

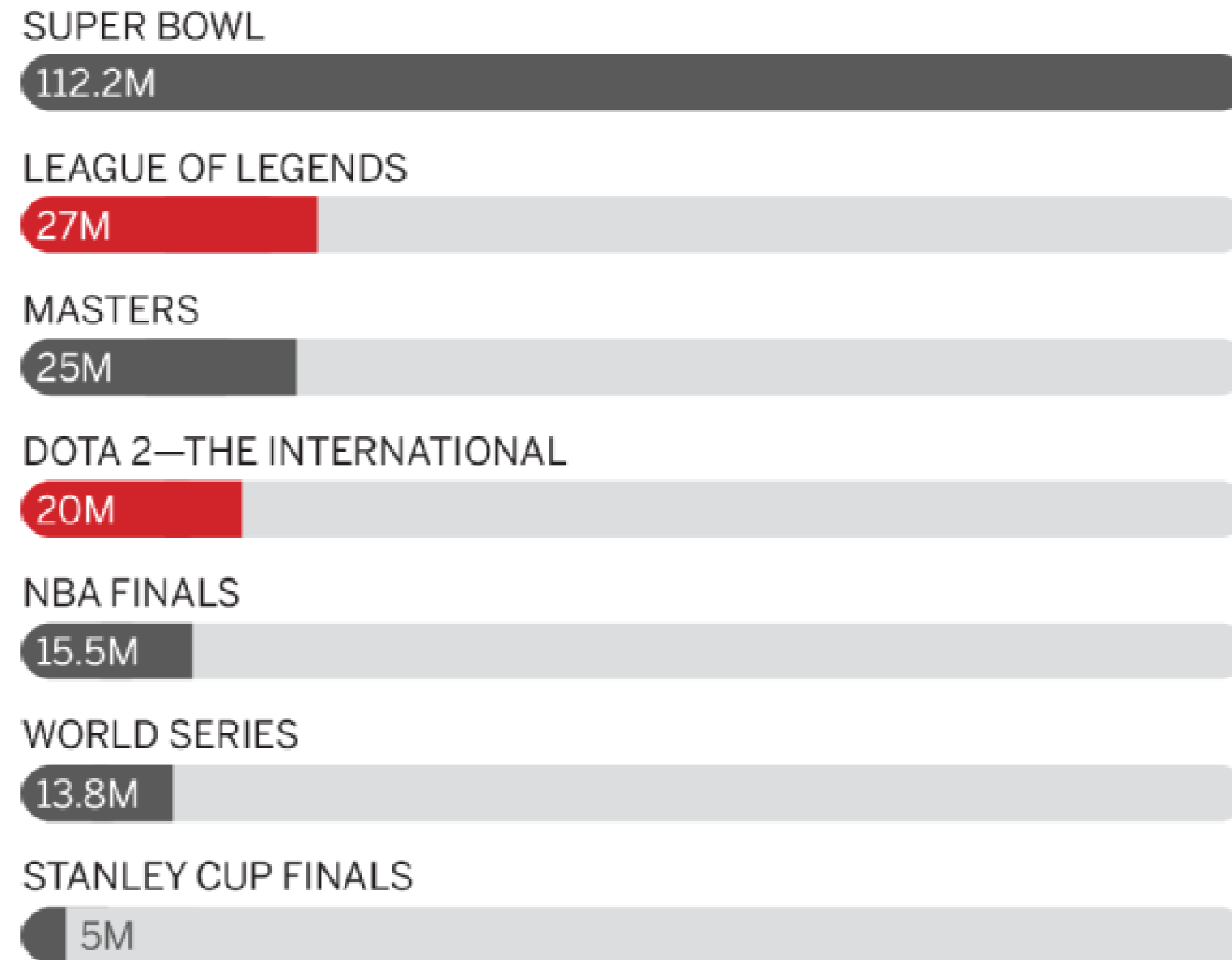


Allow any consumer a chance to play with their favorite video game celebrity  
while supporting a good cause

# Gaming Industry

One of the fastest growing segments of the global economy

## 1. eSports



ESPN 2015

# Gaming Industry

3

## 1. eSports

Mercedes-Benz Arena in Berlin: 27M



*Polygon 2015*

360 MM live hours viewed

KeyArena in Seattle: 20M



*DotaBlast 2015*

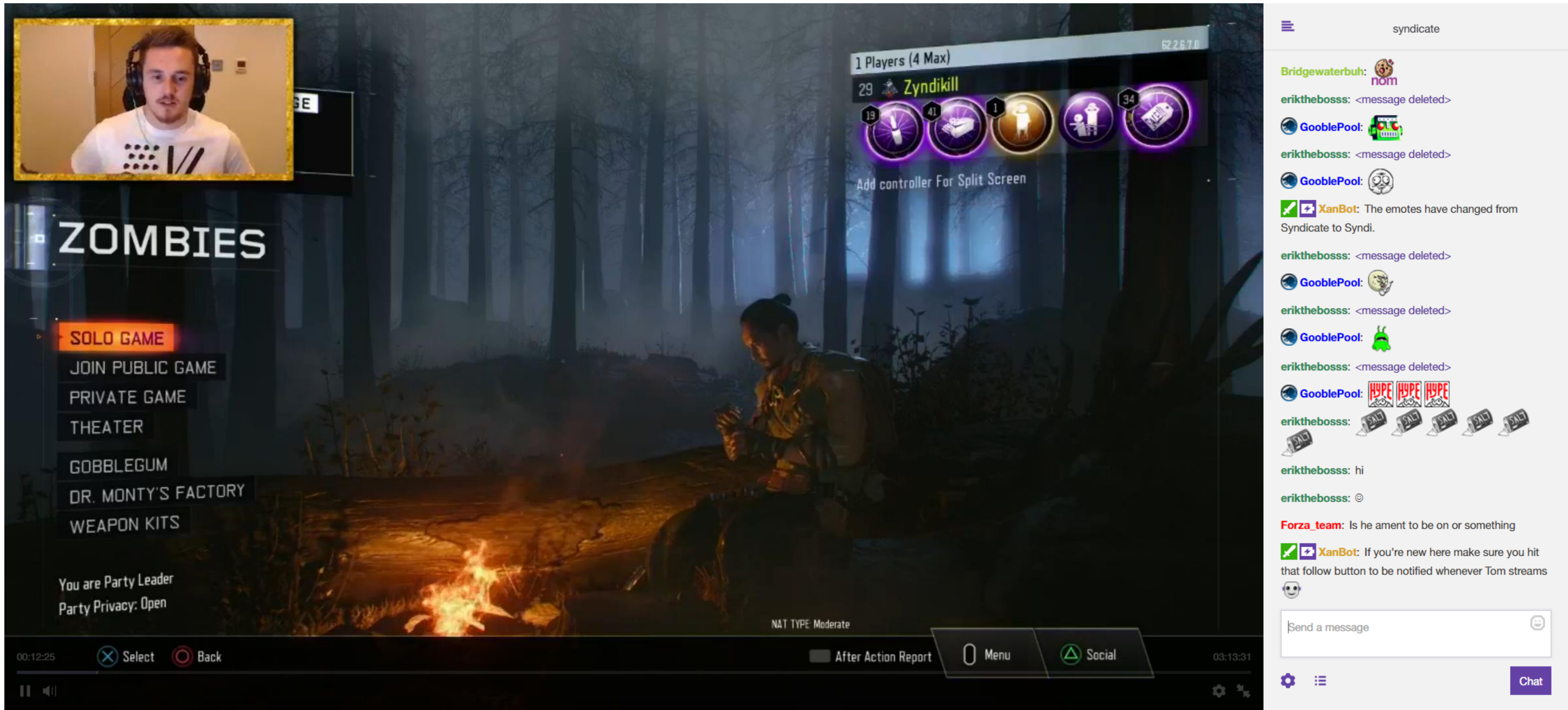
\$18.4 MM Total Prize Pool (fan raised)

\$6.6 MM First Place

# Gaming Industry

One of the fastest growing segments of the global economy

## 2. Livestreaming



'syndicate' Twitch screenshot

# Gaming Industry

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Responsible for donating tens of millions of dollars each year to charity

## 3. Charity



\$17M in 2015



#SmashTheRecord



\$1.2M in latest event



\$14M since 2008

# Problem

Gamers need an avenue to delve further into **gaming fandom** through deeper interaction with their favorite gaming celebrities while giving back to the community.

## MONTHLY MINUTES WATCHED PER VIEWER

Twitch: 421.6

YouTube: 291.0

*Twitch  
Retrospective 2015*

# Problem

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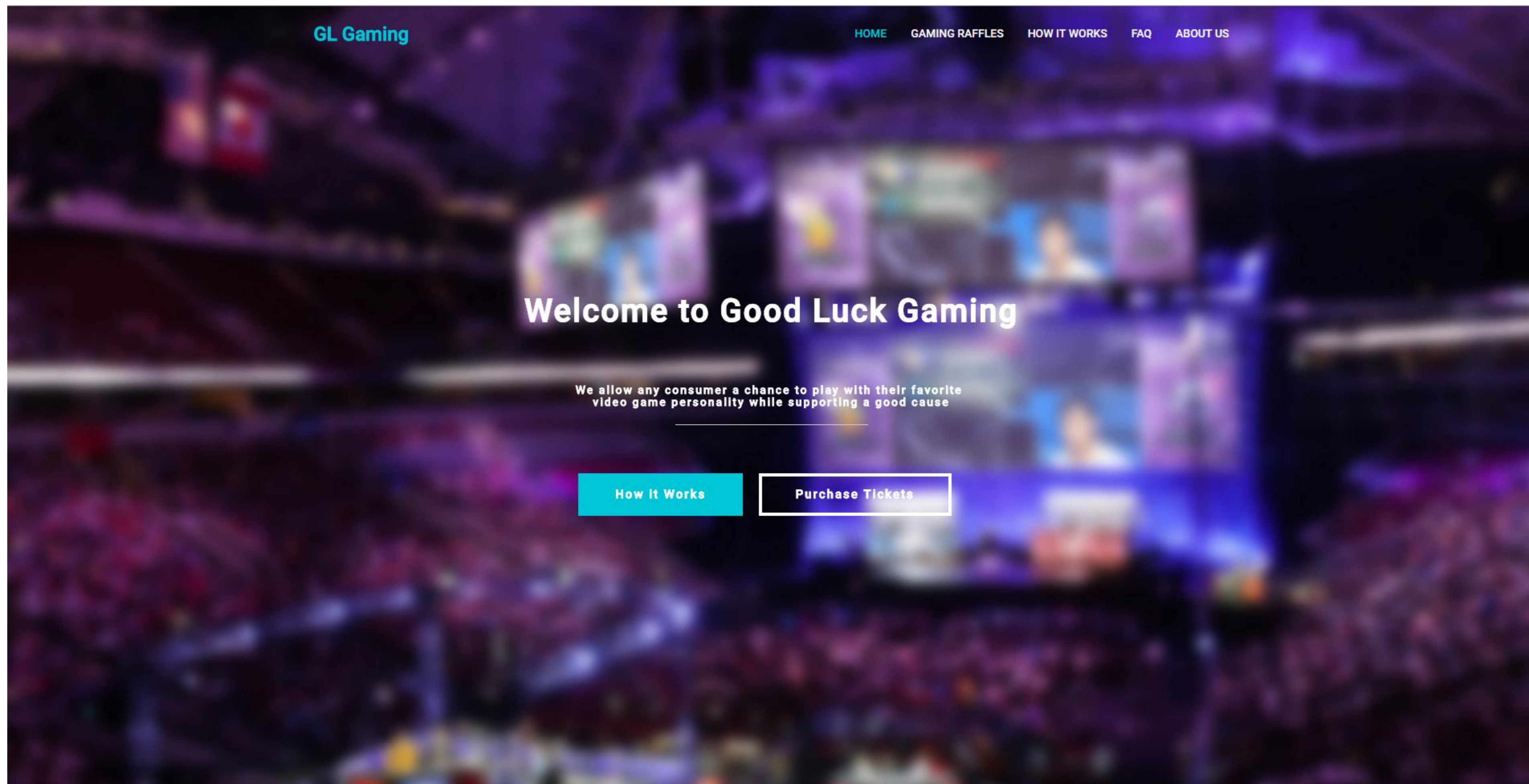
Gamers need an avenue to delve further into gaming fandom through **deeper interaction** with their favorite gaming celebrities while giving back to the community.



# Solution

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Offer gamers the chance of playing with their favorite video game celebrity through a raffle system that splits proceeds with charity, the video game celebrity, and Good Luck Gaming



## Play with Dota 2 Prodigy "Suma1L"



Sumail "Suma1L" Hassan Syed shocked the DotA world in 2015 when, at the young age of 15 and playing his second ever LAN event, he helped EG capture a \$1,200,000 title by leading the team to 1st place at the Dota Asia Championships.

Base Entry	Medium Entry	Top Entry
<b>\$10</b>	<b>\$50</b>	<b>\$150</b>
100 Entries	500 Entries	1500 Entries
Digital Thank You Card	Digital Thank You Card	Digital Thank You Card
	Limited Edition T-shirt	Limited Edition T-shirt
		Autographed Razer Keyboard
Enter to Win	Enter to Win	Enter to Win

PLAYING IN SUPPORT OF



VICTORIA ENMON'S  
STORY



WATCH THE VIDEO

GET THE WORD OUT

Like 5

Tweet

Share

0

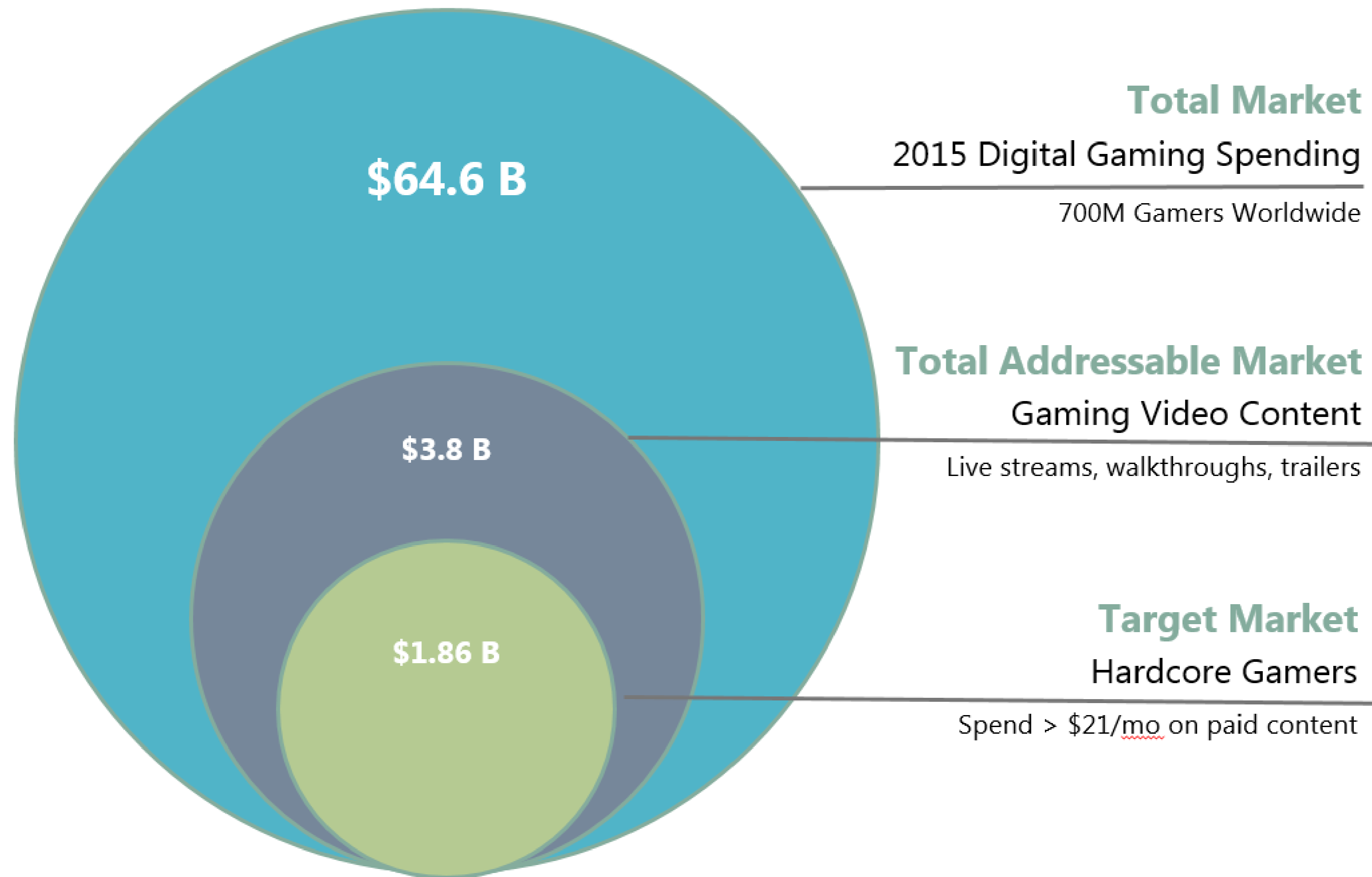
Embed a Badge!

*Tiered packages for varying levels of involvement*

# Market Analysis

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Large, growing market



# Customer Profile

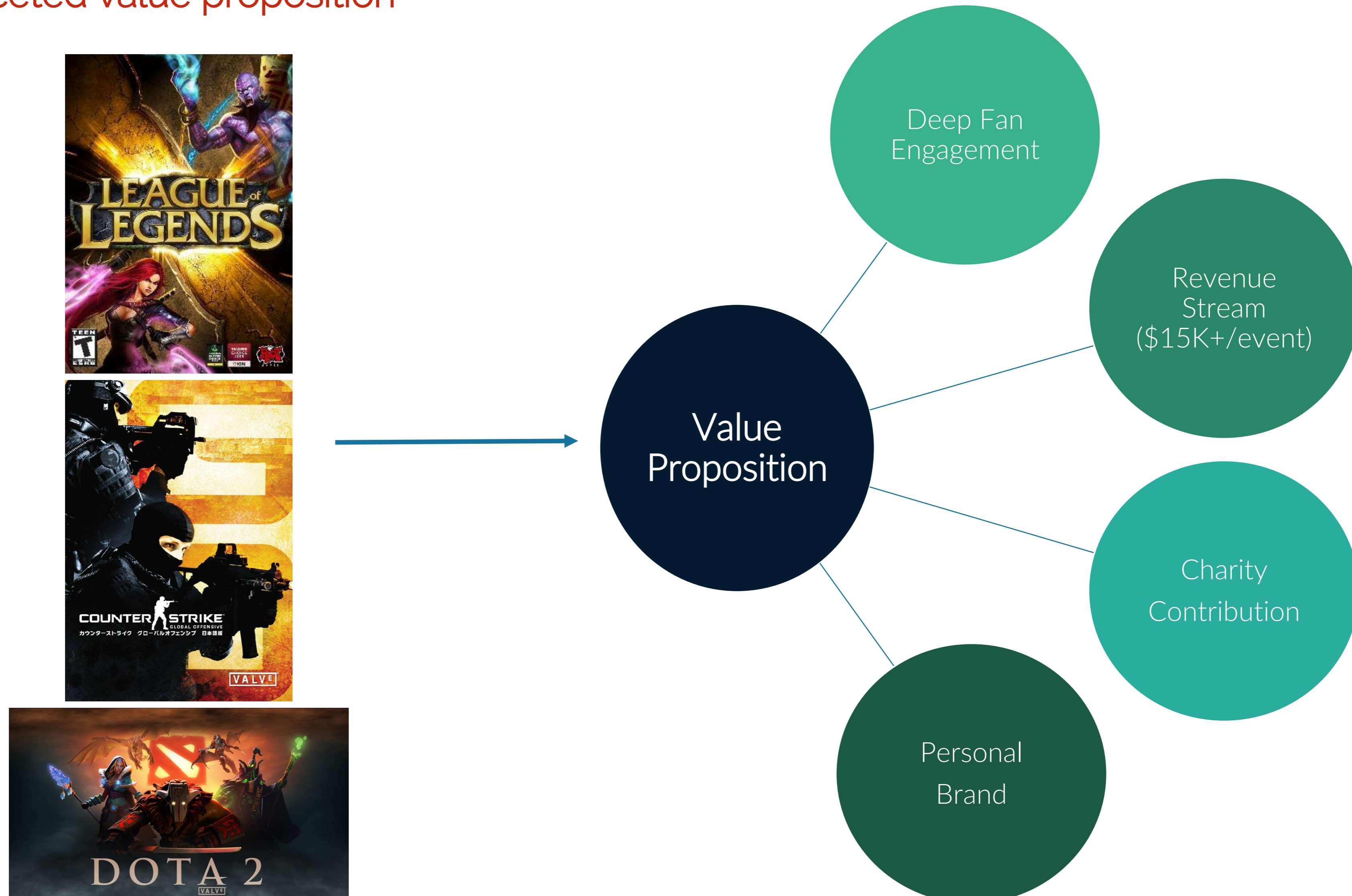


Target Consumers



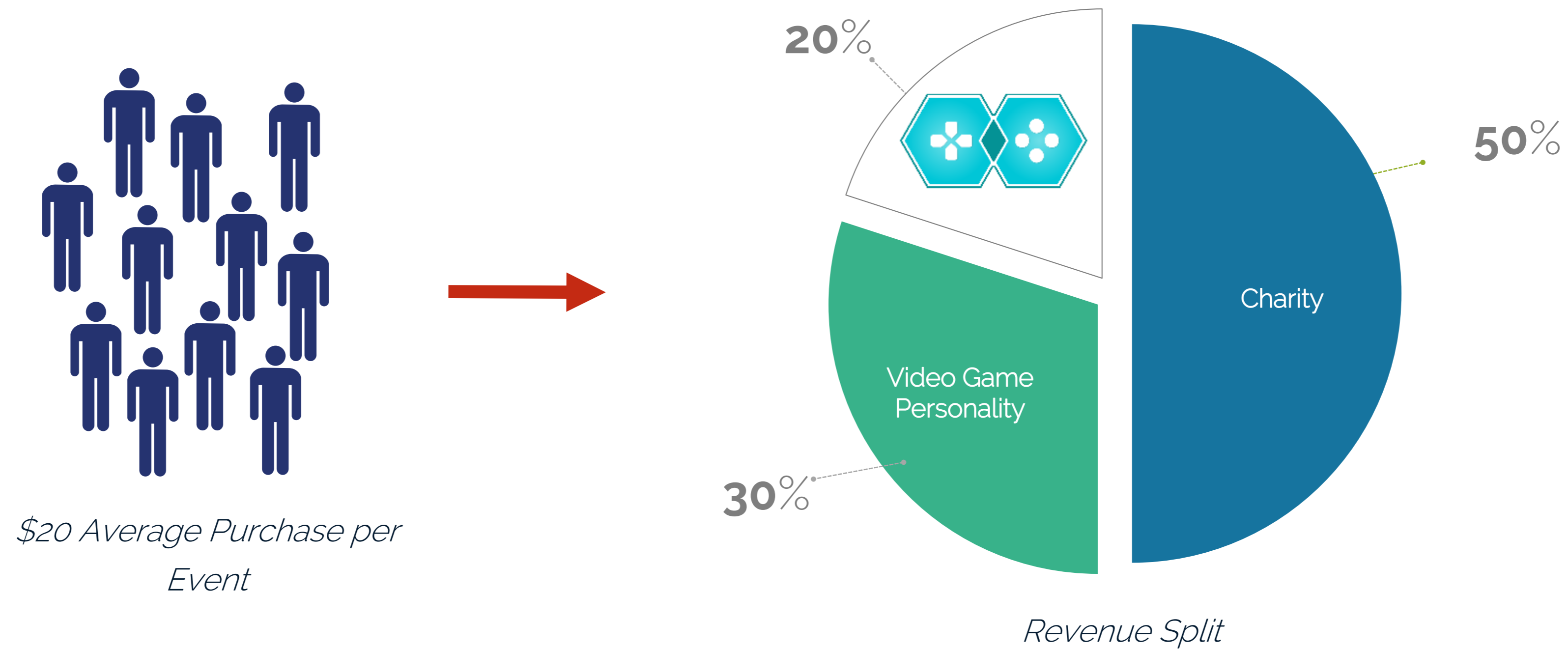
# Gaming Celebrity Partnerships

Multi-faceted value proposition

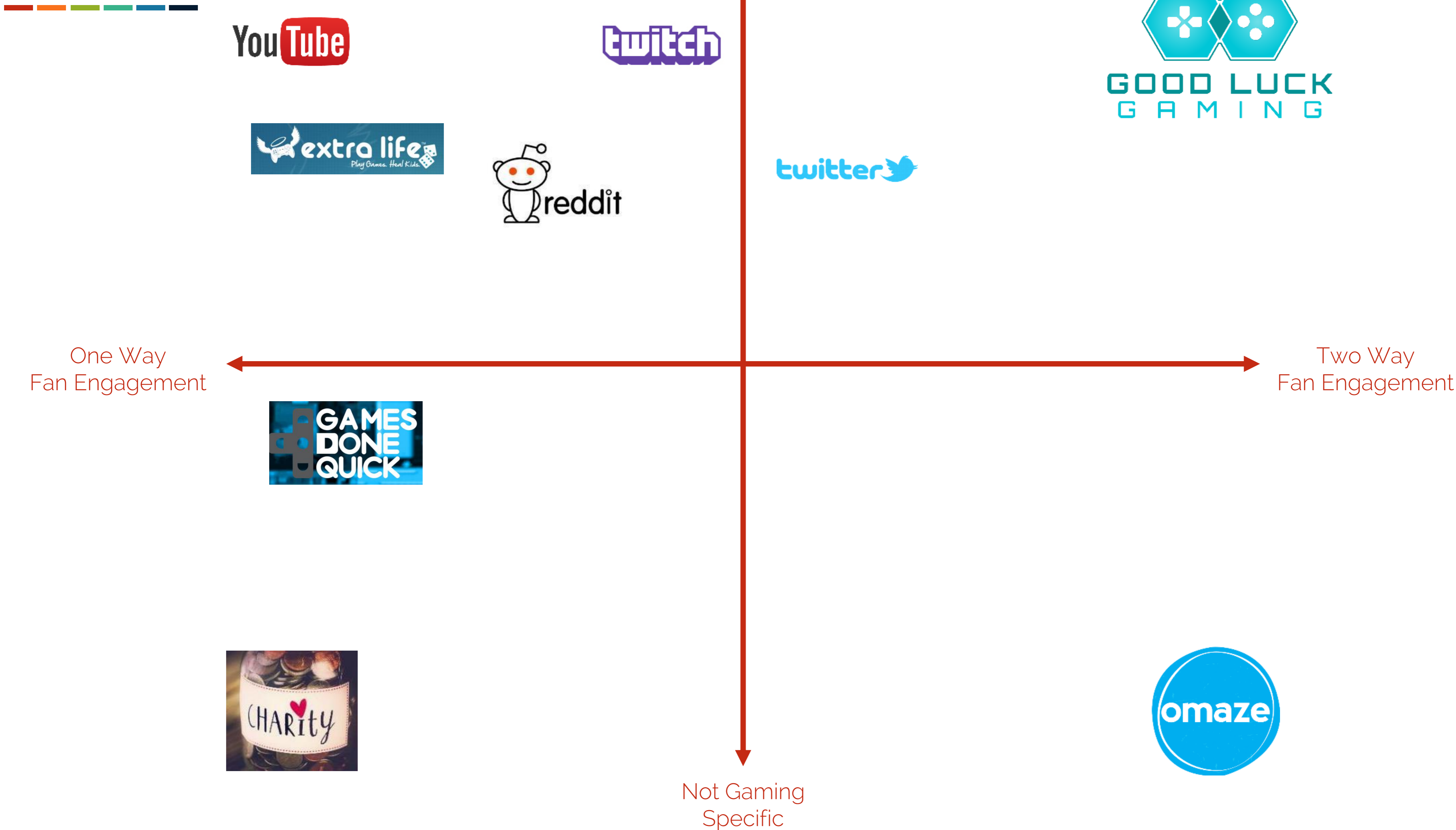


# Business Model

Good Luck Gaming keeps 20% of Sales



# Competition





## First to Market

No current way for fans to play with video game celebrities

Sign exclusivity deals with top professional players and streamers

## eSports experience

Chief Advisor Charlie Yang:  
Team manager for Evil Geniuses' Dota 2 team.  
EG won 1<sup>st</sup> at The International 5 winning \$6.6 MM  
One of the first successful eSports team managers.

Joseph Lee competed at a semi-pro level and remains active in in-house professional leagues

## Existing Engagement

Proven business model from Omaze, a raffle-style charitable giving platform

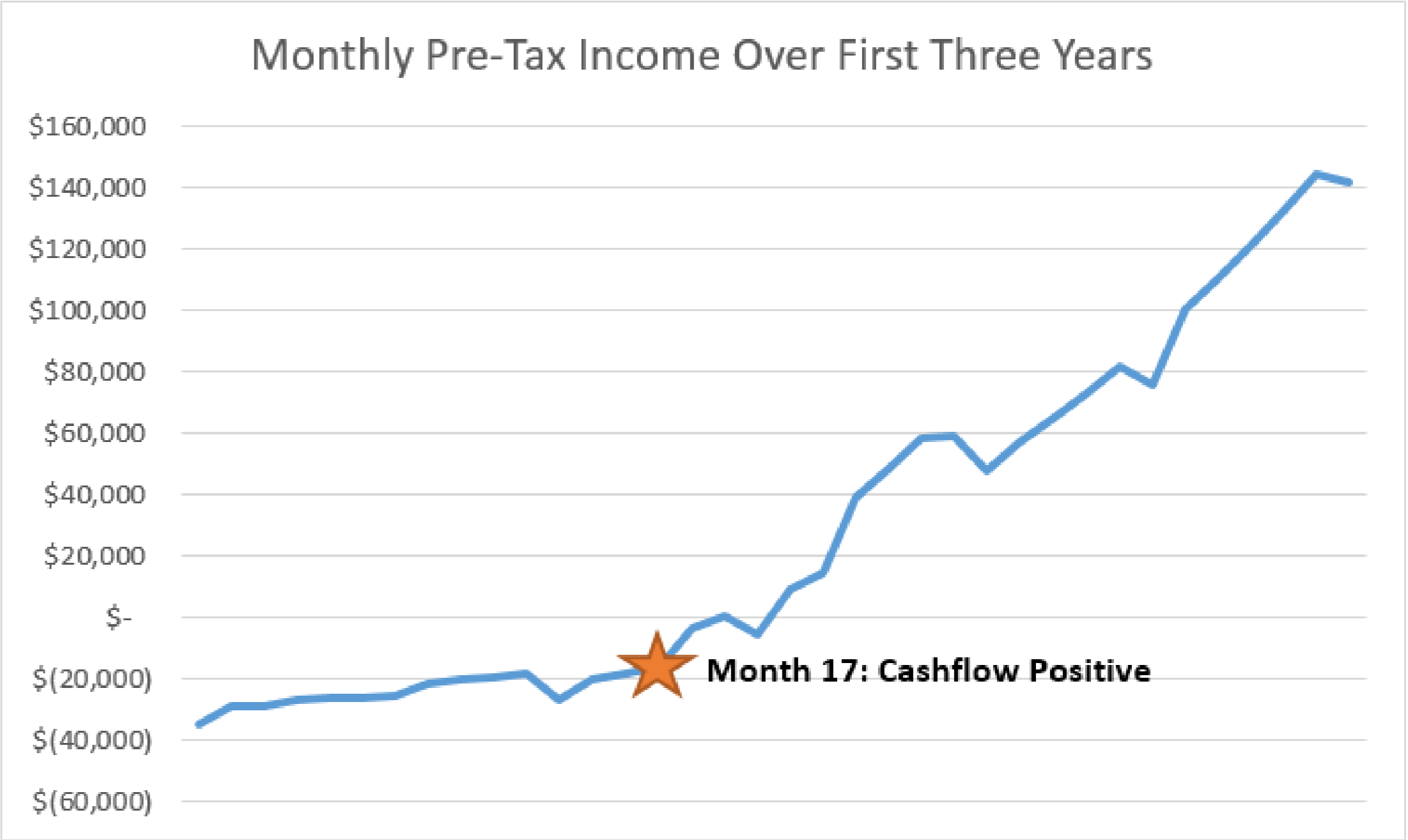
Fans have high levels of engagement and consistently watch gamers play games through sites like Twitch.tv

# Seeking \$400K in Angel Funding



First Five Years					
Year	1	2	3	4	5
# of Events	14	37	48	49	60
Avg. Cust / Event	3,203	8,985	18,662	29,416	41,794
Total Customers	44,840	332,463	895,760	1,441,370	2,507,640
Ticket Sales	\$ 878,857	\$ 6,516,275	\$ 17,556,896	\$ 28,250,852	\$ 49,149,744
COGS	\$ 742,024	\$ 5,501,731	\$ 14,823,395	\$ 23,852,367	\$ 41,497,430
SG&A	\$ 335,895	\$ 393,580	\$ 710,460	\$ 846,700	\$ 1,133,980
Marketing	\$ 102.537	\$ 455.231	\$ 870.920	\$ 1.006.710	\$ 1.277.106
Pre-Tax Income	\$ (301,599)	\$ 165,733	\$ 1,152,121	\$ 2,545,074	\$ 5,241,228

Total to Gamers	\$ 263,657	\$ 1,954,882	\$ 5,267,069	\$ 8,475,256	\$ 14,744,923
Total to Charity	\$ 439,429	\$ 3,258,137	\$ 8,778,448	\$ 14,125,426	\$ 24,574,872



*\$360K outlay for first 16 months*

# Plan for the Summer

Launch a beta test



# The Founders



Joseph Lee  
CEO & Founder

- Three years leading ERP implementations for Deacom (software startup)
  - Completed 11 IT implementations resulting in over \$10 million in savings
  - Helped grow Deacom from 15 to 50 employees in two years
- Two years working in technology consulting at Deloitte
- Close ties to gaming community, former semi-professional gamer



Anish Patel  
CFO

- Five years of consulting experience at Deloitte
  - Conducted financial analysis and implemented global back office process and technology transformations, resulting in over \$300M in SG&A savings
- Created marketing strategy that would increase annual customer spending 50% while interning at LA startup Roaming Hunger

# Thank You!



Good Luck Gaming

110 Westwood Plaza, Los Angeles, CA 90077

United States

[www.gl-gaming.com](http://www.gl-gaming.com)



# Appendix



## Charlie Yang (Chief Advisor):

- Current and original team manager for Evil Geniuses' Dota 2 team. EG was founded in 2011 and is widely regarded as the best North American Dota 2 team ever. In 2015, EG won first place at The International 5, claiming eSports' largest ever prize pool of \$6.6 million.
- Widely regarded as one of the first successful eSports team managers and has a significant social media following on Twitter and Reddit.
- Has been actively helping design the business model and give introductions to gaming celebrities

## Jason Lee (Advisor):

- Founder and CEO of Jubilee Project, a 501c3 nonprofit that makes short films, PSA's, and documentaries to increase awareness and inspire action
- Jubilee Project has 285,000 YouTube subscribers and has filmed documentaries with NBA star Jeremy Lin, who is also an avid gamer
- Recently recruited but helping Good Luck Gaming frame the value proposition for nonprofits and a potential charity partner

# The Team



Purvi Goyal  
CTO

- Two years as technology analyst, building web applications at JP Morgan Chase
- Development experience at two early-stage startups
- Coding knowledge of HTML/CSS, Java, C, MySQL



Sampo Hynynen  
CMO

- Three years of economic consulting at Cornerstone Research
- Used big data to market to customers more efficiently
- Familiar with the video game social media scene



Julius Seok  
COO

- Two years managing operations for a family business retail company
  - Expanded store locations by 57% and increased revenue by 18%
- Three years implementing ERP systems at Accenture
- operations for a family business retail company

# Balance Sheet

## Yearly Balance Sheet

Year	1	2	3	4	5
<b>ASSETS</b>					
<b>Current Assets</b>					
<i>Cash and Cash Equivalents</i>	\$ 606,588	\$ 1,487,040	\$ 3,677,406	\$ 5,954,186	\$ 9,134,304
<i>Accounts Receivable</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Property &amp; Equipment</b>					
<i>Computers</i>	\$ 6,000	\$ -	\$ 2,000	\$ -	\$ 3,000
<i>Accumulated Depreciation</i>	\$ 5,500	\$ 500	\$ 1,833	\$ 167	\$ 2,750
<b>Intangibles</b>					
<i>Domain</i>	\$ 72	\$ 72	\$ 72	\$ 72	\$ 72
<b>TOTAL ASSETS</b>	<b>\$ 618,160</b>	<b>\$ 1,487,612</b>	<b>\$ 3,681,311</b>	<b>\$ 5,954,425</b>	<b>\$ 9,140,126</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
<i>Short Term Debt</i>	\$ 400,000	\$ -	\$ -	\$ -	\$ -
<i>Deferred Revenue</i>	\$ 36,817	\$ 183,785	\$ 168,027	\$ 304,016	\$ (692,644)
<b>TOTAL LIABILITIES</b>	<b>\$ 436,817</b>	<b>\$ 183,785</b>	<b>\$ 168,027</b>	<b>\$ 304,016</b>	<b>\$ (692,644)</b>
<b>EQUITY</b>					
<i>Retained Earnings</i>	\$ 5,572	\$ 572	\$ 1,905	\$ 239	\$ 2,822
<i>Revenue</i>	\$ 175,771	\$ 1,303,255	\$ 3,511,379	\$ 5,650,170	\$ 9,829,949
<b>TOTAL EQUITY</b>	<b>\$ 181,343</b>	<b>\$ 1,303,827</b>	<b>\$ 3,513,285</b>	<b>\$ 5,650,409</b>	<b>\$ 9,832,771</b>
<b>TOTAL LIABILITIES + EQUITY</b>	<b>\$ 618,160</b>	<b>\$ 1,487,612</b>	<b>\$ 3,681,311</b>	<b>\$ 5,954,425</b>	<b>\$ 9,140,126</b>

# Cash Flow



## First Five Years

Year	1	2	3	4	5
Positive Cash Flow					
Angel Funding Round	\$ 400,000	\$ -	\$ -	\$ -	\$ -
Net Ticket Sales	\$ 1,062,940	\$ 7,435,201	\$ 18,397,030	\$ 29,770,930	\$ 45,686,522
TOTAL Positive Cash Flow	\$ 1,462,940	\$ 7,435,201	\$ 18,397,030	\$ 29,770,930	\$ 45,686,522
Direct Cash Expenses					
COGS	\$ 742,024	\$ 5,501,731	\$ 14,823,395	\$ 23,852,367	\$ 41,497,430
Employee Salary/Benefits	\$ 258,075	\$ 321,160	\$ 596,440	\$ 734,080	\$ 1,009,360
Office Expense	\$ 672	\$ 1,272	\$ 3,672	\$ 4,272	\$ 4,872
Legal and Professional Fees	\$ 60,000	\$ 60,000	\$ 48,000	\$ 48,000	\$ 48,000
Equipment, Software & Data	\$ 6,348	\$ 348	\$ 2,348	\$ 348	\$ 3,348
Facilities Expense	\$ 6,000	\$ 6,000	\$ 50,400	\$ 50,400	\$ 50,400
Travel and Entertainment	\$ 4,800	\$ 4,800	\$ 9,600	\$ 9,600	\$ 18,000
TOTAL Cash Expenses	\$ 1,077,919	\$ 5,895,311	\$ 15,533,855	\$ 24,699,067	\$ 42,631,410
NET CASH FLOW	\$ 385,021	\$ 1,539,890	\$ 2,863,176	\$ 5,071,863	\$ 3,055,112

# Financial Assumptions – Revenue

The number of customers per event, the growth rate of customer acquisition, and the average purchase per customer are the three key determinants in revenue.

**Customers per Event:** We estimate ~2000 customers will attend the first event based on the assumptions below:

- Top 50 streamers on Twitch for League of Legends, Dota 2, and Counterstrike have ~24M followers
- Assume 5% of followers are "hardcore gamers" as described in customer analysis, so that is ~1.2M followers
- Divided evenly per game, this is ~400k followers
- If 0.5% of hard core followers for a single game are converted into Good Gaming customers, there are ~2000 customers at the first event

**Growth Rate of Customers:** The number of customers per event will grow by month according to the table below. For example, each month will see a 10% increase in customers/event for Year 1.

	Year 1	Year 2	Year 3	Year 4	Year 5
Growth Rate (Customer/Event)	10%	10%	5%	3%	3%

**Average Purchase Price** is determined to be \$20 per customer per event:

- 86% of customers per event buy lowest tier package (\$10)
- 10% of customers per event buy middle tier package (\$50)
- 4% of customers per event buy highest tier package (\$150)

# Financial Assumptions – COGS

COGS are summed up into two major assumptions about payment processing fees through the website provider:

- 50% donation of ticket sales to charity
- 30% payment to celebrities
- 2.9% processing fee on total sales
- \$0.30 transaction fee per customer per event

Yearly Cost of Goods Sold					
Year	1	2	3	4	5
Donations to Charity	\$ 439,429	\$ 3,258,137	\$ 8,778,448	\$ 14,125,426	\$ 24,574,872
Gaming Celebrity Fees	\$ 263,657	\$ 1,954,882	\$ 5,267,069	\$ 8,475,256	\$ 14,744,923
CC Fee on Sales	\$ 25,487	\$ 188,972	\$ 509,150	\$ 819,275	\$ 1,425,343
CC Fee/Transaction	\$ 13,452	\$ 99,739	\$ 268,728	\$ 432,411	\$ 752,292
COGS	\$ 742,024	\$ 5,501,731	\$ 14,823,395	\$ 23,852,367	\$ 41,497,430

# Financial Assumptions – Marketing

Marketing can be broken down into spending on virtual events, live events, and general advertising:

- Customer acquisition cost for virtual events is \$2/customer for first event and then reduces by 3% each month for 5 years
- Live event budgets are \$10,000 initially and grow upwards of \$25000 by end of year 5 in order to cover travel, lodging, food, and venue costs for organizers, celebrity, and prize winner. There are only 1-2 live events per year.
- Advertising starts at \$1000 in month 1 and increases by 5% each month for 5 years

Yearly Marketing Costs					
Year	1	2	3	4	5
Avg. Acquisition Cost / Customer	\$ 1.78	\$ 1.29	\$ 0.90	\$ 0.62	\$ 0.43
Virtual Event Spend	\$ 76,620	\$ 406,647	\$ 789,585	\$ 884,521	\$ 1,071,548
Live Events	\$ 10,000	\$ 20,000	\$ 30,000	\$ 30,000	\$ 40,000
Advertising	\$ 15,917	\$ 28,585	\$ 51,334	\$ 92,189	\$ 165,558
Total Marketing	\$ 102,537	\$ 455,231	\$ 870,920	\$ 1,006,710	\$ 1,277,106

# Financial Assumptions – G&A

G&A expenses are broken down into Labor, Office, Legal, Equipment/Software, Facilities, and Travel fees

- Labor fees are expensed at \$40k per corporate headcount and \$80k per developer with some additional expenses for taxes and benefits. In year 1, the developer will be contracted for only \$25k in order to cover customization costs for an "off-the-shelf" website before actual development begins in year 2 for a new website. Below is the FTE chart for the first five years:

Year	1	2	3	4	5
Corporate	3	3	4	4	5
Web Development	1	1	2	2	3
<b>TOTAL Headcount</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>8</b>

- Office expenses include furnishings, supplies, and website domain dues
- Legal expenses will be for setting up the business and writing specific terms and conditions
- Equipment, Software, and Data expenses include laptop for employees and licensing costs for website software
- Facilities expenses include rent, telecom, and utilities for office space
- Travel expenses include airfare/lodging, parking, and meals for entertaining and acquiring celebrity gamers

Year	1	2	3	4	5
<b>Labor Expenses</b>	\$ 258,075	\$ 321,160	\$ 596,440	\$ 734,080	\$ 1,009,360
<b>Office Expenses</b>	\$ 672	\$ 1,272	\$ 3,672	\$ 4,272	\$ 4,872
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