



112TH FAI GENERAL CONFERENCE

26-27 OCTOBER 2018

LUXOR, EGYPT

Sports Development
Annex 19.1 Drone Sports in FAI
- 2018 Activities and Plan for 2019
- Proposal for a joint venture

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SPORTS DEVELOPMENT – DRONE SPORTS IN FAI



2018 ACTIVITIES AND PLAN FOR 2019

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FAI DRONE RACING WORLD CUP

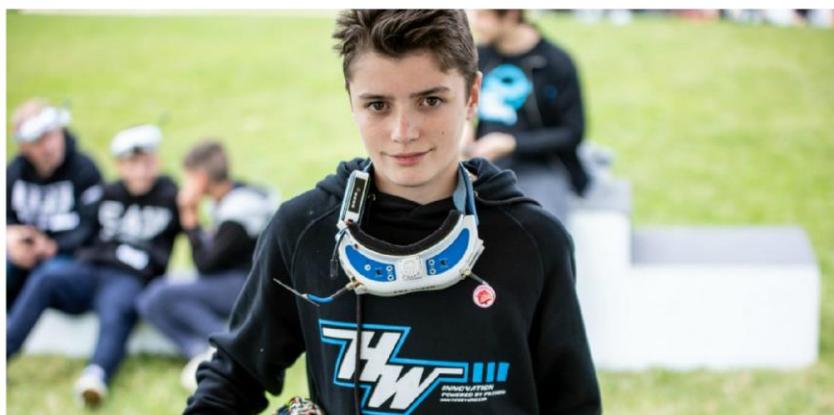
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24 OCT 2018



FRANCE'S KILLIAN ROUSSEAU, 14, WINS THE 2018 FAI DRONE RACING WORLD CUP



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FAI DRONE RACING WORLD CUP

	2016	2017	2018
Number of Contests	9	16	22
Number of Organising Countries	7	12	17
Number of Registrations	327	575	1004
Number of Competitors Placed	229	434	669
Number of Concerned Countries	17	37	41
Number of Juniors (under 18 years)	18	76	133
Number of Concerned Countries	4	18	23

2018 World Cup Ranking

- **Top 3:**
 - 1- Killian ROUSSEAU (*Junior*) - FRA
 - 2- Jan WIELGOSZ (*Junior*) - POL
 - 3- David SPACEK - FAI (CZE)
- **12 contests won by a Junior**
- **6 Juniors in the top 8 places**



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FAI WORLD DRONE RACING CHAMPIONSHIP INAUGURAL WORLD CHAMPIONSHIPS EVENT 2018



SHENZHEN: DRONE CITY



- / **Inaugural event 1st to 4th of November 2018**
- / **Total duration of the event: 4 days**
 - > Day 1: Opening Ceremony / Day 2 & 3: Qualifying rounds / Day 4: Final and Closing Ceremony
- / **Official Sporting Program:** Single Drone Racing Competition including overall, women, junior and national team classifications
- / **Additional Sporting Program**
- / **Technology & Entertainment Areas**
- / **Shenzhen Universiade Sports Center:** Outdoor venue (stadium) 60.000
- / **More than 100 international world-class pilots**
- / **Governing Body:** Fédération Aéronautique Internationale (FAI)
- / **Organizer:** Chinese Radio Sports Association; Aero Sports Federation of China (ASFC); Guangdong Sports Bureau; Shenzhen Municipal People's Government
- / **Promoter:** Culture, Sports and Tourism Administration of Shenzhen Municipality; Shenzhen Longgang District People's Government; Kaisa Culture Sports & Tourism Group
- / **Manpower:** approx. 700 professionals and 300 volunteers
- / **National Broadcast:** Tencent, CCTV and local TV
- / **International Media Distribution**
- / **Prize Money:** 220.000 \$

EVENT FORMAT 2019 FAI WORLD DRONE RACING CHAMPIONSHIP

- / The inaugural FAI Drone Racing World Championships will take place in November 2018 in Shenzhen, subsequently supported by a global event series.
- / The FAI licensed its first event series in 2016. In 2018 there were 22 World Cup events around the world. The World Cup season 2019 will consist of 20+ Challenger Events and max. 4 Master Events.
- / The world's best pilots participate in the World Cup Events to win the World Cup title (individual pilot classification) and to qualify for the World Championship Grand Final in Shenzhen in November 2019 (individual pilot and national team classifications).



2018



2019



EVENT FORMAT 2019 FAI WORLD DRONE RACING CHAMPIONSHIP POSSIBLE GLOBAL EVENT LOCATIONS






FAI WORLD DRONE RACING CHAMPIONSHIP 2019

HOST PARTNER BROCHURE

INVITATION TO EXPRESS INTEREST

OCTOBER 2018



SPORTS DEVELOPMENT – DRONES IN FAI



PROPOSAL FOR A JOINT VENTURE - CONCEPT

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FAI DRONE RACING INVESTMENT OPPORTUNITY

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September 2018
Presented by FAI



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OVERVIEW

DRONE RACING



The Fédération Aéronautique Internationale (FAI) is launching the World Drone Racing Championship.

- The FAI is the global governing body for all air sports, recognized by the International Olympic Committee.
- The World Drone Racing Championship will host the world's best pilots and become the laboratory for the very latest drone technology, with a global reach.
- In parallel with the development of the network of races & related events, FAI is considering to launch an entity to own and manage all media, digital and sponsoring rights of the FAI World Drone Racing Championship.
- Great platform to target modern and youthful generations with digital, dynamic and cutting edge contents.
- Consumer centric, easily available technology. Globally, drones have very quickly brought tens of thousands of new people into the world of air sports to have fun through new drone experiences.

FAI has engaged in dialogue with potential long-term business partners to successfully develop Drone Racing and globally drive the growth of the drone social community.

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DRONE RACING

DRONE RACING



FAST

- Drones can reach 150km/h.
- Short format content.
- 5min racing slots.
- Multiple races.
- Non-stop entertainment.

YOUTHFUL

- Modern phenomenon.
- Ability focused.
- Tech-savvy.
- Sharable.
- Video and mobile friendly.

URBAN

- Events in iconic locations of large metropolises.
- Strong fit with other major urban trends.

DIGITAL

- Gaming.
- Virtual reality.
- Platform based.

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GLOBAL STANDARDIZED PLATFORM

DRONE
RACING



- **Global footprint.** One network of races under the same umbrella and same sports path.
- **Same on-circuit and out-of-circuit rules** for all races. All FAI endorsed races shall comply.
- **Ranking** connects Development Series – Pro Series – National Team.
- All top races are **supervised** and key tasks are **centralized** (e.g. media production).
- **Standardization** of the events allowing minor customization depending on hosting destination, hierarchical level of the race, profile of the race,...
- **Digital Platform** will manage pilots and promoters (CRM). It can expand its perimeter covering and servicing sponsors, fans, media partners...

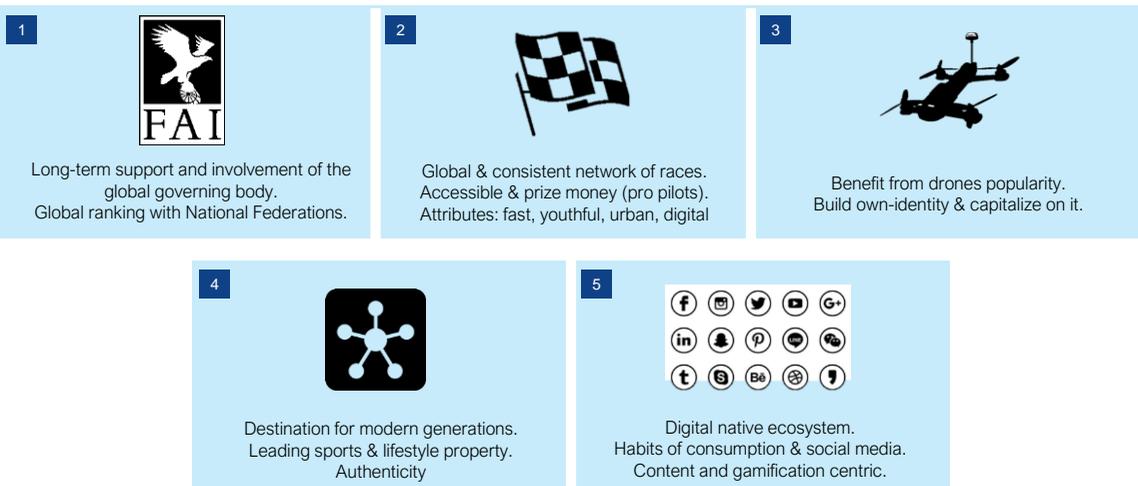
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5 CRITICAL SUCCESS FACTORS

DRONE
RACING



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FAI – NEWCO*: COLLABORATION

DRONE RACING



NEWCO

- Marketing of all centralized media and sponsoring rights.
- Contracts with promoters / owned events (Pro-Series).
- Development of the digital platform.
- Production of content (direct / indirectly).
- Promotion.
- Supervision of events (business and media main focus).

FAI

- Development of the sporting regulations.
- Race officiating.
- Sanctioning.
- Relationship with National Federations and IOC.
- Ranking of pilots, teams and national teams.
- Supervision of the races (sporting matters, consistency,...)
- Promote Drone Racing, development initiatives with National Federations.
- Validation of technical suppliers.

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COLLABORATION

- Collaborative governance principles.
- Calendar and location of races.
- Prize Money allocation program.
- Innovations to be implemented in the races, the marketing mix...
- Promotion of Drone Racing at all levels to all target audiences/stakeholders.
- Scope of events: Conferences, exhibitions, gaming, etc.

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* "Newco" = new company, an entity to be set up if investors join

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BUSINESS MODEL

DRONE RACING



REVENUES

EXPENSES

PRIMARY

- Sponsoring
- Local Partners Fees
- Digital and other media
- Conferences and exhibitions

- Salaries & Administration
- Prize Money
- Event and AV Production
- Digital platform / channels / content

SECONDARY

- Ticketing
- Education: Clinics and Campuses
- Gamification
- Data & Betting
- Merchandising and licensing
- Premium services & fees pilots / promoters / fans

- Marketing & Promotion
- Contribution to FAI operations & growth initiatives
- Supervision of races
- Production auxiliary activities (at least breakeven)

Assumptions

Most of the key Races & Events are owned by FAI NewCo.
NewCo focused on Pro-Series and National Team competitions..

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STRUCTURE OF THE DEAL

DRONE
RACING



- NewCo will hold 15-year rights + renewal option.
 - FAI will transfer all the pertinent rights to NewCo.
 - FAI is the majority shareholder in NewCo.
 - Funding stays in NewCo (Capital).
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- Use of funds:
 - Building Management and Operating team.
 - Operating expenses of first Pro-Events as per agreed budgets.
 - Contribution to FAI related operating expenses.

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CONCLUSION

DRONE
RACING



FAI World Drone Racing Championship will:

- Create a global footprint, a wide network of sports drone events and associated growth initiatives/assets.
- Own the credibility of a participative network of competitions and the authenticity of the world's ranking.
- Attract greater pilots – closer to the audiences/fans/hobbiests.
- Develop a group of professional pilots.
- Create a platform of events/festivals and a community around drones.
- Become a member of the drone industry. Facilitate innovation through a world-class platform with global exposure.
- All angles: Involve national federations and national teams



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2018 ACTIVITIES AND PLAN FOR 2019

- Successful FAI World Cup 2018
- Inaugural FAI World Drone Racing Championships starting in a few days in Shenzhen, China
- Sporting Concept for Championship from 2019
- Invitation to express interest for hosting Master Events in the FAI World Drone Racing Championship 2019 published now
- Master Events and Grand Final to be managed by FAI, possibly with external investor support?

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PROPOSAL FOR A JOINT VENTURE

- Conversations ongoing with a company that manages a global portfolio of sports, media and entertainment ventures about investment into a joint venture
- Contacts to other potential investors who indicated interest to join
- Presentation, Business Plan, and draft MoU under discussion
- Conclusion of the conversations beginning of 2019 and launch in 2019?
- Update to follow for FAI stakeholders.

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