

Enthusiast Gaming spectators offer investors an opportunity to capitalize on eSports

The video gaming industry's media audience goes beyond just the players of video games; there is now a robust audience of non-player spectators as well. This considerably shifts the dynamics of media in the eSports space making it similar to the media ecosystems of traditional sports, and creating correspondingly profitable business opportunities.

Toronto-Based Enthusiast Gaming Holdings Inc. ("Enthusiast Gaming") (TSXV: EGLX | OTCQB: EGHIF) has taken an ambitious approach to rounding up these audiences between owned and affiliated media, YouTube channels, and a convention that had over 55,000 people attending in 2018, making it one of the market leaders in digital media for video gaming. Its platform represents more than 80 websites reaching 75 million monthly visitors, as well as 900 YouTube channels reaching 50 million additional monthly visitors.

Strategically Partnering with and Acquiring Channels

Enthusiast Gaming has built a respectable portfolio of media assets through partnerships and acquisitions. At the beginning of 2019, Enthusiast Gaming announced a partnership with US-based Omnia Media Inc. ("Omnia"), to exclusively represent all of Omnia's online gaming traffic in the United States, through Omnia's multi-channel YouTube network which, across 900 channels, has 50 million monthly visitors and a base of more than 400 million subscribers.

In November 2018, Enthusiast Gaming acquired Operation Sports LLC ("Operation Sports"), which operates a leading web portal

for eSports and video game content. Under Enthusiast Gaming's ownership, the subscriber base of Operation Sports grew by more than 100,000 users, bringing the total subscriber base to over one million users as of March 20, 2019.

In-Person Engagement

Part of how Enthusiast Gaming has built its audience organically is by cultivating engagement through its flagship convention Enthusiast Gaming Live Expo ("EGLX"). Its first iteration in 2015 saw 1,700 attendees, growing to 12,000 attendees in 2017, followed by 24,000 attendees in March 2018, and 30,000 attendees in October 2018. EGLX is the largest gaming expo in Canada, and the event has sponsors that include Bell Canada, Nintendo, World Gaming, LG, and eBay. Enthusiast Gaming is contemplating expanding EGLX to other North American cities in light of significant growth in the video gaming sector.

Diversified Base of Revenues

Enthusiast Gaming generates earnings through a number of revenue categories. Video content attracts advertising payments, and EGLX produces revenue from show admissions, exhibitor booths, and show sponsors. Paid user subscriptions are another form of revenue for Enthusiast Gaming. For example, Enthusiast Gaming acquired The Sims Resource in January 2019, which generated approximately CAD \$2.8 million in subscription payments in 2018, making up about 40% of its revenue.

Enthusiast Gaming Holdings Inc. has a current market cap of CAD \$57.60 million and commenced public trading on the TSX Venture through an IPO on October 4th, 2018 with a closing price of CAD \$1.07. TSXV: EGLX closed April 4th 2019 at a price of CAD \$1.25, up 16.82% since inception.