

An update on the latest news in the esports sector for January 2020

Esports is a booming sector with a growth rate of around 25% per annum. Esports global revenues are estimated to have increased by 27% in 2019, to exceed US\$1 billion in revenue for the first time. The esports global audience in 2019 was 454 million, and this is forecast to reach 645 million by 2022.

The latest major news in the esports sector

January 7, 2020 – Tencent (OTC: TCEHY) invests in Bayonetta and Vanquish games developer PlatinumGames. Tencent already has investments in Activision Blizzard (NASDAQ: ATVI), Ubisoft Entertainment (FR: UBI), and Epic Games (private) (Epic owns the popular game Fortnite), and owns Riot Games. In other Tencent news on January 22 Tencent bid \$148 million for online computer games maker Funcom, well known for their 'Conan the Barbarian' games.

Tencent owns Riot Games who makes the hit 'League of Legends' game played in esports tournaments LoL & LPL



Source

January 7, 2020 – Electronic Sports League (ESL) and DreamHack, both part of the leading international entertainment group Modern Times Group (MTG), announced a three-year-long strategic agreement with Blizzard Entertainment (a subsidiary of Activision Blizzard). The ESL announcement states: “The world’s largest esports company and the premier gaming lifestyle festival organizer will create new ESL Pro Tour formats for both StarCraft® II and Warcraft® III: Reforged™, with Blizzard providing a respective prize pool of over US\$1.8 million and over US\$200,000 for the first season.”

Note: Activision Blizzard’s most popular esports franchises include Call of Duty, World of Warcraft, Overwatch, StarCraft, and Hearthstone. They also own the esports platform Major League Gaming (MLG) and the Overwatch League (OWL).

January 14, 2020 – Simplicity Esports and Gaming Company (OTCQB: WINR) has struck a deal with Flamengo to administer Flamengo’s esports businesses in Brazil and in the USA. Jed Kaplan, CEO of Simplicity Esports stated: “The ownership of a franchise in CBLol (Brazil League of Legends) would be a

monumental step for Simplicity Esports and we believe we are on a direct path toward such ownership in one of the largest esports regions in the world.” Simplicity is already a well established operator of esports gaming centers and an owner/manager of several esports teams.

January 20, 2020 – Whilst not yet an esports threat – Tik Tok owner ByteDance (private) is readying a move into Mobile gaming to take on industry giant Tencent.

January 27, 2020 – Enthusiast Gaming (TSX: EGLX | OTCQB: ENGMF) graduates to the Toronto Stock Exchange (TSX) from the TSX-V exchange. Their ticker remains as ‘EGLX’.

January 29, 2020 – Fan engagement platform GLHF has partnered with Finnish organization ENCE, Swedish organization GODSENT, and Ukrainian organization Natus Vincere. GLHF plans to launch on a global basis in early March 2020. GLHF aggregates facts on teams, match VODs, live streams, events, and other interactive elements for fans to follow their favorite teams; thereby helping the teams to get closer to their fans and grow revenues.

January 30, 2020 – Esports investment company New Wave Esports (OTC: TRMNF) has entered into a non-binding letter of intent to acquire creative management and production services company Activate Entertainment for \$1 million.

The top ten esports tournaments ahead in 2020

1. Fortnite World Cup
2. The International
3. League of Legends World Championship
4. BlizzCon 2020
5. Capcom Cup
6. International eSports Federation World Championships
7. Overwatch World Cup
8. EVO (Evolution) Championship Series
9. Rocket League Championship

10. The Intel Extreme Masters

Fortnite World Cup – One of the most popular esports events globally



Wrap up

Esports and gaming giant Tencent continued its investment spree this past month adding a stake in PlatinumGames and an offer to buy all of Funcom. This furthers Tencent's leading place in esports dominating game making/publishing and esports streaming (Douyu, Huya, Penguin Esports).

In 2020 the biggest esports events will be the Fortnite World Cup (Epic Games), the International DOTA 2 Championships (Valve Corporation), and the League of Legends World Championship (Tencent).

2020 will indeed be a big year for esports as the sector continues to grow rapidly beyond one billion dollars in revenues.