

DRAFT



Everything You Need To Know About Esports

Viewership, Demographics, Market Growth, Valuations, and the New Media Revolution

Presented by:
AGC Partners

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Everything You Need to Know About Esports

A growing industry that is inherently global, digital, and social

- Esports is the tip of the spear for the new media revolution
- Viewership continues to grow among attractive demographics
- League structures are evolving, from open tournament-style leagues to city-based franchise teams with strict guidelines
- Team valuations are stable, and the long-term prospects look good
- “Watchability” should be a key focal point for all stakeholders
- Public equities are up 3.5x since post-COVID lows
- M&A activity has more than doubled in the last year



The Industry Has Spoken

Esports and esports are correct

This report focuses solely on esports and its surrounding ecosystem. A broader, comprehensive treatment of the gaming industry is forthcoming.

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Esports 101 – What Are Esports? And...What Is The Esports Industry?

Defining the most commonly understood construct of the esports industry

What Esports ARE

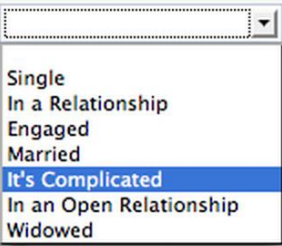
- **Esports** is defined as **video games** (including PC, console, and mobile games) *played competitively*, typically *by professional players*, individually or on teams
- Tournaments range in complexity from organized amateur competitions to established professional leagues
- Leagues can be franchised (requiring a sizable franchise fee to compete), or non-franchised (an open-style where teams qualify based on merit)

What Esports ARE NOT

- While many gambling apps and websites (operating mostly in Europe) – online casinos, online sports books, “E-Gaming” or “iGaming” sites identify with esports – this report is focused on *competitive video games*
- We make a notable exception for online betting or fantasy sports platforms that enable wagering on esports, even if the lion’s share of the action on such sites is placed on traditional sports. Case in point – DraftKings and Unikrn are featured on our market map

Can We Compare Esports To Traditional Sports?

Well...



Some of the Similarities

- Strong, repetitive spending patterns by hardcore fans
- Engagement often extends beyond the sport itself – watching becomes inherently social
- Strict health and wellness requirements for players (esports athletes have trainers and run sprints... healthy body = healthy mind)

Some of the Differences

- Each esports is an “IP” that is owned by a game publisher
- Esports team organizations compete in multiple esports, thus diversifying viewership and mitigating the gaming “content risk”
- Organizations derive smaller percentages of revenue from the actual esports (55% median for the top 10 teams). Many organizations position themselves as media companies as opposed to sports teams
- Few esports are city-based (notable exceptions being Overwatch League and Call of Duty League)



Plural or Singular?

Esports is a collective noun – plural in form, but taking on singular form when regarded as a unit:

“Esports is a growing industry.”

- and -

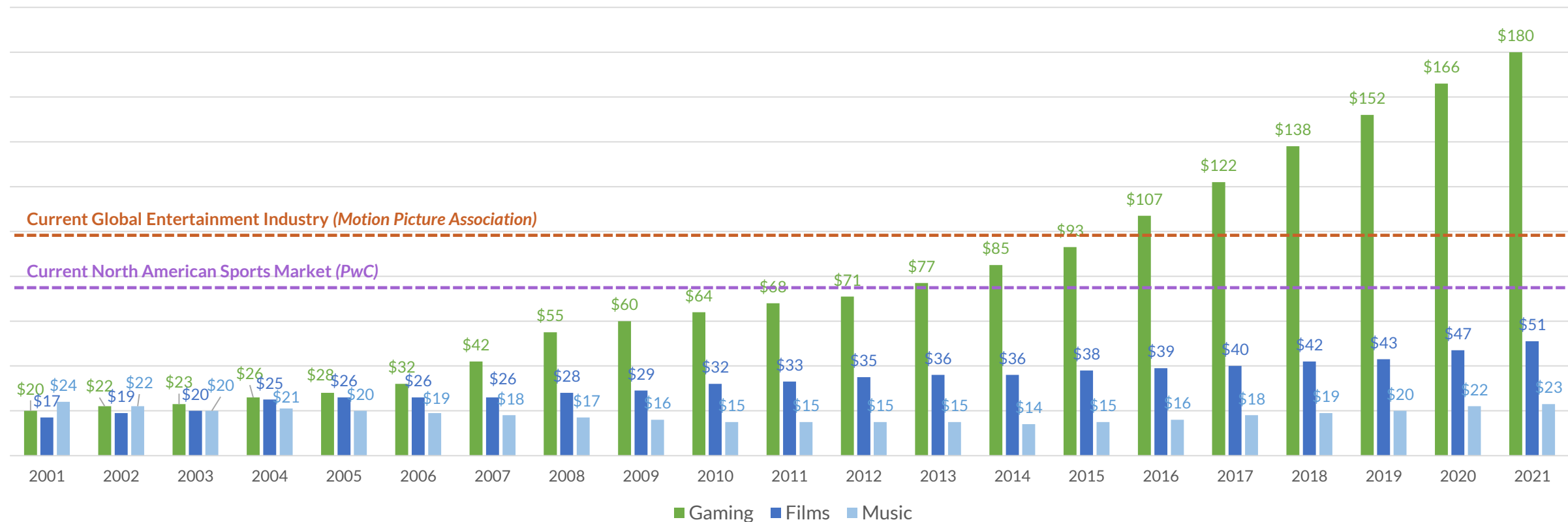
“Several esports have emerged as dominant in the U.S.”

The Gaming Market is 2x Larger than Music and Film Combined

While most major entertainment mediums have shown modest growth, the gaming industry is now larger than the global entertainment industry

This secular growth has been driven by mobile in the late aughts and early teens, AR/VR in the mid-teens, and esports today

20 Years of Gaming Industry Growth

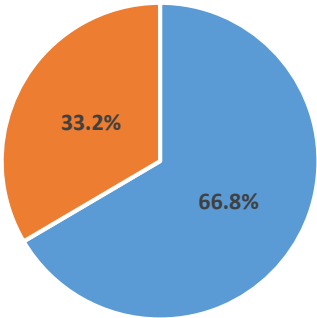


Sources: Newzoo, Statista, Whatsthebigdata.com, IFPI, Arstechnica, DWMW and MPAA

Gaming and Esports are No Longer a Subculture

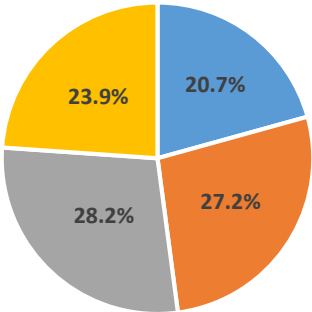
With 5+ decades of growing cultural acceptance, video games have grown from niche to mass market

Most Of Us Are Gamers...



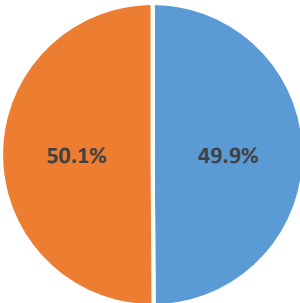
■ Gamers ■ Non-Gamers

...From All Age Groups...



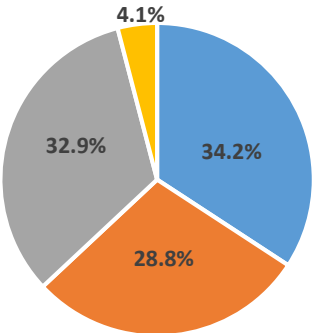
■ 10-20 ■ 21-35 ■ 36-50 ■ 51-65

...With No Gender Difference...



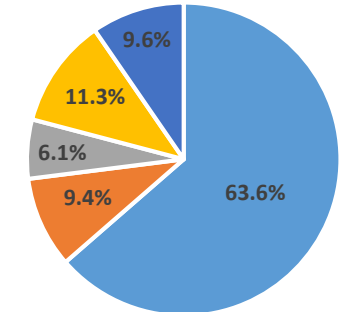
■ Male ■ Female

...Or Income Bias...



■ Low ■ Middle ■ High ■ Not Stated

...And The Majority Have Jobs



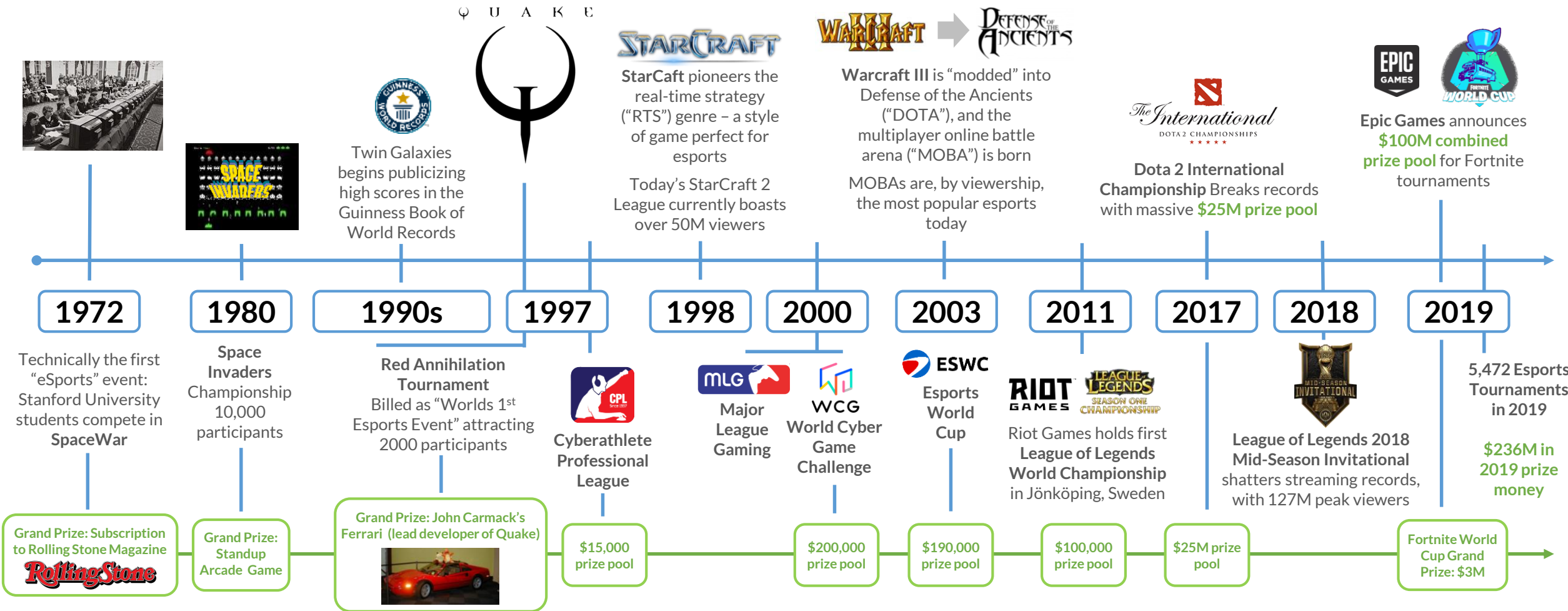
■ Employed ■ Homemaker ■ Student ■ Unemployed ■ Retired



Source: Newzoo, 2020 U.S. demographics

With Roots in the 70's, Esports has Grown into a Global Phenomenon

“Esports have evolved from hacked-together LANs in the back of comic book stores to global distribution at sold-out arenas”
– Mike Rufail, Envy Gaming



Esports have Permeated Multiple Dimensions of Mainstream Culture

Television



- Riot Games and Netflix are teaming up on an animated series based on the *League of Legends* universe
- The partnership marks Riot's first foray into TV
- Will also air on Tencent Video in China
- Release: Fall 2021



- HBO's popular *Ballers* series also featured League of Legends in its fifth and final season
- Also portrayed were Rick Fox from EchoFox, Team Liquid, and Team Splyce



Movies



- Paris Berelc and Ruby Rose are set to star in the esports comedy "1UP" produced by a BuzzFeed/Lionsgate partnership



- Legendary Pictures and Mosaic Films are teaming up on a film starring Will Ferrell, who plays on a professional esports team at an unusually old age



- Ubisoft Film & Television is working on a movie based on the Silver Snipers, a real-life senior citizen CS:GO Team

The Olympics



The 2024 Paris Olympics will feature esports as inaugural demonstration events

- Fédération Internationale de l'Automobile will host a *Gran Turismo* competition
- Union Cycliste Internationale will host a competition for Zwift
- The World Baseball Softball Confederation will host a competition for Konami's *eBaseball Powerful Pro Baseball 2020*
- World Sailing will host a competition for *Virtual Regatta*, an online sailing and regatta simulation game



Esports Joining Olympics in 2024

Esports are Commonplace in Collegiate Athletics

Support for college esports comes from universities, nonprofit associations, and esports organizations (teams) themselves

- U.S. colleges offer roughly \$16M per year in esports scholarships, with the majority being partial scholarships to the tune of \$500-8,000 per year (Harrisburg University was the first to offer full rides to its entire 16-player roster)
- Scholarships attract over 65,000 players to collegiate esports programs

The National Association of Collegiate Esports

- Currently, 192 Colleges and Universities are members of the National Association of Collegiate Esports
- More than 5,000 student athletes compete in NACE varsity esports
- Events hosted by NACE feature tournaments for:





Electronic Gaming Federation

- Runs leagues for collegiate, high school, and youth programs
- Supports three leagues – EGFC (College), EGFH (High School), and EGFY (Youth)
- Formed unified esports program with the Special Olympics New Jersey



EGFC (College)

- Division 1
- Must have varsity program with at least one team
- Requires faculty representative



EGFH (High School)

- Partnered with Disney for High School National Championship



Collegiate Star League Esports

- Roughly 1800 universities are part of CSL Esports, where students play for fun and scholarships
- Operates three league tiers: Open Division, Challenger Division, and Star League
- Publishes power rankings of colleges and teams



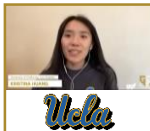
CSL Sponsors





The Gen.G Foundation

- Gen.G is a top-10 esports organization based in Seoul and Los Angeles, competing in 7 major esports
- Multiple education initiatives: Gen.G Global Academy; Professional Development Series; Gen.G Foundation
- Gen.G Foundation offers scholarships (aimed at diversity and underprivileged communities) for undergrads (both local and international) interested in gaming, esports, entrepreneurship, journalism, or content creation





Source: CStarLeague, The Next Level, NACE

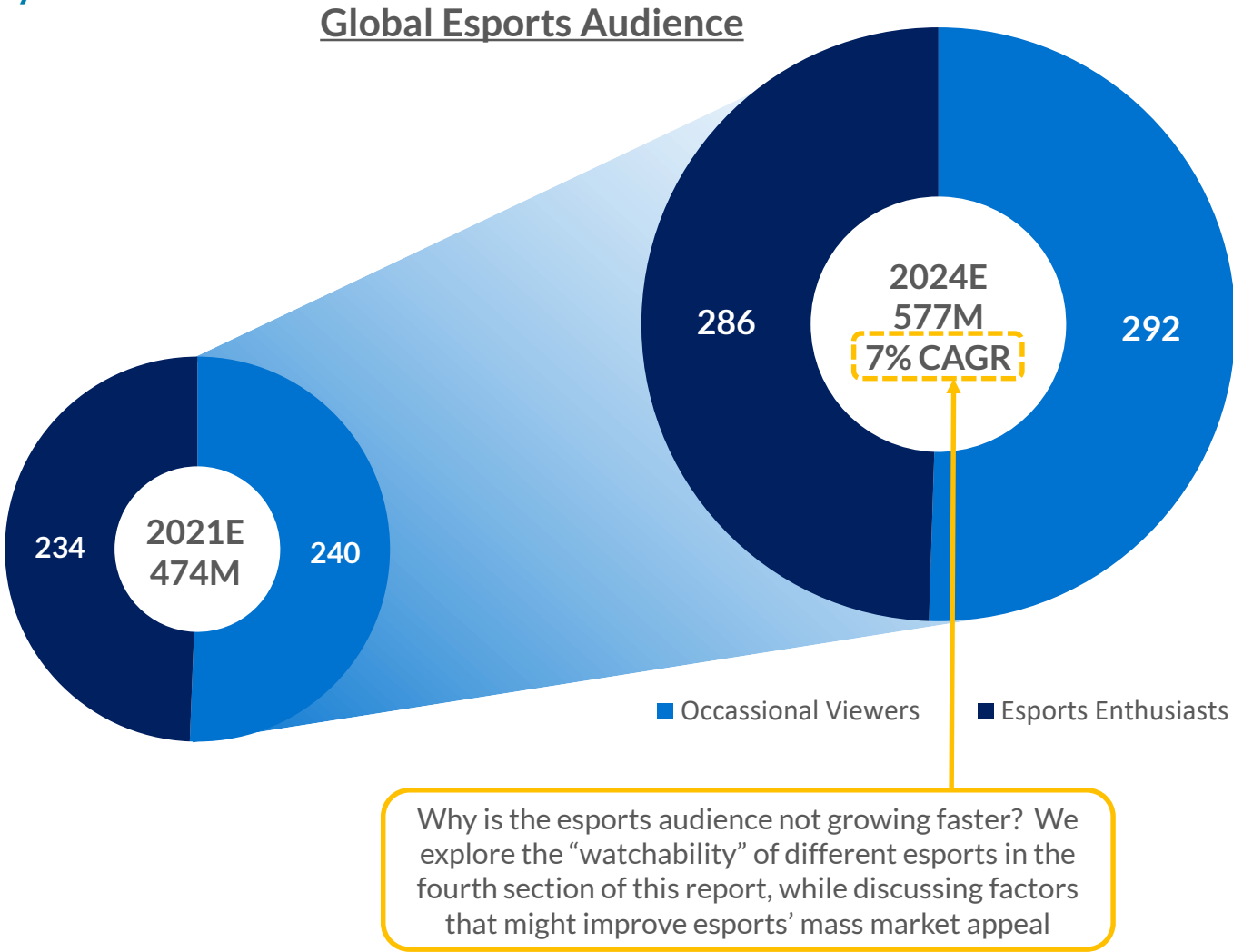
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Esports Audience Growth

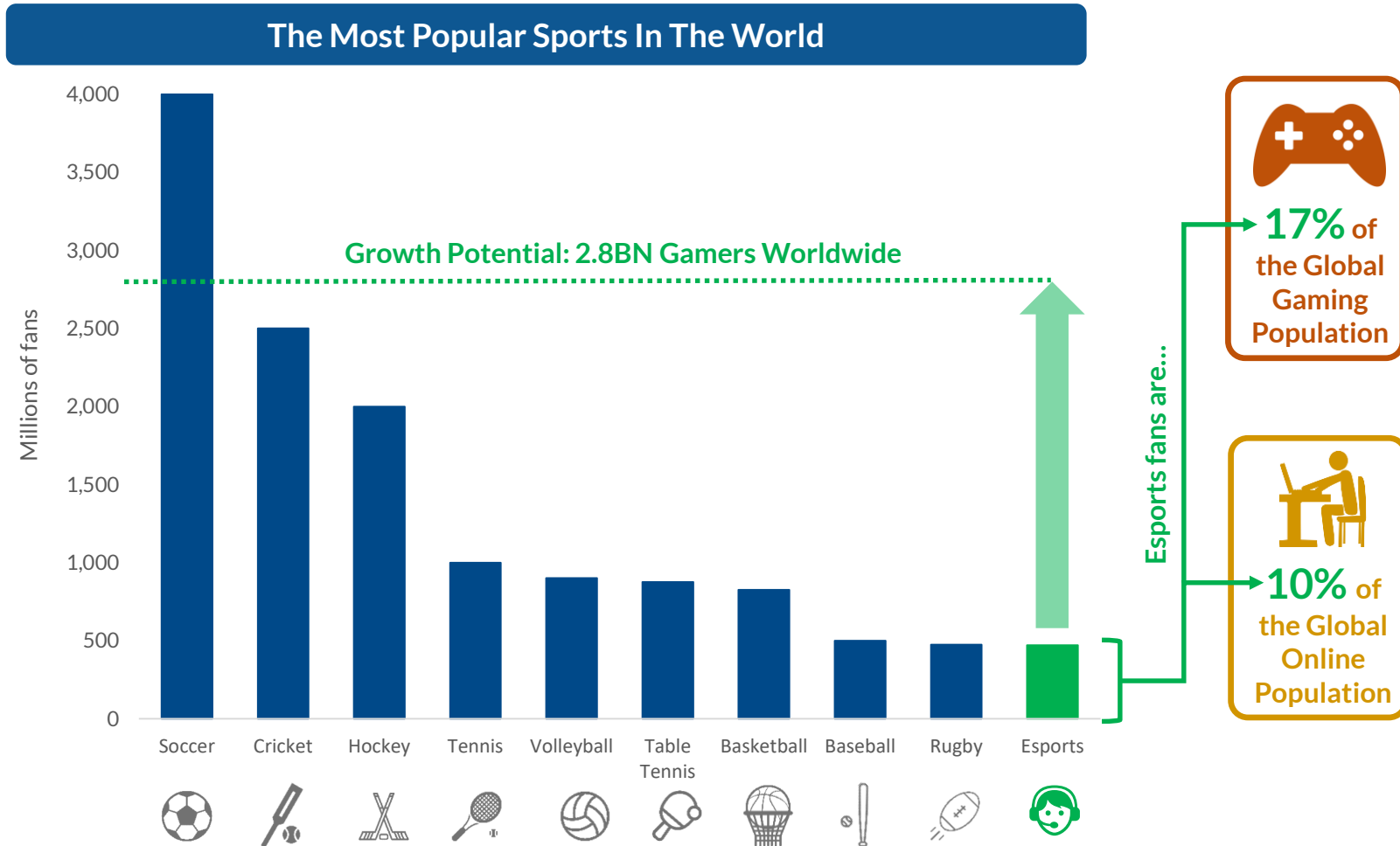
The global esports audience is expected to rise 22% by 2024

- Growth has been driven primarily by infrastructure improvements in growth markets like the Middle East, Africa, Asia-Pacific, and Latin America
- Mobile is also playing a key role in market growth, as several mobile esports (*Garena Free Fire*, *Mobile Legends*, *PUBG Mobile*, and *Arena of Valor*) broke into the top 10 list of esports watched, gaining the mindshare (and therefore viewership) of mobile-centric markets like China, India, and Brazil
- As COVID-19 either altered or shut down traditional sports, viewers turned to esports for live content. In late March and early April of 2020, the only live professional sports available were esports and bull riding (Professional Bull Riders Tour)
- Improved discovery on streaming platforms (*Twitch*, *YouTube*, *Facebook*) is also powering growth, as strict tagging guidelines enable viewers to quickly find esports they follow and discover new ones to watch



Esports is Now a Top-10 Sport Globally

This is a big deal. Esports is now duking it out with rugby and baseball on a global scale

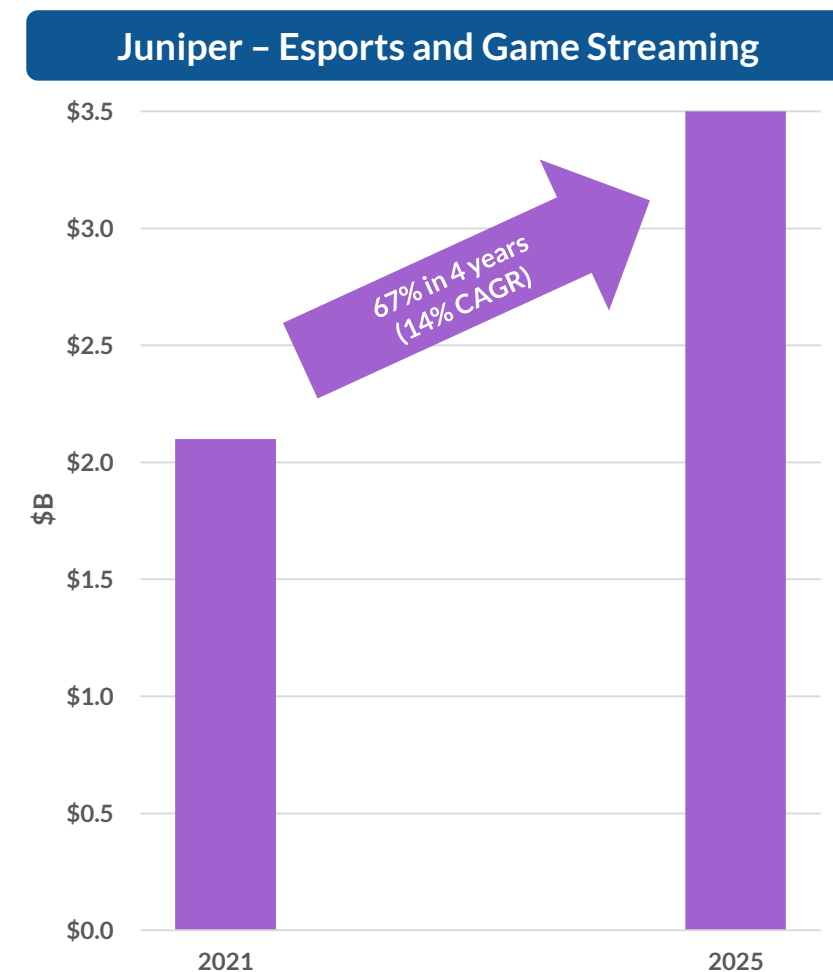


- Since the esports audience is inherently global, we present an apples-to-apples comparison with the most popular traditional sports globally
- Given that esports require *first world infrastructure* to play (fast internet and expensive devices), and at least *modest infrastructure* to watch (an internet connection and a low-cost device), the industry's traction on the global stage is noteworthy
- Newzoo pegs the global gaming population at 2.81B. If esports were viewed by all gamers, it would be the #2 sport globally
- Roughly 10% of the global online population of 4.57B are esports fans

Esports Market Growth

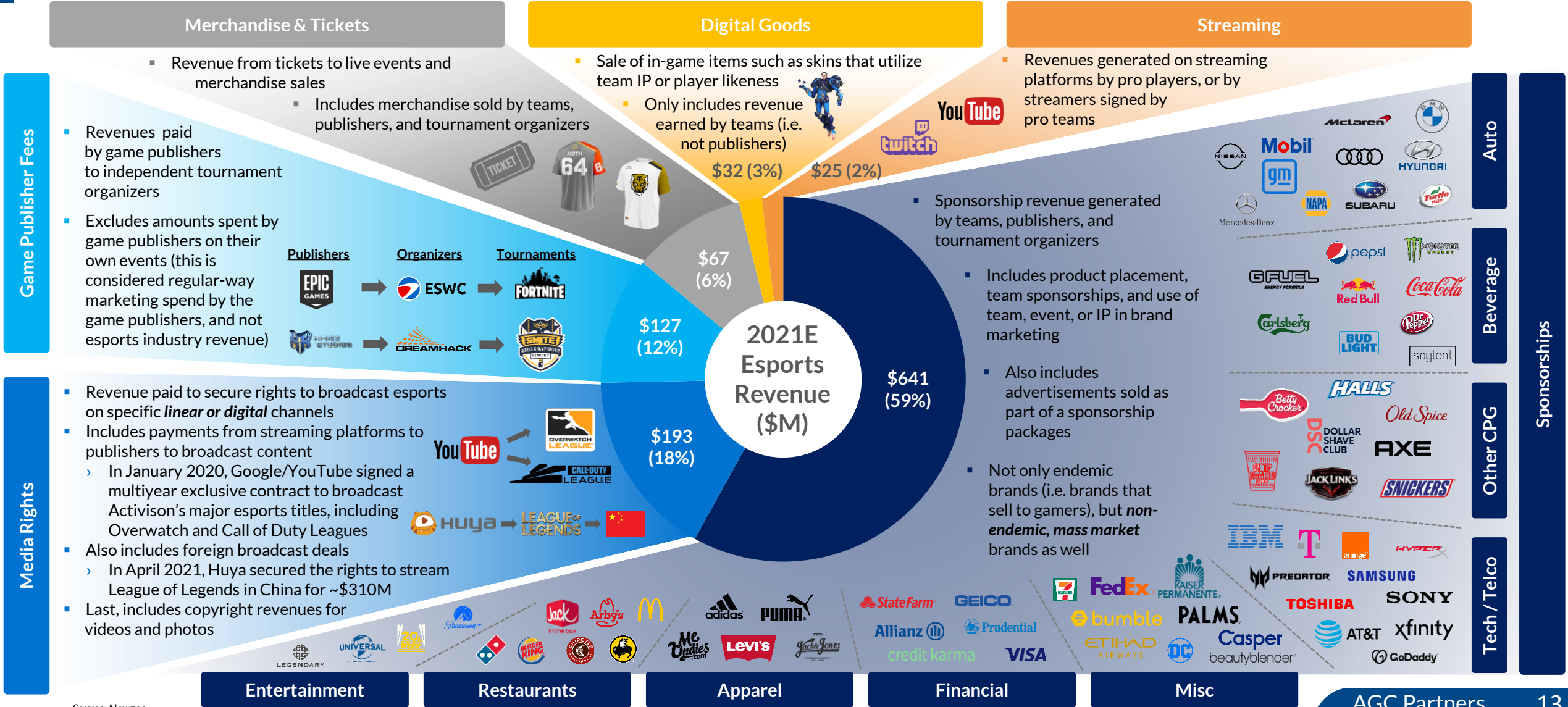
The esports market continues to grow at a mid-teens CAGR, when viewed either as strictly esports (Newzoo's forecast), or when combined with the broader game streaming ecosystem (Juniper Research's forecast)

- Newzoo projects the esports market to reach **\$1.6BN by 2024**
 - › Market definition includes sponsorships, media rights, game publisher fees, merchandise, tickets, digital goods, and streaming (by professional players only)
- Juniper Research projects **\$3.5BN by 2025, grouping esports and game streaming together** – a logical extension given how the two experiences (watching official esports events vs. watching your favorite semi-pro streamer play a game) are intertwined
- Both agree on livestreaming audience projections (for both esports and game streaming): Newzoo forecasts 970M worldwide by 2024; Juniper shows 1BN worldwide by 2025



Esports Revenue Breakdown Defined

Esports revenue *does not* include many revenue streams relating to the games themselves (mostly to the benefit of publishers) that are indirectly boosted by esports – e.g. additional game sales, in-game monetization, or the effects of cross-marketing separate games to esports audiences



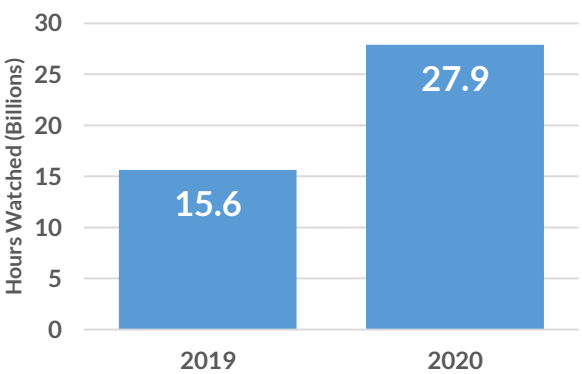
Source: Newzoo

Streaming Viewership Surged During COVID-19 Pandemic

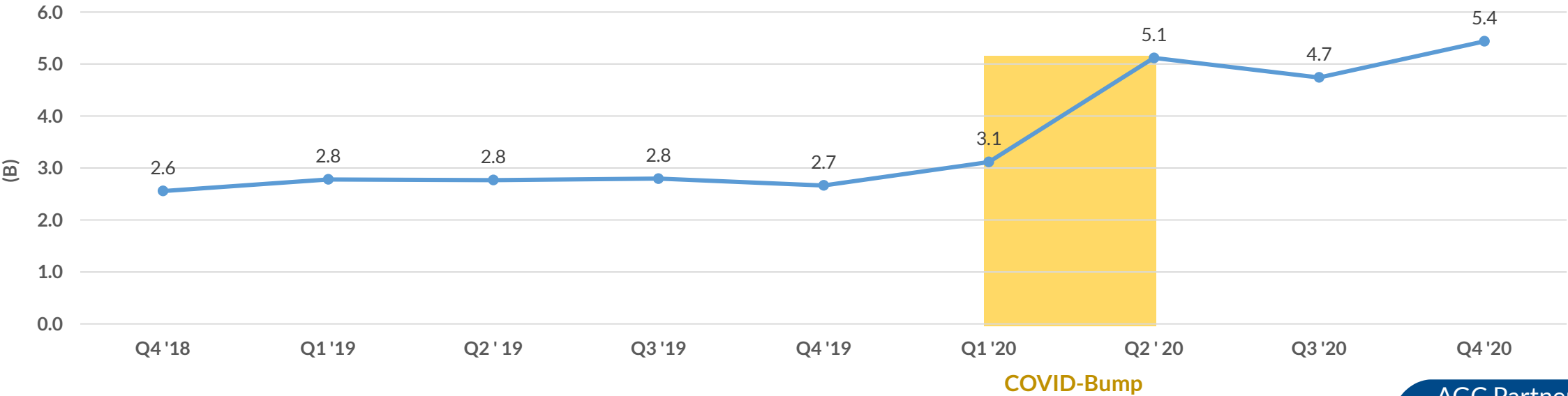
Streaming Viewership Surging On All Major Platforms

- 2020 saw roughly **28 billion hours of content** watched across all platforms – a whopping **78.5% increase** over 2019
- YouTube’s growth slightly outpaced that of industry leading-Twitch, with **double the performance** over the previous year
- Facebook grew even faster, albeit from a smaller base, nearly **tripling its 2019 performance**
- The “COVID-bump” began in Q1’20, and accelerated through the second quarter, where viewership almost doubled Q4’19

Streaming Hours Watched



Twitch Quarterly Hours Watched

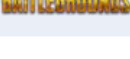


Top-30 Streaming Esports Viewership – Last 12 Months

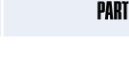
Half of the top 10 streaming esports are mobile games – this is driven by a surge in viewership of multiplayer online battle arenas (“MOBAs”) and battle royale games built for mobile

Based on viewership on:



	Game	Publisher	Platform	Genre	Esports Hours Watched (M)
1			PC, Mobile	MOBA	566
2			PC, Console	FPS	278
3			PC	MOBA	187
4			Mobile	MOBA	70
5			Mobile	Battle Royale	63
6			Mobile	Battle Royale	61
7			Mobile	MOBA	54
8			Console, PC	Sports	53
9			Console, PC, Mobile	FPS	42
10			PC, Console	Battle Royale	40

	Game	Publisher	Platform	Genre	Esports Hours Watched (M)
11			PC, Console	FPS	35
12			PC	FPS	34
13			PC, Console	MOBA	23
14			PC, Console	FPS	20
15			PC, Mobile	CCG	18
16			Console, PC	Battle Royale	17
17			PC	RTS	13
18			PC, Console, Mobile	Battle Royale	11
19			Console, PC	Sports	9
20			Console, PC	FPS	6

	Game	Publisher	Platform	Genre	Esports Hours Watched (M)
21			PC, Mobile	CCG	4
22			Console, PC	Battle Royale	3
23			PC, Mobile, Console	Arcade	2
24			Switch	Fighting	2
25			PC, Console	Platform	1
26			Console, PC	Sandbox	1
27			Console, PC	FPS	1
28			PC	RPG	1
29			PC	FPS	1
30			Console	Adv.	1

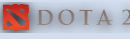
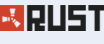
Top-30 Streaming Games (Not Just Esports) Viewership – Last 12 Months

As for the top games streamed, the field is much more diverse, from a genre and platform perspective

Based on viewership on:



	Game	Publisher	Platform	Genre	Total Hours Watched (M)
1			PC	MOBA	1,967
2			Console, PC, Mobile	Battle Royale	1,623
3			Console, PC	Adv.	1,292
4			PC, Console	Sandbox	1,200
5			Console & PC	Battle Royale	1,080
6			PC	FPS	1,076
7			PC	FPS	973
8			Mobile	Battle Royale	885
9			PC & Mobile	Arcade	723
10			Console & PC	Battle Royale	573

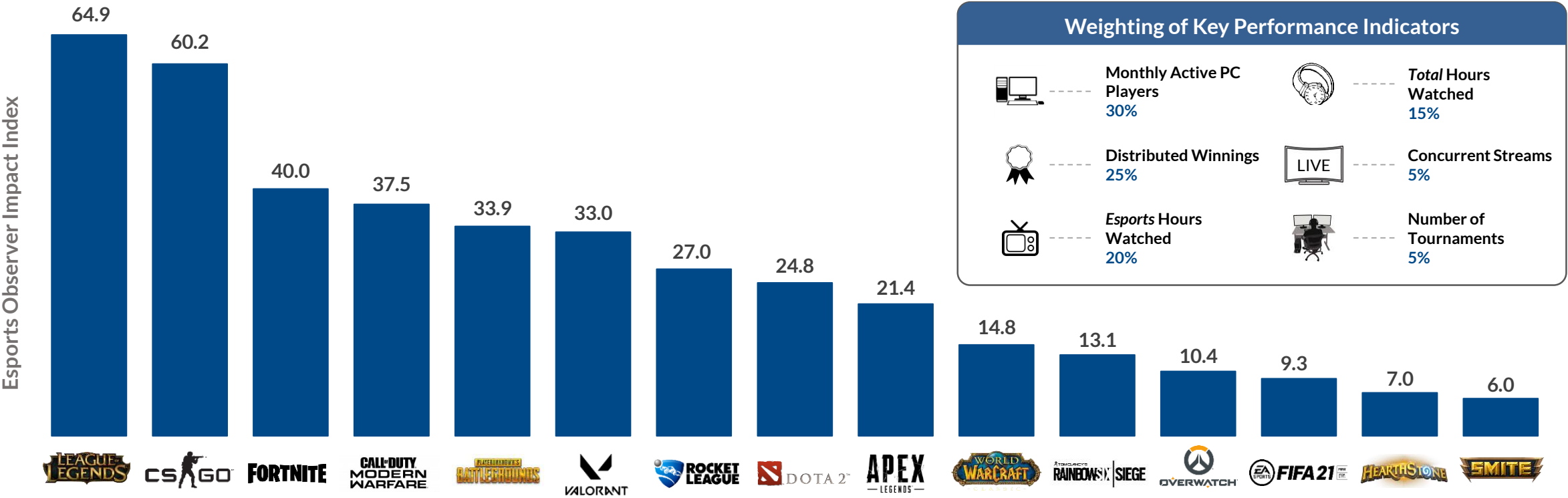
	Game	Publisher	Platform	Genre	Total Hours Watched (M)
11			PC	MOBA	561
12			PC	RPG	498
13			PC	FPS	440
14			Mobile	MOBA	439
15			Console, PC	Sports	333
16			PC, Console	MOBA	328
17			PC, Console, Mobile	Adv.	275
18			PC, Console	MOBA	239
19			PC, Console	MOBA	229
20			Mobile, PC	CCG	219

	Game	Publisher	Platform	Genre	Total Hours Watched (M)
21			Console, PC	Sports	195
22			PC, Console	FPS	188
23			PC, Console	FPS	182
24			Mobile	MOBA	149
25			Console, PC, Mobile	FPS	147
26			Console, PC	FPS	128
27			Mobile	FPS	123
28			PC, Console	RPG	118
29			Console, PC, Mobile	Sandbox	117
30			Console, PC, Mobile	RPG	117

Esports Observer has a Different Take on Ranking Esports: By “Impact”

The media site measures “impact” based on players, viewership, winnings, concurrent streams, and tournaments

- Esports Observer publishes an esports “Impact Index” that takes more than just viewership into consideration when ranking esports
- Their methodology helps to normalize the performance of games with fewer esports hours watched, but that excel in other areas – e.g. popularity of the game itself, prize pools, and the number of tournaments held
- Fortnite, for example, benefits greatly from this methodology. The game is a widely recognized global phenomenon, however the pro league is relatively nascent. As a result, Fortnite ranks lower as an esports based on esports hours watched (#18), but is one of the *highest ranked esports by impact* (#3)



So – What *Types* of Games are the Top Esports?

Here, we profile the top esports in each major genre, based on total viewership over the past year

	LEAGUE OF LEGENDS	CS GO	FREE FIRE	ROCKET LEAGUE	HEARTHSTONE	STAR CRAFT	SUPER SMASH BROS. ULTIMATE	WORLD OF WAR CRAFT
Rank ⁽¹⁾	#1 Esport; #1 MOBA	#2 Esport; #1 FPS	#5 Esport; #1 Battle Royale	#8 Esport; #1 Sports	#15 Esport; #1 Card Battle	#17 Esport; #1 Strategy	#24 Esport; #1 Fighting	#28 Esport; #1 RPG
Publisher	RIOT GAMES	VALVE	Garena	PSYONIX	BILZARD ENTERTAINMENT	BILZARD ENTERTAINMENT	Nintendo	BILZARD ENTERTAINMENT
Genre	Multiplayer Online Battle Arena (“MOBA”)	Tactical First-Person Shooter (“FPS”)	Battle Royale	Sports (Soccer Played by Remote Control Cars)	Card Battle Strategy	Real-Time Strategy (“RTS”)	Arena Fighting	Massively Multiplayer Online Role Playing Game (“MMORPG”)
Platforms	PC, Mac	PC, Mac	Android, iOS	Nintendo Switch, PS4, Xbox One, PC, Mac, Linux	PC, Mac, Android, iOS	PC, Mac	Nintendo	PC, Mac
Audience ⁽²⁾	115M+	40M+	500M+	75M+	100M+	17M+	60M+	14M+

(1) Rankings based on Newzoo viewership statistics for esports hours watched, year ending Q1'21, on Twitch and YouTube

(2) Audience defined as either total downloads, game sales, or MAU, depending on the platform, genre, and availability of data.

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Setting the Stage

First, let us define our esports ecosystem – the buckets, their criteria, and the rationale for including companies

Legend

- Map is U.S.-focused, but also features prominent international companies
- Includes acquired companies if and when still operating as a subsidiary
- Excluded are physical gaming/LAN centers. Map features technology companies, and we consider gaming/LAN centers to be services businesses

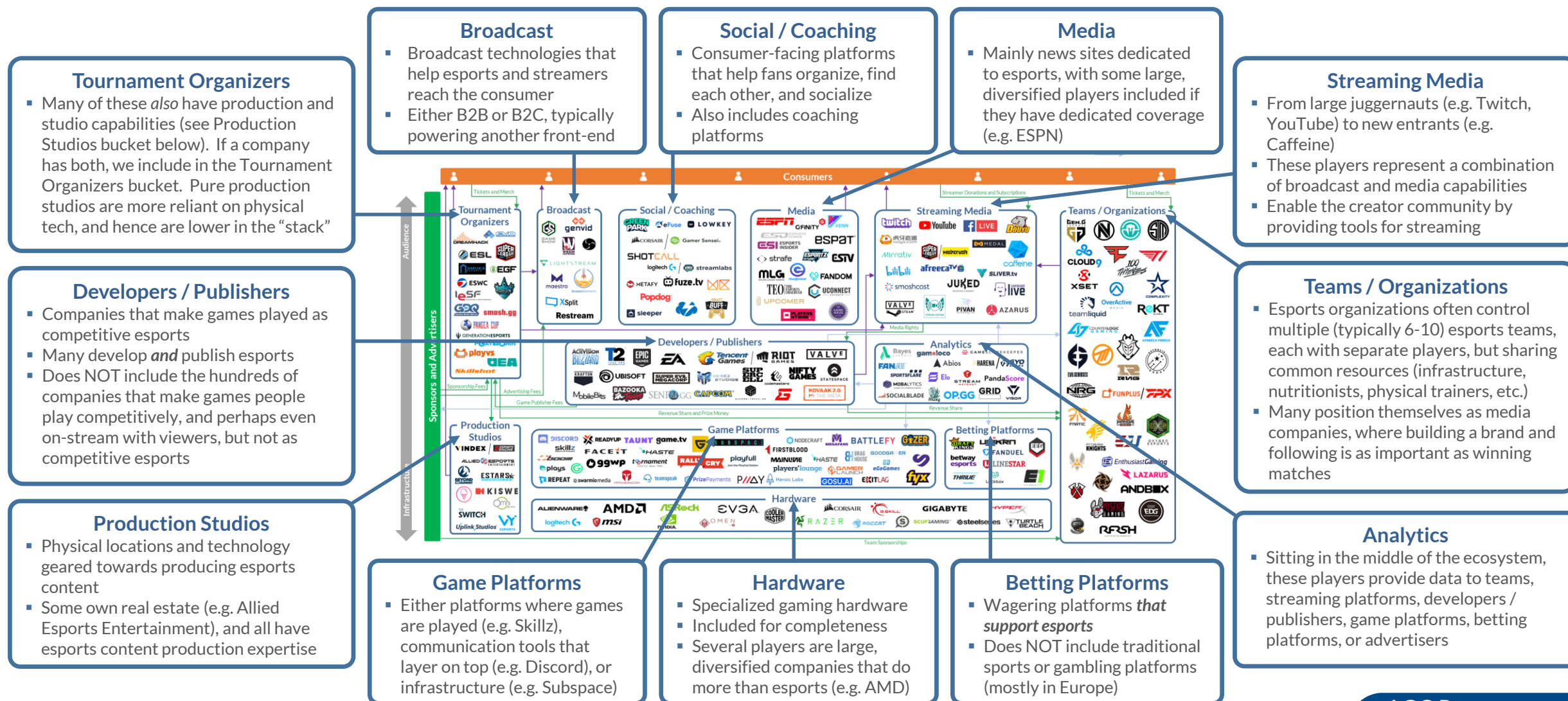


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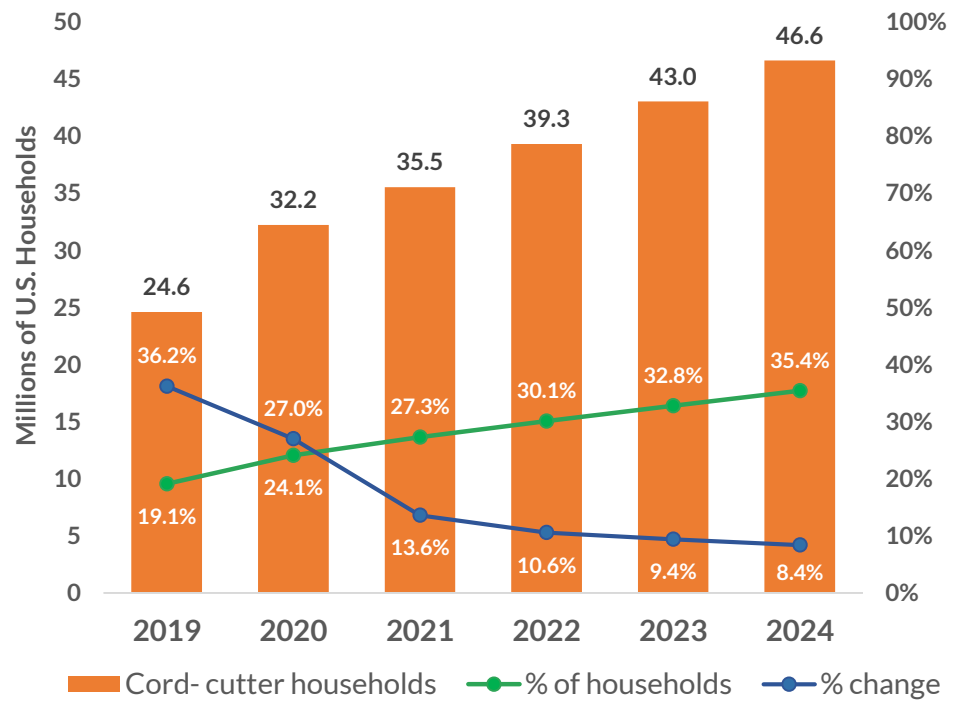
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Increased Cord-Cutting has Ushered a New Media Revolution...

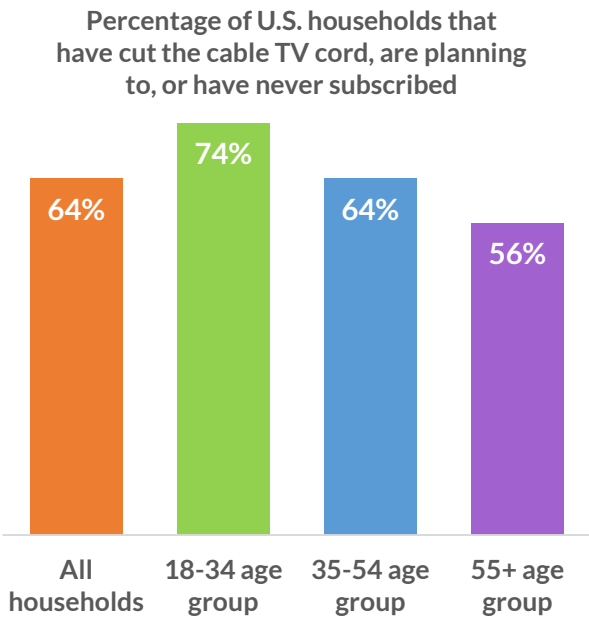
If they haven't cut the cord already, most millennials are planning to do so eventually

- Though cord-cutting (unsubscribing from traditional cable TV, in favor of over-the-top or other streaming platforms) is not a new trend, *an astounding 74%* of millennials have cut the cord, or are planning to
- By 2024, *over 1/3 of U.S. households* will have cut the cord

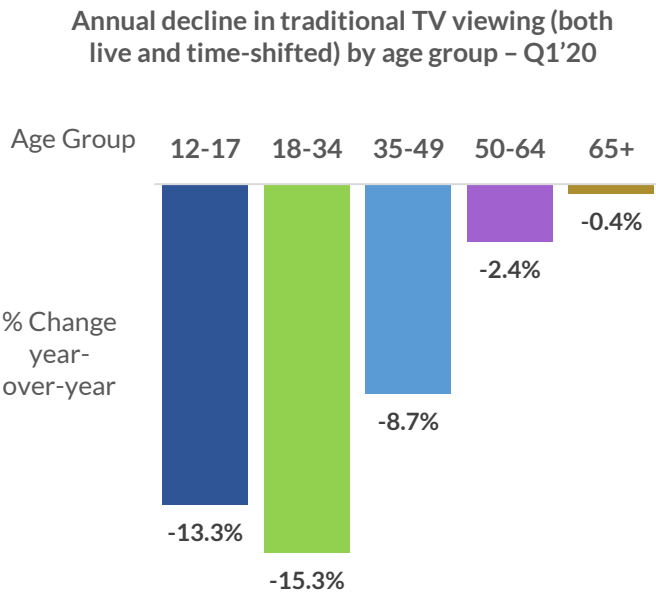
More Than 1/4th of America has Cut the Cord...



...And Most of Us Will Eventually Cut it



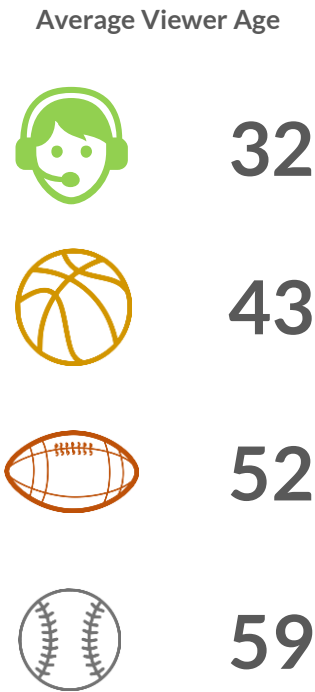
Millennials are Cutting the Cord Fastest



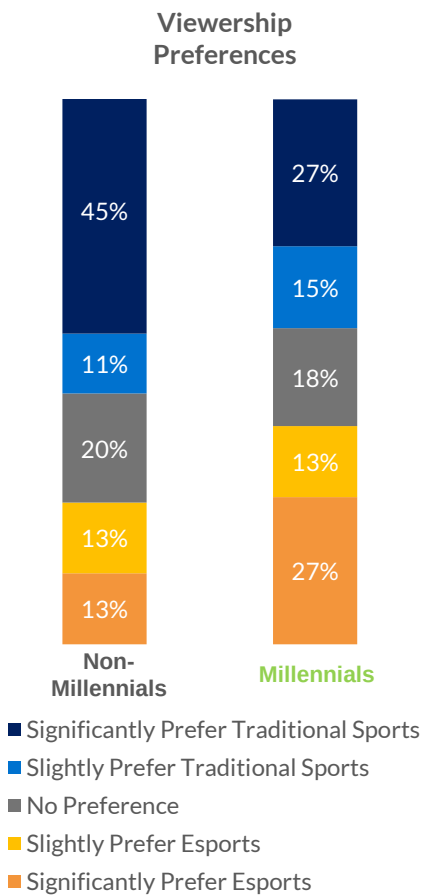
...And Esports are the Bleeding Edge

78% of regular esports viewers are under the age of 36

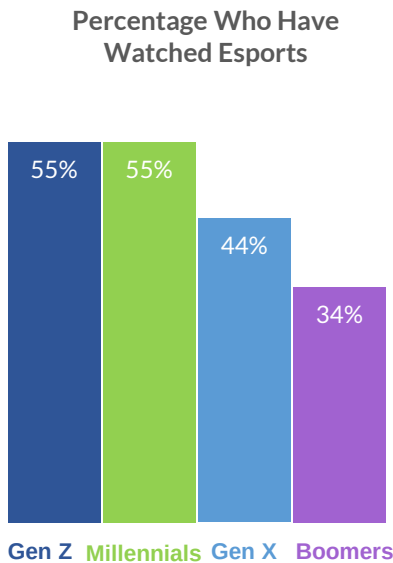
Compared to Traditional Sports...



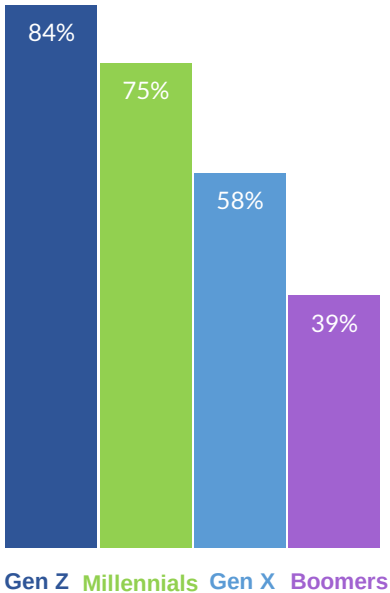
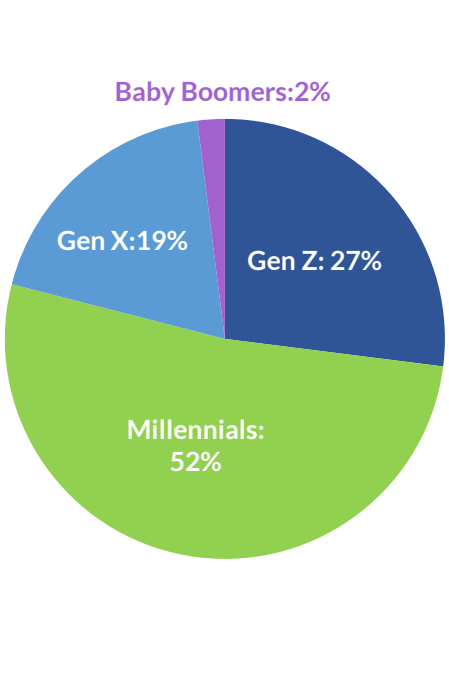
...Esports Represent the Next Generation...



...With Most Esports Viewers Under 36...



...Who Watch Livestreaming

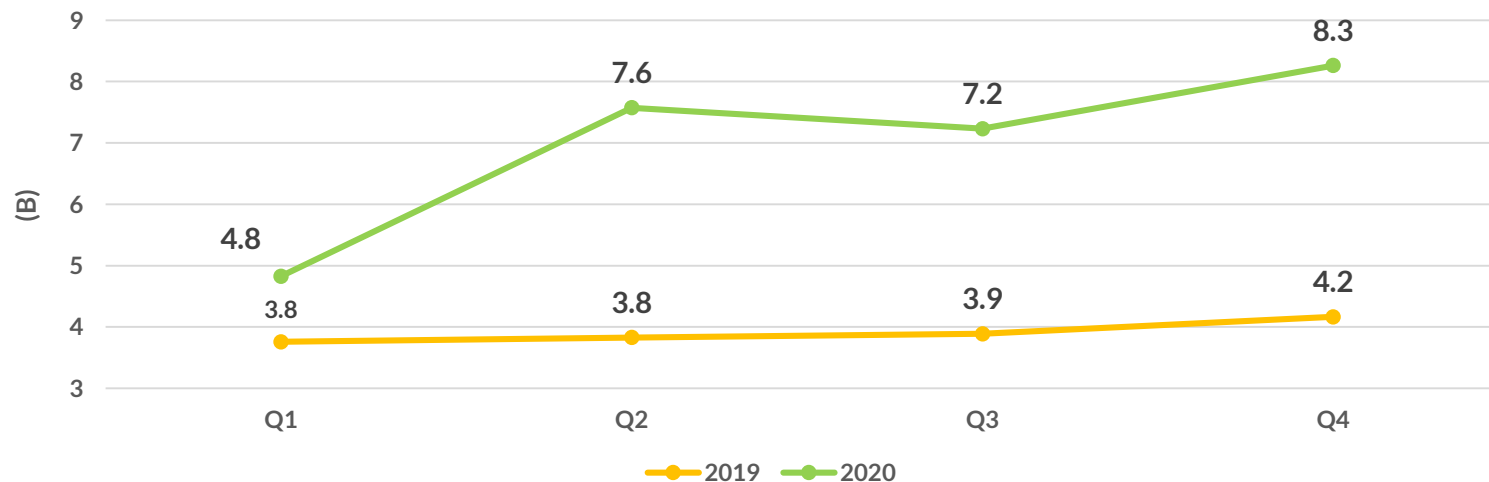


Streaming Viewership Continues to Rise, Even Post “COVID-Bump”

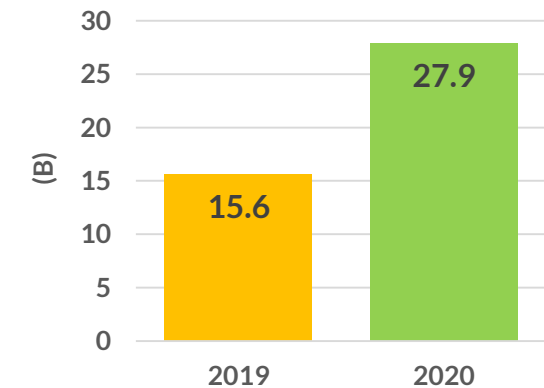
Twitch dominates the market, but YouTube and Facebook are gaining share

- The “COVID-bump” in Q2’20 roughly doubled the hours watched over Q3’19
- However, hours watched continued to grow, even as people started going back to work. We expect this trend to continue as the new media revolution forges on
- Share of streaming hours watched is dominated by Amazon-owned Twitch, streaming roughly 2/3 of all hours watched in Q4’20
- However, YouTube is gaining the most share in hours watched, due to its massive reach, dedicated gaming channel, and key exclusive contracts (e.g. \$160M for exclusive rights to stream Overwatch League, Call of Duty League, and Hearthstone Esports for the next several years)

Quarterly Hours Watched – 2020 vs. 2019

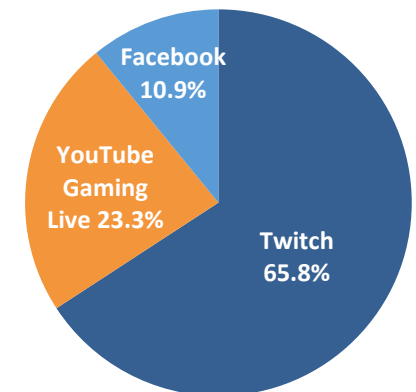


Hours Watched



Hours Watched in Q4’20

Twitch – 5.4B
YouTube Gaming Live – 1.9B
Facebook – 901M

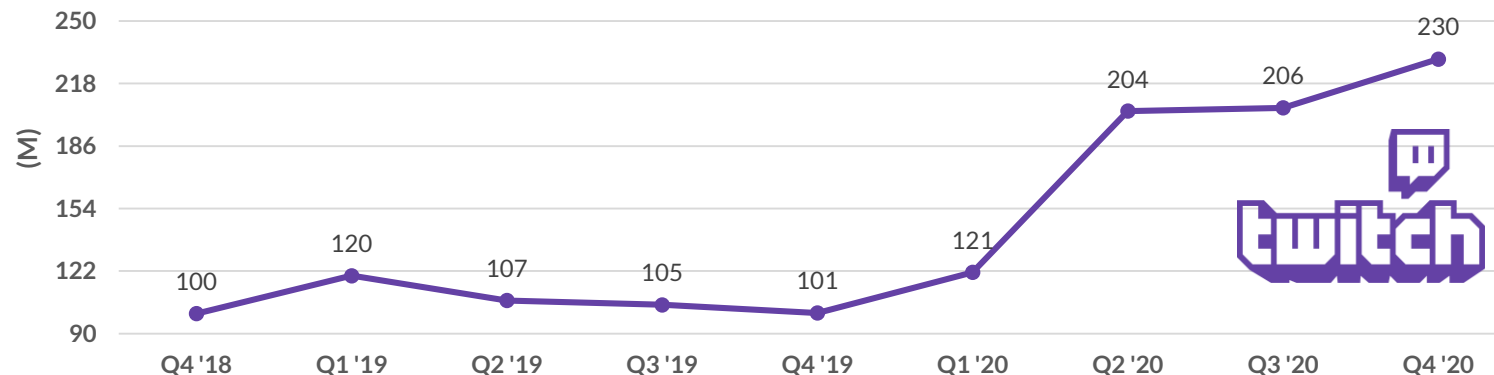


COVID-19 has Boosted Both Content Consumption and Creation

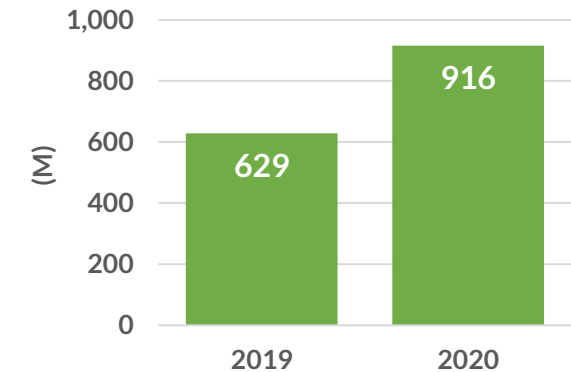
Twitch continues to dominate both hours watched and hours streamed

- COVID-19 had an immediate effect on gaming viewership, as lockdowns kept people inside, who either discovered or re-discovered gaming and esports
- The pandemic's boost to streamers is lesser known – during 2020, content creators streamed **46% more content** on Twitch, YouTube, and Facebook
- According to Twitchtracker.com, the number of **active streamers on Twitch grew 155%** in 2020 – from 3.3M in December 2019 to 8.5M in November 2020
- Hence, not only did the COVID-19 pandemic boost the consumption of video game streaming, it also facilitated a revolution of new content creators (streamers)

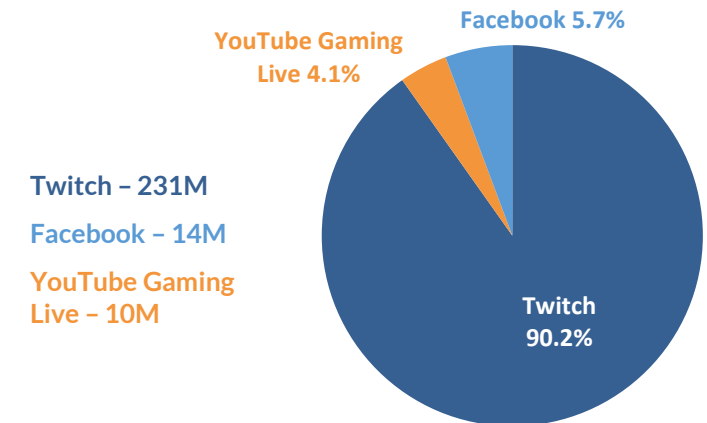
Twitch Hours Streamed Per Quarter



Total Hours Streamed (All Platforms)



Hours Streamed in Q4'20



League Structures are Evolving

Publishers are exploring a range of league structures, from flexible open-style qualifiers to city-based franchise teams

Flexible Structure

Strict Structure

League

Established

Publisher

Franchise/Non

Format

Summary

Fortnite Champion Series (FNCS)



2019



Non-Franchise

- Players compete cross-platform, where PC, console, and mobile players play on the same team
- Four FNCS Seasons in 2021
- Separate World Cup and Pro-Am Tournaments

Cross-Platform, Open-Style Qualifiers, With Four Finals in 2021

Dota Pro Circuit (DPC)



2017



Non-Franchise

- Replaced the 2015-2016 Dota Major Championship Series, which had been criticized for the unpredictable finals invitations
- 2021 DPC will have two seasons with regional leagues competing for a spot in the finals in August

Regional, Non-Franchised Leagues; World Championship

Valorant Champions Tour



2021



Non-Franchise

- 3 cycles of qualifiers, culminating in a world championship in December
- "Challengers" tournaments serve as qualifiers into "Masters," earning points to qualify for the world championship

Similar Structure To League of Legends, But Without Franchises

League of Legends World Championship



2011



Franchise

- 12 regional leagues, with a mid-season invitational and a world championship
- Number of qualifying teams has grown from 8 in 2011 to 22 in 2020
- Arguably the largest and "most global" esports, with the highest viewership

Regional Tournaments; Franchised Teams; World Championship

NBA 2K League



2018



Franchise

- Most teams owned and managed by an actual NBA franchise
- The first non-NBA team (the Gen.G Tigers) is based in Shanghai
- 23 teams as of May 2021; goal is to have one team for each NBA franchise

Most Teams Based On An Actual NBA Team

Overwatch League



2018



Franchise

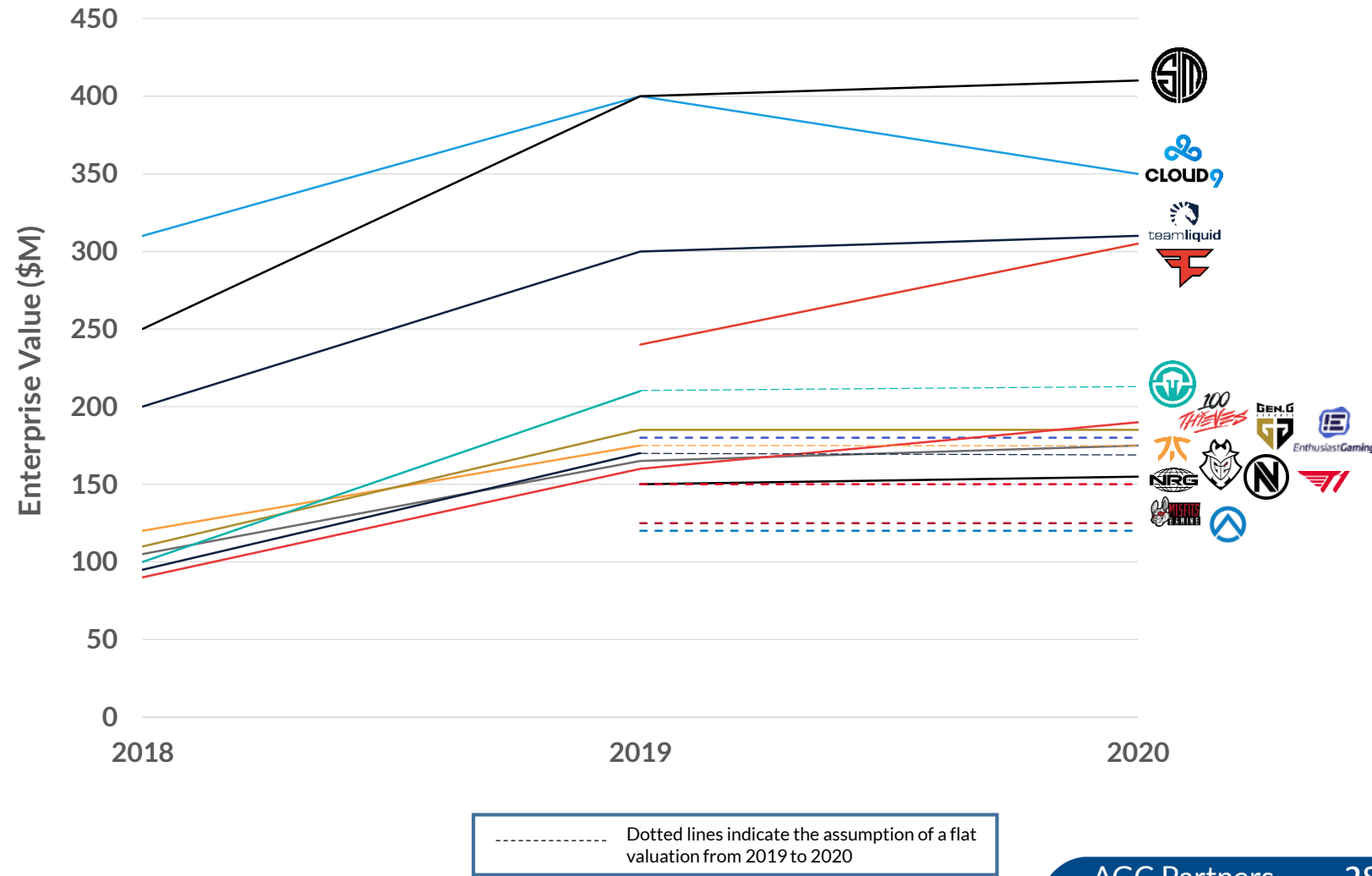
- Teams are city-based
- Initial franchise team fee of \$20M
- Branding **must be new and separate** from parent company (e.g. Team Envy/Dallas Fuel)
- Four 2021 tournaments starting in April, with the Finals in September

International League With City-Based Teams

Forbes Team Valuations Remained Largely Flat in 2020

Valuations have been affected primarily by the lack of live event revenue, which essentially went to zero due to the pandemic

- COVID-19 has had an overwhelmingly positive effect on gaming and esports
- Esports continued their seasons with minimal disruption, as players transitioned from live arena play to remote online competition
- While this lack of disruption was positive for consistent league play (e.g. there will be no asterisk next to 2020 in the history books, like there will be for many traditional sports), 2020 did have an adverse affect on live event revenue – a core part of many team business models. Many organizations had local events planned that were ultimately cancelled. Envy Gaming, an esports organization with past success in live events, had six local events on the books for 2020, which were all cancelled due to COVID-19 restrictions



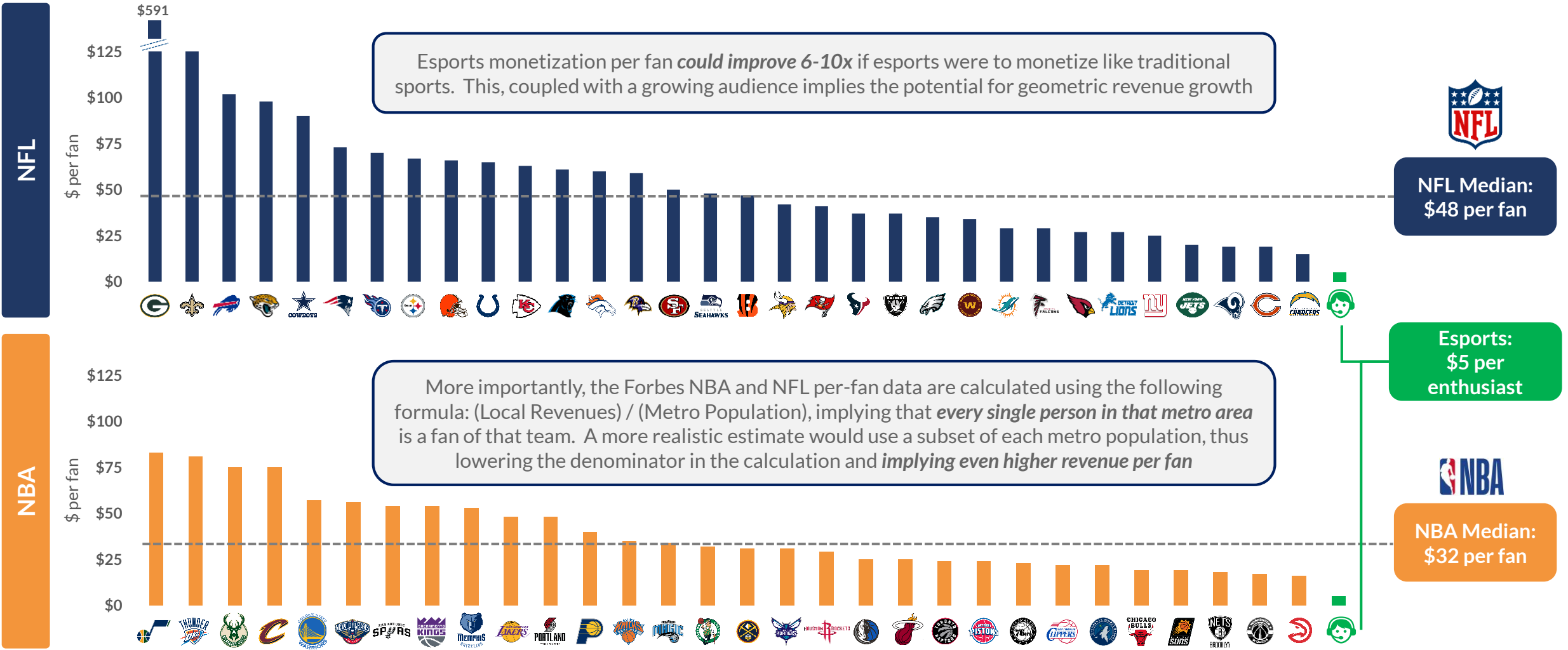
Forbes' Top-10 Teams – Who Plays What?

Most of the Top-10 Forbes teams compete in League of Legends, Fortnite, and Valorant, with Call of Duty, Overwatch, Apex Legends, Rainbow Six, and PUBG also well-represented by the group

	Organization		Enterprise Value (\$M)	Estimated Revenue (\$M)	Revenue From Esports	Ent Val / Revenue	Franchise Teams	Non-Franchise Teams									
1	Team Solomid		\$410	\$45	50%	9.1x	LEAGUE OF LEGENDS	APEX LEGENDS	FORTNITE	MAGNIFIC	PUBG	F	SUPER SMASH BROS	TEAMFIGHT TACTICS	VALORANT		
2	Cloud9		350	30	70%	11.7x	LEAGUE OF LEGENDS	OVERWATCH	CS GO	HALO	FORTNITE	HEARTHSTONE	F	SUPER SMASH BROS	TEAMFIGHT TACTICS	VALORANT	WORLD OF Warcraft
3	Team Liquid		310	28	89%	11.1x	LEAGUE OF LEGENDS	CS GO	FORTNITE	HEARTHSTONE	PUBG	F	OVERWATCH	SUPER SMASH BROS	VALORANT		
4	FaZe Clan		305	40	20%	7.6x	CALL OF DUTY	CS GO	FORTNITE	FIFA	PUBG	F	VALORANT				
5	100 Thieves		190	16	35%	11.8x	LEAGUE OF LEGENDS CALL OF DUTY	FORTNITE	VALORANT								
6	Gen. G		185	14	75%	13.2x	LEAGUE OF LEGENDS	NBA 2K LEAGUE	OVERWATCH	FORTNITE	PUBG	OVERWATCH CONTENDERS	VALORANT				
7	Enthusiastic Gaming		180	95	6%	1.9x	CALL OF DUTY	OVERWATCH	APEX LEGENDS	FORTNITE	MADDEN NFL	VALORANT					
8	G2 Esports		175	19	80%	9.2x	LEAGUE OF LEGENDS	CS GO	FORTNITE	HEARTHSTONE	MADDEN NFL	F	ROCKET LEAGUE	WCS RACING	VALORANT		
9	NRG Sports		155	20	25%	7.8x	CALL OF DUTY	OVERWATCH	APEX LEGENDS	FORTNITE	ROCKET LEAGUE	VALORANT					
10	T1		150	15	60%	10.0x	LEAGUE OF LEGENDS	APEX LEGENDS	DOTA 2	FORTNITE	HEARTHSTONE	PUBG	F	OVERWATCH CONTENDERS	VALORANT		
Median		\$188	\$24	55%	9.6x												

The Profitability of Traditional Sports Implies Massive Potential for Esports Monetization...

Using the NFL and NBA as proxies, we see significant potential for growth in esports per-fan monetization



Source: Forbes NFL Team Valuations, September 2020; Forbes NBA Team Valuations; February 2021, Newzoo

...And Traditional Sports Team Values are Always Up and to the Right

20 years of increasing team values bode well for esports orgs as they share the *best common attributes* with traditional sports

- Despite a high variance in profitability (with many teams in fact having negative operating income), traditional sports teams have consistently traded for higher valuations
- So why do valuations almost always rise? In addition to financial drivers (which may or may not be present), several qualitative factors apply:
 - › Scarcity Value
 - Exclusive rights to a market breeds **scarcity value**. This is what Activision/Blizzard is trying to replicate by enforcing strict territory boundaries for their marquee esports (Overwatch League and Call of Duty League)
 - › Cultural Significance
 - Teams represent a **culture**, powered by obsessive fans
 - › Predictability
 - Teams represent **an established market** with relatively consistent demand
 - › Clout Factor
 - Professional franchises can carry an intangible **clout factor** – entry into the “billionaires club”
- We are bullish on the long-term value of esports organizations, as they share many positive attributes with traditional sports, but have several added benefits: diversification, favorable demographics, and expertise with new media platforms

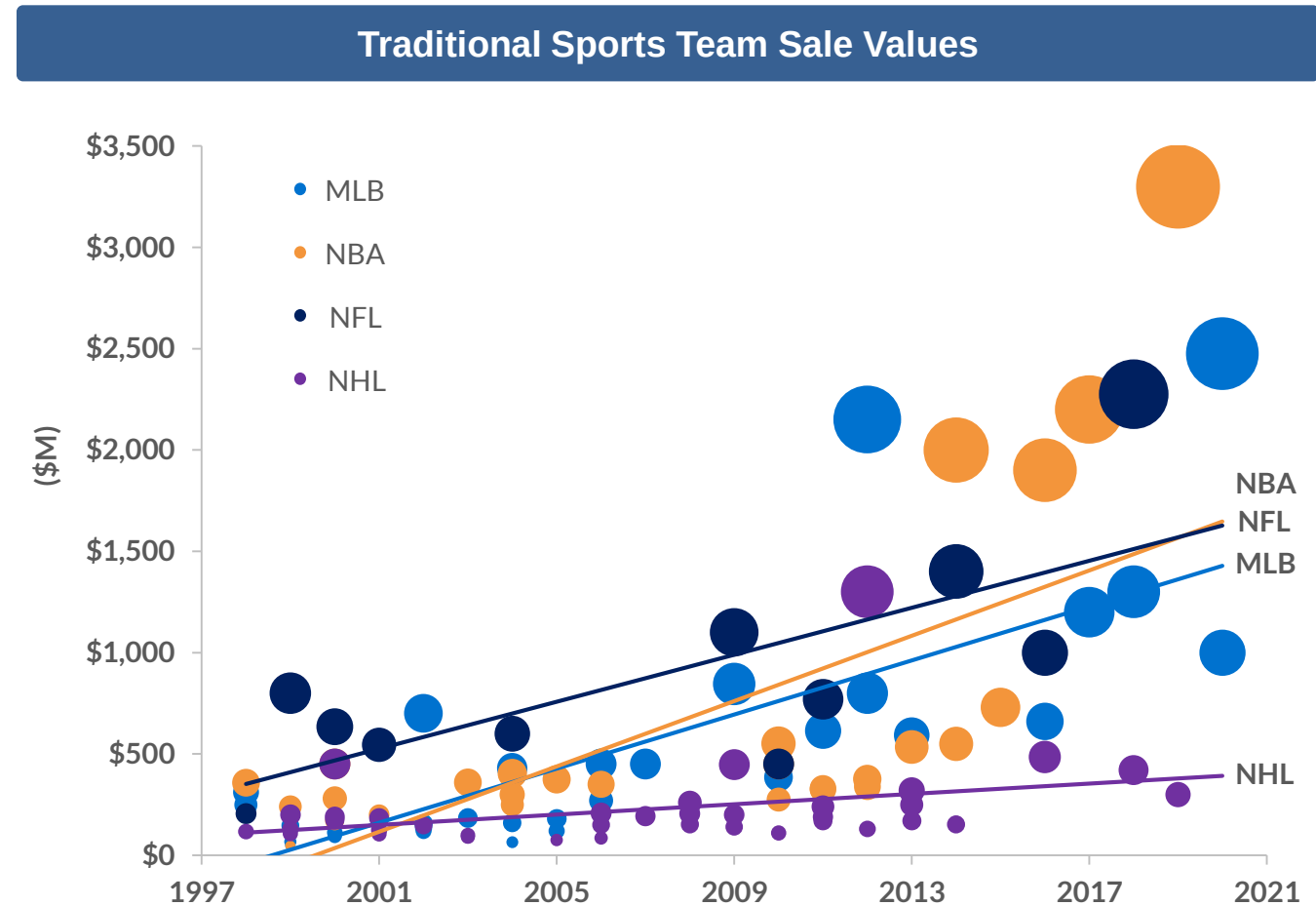


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Why Aren't Esports Audiences Growing Faster?

Our Esports Watchability Score (“EWS”) explores 10 factors that impact an esports’s potential for mass market adoption

- Although the global esports audience is growing, its 7% CAGR is lower than what we would expect from such an explosive broader gaming ecosystem
- We believe that an esports’s watchability affects its mass market appeal, and if viewers can’t “get it” the first time, it’s an uphill battle from there
- As a result, only 17% of gamers are esports fans – why is that? (Of note is that many gamers are casual mobile players who haven’t played the more intense, “hardcore” genres that represent the most popular esports: Multiplayer Online Battle Arenas, First-Person Shooters, etc.)

What the EWS IS

- Our Esports Watchability Score is an exercise to attempt to tease out what makes esports perform differently *with the mass market audience (i.e. not with hardcore gamers)*
- The score is primarily quantifiable (i.e. can be replicated with public sources), with a few qualitative factors as well
- We score 10 factors on a scale of 1-10, and then weight those factors by the most important attributes, arriving at a possible maximum score of 100

What the EWS IS NOT

- We are NOT deciding what makes a game exciting to watch for current players of the game, or those familiar with similar genres. Like traditional sports, watching a game you have played is inherently more fun – it’s easier to identify the win conditions, and sympathize with the struggles (e.g. how hard it is to hit a golf ball consistently)
- We are NOT deciding what makes a game fun to play
- We are NOT deciding what makes a good-looking game (aesthetics)
- If your game scores low, **it’s OK**

So, What are the Factors?

Legend

Quantitative Factor

Qualitative Factor

Factor	Description
Years Since Launch	The longer a game has been out, the higher the odds that a new viewer has seen it before, and might know how it works. Moreover, if a game has been around for a long time, they are obviously doing something right – this captures that <i>je ne sais quoi</i>. The game has “stuck.”
Estimated Potential Player Base	A larger player base ups the odds that a new viewer has seen the game before, and might know how it works already. Note – this is not a measure of the current PLAYERS of the game, but rather the game’s all-time downloads/sales – the most “mass market” sales number we could find.
Macro Objective Simplicity	This is the most important factor – what are the teams trying to do? What is the win condition? American Football is popular because, despite the numerous types of players and complicated rules, the macro objective is simple – go one way, or the other. Same with golf – get the ball in the hole.
Possible Points of View	More points of view mean more switching cameras by the production team. This can be jarring, and can make new viewers confused and lose track of what is going on, especially when multiple maps are utilized in a match. The fewer the possible points of view, the easier the game is to follow.
Players on “Field”	Similar to possible points of view, more players on the field mean more players to keep track of. Granted, this is also what makes sports and esports fun, but it’s inherently harder for a new viewer to track.
# of Unique Maps Played	The more maps in the rotation of an esports tournament, the more the environment changes on the viewer. Overwatch has 29 unique maps (including each control map) played in competitive play, whereas League of Legends has one.
# of Types of Characters	Also referred to as “classes” – how many <i>types</i> of characters does the viewer have to understand? Fortnite has one (every player is the same, but the <i>weapons</i> are different); World of Warcraft has 12, who each have different sub-classes. Do you know what makes a Mage different from a Shaman?
# of Unique Abilities / Weapons	Similar to types of characters – the more abilities, weapons, and items in a game, the more the viewer has to know about the game to understand what is going on. Not only that, esports commentators (“shoutcasters”) typically use the short-hand description of abilities, and don’t explain them.
# of Game Modes Played	This can really trip up new viewers. If a game has multiple game modes (for instance, Overwatch has four), a new viewer has to learn each game mode, know how it works, and be able to recognize when it switches to a new mode for the next round.
Actions Per Minute (“APM”)	This is the “chaos factor” of the game. APM is commonly measured in Real-Time Strategy games where players are entering commands at a frantic pace (pro players can hit 800-1,000 actions per minute...). While you could argue that high APM makes the game more fun to watch, because there is more “action” – we argue that for the average viewer, high APM games are harder to track (this is why some people find Hockey less watchable than other traditional sports, where the action is slower). For the purpose of our report, we give each game a qualitative rating (Very Low to Very High) that we translate into a 1-10 score, since not all games have well-understood APM averages (e.g. it’s hard to measure the APM of Rocket League).

Additive
Attributes
(high values
= higher
watchability)

Subtractive
Attributes
(high values
= lower
watchability)

How is Each Factor Weighted?

Legend
Quantitative Factor
Qualitative Factor

- We believe that “Macro Objective Simplicity” is one of the most important factors (**20% weighting**). What are the teams trying to do? How close are they to the goal? If we can answer these questions with a quick glance, we are halfway there
- Also important is the estimated total player base (**20% weighting**). A large potential player base suggests the game has higher awareness, and could even be part of the culture (e.g. Fortnite). These are both healthy for watchability
- The next most important factors, Characters and Abilities, affect watchability significantly (**15% weighting**). Every special weapon, spell, or item has different utility, is referenced by different shorthand terms by shoutcasters (i.e. commentators in gaming). The more characters and items in the game, the harder the game is to follow, with more prior knowledge required to understand
- The rest of the factors have average (10%) or less than average effect (5%, 2.5%)

Weighting the Watchability Score

Macro Objective Simplicity, 20.0%	# of Types of Characters, 15.0%		# of Unique Abilities / Weapons, 15.0%		
	Estimated Potential Player Base (M), 20.0%	Possible Points-of-View, 10.0%	# of Unique Maps Played, 5.0%	Actions Per Minute, 5.0%	
			# of Game Modes Played, 5.0%	Years Since Launch, 2.5%	Players on "Field", 2.5%

Scoring 10 Esports of Varying Genres

- We have selected 10 leading esports of different genres to demonstrate how EWS can vary by genre
- The 10 factors shown below are grouped together as either “additive,” meaning that a **higher value is good for watchability** (e.g. a large player base means more people may have heard of the game), or “subtractive,” meaning that a **high value is bad for watchability** (e.g., a game having hundreds of abilities is harder to understand)

Quantitative Factors =		Additive Attributes (High Value Equates to High Watchability)			Subtractive Attributes (High Value Equates to Low Watchability)						
Qualitative Factors =											
		Estimated Potential		Macro Objective Simplicity	Possible		# of Unique	# of Types	# of Unique	# of Game	Actions Per Minute
		Years Since Launch	Player Base (M)		Points-of-View	Players on "Field"	Maps Played	of Characters	Abilities / Weapons	Modes Played	
Rocket League	Sports	6	75	Very High	7	6	1	1	8	1	Very Low
Fortnite	Battle Royale	4	350	Very High	102	100	1	1	120	1	Average
Hearthstone	Card Battle	7	100	High	1	2	1	10	4114	1	Low
Counter-Strike: Global Offensive	FPS	21	40	High	11	10	9	1	40	1	Average
League of Legends	MOBA	12	115	High	1	10	1	155	963	1	Very High
Super Smash Bros. Ultimate	Fighting	22	60	Average	1	2	103	80	400	1	Average
World of Warcraft	MMO	17	14	Very High	1	6	12	36	600	1	High
StarCraft II	RTS	11	17	Average	1	2	7	112	255	1	Very High
Valorant	FPS	1	16	Average	11	10	5	15	60	1	High
Overwatch	FPS	5	50	Low	13	12	29	32	160	4	High

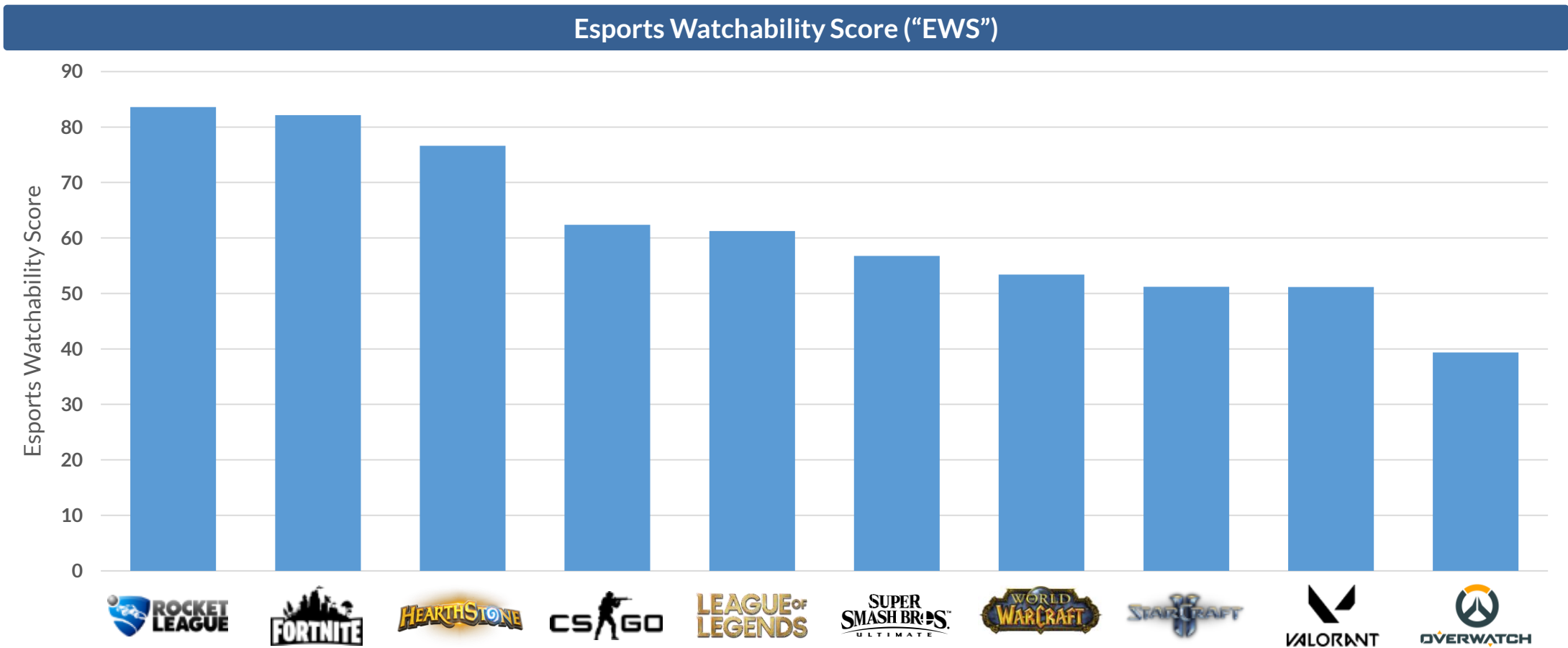
Translating Scores from Raw Values to 1-10 Ranks

- Each value from the previous page is translated into a 1-10 score for the purpose of calculating the EWS
- The quantitative factors and translated formulaically and the qualitative are mapped to a 1-10 value based on their subjective score (e.g. “Very High” from the previous page translates to 9 or 10, based on subjective judgment)
- Subtractive attributes are “flipped,” meaning that a higher number (e.g. # of maps played, characters, and abilities) **equates to a lower 1-10 ranking** (even though these factors make the games a lot more fun to watch, for those who understand the game)

Quantitative Factors =		Additive Attributes (High Value Equates to High Watchability)				Subtractive Attributes (High Value Equates to Low Watchability)					
Qualitative Factors =		Estimated Potential		Macro Objective Simplicity	Possible Points-of-View	Players on "Field"	# of Unique Maps Played	# of Types of Characters	# of Unique Abilities / Weapons	# of Game Modes Played	Actions Per Minute
		Years Since Launch	Player Base (M)								
Genre											
Rocket League	Sports	3	8	9	4	5	10	10	10	10	10
Fortnite	Battle Royale	2	10	10	1	1	10	10	9	10	5
Hearthstone	Card Battle	4	10	8	10	9	10	8	1	10	8
Counter-Strike: Global Offensive	FPS	10	4	7	1	1	2	10	10	10	3
League of Legends	MOBA	6	10	8	10	1	10	1	1	10	1
Super Smash Bros. Ultimate	Fighting	10	6	6	10	9	1	1	6	10	4
World of Warcraft	MMO	9	1	10	10	5	1	3	4	10	3
StarCraft II	RTS	6	2	7	10	9	4	1	7	10	1
Valorant	FPS	1	2	6	1	1	6	7	9	10	4
Overwatch	FPS	3	5	3	1	1	1	4	8	4	2

Results for the 10 Esports We Scored

- Not surprisingly, Rocket League’s simple gameplay, clear macro objective, low APM, and single point-of-view bring it to the #1 spot
- Fortnite comes in at #2 given its massive player base, simple macro objective, and lack of character classes that make the game easy to grasp



So, What's the Solution?

Finally, we propose a few live production changes the industry could implement to boost the mass market appeal for esports

Educational Overlay

- Plain and simple – new viewers don't necessarily know what everything on the screen means
- Suggestion: enable an *optional* “digital educational overlay,” where users can click on graphics (i.e. scoreboards, etc.), characters, structures, items, or weapons and abilities to learn how those items interact with the environment, and each other

Commentary Time Delay

- Esports with multiple camera angles (Overwatch, Valorant), or very large maps (League of Legends, Dota 2) have a LOT going on, and even the best live production teams can miss big plays
- Suggestion: initiate a short time delay (10-15 seconds) to allow the production team to switch to a more favorable camera after big plays

Camera Control for Viewers

- These games are digitally native, meaning viewers could have complete control
- Suggestion: let the viewer control the camera – either first person, third person, or bird's eye
- Viewers could focus on the action they are most interested in, their favorite *type of character*, or even their favorite player (*Note: Counter-Strike: Global Offensive does offer something similar to this*)

Build the Narrative

- This relates less to the game itself, and more to the player narratives fans can latch onto
- The most successful teams are able to build compelling player narratives – what are their stories?
- Suggestion: if viewers fall in love with the players, they will be more motivated to understand the game

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Setting the Stage

A growing industry means fluid valuations and changing methodologies

- Esports is a rapidly evolving industry with stakeholders from the media, entertainment, real estate, sports, and technology industries
- Subsector definitions and taxonomies are evolving – we strive to present a comprehensive view of financial activity in esports, recognizing that *there are many companies from the broader gaming industry NOT profiled herein*
- Valuations are still generally based on Enterprise Value / Revenue multiples, given that most industry players are in growth mode

Public Comps

- We have assembled an Esports Index with 28 public companies ranging from hardware to media
- Due to the distributed nature of the esports industry, we have broken these comps into five sets (Developers/Publishers, Streaming, Teams/Media, Platforms/Organizers, and Hardware), each with similar characteristics
- Valuations based on revenue multiples given lack of consistent profitability and changing business models
- Performance is staggering – our esports index is up 3.5x from post-COVID lows

Mergers & Acquisitions

- We have profiled the last 5 years of M&A activity across all subsectors of esports
- Deals range from pure-plays (Immortals / Optic Gaming), to activity by larger players where esports is an important part of the story, but not the majority of revenue (e.g. Tencent / Supercell)
- Active acquirors were Tencent (and subsidiaries) on the developer/publisher side, and Logitech on the hardware side

Private Placements

- Also profiled are the last 5 years of Private Placements by venture capital, private equity, and corporate investors
- Deal count has risen every year since 2016, and dollar volume is on pace to match 2018, a record year for investments
- Dedicated funds have popped up to cover gaming and esports – BITKRAFT leads the pack with 21 deals since 2016

Public Comps: Rationale for Groupings

Our esports public comps span the entire ecosystem, from hardware to media, and include both pure-plays as well as large, diversified players

Esports Public Comps

- **Developers / Publishers:** These companies either develop or publish games that are played as esports. This comp set does NOT include several large publishers in the game space (e.g. Zynga). The group DOES include a few large and diversified tech companies (Tencent, Sea Ltd), due to the fact that a significant portion of revenues come from gaming and esports
- **Streaming:** This group includes public companies primarily involved in video sharing and streaming – more or less the “pure plays” in the space. NOT included are the parent companies of some popular streaming sites, since they are large conglomerates with a very small percentage of revenue coming from streaming and esports, on a relative basis (specifically, Amazon/Twitch, Google/YouTube, and Facebook/Facebook Gaming)
- **Teams/Media:** Some of these are primarily teams (Astralis), others are primarily media (Score), and some are a mixture of the two (Enthusiast Gaming). As most esports organizations identify as media companies, we find it fitting to group them together. There are only a few esports teams represented in the public markets – 90%+ of esports organizations (groups that own esports teams under a common ownership structure, fan base, and media presence) are private
- **Platforms/Organizers:** This is another relatively diverse group of companies who share a common goal: facilitating esports tournaments. Companies in this group organize either physical (Gfinity, Allied Esports Entertainment) or online (Skillz) tournaments. Some of these businesses also have streaming efforts (Super League Gaming, via its acquisition of Mobcrush), or media properties (Gfinity)
- **Hardware:** These companies make hardware for gaming and esports. Some have broader user-bases than just game peripherals (Logitech), and others have significant efforts in unrelated spaces (e.g. NVIDIA’s runaway success in the machine learning / artificial intelligence and cryptocurrency mining markets). Excluded from the group are large hardware companies with gaming PC divisions (Dell/Alienware, HP/Omen, etc.)

Publicly Traded Esports Companies

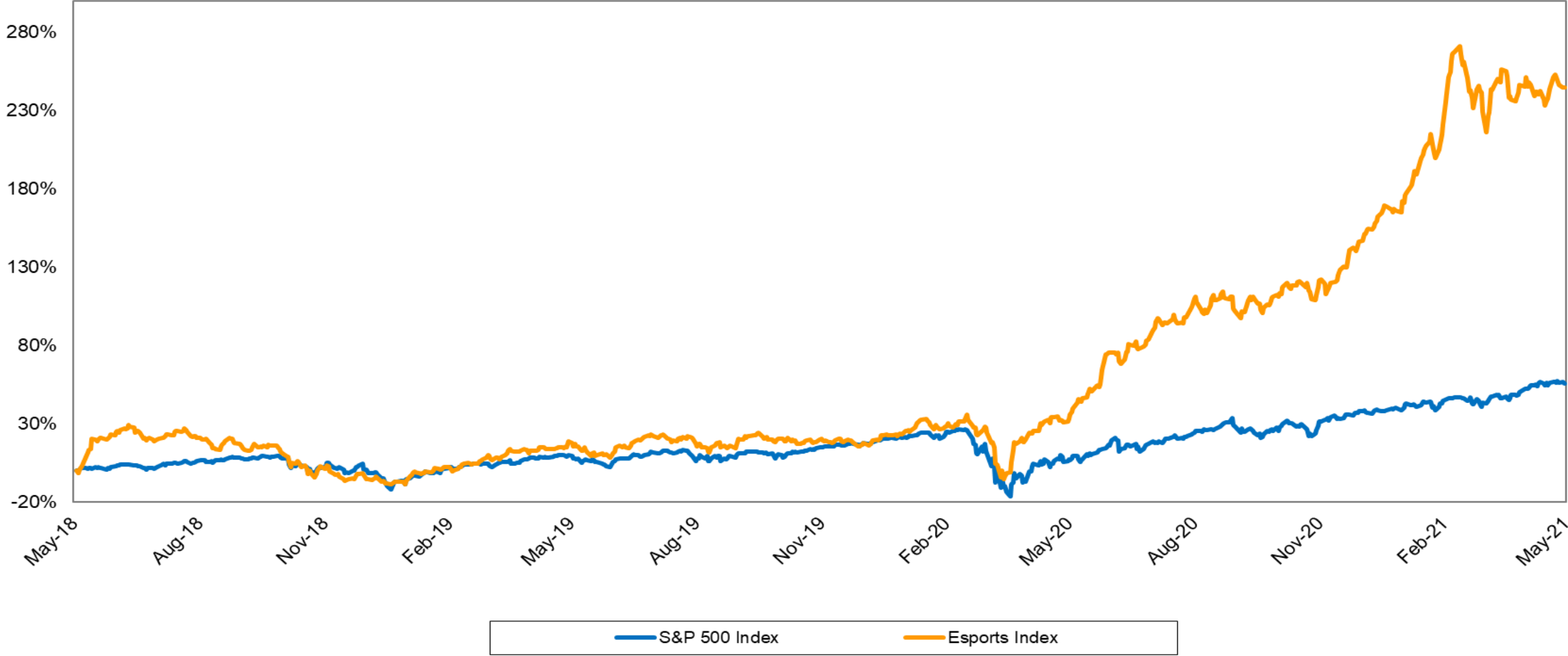
Developers/Publishers									
(\$ in millions)									
Company	Enterprise Value	Enterprise Value / Revenue		Enterprise Value / EBITDA		Revenue Growth		2021E Margins	
		2020A	2021E	2020A	2021E	2020A / 2019A	2021E / 2020A	EBITDA	Gross
Tencent Holdings	\$738,718	10.6x	8.1x	22.1x	21.9x	28%	31%	37%	46%
Sea Limited	106,728	24.4x	13.0x	NM	NM	101%	88%	6%	37%
Activision Blizzard	66,323	8.2x	7.6x	21.0x	17.3x	25%	8%	44%	76%
Electronic Arts	34,546	6.1x	5.3x	26.1x	15.1x	5%	15%	35%	75%
Take-Two Interactive Software	16,684	5.1x	5.0x	21.7x	19.9x	15%	2%	25%	57%
Ubisoft Entertainment	8,681	3.4x	3.0x	13.5x	12.9x	35%	17%	23%	87%
Capcom	8,009	9.1x	7.1x	27.5x	NM	4%	30%	NM	50%
Motorsport Games	350	18.4x	15.5x	NM	NM	61%	18%	(33%)	63%
Developers/Publishers Median	\$25,615	8.7x	7.3x	21.9x	17.3x	26%	18%	25%	60%
Streaming									
Bilibili	\$34,984	20.1x	11.8x	NM	NM	77%	70%	(14%)	27%
Huya	2,032	1.3x	1.1x	16.5x	25.0x	30%	22%	4%	16%
Douyu	1,508	1.1x	1.0x	21.3x	NM	32%	14%	(3%)	12%
AfreecaTV	824	4.9x	3.6x	16.0x	11.4x	17%	38%	32%	101%
Streaming Median	\$1,770	3.1x	2.3x	16.5x	18.2x	31%	30%	1%	22%
Teams/Media									
Enthusiast Gaming	\$886	16.3x	6.5x	NM	NM	512%	151%	(3%)	21%
Score Media Ventures	679	45.6x	21.9x	NM	NM	(36%)	108%	(70%)	NM
Astralis Group	46	5.9x	NM	NM	NM	NM	NM	NM	NM
Teams/Media Median	\$679	16.3x	14.2x	NM	NM	238%	129%	(37%)	21%

Source: PitchBook.

Publicly Traded Esports Companies (Cont.)

Platforms/Organizers									
(\$ in millions)									
Company	Enterprise Value	Enterprise Value / Revenue		Enterprise Value / EBITDA		Revenue Growth		2021E Margins	
		2020A	2021E	2020A	2021E	2020A / 2019A	2021E / 2020A	EBITDA	Gross
Evolution Gaming Group	\$36,184	56.6x	28.8x	NM	42.0x	56%	97%	69%	100%
DraftKings	15,394	25.1x	13.6x	NM	NM	90%	84%	(50%)	48%
Skillz	4,995	21.7x	13.3x	NM	NM	92%	63%	(36%)	95%
Esports Entertainment Group	187	72.3x	4.1x	NM	NM	NM	1676%	(15%)	44%
Super League Gaming	97	47.2x	14.2x	NM	NM	90%	233%	(225%)	59%
Allied Esports International	89	27.8x	2.8x	NM	NM	(57%)	881%	(8%)	54%
Gfinity	65	12.7x	2.0x	NM	NM	(42%)	542%	NM	NM
Platforms/Organizers Median	\$187	27.8x	13.3x	NM	42.0x	73%	233%	(26%)	57%
Specialized Hardware									
Nvidia	\$338,680	20.3x	15.1x	NM	31.4x	53%	34%	48%	65%
Logitech	15,374	3.5x	3.0x	15.2x	18.1x	53%	15%	17%	40%
Corsair (US)	3,076	1.8x	1.5x	15.3x	11.7x	55%	19%	13%	29%
Razer	2,442	2.0x	1.8x	NM	42.8x	48%	13%	4%	25%
Gigabyte Technology	2,045	0.7x	0.5x	9.9x	9.7x	44%	29%	6%	18%
ASRock	603	1.0x	0.8x	9.3x	NM	40%	25%	NM	25%
Specialized Hardware Median	\$2,759	1.9x	1.6x	12.6x	18.1x	50%	22%	13%	27%
Esports Median	\$2,759	9.9x	5.3x	16.5x	18.1x	42%	31%	5%	48%

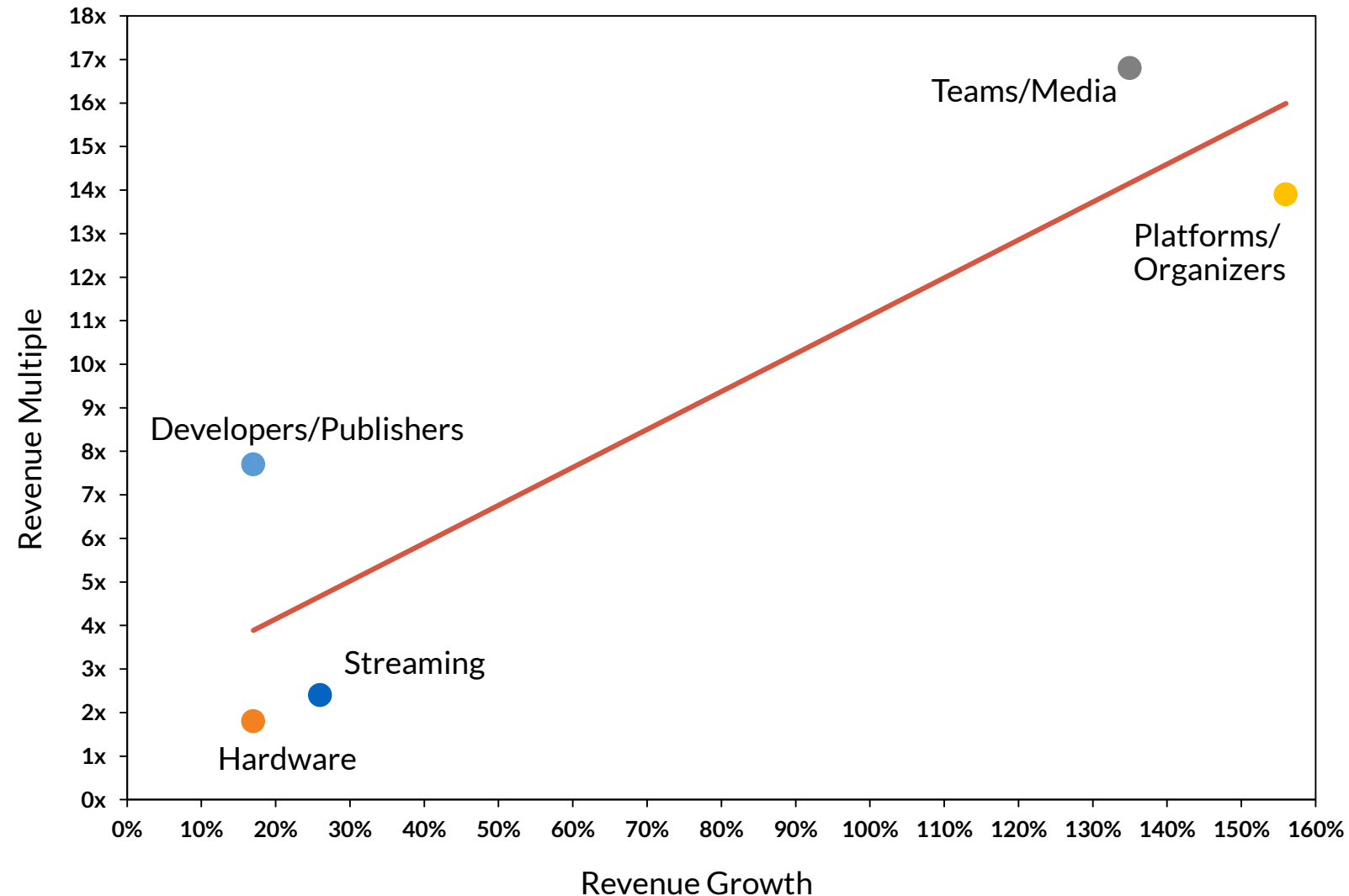
Esports Index: Up Over Three-Fold from COVID Correction Lows



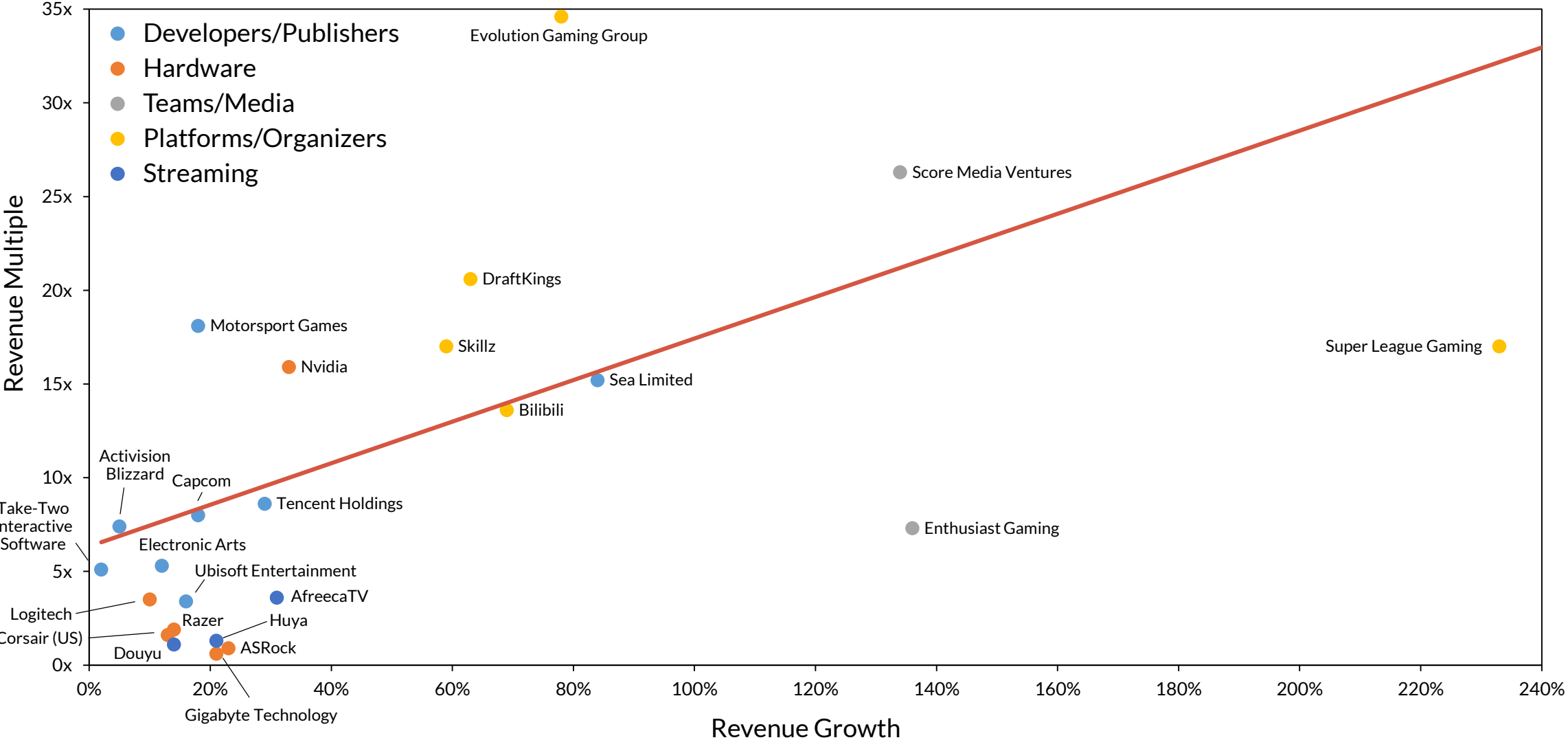
Note: Esports index includes all companies from our list of public comps

Double Digit Multiples for Triple Digit Growers

- Not surprisingly, the high flyers in the public markets are **Teams/Media** and **Platforms/Organizers** – these are the bleeding edge companies leading the esports revolution. They are generally growing well over 100% per year, and are typically far from consistent profitability
- While **Developers/Publishers** are also on the bleeding edge of esports, these companies are generally more mature and diversified
- The **Streaming** players in the public markets also happen to be well-established companies where growth is still healthy (~25%), but not as explosive as with other groups
- **Hardware** players trade where you would expect comparatively lower margin-based companies to trade



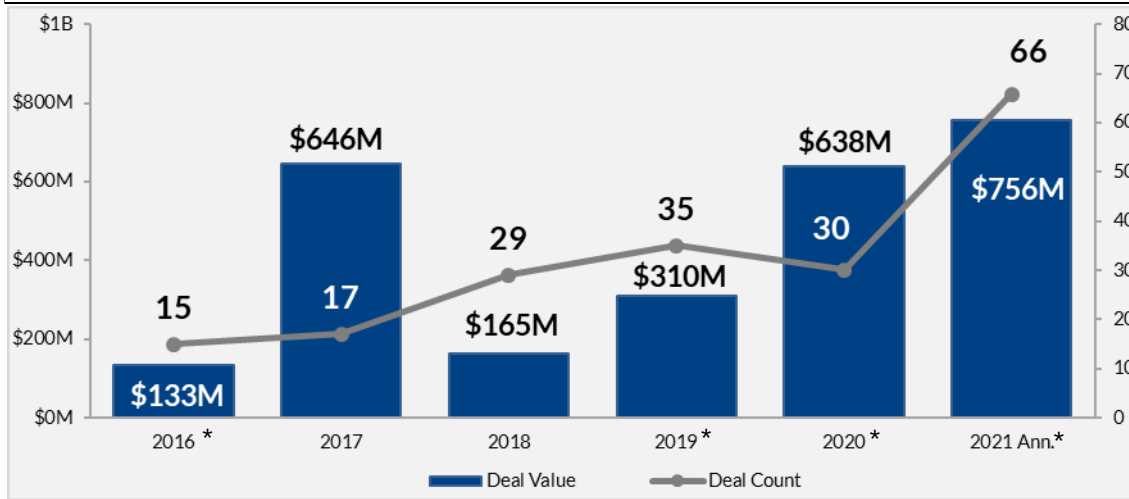
Double Digit Multiples for Triple Digit Growers



Note: Excludes outliers Esports Entertainment Group (1676% revenue growth), Allied Esports International (881% revenue growth), and Gfinity (542% revenue growth)

Esports M&A Trends

M&A VALUE & DEAL COUNT



* Excludes Supercell (\$10.2B), Moonton (\$4.0B), Skillz (\$3.2B), and DraftKings (\$2.7B) deals for normalized dollar value

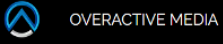
TOP 10 M&A TRANSACTIONS OF THE LAST 5 YEARS

Date	Target	Acquirer	EV (\$M)	EV/Rev	Date	Target	Acquirer	EV (\$M)	EV/Rev
Jun-16			\$10,200	4.4x	Oct-20			\$500	ND
Mar-21			4,000	ND	Mar-21			195	3.9x
Sep-20			3,250	14.4x	Aug-18			135	2.5x
Dec-19	 		2,700	6.5x	Nov-16			132	ND
Aug-17			525	ND	Oct-19			106	ND

M&A COMMENTARY

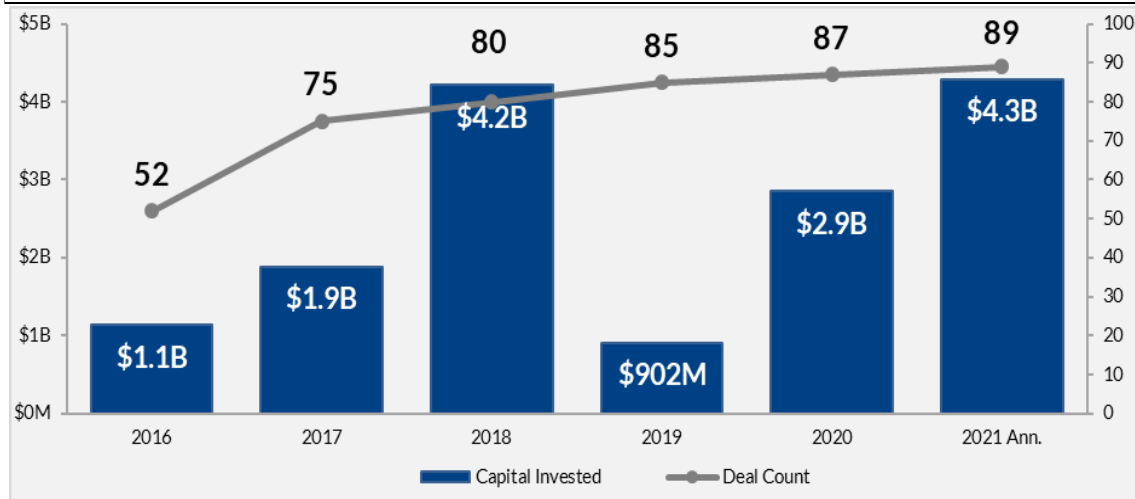
- There have been 151 esports M&A transactions over the last five years for an aggregate value of \$22.3B
- Chart excludes mega deals to depict more normalized trends in dollar terms
- Engine Media led the industry, with 7 acquisitions since 2016
- Logitech remained active, acquiring both traditional hardware peripherals (Astro, Blue), but also branching out into streaming software infrastructure (StreamLabs)
- The largest M&A deals involved Chinese acquirors and/or targets, and more recently reverse mergers with US-listed SPACs (Skillz and DraftKings)
- 2021 is on pace for a record 66 deals

Top Esports Acquirers

Acquirer	Number of Acquisitions	Notable Transaction	Representative Acquisitions
	7	May-20 - Frankly Media \$13M	Driver Database, Frankly media, WinView, Alinsports, UMG Gaming, Eden Games, Stream Hatchet
	6	Mar-21 - TalentX (ND)	TalentX Entertainment, Fearless media, Fullcube, Greenlit Content, Rogue Sports
	6	Jun-19 - Bebo (\$25M)	8 Dudes in a Garage, Bebo, Pursuit, SpecialEffect, ClipMine, Curse
	5	Oct-19 - Streamlab (\$105M)	CHALLENGE, Streamlabs, Blue, Beyond Entertainment, Astro Gaming
	4	May-19 - MAD Lions (ND)	MAD Lions Esports Club, MediaXP, Splyce, OV2 Investment
	4	Feb-21 - Visuals by Impulse (ND)	Visual by Impulse, Gamer Sensei, Scuf Gaming, Eigato Gaming
	4	June-19 - Infinite Sports (\$100M)	Infinite Esports & Entertainment, OpTic Games, Gamers Club, Made in Brazil EE
	3	Dec-20 Smash Gg (ND)	Smash Gg, AltSpaceVR, Mixer
	3	Mar-21 - Ninja Kiwi (\$195M)	Ninja Kiwi, Kongregate, Innogames
	3	Aug-20 - Omnia Media (\$34M)	Vedatis, Omnia Media, Aquilini GameCo

Esports Private Placement Trends

CAPITAL INVESTED & DEAL COUNT



PRIVATE PLACEMENT COMMENTARY

- There have been 408 esports private placements over the last 5 years, raising \$12.4B in capital
- Deals have come in two “waves” – 2018 and 2021
- 2021 was the fifth consecutive year of record deal volume
- Activity was unaffected by COVID-19, with \$3.3B of activity in 2020, and 2021 on pace for \$4.3B
- Bitkraft Ventures led the industry, investing in 21 companies since 2016
- Tencent dominated the list of large deals, taking large stakes in streaming platforms Douyu.com and Huya.com

TOP 10 FINANCING TRANSACTIONS OF THE LAST 5 YEARS

Date	Size (\$M)	Company	Type	Lead Investor(s)	Date	Size (\$M)	Company	Type	Lead Investor(s)
Sep-20	\$1,780	 EPIC GAMES	Late VC	Fidelity BlackRock + 15 others	Oct-18	200	 DRAFT KINGS	Series F	GROWTHPOINT TECHNOLOGY PARTNERS + 3 others
Mar-18	632	 斗鱼 DOUYU.COM	Series E	Tencent 腾讯	Dec-18	150	 DISCORD	Late VC	 GREENOAKS
Apr-18	562	KRAFTON	Corporate	Tencent 腾讯	May-17	150	 RAZER	Series C	 联络 lianluo Horizons Ventures 维港投资
May-17	550	 爪哇集團 SEA Group	Late VC	 國泰金控 Cathay Financial Holdings + 6 others	Feb-18	130	kakaogames	PE Growth	Tencent 腾讯 Premier Partners + 2 others
Mar-18	462	 虎牙直播 HUYA.COM	Series B	Tencent 腾讯	Jan-18	120	 触手TV CHUSHOU.TV	Series D	CapitalG

Source: PitchBook. Excludes multiple rounds by Epic, Douyou, Sea, and Draft Kings during the same period.

Top Esports PE Investors

Investor	Number of Investments	Representative Investments
	4	Dynasty, Formation Esports, Guild, The Drops Esports
	4	Trace TV, Keemotion, Mobcrush, Fanduel
	3	QL Gaming, Jackpocket, Gamer Sensei
	3	KontrolFreak, A-Volute, SteelSeries
	3	Scuf Gaming, Elgato Gaming, Corsair
	3	Track160, The Action network, Fantasy labs
	3	Genvid, Medal, Cloud9
	2	Epulze, Lightbulb Crew
	2	Zupee, Skillz
	2	Bilibili, Cubee Technology

Sources: 451 Research, PitchBook. Trailing 5 years only.

Top Esports VC Investors

Investor	Number of Investments	Representative Investments
	21	Frost Giant, Bazooka Tango, VENN, Anzu, Strafe, PlayBrain, The Action Network, Epic Games, Fuze.tv, FanAI, Veritas Entertainment, Boom, The Esports Observers, META Games, SplitmediaLabs, Askott Entertainment, Kokyo, Tier One Entertainment, Kek.tv, Level99, Bayes Holding
	11	WinZO, End Game Interactive, Stream Captain, FACEIT, Medal, Popdog, Gameye, Midnite, Genvid, TSM, SuperData
	11	Betty Labs, FanAI, FaZe Clan, Immersive Systems, Yup.gg, Mighty Bear, PlayVS, Gamelynx, G2 Esports, Players' Lounge, Caffeine
	11	Dibbs, WinZO, Nifty Games, Haste, Players' Lounge, The Meta, 100 Thieves, Upcomer, FanAI, VY Esports, GameCo
	7	GreenPark, Stream Captain, Tempo/Storm, Genvid, Immutable, Azarus, Matcherino
ANDREESSEN HOROWITZ	6	Lowkey, Mainframe Industries, Sleeper, Super Evil Megacorp, Caffeine, Bonfire Studios
	6	Upcomer, FanAI, Haste, Battlefy, Fuze.tv, Mobalytics
	6	Synergy Sports, PlayVS, VY Esports, Keemotion, DraftKings, WSC Sports
	5	Anzu, Esports One, VENN, Oxygen, Sleeper
	5	Nifty Games, Epic Games, Matcherino, Taunt, Make.TV

Sources: 451 Research, PitchBook. Trailing 5 years only.



GG

Gamers typically end competitive matches with “GG,” which stands for “Good Game”

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- c. About AGC



Precedent M&A Transactions 2016 – YTD 2021

Deals with Disclosed Values Only

Precedent M&A Transactions

Date	Target	Acquirer	Size (\$M)	Rev (\$M)	EV / Rev	Target Description
Apr-21	Lightstream	Vitec Group	\$36	\$2	20.0x	Developer of live streaming creative tools and technology designed for content creators
Mar-21	Ninja Kiwi	Modern Times Group	195	50	3.9x	Operator of a video game development company
Mar-21	Moonton	ByteDance	4,000	ND	ND	Developer of mobile games operating in Shanghai, China
Mar-21	Reciprocity	Gamesquare Esports	11	ND	ND	Operator of an esports team franchise and content creator intended to connect leading brands with the gaming community
Mar-21	Vedatis	Enthusiast Gaming	8	ND	ND	Provider of a platform dedicated to navigating Activision Blizzard games
Feb-21	HypeX	Intema Solutions	2	ND	ND	Developer of esports tournament and wagering platform located in Montreal, Quebec
Dec-20	Fragbite	FunRock	9	2	4.8x	Operator of an esports digital media company based in Stockholm, Sweden
Oct-20	ggCircuit	Esports Entertainment Group	43	ND	ND	Provider of progressive planning services intended to help esport centers around the globe successfully run their businesses
Oct-20	Penguin (Tencent subsidiary)	Douyu	500	ND	ND	Operator of a live streaming company catering to the esports industry
Sep-20	Skillz	Flying Eagle Acquisition	3,250	225	14.4x	Helps developers build multi-million dollar franchises by enabling social competition in their games
Sep-20	Render.GG	YDx Innovation	1	ND	ND	Provider of a professional video production studio in Cardiff, United Kingdom
Aug-20	Omnia Media	Enthusiast Gaming	34	ND	ND	Provider of video assistance, game creation and related support services that allow content creators to develop and popularize game videos
Apr-20	Allinsports	Engine Media	11	ND	ND	Manufacturer of simulation systems based in Formigine, Italy
Feb-20	HLTV.org	Better Collective	37	ND	ND	Developer of an esports news portal that keys on CS:GO

Precedent M&A Transactions (Cont'd)

Date	Target	Acquirer	Size (\$M)	Rev (\$M)	EV / Rev	Target Description
Feb-20	Even Matchup Gaming	New Wave Holdings	2	ND	ND	Provider of competitive gaming event organization, broadcasting, and player management services that produce onsite and online tournaments
Dec-19	DraftKings	Diamond Eagle Acquisition	2,700	415	6.5x	Digital sports entertainment and gaming company
Nov-19	First Eleven	Planet Ventures	5	ND	ND	Developer of esports gaming platform based in Berkhamsted, United Kingdom
Oct-19	Streamlabs	Logitech	106	ND	ND	Developer of a streaming application designed to help live-streamers monetize their audience via tips
Sep-19	SteelSeries	Axcel Management	44	ND	ND	Manufacturer of gaming peripherals intended to create innovative new products designed for esports enthusiasts and competitive gaming professionals
Jun-19	Bebo	Twitch Interactive	25	ND	ND	Provider of a social networking platform
Jun-19	Infinite Esports & Entertainment	Immortals Gaming Club	100	ND	ND	Developer of diversified esports and entertainment projects designed to build an esports ecosystem with global reach
Jun-19	Clutch	Dignitas	30	ND	ND	Operator of an esports team that competes in League of Legends gaming tournaments held worldwide
Jun-19	Framerate	Super League Gaming	3	ND	ND	Developer of a social esports and gaming video network
May-19	ROCCAT Studios	Turtle Beach	16	ND	ND	Developer of computer gaming equipment and accessories based in Hamburg, Germany
Mar-19	PiiK Games	Victory Square Technologies	1	ND	ND	Developer of esports platform in Canada
Mar-19	Videre eSports	Global Gaming Technologies	10	ND	ND	Developer of an esports betting platform that provides streaming content, statistics, odds and betting
Sep-18	Pixel Holding Group	LeoVegas	3	ND	ND	Operator of esports betting platform
Aug-18	Blue	Logitech	135	55	2.5x	Designer and manufacturer of professional-grade microphones

Precedent M&A Transactions (Cont'd)

Date	Target	Acquirer	Size (\$M)	Rev (\$M)	EV / Rev	Target Description
Apr-18	ChallengeMe	Unikrn	1	ND	ND	Operator of esports tournament hosting platform that facilitates competitive matches between gamers
Mar-18	Red Reserve	QP Games	1	0	7.7x	Manages professional esports teams in COD, FIFA, and Gears of War
Mar-18	Fuel Powered	Animoca Brands	1	0	2.5x	Provider of a social gaming platform designed to offer mobile games through features and tools that engage and retain users
Mar-18	RealSport101	Gfinity	3	0	76.9x	Provider of online esports news
Jan-18	Gambit Esports	Mobile TeleSystems	5	ND	ND	Operator of an esports organization that manages several teams
Jan-18	Eden Games	Engine Media	15	3	4.9x	Developer of gaming software designed for PlayStation
Dec-17	Flank Esports	ACT Venture Partners	7	ND	ND	Operator of a sports data platform designed to offer the latest information on esports matches
Nov-17	Multiplay	Unity	25	15	1.7x	Provider of online game server hosting platform intended to provide around-the-clock monitoring and support
Sep-17	Red Reserve	Battleriff	1	0	5.0x	Manages professional esports teams in COD, FIFA, and Gears of War
Aug-17	Corsair	EagleTree Capital	525	ND	ND	Provider of high-performance gear for gamers and content creators
Aug-17	Astro Gaming	Logitech	85	ND	ND	Manufacturer and seller of gaming-specific accessories like video gaming headphones
Jul-17	Cevo	Gfinity	3	ND	ND	Provider of technology and services intended for the esports market
May-17	Stream Hatchet	Engine Media	1	ND	ND	Developer of data analytics platform
Nov-16	Longzhu TV	Suning Company	132	ND	ND	Provider of a live streaming platform

Precedent M&A Transactions (Cont'd)

Date	Target	Acquirer	Size (\$M)	Rev (\$M)	EV / Rev	Target Description
Jun-16	Supercell	Pagoda Investment, Tencent Holdings	10,238	2,340	4.4x	Developer of mobile games intended to offer games for people of all age groups
Feb-16	SocialNAT	GAME Digital	1	ND	ND	Provider of a social networking platform dedicated to esports
Jan-16	Major League Gaming	Activision Blizzard	46	ND	ND	Operator of an organized International league for professional video gaming
MEDIAN:			\$10		4.9x	
AVERAGE:			\$466		12.1x	



Private Placements 2016 – YTD 2021

Investments of \$20M and Above

Private Placement Transactions

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
Apr-21	OverActive Media	Later Stage VC	41	Carl Hagelin, Montréal Canadiens Hockey Club, Phil Kessel	Operator of an esports and entertainment media company based in Toronto, Ontario
Apr-21	Epic Games	Later Stage VC	1,000	AllianceBernstein, Fidelity, Franklin Templeton, KKR, Sony	Developer of gaming platform designed for gamers and game developers to publish and play immersive games
Mar-21	Team Envy	Series C	40	Gray Television	Operator of an esports franchise intended to stream and produce gaming content across multiple titles
Mar-21	Nodwin Gaming	Corporate	23	Krafton	Developer of esports and gaming applications based in Gurugram, India
Mar-21	Rivalry	Series A	20	Billy Levy, Broad Street Bulls VC, Zachary Zeldin	Developer of online gambling platform intended to facilitate competition among esports gamers
Feb-21	Jackpocket	Series C	50	BRV, Calm Ventures, Circle K, Evolution VC, Gaingels, Greenspring, PROOF, Raine, TEGNA, Touchdown	Developer of a mobile lottery application intended to offer players a secure way to order official state lottery tickets
Feb-21	Mobile Premier League	Series D	95	Composite Capital Partners, Moore Capital Management	Developer of an esports platform designed to offer cash prizes on games
Dec-20	Discord	Series H	100	Greenoaks Capital Partners	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
Dec-20	Statespace	Series B	35	Khosla Ventures	Developer of AI-based analytics and training platform designed to improve human performance
Nov-20	Immortals Gaming Club	Later Stage VC	26	Margaret Whitman	Operator of a global esports platform intended to manage the community of professional gamers, aspiring players and fans
Oct-20	G-Loot	PE Growth	56	Celox, CNI Nordic 5, Inbox Capital, Norron Asset Management, Swedbank Robur	Developer of scalable esports platforms intended to compete in skill-based computer games for real money with a technical solution that is applicable to PCs, mobile devices and game consoles
Sep-20	Epic Games	Later Stage VC	1,780	BlackRock, Fidelity, KKR, Lightspeed, Ontario Teachers' Pension Plan, T. Rowe Price, etc.	Developer of gaming platform designed for gamers and game developers to publish and play immersive games
Sep-20	Mobile Premier League	Series C	90	MDI Ventures, Pegasus Tech Ventures, RTP Global, SIG Susquehanna	Developer of an esports platform designed to offer cash prizes on games
Aug-20	Restream	Series A1	50	Insight Partners, Sapphire Ventures	Developer of a platform designed to distribute and monetize live video content

Private Placement Transactions (Cont'd)

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
Aug-20	VENN	Series A	25	BITKRAFT Esports Ventures, Nexstar Media Group	Developer of a video game entertainment news network designed to develop and circulate gaming, esports, and entertainment content
Aug-20	Bunch	Series A	20	General Catalyst	Developer of a mobile game application designed to play favorite games over video chat
Jul-20	Caffeine	Series D	113	Cox Enterprises, Fox Corporation , Sanabil Investments	Developer of a social broadcasting platform intended for gaming, entertainment and creative arts broadcasts
Jun-20	Discord	Series G	100	Index Ventures	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
Jun-20	Guild	Series B	25	Alpaca VC, ATX Venture Partners, Blue Star Capital , DB Ventures, Maveron, NicolGroup, RXR Realty	Operates a global esports business with a team of professional athletes and digital presence
Jun-20	Subspace	Series B3	26	Lux Capital Management	Operator of a deep tech-based global network company intended to create a more competitive and engaging online experience
Apr-20	FaZe Clan	Series A	40	NTWRK	Operator of an esports organization created to participate in video gaming competitions
Mar-20	Genvid	Series B	33	Huya	Provider of an interactive streaming engine intended to integrate games into esports broadcasts
Feb-20	FaZe Clan	Later Stage VC	23	Canaccord Genuity , Prototype Capital	Operator of an esports organization created to participate in video gaming competitions
Jan-20	Npixel	Series A	26	Altos Ventures, Coupang , Delivery Hero , Krafton, Roblox , Saehan Venture Capital, toss	Developer of computer and mobile gaming application software designed for entertainment purposes
Dec-19	DraftKings	Later Stage VC	75	10X, Alexander, Kosinski, SternAegiss, Top Tier Capital	Digital sports entertainment and gaming company
Dec-19	Game TV	Series A	25	Intel Capital	Developer of an online gaming platform designed to grow the mobile esports fan and player base
Oct-19	Vindex	Series A	80	J Ventures	Developer of an esports infrastructure platform designed to help game publishers, esports leagues and teams deliver engaging experiences to fans around the world
Sep-19	PlayVS	Series C	50	New Enterprise Associates	Operator of an esports platform designed to organize competitions in esports in high school

Private Placement Transactions (Cont'd)

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
Aug-19	Skillz	Series D1	36	Goal Ventures, WestCap Group	Mobile game development company that enables developers to build their franchises
Jul-19	100 Thieves	Series B	35	Artist Capital	Operator and manager of professional esports teams intended to compete in different gaming competitions
May-19	Jackpocket	Series B	21	Conductive Ventures	Developer of a mobile lottery application intended to offer players a secure way to order official state lottery tickets
May-19	Immortals Gaming Club	Series B	30	Anschutz Entertainment Group, Irongrey, LionsGate , March Capital, Third Wave Digital	Operator of a global esports platform intended to manage the community of professional gamers, aspiring players and fans
Apr-19	Mobile Premier League	Series A	36	GoVentures , Sequoia Capital India, Times Internet	Developer of an esports platform designed to offer cash prizes on games
Apr-19	aXiomatic	Later Stage VC	22	ND	Operator of an esports company intended to provide esports experiences through sports and entertainment expertise
Apr-19	Gen.G	Series B	46	Battery Ventures, Canaan Partners, Conductive, Dreamers, NEA, Stanford Univesity, SVB Equity	Operator of an esports platform intended to provide entertainment
Mar-19	G-Loot	PE Growth	25	Kichi Invest, Norron Asset Management, Swedbank Robur	Developer of scalable esports platforms intended to compete in skill-based computer games for real money with a technical solution that is applicable to PCs, mobile devices and game consoles
Jan-19	OverActive Media	Later Stage VC	35	ND	Operator of an esports and entertainment media company based in Toronto, Ontario
Jan-19	Discord	Later Stage VC	94	ND	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
Jan-19	Team Envy	Series B	20	Fedor Holz, Preston Arsement	Operator of an esports franchise intended to stream and produce gaming content across multiple titles
Dec-18	Discord	Later Stage VC	150	Greenoaks Capital Partners	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
Nov-18	Team Vitality	Later Stage VC	23	Tej Kohli	Provider of an online esports platform intended to offer esports related management services
Nov-18	PlayVS	Series B	31	Elysian Park Ventures	Operator of an esports platform designed to organize competitions in esports in high school

Private Placement Transactions (Cont'd)

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
Oct-18	Epic Games	Later Stage VC	1,250	BITKRAFT, ICONIQ, Kleiner Perkins, Kohlberg Kravis Roberts ,Tencent Holdings , Walt Disney	Developer of gaming platform designed for gamers and game developers to publish and play immersive games
Oct-18	aXiomatic	Series C	26	Declaration Capital, Michael Jordan	Operator of an esports company intended to provide esports experiences through sports and entertainment expertise
Oct-18	100 Thieves	Series A	25	Advancit, Courtside, Detroit Venture, Green Bay Ventures, Ludlow, Sequoia, Tao, WndrCo	Operator and manager of professional esports teams intended to compete in different gaming competitions
Oct-18	Skillz	Series D	23	ND	Mobile game development company that enables developers to build their franchises
Oct-18	Cloud9	Series B	54	Valor Equity Partners	Operator of an esports organization designed to offer competitive gaming activities
Oct-18	DraftKings	Series F	200	ACME Capital, Growth Technology Partners, Schechter Private Capital, UIT Funds	Digital sports entertainment and gaming company
Sep-18	Caffeine	Series C	94	21st Century Fox	Developer of a social broadcasting platform intended for gaming, entertainment and creative arts broadcasts
Aug-18	OverActive Media	Later Stage VC	20	ND	Operator of an esports and entertainment media company based in Toronto, Ontario
May-18	Fnatic	Series 1	28	LVL1 Group	Operator of a global esports performance brand focused on seeking out, leveling up, and amplifying gamers and creators
Apr-18	Krafton	Corporate	563	Tencent Holdings	Developer of online games designed to create a wide array and high-graphics games
Apr-18	Discord	Series F	50	Benchmark , Greylock Partners, IVP, Spark Capital, Tencent Holdings	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
Apr-18	aXiomatic	Series B	25	Bruce Karsh	Operator of an esports company that commits financial resources and sports industry expertise to video gaming companies
Apr-18	Streamlabs	Series B	20	Icon Ventures	Developer of a streaming application designed to help live-streamers monetize their audience via tips
Mar-18	Douyu	Series E	632	Tencent Holdings	Game-centric live streaming platform in China

Private Placement Transactions (Cont'd)

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
Mar-18	Huya	Series B	462	Tencent Holdings	Operates a game live streaming platform in China
Feb-18	Wangyudashi	Early Stage VC	31	Hangzhou Mishuo Investment Management, Jianjing Fund, Zhejiang Provincial Financial	Provider of an online platform for internet cafe payment and esports registry
Feb-18	Kakao Games	PE Growth	130	Actozsoft, Krafton, Netmarble Games , Premier Partners, Tencent Holdings	Developer and publisher of Mobile and PC games
Feb-18	TSM	Series A	37	Bessemer Venture Partners	Operator of an esports community intended to be involved in multiple aspects of the game
Jan-18	Theta Labs	Early Stage VC	29	Advancit, Bertelsmann, DCM, Heuristic, Nirvana , Seraph Sierra, Sony, Sparkland, etc.	Developer of a decentralized video delivery network designed to incentivize anyone to restream video and enable next-gen video applications
Jan-18	Chushou TV	Series D	120	CapitalG	Operator of a mobile-based live video-streaming platform created to broadcast games
Jan-18	Gen.G	Series A	30	Altos Ventures	Operator of an esports platform intended to provide entertainment, premier coaching, and training
Nov-17	Douyu	Series D	158	CMB International Capital	Game-centric live streaming platform in China
Oct-17	Cloud9	Series A	25	FunPlus	Operator of an esports organization designed to offer competitive gaming activities
Aug-17	Team Envy	Series A	35	Brock Sports, Hersh Interactive Group	Operator of an esports franchise intended to stream and produce gaming content across multiple titles
Aug-17	Krafton	Corporate	64	Tencent Holdings	Developer of online games designed to create a wide array and high-graphics games
May-17	Razer	Series C	150	Digital Grid Technology, Horizons Ventures	Lifestyle brand for gamers that designs, manufactures, and distributes computer equipment and accessories
May-17	Huya	Series A	75	Ping An Insurance Company of China	Operates a game live streaming platform in China
May-17	Sea	Later Stage VC	550	Cathay Financial, Farallon, GDP Venture, Hillhouse Capital Group	Provides digital entertainment, e-commerce, and digital financial services. Digital Entertainment segment includes Garena, a global leader in esports

Private Placement Transactions (Cont'd)

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
May-17	Bilibili	Series D2	100	China Media Capital, Legend Capital, Tencent Industry Win-Win Fund	Full-spectrum online entertainment company
Mar-17	Longzhu TV	Corporate	294	PPTV	Provider of a live streaming platform
Mar-17	DraftKings	Series E1	119	Eldridge	Digital sports entertainment and gaming company
Mar-17	Caffeine	Series B	35	Andreessen Horowitz	Developer of a social broadcasting platform intended for gaming, entertainment and creative arts broadcasts
Feb-17	Discord	Series E	48	Index Ventures	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
Dec-16	Chushou TV	Later Stage VC	56	GGV Capital, Shunwei Capital	Operator of a mobile-based live video-streaming platform created to broadcast games
Dec-16	Scuf Gaming	PE Growth	26	Barings BDC	Manufacturer and marketer of video-game peripherals and accessories
Sep-16	Quanmin TV	Series A	75	ND	Developer of live streaming platform
Sep-16	Mobcrush	Series B	20	Evolution Media Capital	Developer of a mobile game streaming platform designed to provide live-streaming and creator-driven media revolution
Sep-16	Bonfire Studios	Series A	25	Andreessen Horowitz, NaHCO3, Riot Games	Operator of a video game studio intended to create legendary experiences that bring players closer together
Aug-16	Douyu	Series C	226	Phoenix Capital, Tencent Holdings	Game-centric live streaming platform in China
Aug-16	Wangyudashi	Series A	22	Hangzhou MiQ Technology, Shenzhen Capital Group, Zhejiang Jinkong Capital	Provider of an online platform for internet cafe payment and esports registry
Aug-16	Kiswe	Series B1	36	North Base Media, Revolution	Provider of a video production platform designed to transform the way live games and events are professionally produced and broadcasted
Jul-16	DraftKings	Series E	153	Counterview Capital, GGV Capital, Jerry Jones, Revolution, Washington Capital Ventures	Digital sports entertainment and gaming company

Private Placement Transactions (Cont'd)

Date	Target	Round	(\$M)	Lead Investor(s)	Target Description
Jun-16	Discord	Series D	20	Greylock Partners	Developer of an instant messaging and digital distribution platform designed to offer VoIP and texting services among friends or as part of gaming communities
May-16	FanDuel	Series E1	42	Boyd Gaming , Comcast, Evolution, Greenspring, Hercules, Milwaukee Brewers, Next Play, SK Ventures, etc.	Developer of a fantasy sports game platform created to make sports more exciting
Apr-16	Chushou TV	Series C	20	Meisheng Cultural & Creative	Operator of a mobile-based live video-streaming platform created to broadcast games
Mar-16	Sea	Series D	170	Khazanah Nasional	Provides digital entertainment, e-commerce, and digital financial services. Digital Entertainment segment includes Garena, a global leader in esports
Mar-16	Douyu	Series B	100	Tencent Holdings	Game-centric live streaming platform in China
MEDIAN:			\$7		
AVERAGE:			\$38		



About AGC

AGC's Leading Gaming & Esports Team



Boston

BEN HOWE
CEO, Co-Founder

Ben, Co-Founder and CEO of AGC Partners, has completed roughly 400 transactions in his 32+ years as an Investment Banker. Prior to AGC, Ben served as Head of Technology Investment Banking for Montgomery Securities, and as Managing Director, Head of M&A and Executive Committee Member at SG Cowen Securities.



San Francisco

NATE HENNINGS
Partner

Nate brings over 17 years of experience in investment banking, venture capital, and growth equity to AGC, and has advised on more than 50 M&A, equity, and debt transactions. He previously led the gaming practice at Truist Securities, working with clients like Activision Blizzard, Jam City, and Envy Gaming. Prior to Truist, Nate honed his M&A craft at Union Square Advisors, ThinkEquity, and Seven Hills Partners.



Los Angeles

ELENA MARCUS
Partner

She focuses on the AR/VR, Gaming, Digital Media, Enterprise Software, and HCM sectors, among others. Prior to joining AGC, Elena worked at Deutsche Bank and Jefferies & Co. Elena holds an MBA from the M.I.T. Sloan School of Management and a BA in Business Administration from Long Island University.



Boston

JONATHAN WEIBRECHT
Partner

Jon provides strategic advice to technology companies servicing the Real Estate, Gaming Lodging and Leisure spaces including esports and Online Sports Betting. Jon has advised on a range of public and private M&A mandates as well as debt and equity financings. Prior to joining AGC, Jon worked at Moelis & Company where he co-founded the firm's Seasonal Leisure Practice.

Extensive Expertise in Gaming

Selected Gaming and AR/VR Transactions

Simplygon / Microsoft – 3D computer graphics software for automatic 3D optimization. AGC drove a 133% improvement from the initial offer, resulting in Microsoft paying 14.5x LTM/Rev

Audiokinetic / Sony – Developer of audio software for the video game industry. AGC was able to find the best buyer for growth opportunities and support in Sony

Vuzix / Thayer Bancroft – Vuzix's TDG provides head-mounted displays. AGC was able to create a competitive bidding environment that led to 5 LOIs for the TDG assets

ReCAPTCHA / Google – Helps digitize and secure content for the gaming industry. AGC was able to generate significant interest from both strategic and financial investors

Amplitude / SEGA – AGC represented SEGA, a leading publisher and distributor of video games globally, to broaden its portfolio of critically acclaimed production studios. AGC positioned SEGA as highly supportive of its internal studios and creative independence, which ultimately won the day with Amplitude having multiple suitors in hot pursuit.



Comments

- AGC is a leader in Gaming, AR & VR transactions, advising leading companies including Simplygon, Audiokinetic, Vuzix, ReCAPTCHA, SEGA, among others
- AGC was founded to bring exciting technology companies to the firm's deep network of funds in the US, Europe and Asia, including late-stage venture capital, growth equity, private equity, corporate ventures, family offices and crossover hedge funds
- AGC has published numerous whitepapers highlighting the key trends in gaming, esports, game technology, and AR/VR

MARKET RESEARCH



Global Leader in Tech Advisory – 426 Closed Deals

 AGC ranked Top M&A Middle-Market Software Advisor of 2020 by Merger Trends

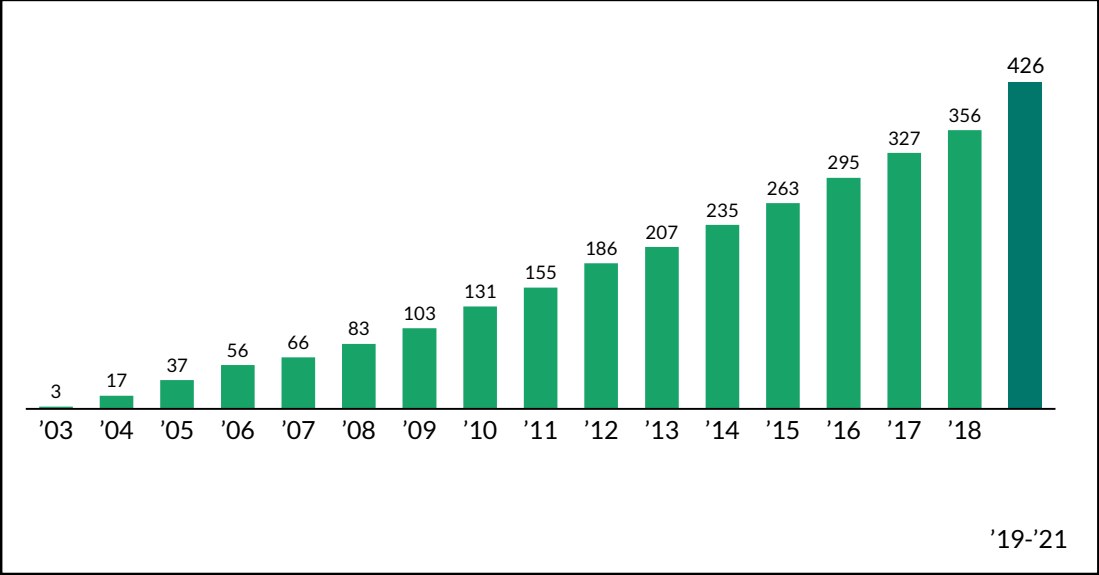
 9 deals closed in the last 90 days and 8 deals under LOI

 21 Partners and 40+ active engagements

 Key PE/VC and Strategic relationships from the 400+ deals in our history

 Partners on the ground in 10 major cities across the US and Europe

AGC Cumulative Deal Count



Top Sell-Side Tech Deal Makers in 2019-20*

Firm	# Trans.
1. Raymond James	51
2. AGC Partners	40
3. Houlihan Lokey	39
4. William Blair	39
5. Goldman Sachs	37
6. Robert W. Baird	37
7. Morgan Stanley	36
8. Evercore	33
9. Jefferies	30
10. Canaccord Genuity	29
11. GCA	29
12. J.P. Morgan	23
13. Barclays	21
14. Qatalyst	20
15. Moelis	18

*451 Research deal count based on all disclosed technology related Sell-Side transactions from 2019-2020. Excludes co-managed deals.

451 Research SaaS Rankings*

Firm	# Trans.
1. AGC PARTNERS	122
2. William Blair	118
3. RAYMOND JAMES	93
4. STIFEL	70
5. Morgan Stanley	65
6. HOULIHAN LOKEY	59
7. GCA	59
8. KeyBank	54
9. EVERCORE	54

*451 Research deal count based on all SaaS related Sell-Side transactions since 2010. Excludes co-managed deals.

The Best Middle-Market Growth Technology Conferences Globally

Premier Global Technology Conferences

- AGC Partners is one of the only investment banks in the world to hold middle-market industry conferences solely focused on driving relationships between strategic acquirers, PEs, and emerging private growth companies spanning all major tech sectors – In our last conference since COVID in Feb'20 we had 3,000 one-on-ones
- Offers insights from leaders in their respective industry, and direct engagement with the most active investors in the space
- Includes 500+ early and growth stage technology companies (revenues \$10-\$100M ARR) and 600+ private equity firms and strategic acquirers
- High caliber panels and 30-minute pre-arranged one-on-one meetings lead to hundreds of new relationships and drive the marketing efforts for pre-engaged clients

2020 San Francisco Conference Stats

1,585

Attendees

\$1.3T

In AUM Represented

3,000

1-On-1 meetings

Boston
October, 2021



San Francisco
Spring 2022



London
June, 2022



	San Francisco	London	Boston	Total
Attendees	1,585	414	719	2,718
Private Companies	485	112	225	822
Investors	343	85	190	618
Strategics	233	26	50	309
Total 1-on-1 Meetings	3,000	915	2,250	6,165

Select Strategic Attendees



Select Private Equity Attendees



Direct Senior Relationships with the Top PE & Strategic Buyers in Tech

AGC is one of the most active pure tech boutique banks with over 400 closed deals across premium buyers

Trusted Advisor of Growth / PE Financial Acquirers

- AGC sits at the center of the buy and build ecosystem, **with over 400 PE/VC longstanding relationships**
- High volume of successful transactions with and for financial acquirers and portfolio companies
- Relationships developed over the long term provide AGC access and credibility with key decision-makers
- In depth insights into each financial acquirer's unique investment criteria, approach and behavior
- AGC has significant experience in optimally structuring transactions, enabling both entrepreneurs and existing investors to take a second bite at the apple

Representative Acquirers



Trusted Advisor of PE-Backed Strategies

Representative Platform / PE Acquirers



Trusted Advisor of Public Strategic Acquirers

- Strong relationships and a proven track record with **~400 of the leading strategic acquirers**
- Knowledge of development roadmaps + buy vs build priorities allows us to strategically position businesses to achieve optimal outcomes
- Deep sector expertise ensures unique and customized positioning for each buyer

Representative Acquirers

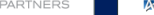


AGC's Unrivalled Experience

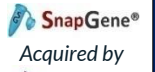
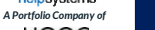
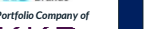
STRATEGIC TRANSACTIONS

 SHOOTER DETECTION SYSTEMS Acquired by  ALARM.COM Advisor to Shooter Detection Systems 	 Buildium Property Managed. Acquired by  REALPAGE Outperform Advisor to Buildium 	 stitchlabs Acquired by  Square Advisor to Stitch Labs 	 LIAISON A Portfolio Company of  MERCK Acquired by  opentext Advisor to Liaison 	 Geezeo Acquired by  jack henry & ASSOCIATES INC. Advisor to Geezeo 	 WhiteHat SECURITY A Portfolio Company of  JMI Acquired by  NTT Advisor to WhiteHat 
 CASK Acquired by  Google Advisor to Cask 	 appsee Acquired by  now Advisor to appsee 	 BLUE WILLOW Systems Acquired by  PHILIPS Advisor to Blue Willow Systems 	 orderTalk Acquired by  Uber Advisor to orderTalk 	 CLOUD CRUISER Acquired by  Hewlett Packard Enterprise Advisor to Cloud Cruiser 	 BOOMI Acquired by  DELL Advisor to Boomi 

PE PLATFORM TRANSACTIONS

 FILES .COM Financed by  RIVERWOOD CAPITAL Advisor to Files.com 	 DENTAL INTELLIGENCE Financed by  PSG Advisor to Dental Intelligence 	 DOMAINTOOLS Acquired by  Battery Advisor to DomainTools 	 ActivTrak A Portfolio Company of  ELLIOTT MANAGEMENT Financed by  SAPPHIRE VENTURES Advisor to ActivTrak 	 EXOSTAR Acquired by  THOMABRAVO Advisor to Exostar 	 TITUS Acquired by  Blackstone Advisor to Titus 
 GuidePoint SECURITY YOUR MISSION. SECURED. Financed by  ABS CAPITAL PARTNERS HERE WE GROW. Advisor to GuidePoint 	 THOUGHT INDUSTRIES Financed by  Luminate CAPITAL PARTNERS Advisor to Thought Industries 	 Perceptyx Financed by  TCV Advisor to Perceptyx 	 ZAPROVED A Portfolio Company of  VISTA EQUITY PARTNERS Financed by  VISTA EQUITY PARTNERS Advisor to Zaproved 	 KEYFACTOR Financed by  INSIGHT VENTURE PARTNERS Advisor to Keyfactor 	 skuid A Portfolio Company of  ICONIQ Financed by  MARLIN EQUITY PARTNERS Advisor to Skuid 

PE ADD-ON TRANSACTIONS

 RUCKIT Acquired by  Command Alkon A Portfolio Company of  THOMABRAVO Advisor to Ruckit 	 SnapGene Acquired by  GraphPad A Portfolio Company of  INSIGHT VENTURE PARTNERS Advisor to SnapGene 	 CORE SECURITY A Subsidiary of  SECUREAUTH Acquired by  helpsystems A Portfolio Company of  HGGC Advisor to Core Security 	 VERIS GROUP Acquired by  COALFIRE A Portfolio Company of  THE CARLYLE GROUP Advisor to Veris 	 mpl systems Acquired by  EQT A Portfolio Company of  INSIGHT VENTURE PARTNERS Advisor to mpl Systems 	 entomo3 A Subsidiary of  E2OPEN A Portfolio Company of  INSIGHT VENTURE PARTNERS Advisor to Entomo 
 distil networks Acquired by  imperva A Portfolio Company of  THOMABRAVO Advisor to Distil Networks 	 erecruit Merged with  BOND A Portfolio Company of  symphony Advisor to eRecruit 	 LIEBERMAN SOFTWARE Acquired by  BOMGAR A Portfolio Company of  THOMABRAVO Advisor to Lieberman 	 UNITYWORKS Acquired by  Internet Brands A Portfolio Company of  KKR Advisor to Unityworks 	 Apprise Acquired by  aptean A Portfolio Company of  VISTA EQUITY PARTNERS Advisor to Apprise 	 leankit A Portfolio Company of  INSIGHT VENTURE PARTNERS Acquired by  PLANVIEW A Portfolio Company of  THOMABRAVO Advisor to Leankit

CROSS BORDER TRANSACTIONS

 Auction mobility Acquired by  atg A Portfolio Company of  TA ASSOCIATES Advisor to Auction Mobility 	 InGenius Acquired by  upland Advisor to InGenius 	 MEMSOURCE Majority Acquisition by  THE CARLYLE GROUP Advisor to Memsource 	 mnubo Acquired by  aspentech Advisor to Mnubo 	 Hansoft Acquired by  PERFORCE A Portfolio Company of  SUMMIT PARTNERS Advisor to Hansoft 	 EMBOTICS Acquired by  snow Advisor to Embotics 
 crisp Financed by  BAIRD Advisor to Crisp 	 TEMPO A Wholly Owned Subsidiary of  origo. Acquired by  DIVERSIS CAPITAL Advisor to Origo 	 OpusCapita A Wholly Owned Subsidiary of  posti Acquired by  PROVIDENCE EQUITY Advisor to Posti 	 M-Files A Portfolio Company of  Draper Esprit Financed by  partech Advisor to M-Files 	 CapitalStream A Wholly Owned Subsidiary of  HCL Acquired by  Linedata Advisor to HCL 	 utimaco A Portfolio Company of  EQT Acquired  Atalla A Wholly Owned Subsidiary of  MICRO FOCUS Advisor to Utimaco

DISCLOSURE



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