

Report Date: March 8, 2021
Company: Skillz, Inc.
Ticker: SKLZ US
Industry: Gaming
Stock Price (USD): \$27.45
Market Cap (USD, Millions): \$10,150.9



SKLZ: It Takes Little Skill to See This SPACtacular Disaster Coming

Introduction:

We are short Skillz, Inc. (Nasdaq: SKLZ) because its top games appear to be stagnant to declining, leading us to believe its revenue projections are farcical. Our research, including conversations with former employees, employees of Skillz's two largest developers, and independent third-party app download data, all show us that the growth projections SKLZ and its SPAC sponsor continue to present to investors are entirely unrealistic.

We found that SKLZ's top three games, representing ~88% of its revenues, had already plateaued by Q3 2020. What's worse is that SKLZ growth story is falling apart in Q1 2021.

While SKLZ is projecting 12.3% sequential revenue growth and 61.4% year-over-year ("YoY") revenue growth in 1Q21, third party app data shows that SKLZ's total installations are down double digits through the first two months of 1Q21.

While SKLZ may very well eke out its numbers for Q4 2020, **concerned investors should be seeking answers regarding Q1 2021 guidance on Wednesday's earnings call.**

SKLZ has a history of announcing deals/partnerships which have historically amounted to very little, or nothing at all. The latest of which was SKLZ's conveniently-timed announcement of its purported partnership with the NFL, which pumped its stock 25% to all-time highs just days before filing an S-1 allowing insiders to sell millions of shares of stock at these inflated prices.

Smart money seems to have figured out very quickly that, like so many of SKLZ past deals, this NFL partnership won't amount to much, if anything at all – likely having seen what we saw:

- Skillz's developer portal currently shows no evidence of an NFL deal or contest being held.
- A site search of nfl.com does not even register the term "Skillz" unless we count slang used in the message boards.
- We were unable to find any reference to this purported partnership from the NFL's side, other than SKLZ press release itself.
- Showing a complete lack of skill, an email inquiry (sent to the email address referenced in the PR) from our developer profile on Skillz platform bounced back to us, saying the email account did not exist as of the day of the announcement.

This appears to be another SPAC preying on retail investors by assigning a ridiculous valuation for the SPAC merger based on self-serving projections. As we all know by now, traditional IPO prospectuses require historical financials and *rarely* include any projections, as forward-looking statements protections do not apply to them. However, forward-looking statements *are protected* in SPAC proxies, allowing them to use whatever projections they want for investor presentations and even to determine a valuation for the business. This allowed SKLZ to obtain a SPAC valuation of \$3.5 billion – based on a multiple of projected 2022 revenue – while its most recent private equity valuation was only \$725 million on August 30, 2019, almost exactly one year before the SPAC.

Aggressive projections did not sit well with all employees at SKLZ. Former employees we spoke to commonly referred to SKLZ numbers as “smoke and mirrors” and SKLZ recently settled a lawsuit with [Eric Cooper](#), Skillz’s former Head of Finance and Administration, who claimed he was fired for not going along with CEO Andrew Paradise’s unattainably aggressive financial projections.

If none of what we’ve said matters to you, you can always purchase independent third party data from a number of respected data providers and you will see what we see coming in 1Q21. It’s just a pretty little piece of ice in the water until you hit it and find out it’s an iceberg.

Summary:

1. Third-party app data shows installations of the three games responsible for 88% of SKLZ's revenues all declined substantially in Q4 2020. Q1 2021 is in full freefall showing us that Jan and Feb 2021 YoY are +2% and -20%, respectively:

- We found that the three games responsible for 88% of SKLZ's revenues in the first 9 months of 2020 had all peaked by Q3 2020. Downloads for SKLZ's full lineup of games began to show overall declines in Q1 2021, while the company has projected 61.4% YoY growth in 1Q21.
- Third-party app data shows that installs of **21 Blitz**, **Solitaire Cube** and **Blackout Bingo** all declined **-52%**, **-40%** and **-20%**, respectively, in Q4 2020.¹ As of March 3, 2021, those games were on track to continue their declines in Q1 2021.²
- Third-party user data shows that **total installs** on SKLZ's platform were only up 2% year-over-year ("YoY") in January 2021 and were down **-20% YoY in February 2021**.

2. Skillz relies heavily on three games made by two developers, Tether Studios and Big Run Studios, for 88% of its revenues. We conclude that revenue from Tether's top two games began contracting in Q3 2020, just as Skillz was preparing to go public via SPAC.

- Tether Studios is the developer behind the two games that make up 63% of SKLZ's revenue: **Solitaire Cube** and **21 Blitz**. Based on careful reading of Skillz's prospectuses, we estimate that **revenue from these games declined -5.9% in Q3 2020**.
- We spoke to a former Tether employee who independently corroborated our estimates by telling us that, *"The top grossing [Tether Studios Skillz] games right now are Solitaire Cube, which is a Klondike solitaire game, and 21 Blitz. That one actually has been trailing off for the past year."*
- While Blackout Bingo's viral success masked the other two games' declines in 2020, hits like these are **extremely rare and unpredictable** and it exacerbates a critical risk for Skillz – **customer concentration**. Further, based on download data from January and February 2021, all three of its top games are declining at an increasing rate, and we see nothing in the current data indicating another breakout success.

¹ S-4, filed 11/17/2020, p. 56

² Third party app data – as of March 3, 2021

3. According to former employees and industry experts we spoke to, Skillz is not taken seriously by gaming industry players, while Google removed it from the Google Play store years ago and appears determined to keep Skillz off of its platform:

- Google kicked Skillz’s games (and all other real-money games, which they consider gambling) off the Google Play store in 2013. Recent guidance from Google allows betting apps like DraftKings back on Google Play, but one exception seems to have been written specifically to keep companies like Skillz off of Google Play.
- The former also said that fear of missing an opportunity to cash out was what drove CEO Andrew Paradise to rush to go public via SPAC, despite its platform being “*too manual*” and “*not sustainable.*”
- Skillz platform lacks critical capabilities which immediately turn off larger developers and have relegated Skillz to propping up no-name developers who build basic, easily cloneable card and board games. The main issues are:
 - Skillz platform cannot handle basic elements like asynchronous play, which is a sticking point for game developers of real size.
 - Average game length is less than one minute.
 - Extremely limited ability to handle cross-border play due to currency issues.
- A former employee with a decade of experience in the gaming industry told us that the sales team struggled tremendously with any established developer because they employed mostly young people with no experience or relationships in the industry

4. Skillz’s conveniently-timed NFL deal, much like its other big partnerships, is unlikely to generate anything of value:

- We made a developer profile on Skillz platform and found no evidence of an NFL deal or contest being held in the developer portal. If this was a big multi-year deal, why wouldn’t there be any documentation or details in the developer portal?
- A site search of nfl.com does not even register the term “Skillz” unless we count the people talking in slang. We were unable to find a reference from the NFL side at all aside from Skillz press release itself.
- Skillz’s purported partnership with the NFL – announced (only by Skillz, *not* the NFL) the week of the Superbowl – is consistent with Skillz long history of boasting about “big partnerships” which have amounted to nothing of value. For example:
 - **2013:** Skillz announced a [partnership with Glu Mobile](#), which never actually materialized.
 - **2014: “Buck Hunter” (part one)** – SKLZ announced a deal with Buck Hunter back in 2014 and the CEO, Andrew Paradise, made it sound like it would be huge, but nothing ever came of the deal:

*“We are excited to partner with such a well-known and storied brand,” said Skillz CEO Andrew Paradise. Now, everyone around the world can compete for cash and glory with the Big Buck Hunter mobile app powered by Skillz.”*³

- **2017:** Skillz reported [partnership with Beeline Interactive](#), a division of Capcom, who owns the Street Fighter franchise. There was a problem, though. ***Skillz platform can’t host live 1v1 games.*** Nothing ever came of this “big partnership” either.⁴
- **2021: “Buck Hunter” (part two)** – Skillz announced another purported partnership with Buck Hunter in a January 28, 2021 [press release](#), wherein Mr. Paradise referred to Buck Hunter as “a cultural icon for 20 years” but never mentions the 2014 purported partnership.

5. CEO Andrew Paradise loves to describe himself as a serial entrepreneur, often touting the two businesses he has previously sold – we dug deeper:

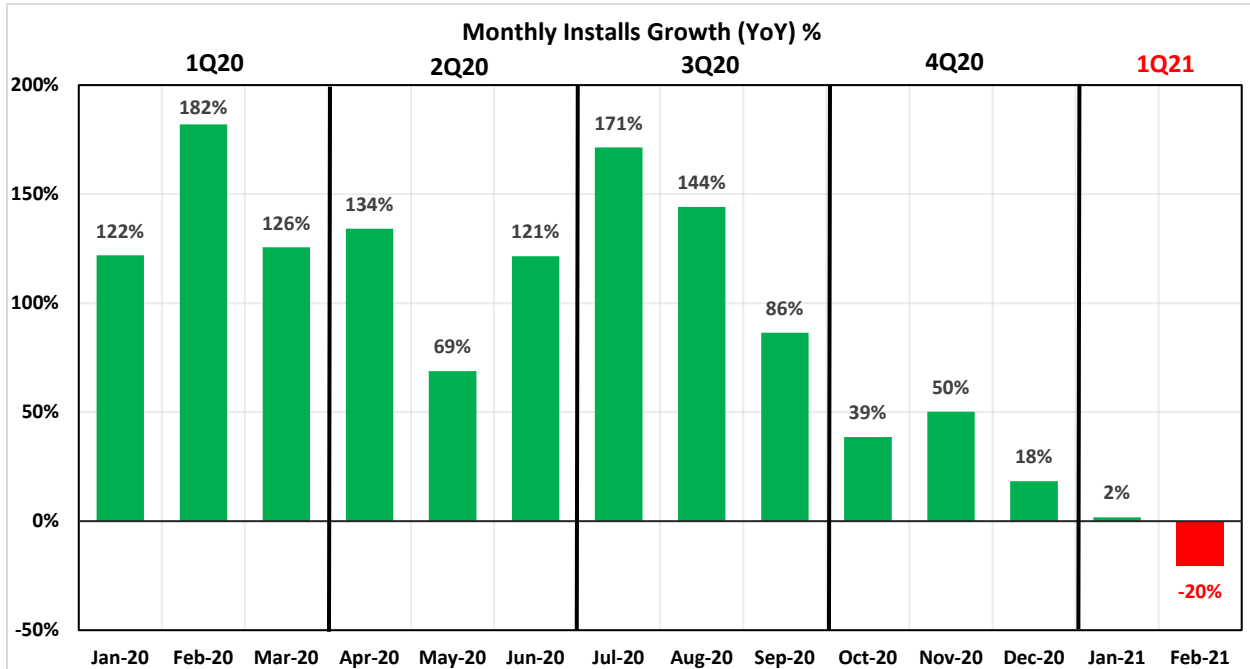
- While he did sell AisleBuyer to Intuit for \$20 million, Mr. Paradise’s second business, Photrade, was sold to MPA, Inc. (who went bankrupt 2 years later) for \$3,829 in warrants, or the price of a used treadmill sitting in a basement.
- We’ve rarely experienced so many interviews with former employees who universally share such a negative opinion of their company’s CEO as we did with SKLZ and Andrew Paradise.
- One former employee we spoke to who reported directly to Mr. Paradise described him as “*the most unprofessional CEO that I’ve ever met*”

³ <https://www.pocketgamer.biz/news/60183/skillz-brings-cash-prizes-to-big-buck-hunter/>

⁴ <https://comicbook.com/gaming/news/new-street-fighter-coming-to-mobile-from-capcom-and-skillz/>

1. Third-party app data shows installations of the three games responsible for 88% of SKLZ’s revenues all declined substantially in Q4 2020. Q1 2021 is in full free fall showing us that Jan and Feb 2021 YOY are +2% and -20% respectively:

To meet its projected 61.4% YoY growth in 1Q21 after such poor numbers in January and February, **SKLZ would need 3.6 million downloads in March alone.** This is more than double the downloads SKLZ has ever had in a single month.



Even if it had another game like Blackout Bingo go viral in March, it wouldn’t come close to 1Q21 projections. Further, mobile games like Blackout Bingo going viral is *extremely rare* and impossible to predict.

SKLZ’s 63% revenue growth in 2021 is entirely unachievable without it stumbling upon **multiple** new hits. Relying on unpredictable and rare successes from a highly concentrated customer base is not a sustainable (or investible) business, in our view. We foresee a lot of pain for SKLZ in 2021 as it attempts to live up to the unrealistic projections it has provided for 2021-2022.

Regardless, Skillz relies heavily on a very narrow set of developers and games. It is **not** Shopify for real-money game developers: it is a monetization platform for a small group of developers – the departure of any one of these could crush the business.

2. Skillz relies heavily on three games made by two developers, Tether Studios and Big Run Studios, for 88% of its revenues. We conclude that revenue from Tether’s top two games began contracting in Q3 2020, just as Skillz was preparing to go public via SPAC:

Based on a careful reading of SKLZ’s prospectuses, we estimate that revenue from Solitaire Cube and 21 Blitz, the top two games from Tether Studios, **shrank -5.9% in Q3 2020**. We believe Skillz did not disclose these issues because they render the company’s lofty revenue projections farcical.

Considering the weakness that we are already seeing in Skillz’s top developer’s games, we believe the company’s projections of +146% two-year revenue growth is simply unattainable. This is why Skillz’s former shareholders took as much cash off the table as soon as possible in the SPAC deal.

How we Calculated Negative Revenue Growth:

Skillz discloses revenue contributions from its top developers. We combined these disclosures with reasonable assumptions to show that Skillz revenues from Tether’s top games declined sequentially in Q3 2020.⁵

Between SKLZ’s S-4/As dated September 4 and November 17, 2020, we can back out the following percentage of revenue contributed by each developer and game:^{6, 7}

SKLZ Percentage of Revenue Breakdown

Developers

	H1 2019	9M 2019	2019	H1 2020	9M 2020
Tether Studios	82.0%	83.0%	83.0%	66.0%	63.0%
Big Run Studios			0.1%	21.0%	25.0%

Games

Solitaire Cube & 21 Blitz (Tether), Blackout Bingo (Big Run)	72.0%	79.0%	79.0%
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Skillz also breaks out revenue from its top three games.⁸ Putting these disclosures together, we can compute H1 2020 and Q3 2020 revenues from Skillz’s top developers, Tether and Big Run, as well as from Skillz’s top three games:

Skillz Total Revenues (\$millions)

	H1 2019	9M 2019	2019	H1 2020	9M 2020
	54.0	85.2	119.9	102.4	162.4

⁵ Skillz S-4 dated September 4, 2020, p. F-61

⁶ Skillz S-4 dated November 17, 2020, p. F-66

⁷ Ibid., p. 56

⁸ Skillz S-4 dated October 14, 2020, p. 56; Skillz S-4 dated November 17, 2020, p. 56

Skillz Revenue Breakdown

Developers

	H1 2019	9M 2019	2019	Q1 2020	Q2 2020	H1 2020	Q3 2020	9M 2020
Tether Studios	44.2	70.7	99.5			67.6	34.7	102.3
Big Run Studios			0.1			21.5	19.1	40.6

Games

Solitaire Cube & 21 Blitz (Tether), Blackout Bingo (Big Run)			86.3	32.4	48.6	80.9	47.4	128.3
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Even using the most company favorable assumptions possible to estimate Tether's Q3 2020 growth, the best possible outcome for Tether is only +0.6% growth in Q3 2020. Our assumptions are boxed in black below:

	Q4 2019	2019	Q1 2020	Q2 2020	H1 2020	Q3 2020	9M 2020
<i>Tether Q1 vs. Q2 Revenue Split</i>			49%	51%			
Tether Studios Revenue	28.8	99.5	33.1	34.5	67.6	34.7	102.3
<i>Tether Sequential Revenue Change</i>			15.2%	4.1%		0.6%	

However, after subtracting **Blackout Bingo's** revenue from the top three games' total revenue, we estimate that Tether's top two games sequentially declined by -5.9% sequentially in Q3 2020. See the full model below, with the result highlighted in yellow:

Revenue Model By Developer and By Game (Company Favorable)

Revenue By Developer

	Q4 2019	2019	Q1 2020	Q2 2020	H1 2020	Q3 2020	9M 2020
<i>Tether Q1 vs. Q2 Revenue Split</i>			49%	51%			
Tether Studios Revenue	28.8	99.5	33.1	34.5	67.6	34.7	102.3
<i>Tether Sequential Revenue Change</i>			15.2%	4.1%		0.6%	
<i>Big Run Q1 vs. Q2 Revenue Split</i>			15%	85%			
Big Run Revenue		0.1	3.2	18.3	21.5	19.1	40.6
<i>Big Run Sequential Revenue Change</i>				466.7%		4.4%	
Other (Total Skillz Revenues Less Tether Less Big Run)		20.3	7.3	6.2	13.3	6.2	19.5

Revenue By Game

Skillz Top Three Games Revenue (Solitaire Cube, 21 Blitz, Blackout Bingo)		86.3	32.4	48.6	80.9	47.4	128.3
<i>Blackout Bingo As Percentage of Big Run Revenues</i>		100%	100%	99%	99%	98%	99%
Blackout Bingo Revenue		0.1	3.2	18.1	21.3	18.7	40.0
Other Big Run Revenue		0.0	0.0	0.2	0.2	0.4	0.6
Top Two Tether Games Revenue		86.2	29.1	30.5	59.6	28.7	88.3
Top Two Tether Games Sequential Revenue Change				4.5%		(5.9%)	
<i>Top Two Tether Games As Percentage of Tether Revenue</i>		87%	88%	88%	88%	83%	86%
Other Tether Revenue		13.3	4.0	4.0	8.0	6.0	14.1

We conclude that Skillz's top developers' top two games began to decline just in time for SKLZ to go public. Instead of being transparent, it appears Skillz hid this growth problem deep in its disclosures while touting massive future revenue growth to justify the valuation of its SPAC merger.

After all, what are the chances any sell-side analyst actually challenges management on its 2021 projections on SKLZ's Q4 2020 earnings call on Wednesday, March 10, 2021?

The market is expecting *sequential revenue growth of 12.3% in Q1 2021*, and increasing in each subsequent quarter to 23.4% in Q4 2021, for total YoY revenue growth of 62.7% in full-year 2021. These numbers are straight from SKLZ’s SPAC investor presentation/proxy:

Skillz Inc. Income Statement				<i>*Blue numbers are the company’s projections</i>				
Period ended: <i>(\$, Millions)</i>	Sep-20 3QA	Dec-20 4QE	Dec-20 FY20E	Mar-21 1QE	Jun-21 2QE	Sep-21 3QE	Dec-21 4QE	Dec-21 FY21E
Revenue	\$59.955	\$62.608	\$225.00	\$ 70.284	\$80.827	\$96.184	\$118.705	366.00
% q/q growth:	1.8%	4.4%	87.7%	12.3%	15.0%	19.0%	23.4%	62.7%
% y/y growth:	92.3%	80.2%		61.4%	37.3%	60.4%	89.6%	

We spoke to Tether employees who admitted those games have peaked or are already in decline, confirming our calculations, as well as the third-party app store data we have seen.⁹ One former developer from Tether told us that,

*“The top grossing [Tether Studios Skillz] games right now are **Solitaire Cube**, which is a Klondike solitaire game, and **21 Blitz**. That one actually has been trailing off for the past year.”*

⁹ Third Party App Download Data – SKLZ, all games – As of March 3, 2021

3. According to former employees and industry experts we spoke to, Skillz is not taken seriously by gaming industry players and is reliant on Apple's App Store:

Our conversations with former employees suggested that large studios are unwilling to touch Skillz's platform, both because they because the Skillz platform is not robust enough to adequately handle their needs with synchronous play and international matchmaking. One former Skillz employee we spoke to made the following statement regarding Skillz's reputation in the gaming industry:

*"In the gaming industry, Skillz does not have good brand recognition. **Most of the players in the industry consider them a joke.**"*

Skillz was thrown off of the Google Play store in 2013, along with all real-money gaming apps. Recently, Google reversed this long-standing prohibition for licensed gambling apps like DraftKings but **excluded Skillz** and other real-money gaming apps from the policy change. As you can see from the examples of violations, it's almost as if the third bullet point was written specifically for Skillz:

Effective March 1, 2021

We allow real-money gambling apps, ads related to real-money gambling, and daily fantasy sports apps that meet certain requirements.

Examples of violations

- Games that accept money in exchange for an opportunity to win a physical or monetary prize
- Apps that have navigational elements or features (e.g. menu items, tabs, buttons, [webviews](#), etc.) that provide a "call to action" to wager, stake, or participate in real-money games, contests or tournaments using real money, such as apps that invite users to "BET!" or "REGISTER!" or "COMPETE!" in a tournament for a chance to win a cash prize.
- **Apps that accept or manage wagers, in-app currencies, winnings, or deposits in order to gamble for, or obtain a physical or monetary prize.**

In our view, this explicit exclusion by Google suggests Skillz has no way in its current business model to get back onto the most popular Android store.

Despite being snubbed repeatedly, Skillz CEO Andrew Paradise continues to tout Android phones as a low-hanging \$7 billion TAM expansion. We believe this is at best an exaggeration and at worst, a fiction. Android Skillz users have to know to use Samsung's Galaxy App Store or to install the games via a multi-step, manual process. Furthermore, Google is [reportedly](#) pushing for the elimination of the Galaxy App Store altogether, a further risk to Skillz.

We expect CEO Andrew Paradise to keep trying to sell his Google Play dream, but considering the verbiage in the "Examples of violations" shown above, a dream is all that will ever be for SKLZ (as well as a likely nightmare for investors). We are also looking forward to hearing him attempt to explain away our report and defend SKLZ's ridiculous Q1 and full year 2021 guidance. We'll see how well Mr. Paradise keeps his composure when pressed – we've heard he doesn't react well to criticism.

4. Skillz’s conveniently-timed “NFL deal”, much like its past big partnerships, is unlikely to generate anything of value:

We believe Skillz’s Superbowl week [announcement](#) of a “global game developer challenge” to develop an NFL-themed mobile game on its platform was little more than an opportunistic stock pump:



This press release was published the morning of February 4, 2021. SKLZ’s stock closed at its all-time high, up nearly 25% that day. The stock peaked at \$43.72 the following day, Friday, February 5.

Coincidentally, SKLZ filed an S-1 registering 38,616,576 Shares of Class A Common Stock and 5,016,666 Warrants for selling shareholders the following Monday, February 8, enabling many early investors to sell millions of shares of SKLZ stock at this inflated price.¹⁰

skillz

SKILLZ INC.


Up to 38,616,576 Shares of Class A Common Stock
Up to 5,016,666 Warrants



¹⁰ [SKLZ Form S-1, Filed February 8, 2021 via SEC EDGAR](#)


We made a developer profile on Skillz platform and found no evidence of an NFL deal or contest being held in the developer portal. If this was a big multi-year deal, why wouldn't there be any documentation or details in the developer portal?








A site search of nfl.com does not even register the term "Skillz" unless we count the people talking in slang. We were unable to find a reference from the NFL side at all aside from Skillz press release itself.


When we attempted to inquire with Skillz about the developer competition, we received a notice that the email address SKLZ included in its press release had not been set up yet:

Delivery Status Notification (Failure) 

From: Mail Delivery Subsystem <mailer-daemon@googlemail.com>  11:19 PM (4 minutes ago) 

To: 

[Show details](#)       

Hello 

We're writing to let you know that the group you tried to contact (nflchallenge) may not exist, or you may not have permission to post messages to the group. A few more details on why you weren't able to post:

- * You might have spelled or formatted the group name incorrectly.
- * The owner of the group may have removed this group.
- * You may need to join the group before receiving permission to post.
- * This group may not be open to posting.

If you have questions related to this or any other Google Group, visit the Help Center at <https://support.google.com/a/skillz.com/bin/topic.py?topic=25838>.

Thanks,

[skillz.com](mailto:admins@skillz.com) admins

For a purported eSports platform, a partnership with the NFL would be the pinnacle achievement. However, it is worth noting that EA has an exclusive license with the NFL for 11v11 football games (the Madden franchise), so SKLZ's game would have to be another genre using NFL branding – if it ever comes to fruition, that is.

A former SKLZ employee we spoke to said that announcements about partnerships that never came to fruition were not uncommon at all for SKLZ. This former employee also reminded us that SKLZ's platform doesn't support 1v1 synchronous gameplay anyways – so an actual football game was out of the question to begin with.

This is no problem at all, according to SKLZ's CEO Andrew Paradise. In a Forbes article about the deal, Paradise is quoted saying there are many opportunities in “genres such as *“team management, trivia, trading cards, I could go on and on,”* Paradise said. *“There's a lot. A lot of genres haven't been explored here.”*¹¹

He then referenced SKLZ's experience partnering with Bolero, which owns the Pro Bowling Association (“PBA”), as if that is comparable to the NFL. However, it appears that app, “Strike! By Bolero” was actually developed in 2014 and wasn't doing anything for the PBA, so they offered it up to SKLZ, and nothing ever really came of the so-called “deal.” Nonetheless, Mr. Paradise made the same reference in a February 8, 2021 [interview on Fox Business](#).

Other Skillz announced partnerships that never came to fruition include:

- **2013:** Skillz announced a [partnership with Glu Mobile](#), which never actually materialized.
- **2014: “Buck Hunter” (part one)** – SKLZ announced a deal with Buck Hunter back in 2014 and the CEO, Andrew Paradise, made it sound like it would be huge, but nothing ever came of the deal:
 - *“We are excited to partner with such a well-known and storied brand,” said Skillz CEO Andrew Paradise. Now, everyone around the world can compete for cash and glory with the Big Buck Hunter mobile app powered by Skillz.”*¹²
- **2017:** Skillz reported [partnership with Beeline Interactive](#), a division of Capcom, who owns the **Street Fighter franchise**. There was a problem, though. *Skillz platform can't host live 1v1 games*. Nothing ever came of this “big partnership” either.¹³
- **January 2021: “Buck Hunter” (part two)** – Skillz announced another purported partnership with Buck Hunter in a January 28, 2021 [press release](#), wherein Mr. Paradise referred to Buck Hunter as “a cultural icon for 20 years” but never mentions the 2014 purported partnership.
- **February 2021: NFL** – we aren't holding our breath. At best, the competition begins mid-2021 and won't be complete for another year after that. We doubt anything of substance comes from this deal.

All of the PR and stock pumping in the world won't make a difference unless SKLZ can reverse its installations trend immediately. Based on the data we have seen in January and February, we expect Q1 2021 earnings to be a rude awakening for SKLZ and its investors.

¹¹ <https://www.forbes.com/sites/dbloom/2021/02/04/nfl-skillz-launch-contest-for-branded-mobile-multiplayer-games/?sh=29f72c1e2994>

¹² <https://www.pocketgamer.biz/news/60183/skillz-brings-cash-prizes-to-big-buck-hunter/>

¹³ <https://comicbook.com/gaming/news/new-street-fighter-coming-to-mobile-from-capcom-and-skillz/>

5. CEO Andrew Paradise loves to describe himself as a serial entrepreneur, often touting the two businesses he has previously sold – let’s take a closer look at that:

While we have to give him credit for selling AisleBuyer to Intuit for \$20 million in 2012,¹⁴ the only other business we could find Mr. Paradise claim to have sold was “Photrade.” However, we wouldn’t consider his sale of Photrade to MPA, Inc. (who went bankrupt 2 years later) for \$3,829 in warrants, or the price of a used treadmill sitting in a basement, enough to qualify him as a “serial entrepreneur.”

We’ve rarely experienced so many interviews with former employees who universally share such a negative opinion of their company’s CEO. SKLZ’s former Head of Finance and Administration, Eric Cooper, laid out a scathing and descriptive account of what it was like working for Andrew Paradise in his wrongful termination lawsuit:¹⁵

21. For example, Paradise and Chafkin created the financial model that Cooper was expected to maintain, yet Paradise and Chafkin controlled all adjustments to it. Cooper frequently told the Founders that the model was overly aggressive and that the Company would not meet its projections, only to be overruled by the Founders. In addition, Paradise stated to Cooper several times that investors found their model confusing and, throughout Cooper’s tenure, the Founders stated they intended to hire a Chief Financial Officer (“CFO”) to run it. When Cooper was not cut out of the process, he was excessively micromanaged to the point where he could not even send out an internal Company email without first sending it to Paradise and/or Chafkin to preapprove it.

16. The hostile work environment fostered by Paradise and Chafkin at Skillz has resulted in frequent staff turnover as well as a nearly 100% executive level turnover.

17. Paradise and Chafkin pressured employees to write positive online reviews of the Company in an effort to hide the harmful and damaging reviews highlighting its toxic work environment and unstable workforce.

Another former employee we spoke to, who has ~20 years of experience in the industry and reported directly to Andrew Paradise said that Skillz was “*the most unprofessional environment I’ve ever been in my entire career*” and stated that, “*Andrew Paradise is probably the most unprofessional CEO that I’ve ever met in terms of his immaturity.*”

¹⁴ INTU Acquisitions via Bloomberg LP

¹⁵ Cooper v. Skillz, Inc. et al; U.S. District Court – Massachusetts; Case 4:15-cv-13330-TSH

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