



# Mobile eSports Gaming Fanatics

Building the world's first global  
mobile eSports community,  
bridging Web2 + Web3.



# Executive Summary

**This paper has been written for people interested in the exciting opportunity presented by mobile esports and blockchain gaming.**

By now you've surely heard about the impact that blockchain-related innovation, cryptocurrency and non-fungible tokens (NFTs) are having on the global economy. People around the world are turning to alternative currencies for safe haven, growth and exploration. Play-to-earn gaming is emerging as a large proponent of this growing trend in alternative entertainment and income.

## **MegaFans – First in Mobile eSports**

[MegaFans](#) is a mobile software platform developer building the world's first global, mobile eSports community where 2.8 billion daily active

users can play-to-earn in Web2 games for Web3 prizes like cryptocurrencies, NFTs, collectibles, and even cash. Besides supporting gamers, MegaFans also offers turnkey solutions for other mobile game developers interested in user retention and monetization of their users.

Our company operates in a \$100 billion market and offers:

1. A self-sustaining, free-to-play advertising-driven monetization model and white label solution for both B2B and B2C revenue streams.
2. A scalable eSports system that monetizes mobile games, reduces churn rates, increases average revenue per user, and extends player lifetime value (LTV) through incentivized gameplay.
3. Revenues that come from eSports tournament buy-in rake, In-App Purchases (IAP), a tokenized economy, events, direct affiliate advertising, marketing sponsorships, and partnerships.

# Executive Summary

## Reaching Untapped or Underserved Markets

As a mission-driven company, MegaFans is also engaged in reaching gamers and developers in underserved markets around the world. This includes demographics such as female gamers, developers and gamers of color, and game enthusiasts located in second and third-tiered economies. Our mantra is “eSports for All!” and by extending offerings to overlooked markets, we not only open additional revenue streams but grant wider access to the opportunities presented by the play-to-earn economy.

## Why MegaFans? Why Now?

Roxana Nasoi, Managing Director at [Launchpool Labs](#) has stated, *“Jeff and his team at Megafans are building the future of mobile eSports, not just by enabling access to players regardless of level of experience, but by integrating NFTs, play-to-earn, and cryptocurrencies into their in-game economies. This lowers barriers to entry at a global level. We’re excited to incubate them and support them throughout their journey.”*

As NFTs and cryptocurrency have become hot topics in investment circles, investors are looking for solid projects that are more than

an opportunistic play on an exploding industry. MegaFans soft-launched its first games to market between 2019 and 2021. Prior to that, it engaged in rigorous research and development to establish its incentivized play model and built a minimum viable product. Today, MegaFans has a proven business model, and an established community of enthusiasts. Now it is adding strategic partnerships to support its next level of growth and expansion.

## Current Funding Round

MegaFans is raising a \$3 million (USD) Seed Round with a pre-token sale at a \$20 million valuation to build at scale and to develop strategic partnerships for sustainable growth. Funding will go toward continued user acquisition and several new games to extend our published games library from 5 to 10 titles. We are raising an additional \$2 million through the public token and NFT sales, for a total of \$5 million in 2022. Funding also supports our community management and tournament prize pools.

Lastly, a portion of our seed round will be dedicated to testing and optimizing mobile game user experiences (UX) and user

interfaces (UI), cross-platform marketing, live streaming, business partner development, intellectual property (IP), patents, and trademarks.

## The MegaFans Team

MegaFans' executive team combines deep-field experience in areas crucial to operating a world-class mobile eSports company. Our team includes:

- Co-founder Jeff Donnelley has 24 years of experience in advertising and marketing for eGaming (Ubisoft and World of Tanks), iGaming (BetOnline, BETUS, BetonSports), Mobile Gaming (Jam City), and Fantasy Sports (Draft Kings).
- Co-founder Colin Bracey contributes 30 years of lead developer experience acquired while working with Motorola, Vodafone, Orange, and TRW.
- And our team of investors and advisors includes members from Activision/Blizzard, Draft Kings, Esport Trade Association, Techstars, Launchpool, Alphabit, Consensus, Metamask, Chainlink, Cryptoslate, Newswire, Forbes, BTIG, Cointelligence, Gate, Dao Maker, Brave and Hackernoon.

# Executive Summary

## Q1 2022 Metrics and Milestones

- Worked with incubator Launchpool Labs. Tested tournament structures and profitability.
- Introduced NFTs and cryptocurrency in prize pools. Increased traction and monetization by 10x.
- Reduced Customer Acquisition Cost (CAC) from \$0.66 - <\$0.20.
- 500,000 mobile game installs @ 10% conversion = 50k monthly play-to-earn entries.
- Affiliate Ads deliver 4,000 clicks per month.
- Avg Revenue Per User achieved \$0.55
- Q4 2021 Broke even against ROAS

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# Current Market Opportunity

In the first quarter of 2022, 243 gaming companies closed investments valued at \$3.5 billion. April delivered another \$3 billion in Blockchain games.

Sources: [80.LV](#) and [Cointelegraph](#)

The global mobile gaming market represents a hyper-growth opportunity for investors, developers, and gamers (aka, users). It's currently generating over [\\$90 billion](#) in revenue with a CAGR of 11%, which puts it on track to reach a projected \$200 billion by 2024. This growth will be helped along by the next 500 million new online users whose digital experiences will come through mobile devices. [eSports](#), another significant segment of the digital gaming market, is expected to reach [\\$1.8 billion by 2023](#).

MegaFans—an established mobile gaming platform with an active user base—is perfectly positioned to capitalize on the

burgeoning mobile gaming and eSports space. The company has a skilled management team possessing 100+ years of combined gaming and marketing industry experience. Its mission is to become a significant player in mobile eSports by addressing several needs currently not being effectively met by existing market competitors. These needs include:

- Establishing a significant, safe, social space for all mobile gaming esports users
- Monetizing every single user action on the platform, whether it's free-to-play (F2P) or play-to-earn (P2E)
- Reaching and converting the “crypto curious” by offering web2 players, web3 prize pools
- Incentivizing gameplay, and increasing consumer retention through data analysis and behavioral intelligence, dynamic prize pools, enhanced experiences, and competitive tournaments
- Presenting a more robust revenue model that attracts game developers to the MegaFans platform, which increases and enriches the community

By solving these problems and delivering better experiences to gamers, the MegaFans team expects to claim a significant share of the Global Gaming Market by 2023.

## Capitalizing on Cryptocurrencies and the Developing Metaverse

MegaFans is currently building the world's first mobile eSports community using blockchain technology to offer cryptocurrencies and NFTs in a play-to-earn environment for gamers and collectors.

The company has experience identifying and building within emerging verticals using proven go-to-market strategies. This experience is pivotal as it continues testing and expanding mobile games in markets that fit targeted criteria, for example, user demographics that have overlapping engagement between mobile games, eSports, blockchain gaming, and cryptocurrencies.

Now having integrated NFTs and other blockchain technology into its platform, MegaFans is building its gaming economy to become building community in the [metaverse](#), opening up virtually endless possibilities for growth and expansion.

## Untapped Markets

Despite [female gamers](#) making up a sizable portion of the mobile gaming market, they remain largely ignored as a consumer group. Women and girl gamers are more loyal than male gamers and are hungry for engagement from developers. This marks an untapped opportunity for any game development company ready to create products that appeal to them. MegaFans has made it a core mission to pursue this and other underserved demographic, such as LGBTQ and gamers of color, to promote inclusiveness in eSports and broaden its revenue stream.



# About MegaFans

Founded in 2017, MegaFans is a mobile gaming company headquartered in Southern California, developing a new genre of mobile gaming (Mobile eSports) that incorporates eSports and tournaments in combination with play-to-earn economics.

As part of its work to fully integrate blockchain, cryptocurrencies, and NFTs into mobile gaming, the company recently announced that MegaFans distributed the world's first [NFTs as prizes to players](#) from a mobile eSports platform.

The MegaFans mobile gaming platform presently has 500K+ installs, 50,000 monthly active users (MAUs), and several rapidly growing mobile game titles (five of which are eSports enabled) [that can be downloaded](#) from the App Store, Google Play, Huawei and Samsung or from the official [MegaFans website](#).

Downloadable gaming apps represent only one aspect of the company's business model. It also provides a feature-rich software development kit (SDK) for other game developers who seek to reduce attrition rates and extend player retention through incentivized play.

MegaFans strives to combine the best practices of a sophisticated freemium advertising monetization model with traditional play-

MegaFans has positioned itself as a trailblazer in **Mobile eSports**. It combines the best practices of freemium advertising, In-App Purchasing, and play-to-earn to capitalize on emerging trends in blockchain and mobile games.

to-earn, eSports, and In-App Purchasing models. Collectively, these select gaming sectors represent a slice of the global gaming market currently valued at over \$100 billion and projected to reach [\\$200 billion by 2023](#).

## MegaFans Offers - eSports for All!™

Part of the MegaFans' ethos involves bringing its games and SDK to a massive, untapped global audience where "Anyone, anywhere, anytime can Play to Earn!" The company's goal is to address the industry-wide high attrition rate for mobile games by dramatically improving and uniquely incentivizing the gamer experience for all



consumers who use their platform. It will achieve this by introducing local gaming tournaments set in emerging and younger mobile markets globally; these sub-markets will then feed into larger prize pools and destination-based tournaments in U.S. tourist locations like San Francisco, San Diego, Las Vegas, Palm Springs, New York, and Miami.

Beyond the U.S., MegaFans plans to eventually see its experiential tournaments expanded globally to other major cities like Seoul, Singapore, Tokyo, London, Paris, Madrid, Berlin, Hanoi, Dubai, Jakarta, and other locations that coincide with eSports events and conferences.

## Intellectual Property

MegaFans has already gone through the US provisional patent process and now has a full patent application with the USPTO covering its entire technology stack, functionality, and proprietary transactional features. The tech is not only protected by the pending patent but is also designed to physically protect the patented code base by allowing only limited access to the frontend SDK for licensed partners and clients while the back-end code remains completely shielded.

## The Problem

### 1. Poor Retention Rates

Most mobile app companies are focused on acquisition as opposed to relationship building. The mobile game market is highly competitive and crowded with titles that tend to be viewed as disposable after limited engagement. As a result, [attrition rates](#) are high. On average, 21% of users only use an app once. After 90 days, user retention rates dwindle to 20%.

### 2. Low Conversion to Pay-to-Play (P2P)

Combining Mobile gaming with successful aspects of eSports Mobile somewhat addresses high attrition; however, conversion to P2P remains low.

### 3. Different Countries, Different Currencies

Selling mobile games globally opens up the opportunity to make greater profits; however, global sellers face obstacles such as varying exchange rates, high transactional fees, and slow settlement times. Additionally, vast markets of potential users may be cut off from accessing a company's products because they are 'under-banked' in second or third-tier economies.

## The Solution

### 1. Poor Retention Rates

Inspired by customer relationship managers like [SalesForce](#), MegaFans plans to forgo conventional game industry logic, which focuses overwhelmingly on customer acquisition. Instead, it will use a methodology it's coined "Gamer Relationship Management" (GRM) to optimize the customer journey and increase customer retention.

To accomplish this, MegaFans will rely on algorithmic and interactive data to designate and segment its high-value users. These gamers will be rewarded with experiences and prizes like virtual and actual currency, gift cards, and cryptocurrencies, along with the opportunity to participate in exclusive, destination-based tournaments that feature grand prize pools and experiences.

### 2. Low Conversion to Pay-to-Play (P2P)

MegaFans has conducted in-market tests to pinpoint core attributes contributing to low P2P conversion in the Mobile eSports model. These include things like lack of sophisticated freemium advertising

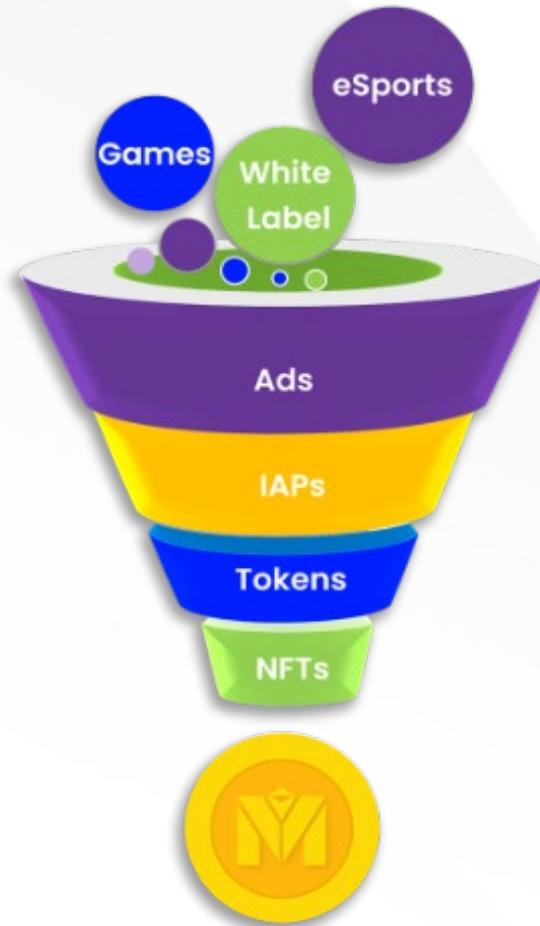
monetization and the need for deep audience segmentation. The company has developed strategies to address these issues and has included the solutions as part of its development roadmap.

### 3. Different Countries, Different Currencies

MegaFans circumvents most of the problems related to fiat currencies by utilizing blockchain-based, globally recognized cryptocurrencies. Blockchain decentralizes traditional finance and allows more potential buyers to access the company's products with faster transactions and lower fees within a secure, open ledger ecosystem that's being adopted by major financial institutions around the world. MegaFans already introduced NFTs into its economy and is offering unique experiences, special events and profit sharing for parties staking our NFTs.



# The MegaFans Business Model



MegaFans attracts and acquires new users on its platform using several methods:

- Promote free gaming apps deployed on Apple iTunes and Google Play
- User Acquisition campaigns through Google, Iron Source, Appsflyer, Applovin, Tapjoy, Vungle...
- Social media posts and advertising campaigns on platforms popular in gaming circles such as Discord, Twitter, Telegram, Facebook, Instagram, and Twitch
- Key partnerships with individual game developers, personalities, and studios
- “Push Alerts” through partner gaming apps
- Paid and earned reviews and advertising projects with popular influencers active on GamesBeat, Gamasutra, Reddit, Steemit, and YouTube

- Permission-based native advertising using platforms like AdMob, Chartboost, and others
- Paid search advertising on Google, Brave and Yahoo, Baidu and others

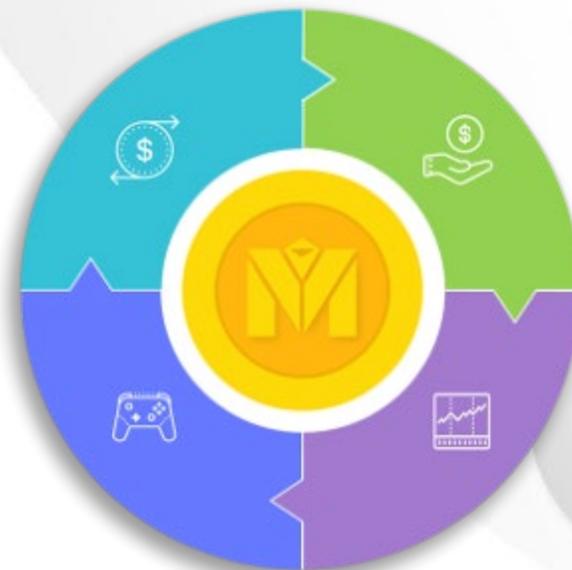
MegaFans has a multiverse approach for earning revenue:

1. **Advertising** - Casual gamers download and play in free-to-play games and tournaments with advertisements (third party and proprietary ad systems). Local, regional and international tournaments are grown organically within the ecosystem; partners and advertisers pay for exposure to highly motivated users and followers at MegaFans tournaments and events.
2. **In-App Purchase** - Players are enticed with prizes, offers and messaging to convert to play-to-earn without intrusive ads but optional rewarded ads.
3. **Blockchain, Cryptocurrencies, Utility Coins, and NFTs** - MegaFans has built an entire tokenomics system to include their own assets as well as other tokens, which can be cross-promoted within MegaFans' games and traded on secondary markets. Token holders

can also stake for multiple lucrative benefits and features.

4. **White Label eSports System** - Licensees and developers pay a share of earned revenue for using the MegaFans platform system.

\*Notable: MegaFans' player database of contacts and segmented behaviors carries an intrinsic value in itself.



# MegaFans Sr. Team and Advisors



## Jeff Donnelley Co-Founder - CEO

With 22 years of experience in marketing, branding, and media, Jeff is adept at growing game companies and driving strategic growth and user acquisition. He has a proven

background in developing and managing monetization campaigns for notable brands in the gaming industry, including Bet Online, Bet US, Draft Kings, Ubisoft, WarGaming, and Jam City.



## Colin Brace Co-Founder - CTO

Colin boasts 30 years of experience leading, developing and managing software infrastructure teams for leading companies in Europe and North America, such as Motorola, Vodafone,

Orange and TRW. His background includes building and launching Mobile eSports platforms for Reward Mob and MegaFans.

## Mike Gonzales - Chief Creative Officer, Advisor

Mike contributes 30 years of experience in eGaming, creative direction, innovation and digital development to MegaFans. Mike's background includes working for notable leaders in entertainment, computer graphics, and game design, including Blizzard, Activision, Weta Workshop, Microsoft, Atari, Crystal Dynamics, and RockStar Studios. Mike's passion and expertise make him a unique asset to the team for fleshing out creative concepts, production and IP, and other keystone opportunities.

## Liam Robertson - CEO Alphabit, Advisor

As a founder and CEO of Alphabit, Liam manages the portfolio of the Fund and drives all aspects of Alphabit's advisory services, himself advising a number of ground-breaking Blockchain enterprises.

## Richard Simpson - CEO Launchpool, Advisor

Richard is CEO of Launchpool and Launchpool Labs, where MegaFans incubated in the Fall of 2021 and which lead to MegaFans acceptance into Launchpool Web3 Techstars Accelerator. Both programs are immense and rich in key resources, capital, connections and advisors from the top of the blockchain and global business industries.

## Techstars Advisors - Pete Townsend and Hugh McGirr +

Pete and Hugh are the Managing Directors of Techstars Web3 Accelerator program in Dublin, Ireland. They were both instrumental in helping MegaFans apply and then successfully integrate into the inaugural Web3 cohort with Techstars (Techstars being one of the largest incubator and accelerator program providers in the world). Other mentors and advisors from the program include: [Harriet Browning](#) (Global Lead Consensus), [Liang Wu](#) (Service Now), [Vilma Mattila](#) (5ire.org), [David Ling](#), [Paula Kilgarriff](#), [Jill Richmond](#) and [Rich Kopcho](#), all AMAZING MENTORS from Techstars!

## Anthony Pitts - User Acquisition and Scaling Advisor

Anthony has 15 years of experience in growth hacking, and he has attained extraordinary organic results for global, data-centric organizations. His user acquisition strategies have utilized channels in consumer electronics, gaming, digital advertising, and direct-to-consumer. Past companies he's assisted include DataXu and DraftKings.

## Sarah Park - Ad Tech and Growth Advisor

Sarah brings 10 years of valuable experience in investing and advising for advertising technologies, DSPs, gaming, enterprise and direct-to-consumer products and brands.

## Kevin Campbell - Marketing Advisor

Kevin contributes 15 years of experience in advertising and marketing to the team. His background includes working with notable companies like - Havas, Draft Kings, and Fanium.

## Roxana Nasoi, MD - Launchpool Labs, Advisor

Roxana Product and Go-to-Market Advisor at Launchpool Labs. She is a Managing Director, technologist and privacy advocate with 10 years+ accelerating companies in the digital economy space. Responsible for partnerships, go to market, and business strategy (Web2, Web3). Tedx and Keynote Speaker.

## Stephanie Sherman - CMO Draft Kings, Advisor

Chief Marketing Officer, Draft Kings. Stephanie has directed and managed multi-media channels for growth and retention programs at Draft Kings and Vista Print. She has earned Ad Week's Most Powerful Women in Sports three times (3x) and is an advocate for MegaFans' mission to support Women in gaming and technology.

## Megan Van Petten - Founder and President - ESTA.org, Advisor

Megan founded both the eSports Trade Association and the Fantasy Sports Trade Association. She is a powerhouse supporter of not-for-profit organizations and a world class marketer, connector, podcaster and all around gifted leader.

## Jennifer Park - San Diego State University, Director Human Resources, Advisor

Director, SDSU Campus Human Resources, Hiring and Diversity. Jennifer is a tenured executive in the California State system of higher education. Here career spans across large scale organizations such as Qualcomm, McDonalds Corporation, Home Depot, University of California, San Diego and San Diego State University. Jennifer's expertise in Human Resources includes directing and managing diverse teams.

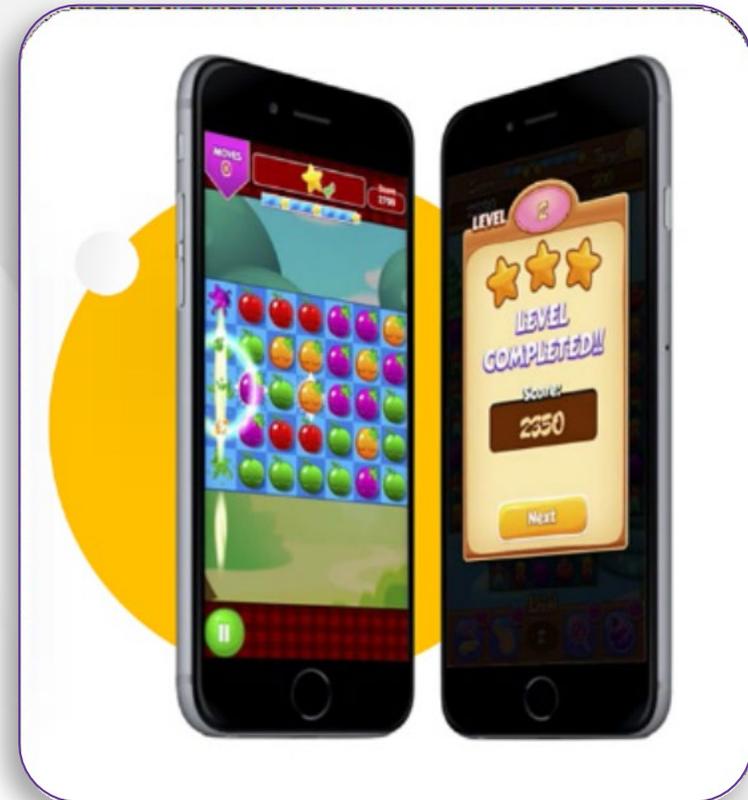
# Financial Information

## Funding

- Funding Stage: **Product Live in Market/Selling**
- Previous Capital Raised: **\$1.5 Million**
- Amount Raised Toward Current Round: **\$1.5 Million**
- Total Capital Sought to Close Round: **\$3 Million**

## Strategic Partners & Current Investors

We are looking for strategic partnerships with operators aligned with our goals and growth needs. These include Blockchain, Gaming, Global User Acquisition, Conversion Optimization, Retention and Monetization, Development, Research, Community, Media, Advertising, Sponsors, Events, Localization, Compliance, Security, Streaming, and Social Media.



# Development Road Map





MegaFans bought and published 6 in-house games on Google Play and the Apple Store beginning in 2019. Two games were tested starting in Q1 2019 (Data set A) and received 30,000 downloads at an average cost-per-install (CPI) of \$0.66 USD (9x below the average projected market cost of \$6 USD in North America). The retention rate for these casual games held close to the industry average standard of 10% of players retaining and playing the games a year after the initial 90-day settling period. This still holds today.

A prototype of the eSports platform was developed and test-released in Q3, 2019, where it delivered a ~60% improvement of CPI at \$0.125 USD (Data set B).

As of Q1 2022, MegaFans completed the first MVP (Minimum Viable Product) version of the Software Development Kit (SDK) for the eSports tournament, leader board, and e-commerce, fully transactional platform. This SDK is a fully functional, standalone product that can be integrated into any applicable mobile game.

The back-end tech stack is designed at an enterprise level, enabling the game operator to offer infinite tournaments to infinite players simultaneously and globally, segmented to virtually any specifications that the available user data will allow - i.e. geo, demo, psychographic and behavioral.

The primary value offering goes beyond solely generating play-to-earn eSports gamers. MegaFans will offer eSports for All, supporting underrepresented markets, people, and non-profit organizations to promote women gamers and help lift up independent businesswomen around the world.

MegaFans' unique proposition is based on integrating into games across multiple environments, allowing people to cross over from Web2 to Web3, all anchored around social media where people can share, trade, collect, earn and generally enjoy virtual gaming with the global community every day. Our team pivoted in mid-2021 when we realized that we could offer new digital assets in addition to the traditional FIAT based currencies, when we introduced cryptocurrencies and eventually NFTs to the play-to-earn community and began catering to their immediate desires and entertainment needs.

Going forward in 2022, MegaFans is adding a new repertoire of games, tournaments, and events worldwide. We implemented a data-rich dashboard for reporting and optimization needs to increase efficiency and scale-ability. Our tech teams are developing a new administrative panel with an actionable dashboard. We will also complete our own MegaFans Arcade, which will host all games, tournaments, transactions, news, event information, and more.

# Legal Disclaimer

An investment in MegaFans Inc. involves significant investment consideration and risk that are described in this Offering. Each potential investor should read the entire confidential Offering and should carefully consider the risk warnings and disclosures before making an investment decision. An eligible investor may obtain a copy of the pro forma and projections.

The information shown here is not an offer to sell or a solicitation to buy any security which can only be made by an Offering Memorandum, Information Statement or Prospectus, nor does it constitute an offer by MegaFans, Inc., or its affiliates to provide its investment advisory services in any jurisdiction in which, or to any person to whom, such would not be permitted under applicable law.

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