

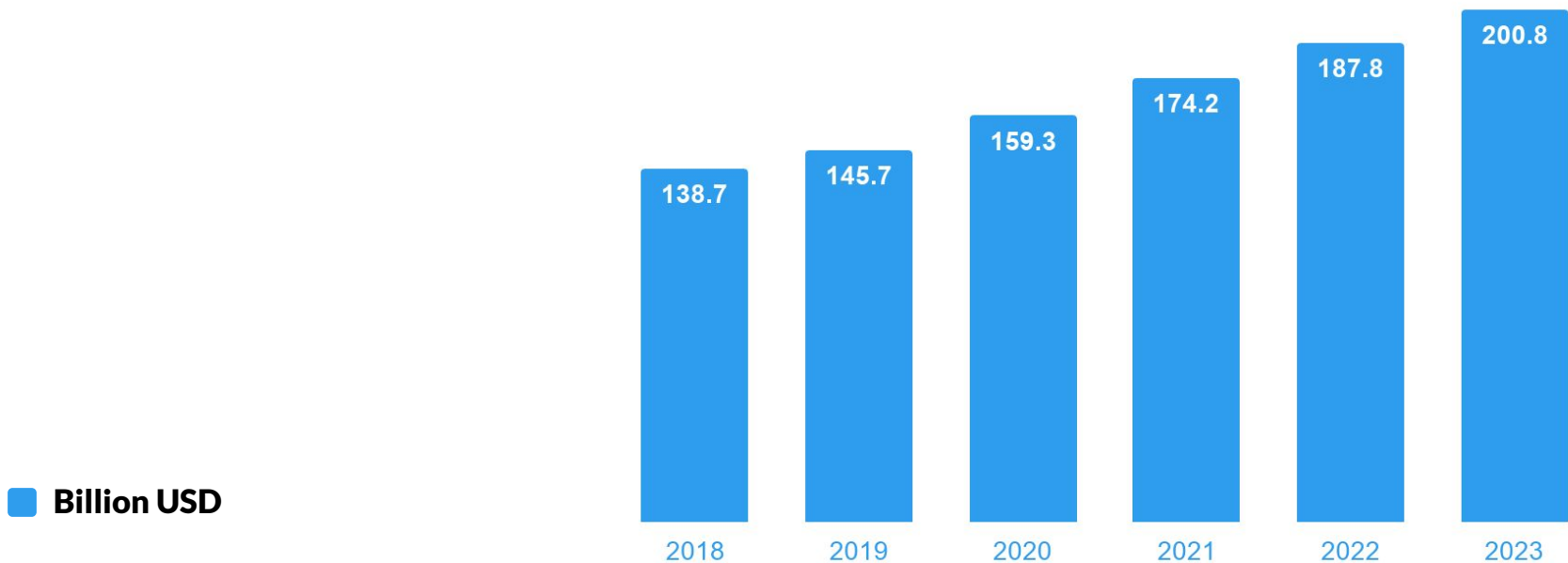
# players' lounge

Bet on yourself playing video games



# The world's 2.7 billion gamers will spend **\$159.3 billion** in 2020

Gamers are spending in new ways every year.  
Skins, DLC, Twitch donations and now **Players' Lounge**.



**Pro esports is focused on competing for money, but only 0.01% of gamers can feel that rush**

**Players' Lounge gives all gamers that rush.**

**Instant esports.**

# Defining Players' Lounge

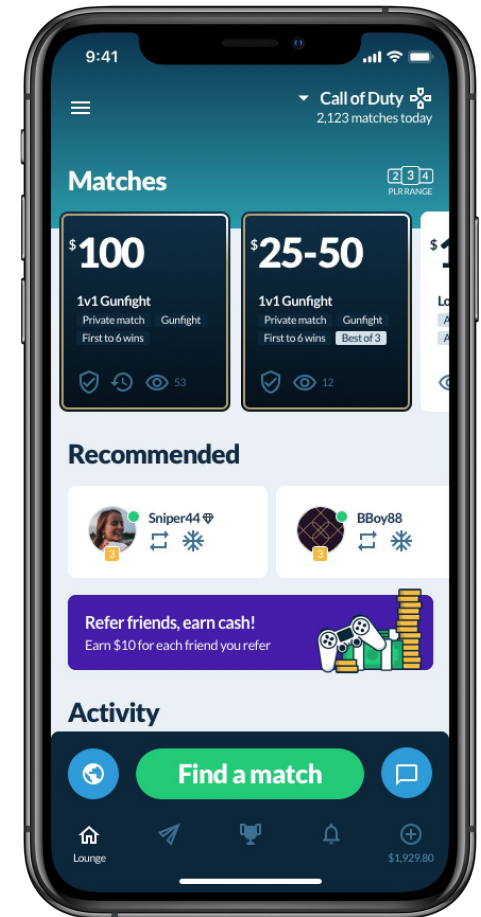
We create products that give gamers an opportunity to [win money playing popular video games](#).

Playing on PL is like going to a casino. You have the chance to win money, but you're really going for the [experience](#) and [rush](#) of it all.\*

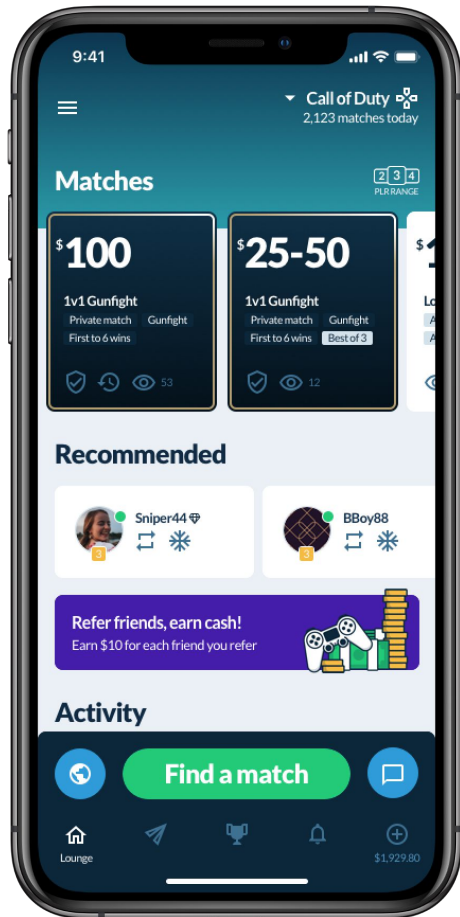
Very few esports companies have clear monetization or are anywhere near [profitable](#).

Players' Lounge [is](#) one of the few.

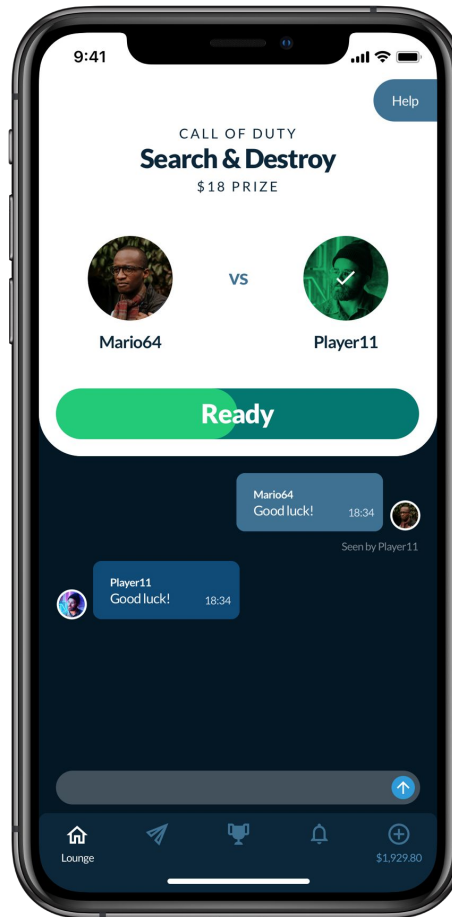
\*PL is not considered gambling because the games we offer are skilled based.



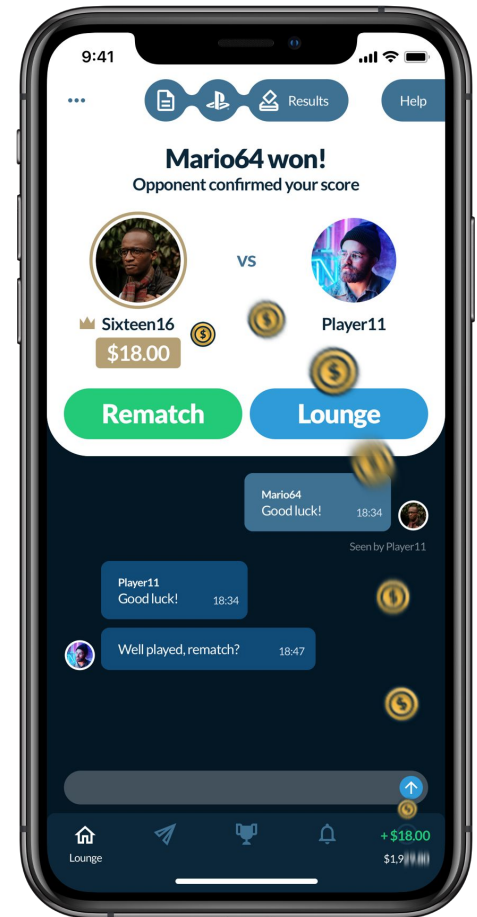
# The Product



Find a match

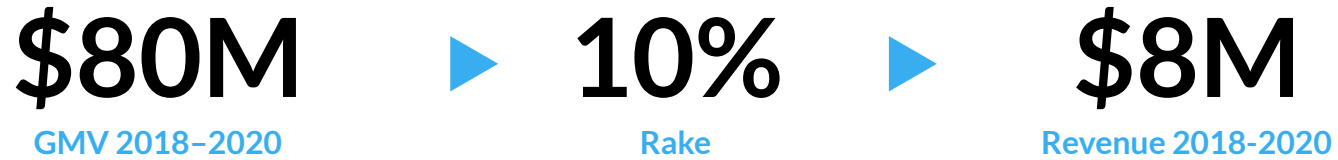


Play opponent online via  
PS4 or Xbox



Win cash

# Business Model



Play a \$10 match against someone. Winner gets \$18.

# Players' Lounge has penetrated < 0.01% of the total addressable market

**524.8M**

18+ active, console gamers  
worldwide

**\$40.04**

Average LTV of PL user

**\$20.9B**

Total Addressable Market

# Progress

# Seed Round Summary

Raised \$4.3m since 2018

**-\$2M**

Net Income 2018-2020



**3 to 30**

Headcount 2018-2020



**\$5M ARR**

2020

# Acquisition Metrics

3-week average payback

**\$12.64**

CAC

**\$40.04**

Average LTV of PL user

**3.17**

LTV:CAC

\*Past 12 months

# Usage

2020 has already been our best year

14,000

MAUs\*

150,000

Matches played per month\*

\$34,000,000

Total amount wagered\*\*

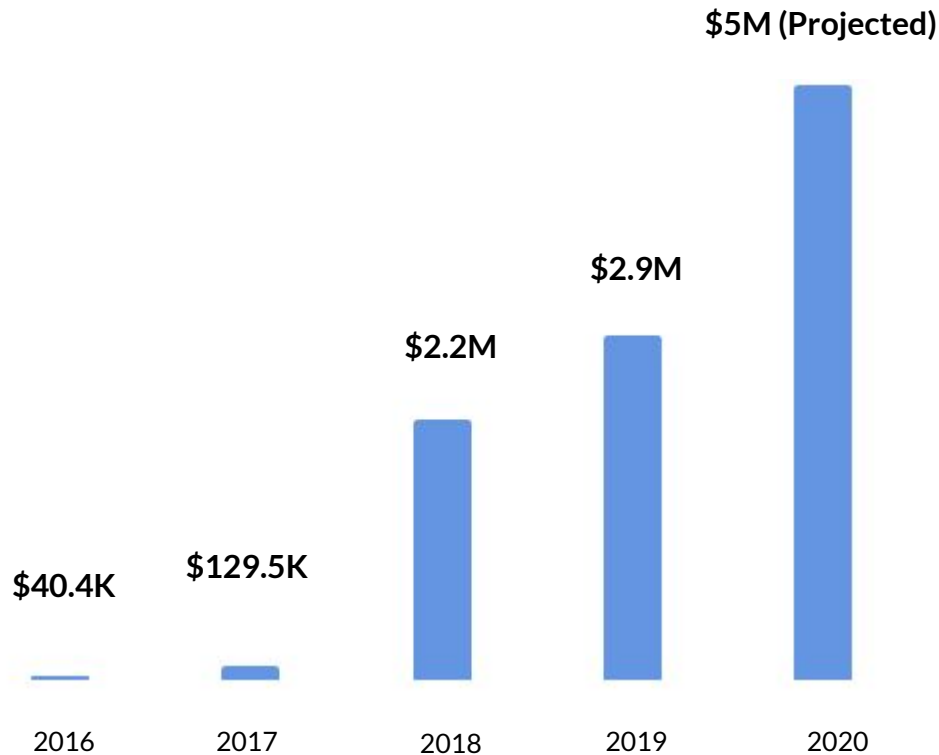
\*2020 Average

\*\*2020 Sum

# Revenue

## Yearly summary

- 2016-17 - Build MVP, prove viability of business.
- 2018 - YC. Scale business operations, move product out of MVP stage.
- 2019 - Begin tech transition (mobile first), hire team leaders. Operational preparation.
- 2020 - Finish tech transition. Iterate to improve retention.



# Where We Have Succeeded



Biggest wagering platform



Top investors & mentors



Rebuilt tech stack for scale



Exclusive partnerships with top payment processors



Profitable / breakeven for much of 2020



Top of funnel success

# What Has Been Difficult

We've done all that with a limited war chest. Here is what we've had difficulties with:

- 1. Marketplaces are expensive to grow. A sustained marketing spend helped us reach desirable liquidity levels, but improving retention decreases that dependency.*
- 2. Rewrote entire tech stack (9 month endeavour) to: pay technical debt, handle rapid growth, move to be app first. We now have full resources dedicated towards iteration and innovation.*
- 3. Retention. It has improved slightly for app users, but we have a three step plan to increase retention significantly.*

# How We Grow

# How We Grow: Improve Retention.

1. *Give users more wins.*
2. *Improve matchmaking system.*
3. *Add features that allow users to build and maintain rematch relationships.*

**20%**

continue playing 4 weeks  
after first game

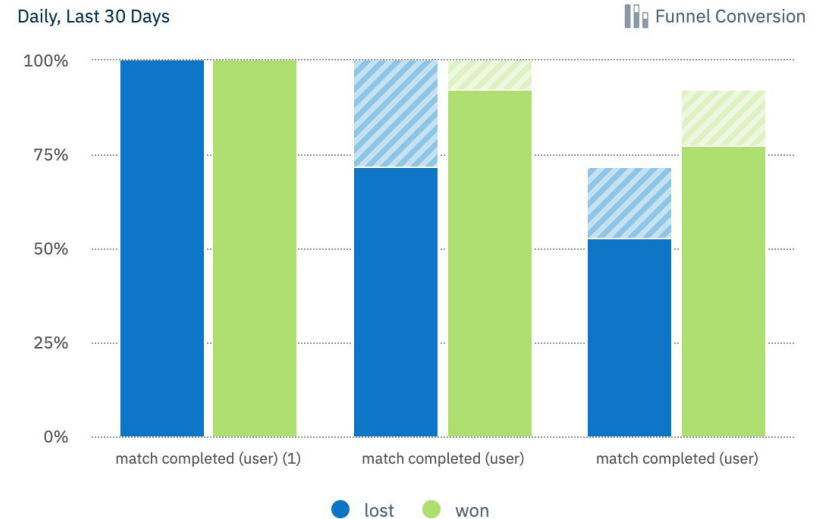
We focus on THESE problems. When solved, retention improves and business grows.

# Improving Retention

## Users Win More

	First Game W	First Game L
Users Reaching Game 2	92%	72%
Users Reaching Game 3	77%	52%

First 3 matches funnel, by W/L in game 1



**We improve retention by giving users more chances to win in their first session.**

# Improving Retention

## Evolve Matchmaking

1. Some users feel like they aren't good enough to stay on the platform. **We improve our matchmaking algorithm to deliver easier games at the right times.**
2. Users are afraid of playing a duplicate account, or someone who is manipulating our skill rating system. **We use fraud SaaS to prevent bad behaviour before it happens.**
3. Users are willing to play people outside their skill range (via odds or spots), but they are doing it manually. **We must automate this process.**



mugamovies

1:15 PM

madden 100 spot me 7



maddenslayer2

1:16 PM

Mug I'll spot

send

# Improving Retention

## Rematch Relationships

Users who form rematch relationships **retain longer and have higher entry fees.**

The screenshot shows a player profile for 'robgambino' on the 'players'lounge' website. The profile includes a header with the site name and 'Log In Sign Up' options. Below the profile picture, it states 'Playing since May 14, 2017', which is circled in red. Statistics show 3566 Matches, 197 Followers, and 77 Following. There are 'Follow' and 'Send Challenge' buttons. Below are icons for RobGambino on PlayStation and Xbox. The 'Match History' section shows 3 Madden matches against '49ersman' on PlayStation 4, with a date filter set to 'Matches'. The matches are circled in red:

Opponent	Platform	Time	Date	Score	Result
49ersman	PlayStation 4	12:30 AM EDT	Oct 13 2020	32 - 7	Won
49ersman	PlayStation 4	11:40 PM EDT	Oct 12 2020	34 - 0	Won
49ersman	PlayStation 4	11:19 PM EDT	Oct 12 2020	28 - 10	Won
49ersman	PlayStation 4	12:58 AM EDT	Oct 12 2020	3 - 0	Won

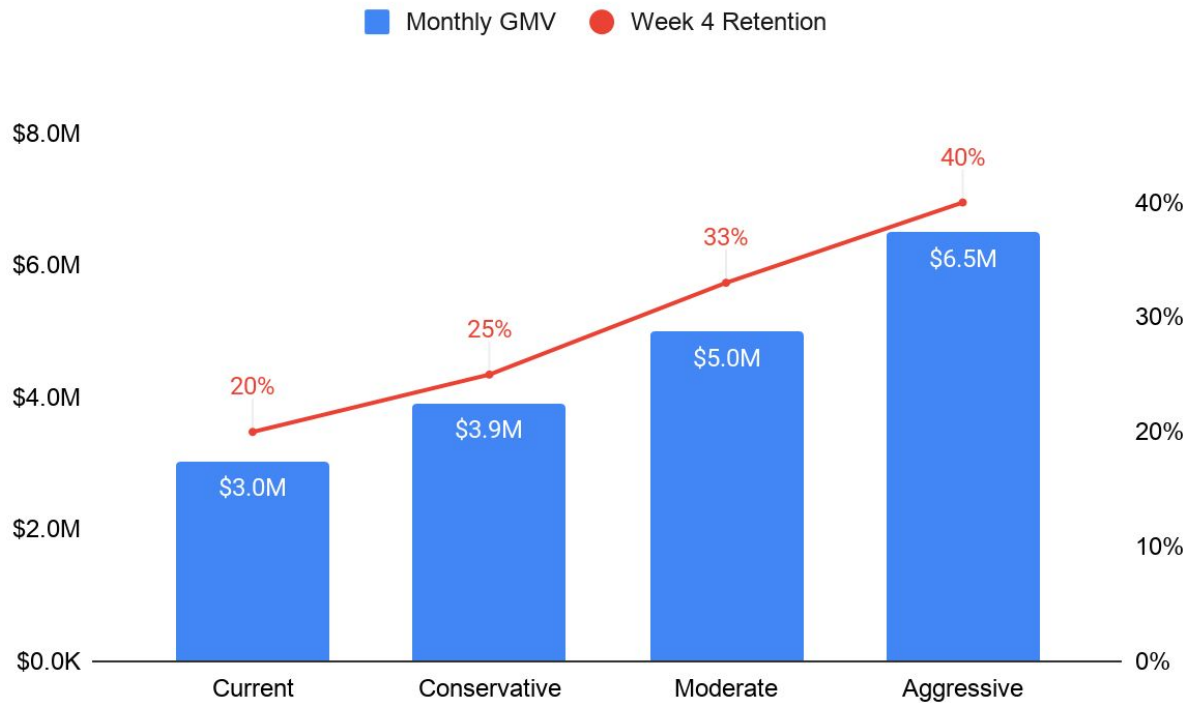
*robgambino vs 49ersman:*

Start of relationship	Feb 6th, 2018
Money Wagered Against	\$880,845
Average Wager	\$408
Percentage of matches against each other	70%

# Improving Retention

## Projections

Improving retention will significantly increase revenues.

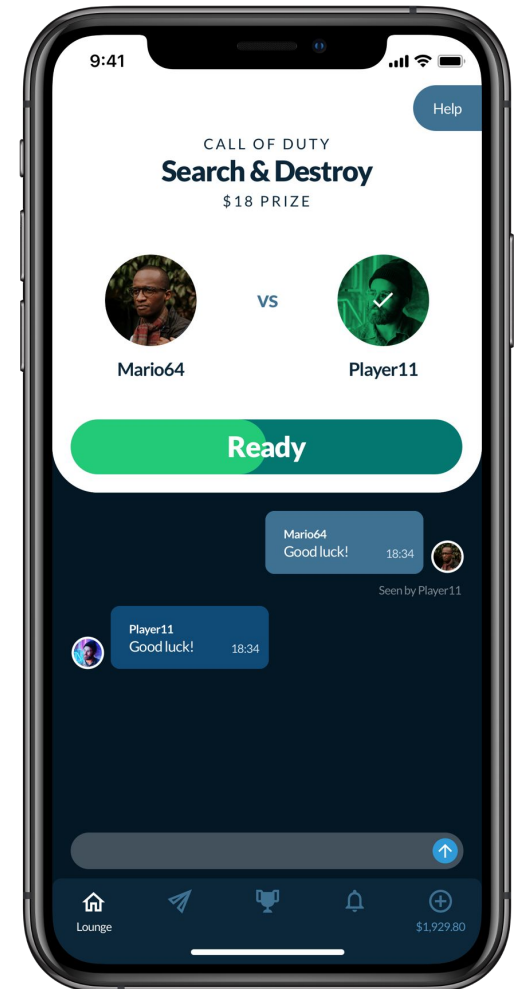


# Product Roadmap

# 12 Month Roadmap - Head to Head Wagering

- **What:** The Core. Perfect the service of connecting users to play video games, head to head, for money.
- **Who:** Hardcore gamers. Love to bet. Love the pressure. Adversarial. Want to add to their “bettor rolodex.” *Top ~10% of competitive gamers.*
- **When:** Q4 2020 - Q1 2021

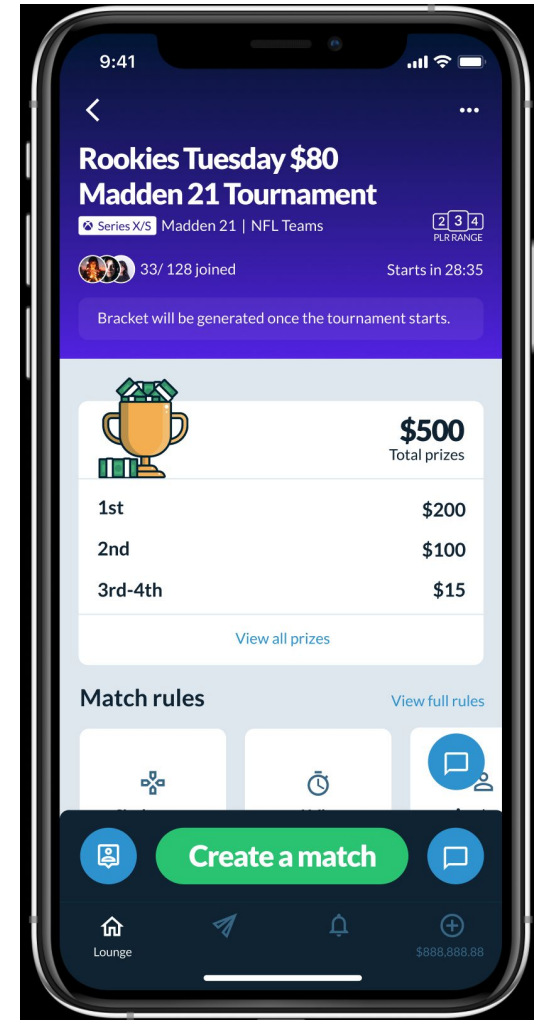
Casino Analogy: *Poker Tables*



# 12 Month Roadmap - Tournament Pass

- **What:** Pay a monthly fee for access to various free entry tournament formats.
- **Who:** Enjoys the communal aspect of gaming. Prefer a smaller entry fee to win a much bigger prize. Wants a clear competitive narrative / format. Less pressure. *Top ~25% of competitive gamers.*
- **When:** Q2 2021 - Q3 2021

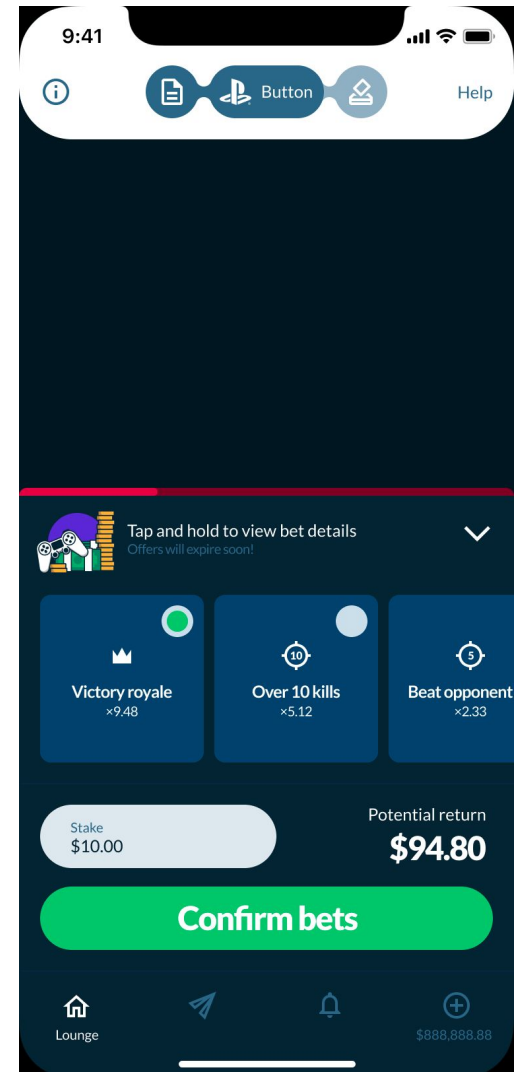
Casino Analogy: *Blackjack*



# 12 Month Roadmap - Players' Lounge Connect

- **What:** Complete a PL created challenge while playing your game as normal. Beat your average. Bet against the house whenever you want without the need for matchmaking.
- **Who:** Casual gamers who normally game with friends for fun. Would like to add an extra layer of excitement to their gameplay. Doesn't have to be an avid gamer. *Top 50% of competitive gamers.*
- **When:** Q3 2021 - Q4 2021

Casino Analogy: Slots



# Future revenue sources

## Geographic **expansion**

Grow presence in Europe, LATAM, Asia

## Support **PC gaming** and other genres

Sports console gaming is our niche, massive PC & shooter markets to capture

## Premium **subscription** service

Players' Lounge Prime - add perks for additional monthly fee

**Fundraise**

# Finances

Runway is great, but it's time to accelerate

**\$1.6M**

Money In Bank

**\$50K**

Avg Monthly Burn (past 18 months)

**32**

Months of runway

# Why We Are Raising

## Move **faster**

We've done an incredible job of creating a sustainable business, but now is the time to grow aggressively.

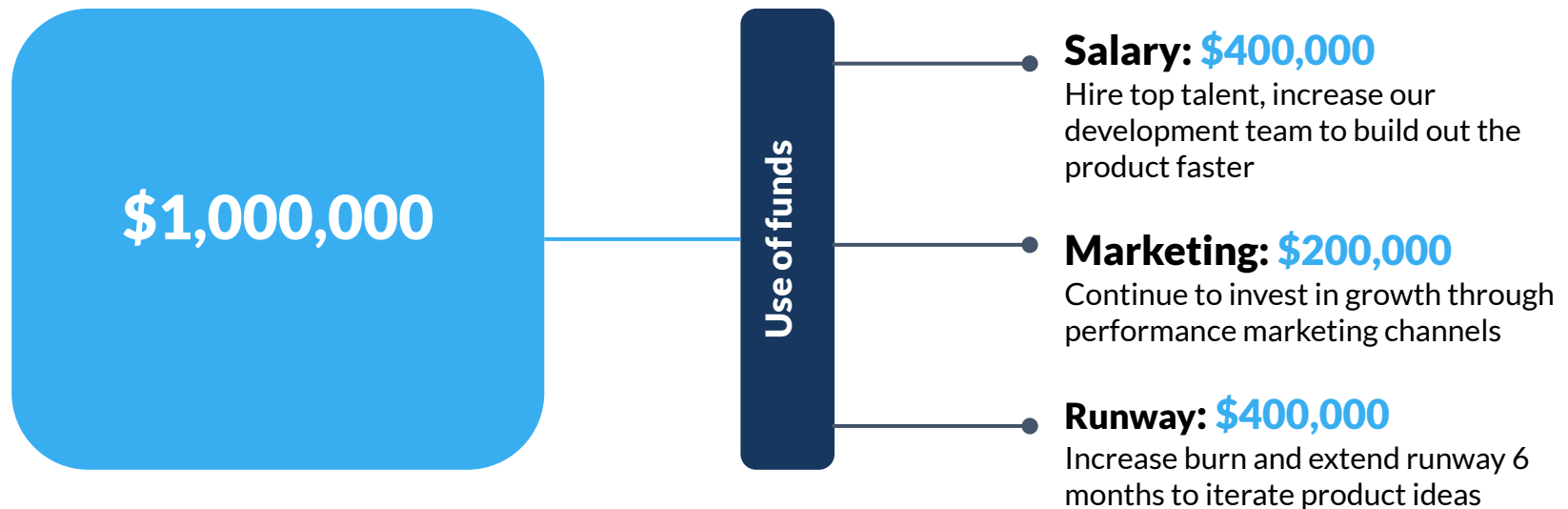
## Hire **top talent**

Top 1% development talent and real money gaming (former poker) experts.

## **Series A**

Put ourselves in the best position to raise a priced round.

# Bridge Round



**Terms: *SAFE note, \$50M valuation cap***

# Team

# Team



**Austin Woolridge**  
Co-Founder & CEO



**Zach Dixon**  
Co-Founder & COO



# Team



**Tucker Morgan**

Product Lead



**Duncan Lewis**

CTO



**Marcus Kelman**

Head of Design



**Adam Easterling**

Creative Lead



**Michael Manning**

Director of Player Experience



# Notable investors & advisors



**Strauss Zelnick**  
CEO & Chairman of  
Take-Two Interactive



**Michael Seibel**  
Cofounder Twitch  
CEO of Y Combinator



**Aubrey "Drake" Graham**  
4× Grammy-winning  
recording artist



**Thank you**