

To: Bill Adee

From: Mike Sinnott

Re:

Date: April 22, 2019

In working to find a path forward, there are three potential approaches.

First, VSiN purchases SB Nation Radio and flips the format to the network's sports betting programming. This is a problematic approach in that there is no guarantee that our current affiliate list will adopt the new programming moving forward. The value of the network is in its infrastructure, distribution, and revenue streams. Dumping our current programming in favor of VSiN compromises SB Nation's value as a radio network. This would be a revolutionary change to SB Nation Radio, and one that we would not recommend.

Second, Gow Media could offer VSiN programming to radio stations as a companion network to SB Nation Radio. If operated as a stand-alone radio network in markets with legalized sports betting, VSiN Radio will be confronted with a problem of limited reach and audience penetration in an already crowded sports-radio marketplace. In this scenario, it will be very difficult for VSiN Radio to remain a sustainable radio network without incurring substantial operating losses until it becomes established as a nationwide network.

Finally, our strongest recommendation is an evolutionary, not revolutionary, approach to the launch of VSiN Radio. This involves the purchase of SB Nation Radio and the launch of a companion network for VSiN's programming.

At purchase, VSiN will immediately acquire a \$2.1-\$2.5-million annual revenue stream. This revenue stream will be beneficial to the long-term sustainability of VSiN's current ventures and the fledgling radio network.

Rather than a purchase and immediate format flip, we recommend the continuation of SB Nation Radio programming and the launch of a companion radio network that features VSiN's programming. This ensures the continuation of SB Nation as a viable marketing platform that can be utilized as an advertising revenue stream and promotional tool for VSiN.

Each month, SB Nation Radio delivers more than 7.5-million listeners. This will enable VSiN to market its web site, subscription services, and publications to a general sports audience nationwide. This will raise awareness of VSiN to our audience and establish the network as the first-ever sports gambling radio network in the country.

At first, VSiN Radio will have a limited footprint and distribution in only states with legalized sports betting. Yet, owning the SB Nation Radio property will expand VSiN's reach beyond those states with commercials, promos, and regular guest appearances on SB Nation Radio. This will further establish the VSiN brand to our nationwide audience with a goal of converting those listeners into consumers of VSiN's subscription services, print publications, and online programming.

As more states legalize sports betting, VSiN Radio will concurrently expand across the country, launching on radio stations in each state as sports betting becomes legal there. With SB Nation

Radio as VSiN's companion network, we'll work from our established affiliate base in each state to transition current, interested SB Nation Radio affiliates to VSiN Radio programming.

VSiN Radio will be stronger with an established radio partner. A stand-alone network would be limited in reach, but, when we bundle VSiN's advertising inventory with that of SB Nation Radio, the combined audience delivery will mean increased advertising revenues.

In addition, this presents a unique opportunity for VSiN to establish a deeply integrated marketing platform that includes radio; television; satellite; and digital properties. This model has been used to establish ESPN as the "Worldwide Leader in Sports." VSiN has the opportunity to establish itself as the "Worldwide Leader in Sports Betting" through a similar model the will create a deeply integrated marketing platform.

As laid out previously, there are many benefits to VSiN acquiring our radio network, including:

- boosting awareness of VSiN to a general audience;
- launching the nation's first-ever sports-gaming network on terrestrial radio;
- reaching a monthly audience of more than 7.5-million listeners;
- increasing premium subscriptions and sales of your special-event publications;
- tapping into a new multimillion dollar revenue stream; and,
- positioning your brand for success in a crowded sports-talk radio landscape.

If not an immediate, outright purchase, VSiN could stagger the purchase the network over 2-3 years with quarterly payments to meet the cash obligation.

If purchasing SB Nation is not an option at this time, then Gow Media would consider managing, distributing, and selling the network for an equity stake in a joint venture moving forward.