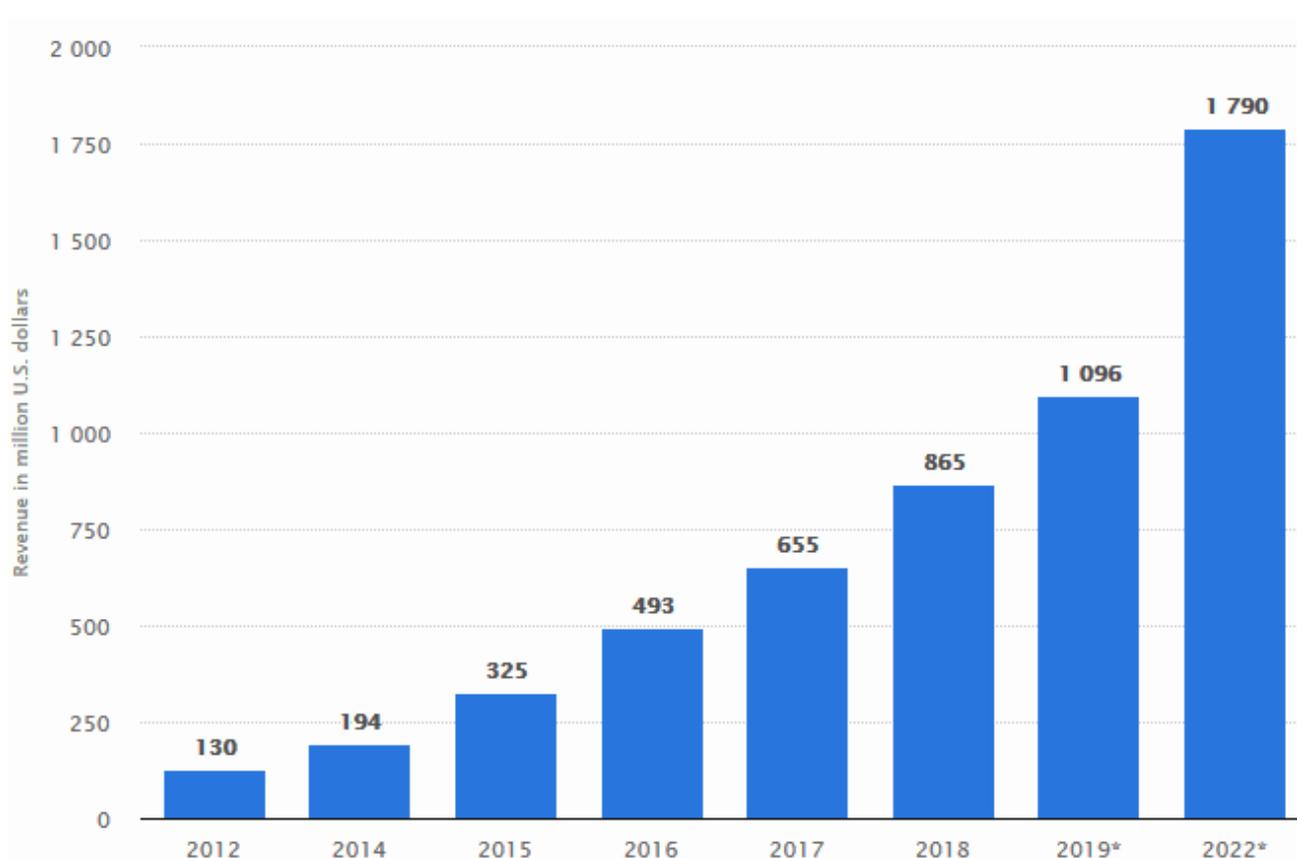


# Rising eSports market provides Canadian cannabis cash a place to run to

2018 was a landmark year that cemented eSports as the next billion-dollar industry. With US\$865 million in market revenue, the global eSports market revenue is forecast to reach US\$1.79 billion in 2022, growing at a CAGR of 22.3%. Note the revenue in the graph below is forecast to double from 2018 to 2022.

**eSports global revenue is forecast to grow at a CAGR of 22.3%**



eSports market revenue worldwide from 2012 to 2022 (in million U.S. dollars) (Source: Statista)

Like the game developers, various third-party companies run their own competitions, whilst also planning and producing

coverage around them. The rights to these broadcasts are then sold to streaming platforms (or TV), or tickets to watch an event are sold online. Online betting can also add to revenues.

## **eSports competitions**

In recent years eSport competitions have become very popular. Some examples are League of Legends, StarCraft, WarCraft, Hearthstone, Overwatch, Player Unknown's Battlegrounds (PUBG), Dota 2, and Fortnite. Players compete online for huge price pools as much as US\$25 million.

## **eSports in Canada**

Back in 2015, the Canadian League of Gamers kicked into the eSports scene in Canada offering a \$20,000 prize pool for players of Counter-Strike: Global Offensive, during the Canadian Video Game Awards. This major event in Toronto captured the nation's attention, as only two years later the event offered a tenfold \$200,000 prize pool. The event has successfully capitalized on the growth of eSports in both Canada and the US, becoming a leader in the industry.

The professional competition scene is continually growing in Canada and is seen as a legitimate career option by many of today's Canadian millennials. The industry is taking this gaming growth so seriously it's been revealed that Canada's first ever professional gaming stadium will open in Richmond, British Columbia in the summer of 2019. This will not only be a massive training facility for professional gamers, but it's also going to be the coolest place to hang out. In addition a gaming stadium, there's also going to a VIP lounge, a bar, training centers, and three cafe options, as after all gamers do get hungry. The entire facility will cover two floors and will be stocked with equipment for gamers.

eSports is creating a new industry bringing millions of dollars in new revenue and a potential career path for the

millennial generation. Generation Z (ages of 8-15) are expected to follow the trend and make eSports revenues even larger over time. The industry's increase in popularity is being recognized and embraced on a global scale making eSports companies major new players in the burgeoning gaming industry.



Daily Fantasy Football lineup research.

### How to invest in eSports?

It's very much an open field when it comes to any technology-based industry. If you asked a millennial their answer they would most likely say buy a new gaming console, a high-end gaming PC, or even an entry sponsorship in the next online gaming tournament. But the safe investment bet looks to be in the hardware, software, and marketing/organizing companies that drive this industry that is yet to reach its full potential.

Made enough money in the Canadian cannabis market? Here's our starting list (with links) of Canadian gaming companies to

start placing bets on...

- Axion Ventures Inc. (TSXV: AXV | OTCQX: AXNVF)
- Backstageplay Inc. (TSXV: BP)
- Bragg Gaming Group Inc. (TSXV: BRAG)
- Contagious Gaming Inc. (TSXV: CNS)
- Enthusiast Gaming Holdings Inc. (TSXV: EGLX | OTCQB: EGHIF)
- ePlay Digital Inc. (CSE: EPY)
- Fandom Sports Media Corp. (CSE: FDM)
- Global Gaming Technologies Corp. (CSE: BLOC.U)
- Kuuhubb Inc. (TSX: KUU)
- Mad Catz Interactive Inc. (TSX: MCZ)
- Millennial Esports Corp. (TSXV: GAME | OTCQB: MLLLF)
- The Stars Group Inc. (TSX: TSGI | NASDAQ: TSG)
- Versus Systems Inc. (CSE: VS | OTCQB: VRSSF)
- Victory Square Technologies Inc. (CSE: VST | OTCQX: VSQTF)