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THE NEXT

DIGITAL GAMING INDUSTRY: CEO INTERVIEW SERIES

Volume 13: We talk to OwnersBox CEO Brian Kipp



I'm sure many of the readers are familiar with OwnersBox, but could you give us some detail on the genesis of the business model and how it has evolved to what it is today?

Prior to 2018, OwnersBox developed and operated a sports tracker app that provided real-time scoring and in-depth player information. We quickly gained traction with fantasy sports enthusiasts who valued our speed and accuracy. However, we saw a bigger opportunity to leverage our technology and data expertise to create a more engaging and rewarding fantasy sports experience.

This led us to develop Weekly Fantasy Sports (WFS) in 2020, a unique format that combined the best of season-long and daily fantasy sports. While WFS had promising elements, like live drafts and week-long roster management, the unpredictable sports schedule during the COVID-19 pandemic presented significant challenges.

We built on our learnings from WFS and focused our efforts on the established Daily Fantasy Sports (DFS) market. Today, OwnersBox offers three distinct DFS games:

- Salary Cap: Build a lineup while staying within the salary cap and compete against other users.
- Player Picks: Select "More" or "Less" on specific player performances and combine them for the potential for significant payouts.
- Lightning Lineups: Select the top performing 3-player lineup against other generated lineups.

In addition to our core DFS offerings, we're expanding our content efforts to reach a larger audience and surpass the 400 million views we achieved in 2024. We're also exploring brand activation to diversify our revenue streams and more tightly integrate the content and gaming aspects of our business. Looking ahead, our goal is to become a leading innovator in the DFS space, expanding our market share and pushing the boundaries with new games and features that enhance the user experience.

OwnersBox aims to reinvent daily fantasy sports. Could you give an overview of your offerings and give us some detail on how you differentiate from other DFS operators?

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At OwnersBox, we've taken a strategic approach to game development. Unlike many new DFS operators who focus solely on player props, we offer a diverse portfolio that includes Salary Cap contests (where users compete against each other), and Single Player Fantasy games like Lightning Lineups and Player Picks (where users challenge themselves against the house). This diversification allows us to operate compliantly in a wider range of jurisdictions and cater to a broader audience.

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Having established a solid foundation with our initial games, we're now focused on innovation. We have two exciting new game types on our short-term roadmap: a rapid live draft game that will add a new dimension to DFS, and a player-centric mass engagement game designed to appeal to a wider audience. These innovations will further differentiate OwnersBox and provide our users with fresh and exciting ways to engage with fantasy sports.

Beyond developing new games, we're committed to enhancing the overall user experience. This includes implementing enhanced loyalty rewards programs, integrating valuable content, and introducing "beyond the contest" gamification features to foster a thriving community. We believe these initiatives will create a more engaging and rewarding experience for all OwnersBox users.

You have a loyalty program, offering OwnersBucks for every contest entry, which users can redeem for tickets to enter more contests. What goals and differentiation did you have for this program, and can you share any of the metrics you've seen with this?

We understand that a successful loyalty program needs to be simple, meaningful, and engaging. Our OwnersBucks program was designed with these core principles in mind.

From the outset, we focused on two primary objectives; 1. Rewarding User Activity. OwnersBucks provide a tangible reward for every contest entry. Users can redeem these for contest tickets, allowing them to play more and potentially win more. Our VIP users even have the option to redeem OwnersBucks for cash! This system ensures that users see real value for their engagement on the platform. 2. Building a Thriving Ecosystem. OwnersBucks also create a dynamic on-platform economy. New users can try the platform risk-free by entering OwnersBucks-designated contests, and experienced players can participate in contests where OwnersBucks are the prize. This fosters a sense of community and encourages ongoing participation.

Today, our enhanced rewards system is arguably the most lucrative in the fantasy sports industry. It's a powerful retention tool that provides tangible benefits to our users. But we're not stopping there. We're actively exploring ways to expand our loyalty program, including potential integrations with other loyalty programs to provide even more value to our users. We're confident that these initiatives will drive strong engagement, retention, and user satisfaction.

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You recently launched a huge partnership with Kroger. Could you give us some color on this partnership? How did this collaboration come about, and what were the key steps in its implementation?

We did. The partnership with Kroger is a game-changer for OwnersBox. Kroger is a retail giant with immense reach and a loyal customer base, and this collaboration opens up incredible opportunities for us to introduce OwnersBox to a massive new audience.

This collaboration stemmed from Kroger's forward-thinking alternative gaming initiative. They were exploring ways to enhance their digital offerings and provide more value to their shoppers beyond traditional grocery shopping. We, at OwnersBox, were seeking to expand our reach and bring daily fantasy sports to a wider audience. The synergy was clear, and we quickly realized the potential for a mutually beneficial partnership.

To bring this partnership to life, we first focused on strategic alignment, working closely to ensure our goals and values were in sync and that the partnership would be mutually beneficial. Next, our technical teams collaborated seamlessly to integrate OwnersBox into Kroger's digital experience, including their website and mobile app. In parallel, we developed a comprehensive marketing strategy to effectively introduce OwnersBox to Kroger's vast customer base, leveraging their extensive marketing channels. Finally, we established dedicated support channels to promptly assist Kroger customers with any questions or issues related to OwnersBox, ensuring a positive and seamless user experience.

We're currently conducting limited market tests under the newly introduced Kroger Play branding. This exciting program showcases Kroger's commitment to innovation and providing diverse experiences for their customers. Over the coming months, we'll be expanding our activities and scaling the program.

DFS has become an increasingly competitive market, as new entrants flock to the industry. What strategies are in place to attract new users, and how are you retaining these users in the face of this competition?

The DFS market is undeniably competitive, but we have a distinct advantage. Unlike many new operators who may prioritize rapid growth over long-term sustainability, we're deeply committed to operating compliantly in every jurisdiction we enter. This commitment to integrity and responsible gaming is not just good business practice; it's also a key differentiator that allows us to forge strategic partnerships with reputable brands like Kroger. These partnerships provide access to massive new audiences and significantly enhance our brand credibility resulting in cost efficient user acquisition and retention at scale.

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We'll retain users by offering an exceptional user experience, exciting new games and features, and a second-to-none loyalty rewards program that provides unmatched value. This dedication to our players, combined with our strategic partnerships and commitment to responsible gaming, will solidify OwnersBox as a leader in the DFS market.

OwnersBox highly utilizes content and social media to engage with users, with a strong presence on Twitch, Youtube, Discord, and X. What content strategies has OwnersBox implemented to drive consistent engagement, and how do you adapt your content to reach your target user?

This multi-faceted approach will allow us to not only attract new users but also deepen engagement with our existing audience, ultimately driving growth and establishing OwnersBox's position as a leader in the DFS space.

I view content as a necessary capability. Our initial goal was to build a content engine that could produce high-quality, engaging sports content and attract a dedicated following. We've clearly achieved that, generating over 400 million views across our social channels in 2024 alone.

Now, we're focused on leveraging this content to drive even greater results. Our strategy is three-fold: First, we'll rapidly expand our reach and strategically promote our products across all channels. Second, we'll initiate brand activations that seamlessly integrate our content, fantasy contests, and partnerships with consumer packaged goods at both regional and national levels. Finally, we're actively building an influencer network to amplify our message and

leverage the star power of our spokesperson, legendary NFL quarterback Drew Brees.

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How does OwnersBox navigate the dynamic regulatory environment for DFS, and how do you go about rolling out new products to new jurisdictions?

We're fortunate to have a highly competent compliance team that works closely with legal counsel to stay ahead of the curve. In fact, we frequently receive praise from state representatives for our professionalism and thoroughness in navigating regulatory requirements.

Our approach is proactive and comprehensive. We continuously monitor regulatory changes, leverage cutting-edge geolocation technology to ensure compliance in each jurisdiction, and maintain open communication with regulators. When developing new products, we meticulously review them through a compliance lens, consult with legal counsel, and proactively engage with state regulators to ensure full transparency and adherence to all applicable laws.

This diligent process, while requiring time and attention to detail, allows us to confidently and responsibly introduce new offerings to our users while maintaining our commitment to operating with the highest standards of integrity.

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What are your thoughts on the DFS industry today, and how do you think it will innovate and evolve? Further, how do you see OwnersBox pushing that advancement?

I believe paid fantasy sports are a vital component of the gaming ecosystem, alongside sports betting, iGaming, and content. It's crucial that regulators recognize the distinction between paid fantasy sports and sports betting, ideally by standardizing the "game of skill" definition and regulations. This clarity is essential because fantasy sports offer a fundamentally different user experience, fostering a higher level of engagement and platform loyalty.

Looking ahead, I envision a future where DFS platforms become even more integrated and immersive. OwnersBox will lead this evolution by seamlessly merging our gaming products with our robust sports information platform and enhanced social features. This will create a dynamic environment where users can not only play fantasy sports but also connect with fellow enthusiasts, access expert analysis, and immerse themselves in the world of sports.

I believe the future of DFS will be shaped by advancements in personalization and immersive technologies.

Furthermore, I believe the future of DFS will be shaped by advancements in personalization and immersive technologies. AI-powered recommendations will tailor the experience to individual preferences, while VR and AR could create truly immersive experiences that transport users to the heart of the action. OwnersBox is committed to exploring these possibilities and pushing the boundaries of what's possible in DFS.

Do you have plans to expand into other sports or facets of the gaming industry? Long-term, where do you see OwnersBox expanding? Give us some insight into the OwnersBox roadmap.

We are committed to expanding our offerings and enhancing the user experience. This includes onboarding new sports like golf, college basketball, and college football, as well as introducing innovative contest formats like live draft daily rotisserie and Best Ball. We're also focused on providing more user-friendly payment options, including Apple Pay, Google Pay, Venmo, and PayPal, and exploring exciting new in-person withdrawal options using QR codes and ATMs. Above all, our top priority is continually improving the overall user experience to make it as seamless and enjoyable as possible.

OwnersBox has grown significantly in the market with little capital raised to date. How have you rolled out such a robust product, and how are you approaching funding in the coming years?

Our current position is a testament to our dedicated team, our loyal investors, and our commitment to our users. We've strategically navigated market challenges and emerged as a strong contender in the DFS space.

Now, as we prepare for our next phase of growth, we're exploring a Series A funding round to scale our operations and capitalize on the exciting opportunities ahead. Our goal is to achieve operational sustainability within the coming year, driven by strong core KPIs and a highly satisfied user base. This foundation will enable us to strategically deploy capital to further expand our offerings, enhance our technology, and solidify our position as a leader in the DFS market.

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When you're able to take a step away from the fast-paced DFS industry, what do you like to do to relax and spend some time away from business?

To be honest, finding time to truly step away from OwnersBox has been a challenge. Between family and the business, there isn't a lot of downtime. I do occasionally manage to squeeze in a game of poker.

Question for Joel: Thank you for taking the time to discuss OwnersBox, it has been a great conversation. 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.

Thank you for allowing me to participate in your CEO interview series. I truly appreciate Joel's expertise in gaming and the relationship we have built over the past couple of years. My question for Joel is, what are some of the emerging trends or companies that XST Capital is most excited about in the fantasy sports space?

Thanks Brian, I think the credibility and durability of the daily fantasy sports space is beginning to solidify particularly as you have a crop of very high performing companies like PrizePicks, Sleeper, Underdog, Betr, Dabble, Chalkboard among a few others followed by a crop of companies like ParlayPlay, OwnersBox and others driving interesting game mechanics and bet offerings. In our view the ability for DFS companies to create powerful brands vs incumbent land based gaming companies has been amazing. How the industry embraces additional game mechanics, ultimately decides to tackle or not tackle sweepstakes, online casino, and other casual experiences will be interesting to follow.



Brian Kipp - Biography

Brian Kipp is the Founder and CEO of OwnersBox, a leading innovator in daily fantasy sports. A lifelong entrepreneur with a background in technology, Brian has been the driving force behind OwnersBox since its inception in 2011. His experience includes a key role in the management team at AssetMine Global Inc., culminating in its acquisition by Ernst & Young. Brian's leadership has fueled OwnersBox's growth, securing strategic partnerships like Kroger and attracting brand ambassadors like Drew Brees. He is committed to growing OwnersBox into a leading operator in the fantasy sports industry.

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