

Canadians in the lucrative global gaming and eSports market

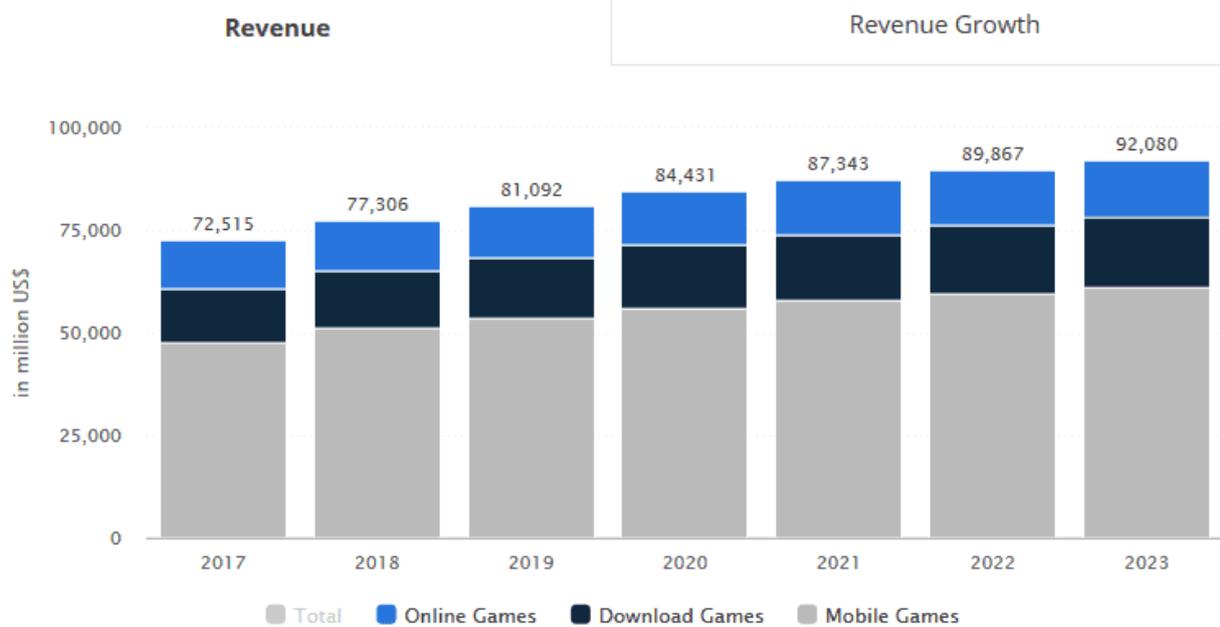
You could be forgiven for thinking that the Canadian stock exchange covers nothing more than mining and cannabis stocks; however Canada has so much more. Canada has a thriving gaming industry. Canada's gaming industry is diverse, from online gambling to fantasy football, and online multi-player first person shooter games.

Gaming is a big business in Canada and it's also a big employer, with openings for game designers, producers, programmers, artists, as well as business, sales, and marketing roles. The Entertainment Software Association of Canada reports that Canada's gaming industry contributes \$3.7 billion to the country's GDP. With Montreal emerging as Canada's leading hub for gaming job creation (closely followed by Vancouver), Canada has the third largest video game industry in terms of employment numbers following those in the US and in Japan.

The global gaming market (including the very popular e-sports)

The good thing about the modern online world is that gaming industry participants based in Canada can sell into a global market valued in 2018 at US\$77.306 billion. This means companies in the sector have a large market opportunity selling globally, with most gaming revenue in China (US\$22.8 billion), USA (US\$17.4 billion), and Japan (US\$11.4 billion). The chart below shows mobile games revenue is by far the largest followed by downloaded and online games.

Global gaming revenue was US\$77.3 billion in 2018



eSports

eSports (also known as electronic sports, e-sports, or eSports) is a form of competition using video games. Most commonly, e-sports takes the form of organized, multiplayer video game competitions, particularly between professional players and teams. 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.

Sponsors overwhelmingly make up the bulk of e-sport team revenues, with brands featured on jerseys, in-stream promotional content, and hardware exclusivity deals. 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.

Fortnite’s free-to-play (FTP) games-as-a-service model appears to be accelerating as it now seems inevitable that more games will adopt this platform. Console video game revenue growth accelerated in 2018 as free games like the Fortnite platform

expanded the market.

5G, augmented and virtual reality should boost the gaming sector in the near future

In the future augmented and virtual reality will play a different role on how gamers approach the industry with new games and ideas becoming more interactive, and the further deployment of 5G is going to be another “game” changer. For now there are enough gaming companies in Canada to keep many gamers and investors interested. One day very soon expect to see Fortnite’s new platform of interactive multi-player games being played across smart cities all powered by 5G.

Canada has many gaming companies worth having a look at that could be pioneers in this coming new wave of gaming, but right now just sit back at home in front of your current games console and enjoy the entertainment, it’s all about fun.

Meanwhile here’s a starting list (with links) of Canadian gaming companies to consider.

- 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)
- eQube Gaming Limited (TSXV: EQG)
- Fandom Sports Media Corp. (CSE: FDM)
- Global Daily Fantasy Sports Inc. (TSXV: DFS)
- Global Gaming Technologies Corp. (CSE: BLOC.U)
- Jackpot Digital Inc. (TSXV: JP | OTCQB: JPOTF)
- Kuuhubb Inc. (TSX: KUU)
- Mad Catz Interactive Inc. (TSX: MCZ)
- Millennial Esports Corp. (TSXV: GAME | OTCQB: MLLLF)
- Shoal Games Ltd. (TSXV: SGW)

- The Stars Group Inc. (TSX: TSGI | NASDAQ: TSG)
- Versus Systems Inc. (CSE: VS | OTCQB:VRSSF)
- Victory Square Technologies Inc. (CSE: VST | OTCQX: VSQTF)

As you can see from the above list, Canada's gaming industry is growing and has many listed participants.

If it's online casino play, fantasy eSports gaming, or massive multi-playing console gaming; there is no doubt Canada's gaming industry is involved and a growing part of the action.