



FX1 Whitepaper

Changing the way we
watch, consume, and
pay for live sports

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Executive summary

Sports play a significant role in the life we live. Beyond participating in sports, the consumption or viewing of sports has existed as a universal language for thousands of years. We love sports, and more people than ever are watching sports no matter if they can't get to the game live, given that TV or streaming is almost always an option.

This is what this whitepaper addresses, the streaming or watching of sports online. We focus first on the deep-rooted problems that exist, while then moving on to exploring what potential solutions could look like, before arriving at a conclusion.

The sports streaming market is expected to reach an impressive \$171.99 billion in 2023, with a forecasted growth to \$302.67 billion by 2027 (CAGR of 15.2%) according to a 2022 report from The Business Research Company. The number of people who watch sports online is quickly outgrowing those that attend live games, which is shown by the high growth of the OTT sector versus the general market of sports.

In a conversation with Brent Barry, the Vice President of the NBA's San Antonio Spurs, we discovered a surprising fact: approximately 95% of their fan base has never set foot inside the team's stadium. Apart from affecting on-ground sales, this presents challenges in terms of effectively communicating and engaging with a proportionally large fan base you cannot see.

Considering the increasing popularity of OTT streaming, it is reasonable to assume that the majority of Spurs fans who do not attend live games instead watch matches on their smart TVs or laptops. This makes complete sense when you learn that around 90 million Americans watch sports online every month.

This leads us to the issues at hand, created by a growth in online sports streaming and a change in behavior for a large but youthful demographic in Gen Z's and young millennials.

Traditionally, when stadiums and arenas were first built, no one could have predicted the massive growth in viewership, especially through online channels. As with any industry following a similar trajectory, problems and vulnerabilities inevitably emerge over time.

Our research has identified several pressing issues within the sports streaming sector that are worsening with age and currently lack effective solutions. However, we have also identified potential remedies, which we believe demonstrate beyond reasonable doubt that FX1 is the ultimate solution.

FX1 serves as a catalyst that will revolutionize the way we watch, consume, and pay for live sports, ensuring a transformative experience for sports enthusiasts worldwide.

The state-of-play

It's crucial to take a step back and objectively examine how sports streaming is currently being delivered in order to identify the existing challenges. As human beings, we often accept the status quo as the norm, despite knowing deep down that there is room for improvement.

The experience of watching sports should not be unnecessarily difficult or costly. In this context, we delve into the urgent issues that have yet to be effectively addressed by any company or organization.

The rising cost of watching sports online

In recent years, the cost of watching your favorite team play on TV or online has significantly increased. In September 2022, a historic event occurred when Amazon secured an exclusive 11-year, \$11 billion deal for the rights to the NFL's Thursday night game.

Considering that there are only 17 Thursday night games in a regular season, Amazon will be paying a staggering \$58.82 million per game. This figure should raise concerns, and here's why: ultimately, you will be the one shouldering the burden. These record-breaking deals place additional pressure on these companies to generate revenue, and they do so by passing the cost onto you.

To exacerbate the situation, most major streaming services are currently operating at a loss. According to The Media Leader's analysis of public earnings reports, industry giants such as Disney, Comcast, Paramount, and Warner Bros Discovery collectively incurred a worrying loss of \$18.293 billion between 2020 and 2022.

The streaming divisions within these prominent companies are bleeding financially, struggling to sustain their operations. They are desperately seeking solutions, and unfortunately, they are increasingly turning to you, the consumer, for answers.

This situation is far from fair, and regrettably, it shows no signs of improving.

The illegal streaming and piracy crises

In 2021, Synamedia and Ampere Analysis conducted a comprehensive study on the economic impact of illegal streaming on broadcasters. Their report, titled "Pricing Piracy: The Value of Action," revealed that the annual loss due to illegal streaming amounts to approximately \$28.3 billion dollars. This figure continues to grow in tandem with the overall market.

However, what's even more intriguing is understanding the underlying reasons why people resort to illegal streaming. The report uncovered that up to 74% of individuals engaging in illegal streaming might be willing to transition to legal means if provided with a compelling enough reason. These individuals are not inherently malicious; rather, they are simply frustrated by the complexities and high costs associated with accessing sports content online in a manner that suits their preferences.

Addressing this issue cannot solely rely on technological advancements or software solutions. Instead, it requires tackling the root causes that drive people towards illegal streaming and finding ways to resolve those issues.

To be clear, the core issues are expensive streaming costs, and the difficulty of accessing sports to watch online.

Blackouts and geo-fencing

If you're a sports fan, there is a good chance that you have missed one of your team's games because the media-right holders blocked the stream from being shown in your area. There are two major reasons for this, the first being because they are trying to increase attendance at the live game, and the second being to protect local broadcasters.

While encouraging attendance at live games can be somewhat understandable, as a packed stadium creates a better atmosphere for fans and generates on-ground sales for the league, this reasoning falls short upon closer examination. If someone is willing to pay to watch a game, why would you prevent them from doing so? It's a frustrating experience for fans and becomes a determining factor in their decision of whether to resort to illegal streaming or not.

Blackouts are also implemented to safeguard local broadcasters. By blocking regional broadcasters, fans are compelled to rely on local channels, often requiring them to either sign up for expensive subscription plans just to watch the game or miss out entirely. This creates a vicious cycle where the interests of leagues and broadcasters take precedence over the needs and desires of the fans.

Over the past few years, and particularly during the COVID-19 pandemic, we have witnessed a shift in the dynamics of the world. People are increasingly empowered to get what they want, and their voices are being heard. Fans no longer want blackouts or geo-fencing (restricting access based on location), and they certainly don't want to be coerced into costly streaming subscriptions.

It's time to acknowledge the evolving demands of fans and prioritize their viewing experience by embracing more inclusive and accessible approaches to sports streaming.

Competition from all forms of entertainment

Sports often are considered a league of their own, a category in which there is no competition, apart from opposing teams or other forms of sport. This couldn't be further from the truth because at the end of the day, watching sports is just another form of entertainment.

If fans, particularly Gen Z's and younger millennials, discover a new form of entertainment that is better than watching sports, they will drop sports in an instant. Why do you think esports has gained so much popularity in recent years, and why watching other people play games online is now accepted as normal and standard behavior?

The delivery of sports hasn't changed in a very long time. It's become dated. The delivery is static, you can't interact with it, and you have no control over what you see or hear.

Sports have a significant challenge ahead in order to reshape how they are delivered or leave themselves at risk of being left out and forgotten.

Advancements in technology and behavior

After examining the current state of sports streaming, it is crucial to explore the changing landscape and emerging trends in order to identify potential solutions for a brighter future.

A notable shift in behavior for Gen Z and young millennials

If you speak to any sporting organizations or leagues, they will tell you that they are puzzled and have no plan on how to attract the attention of Gen Z's and younger millennials, who make up around 26% of the world's entire population.

In a survey conducted by Morning Consult in 2022, they were able to show that 33% of Gen Z's between 13 and 25 do not watch live sporting events, compared to 24% of US adults in a corresponding study.

The reasons that explain the drop in demand are clear; this young demographic (18 - 35-year-olds) is very different in the way they demand convenience, control and immediacy. They are active, whereas most of the older generation are passive. They want short-form content, social interaction and self-expression.

The important takeaway is that we are entering a new era of fandom, one which sporting leagues and organizations are far from prepared for. The risk is not losing a fan to another sport, it's having them abolish sport altogether, switching to something a little more "up their alley" such as gaming, NFTs, crypto, or social tools.

It's already begun, just look at the popularity of Twitch or Discord, which are both platforms custom-built for this younger generation.

The change is in motion, and the global sporting sector is under fire with competition from all forms of entertainment. A change could not be of more importance.

The "OTT" (over-the-top) streaming movement

The format delivery of TV content is changing. In a study conducted by the Business Research Company, the OTT (streams delivered over the internet) streaming market will grow from \$149.34 billion in 2022 to \$171.99 billion in 2023, with a compounded growth rate (CAGR) of 15.2%. Furthermore, the OTT streaming market is expected to expand further to \$302.67 billion by 2027.

The days of relying on traditional set-top boxes from cable companies are becoming a thing of the past. With the increasing speed and bandwidth of the internet, coupled with advancements in television technology, more and more content will be delivered to viewers online.

Understanding the younger generation, you can see why OTT streaming is gaining such momentum. They want the experience that OTT streaming provides, they want to be able to choose what to watch and when.

In one way this is great for sports, as more sports become available to stream. But there is also a downside, with non-sporting entertainment also being delivered online. They are distracted, with so many options at their fingertips, many of which are not sports and instead gaming, live streaming, crypto or NFTs.

Envisioning a potential solution

As we delve deeper into this whitepaper, it is crucial to revisit the issues we have addressed thus far. This reflection will allow us to identify the necessary components for solving these challenges and determine whether any existing efforts are already underway.

A viable solution must take into account the ongoing changes we have discussed. It is imperative to align the solution with the current trajectory of transformation because a resolution that runs counter to the prevailing tide of change can hardly be considered a solution at all.

A more equitable pricing model

The conventional subscription-based pricing model primarily serves the interests of the businesses offering it, rather than prioritizing the needs of the users. This approach is driven by motivations such as revenue growth, increased profits, and attracting investor funding.

It is high time to reinvent subscription pricing, placing the user back in control and ensuring that they receive the maximum value based on their actual usage or consumption. The first broadcaster to offer such innovative subscription models would gain a significant advantage, as customers tend to gravitate towards providers who genuinely prioritize their best interests.

Furthermore, alternative options must be explored. Whatever happened to allowing fans to pay for exactly what they want to watch? When you visit your favorite local restaurant, are you compelled to pay for access to the entire menu when you only plan to enjoy a small portion of it? Or does the restaurant allow you to choose your desired meal and charge you accordingly?

The music industry faced similar issues when companies like Napster started popping up, allowing people to obtain music for free to combat the exorbitant cost of buying records. They were eventually shut down, but out of the smoke of bankruptcy formed a special company called Spotify that would change how people listened to music while making it significantly cheaper at the same time.

The world is waiting for a “Spotify” type solution for sports streaming, one is just yet to arrive.

Eliminating blackouts and geo-fencing

Stopping a fan from watching sport simply is no longer acceptable, period.

In many industries, significant progress has been made in terms of the way science is used to produce better outcomes. Why is sport and the way it's streamed an exception?

Someone needs to crunch the numbers and work out the true cost of preventing a fan from watching a game, without forcing an expensive subscription down their throat. There is a cost to everything, and delivering a subpar experience such as this is no exception.

If you're a team and there are tickets still available for an upcoming live game, then you may have a revenue problem, but when did it become acceptable to start penalizing fans in order to address this issue? There are many ways for a league to make up this lost income, plenty of ways that don't crush the experience like blackouts or location-based restrictions do.

SiriusXM is one company that is solving this problem. Sure, they are a satellite radio company meaning they don't have access to the video stream, but they do allow any fan in America or Canada to follow along with a game regardless of what sport they may be into, or where they may be located.

The future is a bright one where fans will be able to watch whatever they want, whenever they want. Blackouts and geo-fencing will become things that in time, will be hard to believe that they actually existed.

It's clear that traditional broadcasters don't have the ability or desire to address the issues at hand. The right solution will likely come from another way to experience a game, akin to but distinct from SiriusXM's approach.

A more exciting experience

Baseball, one of America's most prestigious games with roots dating back to 1876, is facing a serious challenge. The past three championships from 2020 to 2022 recorded the lowest TV viewership in the sport's entire history. If not for a seventh game in the 2019 series, the past four seasons would hold the lowest spots in terms of viewership.

For those familiar with the younger generation, it's evident that the current format of baseball doesn't capture their interest as much. They prefer consuming games in smaller, more exciting bites. This explains why platforms like Twitch have gained tremendous popularity among this demographic, allowing them to have fun with friends while engaging in live streams, primarily focused on gaming and esports.

While Major League Baseball holds the responsibility to address certain issues within the game itself, we must also examine how broadcasters are enhancing the delivery of the game to the consumer. What efforts are being made to improve the overall experience?

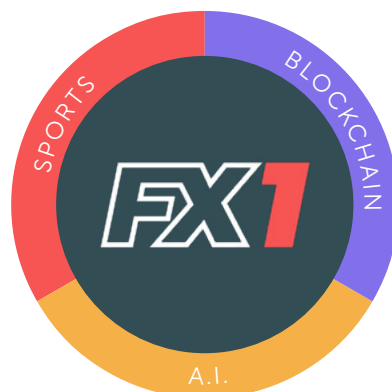
Americans have a deep-rooted love for statistics. However, accessing real-time sports statistics poses a challenge as they are typically provided post-game, post-round, or post-season. Data, statistics, and trends are most valuable during the game when emotions run high and fans are fully engaged.

The future of streamed sports delivery will heavily rely on data to elevate the experience and make watching any sport far more exhilarating than it is today. Users should have the ability to access on-demand stats for any player, understanding both micro and macro trends as they develop, enabling them to better comprehend and follow along with the game.

By embracing data-driven enhancements, the delivery of sports streaming will undoubtedly unlock a new level of excitement and engagement for fans.

An introduction to FX1

FX1 is revolutionizing the way we watch, consume, and pay for live sports. We're more than just a crypto platform; we offer a real-world application designed specifically for Gen Z and younger millennials, as well as the vast community of 90 million monthly sports fans in the United States. By harnessing the power of Blockchain and A.I. technology, FX1 delivers an unparalleled and groundbreaking experience for consuming live sports like never before.



To be specific, we're here to address the following problems:

- Expensive streaming costs and unfair subscription agreements
- Blackouts and geo-fencing based on geographic location
- Fierce competition from other forms of entertainment
- Indirectly, the illegal streaming of sports

Let's now look at features and experience that will be on offer at FX1.

An immersive data & artificially lead experience

FX1 is on a mission to redefine the way you consume live games, providing an unparalleled experience like never before. With our cutting-edge proprietary A.I. technology, we strive to lead the industry in extracting and presenting real-time statistics and data from sporting events in a groundbreaking manner.

Prepare to witness a whole new level of understanding and engagement with the game or fight you're watching. Our advanced technology allows us to capture and analyze a vast array of information, including speed, motion, position, temperature, stadium sound, and more. Through visually captivating animations, we bring you insights that were previously unimaginable, unveiling the intricacies of every moment.

Imagine having the power to tap into a player's or coach's background and expertise, just like you would by highlighting a word on a Kindle, to gain deeper contextual information. At FX1, this becomes a reality. You'll have access to in-depth profiles and analysis, allowing you to delve into the details of your favorite athletes, coaching staff, and specific areas on the pitch, ring, or cage.

But it doesn't stop there. With FX1, you're never alone in your sports journey. Connect with fellow fans or create close-knit groups to chat and share the excitement of the game, discuss specific topics, or relish in memorable moments together. This sense of community and shared passion enhances the overall experience, making every game even more thrilling.

Gamification with predictions, analysis and betting

For fans who want a deeper, more immersed experience when watching sports.

Our A.I. trained models will be able to predict what could happen next, with a ~90% or higher accuracy rate. Any fan will be able to add predictions to a game, which will start arriving pre-game (e.g predicted winner of the game), but continue throughout the game resulting in real-time predictions on a play-by-play basis.

Fans will also have the ability to place peer-to-peer wagers on-platform, working to earn \$FX1 through being able to predict what will happen next, with or without the support of the predictions algorithm.

Analysis tools will also be a paid option a fan, coach, or team management can add in order to better analyze what's happening in the game, as well as see what trends are developing that the human eye often can't detect.

A better and cheaper way to pay

Say goodbye to rigid subscription pricing models and embrace a new era of personalized payment. We understand the frustrations that come with paying for services you don't fully utilize, which is why we offer a better and cheaper way to pay, tailored to your preferences.

With FX1, you have the freedom to pay for only what you consume. Whether you want to enjoy the entire game, catch a quarter or a half, or simply tune in for the thrilling last three minutes, the choice is yours. Our platform puts you in control, allowing you to create the perfect game-watching experience while paying only for the services you add and the time you spend.

When you engage with a game on FX1, a world of options awaits you. Enhance your viewing with immersive visual experiences, access game predictions, enjoy A.I. commentary and more. Customize your experience based on your interests and preferences, paying solely for the added services you choose.

But the benefits don't stop there. As we own our technology and bypass costly streaming deals, consuming a game on FX1 comes with significant cost savings compared to traditional broadcasters. We are committed to providing options that fit every budget, offering a range of pricing plans from free options to easily affordable.

All payments on FX1 will be done using the \$FX1 token. FIAT onramp services will be provided to allow anyone to easily buy \$FX1 in order to start enjoying the platform.

Sports commentary, just the way you like it

For decades we have had little choice over the sports commentators that call games or fights. Don't get us wrong, there are some very talented and all-time great commentators out there, but the world we live in demands greater choice than what's available.

Imagine being able to handpick the voice and style of the commentator for any game, all at your fingertips and available on demand. With our cutting-edge artificial intelligence and advanced models, we're making this a reality. FX1 empowers you to choose the commentator that best suits your preferences and enhances your sports-watching experience.

Whether you prefer a male or female voice, high energy or relaxed vibes, serious or humorous commentary, or even a commentator biased towards a specific team, we've got you covered. Our wide selection of voices and styles ensures that you can curate the perfect atmosphere for every game, giving you a truly personalized experience.

Unlimited sports access, anytime, anywhere

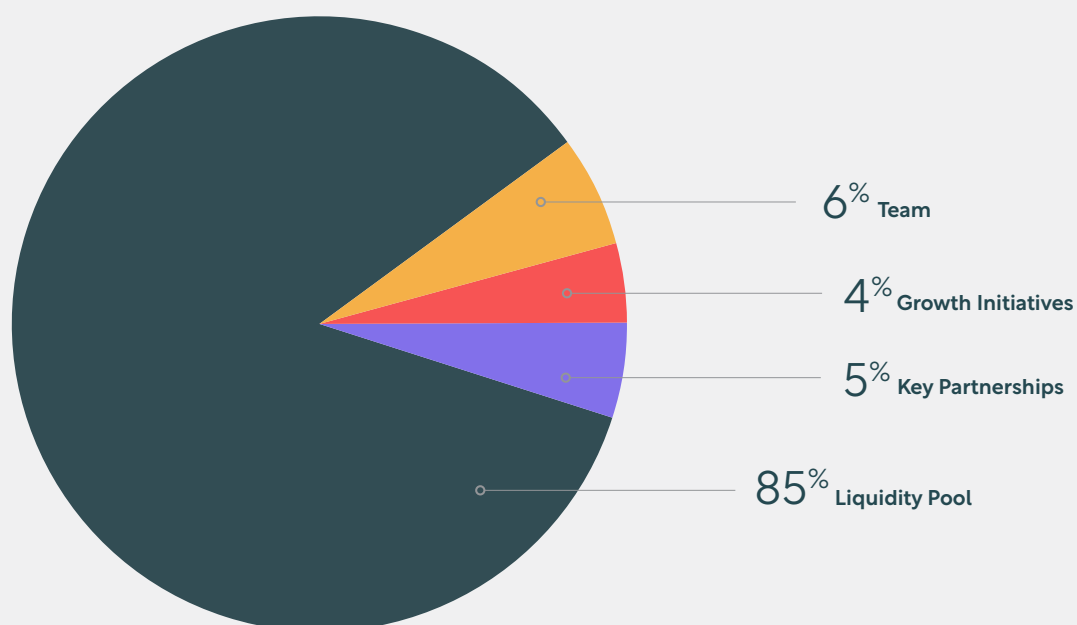
Because of the way we re-create the live experience, at FX1 you'll find access to all the sports, regardless of where you may be located. We don't have any blackouts, we don't block VPNs or geo-fence.

The best thing of all, it's completely legal. You won't find anything illegal here. We can do this because we own our technology and data, and we're not forced to do expensive deals with giant streaming providers.

FX1 is initially focused on delivering an extensive range of sports across North America, including Basketball, American Football, Soccer, National Hockey, Baseball, and MMA. However, we're constantly expanding our offerings based on the demand from our passionate community. We're dedicated to bringing you a diverse lineup of sports and leagues, so you never miss a moment of the action.

The \$FX1 token economy

\$FX1 distribution



Name	Split	Release Schedule
Team	6%	Locked Apr. 27th 2023 ▶ Unlocks Jul. 27th 2023
Growth Initiatives	4%	Locked Apr. 27th 2023 ▶ Unlocks Jul. 27th 2023
Key Partnerships	5%	Locked Apr. 27th 2023 ▶ Unlocks Jul. 27th 2023
Liquidity Pool	85%	Locked Apr. 26th 2023 ▶ Unlocks Jul. 25th 2023

Uses of \$FX1

How and why the \$FX1 token matters.

Purchase services and products

All purchases of goods and services on FX1 will be performed using the \$FX1 token

Earn by helping us grow

Fans can join in the share of revenue by referring their friends, family or existing community

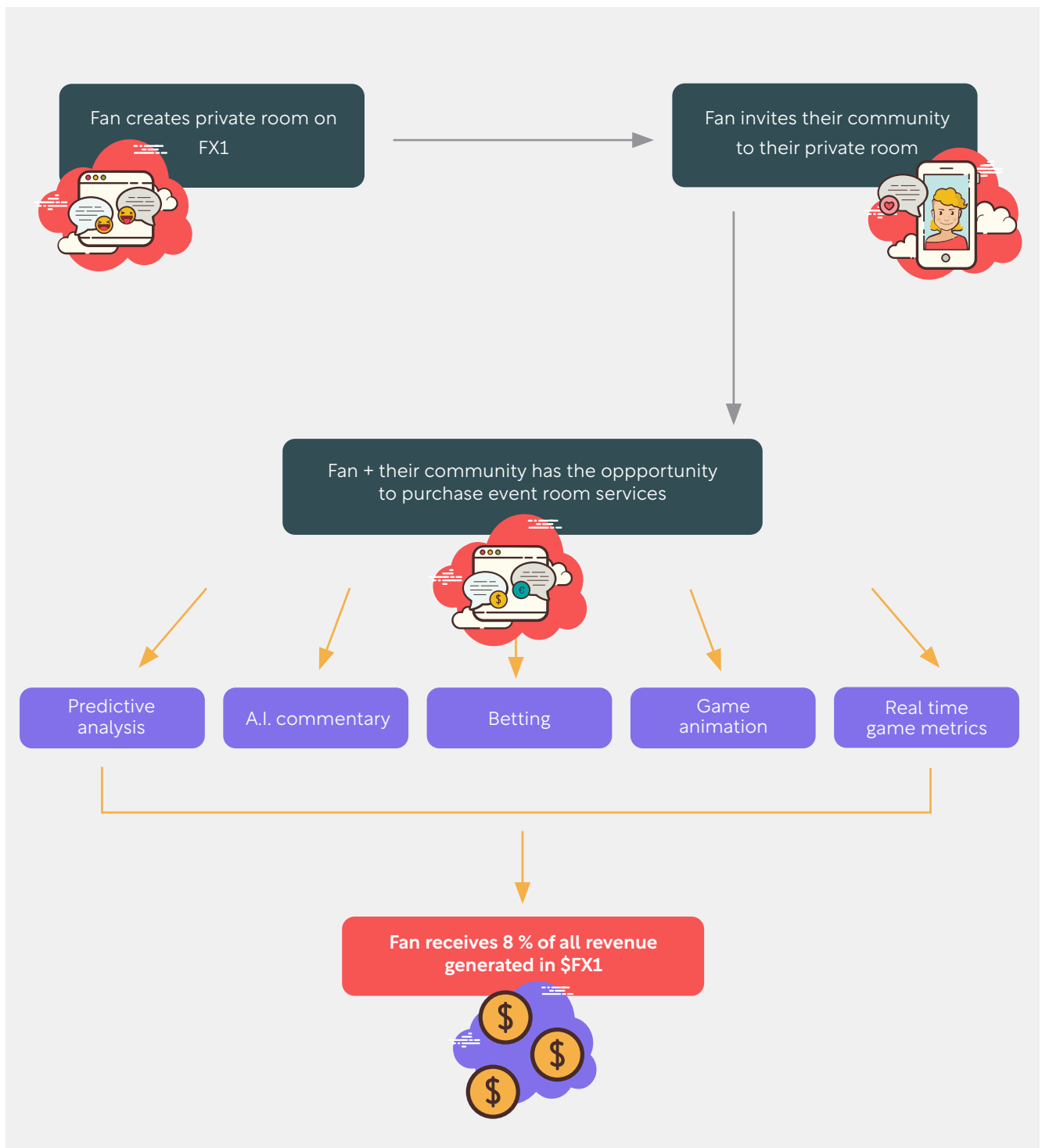
Extra benefits for holding

Increase your status within the ecosystem, earn digital collectibles

Referral rewards program

Fans who help to grow the FX1 community will be rewarded through a split in revenue generated in event rooms that they create. By inviting your community in, and helping to increase event room spend, you share in the rewards.

- Revenue Split: 8%
- Payment Frequency: Daily

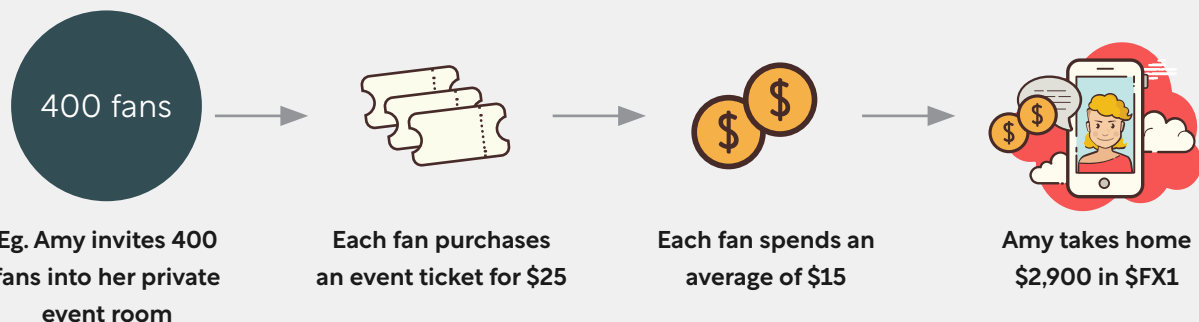


Ambassador rewards program

Our ambassador rewards program takes earning potential to a new level, by allowing those with large communities to earn. Just like the referral program, you will have the potential to earn but a great earning rate based on the number of fans that attend your room.

- Earn a revenue split percentage based on attendance
- Sell tickets for event room entry for additional revenue earning potential

Event Room Attendance	Revenue Split	Ticket Sales Split
0 - 399	10%	20%
400 - 499	15%	20%
500 or greater	20%	20%



The program is centered on you being able to invite users into FX1, who then spend and make purchases on the platform.

- Based on the number of fans you refer, you'll be placed into one of three categories
- Each category provides a greater opportunity to earn and share in revenue
- When you invite a user in, you'll earn off their spend
- Rewards are paid from our rewards pool on a set daily schedule

In conclusion

Throughout our exploration of the challenges in the online sports streaming industry, we've strived to present an unbiased assessment of the facts. We've examined the ongoing changes in the landscape, the problems that exist, as well as potential solutions, both current and future.

FX1 emerges as the company that will fundamentally change the way in which sports streaming is delivered. We believe we have proven this beyond doubt, and the growing community of FX1 supporters will tell you the same.

We would love any feedback you have, and urge you to become a part of our community. All the references you need can be found below.

[Twitter](#) [Telegram](#) [Website](#) [iOS App](#) [Android App](#) [Buy FX1](#) [View Chart](#)

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