter). Sometimes trying to remove yourself a bit from the decision and engage external advice or try to look at things a but more simplistically can be helpful.

### Cooper Lycan - Biography

*Cooper Lycan is the founder and CEO of SoBet, a sports media and betting platform designed for a younger, digitally engaged audience. SoBet stands out by offering a unique gamified approach to sports betting, providing a social ecosystem via their app built around betting insights from betting creators and independent experts. Launched in 2022, SoBet houses over 7,000 monthly posts from a growing roster of talent who share their betting picks and analyses in an accessible, community-driven product.*

*Lycan's background includes military service, attending West Point and serving in the military from 2017-2022. Most of his time was spent in special operations with the Ranger Regiment. His journey with SoBet began from his experience building predictive sports betting models and sharing insights via social media. The platform, which has signed up 10s of thousands of paying subscribers, recently secured \$3.7 million in funding to expand its offerings and reach profitability.*



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