

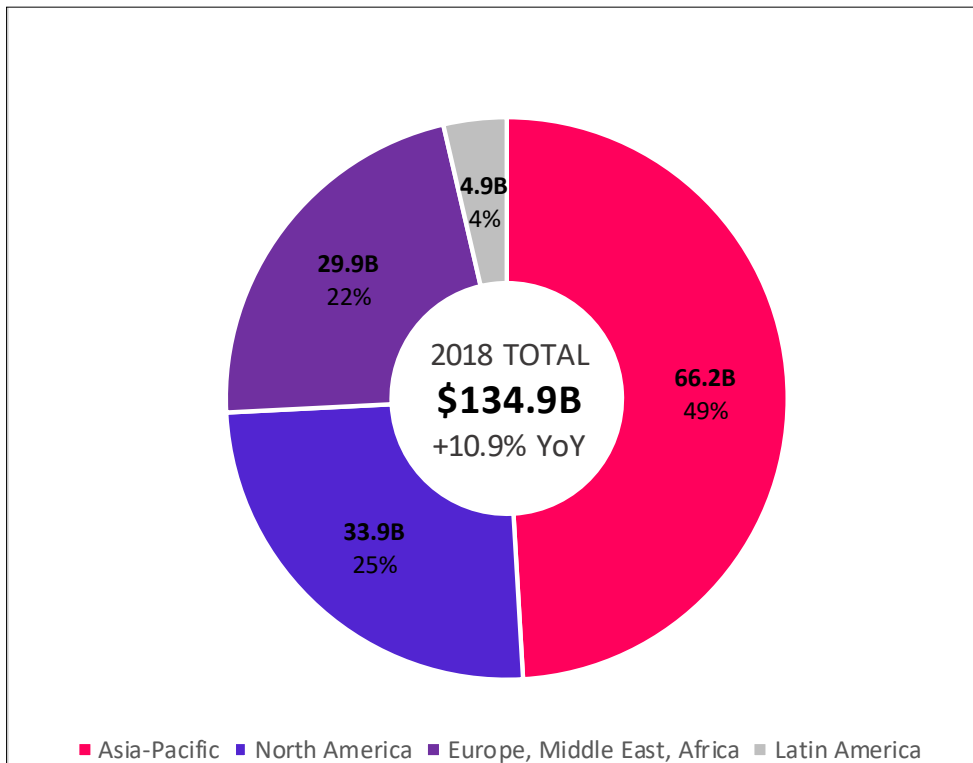
Alp Erdogan, MBA | Senior Analyst | Alp@UbikaResearch.com | (647) 835-8810  
 Christopher Bednarz, MBA | Associate | Chris.B@UbikaResearch.com | (416) 558-5548  
 Klea Papadhima | Associate | Klea@UbikaResearch.com | (647) 606-5290

## An Overview of the Gaming & Esports Market

The gaming industry is projected to generate consolidated revenues of US\$148B in 2019. The sector differs from other industries, as the majority of players are start-ups or private companies. The largest global publicly traded gaming company is Tencent Holdings (HKG: 0700), with a market capitalization of US\$370B. The gaming industry is composed of publishers and developers that own the intellectual property (IP) and content, which has enabled Esports, an industry sub-sector to emerge.

The gaming industry captures the majority of the Asian market and is less popular in the United States and Canada. The North American region is experiencing high participation in Esports, immersing itself into this nascent industry. According to Bloomberg Intelligence, the relatively underdeveloped gaming market in Canada is valued at US\$140B.

Figure 1: 2018 Global Games Market (USD Billions)

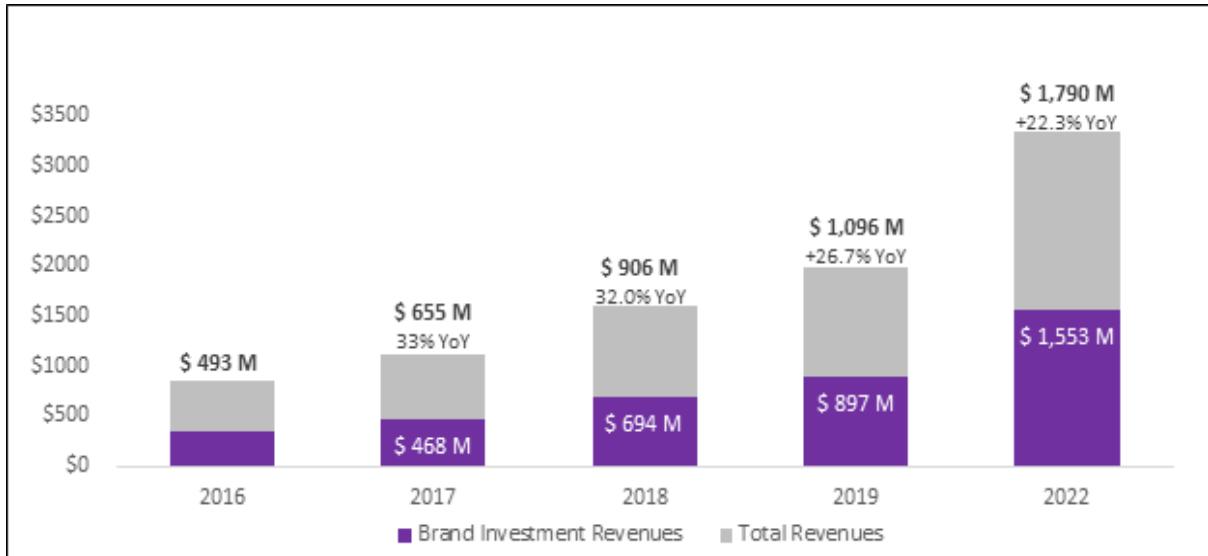


Source: Newzoo Global Esports Market Report

**Esports is a nascent growth vertical within the gaming space.** It is defined as multiplayer video gaming, played by professional gamers at a competitive level for spectators. Esports is available to all, including amateur competitive gaming participants, professional teams or leagues, and casual viewers. Often compared to traditional sports, Esports follows similar guidelines and etiquette as that of the NHL or NFL leagues, which control the competitions as well as distribution rights for the matches.

**Technological infrastructure is a key growth driver.** According to the 2019 Global Esports Market Report by Newzoo, Esports revenues are expected to hit a new high of \$1B with a YoY growth of +26.7%. In a 2018 report, it was projected that the mobile gaming space will capture over 47% of the market, with smartphones accounting for about 37% of global gaming revenues. The evolution of technology will support growth in the sector with the global deployment of 5G infrastructure that will allow for a more immersive gaming experience.

Figure 2: Esports Revenue Growth



Source: Newzoo Global Esports Market Report

**There are a variety of games with different genres to suit all players.** There are five Esports video game genres that are based on the gameplay interaction, all of which host professional tournaments or competitive leagues.

*Real-time Strategy (RTS).* The objective for this genre is to compete against opponents by destroying their assets and securing different areas of the maps. Examples include Warcraft III and StarCraft, which have been featured in Major League Gaming (MLG), StarCraft II League (GSL), and DreamHack Esports Tournaments.

*First-Person Shooter (FPS).* These games focus on combat based on firearms or other weapons, all of which have a three-dimensional (3D) view from the perspective of the main character. Examples include Call of Duty, Fortnite, Halo, Overwatch, and Gears of War.

Figure 3: Fortnite



Source: GameSpot.com

Figure 4: Call of Duty - Black Ops



Source: CallofDuty.com

*Multiplayer Online Battle Arena (MOBA).* MOBA is specifically a subgenre of RTS, also known as action real-time strategy (ARTS), in which teams of individual players control characters who then compete against another team of individual players. Popular games include Dota 2 and League of Legends, both of which partake in multi-million-dollar professional tournaments.

Figure 5: Dota 2



Source: CTV News Vancouver

*Fighting.* This genre consists of two or more players fighting each other. Combat lasts until one player defeats the other, or until the time expires. Examples include Street Fighter, Super Smash Bros., and Marvel vs. Capcom.

*Traditional Sports.* The games under this genre are the re-creation of traditional sports in video game format. Game developers aim to mimic gameplay and players as realistically as possible. Examples include FIFA, Madden, and NBA 2K.

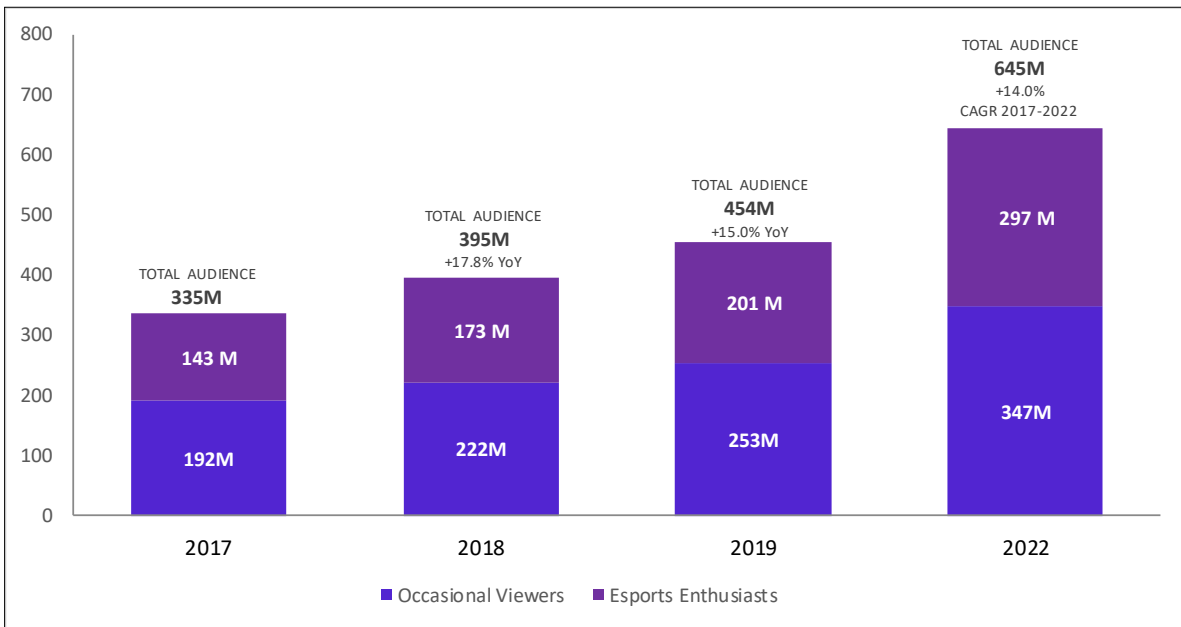
Figure 6: FIFA 18 World Cup



Source: FIFA World Cup News

**The global Esports audience is estimated to grow to 453.8M viewers in 2019**, consisting of 201.2M Esports enthusiasts and 252.6M occasional viewers. Distribution channels in North America primarily rely on online platforms such as Twitch and YouTube Gaming. These applications have contributed to industry growth by providing enthusiasts and occasional viewers with ease of access to gaming content. Esports enthusiasts are defined as individuals who watch professional Esports content more than once a month, whereas occasional viewers watch professional Esports content less than once a month.

Figure 7: Audience Growth 2017A-2022E



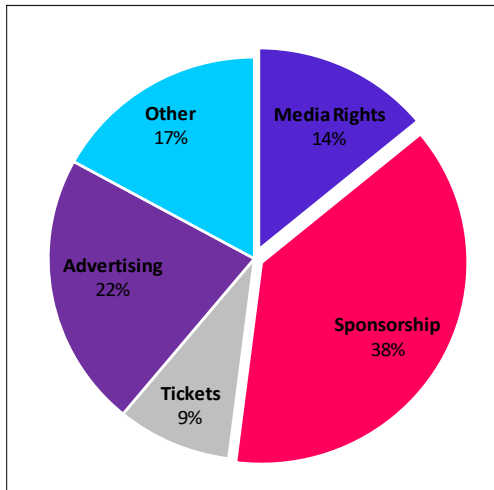
Source: Newzoo Global Esports Market Report

**The highly lucrative ecosystem has sparked M&A activity and private equity interest in the space.** In 2011, Tencent Holdings acquired the majority of assets from Riot Games and then acquired the remaining assets in December 2015 for US\$400M. The largest merger in the space was also made by Tencent Holdings in 2016, where the Company acquired the majority of the assets of Supercell, a mobile game development company for a total of US\$86B. Earlier in the year, Activision Blizzard (NASDAQ: ATVI) purchased King Digital Entertainment, a videogame developer specializing in the creation of mobile games, for US\$59B.

In 2019, smaller players in the industry began to establish their presence in the space. In January, Enthusiast Gaming acquired The Sims Resource (TSR), a female-focused online video gaming content and community destination, for US\$20M. In February, Sean Rock Partners, Parkwood Corp., and Everblue Management raised US\$17.3 to invest in G2 Esports, a club representing some of the world's top gamers. More recently, Alpha Blue Ocean Advisors raised US\$5.6M for a private equity placement in Global Gaming Technologies, a company that provides investment exposure to digital interactive entertainment technology (refer to Table 3).

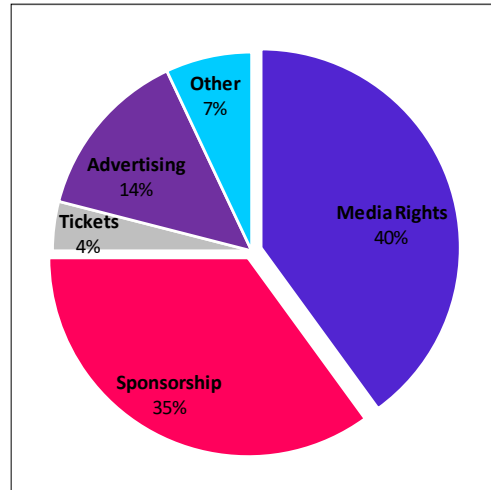
**League infrastructure is creating numerous opportunities for gamers, teams, developers and other stakeholders in the Esports ecosystem through direct monetization opportunities.** Before the creation of Esports leagues, relatively underdeveloped infrastructure resulted in suboptimal revenue generation in the industry. In 2017, Riot Games revolutionized the industry by creating the League of Legends Championship Series (LCS) in the EU and North America. In January 2018, Activision Blizzard came into the fold by creating the Overwatch League. The creation of gaming leagues has become the ultimate catalyst for Esports revenue growth. The direct revenue opportunities include the 3 major monetization channels: sponsorship, advertising, and media rights. According to Goldman Sachs, by 2022, sponsorship is expected to generate \$1.1B, accounting for 35% of consolidated topline, with an implied 5-year CAGR of 34%. Media rights are expected to comprise 40% of total revenues, generating \$1.2B, with an implied 5-year CAGR of 67%. Advertising is estimated to generate \$429M in revenue, making up 14% of the overall revenue, with a 5-year CAGR of 25%.

Figure 8: Esports Revenue Streams (2017A)



Source: Newzoo Global Esports Market Report

Figure 9: Esports Revenue Streams (2022E)



Source: Goldman Sachs Global Investment Research

**Gaming Enthusiasts can be segmented into 64 potential groups.** Gamers can be classified based on their commitment levels, viewership rates, and number of games owned. The different groups vary greatly and can range from dedicated lifestyle players to non-players, from devoted viewers to non-viewers, and from owning plenty of games to owning no games. The majority of the group is from Generation Y or Z, who prefer enhanced graphics and over-the-top content (OTT), a term used to define content providers that distribute streaming media directly to viewers. According to the Entertainment Software Association, 45% of US gamers are female, with an average age of 36, while the average age of a male player is 32. The Asia-Pacific region leads the industry, making up 52% of the 2.35B global gamers.

**Esports has paved the way for a new paradigm in content distribution.** The majority of Esports viewership takes place online, utilizing the same applications of distribution where multiplayer gaming takes place. According to a report by Nielsen, over 80% of Esports fans stream games and tournaments through YouTube Gaming & Twitch in North America and via Douyu & Huya in Asian-Pacific countries. The viewing experience is highly interactive and social. In this framework, Esports leagues are believed to encourage traditional sports competitions to pursue a similar distribution model.

**Twitch and YouTube Gaming are making Esports more accessible to enthusiasts and occasional viewers.** Amazon (NASDAQ: AMZN) has made a significant inroad into this industry by acquiring Twitch, a live video-game-streaming site in August 2014. The technology behemoth acquired Twitch for \$970M, an investment deemed to bolster Amazon Web Services (AWS), its on-demand cloud computing platform. Twitch features major Esports tournaments, with the majority of users streaming video game content from home. In 2018, Twitch reported 2.2M broadcasters, with 15M daily viewers. The platform highlights players such as Ninja, who has attracted 628K concurrent views, with 13M followers and an average of 30,000 viewers per week. Similarly, Google (NASDAQ: GOOGL) has created a YouTube channel called YouTube Gaming to attract Esports enthusiasts and occasional viewers. Based on industry estimates, Twitch is forecasted to account for 84% of all live-streaming viewership in North America.

**Fortnite has revolutionized the gaming industry, generating \$3.6B in 2018 by emulating Grand Theft Auto (GTA) Online's "freemium" business model.** Epic Games is a gaming developer, publisher, and licensor of the Unreal Game engine. The Company has experienced rapid success through Fortnite's revenue generation. The game itself is free to play and generates revenue through sales of character upgrades and in-game advancements. The game was released in July 2017 and achieved immense popularity with over 200M registered accounts by November 2018, up from 125M five months prior. According to SuperData, Fortnite: Battle Royale, is generating more revenue than any other freemium game, with a monthly figure of \$318M in May 2018. The game has created a social platform, where its popularity is correlated to its engagement on Twitch. On October 26, 2018, Epic Games announced a \$1.25B investment from KKR (NYSE: KKR), ICONIQ Capital, Smash Ventures, Vulcan Capital, Kleiner Perkins, and Lightspeed Venture Partners. The companies will join Epic's other minority shareholders such as Tencent Holdings, Disney (NYSE:DIS), and Endeavor.



## The Overwatch League

The Overwatch League was announced in 2016 and inaugurated two years later, gaining traction when CEO Bobby Kotick persuaded New England Patriots Owner Robert Kraft to invest in the first league franchise. In 2017, seven teams were finalized and announced with a buy-in of US\$20M per team. The first franchises were set up in cities around the US as well as South Korea and China, and it later expanded to a 12-team league with additional locations. The kick-off season was hosted in Burbank, California at the Blizzard Arena in 2018. All games were made available for live streaming and on-demand viewing through Twitch, in addition to some games being broadcasted on the Disney and ABC networks. The Grand Finals were held over 2 days with 11,000 spectators at sold-out stadiums, hitting more than 11M online viewers, and supporting a first place prize of US\$1M. The League is set to expand to 20 teams for 2019, with each slot selling for approximately US\$30M - US\$60M. A few notable league sponsors include Toyota (TYO: 7203), Intel (NASDAQ: INTC), and T-Mobile (NASDAQ: TMUS).

Figure 10: Overwatch League Grand Finals NYC 2018



Source: [overwatchleague.com](http://overwatchleague.com)

## League of Legends Championship Series

In 2017, Riot Games created the League of Legends competition in the EU and North America. The game is a multi-player online battle arena (MOBA) video game that follows a freemium model similar to Warcraft III and Fortnite.

League of Legends Championship Series (LCS) is comprised of 10 teams competing from North America. At the end of the season, the winner qualifies for the annual League of Legends World Championship. The LCS represents the highest level of play in North America (NA LCS). According to Nielsen Research, total cumulative viewership reached 58M for the 2017 finals.

In 2019, the European League of Legends Championship Series is opening to franchises as well. The buy-in price for the league is €8.0M for organizations that had participated in 2018, and €10.5M for new entrants. The EU LCS will follow the same structure as the NA LCS. Some sponsors for League of Legends include Geico (NYSE: BRK.A), Nissan (TYO: 7201), and Coca-Cola (NYSE: KO).

Figure 11: 2017 NA LCS



Source: [esportssource.org](http://esportssource.org)

**The Big Leagues.** The top professional gamers average at 10 actions (key strokes or mouse clicks) per second and operate on carefully selected equipment. According to [esportsearnings.com](http://esportsearnings.com), The International 2018: Dota 2 Championships offered a first-place prize of US\$11.2M, with an additional US\$14.3M prize pool. Dota 2 has the largest prize pool of all titles, with League of Legends coming in third, and Overwatch coming in seventh as of 2017. The Esports prize pool is estimated to grow at a 30% 5-year CAGR between 2017 and 2022.

Table 1: Esports Prize Pool by Title

Title	Prize Money (US\$ 2017)	Tournaments
<b>Dota 2</b>	<b>\$ 38,053,795</b>	<b>159</b>
Counter-Strike: Global Offensive	\$ 19,252,556	894
League of Legends	\$ 12,060,789	153
Heroes of the Storm	\$ 4,783,333	31
Call of Duty: Infinite Warfare	\$ 4,027,895	72
Hearthstone	\$ 3,452,684	112
Overwatch	\$ 3,408,254	259
Starcraft II	\$ 3,386,454	612
Halo 5: Guardians	\$ 1,748,000	14
SMITE	\$ 1,567,900	8
Other Games	\$ 21,511,703	1,619
<b>Total</b>	<b>\$ 113,253,364</b>	<b>3,933</b>

Source: Goldman Sachs Global Investment Research

**Esports leagues have key characteristics which standardize and legitimize the competition.**

*IP Ownership.* Both Activision Blizzard and Tencent Holdings own the IP around which the leagues are created, thereby giving them full discretion over the league structure and direct participation in the league revenue streams.

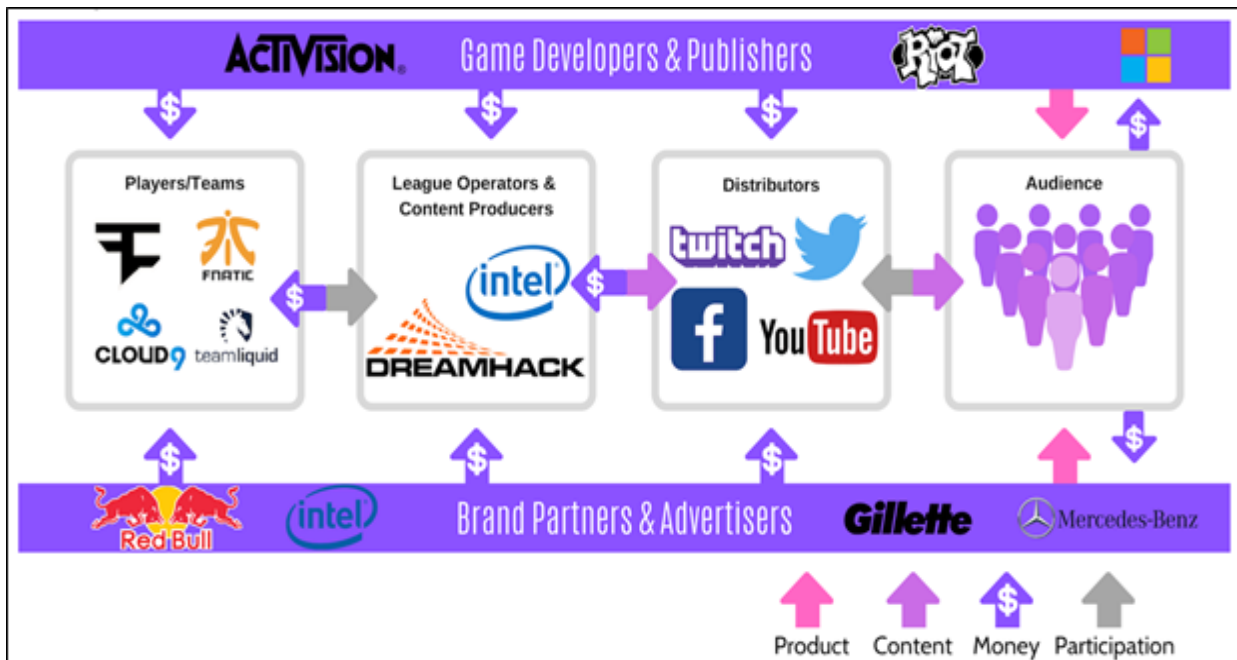
*No relegation.* Relegation is defined as the displacement of a team due to poor performance. In the past, teams did not have a guaranteed spot, however now leagues are shifting to a no-relegation policy, similar to traditional major sports leagues. Since teams have permanent regional homes, we expect to see increased local fan engagement which should lead to incremental revenue opportunities.

*Player Salaries.* Professional Esports teams train about 8 hours a day, and have coaches, nutritionists, trainers and more, just like the traditional sports franchises. Therefore, Esports athletes have guaranteed salaries, encouraging player commitment to a team.

*Media Rights.* Media rights are becoming a major revenue source for Esports since the creation of established leagues (refer to Figure 8 and 9). Twitch and Activision Blizzard signed a \$90M deal to distribute the Overwatch League throughout North America. Disney’s ESPN has also signed a deal with Activision Blizzard to air the Overwatch League on live television.

*Local Sponsorship.* Sponsorship is believed to be the second largest source of revenue by 2022, expecting to generate \$1.1B in revenue. The Overwatch League and North American League of Legends both have their own major sponsors. Like the NHL, NFL, NBA, and other traditional sports leagues, sponsorship plays a prominent role in the Esports value chain.

Figure 12: Esports Value Chain



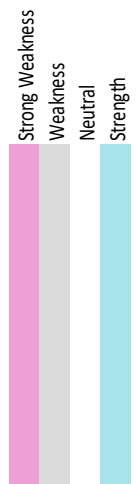
Source: Modern Times Group

*In-Game Revenue.* Leagues are able to generate in-game revenue. This monetization channel is expected to reach about 50% of total industry revenue by 2019, according to Goldman Sachs. Video game publishers are striving to create long-term player engagement through various updates, creating numerous opportunities for in-game player investment.



Table 2: Canadian Competitive Landscape

	Enthusiast Gaming		Breaking Data		Axion		Luminosity		Fandom		Millennial		Stars Group		TheScore		ePlay	
<b>Active Game Publisher</b>	No	No	No	Yes	No	No, has chat app	No	Yes	No	Yes	No	No, has scores app	Yes	Yes	No, has scores app	Yes	Yes	Yes
<b>Business Model</b>	News Media (e.g. Sports Illustrated, Variety Magazine)	Gambling	Gambling	Game Publisher and Services	Professional Sports Team	Advertising/ White Label	Content Production	Game Publisher and Services	Advertising/ White Label	Advertising/ White Label	Services	Gambling/ Licensing	Advertising and User Fees	Advertising and User Fees	News Media (Yahoo Sports)	Game Publisher and Services	Advertising and User Fees	Advertising and User Fees
<b>Revenue Model</b>	Advertising and Event Tickets	Services	Services	Licensing	Prize Money Advertising, Ticket Sales	Advertising/ White Label	Services	Licensing	Advertising/ White Label	Advertising/ White Label	Services	Advertising and User Fees	Advertising and User Fees	Advertising and User Fees	Advertising	Advertising and User Fees	Advertising and User Fees	Advertising and User Fees
<b>Technology IP</b>	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Owens League</b>	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes
<b>Monthly Reach</b>	50M	40M	40M	Unknown	6M	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	~40M	~40M	~40M	3M	100M	100M	100M
<b>Value of Core Vertical</b>	~\$1B	\$40B	\$40B	\$207B	~\$1B	\$100B	~\$1B	\$207B	\$100B	\$100B	~\$1B	\$40B	\$40B	\$40B	\$120B	207B	207B	207B
<b>Number of Games/Apps in Portfolio</b>	0	0	0	9	0	1	0	9	1	1	0	7	7	1	1	100M	100M	100M
<b>Game Platforms</b>	PC/Console	PC	PC	PC	PC/Console	Mobile	PC/Console	PC	Mobile	Mobile	PC/Console	PC/Mobile	Mobile	Mobile	Mobile	Mobile	Mobile	Mobile
<b>Market Cap (Millions)</b>	57.84	-	-	187.1	70	8.5	9.34	187.1	8.5	8.5	9.34	5575	5575	117	117	3.5	3.5	3.5
<b>Territories with Agreements</b>	Canada	-	-	China	Canada	North America	North America	China	North America	North America	North America	19 Territories	19 Territories	North America	North America	North America, China	North America, China	North America, China
<b>Market Leader</b>	No	No	No	No	1 of Hundreds of Emerging Esports Teams Leaders	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Emerging AR Mobile Game Leader	Emerging AR Mobile Game Leader	Emerging AR Mobile Game Leader
<b>Yearly Live Event Attendees</b>	54K	0	0	0	Unknown	0	Unknown	0	0	0	Unknown	50K	50K	0	0	75K	75K	75K



Source: Ubika Alpha

Table 3: Gaming & Esports - Precedent Transaction Analysis

Announcement Date	Target	Target Business Description	Acquiree/Investor	Deal Size (M USD)	Revenue (Target)	Implied EV/LTM Revenue	Implied EV/LTM EBITDA	Form of the Transaction
18-Mar-19	Global Gaming Technologies	Global Gaming Technologies Corp. is a company that provides investment exposure to digital interactive entertainment in technologies such as Esports platforms, Augmented Reality, Virtual Reality, and Artificial Intelligence.	Alpha Blue Ocean	\$5.6	-	N/M	N/A	Private Equity
26-Feb-19	G2 Esports	G2 Esports is an Esports club representing some of the top competitive players around the world. Founded in 2013, the organization has teams in League of Legends, Super Smash Bros., Call of Duty, and more.	Sean Rock Partners, Parkwood Corp., Everblue Management	\$17.3	-	-	-	Private Equity
7-Jan-19	The Sims Resource (TSR)	TSR is the world's largest female online video gaming content and community destination. The Company's website provides custom content which can be downloaded by users to alter gameplay. The Company is considered one of the best-selling video games, selling nearly 200M copies.	Enthusiast Gaming	\$20.0	-	-	-	Acquisition of Assets
26-Oct-18	Epic Games Inc.	Epic Games is a U.S. video game and software development company. The Company is known for its Unreal Game engine which was named the most successful video game engine in 2014, and its creation of its most popular game, Fortnite.	KKR & Co. Inc., Kleiner Perkins, ICONIQ Capital, Smash Ventures, Lightspeed Venture Partners, Vulcan Capital Management, aXiomatic Gaming	\$12,500.0	-	-	-	Private Equity
21-Jun-16	Supercell	Supercell is a mobile game development company based in Helsinki, Finland. Some of the Company's most popular games include Clash of Clans, Clash Royale, and Brawl Stars, all of which follow a freemium revenue model.	Tencent Holdings Ltd	\$86,000.0	\$2.3B	-	-	Acquisition of Majority of Assets
23-Feb-16	King Digital Entertainment	King is a video game developer that specializes in the creation of mobile games. The Company is best known for its game Candy Crush Saga, which is considered one of the most financially successful freemium games, generating revenue of \$493M over a 3 month period, at its peak.	Activision Blizzard Inc	\$59,000.0	\$1.538M	2.3x	6.8x	Acquisition of Assets
15-Sep-14	Mojang AB	Mojang AB is video game developer based in Stockholm, Sweden. The Company is best known for creating Minecraft, a single/multi-player game, which is one of the best selling video games in history.	Microsoft Corporation	\$25,000.0	\$326.0M	7.7x	-	Acquisition of Assets
25-Aug-14	Twitch Interactive	Twitch is an interactive live-streaming service that focuses on video game play, esports content, and multiplayer entertainment. The site primarily focuses on video game livestreaming, and includes live broadcasts of Esports competitions, creative content and more.	Amazon.com Inc.	\$970.0	US\$150M	-	3x	Acquisition of Assets
15-Dec-15	Riot Games Inc	Riot Games is a U.S. video game developer and esports tournament organizer. The Company is best known for its multiplayer online battle arena (MOBA), League of Legends. The Company operates League of Legends World Championship and Championship Series.	Tencent Holdings Ltd	\$400.0	US\$1.6B	-	-	Acquisition of All Assets
18-Feb-11								Acquisition of Majority of Assets

Source: Ubika Alpha, Capital IQ

Table 4: Gaming & Esports Comparable Companies Analysis

Figures in million, except share price data, ranked by market cap in descending order

Name	Ticker	Share Price	Currency	Fully Diluted Shares O/S	Market Cap	Cash	Debt	Enterprise Value	EV/Revenues		EV/EBITDA	
									2019E	2020E	2019E	2020E
<b>Gaming Publishers</b>												
Activision Blizzard, Inc.	NasdaqGS:ATVI	\$44.98	USD	771.0M	34,679.6	4,225.0	2,671.0	33,125.6	5.1x	4.6x	13.6x	11.6x
Electronic Arts Inc.	NasdaqGS:EA	\$91.95	USD	308.3M	28,343.6	3,887.0	994.0	25,450.6	4.9x	4.5x	15.4x	13.3x
Konami Holdings Corporation	TSE:9766	\$42.95	USD	137.5M	5,904.3	1,362.2	195.5	4,737.6	2.0x	1.9x	7.9x	7.1x
NetEase, Inc.	NasdaqGS:NTESS	\$268.28	USD	130.2M	34,926.7	783.6	1,985.9	36,129.1	2.5x	2.1x	19.9x	17.2x
Nintendo Co., Ltd.	TSE:7974	\$306.74	USD	120.1M	36,846.8	6,627.3	0.0	30,219.5	2.9x	2.7x	13.4x	9.9x
Take-Two Interactive Software, Inc.	NasdaqGS:TWO	\$89.74	USD	115.4M	10,353.4	1,054.9	0.0	9,298.5	2.7x	2.8x	11.0x	10.6x
Tencent Holdings Limited	SEHK:700	\$49.92	USD	9568.0M	477,634.7	14,221.9	26,068.2	489,480.9	7.9x	6.3x	23.8x	18.8x
Ubisoft Entertainment SA	ENX:TPA:UBI	\$89.73	USD	127.9M	11,480.6	1,227.0	1,623.3	11,876.9	4.3x	4.0x	8.6x	9.4x
<b>Median</b>									<b>3.6x</b>	<b>3.4x</b>	<b>13.5x</b>	<b>11.1x</b>
<b>Mean</b>									<b>4.0x</b>	<b>3.6x</b>	<b>14.2x</b>	<b>12.3x</b>
<b>eSports Exposure</b>												
Advanced Micro Devices, Inc.	NasdaqGS:AMD	\$27.49	USD	1,064.0M	29,249.4	1,078.0	1,250.0	29,421.4	4.4x	3.6x	27.6x	20.8x
Alphabet Inc.	NasdaqGS:GOOG	\$1,236.34	USD	703.3M	869,499.4	16,701.0	4,012.0	856,810.4	4.6x	3.9x	12.8x	11.1x
Amazon.com, Inc.	NasdaqGS:AMZN	\$1,864.82	USD	500.0M	932,410.0	31,750.0	49,289.0	949,949.0	3.4x	2.9x	22.0x	17.0x
Esports Entertainment Group, Inc.	OTCPK:GMBL	\$0.50	USD	87.5M	43.5	0.8	0.1	42.8	n/a	n/a	n/a	n/a
GameStop Corp.	NYSE:GME	\$8.94	USD	102.1M	912.8	1,624.4	820.8	109.2	0.0x	0.0x	0.3x	0.3x
HUYA Inc.	NYSE:HUYA	\$22.02	USD	166.8M	3,673.6	103.1	0.0	3,570.5	3.7x	2.8x	36.3x	18.7x
Intel Corporation	NasdaqGS:INTC	\$58.56	USD	4,701.0M	275,290.6	3,019.0	26,359.0	298,630.6	3.9x	3.8x	8.6x	8.1x
Lions Gate Entertainment Corp.	NYSE:LGF.A	\$15.81	USD	212.5M	3,358.8	106.2	3,160.8	6,413.4	1.7x	1.6x	12.0x	9.9x
Logitech International S.A.	SWX:LOGN	\$41.62	USD	169.1M	7,035.9	584.5	0.0	6,451.4	2.3x	2.1x	17.6x	16.1x
Microsoft Corporation	NasdaqGS:MSFT	\$121.77	USD	7,778.0M	947,127.1	6,638.0	85,483.0	1,025,972.1	7.2x	6.5x	17.0x	15.0x
Modern Times Group Mig AB	OM:MTG B	\$12.70	USD	67.4M	855.3	97.0	414.0	1,172.2	2.7x	2.3x	65.9x	32.2x
NVIDIA Corporation	NasdaqGS:NVDA	\$187.29	USD	625.0M	117,056.3	782.0	1,988.0	118,262.3	9.3x	9.7x	26.7x	30.8x
Sony Corporation	TSE:6758	\$47.32	USD	1,296.3M	61,338.3	9,213.4	12,681.3	64,806.2	0.7x	0.7x	5.1x	5.3x
Turtle Beach Corporation	NasdaqGM:HEAR	\$11.75	USD	14.3M	167.9	7.1	37.4	198.2	0.8x	0.8x	7.3x	4.9x
<b>Median</b>									<b>3.4x</b>	<b>2.8x</b>	<b>17.0x</b>	<b>15.0x</b>
<b>Mean</b>									<b>3.4x</b>	<b>3.1x</b>	<b>19.9x</b>	<b>14.6x</b>
<b>Canadian Esports + Gaming</b>												
Axion Ventures Inc.	TSXV:AXV	\$1.00	CAD	238.0M	238.0	4.5	11.5	245.0	6.8x	3.0x	32.7x	5.0x
Enthusiast Gaming Holdings Inc.	TSXV:EGHX	\$1.58	CAD	76.4M	120.7	6.9	0.0	113.9	8.3x	6.5x	n/a	n/a
ePlay Digital Inc.	CNSX:EPY	\$0.10	CAD	55.0M	5.2	0.0	1.8	7.1	n/a	n/a	n/a	n/a
Millennial Esports Corp.	TSXV:GAME	\$0.07	CAD	165.0M	11.6	0.5	0.8	11.8	n/a	n/a	n/a	n/a
Fandom Sports Media Corp.	CNSX:FDM	\$0.05	CAD	136.0M	6.8	1.6	0.0	5.2	n/a	n/a	n/a	n/a
The Stars Group Inc.	TSX:TSGI	\$25.62	CAD	272.0M	6,968.6	536.1	7,443.7	13,876.3	3.9x	3.6x	10.6x	9.7x
theScore, Inc.	TSXV:SCR	\$0.37	CAD	343.7M	127.2	8.3	0.0	118.9	4.0x	3.1x	n/a	n/a
Versus Systems Inc.	CNSX:VS	\$0.21	CAD	-	0.0	0.1	2.2	2.1	n/a	n/a	n/a	n/a
<b>Median</b>									<b>5.4x</b>	<b>3.3x</b>	<b>21.7x</b>	<b>7.4x</b>
<b>Mean</b>									<b>5.7x</b>	<b>4.1x</b>	<b>21.7x</b>	<b>7.4x</b>

Source: Ubika Alpha, Capital IQ

## Important Disclosure

Smallcappower.com is owned and operated by Ubika Corporation whose divisions include Ubika Research and Ubika Communications. Ubika Corp. is a wholly owned subsidiary of Gravitas Financial Inc. The following terms and conditions (“Terms of Use”) govern the use of this website (“site”) www.SmallCapPower.com. By accessing this site, you agree to comply with and be legally bound by the Terms of Use as set out herein. Ubika reserves the right to seek all remedies available at law and in equity for violations of these Terms of Use, including the right to block access from a particular internet address to our site.

## Disclaimer

Ubika Corporation and its affiliates or partners will seek to provide services to companies mentioned on the smallcappower.com website. Hence, all information available on smallcappower.com should be considered as commercial advertisement and not an endorsement, offer or recommendation to buy or sell securities. Ubika Corporation and its related companies (including its directors, employees and representatives) or a connected person may have ownership/stock positions in, or options on the securities detailed in this report, and may buy, sell or offer to purchase or sell such securities from time to time.

Ubika and/or its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities and/or commodities and/or commodity futures contracts in certain underlying companies mentioned in this site and which may also be clients of Ubika’s affiliates. In such instances, Ubika and/or its affiliates and/or their respective officers, directors or employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest and Ubika and/or its affiliates will use all reasonable efforts to comply with conflicts of interest disclosures and regulations to minimize the conflict.

Specifically all companies mentioned or listed as “Analyst Covered Companies” at smallcappower.com and which are shown under the heading “Analyst Covered Companies” on the page: <http://www.smallcappower.com/companies> have entered into a commercial relationship with Ubika Corporation or our affiliates for capital market services and have paid fees and/or shares or stock options or warrants for being featured and mentioned in smallcappower.com. Hence these “Analyst Covered Companies” at smallcappower.com are shown at the website as an advertisement only and any mention of these companies does not and will not constitute an offer to buy or sell securities in the featured companies. Ubika Corporation, its affiliates or partners will seek to provide services to companies mentioned in smallcappower.com website. Hence, all information available on smallcappower.com should be considered as commercial advertisement and not an endorsement, offer or recommendation to buy or sell securities.

Ubika Corporation and its divisions Ubika Communication and Ubika Research (collectively, “Ubika”) are not registered with any financial or securities regulatory authority in Ontario or Canada, and do not provide nor claims to provide investment advice or recommendations to any visitor of this site or readers of any content on this site.

The information on this site is for informational purposes only. This site, including the data, information, research reports, press releases, findings, comments, views and opinions of Ubika’s analysts, columnists, speakers or commentators, and other contents contained in it, is not intended to be: investment, tax, banking, accounting, legal, financial or other professional or expert advice of Ubika or its affiliates, or a recommendation, solicitation or offer by Ubika or its affiliates to buy or sell any securities, futures, options or other financial instruments, and such information should not be relied upon for such advice. Every user of this site is advised to seek professional advice before acting or omitting to act on any information contained in the site.

Research reports and newsletters have been prepared without reference to any particular user’s investment requirements or financial situation. Where reference is made to estimate of value or relative value of a specific company, there is no guarantee that these estimates are reliable or will materialize. Readers of these reports and newsletters are advised to conduct their own due diligence before making any investment decisions. Ubika does not make independent investigation or inquiry as to the accuracy and completeness of any information provided by the Analyst Covered companies. Although the content has been obtained from sources believed to be reliable, this website could include technical or other inaccuracies or typographical errors and it is provided to you on an “as is” basis without warranties or representations of any kind. Ubika and its affiliates make no representation and disclaim all express and implied warranties and conditions of any kind, including without limitation, representations, warranties or conditions regarding accuracy, timeliness, completeness, non-infringement, satisfactory quality, merchantability, merchantable quality or fitness for any particular purpose or those arising by law, statute, usage of trade, or course of dealing. Ubika and its affiliates assume no responsibility to you or any third party for the consequences of any errors or omissions.

Information in this site is subject to change without notice. Ubika assumes no liability for any inaccurate, delayed or incomplete information, nor for any actions taken in reliance thereon.

Ubika, its affiliates and their respective directors, officers, employees, or agents expressly disclaim any liability for losses or damages, whether direct, indirect, special, or consequential, or other consequences, howsoever caused, arising out of any use or reproduction of this site or any decision made or action taken in reliance upon the content of this site, whether authorized or not. By accessing this site, each user of this site releases Ubika, its affiliates and their respective officers, directors, agents and employees from all claims and proceedings for such losses, damages or consequences.

Ubika and its affiliates do not endorse or recommend any securities issued by any companies identified on, or linked through, this site. Please seek professional advice to evaluate specific securities or other content on this site. Links, if any, to third party sites are for informational purposes only and not for trading purposes. Ubika and its affiliates have not prepared, reviewed or updated any content on third party sites and assume no responsibility for the information posted on them.

Ubika and/or its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities and/or commodities and/or commodity futures contracts mentioned in this site.

This site may include forward-looking statements about objectives, strategies and expected financial results of companies featured in this site or where research reports are available on companies displayed and/or featured on this site. Such forward-looking statements are inherently subject to uncertainties beyond the control of such companies. The users of this site are cautioned that the company’s actual performance could differ materially from such forward-looking statements.

World Wide Web sites accessed by hypertext links (“hyperlinks”) appearing in this site have been independently developed by parties other than Ubika and Ubika has no control over information in any hyperlinked site. Ubika is providing hyperlinks to users of this site only as a convenience. Ubika makes no representation and is not responsible for the quality, content or reliability of any information in any hyperlinked site. The inclusion of any hyperlink in this site should not be construed as an endorsement by Ubika of the information in such hyperlinked site and does not imply that Ubika has investigated, verified or monitored the information in any such hyperlinked site. Should you wish to inquire about creating a link from your World Wide Web site to this site, contact SCP marketing via e-mail at: [info@smallcappower.com](mailto:info@smallcappower.com) for written authorization.

See our Full Disclosure Here