

WFTDI 2021 Update

Erica Vanstone:

All right. Hello and welcome to the WFTDI 2021 shareholders meeting. I'm Erica Vanstone. I am executive director of the WFTDA, but I am also a board member of WFTDI. And this is the first shareholders meeting that we've done, which is extremely exciting in an official capacity. And we wanted to make sure we'd recorded this presentation. Thanks Tricia. We wanted to make sure that we had recorded this presentation for the WFTDA membership as part of our membership services. We want to make sure that we have transparency around the things that are happening in WFTDI and our subsidiaries. And there's a pretty good chance that most folks within the WFTDA don't know a whole lot about WFTDI or our subsidiaries. So we're hoping that this is an opportunity for everyone to learn a little bit more about what we do.

So the first thing that we're going to do is go over our first quarter shareholders report. So I'm going to share my screen with everyone. And first of all, I want to acknowledge Janette Wallace, our Manager of Finance and Administration, who put together this awesome presentation and Shelli Wiggins, our Senior Director of Insurance Operations, who helped sort of put all of this stuff together. And we are going to be talking about the performance of our WFTDI organization, and also the subsidiaries underneath them. Here is our quick agenda. We're giving you, it's a first quarter report, but really it's the first time that we've been able to kind of come together and report out on a lot of these concerns and I'm just opening the chats, so great.

The big picture is really the first part of our conversation. And then we thought it was pretty important for us to do a quarter one review. We are giving this report during a time where the COVID-19 pandemic is still happening. And we wanted to make sure that we talked about what the impact was to all of our for-profit organizations. And then as a result, what the result would be for our nonprofit organization which owns all of these organizations. So, the quarter one review will be followed by sort of the product review, like what we offer in the for-profit entities, what all of our subsidiaries are. And then the next steps for what strategic planning are going to look like for these organizations. And yes, please feel free to ask questions at any time in the chat.

So the first sort of thing that we wanted to point out was our highlights, our overviews. And the first quarter for 2021, the financial, excuse me, as I get an animal off of my desk. The first quarter, 2021 financial highlights, we definitely had a net sales of 44,000, which was a little bit lower than we had anticipated. This is a quick overview and we're going to take you into sort of the details of what this is and why all of these expenses are kind of laid out in this manner. The good news is that we actually didn't come that far off of our sales revenue goals and projections. And I think it's really important for us to put this into context for you. When we created the 2021 budget, we actually ran several different financial scenarios based on what we thought the pandemic was going to do.

Those of you who are new to the conversation about WFTDI, we essentially sell insurance products primarily within the United States. So unlike the WFTDA, where we have dues coming in from members all over the world, the WFTDI is primarily focused on insurance sales in the United States. And because of that, we had to think pretty critically around what we thought was going to happen with a disease that we couldn't control and how that was going to impact sales of our insurance products because if people aren't playing roller derby, they're not going to purchase insurance.

So we actually didn't come that far off on our projections. We estimated that we were going to have increased sales in December in January. And you can't see December here in this particular first quarter diagram, but we did project that and you'll see it in a second. We did project that sales would start to pick up in March and we projected this because at the time Joe Biden had just won the presidency in the United States. And he had come forward and said that he was aiming to have adults vaccinated in the US by May. So we use the only information that we could to really make these projections and our guesstimate around what we knew is that we would see December and January sales be pretty good because we discounted them heavily. And then most leagues getting back into a place where they could conceivably play roller derby again, by around this time during the 2021 budget cycle.

So the total sales that we have for quarter one are 41,000, and you can see the breakdown here of what that looks like for folks who are not familiar with how our insurance products are sold, we have the personal accident and general liability. And general liability really protects your league business operations. And the personal accident is an injury product where if you do hurt yourself playing roller derby, you can get a portion of your claims covered with this personal accident policy. And we sell to both WFTDA members and to non WFTDA members. You can see primarily our sales for members were general liability and our sales that were primarily for non-members were actually that personal accident. And we think this is because a lot of leagues who are not WFTDA leagues were doing some type of practicing during this time so they wanted to be covered.

So as you can see what I was talking about before, our projections were based around what the incoming Biden administration was telling everyone at the time. And what they were telling everyone at the time was that they were trying to get all Americans vaccinated or have vaccines available to all Americans by May. That actually proved true, so that was exciting, that doesn't necessarily mean that everybody is choosing to get vaccinated and that's going to be a piece of this future facing conversation that we're going to have. But the good news is that our relative sales model held up pretty well because we did base it off of the information that we had at the time and that information proved to be true.

What I would say is that we might even see sales increase gradually. So maybe in May they won't be quite as high, but we'll continue go up through, sorry, I'm reading the next question, caveat as using us as an example, being that a large chunk of membership is in the United States. Yes, exactly. So, as I said before, the reason that we were focusing a lot of our sales model on the United States is because we primarily sell insurance only in the United States. So the tricky part of this conversation is that yes, we have a global membership, but in terms of sales for insurance, we are really talking about the US which is why we were using information from the US to make our determinations around this. In the WFTDA side we will have a completely separate conversation throughout the annual meeting about what WFTDA membership return looks like. And that is a global return.

So I do want to give a virtual high five to Janette and Shelli because we put a lot of work into figuring out what this model could look like. And we are not fortune tellers, but I think we did a pretty good job of modeling out if the Biden administration were able to make good on its promise to have vaccines available to all adults in the United States by May, what could sales look like? And that actually proved pretty consistent with what we had in mind as well. To jump back for a second, this is what the 2020 actual revenue projection looks like. We as I mentioned before had four different budget models that we created for 2021. We created a model in which I know exactly, but let's just forget about 2020.

We created a model in which we had a variety of different occurrences. One of them at the time that we were creating this budget, it was right around the time of the election in 2020 in the United States, October going into November. Also at that time in the United States, we had infections were on the

decrease, but there was a warning of an additional holiday surge that was about to happen and that did ultimately end up happening. So we wanted to create a couple of different scenarios for what would happen if the surge wasn't actually happening in as dramatic a way as it was being projected and then also what would happen if it were worse. So we had that Dyer and the elevated model as sort of our bookends. And then we felt pretty confident that somewhere in the middle is where we would end up actually falling with sales. And that blue line represents the actual revenue. And it turns out that we were pretty consistent with those projections as well.

So again, we had an idea in mind of what, not necessarily exactly how many sales we would get in, but what the trend was going to be for how people were going to purchase insurance. And again, knowing that we were talking about the United States, knowing that it was a very complicated conversation in the United States and knowing that we have a very robust and specific set of WFTDA guidelines that are driving conversations around how sales could be impacted, we made sort of the best calculation model that we could. And again, I think it is holding pretty true.

We did adjust those expectations by the way, at the beginning of the year, once we saw how really awful the winter surge of the pandemic was in the United States. So we sort of scaled back. We changed not the shape of the model, but we changed essentially the size of the model. So the flow of purchasing is actually matching with what we had projected, but it's just the exact number of units that we're selling per month that is a little bit lower and I think it's 16% lower than we thought that it was going to be.

Here's another way to look at it and it includes the revised model that we developed in early 2021 when we saw sort of the next wave of pandemic coming in the United States. So again, we might have fewer sales in May than we had projected and higher sales in June based on sort of how the vaccine is being rolled out. But we're continuing to sort of look at how that's impacting sales through the month of May. And I think the new WFTDA guidelines that we're going to be talking about over the next couple of weeks are providing some updates that would allow for more leagues in the United States to potentially be ready to get back on skates and require insurance going into June. So that's another part of the annual meeting conversation to watch on the WFTDA side.

For folks who are not familiar with WFTDI and our subsidiaries, well, what is a subsidiary? It's a company that's owned by another company. And so the company that owns WFTDI is WFTDA. And then the WFTDA board of directors oversees the WFTDI board of directors. And then the WFTDI board of directors oversees the WFTDI Canada board of directors and the Quad Media board of directors. And then within those organizations, we have staff members and additional folks who are doing work on behalf of these organizations, including contractors. So I am doing a lot of the overseeing of WFTDI and subsidiaries. The WFTDI Canada board is overseeing Leslie McDonald, who is the membership admin. And then Eve is our translator who's been doing a phenomenal job.

WFTDI is Shelli who oversees Aimee and Rowley or Jennifer pillow, who's our wellness and compliance human and works side by side with finance and administration manager, Janette Wallace and Janette is actually doing finance work for both WFTDI, I should say more than both, for WFTDI primarily, but also for Quad and with WFTDI, Canada. And Quad is managed, our Director of Live Broadcast is Benjamin Doyle who was hired before the pandemic hit and has been doing a great job managing remote broadcasts from all corners of Australia and New Zealand over the last couple of weeks. And this is Trisha Newman also is our legal counsel based in WFTDI, and she has done pro bono work for the WFTDA and is able to sort of help us keep our eye on contractual and legal concerns, particularly as we grow in Canada and as we create more video productions in Quad.

So to go back a step again for WFTDI, what do we sell? We sell personal accident and liability that provides individual supplemental coverage for roller derby. And now this year, it also covers skatepark injuries. Big shout out to Shelli for being able to get that for us. I think we were excited to be able to offer skate park coverage for leagues who are looking to get back to skating and have potential to have outdoor practices at skate parks or outdoor events at skate parks. The league general liability covers third party bodily injury, damage claims, and then business operation claims. So any business that is doing business, whether you're selling something on your website or you're hosting an event of any kind is going to want general liability because that protects against you being sued. And again, these are very American products. These are very US centric products because the United States is a place where people love to sue each other. And it's also a place that has terrible healthcare options and unfortunately offers not as much coverage for athletes, I think as we would really like to in an ideal world.

So these are very tailored to US specific audiences. The league alcohol liability again, that's another product that I think is very us specific. Other countries do not have the same restrictions around alcohol that the United States does so the liability protects leagues that choose to sell or serve alcohol. And then the fourth one that we're really trying to move into, we are a litigious society, we're calling it a product, but the other sector that we're really looking to move into, in 2019, we worked with Dr. Michael Warman, otherwise known as Professor Murder, we had put together an injury survey that about 5,500 skaters filled out to talk about the injuries that they've encountered over the course of their roller derby careers. And it was really the first time that we were able to take a deep dive on, what are the types of injuries that occur in roller derby? What are their frequencies? Are there any patterns?

And we have a lot of really good data around how people are getting injured over time. And there were some really good data in there to suggest that the rule set was getting safer over time, which I think are things that we really want to know. So the wellness program is sort of coming out of that idea. And during the course of the pandemic, Rowley and Blue have been working on putting together sort of video content and social media content around the idea of roller derby wellness. So we're looking to really figure out how we can offer WFTDI as an entity to help reinvest in the health and wellness of Roller derby athletes. And that is going to be something that we're going to want to discuss in our strategic planning conversations moving out of this.

In terms of revenue generation, it's important to note that the majority of our money does come from the personal accident medical policy, and then also the general liability. We don't have as much movement on league alcohol, which could change after the pandemic, but the wellness program. We're also trying to figure out how we can create some type of revenue model around. And then we're really the WFTDI board is really looking to talk about how we can model the sort of ideas around what we really want to do as an organization to future products. If we're WFTDI as a company that invests in athlete wellness, what does mean? And what other types of products would we be working on? what other types of investments would we be making across the sport? So those are big questions that we're looking to ask on the WFTDI governance side.

To give you a little bit more about the WFTDI Wellness program. I love the mission, it's to keep the diverse community of athletes and participants on track by connecting them with resources that support their overall health and wellness. So we are again, Jennifer is putting together social media outreach, promoting safe and moderate return to play practices and we participated in the WFTDA's return to training and incubator that happened at the beginning of May. One of the more recent developments that we've had is we have been speaking with the Phoenix Project and the Phoenix Project is essentially an online community based around mental health and wellness. And they are currently working with the air force, they're working with Peloton and they are looking to put together these micro-communities of

support around specific experiences that communities are having for building out emotional health and wellness, mental health and wellness conversations. And then we're looking to build out content for future wellness broadcast programs as we can.

The other ways that we as WFTDI are investing in the communities is through our subsidiaries. WFTDI Canada is our entity in Canada that sells memberships that include insurance coverage. And there are some interesting opportunities that WFTDI Canada can offer. There is not a national governing body in Canada right now, it's something that I know the Canadian leagues have been discussing or debating. It doesn't have to be something that is decided upon, but WFTDI Canada, I think is able to offer support for those conversations in a pretty real and meaningful way. And then by putting Canada into its own set of membership and plans around insurance, we are able to mitigate the risk by offloading those participants to a different policy or a different entity. And there is some pretty great growth potential, I think in Canada as well.

And then Quad Media is built out of the WFTDA.tv broadcast program and that program was really built from nothing into a little over a quarter of a million in annual revenue and has the ability to produce more than just content. We have a lot of skills and a lot of opportunities to be able to put our knowledge to work for different types of promotions and events. So we have the opportunity to build out non-derby growth that can then put money back into the sport and back into the promotion of the sport. And so we'll talk a little bit about these companies right now.

WFTDI Canada is also in a position of having done a bit better than anticipated, which is a good sign. I think in the same way that we have tracked very closely the conversation around vaccination in the United States, we also have tracked it in other countries, including Canada. And I know that the rollout in Canada has been much slower than it has been in the United States. So we are probably going to have to adjust our expectations for April, May and June a little bit, but we feel pretty strongly that we're headed in an upward trending direction in Canada as well. To give some perspective, why would we want to put money into WFTDI Canada? Or why would we want to put money into any of our entities? We've put a good amount of financial investment into WFTDI Canada and we continue to. And then there's also, it's important to understand there's a lot of nonfinancial support being put into these entities as well.

We have staff members who are putting time and energy, and we calculated out that the approximate value of their salary was around 27,500. And the benefits of doing all of this is that we do have an untapped market of unaffiliated leagues in Canada, growing juniors programs, non US revenue stream to be able to do things outside of the United States and a few other really big benefits, again, potential for functional derby governance, Canadian specific resources and I think that was really.. I forgot that we put in donuts, plaid and beavers, that is a fairly big benefit in my mind. But we have a substantial population of skaters and officials and announcers and support staff and photographers in Canada. And we feel strongly that over time, WFTDI Canada could really do a lot to grow roller derby in that country. So we do feel that it is worth the investment.

From a paper standpoint, based on what sales were looking like before the pandemic we feel as though that there is an opportunity to get back to a place where we're bringing in close to \$100,000 in annual profit. It is going to take some work for us and the WFTDI Canada board to sit down and run some projections to figure out how we could get there. And so right now, emotionally, we're in the same place as this very sad businessman looking at this flower that is wilted, but we are excited because we feel there's a lot of potential for putting some energy back into WFTDI, Canada and continuing to support them over time.

Quad Media is in a similar position. The cool thing is that Quad Media has been working for WFTDA this entire pandemic. Benjamin has put together an amazing portfolio of content that ranged from working with WFTDI Wellness to focus on, Rowley and Blue providing sort of health and wellness tips for the community to having throwbacks throwdown to having games focused from Australia and New Zealand broadcast live with remote production services to having park skating, the virtual challenge show with community and bowls. So all of these projects bring in a small amount of revenue through Twitch, through YouTube. And we've recently engaged in a partnership with Whistle, which is a platform that you can access on a bunch of different streaming services. And so through Whistle in particular, we've made a good amount more money than we had projected. The January and February money for Quad in those projections or in those actuals are a little bit different than we projected because we switched over the bank accounts on Twitch and YouTube from WFTDA to Quad based on our agreement.

So the money from February is actually probably somewhat meant for January as well, but we feel excited that we're headed in a direction where more and more leagues are interested in broadcasting. And Benjamin has created a remote studio set up to allow leagues to really just basically send him live a video and he's able to pipe in announcers he's able to put score overlays on. So I think the remote production model that he's created has been incredibly useful as we step into a place where potentially more leagues are going to be getting back on track over the next couple of months and we're going to want to celebrate that on video. And additionally Quad Media, because it was sort of built on WFTDA.tv broadcast production and revenue has definitely missed those event revenues the most. Not having events in 2020, not having events in 2021 has definitely reduced the opportunity for Quad to make money.

So we've put a good amount of money in it and that money from 2019, and to some extent 2020. In 2020, we did hire a staff member and that was Ben Doyle. And in 2019, that money was specifically put out to our vendors to produce projects for us. So we did have money come back into Quad in 2019 from those investments and at this time we had put \$15,000 for 2021. Yeah, absolutely, Quad is growing the WFTDA content library through broadcast, correct, which puts money back into our YouTube ad revenue. So we're trying to bring in as much sort of passive revenue as we can during the pandemic. And the cool thing about what we're doing is that there is really great application for Quad Media's entire production philosophy, I think, moving outward.

We are trying to create a women non-binary production focus models. We are trying to focus on women and non-binary announcing as much as possible. We're moving into finding ways that we can bring in by POC talent at the 2019 championships. We had a scholarship that we were able to bring in the team Indigenous and Jewish roller derby announcers as a scholarship learning program, and that's something that we're looking to continue. And so we've even this week gotten questions from community members who are not roller derby related who have women's sports who want to talk to people about producing content like this, because the model for an inclusive broadcast in sports hasn't been built yet. I've seen a few folks doing it. NBC sports, I think had a complete women and non-binary broadcasts, but that was one broadcast and they promoted it as such whereas I think there's a way for us to create a model to really put the emphasis on how our sports are just so wildly different from mainstream sports.

So we have the opportunity to build out non-derby projects. We are working with community and bowls on a park skating pilot show. We are looking to help put all of our WFTDA values to work for broadcast and create a branded inclusive broadcast model that then can hopefully bring in additional revenue over time. And the sort of modeling before the pandemic was around 75,000 and I think that if we really think about how to market this elsewhere, we could improve that greatly over time. Now the two potential profit slides that I showed with the sad man looking at the side flower, those are the two pieces of

conversation that each board is going to be having over the next six months. How are we going to get strategically from a place where we're in a pandemic to a place where we are profitable?

And I think we are also having the anti-racism conversations that WFTDA is having around what it means to be profitable, what it means to participate in a capitalist society and how we could really think about doing that differently. So it's not just about money. And I think the current vision is that the current vision and the near term vision are places where we're a little bit hemmed in by the pandemic. I don't think that we're alone in the business world for having this issue. And we are definitely in a place where we're going to need to put some real thought to going from a place of pandemic brain, I guess, into a place where we're able to thrive. But I think a lot of organizations are definitely in that position as well. And I'm just going to take one quick second, because I think I need to clear the next slide. Excuse me for one second. Okay, great.

So, hold on one second. I apologize, this slide is a little bit messed up, but it's essentially the same for all of them, right? So we're looking to build out governance and board create a multi-year strategic plan. WFTDI already had its bylaws revision and I think we could do another internal policy audit. There are a couple of pieces of policy that Janette has been looking at, for example, in terms of, we've been talking about wanting to do an employment handbook review and additional policy review. And so these are definitely things that we feel are worthwhile.

And then on the WFTDI, Canada and Quad Media sides, we are definitely looking to build out the governance boards and the multi-year strategic plans. And I think that that's probably enough over the next six months or so, or into the end of 2021. So I think some of that is stuff that Kimmy is actually going to be talking about in the next presentation. So I don't want to steal your thunder, Kimmy, but I will use this time now to say thank you to everybody who helped to contribute to this presentation and to see if there were any questions on it. And it's okay if there are no questions.