

Who is Enthusiast Gaming and what is all the fuss about?

Enthusiast Gaming Holdings Inc. (TSX: EGLX | OTCQB: ENGMF | NASDAQ: Coming Soon) is building the largest media platform for video game and esports fans to connect and engage worldwide. And with the US as its most prominent source of audience and revenue it only makes sense to enlarge its shareholder base and accelerate the growth strategy with a listing on the Nasdaq exchange which it announced yesterday.

But who is Enthusiast Gaming and what is all the fuss about? Enthusiast was spawned from Menashe Kestenbaum's lifelong love for video games, having first written for IGN, a large gaming media site at the tender age of 13. After studying and subsequently lecturing at the Institute of Advanced Talmudic Law in Jerusalem for eight years, Menashe returned to his passion for the video game industry and launched his first gaming blog, "Nintendo Enthusiast", in 2011. In 2014, he returned to Toronto and incorporated Enthusiast. Then in 2019 Enthusiast amalgamated with GameCo, a publicly traded issuer that had also acquired Luminosity Gaming.

To say "the rest is history" would be an enormous understatement given how quickly both the industry and the company are still growing. Enthusiast is currently reaching over 300 million gamers every month, the Company is a member of the 'Comscore 100' ranking of the top Internet Properties in the US and the largest in the Gaming Information category on mobile devices. The company has 100 websites publishing unique content across the video game spectrum, 30 weekly shows and 24+ million subscribers on YouTube, 30 live and virtual gaming events globally, 500 influencers across Twitch, YouTube, Twitter, Instagram and TikTok, and 7 professional esports teams.

Digging a little further into the numbers and we see its 100 gaming-related websites collectively generate approximately 1 billion page views monthly. Enthusiast's gaming content division includes 2 of the top 20 gaming media and entertainment video brands with BCC Gaming and Arcade Cloud, reaching more than 50 million unique viewers a month across 9 YouTube pages, 8 Snapchat shows and related Facebook, Instagram and TikTok accounts. The company's talent division works with nearly 1,000 YouTube creators generating nearly 3 billion views a month.

The corporate mission is to build the world's largest network of communities for gamers through multi-channel media, original content and events. They want to own the fan experience. By building the social network for gamers the company is looking to capitalize on the "social revolution" and changes in how Gen Zs and Millennials consume content. For context Gen Zs are generally between 6 and 24 years old (roughly 68 million in the U.S.) while Millennials are currently between 25 and 40 years old, give or take (approx. 72 million in the U.S.). Enthusiast has a global market, but focusing on the U.S. alone means their target is over 40% of the entire U.S. population.

The numbers above paint a pretty impressive picture but the question on investor's minds is how does Enthusiast monetize this incredible reach. For Q4/20, the company posted its quarterly average revenue per user (ARPU) at \$0.52. Through a phased approach the company plans to increase the ARPU to \$3.00 by 2023 through strategies including advertising, direct selling, subscriptions, content licensing, an app store and ultimately a marketplace. The company has shown impressive sequential growth in revenue over the last four quarters from \$9.2 million in Q4/19 to \$42.5 million in Q4/20. They haven't posted a quarterly profit yet but the bulk of the infrastructure is now in place to start extracting more revenue per user. And after raising \$42 million in February of

this year the company has plenty of liquidity to execute on their strategies.