

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **October 25, 2021**

**B. Riley Principal 150 Merger Corp.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**001-40083**

(Commission  
File Number)

**85-2081659**

(IRS Employer  
Identification No.)

**299 Park Avenue, 21st Floor  
New York, New York 10171**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(212) 457-3300**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class  | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Units, each consisting of one share of Class A common stock and one-third of one redeemable warrant                            | BRPMU             | The Nasdaq Stock Market LLC               |
| Class A common stock, par value \$0.0001 per share   | BRPM              | The Nasdaq Stock Market LLC               |
| Warrants, each whole warrant exercisable for one share of Class A common stock, each at an exercise price of \$11.50 per share | BRPMW             | The Nasdaq Stock Market LLC               |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

### **Item 8.01 Other Events.**

In connection with the previously announced business combination (the "Business Combination") between B. Riley Principal 150 Merger Corp., a Delaware corporation ("B. Riley") and FaZe Clan Inc., a Delaware Corporation ("FaZe"), the two companies have made a webcast available on their websites in which members of their respective management teams discuss the Business Combination (the "Webcast"). A copy of the transcript for the Webcast is furnished hereto as Exhibit 99.1 and incorporated herein by reference.

In addition, an investor presentation, dated October 25, 2021, for use by B. Riley and FaZe during the Webcast is furnished as Exhibit 99.2 hereto and incorporated herein by reference.

#### ***Important Information about the Proposed Business Combination and Where to Find It***

In connection with the proposed Business Combination, B. Riley plans to file a registration statement on Form S-4 (the "Registration Statement") with the Securities and Exchange Commission (the "SEC"), which will include a preliminary proxy statement/prospectus relating to the proposed Business Combination (the "Proxy Statement/Prospectus"). After the Registration Statement is declared effective by the SEC, B. Riley will mail the definitive Proxy Statement/Prospectus to holders of B. Riley's shares of common stock as of a record date to be established in connection with B. Riley's solicitation of proxies for the vote by B. Riley stockholders with respect to the proposed Business Combination and other matters as described in the Proxy Statement/Prospectus. B. Riley stockholders and other interested persons are urged to read, when available, the preliminary Proxy Statement/Prospectus and the amendments thereto, the definitive Proxy Statement/Prospectus, and documents incorporated by reference therein, as well as other documents filed with the SEC in connection with the proposed Business Combination, as these materials will contain important information about B. Riley, FaZe and the proposed Business Combination. Stockholders will be able to obtain copies of the Proxy Statement/Prospectus and other documents containing important information about B. Riley, FaZe and the proposed Business Combination filed with the SEC, without charge, once such documents are available on the website maintained by the SEC at <http://www.sec.gov>, or by directing a request to: B. Riley Principal 150 Merger Corp, 299 Park Avenue, 21st Floor, New York, New York 10171, Attention: Daniel Shribman, telephone: (212) 457-3300.

#### ***No Offer or Solicitation***

This Current Report on Form 8-K shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed Business Combination. This Current Report on Form 8-K shall also not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

#### ***Participants in the Solicitation***

B. Riley and FaZe and their respective directors and executive officers, under SEC rules, may be deemed to be participants in the solicitation of proxies of B. Riley's stockholders in connection with the proposed Business Combination. Stockholders of B. Riley may obtain more detailed information regarding the names, affiliations and interests of B. Riley's and FaZe's directors and executive officers in B. Riley's Form S-1 filed with the SEC relating to its initial public offering, which was declared effective on February 18, 2021 ("Form S-1") and in the Proxy Statement/Prospectus when available. Information concerning the interests of B. Riley's participants in the solicitation, which may, in some cases, be different than those of B. Riley's stockholders generally, will be set forth in the Proxy Statement/Prospectus when it becomes available.

### *Forward-Looking Statements*

The information in this Current Report on Form 8-K includes "forward-looking statements" pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of present or historical fact included in this Current Report on Form 8-K, regarding the proposed Business Combination, the ability of the parties to consummate the proposed Business Combination, the benefits and timing of the proposed Business Combination, as well as the combined company's strategy, future operations and financial performance, estimated financial position, estimated revenues and losses, projections of market opportunity and market share, projected costs, prospects, plans and objectives of management are forward-looking statements. These forward-looking statements generally are identified by the words "budget," "could," "forecast," "future," "might," "outlook," "plan," "possible," "potential," "predict," "project," "seem," "seek," "strive," "would," "should," "may," "believe," "intend," "expects," "will," "projected," "continue," "increase," and/or similar expressions that concern B. Riley's or FaZe's strategy, plans or intentions, but the absence of these words does not mean that a statement is not forward-looking. Such statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995 and are based on the management of B. Riley's and FaZe's belief or interpretation of information currently available.

These forward-looking statements are based on various assumptions, whether or not identified herein, and on the current expectations of B. Riley's and FaZe's management and are not predictions of actual performance. Because forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions, whether or not identified in this Current Report on Form 8-K, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Many factors could cause actual results and condition (financial or otherwise) to differ materially from those indicated in the forward-looking statements, including but not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of negotiations and any subsequent definitive agreements with respect to the proposed Business Combination; (2) the outcome of any legal proceedings or other disputes that may be instituted against B. Riley, FaZe, the combined company or others; (3) the inability to complete the proposed Business Combination due to the failure to obtain approval of the stockholders of B. Riley, to satisfy the minimum cash condition following redemptions by B. Riley's public stockholders, to obtain certain governmental and regulatory approvals or to satisfy other conditions to closing; (4) changes to the proposed structure of the proposed Business Combination that may be required or appropriate as a result of applicable laws or regulations, including the risk that any regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the proposed Business Combination; (5) the ability to meet stock exchange listing standards following the consummation of the proposed Business Combination; (6) the risk that the proposed Business Combination disrupts current plans and operations of B. Riley or FaZe as a result of the announcement and consummation of the proposed Business Combination; (7) the ability to recognize the anticipated benefits of the proposed Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management, key employees and talents; (8) costs related to the proposed Business Combination; (9) changes in applicable laws or regulations, including changes in domestic and foreign business, market, financial, political, and legal conditions; (10) the possibility that B. Riley, FaZe or the combined company may be adversely affected by other economic, business, and/or competitive factors; (11) the impact of COVID 19 on B. Riley's or FaZe's business and/or the ability of the parties to complete the proposed Business Combination; (12) the inability to complete the PIPE investments in connection with the proposed Business Combination; and (13) other risks and uncertainties set forth in B. Riley's Form S-1 and in subsequent filings with the SEC, including the Proxy Statement/Prospectus relating to the proposed Business Combination. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of B. Riley and FaZe. Forward-looking statements speak only as of the date they are made. While FaZe and B. Riley may elect to update these forward-looking statements at some point in the future, FaZe and B. Riley specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing FaZe's and B. Riley's assessments as of any date subsequent to the date of this Current Report on Form 8-K. Accordingly, undue reliance should not be placed upon the forward-looking statements.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 99.1               | <a href="#">Webcast Transcript.</a>   |
| 99.2               | <a href="#">Investor Presentation, dated October 25, 2021.</a>              |
| 104                | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**B. RILEY PRINCIPAL 150 MERGER CORP.**

Dated: October 25, 2021

By: /s/ Daniel Shribman

Name: Daniel Shribman

Title: Chief Executive Officer and  
Chief Financial Officer

**Operator**

The discussion today contains forward-looking statements including, but not limited to, with regard to FaZe Clan and B Riley Principal 150 Merger Corp and their respective expectations or predictions of future financial, business performance or conditions, the industry outlook and the timing and completion of the proposed business combination transaction. Forward-looking statements are inherently subject to risks, uncertainties, and assumptions, and they are not guarantees of performance. You should not put undue reliance on these statements. You should understand that such forward-looking statements involve risks and uncertainties, including the items discussed under the risk factors beginning on slide 25 of the investor presentation. Such factors may be updated from time to time in BRPM filings with the SEC, which are available on the SEC website, and they may cause actual results or performance to differ materially from those indicated by such statements. FaZe Clan and BRPM are under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. You are encouraged to read the press release issued today, the Form 8-K filed with the SEC in connection with the proposed business combination transaction, the accompanying presentation that is available on BRPM's EDGAR page on the SEC's website for a discussion of the factors that can affect the proposed business combination and the business of FaZe Clan after completion of the proposed transaction.

With that, I will now pass the call over to Bryant. Bryant, please go ahead.

**Bryant Riley, Chairman of B. Riley Principal Merger Corp.**

Thank you, operator, and thank you everyone for joining us this morning. We'll start on slide 6.

We are excited to announce today that B. Riley Principal 150 Merger Corp is entering into a business combination agreement with FaZe Clan, a leading lifestyle, content and gaming media platform, sitting at the intersection of youth-culture and technology.

Upon approval, this transaction will result in FaZe Clan becoming a publicly traded company, listed on the NASDAQ, under the ticker, "FAZE."

This is a pivotal moment in the ever-evolving media landscape. Boasting a hyper-engaged global fanbase of over 350 million across social platforms, FaZe Clan's broad influence in creating disruptive and original content and its enviable record in gaming have positioned the brand as an influential voice of youth culture.

The FaZe Clan management team will continue to be led by Lee Trink, Chief Executive Officer, who will become Chairman of the Board, and Amit Bajaj, Chief Financial Officer -- both of whom are with us on this call today.

Let's turn to slide 7 for a summary of the transaction we are announcing today.

B. Riley Principal 150 Merger Corp is proposing to combine with FaZe Clan to create a company with an implied equity valuation of approximately \$1 billion, which includes an assumed \$275 million of cash on the balance sheet.

Following deal-closing, the transaction will position FaZe to expand and further diversify its lifestyle and media platform and capitalize on both emerging revenue opportunities and potential acquisitions.

As of June 30, 2021, BRPM had \$172.5 million in cash held in trust and a fully committed \$118 million PIPE at \$10 per share. The cash will be used to fund organic and inorganic growth as FaZe accelerates its monetization strategy across its global platform.

The business combination is currently expected to close in the first quarter of 2022. We couldn't be more excited to be working with this fantastic management team leading this incredible new company.

I'll now turn the presentation over to Lee... Lee?

**Lee Trink, Chief Executive Officer of FaZe Clan**

Good morning everyone, and thanks for joining us today.

I also want to say thanks to you, Bryant, for the great work that you and your team have done so far, and for that warm introduction. We at FaZe could not be more excited to begin our public journey and we are thrilled to have B. Riley as our partner.

There's a slide in the Appendix "B" of our investor presentation that includes our full management team and their backgrounds.

As Bryant said, I've been the CEO here at FaZe Clan for a little over three years now. My prior experience is in the traditional entertainment field, predominantly in the music business, and to a lesser extent film and television production. The first half of my career was spent at record labels, where I eventually became the President of Capitol Records, and the Capitol Music Group. I also founded a talent management company, managing A-list global artists which I operated for about a decade.

Around six years ago, I signed FaZe Clan as a client to my talent management company, and over the next couple of years I had a front row seat and saw the incredible potential of the FaZe brand and I was sufficiently motivated to close my lucrative business I had built over ten years and took a full-time job at FaZe Clan to build that into a meaningful business.

Let's dive in on page 9, the investment thesis.

FaZe is a leading digitally native lifestyle brand. We believe we have the reach of a major media conglomerate. We have a combined social media reach of over 350 million people, and an influencer network that includes some of the most prominent global celebrities. We have a vast network of influence, and we are positioned at the intersection of how Gen Z consumes content and how they transact and engage with that content.

FaZe utilizes a diversified, multiplatform monetization strategy. Currently, we monetize through content, merchandise & consumer goods, sponsorships, and through esports teams. We plan to capitalize on organic growth opportunities for those four monetization buckets, as well as international expansion and other IP verticals. Together, we believe that they represent a significant revenue growth opportunity of 10 to 200 times today's levels.

FaZe is well positioned to capitalize on the massive global growth and scale in both gaming and video streaming. We have a lot of runway for growth in these areas and we haven't even scratched the surface on what we can deliver internationally, where our fanbase is frankly already enormous.

We know of no other platform that can match FaZe's reach into the elusive and crucial 13-34 age demographic – which presents tremendous opportunity for brands we work with. The global Gen Z cohorts are expected to generate an estimated \$33 trillion in income globally by the beginning of the next decade... 80% of our audience is in that hugely valuable 13-34 age demo.

We'll talk about how we're helping major brands reach this demographic, while building our business and the FaZe brand in the process.

Finally, our platform is scalable and built to support M&A opportunities that can accelerate our growth and drive capital efficiencies on our path to profitability.

Let's move on to page 10.

So, what is FaZe? FaZe was born in gaming but has strategically evolved into so much more.

Today, we define FaZe as the voice of a generation, predominantly Gen Z. Importantly, we believe we are a unique conduit for reaching a global Gen Z audience -- Gen Z are a very coveted generation to advertisers and consumer product companies, and also the hardest to reach through traditional media outlets.

Every youth generation has their own twist, culture, and point of view. They want to be spoken to in their own language, one that resonates with them and that they can relate to. But in our lifetimes, we have not seen a generation that has created a more seismic shift in how they consume and transact than Gen Z.

And the reason is clear: Gen Z is the first generation to be born into a world with a fully developed internet. As such, they're digital natives. They communicate through a different set of social constructs. The traditional immense gulf between one's physical and digital life is paper thin for Gen Z.



We have what we call an “always on” relationship with our combined social media following of over 350 million around the world and we engage with them on a daily basis through the FaZe Clan social media channels, as well as through the channels of our broad talent network, which includes over 90 creators and esports pros.

Now, let’s take a minute to unpack that roster. About half of our talent network consists of esports athletes, meaning they compete on one of our 10 professional gaming esports teams. The other half of that roster, about 40 plus members, are content creators. The best way to think about these creators is simply as entertainers, talent who are constantly creating new and different content and through that content are consistently engaging with our fan base.

For the younger generations, this is their new television. It’s how they receive their daily entertainment---through social media--- and not through traditional entertainment outlets, like television.

Our creators post shorter-form content, such as daily video blogs and gaming trick-shot videos--which sit on social platforms such as YouTube or TikTok. We also have our daily streamers, who primarily engage with our fans on platforms like Twitch.

Many loyal stream viewers find it to be like a second home. These streams are live, and in some cases, run up to 10 hours a day, and even 300 days a year, providing their fanbase with a vibrant community that they can engage with on a consistent basis. As you can imagine, having spent so much time together these communities begin to form real and meaningful relationships, with not only the streamer, but the other viewers and fans as well.

These content creators in our talent network - both vloggers and streamers - fuel the loyalty and engagement of our fanbase. This is where the true power of FaZe Clan emanates.

On that note, I’d like to mention that we have amongst the highest level of engagement across any kind of audience bar none, and we’ll reference some of the data on that point shortly.

Lastly, our fans are on this growth journey with us. They engage with our brand as we continue to explore new adventures and new opportunities together. The relationship is not only “always on” but our fans are “at attention” and ready to receive new expressions of the FaZe brand.

Now let’s talk about the FaZe timeline on page 11.

We’re a young company but we have more than a decade of history behind us. FaZe is a legacy brand in this space.

FaZe was started by a group of friends who actually met online, playing Xbox games, and became friends before they ever met in person. Not dissimilar to a lot of our fanbase. Together, they began posting exciting and entertaining gaming highlights online. These gamers set out to be the most entertaining player, not necessarily the best player. And the millennial/gen Z audience became riveted.

We're also incredibly proud of our 30 esports championships we've achieved, which have opened many opportunities for sponsorships and engagement with a broader creator community. Despite the fact that in the world of gaming the most entertaining gamer is more valued than the best player, it still matters that we win... and we win a lot.

Now, we're at the forefront of cutting-edge partnerships, we're working with major global advertisers and content rights owners, and have firmly hit the cultural mainstream.

I'll provide a little more detail on our cultural impact on page 12.

Our significance and scale in gaming culture has propelled us to groundbreaking achievements in this space. For example, just a few months ago, we made history as the first gaming organization to grace the cover of Sports Illustrated. That same month, we did a collaboration with the iconic artist Murakami. We teamed up with a few pieces of merch, and in that drop, we sold nearly a million dollars... of mouse pads... in one day, let that sink in for a moment.

In August, our Call of Duty team won our 30th esports Championship. We did something cool for our fans around that as well. Around that championship match, we gave our fans a chance to join FaZe for a day and permit them to wear the FaZe gaming tag in front of their names on their social handles, much like our talent. That was an incredible moment for us, as legions of gamers changed their names and joined our clan for the day.

One of the most exciting illustrations of our huge influence was through our brand partnership with McDonald's, who actually changed their social media handle to "FaZe McDonald's." It was amazing to see and, for our fanbase, is the digital equivalent of changing the signs on the building to say FaZe McDonalds.

In September, we created a groundbreaking collaboration with DC Comics, where we released a comic book depicting FaZe members as superheroes alongside Batman and the gang. This is a great example of how our roster--our talent network---is also individual IP and demonstrates another example of how we can leverage that IP.

Recently, we collaborated with MGM to help promote the new James Bond film, which was Daniel Craig's last film for the franchise. Daniel Craig actually participated with FaZe Clan members in that promotion. And we just did it again with the Dune film, also with some of the stars of that movie. This is another example of how a traditional media outlet is tapping us to get access to our younger audience.

And these are just a few examples of FaZe's powerful brand presence, and impact on the zeitgeist as well as our growth opportunities.

Starting on the next slide, I'll provide some perspective on how far FaZe has risen in the media landscape.

Let's flip to page 13.

We are among the most recognizable sports brands worldwide. Our brand punches well above its current weight and well above our notoriety.

This slide shows the aggregate fan engagement across all our social media channels, and we already rank among the largest traditional sports teams and even entire leagues, such as the NFL and the NBA. Impressively, we appear alongside only two other teams—the Lakers and the Warriors—in terms of social media engagement. When we speak about how high our engagement is, this is the data that supports that strong statement.

Based on current trends, we expect consumption and transactions will continue to migrate further and further towards digital. When you accept that notion, this slide represents a glimpse into the future. This is a window into which brands are positioned to resonate with youth going forward.

Let's take a look at our monetization runway on the next page.

So, page 14 really captures why we're so excited about the opportunity for FaZe Clan.

As the left side of the chart shows, we think we're only at the beginning of monetizing our current audience, in contrast to more established and mature sports leagues and traditional media leaders.

When I became CEO of FaZe Clan three years ago, we identified the significant opportunity to monetize the brand, as well as the opportunity to build the brand into something larger than merely esports.

As digitally native generations come to the forefront of society, we believe FaZe will be the conduit between the digital and the real world, something that has proven immensely challenging for traditional brands and industries to bridge.

Let's go to page 15.

FaZe Clan is an industry leader in gaming entertainment. Using esports as an example, we generate more social media interactions than the next 8 gaming organizations combined.

Based on the data on this slide, we believe this demonstrates that no other esports or gaming brand can match the cultural significance of FaZe Clan - none.

Now, I'll dive more into the industry dynamics and FaZe Clan's growth opportunity. Let's go to page 17.

We've already articulated that this new digitally native generation is coming to the forefront of commerce and driving massive changes. Increasingly, we believe the most effective way to get to this audience is through influencers. Currently, we have 35+ content creators in our talent network. These are people that the younger generations trust. They see them using the same platforms that they value and creating the content that they most resonate with. The term influencer is not a loose moniker. The label is accurate. This generation follows the influencer's lead in driving purchasing decisions.

According to eMarketr, the US influencer market is now a \$3 billion industry. Further, the ways in which influencers are reaching their audience are changing and FaZe is an ideal partner for marketers as we create new opportunities in the metaverse and within the digital economy.

On the next slide, we'll take a look at the opportunity for FaZe as traditional sports viewership declines.

On 18, you'll see that FaZe is well positioned to capitalize on these trends. As you'd expect, the media industry is responding, and that response has been to move content spend from traditional outlets, like TV, to digital platforms, like social media. This is in many ways akin to the same shift that occurred with broadcast to digital advertising. But the next step is even more challenging as the audience is more fragmented and harder to attract.

As you can see here, on a 2020 year-over-year basis, all traditional sports leagues saw declines in their viewership rating. Esports, on the other hand, that viewership grew 10% year-over-year in 2020.

A big part of what's happening here, is again, a seismic generational shift. Where the younger generations' attention goes, viewership growth follows. And to reiterate, this is an audience that we're in lockstep with on a daily basis. Remember, we're "always on."

We expect to continue to widen this moat, as digital media continues to take more and more of traditional media viewership, which is expected to make up two-thirds of all media consumption by 2023.

Additionally, we believe traditional sports are having trouble staying relevant with the next generations' culture, and therein lies another competitive advantage for FaZe. We not only have the connectivity and scale, but we have an emotional connection with our fans that strengthens our messaging.

On the next page, you'll see just how strongly we're positioned with the younger generations.

For example, nearly 80% of our YouTube audience falls within that coveted 13-34 age range. And as digital media consumption trends play out, we continue to rapidly grow our social media presence.

To that point...in only the last two years, from 2019 to 2021, FaZe's aggregate social audience increased by 63%. And in 2020, we surpassed 1 billion lifetime views on YouTube alone.

Now, let's dive into monetization.

Slide 21 tells the story of the tremendous opportunity we have to expand the ways we monetize our audience. We've explained how this generation moves differently... and consumes differently... now let's talk about how that impacts monetization.

In content, we currently distribute through social channels, which has been a great funnel to attract an audience and engage with fans. But we're starting to move beyond social channels and develop original IP, providing us with opportunities to expand our platform into premium distribution channels, such as Netflix and HBO. We're also expanding into new content formats like podcasts, music, live, etc.

A great example of this content expansion is one of our premiere properties, FaZe 5. FaZe 5 is a global recruitment challenge that we launched last year and had over 211,000 people submit content for the chance to become a member of FaZe Clan – let that sink in too. 211,000 submissions to be in FaZe Clan. The viewership of the entire campaign was astounding. Videos with the #FaZe5 hashtag racked up over 50 million views on YouTube and over 1 billion views on TikTok. Building on that success in IP, we are launching the next-generation competition this coming year with a far more robust content strategy, both on the development and distribution fronts.

In brand sponsorships, we have been expanding from endemic sponsors like GFUEL to non-endemic sponsors including blue chips like McDonald's, Beats and Nissan. And we continue to add new categories and slice the rights we offer to brands more thinly to create more real estate and grow our sponsorship business.

In consumer products, we started with FaZe branded apparel and we've added individual player lines and collaborations. In the future we'll add new product categories and look to add a mass retail component.

In esports, we have 10 teams currently and we know that's going to grow. It's an incredible brand builder and opportunity for engagement. Adding new teams adds new communities and opens opportunities to add new markets. Acquiring esports teams in new markets provides an organic way to replicate our proven US business model while also adding talent locally.

In all of these areas I've just highlighted, I also want to emphasize that we are looking to enhance all of our monetization streams through acquisitions.

Moving to the right-hand side of the slide we are already leveraging our platform into a broad array of future opportunities. Some are nearer term in nature, like subscription offerings, fan clubs and live events. Looking out a little further we're working on concepts for real money gambling and virtual dining, as well as partnerships with gaming publishers where we can leverage the FaZe Clan brand into our own gaming titles.

And last – I cannot overstate the importance of the metaverse and NFTs when you think about Faze Clan's future. As we all have heard from the largest media companies in recent months, the metaverse is at the forefront of next-generation media. With our platform and our unique reach into Gen Z, we believe FaZe Clan is exceptionally well positioned to benefit from this phenomenon.

It's also important to emphasize that while we talk about these as future opportunities, many are already well underway, and we look forward to updating the market on our progress in the coming quarters.

With that, let me now turn the mic over to the inimitable Amit Bajaj, FaZe Clan's CFO, to talk about the numbers behind the opportunities I've just highlighted.

**Amit Bajaj, Chief Financial Officer of FaZe Clan**

Thanks, Lee, and hello, everyone.

Starting with Slide 22, as Lee has highlighted, we are announcing this transaction at a pivotal time for the company, where we've already built and established the brand, and are now on the cusp of driving growth across our expanding digitally native media and lifestyle platform.

We expect to generate \$50 million in revenue in 2021 and intend to grow this business to over \$650 million in 2025 via three primary buckets.

First, we intend to continue to increase our presence in our core existing businesses, which include sponsorships, content, consumer products and esports.

Second, we project benefitting from our core position in the digital economy by developing new business lines that capitalize on commercialization of the metaverse, introduction of NFTs, and other initiatives that leverage our position in the ecosystem. All the elements of the right side of the graphic Lee just spoke about.

Lastly is our belief that strategic M&A can be utilized to grow the business in an accretive manner. One of the main rationales for going public is to raise capital to effectuate an M&A strategy. We can acquire assets that can be scaled with our platform, and these can come in the form of content, direct-to-consumer, or businesses in other verticals. We believe that M&A will be an important and value enhancing element of our strategy and have a very significant pipeline of opportunities we are currently evaluating.

Assuming all goes as planned, our current projections call for a rapid path to EBITDA positive in just two years' time, and then expect continued accelerated growth from there.

Now moving to slide 23, let me take a moment to put a little more color on the revenue build.

The content business is a very important one to us. It's one that we really intend to lean into as we develop more and more IP. Traditionally, the content business has solely been one where we are monetizing YouTube AdSense dollars off of our FaZe main channel and our talent channels but that will be changing as we introduce soon-to-be released original programming.

Additionally, we have an off-platform strategy in the works as we intend to sell programming to third party distributors, many of whom we are in active discussions with and who want access to our audience.

We believe that the sponsorship business should continue to see robust growth by adding more and more brands to the pipeline. We see a lot more opportunity to monetize via brands and sponsorships as we deliver more content and sign additional talent. The sponsorship business has a great deal of visibility, has very attractive margins, and we anticipate announcing some new key meaningful partnerships very soon.

In esports, we are not intending this to be a massive contributor to revenue growth, but we try to be very smart in this sector, looking to continue the power of the brand. We think there could be some upside as we build franchise value in some of these titles and also look at growing digital goods and skins as publishers open up commercialization opportunities. We expect this business to also benefit from a return to live events.

Our consumer products business historically has been more brand building oriented versus really commercializing this vertical. We believe that a strategy of a more robust product offering and fan shop, larger drops with leading brands and designers and a thoughtful retail rollout will significantly grow this business.

We expect international will scale as we dive into a few of these geographies and as Lee indicated earlier, we have good traction there.

As we've just discussed we have a very active acquisition pipeline, especially in consumer products, that the SPAC proceeds will enable us to execute on. For purposes of the model, we assume this begins getting deployed at the end of 2022, but we are hoping to move quicker than that.

One final observation before I wrap up. Earlier Lee highlighted that we're in the very early stages of monetizing our massive fan base. We expect that the plan that we have run through today could take our revenue per user from less than 50 cents today to approximately \$3.50 by the end of the forecast period. When you compare this to other leagues and platforms that we illustrated and talked about earlier in the presentation, we believe this is still a fairly conservative data point.

With that, I'll now hand the call back to Lee for closing remarks.

**Lee Trink, Chief Executive Officer of FaZe Clan**

Thanks, Amit.

We look forward to engaging with the investment community in the coming weeks and months as the transaction moves forward. On behalf of Bryant and Amit, we appreciate your time and your interest in FaZe Clan.

Lastly, if you haven't yet, I encourage you all to watch the short video clip on our IR page. Thank you and FaZe Up! (and if you're not sure what that means...you can ask your kids).

###



# INVESTOR PRESENTATION

OCTOBER 2021



**B | RILEY**  
*Principal Merger Corp.*  
a B. Riley F&O company

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For a non-exhaustive description of the risks relating to an investment in the private placement in connection with the Proposed Transaction, please review "Risk Factors" in Appendix A to this Presentation.



# TODAYS PRESENTERS




**25+**  
Years in the Industry



**Lee Trink**

**Chief Executive Officer**

*Experience* \_\_\_\_\_




**20+**  
Years of Finance Experience



**Amit Bajaj**

**Chief Financial Officer**

*Experience* \_\_\_\_\_





**15+**  
Years of Finance Experience




**Daniel Shribman**

**Chief Executive Officer**

*Experience* \_\_\_\_\_


**25+**  
Years of Finance Experience



**Bryant Riley**

**Chairman**

*Experience* \_\_\_\_\_




# TRANSACTION OVERVIEW<sup>(1)</sup>

## Transaction Overview

- B. Riley Principal 150 Merger Corp (NASDAQ: BRPM) to merge with FaZe Clan Inc. ("FaZe")
- The combined company is expected to be valued at \$713mm<sup>(2)(3)(4)</sup> post-money enterprise value representing revenue multiples of 3.8x, 1.9x, 1.1x for 2023E, 2024E, 2025E
- BRPM raising an expected \$118mm PIPE

## Management and Board

- Pro forma FaZe will be owned 68% by existing stockholders<sup>(2)(3)(4)</sup> who are expected to roll 100% of their equity into the combined company
- The board will be comprised of CEO Lee Trink, 2 B Riley Financial appointees, and 5-7 FaZe appointees

## Sources and Uses

| Sources (\$mm) <sup>(2)(3)(4)</sup> |              | Uses (\$mm) <sup>(2)(3)(4)</sup> |              |
|-------------------------------------|--------------|----------------------------------|--------------|
| BRPM Cash in Trust <sup>(2)</sup>   | \$173        | New Cash to Balance Sheet        | \$264        |
| PIPE Proceeds <sup>(3)</sup>        | 118          | FaZe Equity Rollover             | 670          |
| FaZe Equity Rollover                | 670          | Illustrative Fees & Expenses     | 26           |
| Roll Net Cash on Balance Sheet      | 10           | Roll Net Cash on Balance Sheet   | 10           |
| <b>Total Sources</b>                | <b>\$971</b> | <b>Total Uses</b>                | <b>\$971</b> |

(1) Figures may not foot due to rounding.

(2) Assumes no SPAC IPO investors redeem shares for cash in trust. Cash in trust as of 6/30/2021.

(3) Assumes \$118mm PIPE.

(4) Excludes 2.2mm BRPM shares subject to earn-out, vesting ratably at \$12.00, \$14.00, and \$16.00.

Excludes seller earn-out of up to 6% of combined company shares, vesting ratably at \$12.00, \$14.00, and

\$16.00. Both earn-outs subject to five-year period post-closing. Excludes the dilutive impact of 5.75mm public warrants and 0.17mm private placement warrants with an \$11.50 exercise price.



# FAZE OVERVIEW VIDEO







# INVESTMENT THESIS



# INVESTMENT THESIS

|   |  |  |
|---|--|--|
| 1 | <b>Leading Digital Native Lifestyle Brand</b>          | <ul style="list-style-type: none"><li>• FaZe has expanded past its gaming roots and is becoming a voice of youth culture with 350mm+<sup>(1)</sup> combined social media reach and an estimated ~120mm<sup>(2)</sup> uniques</li><li>• More cross platform actions than the next 8 Esports organizations combined<sup>(3)</sup></li></ul>  |
| 2 | <b>Diversified Multiplatform Monetization Strategy</b> | <ul style="list-style-type: none"><li>• Organic growth from sponsorships, content, merchandise, Esports, international expansion, and other IP verticals presents opportunity to significantly increase monetization per audience member to levels of competing organizations and leagues which represents a revenue growth opportunity of ~10x to ~200x+ today's levels<sup>(4)</sup></li></ul> |
| 3 | <b>Global Market Growth</b>                            | <ul style="list-style-type: none"><li>• The global video streaming market is expected to grow at a CAGR of 21% from 2021E to 2028E<sup>(5)</sup></li><li>• ~3bn global gamers<sup>(6)</sup></li><li>• 400mm+ Esports viewers expected to grow ~8% per year<sup>(7)</sup></li></ul>   |
| 4 | <b>Lucrative and Hard to Reach Demographic</b>         | <ul style="list-style-type: none"><li>• 80% of FaZe audience between 13 and 34 years old – a demographic which is challenging for advertisers to reach with traditional media<sup>(8)</sup></li><li>• Gen Z expected global income of \$33tn by 2030E<sup>(9)</sup></li></ul>  |
| 5 | <b>Scalable Future M&amp;A Growth</b>                  | <ul style="list-style-type: none"><li>• Opportunities for strategic and financial synergies across several verticals</li><li>• FaZe believes that it can be the conduit between the digital and real world, a challenging area for traditional brands and industries</li></ul>   |
| 6 | <b>Strong Financial Profile</b>                        | <ul style="list-style-type: none"><li>• FaZe provides a powerful combination of expected strong growth, capital efficiency and a rapid path to profitability</li></ul>   |

(1) Twitter, Instagram, TikTok, YouTube, Twitch.

(2) Unique audience represents total subscribers to FaZe owned and FaZe talent channels on YouTube as of July 31 2021.

(3) U.S. brands, Reactions, Comments, Shares, Retweets and Likes on Facebook / Twitter / Instagram, main account, 2020.

(4) Shareable "The State of Social Media in the U.S. 2020", 2021.

(5) Based on \$ per unique audience, J.P. Morgan "Alexia's Sports Rights Almanac – 2020", June 2020.

(5) Grand View Research "Video Streaming Market Size & Share Report", February 2021.

(6) NewZoo "Global Games Market Report 2021", July 2021.

(7) NewZoo "Global Esports & Live Streaming Market Report", March 2021

(8) YouTube, management analysis.

(9) Bank of America "OK Zoomer: Gen Z Primer", November 2020.



# FAZE OVERVIEW



**DIGITAL NATIVE LIFESTYLE AND MEDIA PLATFORM  
AND PREMIERE ESPORTS ORGANIZATION**

**FOUNDED AND ROOTED IN GAMING AND YOUTH  
CULTURE**

**ATTRACTIVE ABILITY TO REACH GEN Z AND  
MILLENNIALS**



June 2021



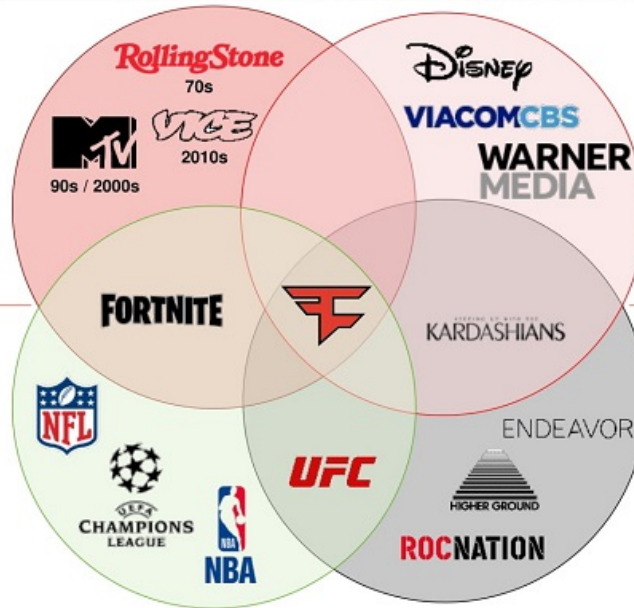
# WHAT IS FAZE?<sup>(1)</sup>

## Voice of a Generation

- Conduit for reaching global Gen Z and Millennial audience; Gen Z expected global income of \$33tn by 2030E<sup>(2)</sup>
- 80% of FaZe audience age 13 – 34<sup>(3)</sup>

## Engagement of Loyal Fans

- Loyal fans who engage with multiple aspects of organization
- Engagement on par with top traditional live sports leagues and teams<sup>(6)</sup>



## Reach of Media Conglomerates

- 350mm+ social media reach<sup>(4)</sup>
- 1bn+ YouTube views<sup>(3)</sup>
- 700mm+ Instagram views<sup>(5)</sup>
- Global platform provides the opportunity to monetize a variety of products / services

## Influence of Global Celebrities

- FaZe is at the forefront of the new creator economy
- Gaming / Esports is truly international, with ~80% of monetization taking place outside the N.A. / U.S.<sup>(7)</sup>

(1) Displayed logos are illustrative examples of companies that share category characteristics with FaZe.

(2) Bank of America "OK Zoomer: Gen Z Primer", November 2020.

(3) YouTube, management analysis.

(4) Twitter, Instagram, TikTok, YouTube, Twitch.

(5) Instagram, management analysis.

(6) Shareable "The State of Social Media in the U.S. 2020", 2021.

(7) IDC "Worldwide Mobile In-App and In-Game Advertising Forecast, 2020–2024", December 2020, IDC "Worldwide Digital PC and Mac Gaming Forecast, 2020–2024", October 2020, IDC "Worldwide Home Video Game Console and Microconsole Forecast, 2020–2024", December 2020, PWC "Global Entertainment & Media Outlook 2020–2024", 2020.



# FAZE FLYWHEEL

## Brand

- *Creator and Gaming Talent*
- *On- / Off-Platform Content & IP*
- *Esports Teams*

*Build top-tier talent roster, develop popular content / IP, and field premiere Esports teams<sup>(1)</sup>*



### FaZe Select Content Creators



## Audience

- *Gen Z Engagement / Gaming as Key Interest Area*
- *350mm+ Followers<sup>(2)</sup>*
- *Global Reach*

*Omni-channel fan engagement*



## Monetization

- *Content*
- *Sponsorships*
- *Merchandise*
- *Digital Economy*
- *International Expansion*
- *Other IP / Content Creation*

*Monetization opportunities expected to enhance brand value*



# FAZE TIMELINE



FaZe founded as a group of young trickshooters

FaZe YouTube hits 1mm subs<sup>(1)</sup> (one of first Esports teams to reach milestone)

Signed sponsorship deal with G FUEL

100mm+ follower network<sup>(2)</sup>



Lee Trink becomes FaZe CEO

Announced creative partnership with Man City

Sold out champion collab at ComplexCon / Shut down NY block pop up around FNCS<sup>(3)</sup>



Signed sponsorship deal with Nissan



Juice WRLD collab sells \$1.7mm+ in 24 hours<sup>(3)</sup>

Swagg joins FaZe



Sign and develop Nuke Squad, and first female recruit Kalei

Crash NTRWK app with our Murakami collab, selling \$1.2mm+ in a day<sup>(2)</sup>



2010

2011

2012

2014

2016

2017

2018

2019

2020

2021

First Esports team (Call of Duty)

CALL OF DUTY

First YouTube gaming creator house

First international Esports championship (CSGO)

CS GO

Enter CDL with Cox via Atlanta FaZe

200mm+ follower network<sup>(2)</sup>

Offset joins FaZe  
Nickmercs joins FaZe

First FaZe5 contest, with over 200K applicants<sup>(3)</sup>



FaZe Clan named most talked about Esports team on Twitter<sup>(4)</sup>

SI Cover

350mm+ total followers<sup>(2)</sup>,  
10mm subs on FaZe Instagram<sup>(5)</sup>



Signed sponsorship deals with McDonald's and General Mills

Collaboration with DC Comics / Batman



Merch Talent Esports Other Analytics Milestone

(1) YouTube.  
 (2) Twitter, Instagram, TikTok, YouTube, Twitch.  
 (3) Internal sales and audience data, management analysis.  
 (4) Twitter "Over 2 Billion Gaming Tweets in 2020", January 2021.  
 (5) Instagram.

# FAZE HAS BECOME A CULTURAL PHENOMENON (2021 YTD)<sup>(1)</sup>

FIFA Skin



Integrate FaZe digital presence within popular game

First Esports team on the cover

Est. 131mm+ reach across all channels

Expand sponsorships across new blue chip clients

Dec. 2020 / Feb.

SI Cover



June

\$1.2mm+ sales in <4 hours

Crashed partner's app

Brand power and cross-platform appeal

Murakami



June

Celebrity status of FaZe talent and broad reaching exposure

30th Esports Championship



Aug.

66mm impressions

1.4mm engagements

Deals with McDonald's and General Mills



Aug.

DC Comics



Sept.

James Bond Event

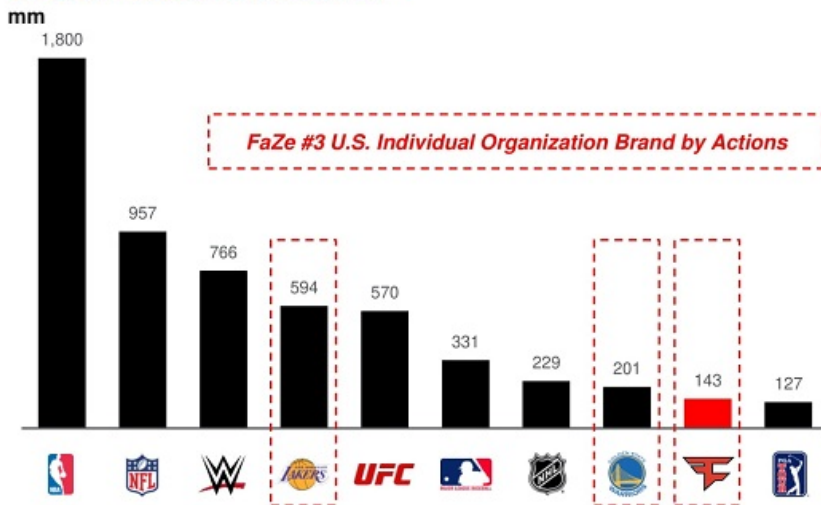


Oct.



# FAZE IS AMONG THE MOST RECOGNIZABLE SPORTS BRANDS WORLDWIDE

## Cross Platform Actions<sup>(1)</sup>



## Leading Social Media Following (mm)<sup>(2)</sup>

| Entity                  | Organization | Athletes | Total Followers |
|-------------------------|--------------|----------|-----------------|
| FaZe <sup>(3)</sup>     |              | 31.8     | 331.6           |
| Lakers <sup>(4)</sup>   |              | 27.8     | 214.6           |
| Warriors <sup>(4)</sup> |              | 29.8     | 76.7            |
| Cowboys <sup>(4)</sup>  |              | 9.0      | 16.5            |
| Yankees <sup>(4)</sup>  |              | 6.8      | 9.6             |
| Red Sox <sup>(4)</sup>  |              | 4.5      | 2.3             |

**FaZe has transcended Esports / gaming to rank among the largest sports brands in the world<sup>(1)</sup>**

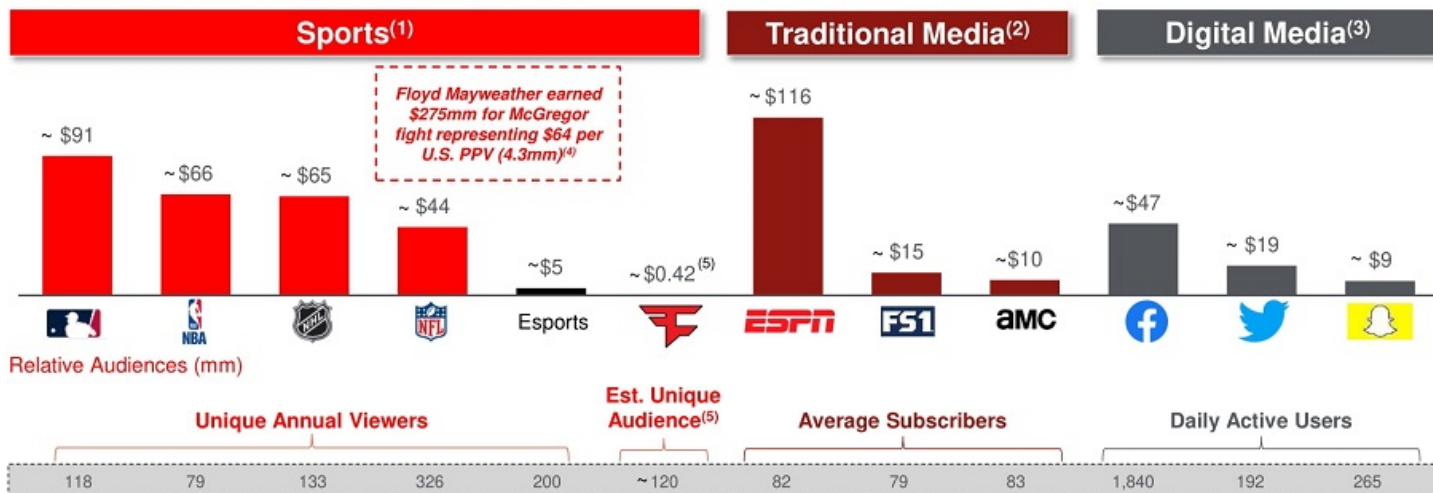
(1) Top 10 U.S. sports brands. Reactions, Comments, Shares, Retweets and Likes on Facebook / Twitter / Instagram, main account, 2020. Shareablee "The State of Social Media in the U.S. 2020", 2021.  
 (2) Twitter / Instagram / TikTok / YouTube / Twitch.  
 (3) As of July 31 2021.  
 (4) As of September 2 2021.





# FAZE HAS SIGNIFICANT RUNWAY FOR MONETIZATION

## Monetization Per Audience Member



**FaZe has significant growth potential as monetization improves on massive audience**



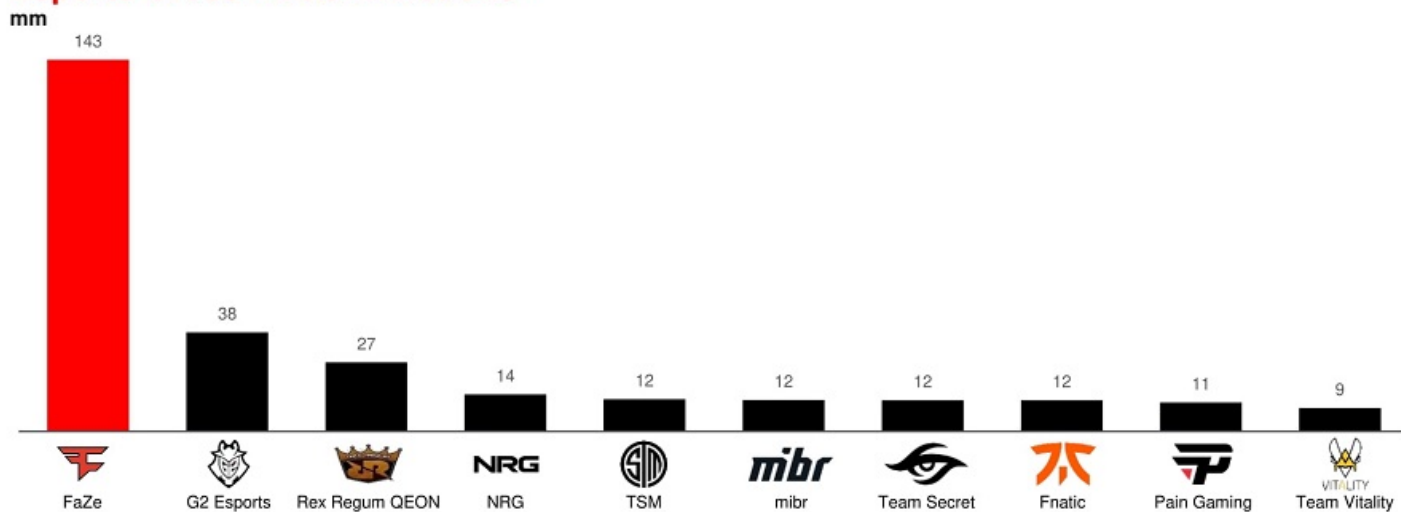
(1) J.P. Morgan "Alexia's Sports Rights Almanac – 2020", June 2020.  
 (2) SNL Kagan "TV Network Summary".  
 (3) SEC Edgar Filings.

(4) Illustrative example only; should not be relied upon as providing assurances of future trends of monetization per audience member. Forbes "How Floyd Mayweather Made A Record \$275 Million For One Night Of Work", June 2018.  
 (5) 2021E Revenue based on management estimates. Unique audience represents total subscribers to FaZe owned and FaZe talent channels on YouTube as of July 31 2021.



# FAZE IS THE UNMATCHED LEADER IN GAMING ENTERTAINMENT

## Esports Cross Platform Actions<sup>(1)</sup>



*FaZe has more social interactions than the next 8 Esports organizations combined*

# SEASONED AND EXPERIENCED MANAGEMENT TEAM



**Lee  
Trink**

- Joined FaZe as an advisor in 2016 and CEO in 2018
- Built his own business where he managed artists like Kid Rock, The Backstreet Boys, and Ice Cube
- 25+ years of media experience including Dare Mighty Entertainment, Capitol Records, Virgin Records, Lava Records

**Chief Executive Officer**



**Amit  
Bajaj**

- Joined FaZe in 2021
- Significant body of transaction experience
- 20+ years of finance experience including partner at Centerview Partners and senior role at Bank of America
- Served as CEO of Big 3

**Chief Financial Officer**



**Tammy  
Brandt**

- Joined FaZe in 2021
- Broad experience leading legal departments across public and private companies
- 20+ years of legal and M&A experience including Dreamscape, DXC Technology, ServiceMesh, Toyota

**Chief Legal Officer**



**Jaci  
Hays**

- Joined FaZe in 2020
- Extensive experience overseeing digital startups, live streaming and Esports and gaming
- 25+ years of experience in media and brands including GoPro, CBS Interactive, Gamespot

**Chief Corporate  
Alliance Officer**



**Kai  
Henry**

- Joined FaZe in 2021
- Background of working with top talent and overseeing creative ventures
- 15+ years of experience in media, marketing and talent management including founding SKEE.TV, En Noir Clothing, Sol Republic Headphones

**Chief Strategy Officer**



**Jeff  
Pabst**

- Joined FaZe in 2019
- Strong experience developing sales organizations
- 15+ years of gaming, tech, and brand advertising expertise including Shazam, ShareThis, SpecificMEDIA

**Chief Revenue Officer**



**Bill  
McCullough**

- Joined FaZe in 2021
- 11x Emmy winner and one of Adweek's Top 100 Creatives for 2020
- 25+ years of content experience including NFL, HBO, Wonderland Productions

**EVP of Content**



**Erik  
Anderson**

- Joined FaZe in 2016
- Sits on executive board of World Esports Association
- 10+ years of media experience including Dare Mighty Entertainment

**Head of Esports**



**Rich  
Flier**

- Joined FaZe in 2020
- Proven experience in leading business development to expand worldwide
- 25+ years of media and brand experience including Digital Domain, Secret Identity

**Head of Global**



**Darren  
Yan**

- Joined FaZe in 2019
- Substantial background in talent management
- 10+ years of professional experience including UTA, Maker Studios

**Head of Talent  
Management**



**Xavier  
Ramos**

- Joined FaZe in 2019
- Broad experience building brands through tailored marketing
- 20+ years of marketing and creative business development experience including Interscope and Warner Bros. Records

**SVP of Marketing**



**Derek  
Chestnut**

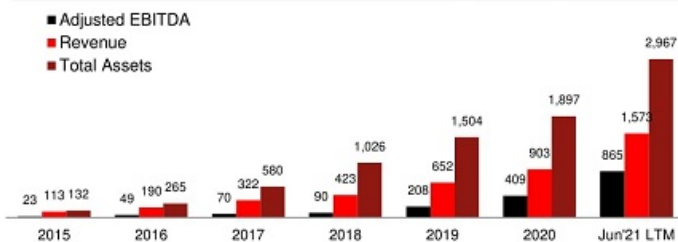
- Joined FaZe in 2018
- Broad experience in consumer products and luxury fashion
- Previous experience includes Eric Buterbaugh, which was acquired by Puig

**Head of Consumer  
Products**

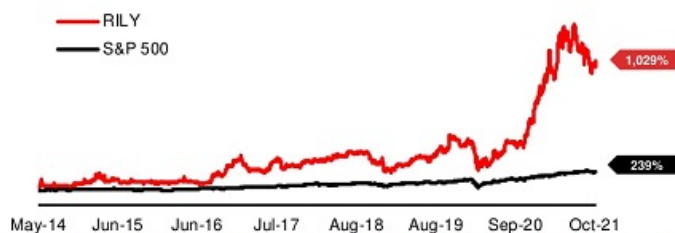


# TRACK RECORD OF VALUE CREATION – B. RILEY FINANCIAL

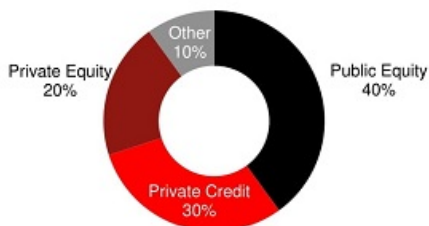
## RILY Financial Performance (\$ in mm)<sup>(1)</sup>



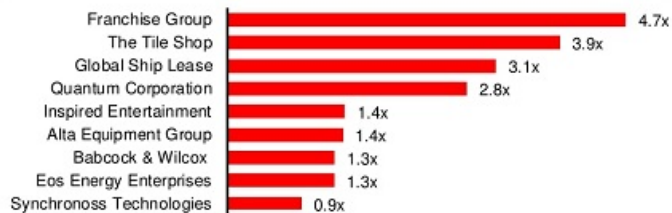
## RILY Indexed Stock Price Performance<sup>(2)(3)</sup>



## Investment Portfolio<sup>(1)(4)</sup>



## RILY Public Portfolio Companies (MOIC Since Investment)<sup>(2)</sup>



(1) SEC Edgar Filings.  
 (2) CapIQ. Market data as of 10/15/2021.  
 (3) Indexed performance calculated based on share price % of price as of RILY IPO date.  
 (4) As of 6/30/2021.





# INDUSTRY DYNAMICS



# FAZE BENEFITS FROM SHIFT OF MEDIA CONSUMPTION AND DEMOGRAPHICS

## Gen Z will Revolutionize Consumption

\$33tn

Estimated Global Income by 2030E<sup>(1)</sup>

49%

Get Their News from Social Media<sup>(2)</sup>

40%

Prefer Hanging Out With Friends Virtually<sup>(1)</sup>

61%

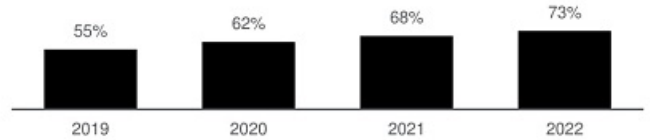
Prefer to Watch Esports Over Traditional Sports<sup>(1)</sup>

68

Average Watched Videos Per Day<sup>(1)</sup>

## Ways to Reach Young Audiences Evolving

Share of U.S. Marketers Using Influencer Marketing<sup>(3)</sup>  
% of Total U.S. Marketers with 100+ Employees



## New Digital Content Reaching Young Audiences



27.7mm live in-game participants / 167mm YouTube views<sup>(4)</sup>  
One of the largest in-game concerts ever



>450mm views on most popular video<sup>(5)</sup>  
Composed of League of Legends heroes



~100mm unique viewers in 2018<sup>(6)</sup>  
Greater viewership than the Super Bowl in 2019

(1) Bank of America "OK Zoomer: Gen Z Primer", November 2020.  
(2) Ypulse "Gen Z & Millennials Have Very Different News Sources", July 2020.  
(3) eMarketer, "New Forecast: US Influencer Marketing is Now a \$3 billion-plus industry", August 2021.  
(4) Reuters "Travis Scott's Fortnite Concert Series Draws 27.7M unique views", April 2020. YouTube.  
(5) YouTube.

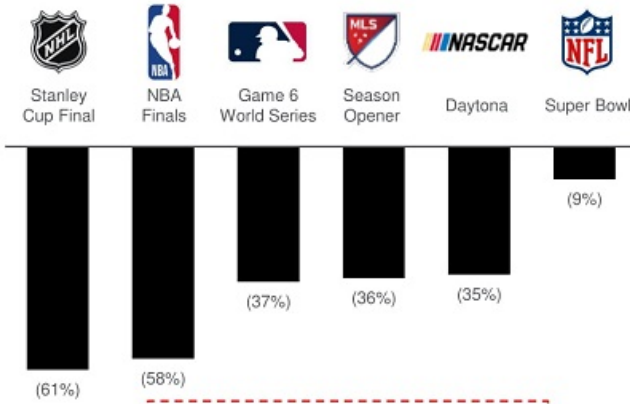
(6) CNBC "This Esports Giant Draws in More Viewers Than the Super Bowl, and It's Expected to Get Even Bigger", April 2019.



# FAZE WELL POSITIONED WHILE TRADITIONAL SPORTS FACING PRESSURE

## Traditional Sports Have Seen Recent Headwinds

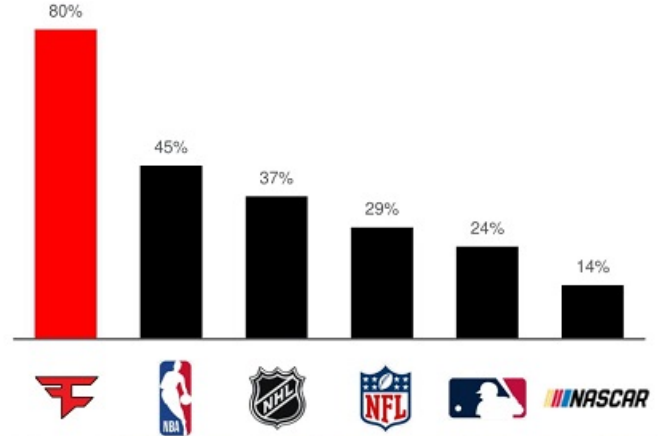
2020 YoY % Change in Broadcast Viewership Rating<sup>(1)</sup>



Esports Viewers +10% YoY in 2020<sup>(2)</sup>

## Traditional Sports Skew Older

% of Audience Under 34<sup>(3)</sup>



(1) SportsPro, "Report: Stanley Cup Final TV Ratings Down 61% on 2019", September 2020, Bloomberg "NBA Ratings Decline Points to Broader Trouble in TV Watching", October 2020, Deadline "L.A. Dodgers' World Series Clincher Scores All-Time Viewership Low in Early Numbers; This Is Us' Returns Down From 2019", October 2020, Sports Media Watch "Ratings: NCAA Gymnastics, Racing, MLS and More", 2021, SportsPro "Nascar's Daytona 500 Ratings Fall 35% YoY to All-time Race Low", February 2021, NY Times "Super Bowl Ratings Hit a 15-Year Low: IT Still Outperformed Everything Else.", February 2021.

(2) NewZoo "Global Esports & Live Streaming Market Report", March 2021.

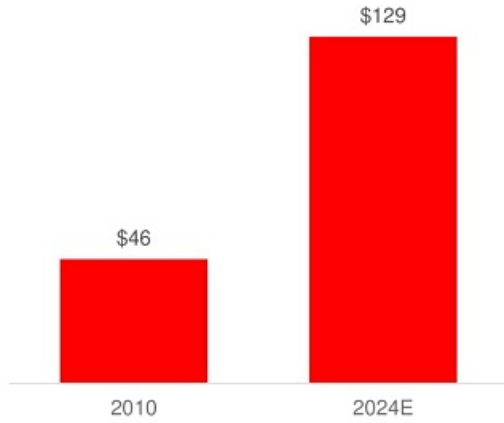
(3) Source: J.P. Morgan "Alexia's Sports Rights Almanac - 2020", June 2020.



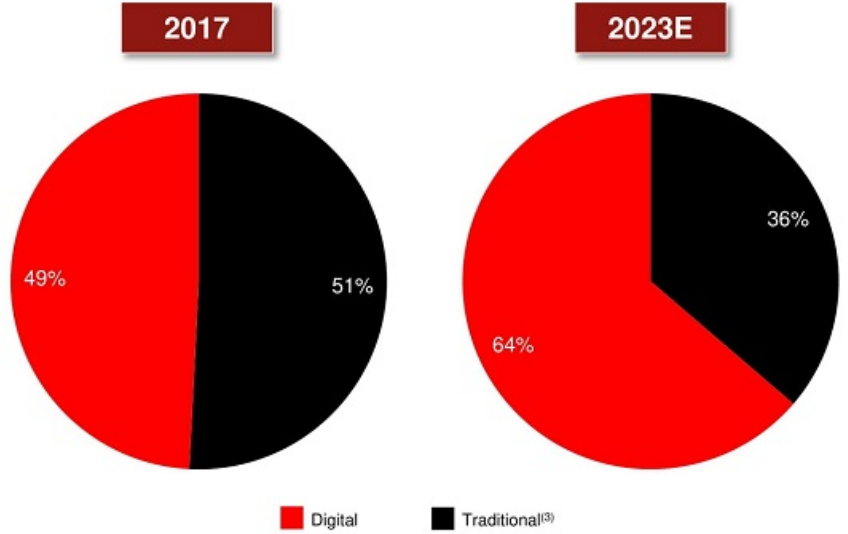
# ESTIMATED INCREASED DEMAND FOR CONTENT AS CONSUMPTION SHIFTS TO DIGITAL

## Aggregate Content Spend for Top 10 Media / Streaming Platforms<sup>(1)</sup>

\$ in bn



## Traditional vs Digital Media Viewership Over Time<sup>(2)</sup>





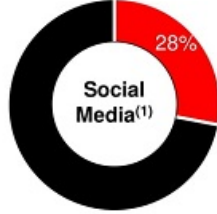
# FAZE IS WELL-POSITIONED TO ENGAGE AND SERVE GEN Z AT SCALE

## FaZe Audience Indexes Significantly Younger than Other Media Averages

### Core Audience Age Breakdown



■ 13-34 ■ 35+



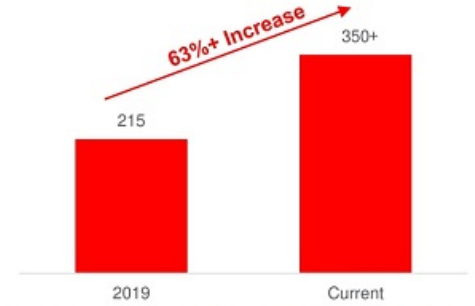
■ 18-34 ■ 35+



■ 2-34 ■ 35+

## Massive FaZe Audience Continues to Grow

### FaZe Social Media Reach<sup>(2)</sup> mm



FaZe reached 1bn+ social media views in 2020



FaZe's core audience, 13-34 yr. old, is a demographic that is increasingly difficult to reach with other media





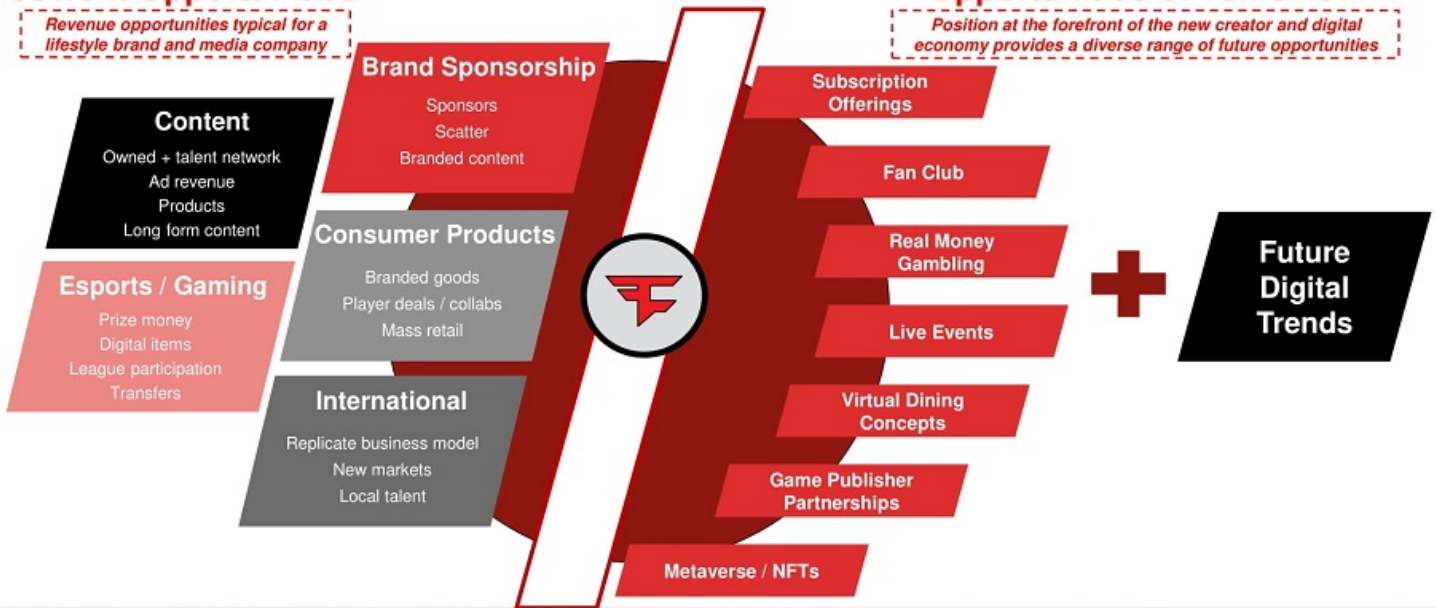
# MONETIZATION



# BRAND STRENGTH AND AUDIENCE ACCESS PROVIDE EVER EXPANDING OPPORTUNITY SET

## Current Opportunities

Revenue opportunities typical for a lifestyle brand and media company








## Opportunities of Tomorrow

Position at the forefront of the new creator and digital economy provides a diverse range of future opportunities

Future Digital Trends



# MULTIPLATFORM MONETIZATION STRATEGY

|                                  |   |  |
|----------------------------------|---|--|
| <p><b>Brand Sponsorship</b></p>  | <ul style="list-style-type: none"> <li>• Provide access to hard to reach demographic</li> <li>• Long-standing relationships</li> <li>• Non-endemic advertisers driving growth</li> </ul>  |   |
| <p><b>Content</b></p>            | <ul style="list-style-type: none"> <li>• Wholly owned digital content</li> <li>• Expanding platforms / formats</li> </ul>   |   |
| <p><b>Consumer Products</b></p>  | <ul style="list-style-type: none"> <li>• Branded apparel, player lines, collaborations</li> <li>• Non-apparel – peripherals, virtual dining concepts</li> <li>• Opportunity to expand through M&amp;A</li> </ul>                                    |   |
| <p><b>Esports / Gaming</b></p>   | <ul style="list-style-type: none"> <li>• 10 current teams across popular games</li> <li>• Global competitions / rosters</li> <li>• Driver of engagement</li> <li>• International expansion</li> </ul>   |   |
| <p><b>International</b></p>      | <ul style="list-style-type: none"> <li>• Expand proven U.S. business model</li> <li>• Attract local talent through brand strength</li> </ul>  |   |
| <p><b>Other IP / M&amp;A</b></p> | <ul style="list-style-type: none"> <li>• Utilize leading brand to position at forefront of future digital trends</li> <li>• Flexibility to rapidly capitalize on new monetization opportunities</li> <li>• Continued upside for business</li> </ul> | <p>NFTs   Live Events   Subscription Offerings   Real Money Gambling   Metaverse</p> |



# BRAND SPONSORSHIP: INCREASINGLY DIVERSE PARTNER ROSTER

## Early FaZe Sponsors

Primarily gaming and adjacent verticals



FaZe 2025E Sponsorship Revenue / Cross Platform Actions<sup>(1)</sup> of ~\$100mm<sup>(2)</sup> / 143mm<sup>(1)</sup> vs. Sports Current Figures

| League | Revenue                | Actions              |
|--------|------------------------|----------------------|
| NFL    | \$1.5bn <sup>(3)</sup> | 957mm <sup>(1)</sup> |
| NBA    | \$1.4bn <sup>(3)</sup> | 1.8bn <sup>(1)</sup> |
| MLB    | \$1.0bn <sup>(3)</sup> | 331mm <sup>(1)</sup> |
| NHL    | \$0.7bn <sup>(3)</sup> | 201mm <sup>(1)</sup> |
| UFL    | \$0.3bn <sup>(4)</sup> | -                    |

## Recent FaZe Sponsors

Mass appeal food and beverage, auto, technology etc.



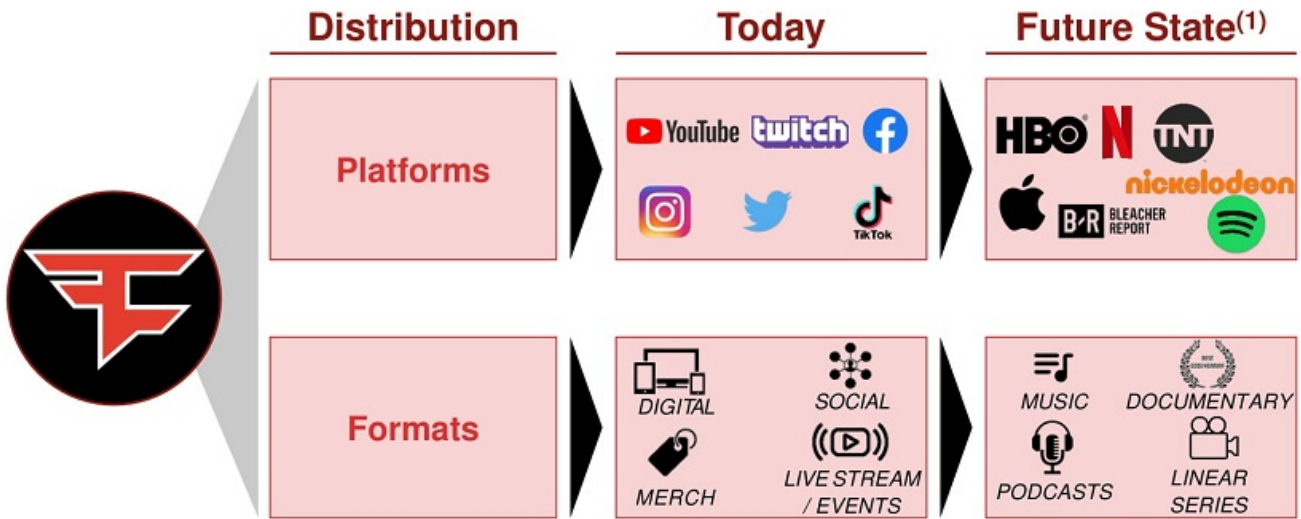
- Larger corporations unable to reach Gen-Z demo through traditional media
- FaZe's diversified content offerings and highly engaged Gen-Z audience
- Niche sponsorship categories continue to arise as companies become more specialized

**FaZe's Sponsorship portfolio has expanded as blue-chip sponsors have recognized the power, reach and affinity for the FaZe brand and core audience**

(1) Reactions, Comments, Shares, Retweets and Likes on Facebook / Twitter / Instagram, main account, 2020. Shareablee "The State of Social Media in the U.S. 2020", 2021.  
 (2) Based on management estimates.  
 (3) Front Office Sports "NFL Remains Atop US Sports Leagues' Sponsorship Revenue", February 2021.  
 (4) Public Filings.



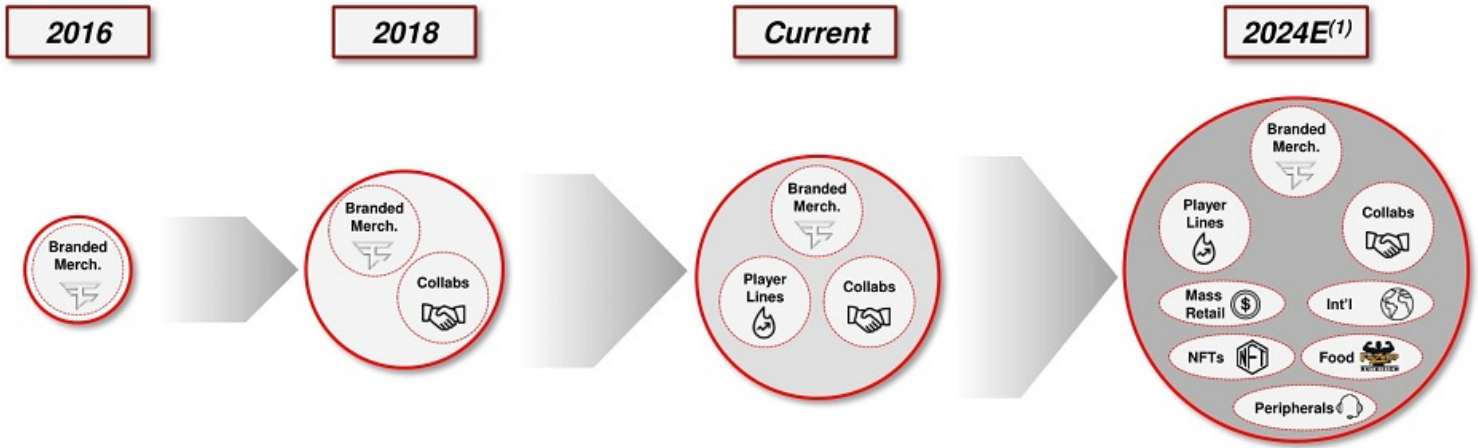
**CONTENT: FAZE IS A LEADING DIGITAL PUBLISHER WITH A FOCUS ON CREATING IP FOR THE FUTURE**



*FaZe is evolving from a digital publisher into an IP engine, diversifying into different content verticals across a wide array of platforms*



# CONSUMER PRODUCTS: GROWING FAZE AS AN ESPORTS / GAMING LIFESTYLE BRAND



**Growth expected to accelerate as depth and breadth of consumer product offerings and distribution expand**



# ESPORTS / GAMING: EXPANDING REACH

- Esports is key to building and reinforcing the FaZe brand, particularly internationally given the global nature of the competitions and rosters
- FaZe has competed professionally for over 9 years and continues to seek out new opportunities to expand its reach
- FaZe plans to continue to enter new games like Rocket League that expand FaZe brand and presence domestically and internationally

30  
Championships

## Expansion Opportunities<sup>(1)</sup>





# INTERNATIONAL: WELL POSITIONED TO WIN

## FaZe Brand Global but U.S. Centric Business

~50%<sup>(1)</sup>

% Audience  
Outside U.S.

~5%<sup>(1)</sup>

% Revenue  
Outside U.S.

## International Market Offers Significant Upside

82%<sup>(2)</sup>

% of Global  
Gaming  
Revenue  
Outside N.A.

76%<sup>(3)</sup>

% of Global  
Esports  
Revenue  
Outside U.S.

## Target Expansion



### APAC / China

Largest gaming market<sup>(2)</sup>,  
strong potential partners



### Latam / Brazil

Large, passionate gaming  
market, expected to  
experience substantial  
growth in the near term<sup>(4)</sup>



### Middle East

Rapidly growing market<sup>(2)</sup>

**International expansion presents a large and untapped opportunity for FaZe to replicate its current U.S. based strategy abroad**



(1) YouTube, internal sales and audience data, management analysis.

(2) Data on U.S. not available. IDC "Worldwide Mobile In-App and In-Game Advertising Forecast, 2020-2024", December 2020, IDC "Worldwide Digital PC and Mac Gaming Forecast, 2020-2024", October 2020, IDC "Worldwide Home Video Game Console and Microconsole Forecast, 2020-2024", December 2020.

(3) PWC "Global Entertainment & Media Outlook 2020-2024", 2020.

(4) Evercore "Ready, Aim, Monetize", November 2020.





# FINANCIAL OVERVIEW

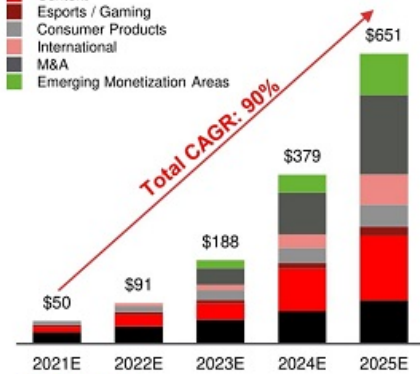


# STRONG EXPECTED GROWTH EXPECTED TO DRIVE MARGIN EXPANSION

## Revenue<sup>(1)</sup>

\$ in mm

- Brand Sponsorship
- Content
- Esports / Gaming
- Consumer Products
- International
- M&A
- Emerging Monetization Areas

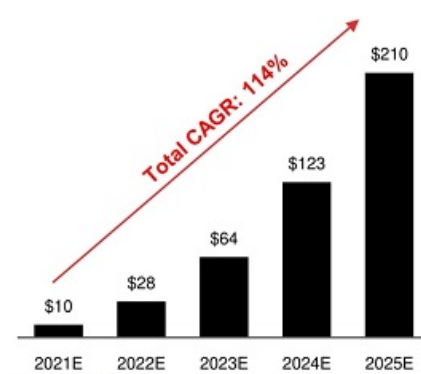


YoY Growth

|     |     |      |      |     |
|-----|-----|------|------|-----|
| 32% | 82% | 105% | 102% | 71% |
|-----|-----|------|------|-----|

## Gross Profit<sup>(1)</sup>

\$ in mm

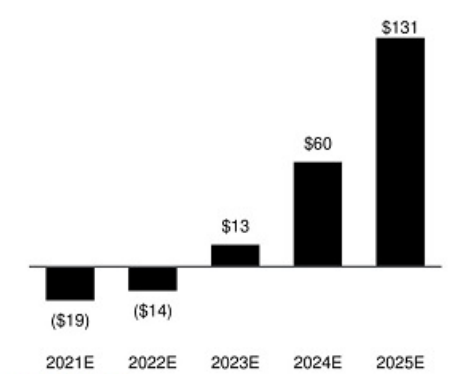


Margin<sup>(3)</sup> %

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 20% | 31% | 34% | 32% | 32% |
|-----|-----|-----|-----|-----|

## Adjusted EBITDA<sup>(1)(2)</sup>

\$ in mm



Margin<sup>(4)</sup> %

|       |       |    |     |     |
|-------|-------|----|-----|-----|
| (38%) | (15%) | 7% | 16% | 20% |
|-------|-------|----|-----|-----|



**FaZe provides a powerful combination of expected strong growth, capital efficiency and a rapid path to profitability**



(1) Based on management estimates.

(2) FaZe calculates Adjusted EBITDA as Net Income / (Loss) plus Interest Expense, plus Taxes, plus Depreciation and Amortization, plus one-time, non-recurring costs.

(3) Calculated as Gross Profit divided by Revenue.

(4) Calculated as Adjusted EBITDA divided by Revenue.



# ILLUSTRATIVE 2020 - 2025E FINANCIALS BRIDGE

## Revenue<sup>(1)</sup>

\$ in mm

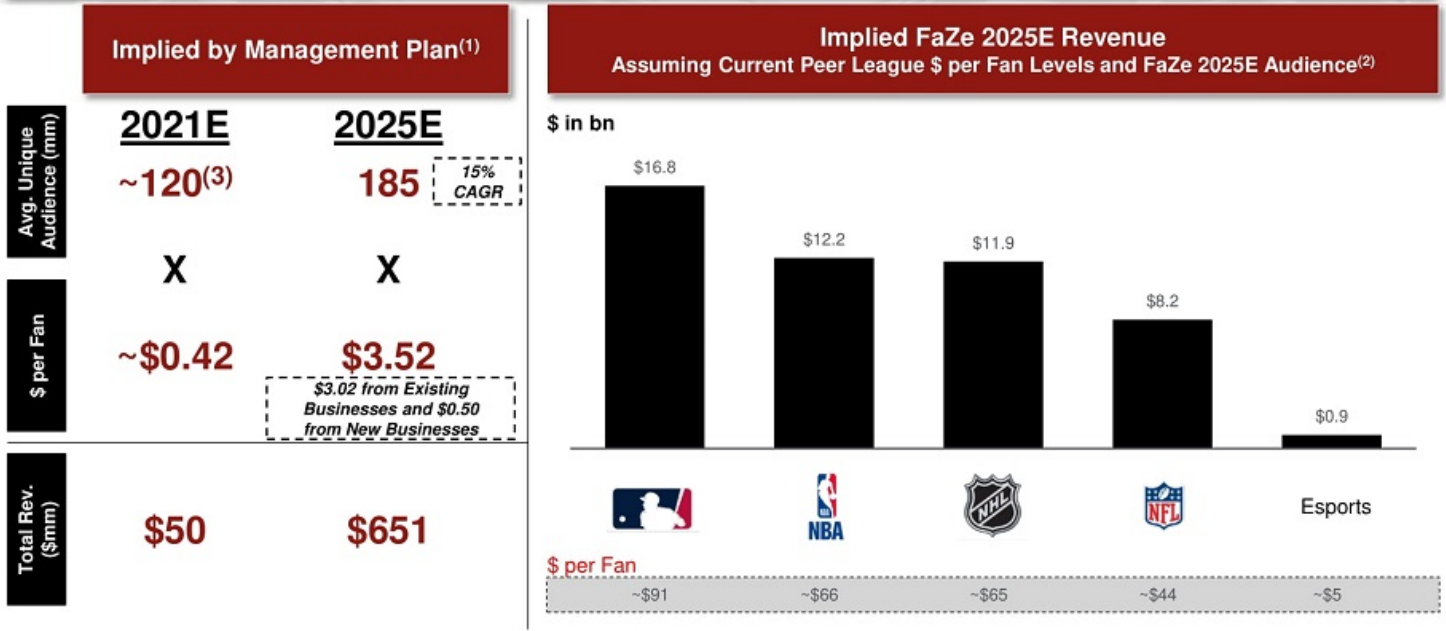


## Key Assumptions

- Assumes proceeds from SPAC Trust Account and PIPE received December 31 2021
- International acquisition / partnership in 2022E
- Expanded slate of live and scripted programming
- 3 acquisitions (to be identified in future)
- Continue to add new sponsors and brand deals at higher per deal averages
- Implied \$3.52 per unique fan by 2025<sup>(2)</sup>
  - \$3.02 per unique fan from existing business
  - \$0.50 per unique fan from emerging monetization areas



# IMPROVED MONETIZATION EXPECTED TO PROVIDE SIGNIFICANT UPSIDE TO PLAN



(1) Based on management estimates.  
 (2) J.P. Morgan "Alexis's Sports Rights Almanac – 2020", June 2020.  
 (3) Unique audience represents total subscribers to FaZe owned and FaZe talent channels on YouTube as of July 31 2021.





# TRANSACTION OVERVIEW

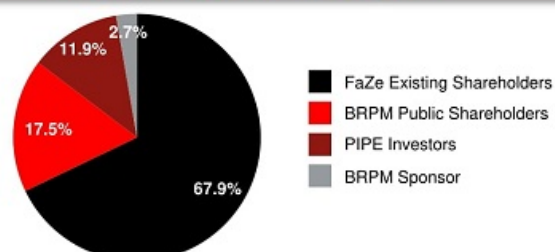


# TRANSACTION OVERVIEW<sup>(1)</sup>

## Transaction Highlights

- \$173mm BRPM cash held in trust and expected \$118mm PIPE will be used to fund organic investment, support M&A, pay transaction expenses and other general corporate purposes
- Existing FaZe shareholders expected to roll 100% of their existing equity into the combined company
- Transaction expected to close Q1 2022

## Post-Transaction Ownership<sup>(2)(3)(4)</sup>



## Sources & Uses (\$ in mm)

| Sources <sup>(2)(3)(4)</sup>      |              | Uses <sup>(2)(3)(4)</sup>    |              |
|-----------------------------------|--------------|------------------------------|--------------|
| BRPM Cash in Trust <sup>(2)</sup> | \$173        | New Cash to Balance Sheet    | \$264        |
| PIPE Proceeds <sup>(3)</sup>      | 118          | FaZe Equity Rollover         | 670          |
| FaZe Equity Rollover              | 670          | Illustrative Fees & Expenses | 26           |
| Roll Net Cash on B/S              | 10           | Roll Net Cash on B/S         | 10           |
| <b>Total Sources</b>              | <b>\$971</b> | <b>Total Uses</b>            | <b>\$971</b> |

## Valuation Analysis (\$ in mm Except Share Price)

|                                      |              |  |      |
|--------------------------------------|--------------|--|------|
| PF Shares Outstanding <sup>(4)</sup> | 99           | <b>Transaction Ent. Val. Multiples</b> |      |
| Illustrative Share Price             | \$10.00      | 2023E Revenue                          | 3.8x |
| <b>PF Market Cap</b>                 | <b>\$987</b> | 2024E Revenue                          | 1.9x |
| PF Excess Cash                       | (274)        | 2025E Revenue                          | 1.1x |
| <b>PF Enterprise Value</b>           | <b>\$713</b> |  |      |

(1) Figures may not foot due to rounding.

(2) Assumes no SPAC IPO investors redeem shares for cash in trust. Cash in trust as of 6/30/2021.

(3) Assumes \$118mm PIPE.

(4) Excludes 2.2mm BRPM shares subject to earn-out, vesting ratably at \$12.00, \$14.00, and \$16.00. Excludes seller earn-out of up to 6% of combined company shares, vesting ratably at \$12.00, \$14.00, and \$16.00. Both

earn-outs subject to five-year period post-closing. Excludes the dilutive impact of 5.75mm public warrants and 0.17mm private placement warrants with an \$11.50 exercise price. BRPM Sponsor includes 520k private placement units.



# OPERATIONAL BENCHMARKING

Premium Content / IP

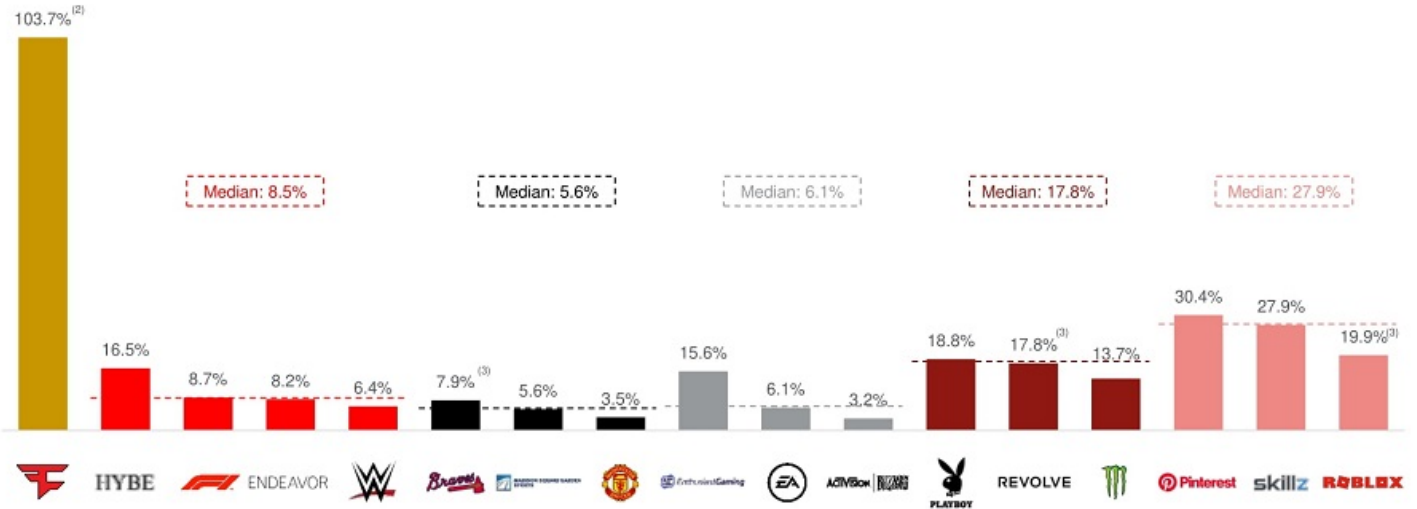
Sports Teams

Games / Esports

Lifestyle Brands

Platforms

'22E-'24E Revenue CAGR<sup>(1)</sup>



(1) Public Filings and FactSet. Market data as of 10/15/2021. Comparable companies selected based on shared business and financial characteristics.  
 (2) Based on management estimates.  
 (3) '22E-'23E YoY growth due to lack of '24E estimates.





# TRADING MULTIPLES ANALYSIS

## Premium Content / IP

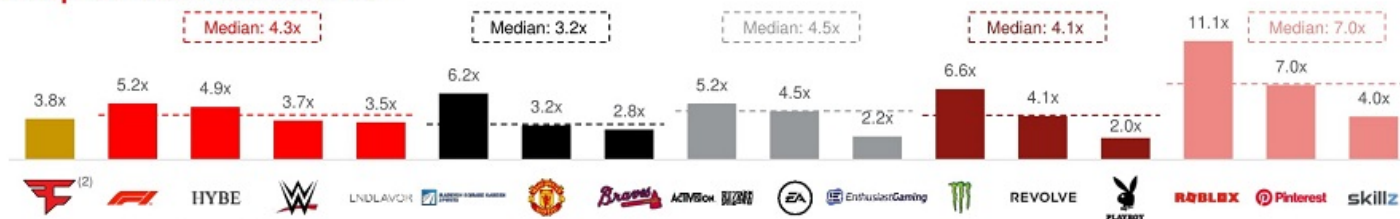
## Sports Teams

## Games / Esports

## Lifestyle Brands

## Platforms

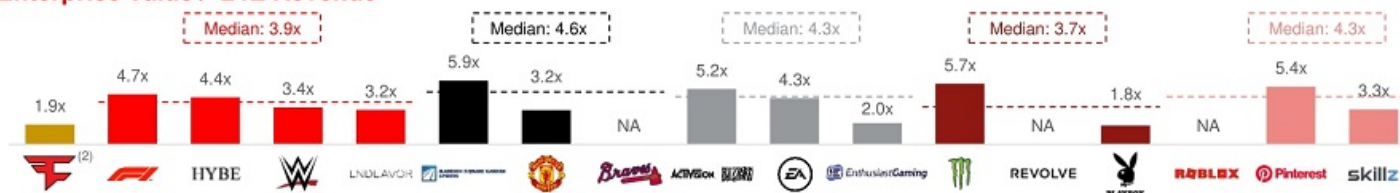
### Enterprise Value / '23E Revenue<sup>(1)</sup>



### Enterprise Value (\$ in bn)<sup>(1)</sup>

|       |        |        |       |        |       |       |       |        |        |       |        |       |       |        |        |       |
|-------|--------|--------|-------|--------|-------|-------|-------|--------|--------|-------|--------|-------|-------|--------|--------|-------|
| \$0.7 | \$13.0 | \$10.0 | \$4.9 | \$21.1 | \$5.0 | \$2.9 | \$1.8 | \$53.9 | \$37.8 | \$0.4 | \$43.3 | \$4.9 | \$0.8 | \$42.3 | \$31.8 | \$3.0 |
|-------|--------|--------|-------|--------|-------|-------|-------|--------|--------|-------|--------|-------|-------|--------|--------|-------|

### Enterprise Value / '24E Revenue<sup>(1)</sup>



41 (1) Public Filings and FactSet. Market data as of 10/15/2021. Comparable companies selected based on shared business and financial characteristics. 2022E multiples excluded due to FaZe 2022E estimates not including full benefit of SPAC and PIPE proceeds.

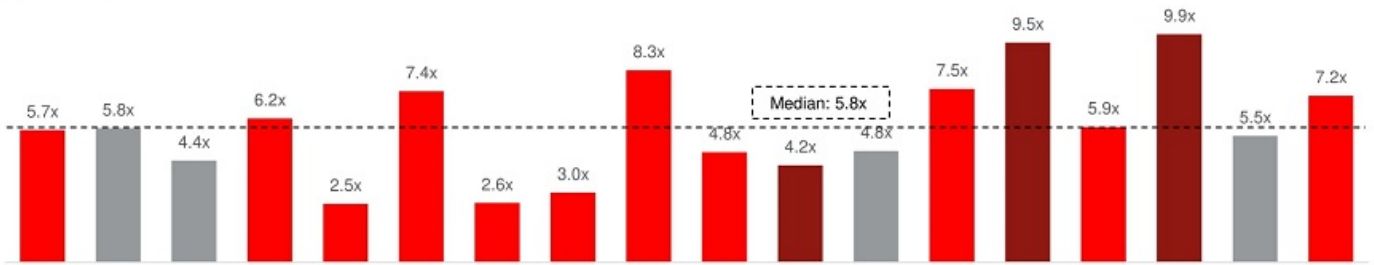
(2) Based on management estimates.



# PRECEDENT TRANSACTIONS

Transaction Value / Trailing 12 Months Revenue<sup>(1)</sup>

■ Premium Content / IP ■ Sports / Esports ■ Lifestyle Brands



| Target                         | Acquirer                 |
|--------------------------------|--------------------------|
| LEGENDARY                      | 万达集团                     |
| UFC                            | ENDEAVOR <sup>(2)</sup>  |
| F1                             | ROKUB                    |
| ASAP Italia                    | catemamedia              |
| RLJ Entertainment              | AMC NETWORKS             |
| cheddar                        | altice                   |
| STARZ                          | LIONSGATE                |
| entertainment One              | Hogan                    |
| The Athletic <sup>(3)</sup>    | Series D Funding Round   |
| BARSTOOL SPORTS <sup>(4)</sup> | PEPS NATIONAL TELEVISION |
| Supreme                        | V                        |
| FRAGILE GROUP                  | FUN ROCK                 |
| WONDERY                        | amazon                   |
| stockX                         | Series E Funding Round   |
| MGM                            | amazon                   |
| GOAT                           | Series F Funding Round   |
| COMPLEXITY                     | GAMESQUARE               |
| hello sunshine                 | blackstone               |

Transaction Value (\$ in mm)<sup>(1)</sup>

|         |         |         |      |       |       |         |         |                      |       |         |     |       |         |         |         |      |       |
|---------|---------|---------|------|-------|-------|---------|---------|----------------------|-------|---------|-----|-------|---------|---------|---------|------|-------|
| \$3,500 | \$4,000 | \$8,000 | \$19 | \$237 | \$200 | \$4,295 | \$3,625 | \$500 <sup>(2)</sup> | \$453 | \$2,100 | \$9 | \$300 | \$3,800 | \$8,450 | \$3,700 | \$28 | \$900 |
|---------|---------|---------|------|-------|-------|---------|---------|----------------------|-------|---------|-----|-------|---------|---------|---------|------|-------|

Transaction Date (Announcement)<sup>(1)</sup>

|        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Dec-14 | Jul-16 | Sep-16 | Jun-18 | Feb-18 | Apr-19 | May-19 | Aug-19 | Jan-20 | Jan-20 | Nov-20 | Dec-20 | Dec-20 | May-21 | May-21 | Jun-21 | Jun-21 | Aug-21 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

(1) CapIQ, Pitchbook, Owler. All transactions represent M&A unless specifically noted as a funding round / capital raise. Transactions selected based on Esports, entertainment and media companies with comparable portions of business that closed since 2016. TTM Revenue representative of 6 months +/- close date for Barstool Sports, Inc., Wondery, Fragbite Group AB (OM:FRAG), Entertainment One, Starz Entertainment LLC, RLJ Entertainment, Asap Italia and Legendary Entertainment.

(2) Based on 50.1% investment in 2016.  
 (3) Based on latest funding round in 2018.  
 (4) Minority deal to acquire 36% stake.





# APPENDIX A



# RISK FACTORS

The risks presented below are certain of the general risks related to FaZe Clan Inc. (“the Company” or “FaZe”), B. Riley Principal 150 Merger Corp. (the “SPAC”) and the proposed business combination between FaZe and the SPAC (the “Business Combination”) and such list is not exhaustive. The list below has been prepared solely for purposes of the private placement transaction (the “Private Placement”), and solely for potential Private Placement investors, and not for any other purpose. You should carefully consider these risks and uncertainties, and should carry out your own diligence and consult with your own financial and legal advisors concerning the risks and suitability of an investment in the Private Placement before making an investment decision. Risks relating to the business of FaZe will be disclosed in future documents filed or furnished by FaZe and the SPAC with the U.S. Securities and Exchange Commission (“SEC”), including the documents filed or furnished in connection with the Business Combination. The risks presented in such filings will be consistent with those that would be required for a public company in its SEC filings, including with respect to the business and securities of FaZe and the SPAC and the Business Combination, and may differ significantly from, and be more extensive than, those presented below. All references below to “we,” “us” or “our” refer to the business of FaZe.

## Risks Related to FaZe’s Business, Industry, Financial Conditions, and Results of Operations

- We have incurred and expect to continue to incur operating losses and may not establish and maintain profitability in the future.
- Our business depends on the strength of our brand, and if we are not able to maintain and enhance our brand, we may be unable to sell our products or services, consumer engagement may decline, which could have a material adverse effect on our business, financial condition, and results of operations.
- Our business depends on our ability to strengthen our strong community of brand partners, engaged consumers, content creators influencers and Esports athletes and teams. We may not be able to maintain and enhance our existing brand community if we receive complaints, negative publicity or otherwise fail to live up to consumers’ expectations, which could materially adversely affect our business, operating results and growth prospects.
- A limited number of Esports professionals, influencers and content creators historically have accounted for a substantial portion of our revenue. If these Esports professionals, influencers and content creators were to become less popular and we are unable to identify and acquire suitable replacements, our business and prospects could suffer.
- Competition within the broader entertainment industry is intense and our existing and potential consumers may be attracted to competing forms of entertainment such as television, movies and sporting events, as well as other entertainment and gaming options on the Internet. If our Esports professionals, influencers and content creators do not maintain or increase their popularity, our business, financial condition, results of operations and prospects would be materially adversely affected.
- Misalignment with public and consumer tastes and preferences for entertainment and retail consumer products could negatively impact demand for our entertainment offerings and products our business, financial condition, results of operations and prospects would be materially adversely affected.
- We primarily rely, and expect to continue to primarily rely, on third-party platforms such as YouTube, TikTok, Twitter, Instagram and Twitch to deliver our content offerings to followers and potential viewers and any failure, disruption of or interference with our use of such streaming services could disrupt the availability of our content and adversely affect our business, financial condition, results of operations and prospects.
- We rely, and expect to continue to rely, on third-party platform and game developers to maintain and periodically update the platforms and games our Esports professionals compete on as well as the platforms and games used by our influencers and content creators. If these developers do not meet product development schedules or otherwise maintain their products, our business may be adversely affected.
- Significant disruption during live events that we participate in may adversely affect our business, such as power and internet outages or other interruptions.
- We focus our business on our Esports professionals, influencers and content creators and consumers, and acting in their interests in the long-term may conflict with the short-term expectations of investors.
- Negative events or negative media coverage relating to, or a declining popularity of, gaming in particular, or other negative coverage of our brand, or third parties with whom we are affiliated with, may adversely impact our ability to retain existing consumers of our entertainment offerings or attract new consumers, which could have an adverse impact on our business, financial condition, results of operations and prospects.
- Some content creators or other persons associated with us may make unauthorized, fraudulent, or illegal use of games on third-party platforms, including through unauthorized third-party websites or “cheating” programs, which may negatively impact our brand and adversely affect our business.
- Use of social media and influencers may materially and adversely affect our reputation or brand and may subject us to fines or other penalties. As laws and regulations rapidly evolve to govern the use of these platforms and devices, failure to abide by applicable laws and regulations in the use of these platforms and devices or otherwise could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties. In addition, an increase in the use of social media for marketing may cause an increase in our burden to monitor compliance of such materials, and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations.
- We rely on certain assumptions and estimates in calculating our key metrics, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.
- Our industry is subject to rapid technological change, and if we do not adapt to, and appropriately allocate our resources among, emerging technologies and business models, our business may be negatively impacted.



## RISK FACTORS (CONT.)

- We depend in part on internet search engines to direct traffic and refer new consumers to us. If search engines' methodologies and policies are modified or enforced in ways we do not anticipate, or if our search results page rankings decline for other reasons, traffic to our website, YouTube, TikTok, Twitter, Instagram and Twitch, as well as overall retention or engagement could decline, which could have a significant negative impact on our business and results of operations.
  - If we are unable to compete effectively for advertisers and sponsors, our business, revenue and financial results could be negatively affected.
  - We must effectively operate with mobile operating systems, web browsers, social media applications, networks, regulations and standards, which we do not control. Changes in our content offerings on or other changes to such mobile operating systems, web browsers, social media applications, networks, applicable laws regulations and standards may negatively impact our business.
  - We rely on software, technologies and related services from other parties, and problems in their use or access could increase our costs and harm our business, revenue and financial results.
  - The importance of retail sales to our business exposes us to the risks of that business model, including negative economic conditions affecting the purchases of discretionary items, supply chain and other distribution issues or disruptions, fluctuations in sales and the volatility of consumer preferences.
  - Our business may be harmed if our Esports professionals, influencers and content creators, or other third parties with whom we are affiliated with and rely upon, act in ways that put our brand at risk.
  - If we are unable to maintain, train and build effective domestic and international sales and marketing infrastructure, we will not be able to commercialize and grow our brand successfully.
  - If we are unable to renew or replace key commercial agreements on similar or better terms, or attract new sponsors, our business, revenue and financial results could be negatively affected.
  - Negotiation and pricing of key media contracts are outside our control and those contracts may change in the future.
  - The effect of uncertainties related to the global COVID-19 pandemic on U.S. and global economies, including delays as to live events returning, has in the past and could in the future continue to impact our business, results of operations, and financial condition.
  - Esports competitions cannot be relied upon as a consistent source of income, as our source of income does not materially come directly through the performance of Esports, but rather through Esports professionals, influencers and content creators interacting.
  - We could be negatively affected by current and other future rules or regulations set forth by the Esports leagues in which we currently, or in the future may, participate.
  - We may be unable to effectively manage the continued growth and the scope and complexity of our business, including our expansion into adjacent industries or business opportunities with well-established competitors.
  - We are a global company and are subject to the risks and uncertainties of conducting business outside the United States. While international expansion is one of our growth objectives, we may not be able to materialize on available acquisition opportunities, or guarantee that we will successfully integrate those acquisitions into our existing business.
  - Fluctuations in exchange rates may negatively affect our results of operations.
  - Any cybersecurity-related attack, significant data breach, or disruption of the information technology systems or networks on which we rely could negatively impact our business.
  - We may invest in or acquire other businesses, and our business may suffer if we are unable to successfully integrate acquired businesses into our company or otherwise manage the growth associated with multiple acquisitions.
  - Changes in our business strategy, as well as acquisitions, investments, divestitures and other strategic restructuring transactions could result in operating difficulties and other negative consequences.
- Risks Related to FaZe's People**
- The loss of one or more of our key executives, or our failure to attract and retain other highly qualified personnel in the future, could seriously harm our business.
  - Our workforce and operations have grown substantially since our inception and we expect that they will continue to do so. If we are unable to effectively manage that growth, our financial performance and future prospects will be adversely affected.
  - The continued growth and success will depend on the performance of certain of the current and future key Esports and content-creating employees of FaZe. Recruitment and retention of these individuals is vital to growing our business and any failure to attract or retain our key Esports and content-creating personnel could harm our business.
  - An increase in the relative size of Esports and content creator salaries or talent acquisitions costs could negatively impact our business.
- Risks Related to FaZe's Intellectual Property**
- The success of our business is highly dependent on the existence and maintenance of intellectual property rights in the entertainment products and services we create.
  - We may be unable to maintain or acquire licenses to include intellectual property owned by others in our entertainment offerings.
  - If we fail to maintain, protect or enforce our intellectual property rights, the value of our brand and other intangible assets may be diminished, and our business, results of operations, financial condition and prospects could be negatively impacted.



# RISK FACTORS (CONT.)

## Risks Related to FaZe's Legal Proceedings and Regulatory Matters

- We are involved in, and in the future may become involved, in claims, suits, government investigations and other proceedings arising in the ordinary course of our business. The outcomes of any such current or future legal proceedings could have a negative impact on our business.
- The Company regularly becomes aware of infringement by third parties with respect to its intellectual property; identifying and defending the Company's rights against infringements is costly. We could become involved in future legal disputes involving our intellectual property claims or other disputes that are expensive to support, and if resolved adversely to us, could harm our business, revenue and financial results.
- Failure to comply with governmental laws and regulations could harm our business.
- Our insurance may not provide adequate levels of coverage against claims.
- Changes in regulations applicable to our business, including the Internet, may impair the profitability of our business.
- Our operations outside the United States may be adversely affected by the operation of laws and regulations in those jurisdictions.
- Existing and future laws that permit skill-based gaming may be accompanied in the future by regulatory and/or licensing requirements, which could have an adverse effect on our business, financial condition, results of operations, growth prospects and reputation.
- Our business, products, and distribution, as well as the services of third parties upon which we rely, are subject to increasing regulation in certain key territories around the world. If we or they do not successfully respond and adapt to these regulations, our business could be negatively impacted.
- The laws and regulations concerning data privacy are continually evolving. Failure to comply with these laws and regulations could harm our business.
- Labor disputes may disrupt our operations and adversely affect our business, financial condition and results of operations.

## Risks Related to FaZe's Tax, Financial and Accounting Matters

- As a public reporting company, FaZe will be subject to rules and regulations established by the SEC and Nasdaq regarding FaZe's internal control over financial reporting. FaZe may not complete needed improvements to its internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in FaZe's company and, as a result, the value of FaZe's stock and your investment.
- The failure to successfully implement and maintain accounting systems could materially adversely impact FaZe's business, results of operations, and financial condition.

- Following the Business Combination, FaZe's failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act that will be applicable to it after the Business Combination is consummated could have a material adverse effect on its business.
- Changes in tax laws may adversely affect FaZe, and the Internal Revenue Service or a court may disagree with tax positions taken by FaZe.
- The interpretation and application of new United States tax legislation or other changes in United States or non-U.S. taxation of our operations could harm our business, revenue and financial results.
- Our financial results may be adversely affected by changes in accounting principles generally accepted in the United States.
- If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

## Risks Related to SPAC and the Business Combination

- Directors of SPAC have potential conflicts of interest in recommending that its stockholders vote in favor of approval of the Business Combination.
- The Placement Agent and its affiliates (the "Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) and there may be situations where parts of a Group and/or their clients either now have or may in the future have interests, or take actions, that may conflict with the Company's interests. For example, the Group has in the past and may, in the ordinary course of business, engage in trading in financial products or undertake other investments for their own account or on behalf of other clients, including, but not limited to, trading in or holding long, short or derivative positions in securities, loans or other financial products of the Company, or other entities connected with a transaction. The Placement Agent was an underwriter of the initial public offering of the Company and has several relationships with the Company, including: Daniel Shribman is the Company's Chief Executive Officer and the Company's Chief Financial Officer and the President of B. Riley Principal Investments, LLC and Chief Investment Officer of B. Riley Financial, affiliates of the Placement Agent.
- SPAC's initial stockholders, officers and directors may agree to vote in favor of the Business Combination, regardless of how its public stockholders vote.
- The SPAC's sponsors, directors, officers, advisors, and their affiliates may enter into certain transactions, including purchasing shares or warrants from public stockholders, which may influence a vote on the Business Combination and reduce the public "float" of its securities.



## RISK FACTORS (CONT.)

- In light of the SEC's Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies issued on April 12, 2021 (the "Statement"), the SPAC concluded that its warrants should be accounted for as a liability (rather than as equity) and, as a result, determined it was appropriate to restate its previously issued audited balance sheet as of February 23, 2021. Relatedly, SPAC also assessed the adequacy of its internal controls over financial reporting and disclosure controls and procedures and following such process, the SPAC identified a material weakness in its internal controls over financial reporting.
  - The SPAC and, following the Business Combination, FaZe, may face litigation and other risks as a result of any material weaknesses that may be identified in SPAC's internal control over financial reporting.
  - There has been increase scrutiny and litigation of SPACs and their business combinations, and the Company and business combination could be subject to litigation, which could be expensive and time-consuming.
  - Post Business Combination, FaZe may invest or spend the proceeds of the Business Combination and Private Placement in ways with which the investors may not agree or in ways which may not yield a return.
  - Each of SPAC and FaZe have incurred and will incur substantial costs in connection with the Business Combination, Private Placement and related transactions, such as legal, accounting, consulting, and financial advisory fees, which will be paid out of the proceeds of the Business Combination and the Private Placement.
  - The ability of SPAC's public stockholders to exercise redemption rights with respect to a large number of shares could deplete SPAC's trust account prior to the Business Combination and thereby diminish the amount of working capital of the combined company.
  - Uncertainty about the effect of the Business Combination may affect FaZe's ability to retain key employees and integrate management structures and may materially impact the management, strategy, and results of its operation as a combined company.
  - Neither the SPAC board of directors nor any committee thereof obtained a third-party valuation in determining whether or not to pursue the Business Combination.
  - SPAC is an emerging growth company within the meaning of the Securities Act of 1933, as amended, subject to reduced disclosure requirements, and there is a risk that availing itself of such reduced disclosure requirements will make its common stock less attractive to investors.
  - The consummation of the Business Combination is subject to a number of conditions and if those conditions are not satisfied or waived, the Business Combination agreement may be terminated in accordance with its terms and the Business Combination may not be completed.
  - Legal proceedings in connection with the Business Combination, the outcomes of which are uncertain, could delay or prevent the completion of the Business Combination.
  - Changes to the proposed structure of the Business Combination may be required as a result of applicable laws or regulations.
  - Following the Business Combination, anti-takeover provisions contained in FaZe's restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.
  - Claims for indemnification by FaZe's directors and officers may reduce FaZe's available funds to satisfy successful third-party claims against FaZe and may reduce the amount of money available to FaZe.
  - FaZe's certificate of incorporation and bylaws currently provide, and following the Business Combination, FaZe's restated certificate of incorporation and amended and restated bylaws will provide, for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between FaZe and its stockholders, and that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act of 1933, which could limit FaZe's stockholders' ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with FaZe or FaZe's directors, officers or other employees.
  - FaZe will incur significant expenses as a result of being a public company, which could materially adversely affect FaZe's business, results of operations, and financial condition.
  - Investment in the Private Placement bears a high degree of risk – you may experience a partial or complete loss of your investment.
  - The placement agent in the Private Placement may have potential conflicts of interest which if not handled in accordance with the SEC rules, including regulation "Best Interest", may impact your investment in the company.
  - Since the Company's sponsor, officers and directors, most of whom are affiliates of the Placement Agent, will lose their entire investment in the Company if an initial business combination is not completed, a conflict of interest may arise in determining whether a particular business combination target is appropriate for an initial business combination. The Placement Agent has a similar conflict of interest with investors in the Company since, an underwriter of the initial public offering of the Company, the Placement Agent will not receive a portion of its underwriter fees if a business combination is not completed by the Company.
- Risks Related to FaZe's Securities Following Consummation of the Business Combination**
- If the benefits of the Business Combination do not meet the expectations of investors or securities analysts, the market price of FaZe's common stock may decline.
  - An active trading market for FaZe's shares of common stock may not be available on a consistent basis to provide stockholders with adequate liquidity. The stock price may be volatile, and stockholders could lose a significant part of their investment.
  - There can be no assurance that the common stock issued in connection with the Business Combination will be approved for listing on Nasdaq following the closing, or that we will be able to comply with the continued listing standards of Nasdaq.
  - FaZe has broad discretion in how it uses the net proceeds from the Business Combination and FaZe may not use them effectively.



## RISK FACTORS (CONT.)

- *FaZe may be subject to securities litigation, which is expensive and could divert management attention.*
- *Because FaZe has no current plans to pay cash dividends for the foreseeable future, you may not receive any return on investment unless you sell your shares for a price greater than that which you paid for them.*
- *If, following the Business Combination, securities or industry analysts do not publish or cease publishing research or reports about FaZe, its business, or its market, or if they change their recommendations regarding FaZe's securities adversely, the price and trading volume of FaZe's securities could decline.*
- *Future sales and issuances of FaZe's common stock or rights to purchase FaZe's common stock, including pursuant to FaZe's equity incentive plans, or other equity securities or securities convertible into FaZe's common stock, could result in additional dilution of the percentage ownership of FaZe's stockholders and could cause the stock price of FaZe's common stock to decline.*
- *Warrants will become exercisable for the combined company's common stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to FaZe's stockholders.*
- *Investors in the Private Placement will experience immediate and substantial dilution.*
- *The Sponsor is entitled to have its shares of common stock of the Company be registered with the Securities and Exchange Commission. Upon the expiration of the contemplated lock-up agreement with the Sponsor, and the effectiveness of such registration, the Sponsor may sell large amounts of common stock which could have the effect of increasing the volatility in the share price of the common stock or putting significant downward pressure on the price of the class common stock.*
- *We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock.*

