



# Gamers Live Here

**Investor Presentation**  
**July 2020**

TSX: EGLX  
OTC: ENGMF  
FSE: 2AV

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# ENTHUSIAST IN THE MEDIA



## **CNN Interview: Richard Sherman & Menashe Kestenbaum, President of Enthusiast**

[With people being forced to stay at home to prevent the spread of COVID-19, Enthusiast Gaming has seen a dramatic increase in the number](#)



[Phone Interview with Richard Sherman](#)



[Twitch Stream Aid 2020: NFL's Richard Sherman And Darius Slay Among Celebrities Playing 'Call Of Duty' For Coronavirus Relief](#)



**The Logic**

[Toronto e-sports firm Enthusiast Gaming sees 40 per cent traffic surge in wake of COVID-19](#)



['Engaging Hardcore Gamers': Enthusiast Brings To Market The Biggest Community For Gaming, Esports](#)



[The DeanBeat: Esports pivots to digital because of the coronavirus](#)

FINANCIAL POST

[How a prominent B.C. family business created the biggest e-sports gaming network in North America](#)

# MISSION

We are building the world's largest platform of communities for gamers and esports fans



# INVESTMENT HIGHLIGHTS



- 01** Platform with global reach of over 200M avid gamers monthly
- 02** Capitalizing on the Social Revolution and changes in how Gen Z and Millennials consume content
- 03** Diverse asset mix of media, esports & entertainment, more touch points than any other gaming company
- 04** Robust monetization strategy with significant revenue / user growth opportunities
- 05** Experienced gaming, media and entertainment management team



# THE SOCIAL REVOLUTION

*By building gaming communities, Enthusiast is well positioned for the social revolution, the uprising of the Gen Z and millennials and the changes in how content is consumed*

## GAMING IS DOMINANT ENTERTAINMENT SOURCE

2x bigger than the music and film industry combined

## GENERATION “Z” REPRESENT AS GAMERS

1.9 billion Gen Z globally. 67% of Gen Z males identify gaming as core component of their identity

## GAMING IS THE NEW SOCIAL NETWORK

Facebook: +700M MAUs playing games, watching game videos, or engaging in gaming communities



## REGULATIONS MAKE IT HARDER FOR ADVERTISERS

Direct relationships and communities becoming increasingly important for advertisers to reach target markets

## SIGNIFICANT GAMING CONTENT ENGAGEMENT

30% of Youtube views are gaming related  
80% of Apple app purchases are gaming related

## ADVERTISING THROUGH COMMUNITIES, INFLUENCERS, SPECIALIZED CONTENT

Average American spends +700 minutes/day consuming media.  
Advertising through “influencers” becoming more popular



# THE IMPORTANCE OF COMMUNITIES

## CREATING COMMUNITIES FOR SUPER GAMERS

Enthusiast audience engages with communities as part of their daily routine. Gaming is a part of who they are. Audience spends average of 33 minutes a month on network.

## UNDUPLICATED MEDIA AUDIENCE

Unique niche communities of gamers that can only be reached through partnering with Enthusiast.

## MORE TOUCH POINTS THAN ANY OTHER GAMING COMPANY

360 degree integrated media approach includes 1) cross-platform media 2) custom content and sponsorships and 3) experiential activations. Over 200 million super gamers on a monthly basis.

## SUPER GAMERS AT SCALE

The largest gaming network and reach in North America - 44% more gamers than any other media company.



# ENTHUSIAST AUDIENCE “SUPER GAMERS”

## WHAT IS A SUPER GAMER?

Enthusiast is home to a diverse group of the most influential and passionate gamers across the globe. Our network is a vital part of their daily routines

**65%**

SPEND 15+ HOURS PER WEEK GAMING

**67%**

BUY 7+ GAMES PER YEAR

**48%**

DON'T USE FACEBOOK

**63%**

ARE INFLUENCED BY ONLINE ADS  
TO MAKE PURCHASE DECISIONS

**4x**

LIKELIHOOD OF A SUPER GAMER TO BE M18-49





# ENTHUSIAST AUDIENCE DEMOGRAPHICS

## GENDER

**73%**

MALE

**27%**

FEMALE

## AGE

**40%**

ARE MILLENNIALS

**30%**

ARE GEN Z

Source: Comscore Media Metrix Multi-Platform, Desktop 2+, Mobile 13+, US, [P]  
Enthusiast Gaming, September 2019



**43%**

OF MALES 18-34  
VISIT ENTHUSIAST GAMING SITES  
EACH MONTH

Source: Comscore Custom Reporting, (E) Enthusiast Gaming Network +  
Omnia, Unique Visitors (MMX MP) + Mobile YouTube Unique Visitors  
(VMX MP), M18-34, August 2019, US



# MORE TOUCHPOINTS TO GAMERS

*Our diverse platform of sticky communities engage with more gamers than any other gaming company. We offer a 360 degree approach across our integrated assets to reach “super gamers”*

**100**

TOTAL GAMING SITES

**900**

YOUTUBE CHANNELS

**7**

PROFESSIONAL  
ESPORTS TEAMS

**50**

INFLUENCERS &  
CONTENT CREATORS

**~30**

LIVE EVENTS GLOBALLY

**REACH OF 200M GAMERS MONTHLY**

## MEDIA

- Authentic, engaged communities-organic, not paid for
- +160M monthly visitors across 100 websites and 900 YouTube channels monetized by ad revenue
- Proprietary adtech driving optimization / monetization
- Approx. 1Bn monthly page views

+

## ESPORTS

- Luminosity Gaming, has the leading gaming influencers & content creators
- 7 teams owned and managed
- Overwatch team, Vancouver Titans; Call of Duty team: Seattle Surge
- Partnered with Canucks Sports and Entertainment

+

## ENTERTAINMENT

- International gaming and esports event business
- Canada's largest video game expo, EGLX, +30,000 attendees
- Approx. 30 video game events in 11 markets incl. U.S and UK
- Partnership with Rogers Arena in Vancouver, BC



# REVENUE SYNERGIES

*We provide custom, targeted marketing programs for advertisers trying to engage with the lucrative gamer demographic. Our diverse asset mix provides more touch points to gamers across multiple revenue streams and reaches more gamers than any other gaming company in North America*

MEDIA

+

ESPORTS

+

EVENTS

Cross selling of sponsors across fully integrated advertising pillars

Media platform of 100 leading gaming communities & 900 YouTube Channels promotes Esports & Entertainment

Luminosity's pro teams and leading influencers are content engine for the media platform, increases both programmatic and direct ad revenue

Leverage media and esports, sponsors and venue relationships across platform to increase attendance at 30 live events globally



# ENTERTAINMENT DIVISION



**THE LARGEST B2B GAMES EVENT &  
THE BIGGEST DEDICATED MOBILE GAMES  
EVENT IN EUROPE**

**2,500**  
INDUSTRY  
DELEGATES

**+100**  
SPONSORS

CORPORATE PARTICIPANTS:



**THE LARGEST VIDEO GAMING EXPO IN  
CANADA**

**30,000**  
ATTENDEES IN  
OCT. 2019

**+200**  
EXHIBITORS

**5.6M**  
VIEWERS ONLINE

Enthusiast's esports division, **Luminosity Gaming**, is a leading global esports organization and valuable content engine for Enthusiast's platform

**Leverage Luminosity's esports assets to create VIP experiences and engaging content**

**50**

ESPORTS & GAMING  
INFLUENCERS

**7**

PROFESSIONAL ESPORTS  
TEAMS

**60M**

SOCIAL MEDIA FANS



**MR "FRESH" ASIAN**  
8.5M Followers



**TORI PARENO**  
+500K TikTok followers





# CELEBRITY AMBASSADORS

*Play in livestreams, appear at live activations, create unique content, and work with Enthusiast to partner with some of the largest brands in the world*

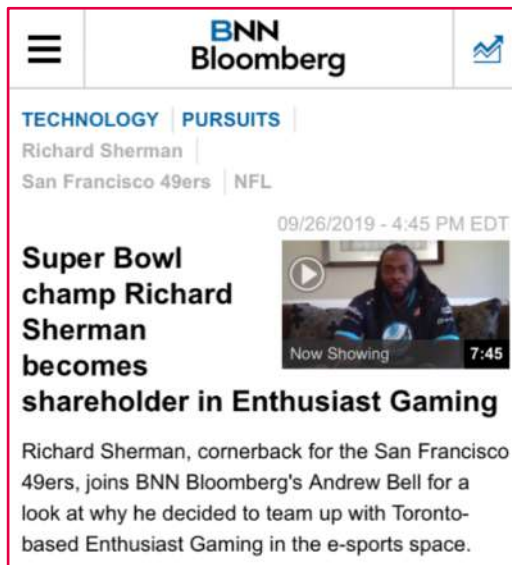
## **RICHARD SHERMAN** SHAREHOLDER



**5.9MM**  
SOCIAL FOLLOWERS

### **ABOUT:**

Richard Sherman is an American NFL player and is among the greatest cornerbacks of all time. Sherman is a Call of Duty fan.



## **DJ ZHU**



**3M**  
VIEWERS ON VIRTUAL LIVE  
CONCERT ON TWITCH

### **ABOUT:**

GRAMMY Nominated music artist and one of the largest DJs in the world. Newest Luminosity content creator



# GROWTH OPPORTUNITIES

01

## INCREASE REVENUE PER USER

- Goal: Revenue per Viewer of \$0.40
- Q3 19- \$0.10 / Q4 19 - \$0.13 / Q1 20 - \$0.10 (seasonally high)

06

## MERGERS + ACQUISITIONS

- Accretive acquisition strategy to scale and grow
- Strong pipeline of M&A targets

02

## DIRECT SALES

- Drive revenue / viewer through direct relationships with brands and agencies
- 5x-20x increase in CPM (compared to programmatic)

05

## EXPAND EG LIVE DIVISION

- Expand business, including virtual entertainment
- ~30 gaming events globally

03

## SUBSCRIPTION MODEL GROWTH

- Currently ~100,000 paid subscribers ~C\$7.0M yearly recurring revenue
- Strategy and roll out plan to adopt subscription model across media network

04

## ESPORTS ORGANIZATION VALUE APPRECIATION

- Increase value of our Luminosity esports organization

**GROWING &  
MONETIZING OUR  
FAN BASE TO  
INCREASE OUR  
CUSTOMER BASE**





# Q1 2020 FINANCIAL HIGHLIGHTS

## KEY Q1 2020 FINANCIAL HIGHLIGHTS:

- Record Q1 total revenue of \$7.1 million, compared to \$10 million in Q4 2019 and \$6.3 million in Q3 2019 (pro forma)
- Q1 revenue exceeded management's expectations, driven by the media division outperforming despite the slower seasonality trend associated with the business in Q1
- Gross margin of 46%, compared to 34% in Q4 2019
- Page views increased 35% to 2.3 billion, compared to 1.7 billion in Q4 2019
- Strong cash position of \$11.5 million at quarter-end

## COVID-19:

- Increase of 20% across media platform, 40% increase on some larger, key sites on platform
- Significant increase in paid for subscriptions across platform
- Decrease in advertising rates / CMP, the net increase in advertisements served is currently outweighing the decrease in advertising rates prices
- The company continues to monitor network stats



# PER USER VALUE COMPARISON

Enthusiast is Significantly Undervalued Compared to Other Media Platforms

## REDDIT

**\$3B**

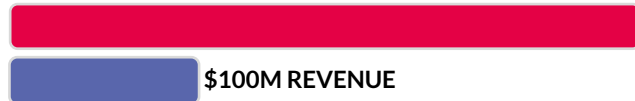
Approx Valuation

**330M**

Users

**\$9.09**

Value Per User



330M USERS

\$100M REVENUE

## TWITCH

**\$1B\***

Approx Valuation

**100M**

Users

**\$10**

Value Per User



100M USERS

\$14M REVENUE

## DISCORD

**\$3.5B**

Approx Valuation

**100M**

Users

**\$35**

Value Per User



100M USERS

\$91M REVENUE (estimated)

## ENTHUSIAST GAMING

**\$150M**

Approx Valuation

**200M**

Users

**\$0.75**

Value Per User



200M USERS

\$26.3M REVENUE (PROFORMA)



# KEY MANAGEMENT & DIRECTORS



## Francesco Aquilini Chairman

MD, Aquilini Investment Group. Owner of the Vancouver Canucks & Rogers Arena



## Adrian Montgomery CEO & Director

Former President of Aquilini Entertainment  
Served as Alternate Governor for the NHL  
Vancouver Canucks



## Menashe Kestenbaum President & Director

Founder of Enthusiast Gaming. Built Company from one blog called "Nintendo Enthusiast"



## Alex Macdonald CFO

Former CFO of Peek's Social, a development and marketing company of mobile video and livestreaming social media products



## Steve Maida President Esports Director

Luminosity Founder, developed global championship brand in the esports market



## Michael Beckerman Director

CEO and President of MKTG Canada.  
Former CMO of BMO, Ariad Communications



# CAPITAL STRUCTURE

## CAP TABLE

Shares	74,211,977
Warrants	4,521,235
Options	3,469,596
Convertible Debenture	2,970,297
<b>Fully Diluted</b>	<b>85,173,105</b>

As at July 1, 2020  
All \$ Figures in CAD

**TSX: EGLX**  
**FSE: 2AV**  
**OTCQB: ENGMF**

**Current Share Price: \$1.75**

**Market Cap: ~\$150M (fully diluted)**

**Insider Holdings: ~27%**

### Analyst Coverage

Canaccord Robert Young  
Paradigm Corey Hammill  
Haywood Neal Gilmer  
B Riley Mike Crawford  
Stephens Jeff Cohen



# THANK YOU!

**JULIA BECKER**

HEAD OF INVESTOR RELATIONS

[jbecker@enthusiastgaming.com](mailto:jbecker@enthusiastgaming.com)

TSX: EGLX  
OTC: ENGMF  
FSE: 2AV