

**Transcript of initial interview with
Mr. David Vinokurov**



President & CEO at FANDOM SPORTS Media Corp.



**CA: FDM
US: FDMSF
GER: TQ43**

May 30, 2020

Mr. David Vinokurov – President and CEO. Mr. Vinokurov is an accomplished executive with more than 12 years of extensive business and corporate development experience from a variety of industries. Most recently, Mr. Vinokurov served in management consulting roles to a publicly traded social commerce company plus several fintech and blockchain-enabled payment companies. Mr. Vinokurov has directly contributed to the raising of tens of millions of dollars for start-up and small-cap companies.

Smallcaps Investment Research: Welcome everyone and thanks for tuning in to another interview on Smallcaps Investment Research. We're very pleased to have Mr. David Vinokurov, the President & CEO of FANDOM SPORTS Media Corp., with us today. This is a very exciting time for the Company as it will soon launch its revolutionary Esports platform, which we'll obviously talk about in this interview. The Company is listed on the Canadian Securities Exchange with ticker symbol FDM and it is also listed in the United States and Germany. David, thanks so much for joining us. Welcome.

David Vinokurov: Thank you. Glad to be here.

As it is often the case with relatively young companies, the management team really determines its success. You were appointed President and CEO only a few weeks ago. Can you first tell us a little bit about yourself and your background?

My background is in capital markets. I have been in this area for twelve years or so.. My focus has been on Finance, Business Development and Investor Relations. I ran a boutique consultancy firm assisting small-cap companies with market awareness and business development.

Most recently, I have worked with social media companies. In the past, I also had clients from the FinTech space, including companies with blockchain and payments capabilities.

When I was presented with the opportunity to join the FANDOM team, I viewed it as a perfect intersection for utilization of some of

my most recent skills from the last several years. I am glad to join a team in which I will be able to utilize all these acquired skills.

Great. As this is our initial interview, could you give us an introduction of FANDOM SPORTS and its activities?

Sure, FANDOM SPORTS has developed a platform that allows fans, consumers of content, to engage with one another. We basically have gamified the process of fan engagement.

This is made possible by our own proprietary ecosystem. An ecosystem where someone is watching Esports tournaments, on any number of platforms and can enjoy challenges that pop up, discussions that pop up. They can also invite friends. They can form teams and make alliances.

This means that as you are watching the content, you can actually play along on a complementary platform. Or perhaps at the same time consume additional content provided either by tournament organizers or perhaps by the live streaming platform of your choice.

Whatever the content may be that you are watching, we are able to connect our platform with data providers which allow us to have real-time play by play prediction capabilities as an event is occurring in real time.

To summarize it is a multi-layered fan engagement tool with which users will experience more fun and engagement than just watching along.

That's great. Correct me if I'm wrong, but I feel that the major advantage of the FANDOM Esports platform is that it

complements existing Esports enterprises, rather than competing with them. What's your opinion on that?

This is a great point you bring up. We have positioned the platform to be completely agnostic. Today, people usually have the television on and at the same time they have a phone in their hands. This means they have a second layer of interaction regardless of whether it is connected to the TV content or not. We have positioned the FANDOM platform to be that handheld secondary engagement layer.

Thus, our platform allows people to connect with other users regardless of where they are watching the same content. Say you are watching a League of Legends tournament or Dota 2 tournament or Counter-Strike tournament. You can watch that on YouTube while other users can watch it on Twitch or any number of the Asian platforms and still be connected and interact with each other.

This makes our platform completely agnostic. It fills in the cracks between all of the multifaceted platforms that are out there, while at the same time providing value to the consumer by helping them interact with their friends around the world. Finally, this also allows for numerous types of localized advertising to be displayed to users.

Now, let's go into some more detail about the FANDOM Esports Platform. First of all, it's important to note that Fancoins are earned, and not bought. Why is that distinction so important?

It is especially important because it fosters the sense of community. By earning coins without a purchase in our ecosystem users gain intrinsic value. It is very important to be authentic in everything that you do, especially within the gaming community.

The process of having and earning Fancoins validates users in the eyes of each other. We have built-in leaderboards which track users' rank. You have certain benefits at certain ranks, you are eligible to earn certain types of prizes. This increases the stickiness factor

within the platform itself. We think of this feature as a predominantly fan engagement tool.

Secondly, by keeping the coins as an earned only item, we are in full compliance with all regulations everywhere in the world. If the coins were to be purchased, we would face a completely different set of regulations.

To reiterate, it is mainly a tool to keep people authentic within the platform and we are excited about that aspect.

In addition to the all-age Esports gaming community, FANDOM SPORTS is also working hard to develop a verified player tokenized Esports betting platform. What can you tell us about that?

That is really an extension of the all-ages side. One component of our platform is the ability to make predictions in real-time as to what is going to happen in a event that you are watching.

You can think of the following examples; will someone cast a particular spell? Will there be a specific type of kill which you see in first-person shooter games? Where will someone land after they parachute out of a helicopter?

The extension of that is the ability to make wagers on those decisions. This is the second business model that exists within FANDOM SPORTS Media Corp.

First, we have an all-ages model where you can do all these things for fun. Second, we have the capability of live wagering. Within this, we are going to be pursuing several different gaming licenses that will allow us to have a global reach around the world.

Very interesting. In order to facilitate all those transactions, you closed a deal, late 2019, for the Blaze Protocol, which can handle up to 50,000 transactions per second. Can you give some color on that?

Correct. This is something important to point out. The Blaze blockchain protocol has been specifically engineered to handle over 50,000 transactions per second. This allows a user base to be in the hundreds of millions making transactions all the time.

Due to this, we have a fully scalable enterprise-grade payment back-end system that provides security and most important scalability. This way we are completely confident that we can handle the demand.

When will the FANDOM SPORTS platform go live and which markets do you plan to target first?

We expect the system to go live within the next two quarters. Our initial proof of concept will be in the Asian market which is the largest gaming market. Currently, you have over 460 million Esports gamers in China alone. There we will have the quickest validation of our entire concept.

Our platform can be used by both Android and iOS users anywhere in the world. This will allow us to capture the beauty of e-gaming as the gaming community is around the world. You can have people watching Chinese tournaments from their living room in Belgium or you can have a Canadian player watching a tournament in South America. It is truly a global community and a global opportunity.

Wonderful. Maybe the most important question, how will FANDOM SPORTS earn money from all of this?

There are several ways we are going to earn money. Number one, we can receive licensing fees. As we mentioned earlier, the platform is completely agnostic. Thus, if there is a particular streaming service that wants to create content only accessible to their community, we can certainly white label our platform for them. This would create a software as a service type (SaaS) of business model which will generate fees and royalties for the company.

Number two, we make money from advertisers. We will make use of co-branded sponsorships. Sponsors of the tournaments will be able to drop their ads on our platform. We will also be able to share some of that revenue with our users. Once they finish watching the 10-second ad they can earn 10 coins, which they can then redeem for merchandise in the app itself, which again, would be co-branded. Thus, there are numerous partnership opportunities just in that model alone.

Finally, from the iGaming side of the business, we will see commissions on wagers, platform fees, and access fees.

All this is showcasing just how multifaceted our revenue model is, and we expect to be in the revenue-generating phase right from the launch.

When do you foresee first revenues to be generated by FANDOM SPORTS and how do you see them progressing?

We expect to launch in the next two quarters, and revenues will be earned from day one.

The growth potential after the launch is palpable. The revenues for competitive Esports in 2019 were \$1 billion. That number is forecasted to go to \$3 billion by 2022 based on a JP Morgan Report. Now, that is only a small portion of the overall \$160 billion gaming industry.

However, Esports is just in its infancy and will grow significantly in the coming years. Who knows where we go from \$3 billion in 2022... We feel that our platform is one of the tools that will help it grow in that logarithmic fashion.

Currently, China dominates the Esports arena. Why is that the case and how do you see the market developing?

I think it is a very simple answer. China just has a very large proportion of its population online.

There are several live streaming services that are available in the Chinese market. Some of them we know here in North America such as Twitch or YouTube. Others we do not know, DOYOU, Panda, HUYA, Gamefy. A lot of these networks have hundreds of millions of viewers.

We have League of Legends getting more viewers globally than the Superbowl does in North America and a large proportion of those viewers happen to be Chinese. I think it has to do with the broadcast infrastructure, and the sheer size of the market.

The Company is also well-capitalized, as it recently closed an oversubscribed private placement right?

Correct. We recently closed a private placement, which was oversubscribed. We have tremendous support from our shareholders who share the vision for the company.

We are going to be doing a number of different initiatives over the next several months that will add significant value to the company.

As the company grows its valuation, there will be more opportunities for additional financing as we scale the platform to suit specific markets on the gaming side and to support the global launch of FANDOM SPORTS.

In recent months, the Company has really assembled a team of experts in the Esports area. Would you give us some more details about FANDOM SPORTS' management team and the other key members of the Company?

Prior to me, we had a new chairman come aboard, Philip Chen. Philip has been involved in numerous private equity opportunities in Mainland China with tech conglomerates, and very significant players in Esports.

We have also added a gentleman by the name of John Armstrong, who has been involved in Esports for many years. He has

been an advisor for numerous different startups, both from the gaming side and on the wagering side. He is based in London, UK.

We have also added another gentleman by the name of Guy Ben-dov. He is the head of the Israeli Game Association. He also has a very extensive rolodex of experts on both sides of the business. He has worked with Rovio Games and various other Fortune 500 companies located both in Israel and in Silicon Valley.

We have another couple of candidates who are going to be joining the advisory board and the board of directors that will be able to help us fill in the gaps which we see in the global penetration of the Esports Community.

To conclude, we are building out a team that are true gaming experts that have decades of experience in the sector on both sides of our business model. It is just really exciting to work with everyone and get all their input and really see how FANDOM fits into all these unique places around the world.

That is excellent. And as a final question, what are the two or three most compelling reasons for a long-term investor to consider FANDOM SPORTS today?

Number one is just the exciting growth in the marketplace. I mentioned some statistics earlier. We could see 300% growth rates in Esports revenues over the next two to five years. In terms of the global gaming community you have 460 million viewers, but 2.2 billion gamers. This showcases the tremendous amount of runway to get more people into the ecosystem. If you can quadruple your user base on a global scale, you get into completely crazy and exciting numbers.

Number two, the platform itself is infinitely scalable. We have an enterprise-level payment solution that can handle this type of traffic. Not only the traffic of today, but at levels four years from now. Thus, we are planning for the success to come.

Fantastic. David, It's been a pleasure speaking with you today. Thank you for sharing your thoughts with us and we would be more than happy to have you back for an update in the future.

I look forward to it! Thanks for the opportunity.

Interview Feedback

We welcome your questions and feedback regarding this interview at:

<https://smallcaps.us/fandom-sports-ceo-david-vinokurov-reveals-exciting-growth-plans-for-his-company-and-sector>

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