

To: Bill Adee

From: Mike Sinnott

Date: January 28, 2019

Re: VSIN Radio: Changing the way you listen to sports

VSIN will purchase Gow Media's SB Nation Radio, transitioning from the current format of traditional sports-talk radio to a network that focuses on sports gaming. VSIN will deliver sports betting news, information on a 24/7/365 terrestrial radio network with programming that originates from VSIN studios in Las Vegas, Atlantic City, and beyond.

Advantages of acquisition

A purchase of SB Nation Radio comes with many advantages, 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.

Expanding your reach beyond SiriusXM

VSIN Radio will expand the reach of your brand beyond SiriusXM to a broader audience, reaching millions of potential new customers. As sports gaming expands to other states with more players, VSIN will need to broaden its audience to position itself as the leading content provider of sports-gaming information. VSIN Radio can accomplish this by reaching an audience of more than 7.5-million listeners each month. This audience will boost premium subscriptions for VSIN's online content, increase sales for your special-event publications, and create a new revenue stream from network radio advertising.

Fourth-largest sports-radio network in the nation

Currently, SB Nation Radio is the fourth-largest sports radio network in the country in terms of our long-form programming with 215 affiliates. When you include our update business (Sports Flash; News Flash; Race Flash) of 717 network affiliates, Gow Media delivers radio programming heard on 932 network affiliates across the country, reaching more than 7.5-million listeners each month. VSIN Radio will use SB Nation Radio's current affiliate base as its foundation for growth.

Gow Media's Additional Networks

Excluding our partnership with VSIN for the Action Updates, Gow Media delivers customized local sports, news, and motorsports updates to 717 network affiliates across the country. We're the nation's largest sports update business, reaching more than 6-million listeners each month. This piece of our business is highly profitable and has helped us weather the competition and survive in a highly-competitive market.

-CONFIDENTIAL-

717 AFFILIATES



503



95



119

6-MILLION LISTENERS EACH MONTH

Acquiring a multimillion-dollar revenue stream

At launch, VSiN Radio will take SB Nation's place as the fourth-largest sports radio network in the country. More importantly, unlike a brand-new venture, VSiN Radio will launch with a multimillion dollar revenue stream already in place. Imagine adding more \$2.5-\$3.0-million in annual revenue to your books without a significant increase in overhead.

The current listener demographic profiles align for SB Nation Radio and VSiN. In fact, our analysis indicates that those interested in sports gaming are more likely than the average sports-talk listener to be college educated and earn, on average, more than \$75,000 annually. This demographic is a good fit for many of our advertising partners.

SB Nation Radio generates advertising revenue from a diverse roster of partners, including:

- Advance Auto Parts;
- Chevrolet;
- GEICO;
- Home Depot;
- Indeed
- Jeep;
- Liberty Mutual;
- Lowe's Home Improvement;
- Mercedes
- O'Reilly Auto Parts;
- Onstar;
- Progressive;
- Quicken Loans;
- Sprint;
- Staples, and many others.

SB Nation Radio will help VSiN maintain and grow this revenue stream while utilizing VSiN's other platforms to deliver integrated advertising solutions to our partners.

-CONFIDENTIAL-

America's biggest brands, trust SB NATION RADIO



-CONFIDENTIAL-

Current Market Landscape: Four full-time, sports-radio networks

Currently, Gow Media's SB Nation Radio is one of four, full-time sports-talk radio networks in the country. The others are: ESPN Radio; Fox Sports Radio; and CBS Sports Radio. (NBC Sports Radio ceased operating as a full-time network in January 2019 and currently only offers limited programming and sports updates.) The competition for affiliates and listeners remains fierce among the four networks. Truth is, in many markets, an oversaturation of sports-talk radio programming exists with not enough available radio stations to clear all four networks.

NETWORK	AFFILIATES	PROFILE
	400	Los Angeles-based Fox Sports Radio has a decidedly West Coast sound and identity. The network is home to Dan Patrick, Colin Cowherd, Rich Eisen, and Doug Gottlieb.
	340	Bristol, Connecticut-based radio arm of the worldwide leader is the radio arm of ESPN with Golic & Wingo; Dan Le Batard; Stephen A. Smith; and national play-by-play broadcasts that are unavailable to the other networks.
	300	Based in New York City, CBS Sports Radio launched in 2013 and is currently home to the Jim Rome Show. Entercom operates the network under a licensing agreement with CBS Brands.
	215	Gow Media's SB Nation Radio is a partnership with Vox Media and their property SB Nation, a collection of more than 300 community sites dedicated to professional and collegiate sports. Positioned as "The Next Generation of Sports Radio," the network has a younger, edgier feel than traditional sports radio.

NBC Sports Radio: A cautionary tale

Launching VSiN Radio as the fifth sports network in this crowded marketplace represents a significant risk to the success of the venture. NBC Sports Radio could not generate enough revenue from its limited distribution to remain in the marketplace. This is a cautionary tale for VSiN's proposed entrance into the market as the fifth network. Although a companion network to SB Nation Radio is possible, adding another network to the mix presents the same significant challenges that ultimately led to the demise of NBC Sports Radio.

Even with the reduction to four full-time sports-radio networks, the market remains saturated. Frankly, in many markets, there is a scarcity of available signals to support even four sports-talk stations. In addition, the thinning of revenue as a result of so many networks targeting the same demographic creates the challenge of revenue generation.

-CONFIDENTIAL-

First-to-market terrestrial radio network that focuses exclusively on sports betting

VSIN is the first-ever 24/7 network dedicated to sports gambling news, information. As VSIN Radio, you'll be the first-ever terrestrial radio network to deliver that content. This position as the first-to-market will be significant as competitors attempt to grab a share of this nascent content market. This will provide your network with a competitive advantage in the sports-talk radio format.

Currently, all four of the national sports radio networks, including SB Nation Radio, sound pretty much the same. The guests, topics, callers, and content are essentially alike with only slight variations between the networks. VSIN's purchase of SB Nation Radio will remove one potential competitor for audience and advertisers, increase market share, and create an advantageous market position for VSIN Radio. The new network will come to market with one potential competitor out of the fray (SB Nation Radio) and exclusive, unique content that the other networks cannot deliver.

VSIN Radio: Changing the way you listen to sports

VSIN Radio will offer a unique, financial perspective on sports with passionate, entertaining hosts who have a real, vested interest in the games. No more sophomoric guy talk; no more hot takes; no more politics invading sports; no more hosts begging for callers and then berating them.

VSIN Radio will deliver sports talk that focuses on the games, the players, the coaches, and the fans that live for sports. The VSIN Radio approach will be sports-talk radio that is refreshing and creates an opportunity to position the network as an alternative to the homogenous sports-talk networks. ESPN, Fox Sports, and CBS Sports Radio will deliver more of the same while VSIN Radio delivers a new, refreshing, passionate, invested perspective of sports.



	VSIN Radio Weekday Lineup
6A-7A	MY GUYS IN THE DESERT WITH BRENT MUSBURGER (ENCORE)
7A-10A	FOLLOW THE MONEY-MITCH & PAULY
10A-12P	A NUMBERS GAME WITH GILL ALEXANDER
12P-3P	PUSHING THE ODDS WITH MATT PERRAULT
3P-5P	THE EDGE
5P-6P	BETWEEN THE SIDELINES
6P-8P	MY GUYS IN THE DESERT WITH BRENT MUSBURGER
8P-12A	VSIN Game Night – NIGHTLY BETCAST (PROPOSED)
12A-6P	VSIN - OVERNIGHT (PROPOSED)

-CONFIDENTIAL-

VSIN Radio Weekend Lineup	
6A-7A	MY GUYS IN THE DESERT WITH BRENT MUSBURGER (ENCORE)
7A-10A	BEST OF FOLLOW THE MONEY-MITCH & PAULY
10A-12P	BETTING ACROSS AMERICA
12P-4p	THE GREEN ZONE
4P-7P	TBD
7P-12A	VSIN BETCAST OF THE WEEK (PROPOSED)
12A-6A	VSIN - OVERNIGHT (PROPOSED)

Market Landscape with the launch of VSIN Radio

NETWORK	AFFILIATES	PROFILE
	400	Los Angeles-based Fox Sports Radio has a decidedly West Coast sound and identity. The network is home to Dan Patrick, Colin Cowherd, Rich Eisen, and Doug Gottlieb.
	340	Bristol, Connecticut-based radio arm of the worldwide leader is the radio arm of ESPN with Golic & Wingo; Dan Le Batard; Stephen A. Smith; and national play-by-play broadcasts that are unavailable to the other networks.
	300	Based in New York City, CBS Sports Radio launched in 2013 and is currently home to the Jim Rome Show. Entercom operates the network under a licensing agreement with CBS Brands.
	215	With programming originating from Las Vegas, Atlantic City, and beyond, VSIN Radio will take SB Nation Radio's place as the nation's fourth-largest sports radio network with 215 nationwide affiliates.

-CONFIDENTIAL-

Targeting ESPN, Fox Sports, CBS Sports Radio Affiliates

Immediately upon launch, VSiN Radio will target radio stations currently affiliated with our competitor networks. The goal will be to secure affiliations with 3-10% of our competitor stations.

Networks



Affiliates	400	340	300
Flippers (3-5%)	12-20	10-17	9-15
Flippers (6-10%)	24-40	20-34	18-30
	360-388	306-330	270-291

We certainly can expect to lose affiliates with the flip of the network. Some stations will object to the network becoming a "gambling" network, regardless of our best efforts to educate them otherwise. It's a reality that must be confronted. Using the same metric, if SB Nation loses between 3-10% of our affiliates with the flip of the format, then we can expect to lose between 11-22 affiliates, bringing out total down to 193-204 stations. Within two years of the launch of VSiN Radio, our goal would be a network of 224-308 affiliates.

NETWORK	MARKET PENETRATION YEAR 2	PROFILE
	360-388	Even though Clay Travis's "Outkick the Coverage" has done well with securing new affiliations, there's an opportunity for "Follow The Money" to secure affiliates, especially for morning drive in East Coast markets. Other shows are more formidable when pitted against the current VSiN lineup, including Dan Patrick & Rich Eisen.
	306-330	Mike & Mike ended their 17-year run in 2017. Since then, ESPN Radio has been losing morning drive affiliates. The new pairing is not nearly as popular as the previous team. VSiN's Follow The Money with Mitch & Pauly presents an opportunity to secure former Mike & Mike affiliates.
	224-308	With programming originating from Las Vegas, Atlantic City, and beyond, VSiN Radio will take SB Nation Radio's place as the nation's fourth-largest sports radio network with 215 nationwide affiliates.
	270-291	With the exception of Jim Rome, the VSiN Radio is very competitive against the CBS Sports Radio lineup.

-CONFIDENTIAL-

Gow Media's SB Nation Radio has survived and thrived in the crowded sports radio market. Since 2012, we have grown our affiliate base from approximately 202 affiliates to 932 affiliates. Our annual revenues are strong and getting stronger each year and we're becoming profitable through the execution of a fiscally responsible plan of managing our overhead.

Four of the same in this sports-radio marketplace is a difficult position for us. Yet, VSiN presents a fresh, unique opportunity to engage the audience.

In VSiN, we see a groundbreaking opportunity. This nascent market is poised to explode as more states approve sports betting in their communities. In turn, the need for this unique content will only get stronger. Using SB Nation Radio's foundation, VSiN Radio's status as the first-to-market radio brand of this exclusive content, will position it for long-term success against ESPN Radio, Fox Sports Radio, and CBS Sports Radio.

Recapping the advantages of acquisition

A purchase of SB Nation Radio comes with many advantages, 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.

In our opinion, this is the strongest play for VSiN's entrance into the terrestrial radio.

-CONFIDENTIAL-