



# Q3 2023 Sports Wagering Report

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December 2023

CONFIDENTIAL TREATMENT REQUESTED

# Who you will hear from today

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**RICH COOPER**

VP, Regulatory

**KEITA YOUNG**

Sr. Director, DE&I

**JILL WATKINS**

Sr. Director, Responsible Gaming Strategy and Operations

# AGENDA

1

Revenue

2

Compliance

3

Workforce / Workforce Diversity

4

Vendor/Supplier Spend/ Supplier Diversity

5

Responsible Gaming

6

Charitable Impact

# Revenue

| Month          | Total SW Revenue        | MA SW Taxes Collected  | Margin %      |
|----------------|-------------------------|------------------------|---------------|
| July 2023      | \$ 9,893,876.50         | \$ 1,978,775.34        | 11.65%        |
| August 2023    | \$ 7,428,655.54         | \$ 1,485,731.10        | 9.60%         |
| September 2023 | \$ 13,919,838.71        | \$ 2,783,967.74        | 11.66%        |
| <b>TOTALS</b>  | <b>\$ 31,242,370.75</b> | <b>\$ 6,248,474.18</b> | <b>11.09%</b> |

# Compliance

## Minors and Underage Report

| Q3 2023        | Found sports wagering or attempting to SW on a SW platform | Turned over to proper law enforcement authority by the SW operator | Account Suspended due to underage activity |
|----------------|--|--|--|
| July 2023      | 0  | 0  | 0  |
| August 2023    | 0  | 0  | 0  |
| September 2023 | 0  | 0  | 0  |
| <b>TOTAL</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>                                   |

# Our DE&I Strategy consists of four primary focus areas



1

## Diverse Sourcing & Hiring

Increase diversity of candidates considered and interviewed for open roles through enhanced processes and recruiting strategies



2

## Talent & Development

Create an intentional, all encompassing talent management processes to identify and develop diverse internal talent.



3

## Community & Culture

Craft and deliver an action plan that will drive an overarching inclusive atmosphere and workplace



4

## Employee Engagement & Communications

Drive greater employee engagement and buy-in through a clearly articulated diversity strategy

# Workforce Diversity

## Examples of Actions/Initiatives/Programs to Advance DE&I Goals

- Implementation of **diverse hiring slates** to increase pool of applicants eligible for senior leadership positions
- Expanding our **diverse talent outreach** to include Historically Black Colleges & Universities – established 1<sup>st</sup> HBCU Community Connection Event with current students and alumni
- **Expanding our strategic partnerships/sponsorships** to further enhance our diverse pipeline and provide development opportunities for our diverse employees - (i.e.. Women In Sports & Events, McKinsey Black Leadership Academy, McKinsey Asian Leadership Academy, Global Gaming Women, Hiring Our Heroes – Veterans Internship Program , UNCF, X. R.O.S.A)
- **Expanding our employee groups** to include seven (7) Employees Resource Groups (originally 4) and 2 new Interest Groups
- Implementation of **DEI training and learnings** to create cultural change and embed DEI into organizational skills and competencies

# Workforce Diversity

| # of Employees in each Category  | Minority    | Women        | Veteran | MA Resident | Total Number of employees |
|--|-------------|--------------|---------|-------------|---------------------------|
| Executive VP+  | 6   7.6%    | 18   22.8%   | Unknown | 1   1.3%    | 79                        |
| Manager, Supervisor<br>Manager, Sr. Manager,<br>Director, Sr. Director | 356   27.5% | 295   22.8%  | Unknown | 7   0.5%    | 1,294                     |
| Entry Level, Non-Manager   | 908   48.3% | 688   36.6%  | Unknown | 12   0.6%   | 1,881                     |
| <b>Totals</b>  | 1,270   39% | 1001   30.8% | Unknown | 20   0.6%   | 3,254                     |

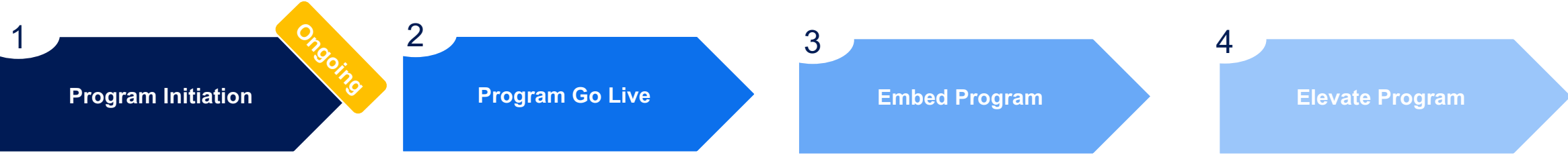
## Data Information

- Employees of 11/7/2023
- US, UK, and CAN employees
- Excludes Temps, Contract, Intern, Secondment



# Supplier Diversity (“SD”) Project Plan

|                    |  |
|--------------------|--|
| <b>Total Spend</b> | <ul style="list-style-type: none"> <li>• Spend detail is based on accrual accounting.</li> <li>• It is driven by marketing costs such as TV, Digital &amp; Radio, as well as card fees, customer verification costs and data feeds.</li> <li>• It doesn't include promotion free bets, wagering &amp; other taxes, payroll or related costs and similar expenses.</li> </ul> |
| <b>Q3</b>          |  |
| \$ 398,344,713.03  |  |



Key Deliverables

- RFP issued to market to identify preferred system to support supplier diversity program

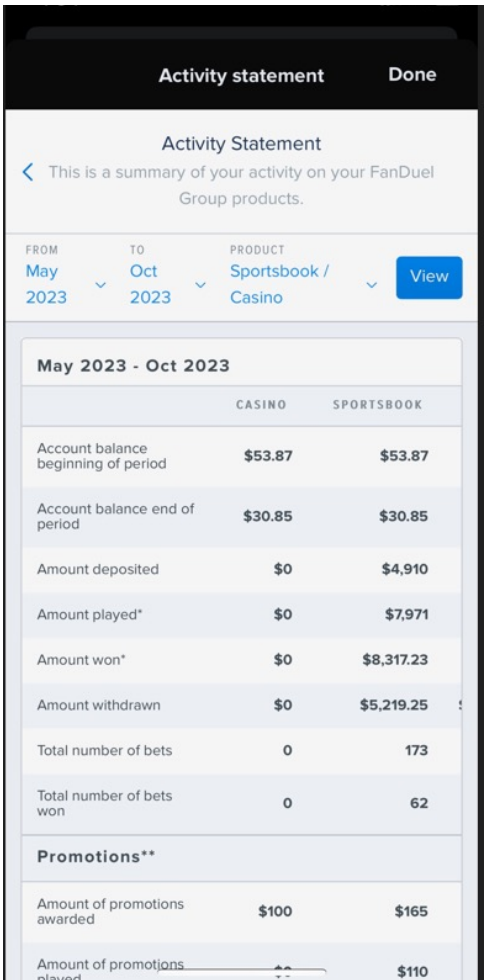
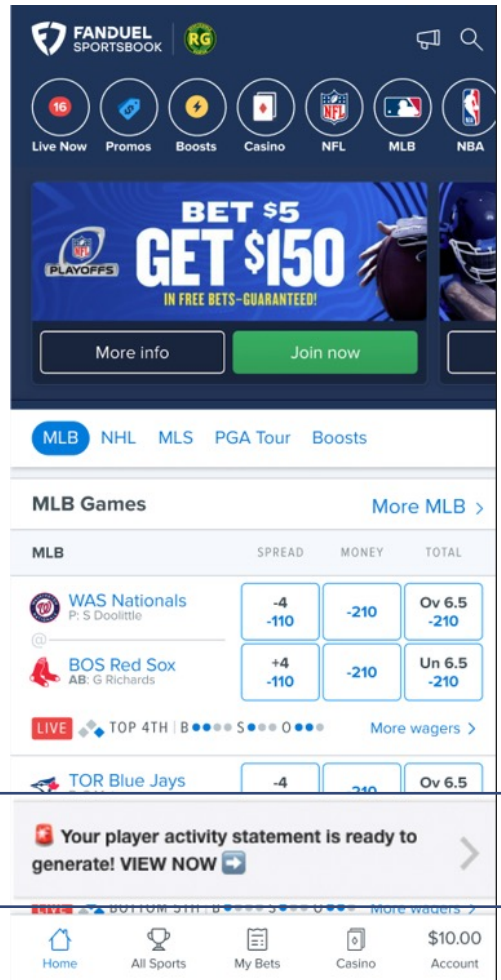
- System Go Live
- SD Program Goals defined
- Procurement procedure updated and circulated across organisation

- Implement quarterly reporting to ensure transparency

- Online registration portal
- Actively connecting with diverse suppliers

# RESPONSIBLE GAMING: RG TOOL USAGE IN MA

| Tool Type                 | % Active Tool Users <sup>4</sup> |
|---------------------------|----------------------------------|
| Deposit Limit             | 1.6%                             |
| Max Play Time             | 0.1%                             |
| Wager Limit               | 0.3%                             |
| Max Wager Size            | 0.3%                             |
| Player Activity Statement | 31.7%                            |



1 Typical active tool user age defined as average age of quarterly active tool users. Age is at the time of the report generation (10/31/2023).

2 Timeouts are breaks from the user's FanDuel account that range in length from 3 to 365 days. Users can elect to take longer breaks through the form of self-exclusions. Users took a timeout at least once in the quarter and may not be in an active exclusion as of the end of the quarter.

3 Quarterly Active Tool users only includes registered MA accounts with paid activity in Q3.

4 Quarterly Active Tool as a percentage of registered MA accounts with paid activity in Q3.

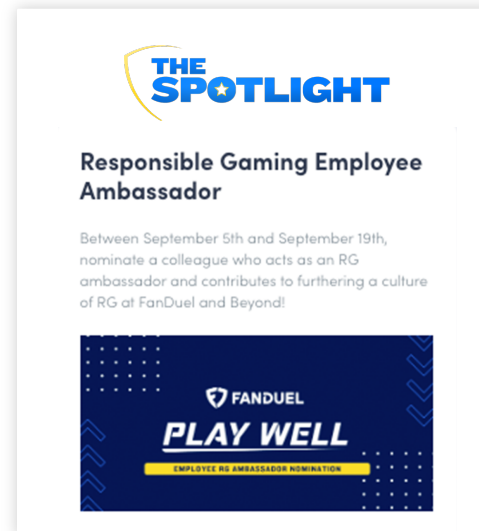
# RESPONSIBLE GAMING: RG TOOL USAGE IN MA



- **0.1%** registered MA accounts elected to take a timeout in Q3 with an average length of **70 days**.<sup>2</sup>
- Within the FanDuel product we direct customers to the GameSense website to learn more about the VSE program.

# RESPONSIBLE GAMING EDUCATION MONTH RECAP

- Engaged colleagues through a range of initiatives during **Responsible Gaming Education Month**
- FanDuel's 2nd annual **Play Well Day** was held on Sep. 26th, a day dedicated to reaffirming our commitments to RG, educating and engaging on how RG is a part of everyone's role
- Held 3 **lived experience webinars** for employees in partnership with EPIC Risk Management – 788 employees participated
- Launched a new **employee recognition program** highlighting colleagues serving as RG champions
- Debuted a new series of **RG Creative spots**, featuring Craig Carton, Gronk and Kay Adams, shared across FanDuel and partner social throughout Sept. and Oct.
- Announced **new RG course** for professionals across the sports industry, in partnership with Front Office Sports, launching Jan 2024



# OPERATION HOPE FINANCIAL LITERACY PROGRAM LAUNCH

- **\$1M donation** to Operation Hope to bring the organization's community uplift model, HOPE Inside, as part of a 2-year partnership to Massachusetts.
- HOPE Inside model delivers **financial literacy** and **economic empowerment programming** to underserved communities.
- Program coaches provide services relating to Credit & Money Management, Homeownership and Small Business Development.
- FanDuel also supporting promotion of the program throughout the state through local media spend – paid social, radio and digital OOH
- **Program launch date:** January 2024 (coach hiring in progress)

