



SocialBets

Play lottery with your friends

➤ Problem

Playing lottery in group is a nightmare 🤯

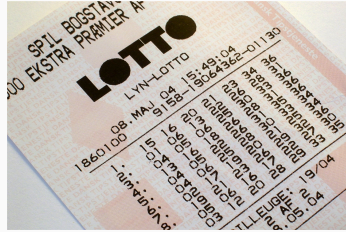
SocialBets was created to solve a pain we had: play lottery with our friends

1



Gather everyone's
money

2



Purchase the lottery
ticket

3



Send a copy of the
ticket

4

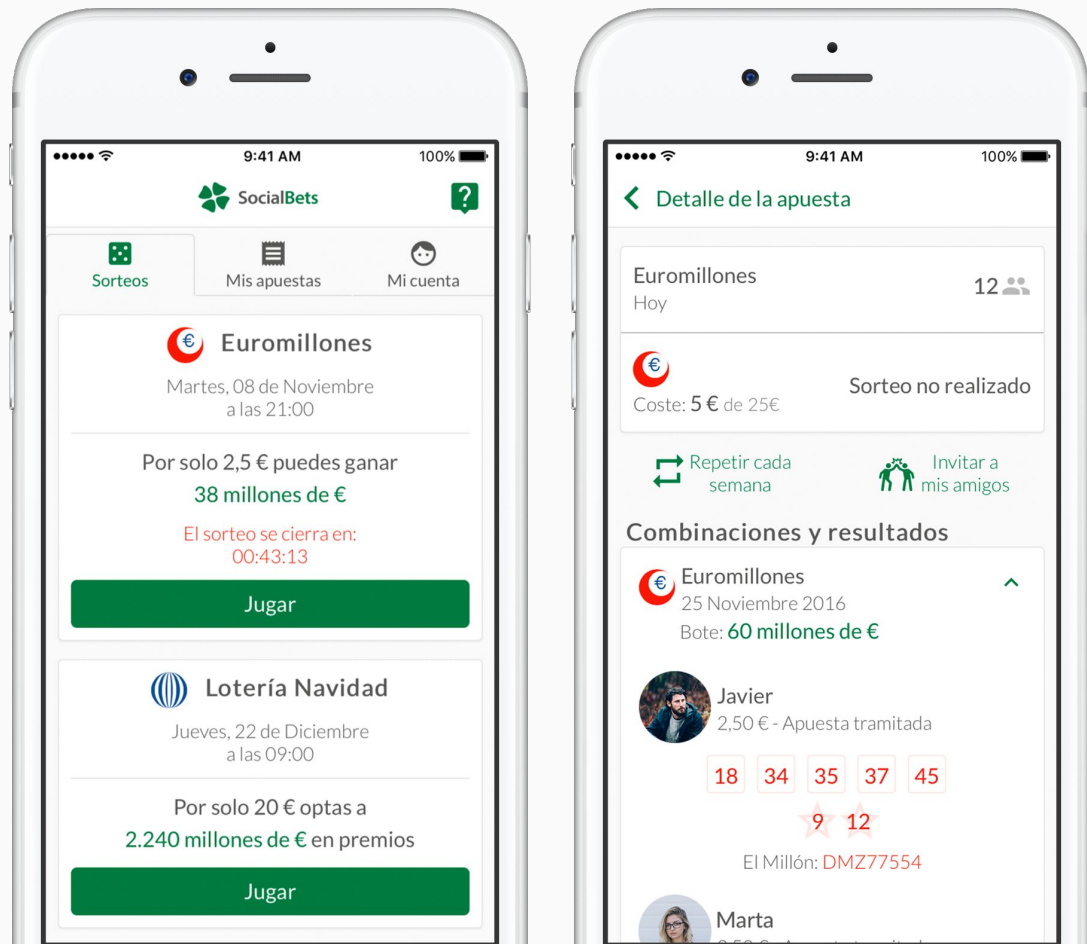


Hope that your friend
is not in the caribbean
with your money

➤Solution

Just enjoy, we take care of everything 😎

Play any Spanish lottery game with your friends (Euromillions, Christmas Lottery, etc.)



Fun

Share your illusion and compete against your family and friends



Social

Choose the people you play with via WhatsApp



Safe

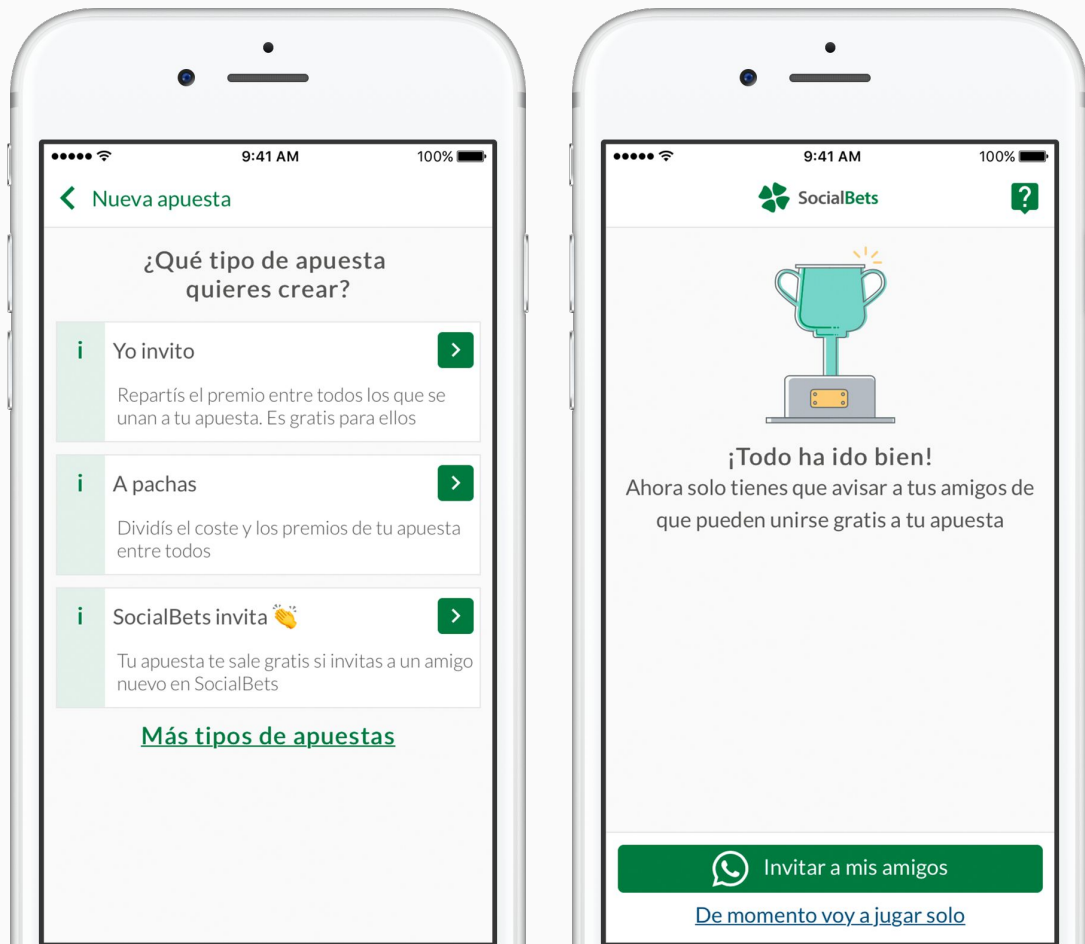
We are a licensed lottery retailer (No. 271 from Madrid)



Easy

100% mobile and user oriented (place your bet in 5 clicks)

Try a different betting company



Fair

- Transparency in our operative
- Refunds and cancellations available any time
- Less than 10 minutes response



Safe

- Betting limitations of 50 € per week
- Robust legal model
- Highest security standards



Minimum fees

- Same prize as any lottery store
- Always equal or smaller fees than other operators

➤Market

Huge market ready to be disrupted

With less than 0.1% of the market we would be profitable



Target addressable market

- 190 € average annual spending
- <5% Internet penetration
- 12% annual growth



Group lottery market in
Spain³

Sources:

(1) [The 2016 World Lottery Almanac](#)

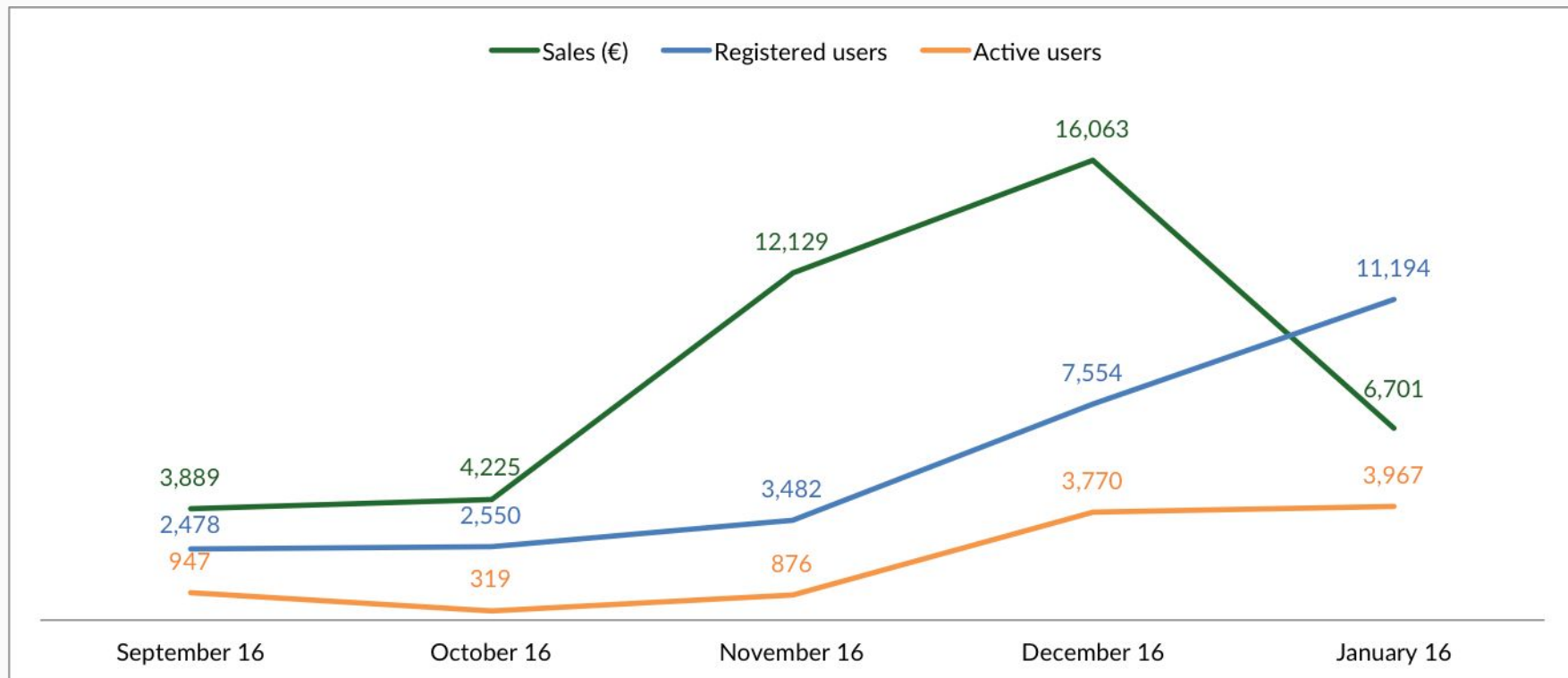
(2) [SELAE](#)

(3) [Embedded Play: Economic and Social Motivations for Sharing Lottery Tickets](#)



We are on the right way

We make money since day 1 and we are growing 10% on average every week



We have achieved important milestones since our last round (December 2015)

New legal model

- Lottery stores marketplace
- Robust and versatile

10% weekly growth

- Unlocked several growth levers
- Acquisition costs kept down
- Creative solutions to avoid gambling limitations

Co-ownership of lottery license

- 100% profit from sales through the app
- Partnership with current lottery store

Product rebuilt

- Available in every relevant platform
- 3x development speed
- Innovative technology and design to overcome betting limitations

Key customers/partners

- Handled Christmas lottery from established companies
- Fundraising campaigns for relevant NGOs
- Affiliate partnership with Internet leaders

Some relevant companies have used SocialBets in different ways



Raise funds for NGOs



200.000 € contract closed for 2016



Successful pilot completed



Affiliate marketing campaigns



927 users



4.135 users



Christmas lottery



3.860 € sold



6.380 € sold



1.440 € sold



3.320 € sold



2.260 € sold

We have had great reception from media and startup community



Investors and advisors



José María Torroja

(Angel Investor at TouristEye,
Ducksboard and Gigas)



Cristóbal Viedma

(Founder Monkimun)

SeedRocket

**TETUAN
VALLEY**



Recognition and media presence

jdigital Asociación Española
de Juego Digital

Winner Jdigital contest for
startups and innovation

LA RAZON.es

**SOCIALBETS, LA PLATAFORMA PARA EVITAR
MALOS ROLLOS CON LA LOTERÍA DE NAVIDAD**

ABC

Lotería de Navidad

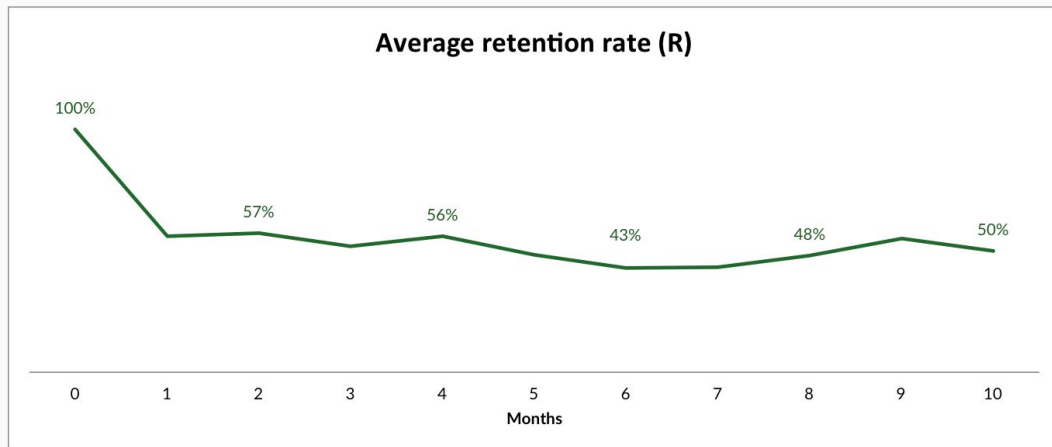
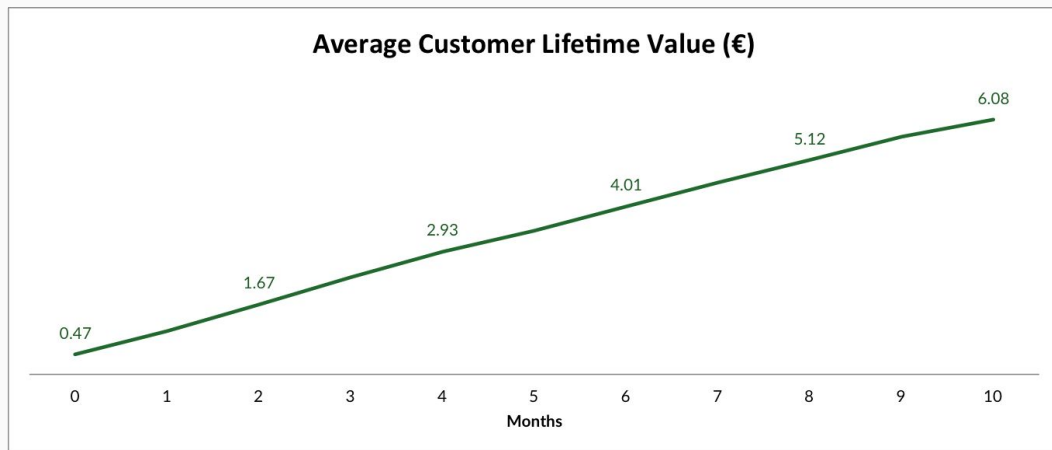
**SocialBets, la «app» que te permite jugar en grupo a la
Lotería de Navidad**

» La aplicación española da la posibilidad de gestionar las apuestas colectivas de Lotería de Navidad, Euromillones, Primitiva o la Quiniela, comunicándolas vía Whatsapp a través de un link, así como realizar transferencias bancarias de modo seguro

➤ Business model

Easy rule: $LTV > CAC$

Our high retention rate allows us to have an increasing customer lifetime value (LTV)



We make 4 - 6% profit
on every sale

Despite sector's restrictions, we have unlocked several growth levers (CAC ~ 1.5 €)



Paid acquisition



0.9 € per user



5 € per user

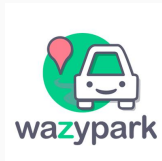


Google
AdWords

0.3 € per user



Affiliate (0.5 € - 1.7 € per user)




FOROCOCHES.COM



Comuniazio





Viral (0 € per user)

Team
Not rookies

Business, tech and marketing team with great skills and experience




- + 5 years experience
- Strategy consultant 
- Passed level 2  CFA Institute

Marcos Alba

(Co-founder & CEO)




- + 5 years experience
- Software engineer 

Sergio Díaz

(Co-founder & CTO)



- + 4 years experience
- Software engineer 

Juan García

(Senior Developer)




- + 7 years experience
- Marketing manager  **the cocktail**
- Founder [Cobbles & Hills](#)

Javier Cepedano

(CMO)



- + 5 years experience
- Technical director 
- Co-founder [Netgamix](#)

Eduardo Gibaja

(Senior Developer)

➤ Competition

Market validation

There are some new players in the market



Spain - Raised \$ 800 k

Focused on single players.
Profitable in Spain and
expanding to Mexico



USA - Raised \$ 2.4 M

500 Startups. Focused on
single players. Recently
added group options



ScanLotería

Spain - Raised \$ 50 k

Co-founded by Carlos
Blanco. Focused on scanner
app for results

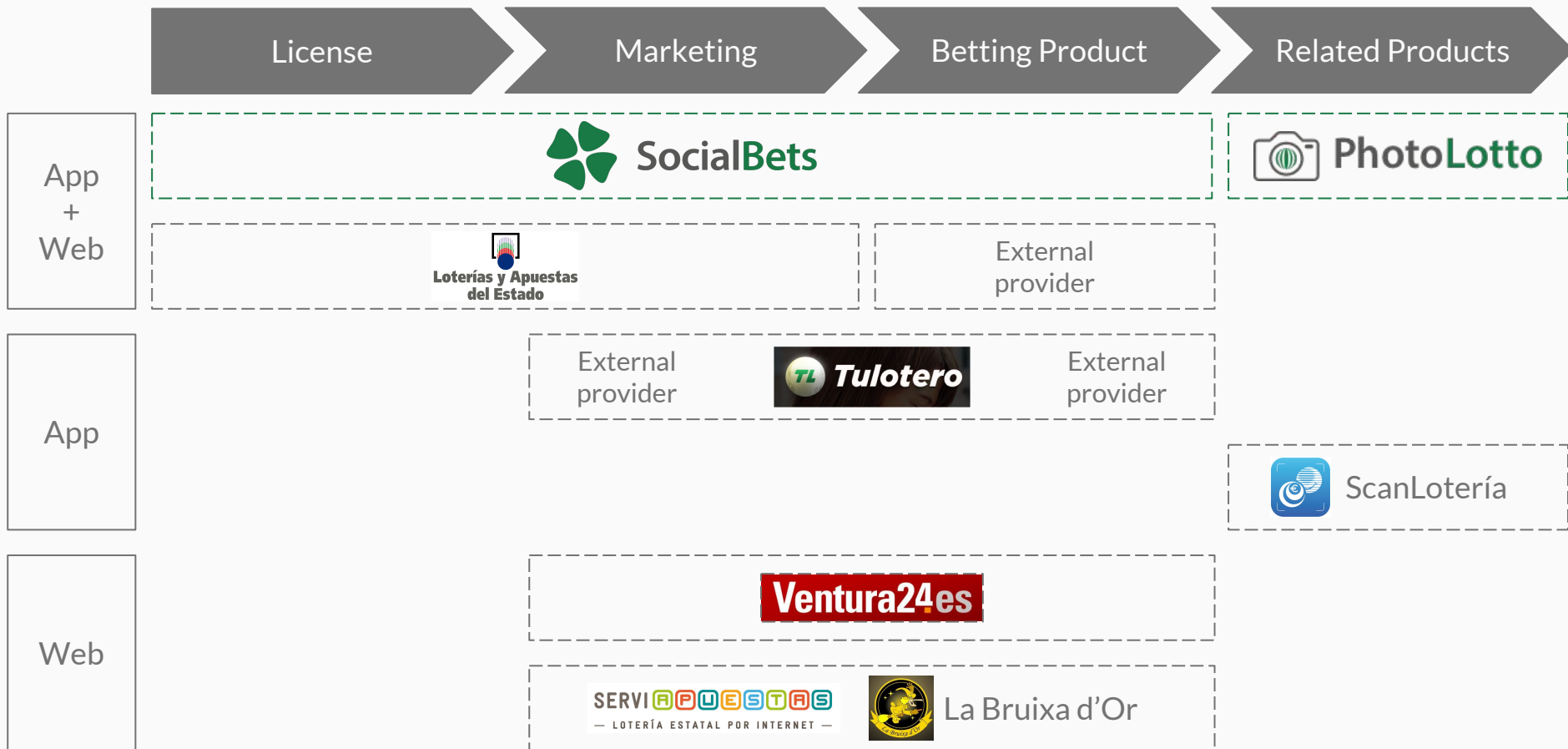


JackPocket

USA - Raised \$ 2.75 M

Focused on single players.
Only available in New York
State

We are in every step of the value chain



➤ Next steps

We plan to be profitable and start our international expansion in a year

Product

- Add more games: Bonotoloto, El Gordo, etc.
- Add gamification features
- Improve viral factors

International expansion

- App ready to sell Euromillions across Europe
- Competitors already operating in Mexico and USA
- Raise Series A

Marketing

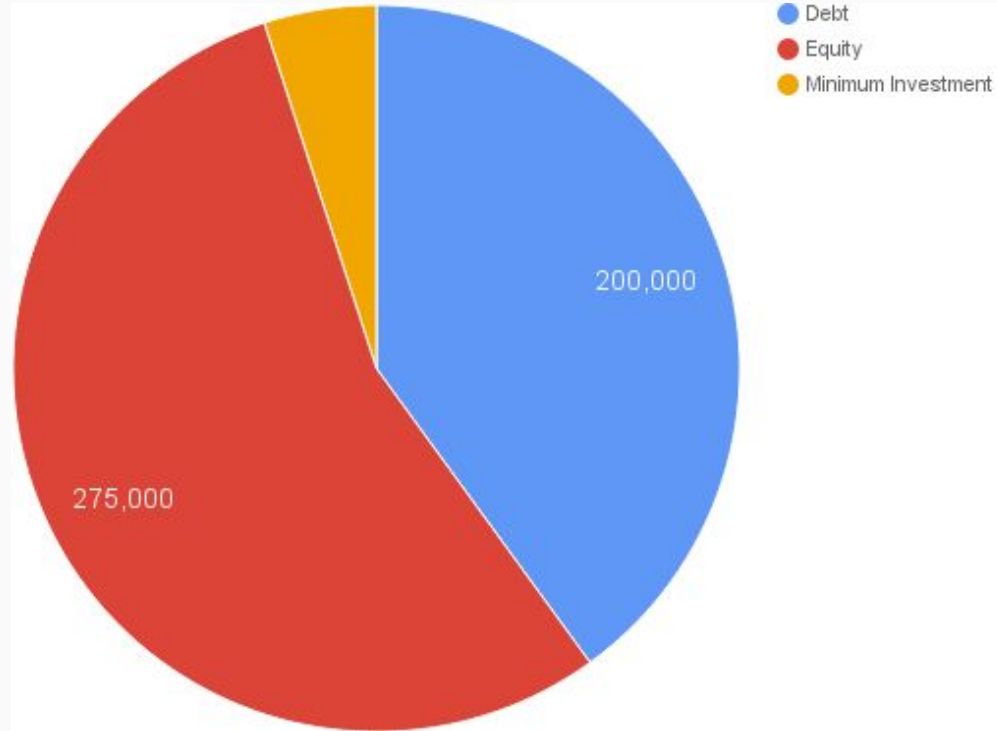
- Optimize CAC
- Automate user interactions to increase conversion

More types of bets

- Leveraging on our knowledge of social betting
- Focus on gamification
- Any type of event: sport, politics, etc.

We are raising 300.000 € in equity with 25.000 € tickets by June 16

- Total financing: 500.000 €
- Estimated monthly burn rate: 40.000 €





SocialBets

Play lottery with your friends

➤Appendix

However, during the journey we have found other interesting problems to be solved



NGO fundraising

- Huge pain
- Up to 50% of the budget is raised with Christmas lottery
- Coordination of lottery sales is 100% manual and an operative hell



Christmas lottery for companies

- Complicated logistics
- Employee productivity decrease



Negative perception of betting market

- Not fair
- Gambling addiction
- Lack of transparency

Raise funds for your NGO



More funds

- Access to more donors
- No location limitations
- Steady flow of income



Foster community membership

- Share illusion of prizes
- Competitions among members
- Channel to communicate relevant information



Effortless

- SocialBets takes care of everything
- 100% customizable
- Transparent and legal

Coordinate Christmas lottery for your company



Focus on what matters

- No employee will waste time on this
- SocialBets handles every employee doubt or need



Simplify the process

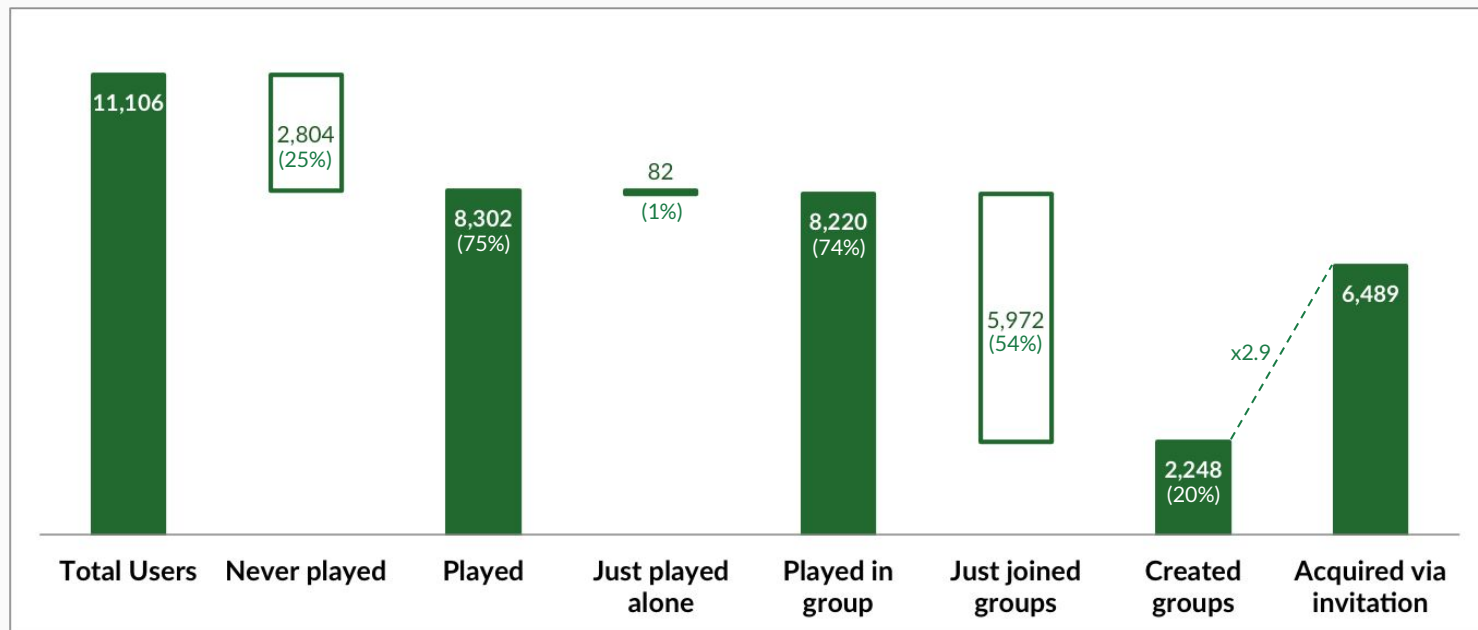
- Improved availability: 24x7 and everywhere
- No cash management



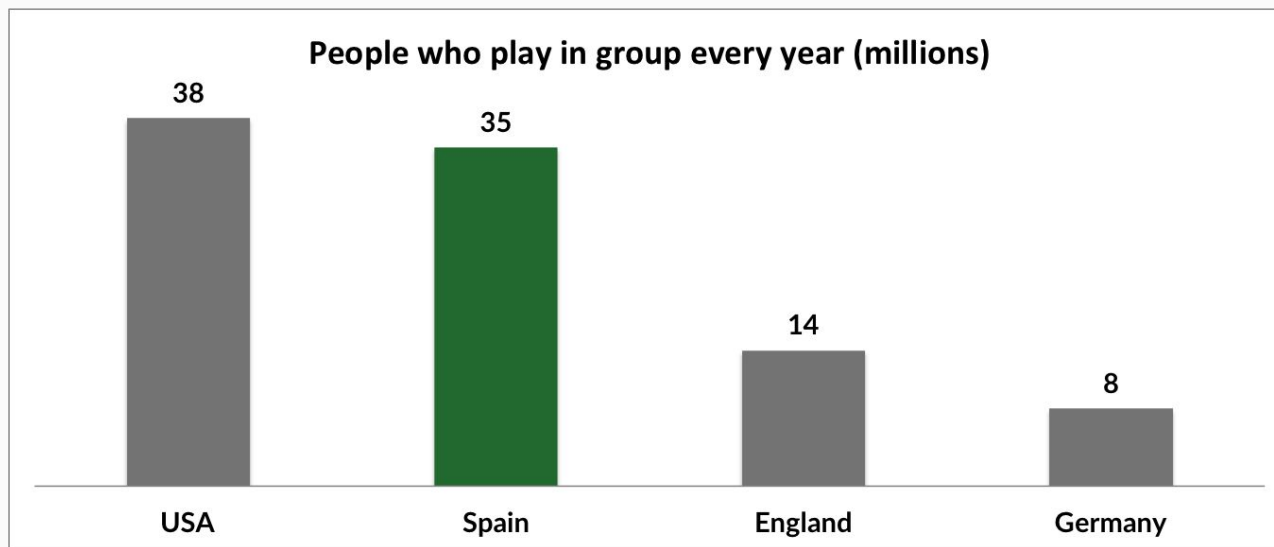
100% satisfaction from customers

- Feature validated with relevant companies
- Great feedback from both management and employees

Our focus on groups allows us to leverage on network effects for user acquisition



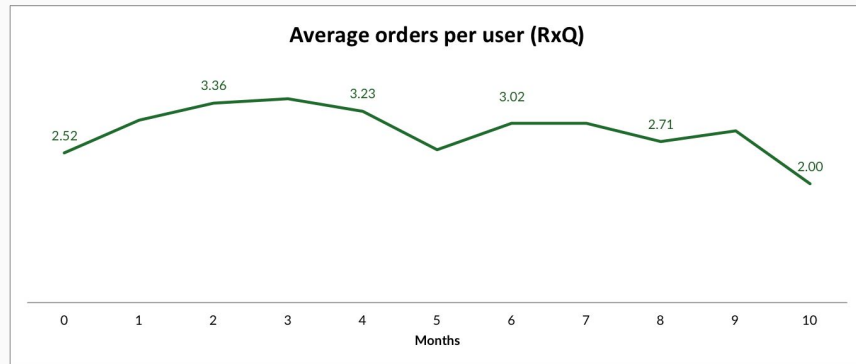
People do play in group¹



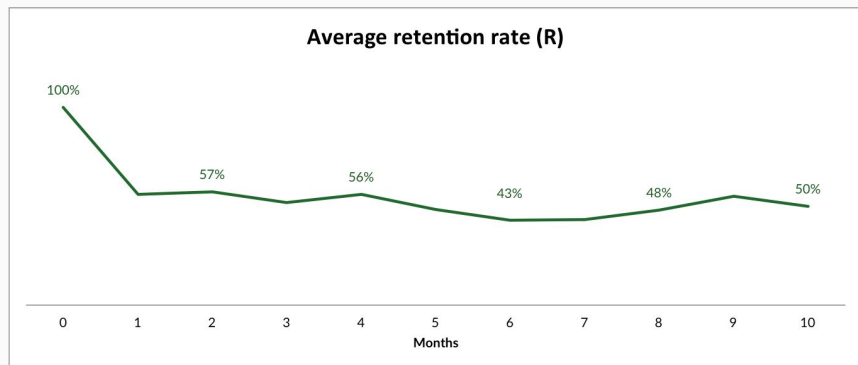
Source:

(1) [“Embedded Play: Economic and Social Motivations for Sharing Lottery Tickets”](#) by Mauro F. Guillén, Roberto Garvía and Andrés Santana

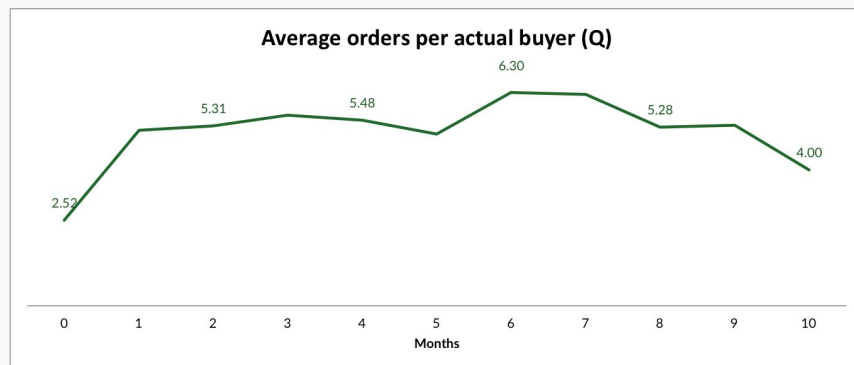
Cohort analysis (1)



=



X



Cohort analysis (2)

"RxQ" – Average orders per FTB

Purpose of the tab:

"RxQ" shows the estimated average orders by a FTB across his/her lifetime as customer. It is a function of: i) returning rate of buyers (R); and ii) orders

Cohort (month)	Average orders per user										
	0	1	2	3	4	5	6	7	8	9	10
2016.03	1.8	4.8	8.8	10.8	7.0	4.3	6.0	5.8	3.3	3.0	2.0
2016.04	3.1	6.8	6.1	5.6	5.6	5.1	5.3	4.3	3.9	2.8	
2016.05	2.9	2.4	2.2	1.0	1.9	1.7	1.7	1.3	1.0		
2016.06	2.6	3.4	2.9	2.2	2.5	1.6	1.3	0.7			
2016.07	4.0	3.4	2.8	2.3	1.8	1.1	0.8				
2016.08	2.4	3.2	2.7	2.0	1.8	1.7					
2016.09	3.3	4.3	3.2	2.9	2.0						
2016.10	2.1	1.4	1.4	0.9							
2016.11	1.4	0.5	0.3								
2016.12	1.7	0.6									
2017.01	2.4										
RxQ average	2.5	3.1	3.4	3.4	3.2	2.6	3.0	3.0	2.7	2.9	2.0

Cohort analysis (3)

"R" – Average return rate per FTB

Purpose of the tab:

"R" shows the estimated average return rate of a FTB across his lifetime as a customer, that is, how often a FTB comes back across months in %,

Cohort (month)	Average retention rate										
	0	1	2	3	4	5	6	7	8	9	10
2016.03	100%	100%	100%	100%	100%	50%	50%	50%	50%	50%	50%
2016.04	100%	91%	86%	78%	77%	78%	72%	68%	66%	60%	
2016.05	100%	60%	58%	32%	57%	45%	34%	32%	28%		
2016.06	100%	69%	65%	46%	42%	50%	35%	23%			
2016.07	100%	71%	57%	43%	43%	33%	24%				
2016.08	100%	43%	43%	43%	33%	33%					
2016.09	100%	58%	48%	45%	38%						
2016.10	100%	35%	48%	29%							
2016.11	100%	16%	10%								
2016.12	100%	15%									
2017.01	100%										
R average	100%	56%	57%	52%	56%	48%	43%	43%	48%	55%	50%

Cohort analysis (4)

"Q" – Average orders per actual buyer

Definition

"Q" shows the estimated average orders placed by those FTBs that return, across their lifetime as customer . It is can be an indicator of the

Cohort (month)	Average orders per actual buyer										
	0	1	2	3	4	5	6	7	8	9	10
2016.03	1.8	4.8	8.8	10.8	7.0	8.5	12.0	11.5	6.5	6.0	4.0
2016.04	3.1	7.5	7.1	7.2	7.2	6.6	7.4	6.4	5.9	4.7	
2016.05	2.9	4.0	3.8	3.1	3.4	3.7	4.9	4.1	3.4		
2016.06	2.6	4.9	4.4	4.7	6.0	3.2	3.8	3.0			
2016.07	4.0	4.8	4.8	5.3	4.2	3.4	3.4				
2016.08	2.4	7.4	6.2	4.6	5.4	5.0					
2016.09	3.3	7.3	6.6	6.4	5.1						
2016.10	2.1	3.9	3.0	3.0							
2016.11	1.4	3.4	3.0								
2016.12	1.7	3.7									
2017.01	2.4										
Q average	2.5	5.2	5.3	5.6	5.5	5.1	6.3	6.2	5.3	5.3	4.0