



INVESTMENT OPPORTUNITY

Opportunity to invest in the eSports team

Why invest in eSports now?

- eSports is a rapidly growing modern economy, expected to grow from \$900 million in 2018 to \$1,600 million in 2021 (GAGR +27.4%)
- attracting global brands which make huge investments in the eSports industry through sponsorship or direct investments in teams
- potential increase in eSports companies' capitalization by more than 100% in the next 3-5 years

Recent purchases of eSports teams/organizations in CIS:

@mail.ru group → \$120 M → ESFORCE >6x Revenue

MTC → \$5.0 M → GAMBIT ~5x-6x Revenue

Recent investments in eSports teams:



\$ 3.1 M



\$ 15.7 M



\$ 25.0 M



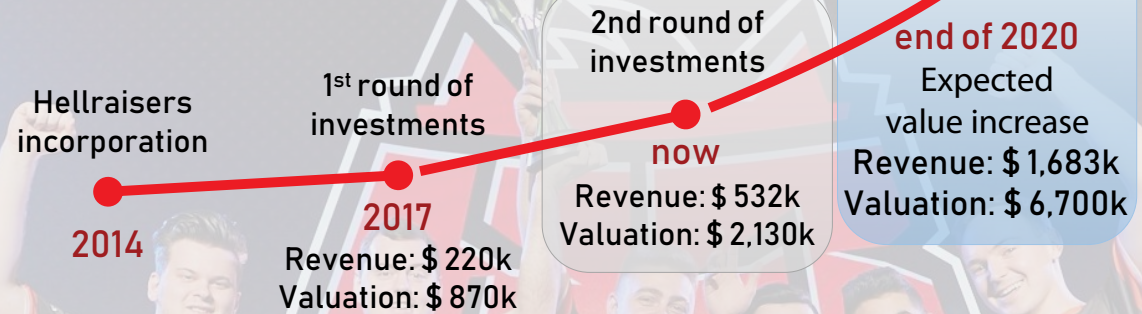
Rumored: \$35 M

HELLRAISERS



Stayed in Top 16 World CS:GO teams for 3 years.

Where are we now?



Why we seek investments? There are several perspective options to increase the company's value.

We offer the opportunity to invest in the company for:

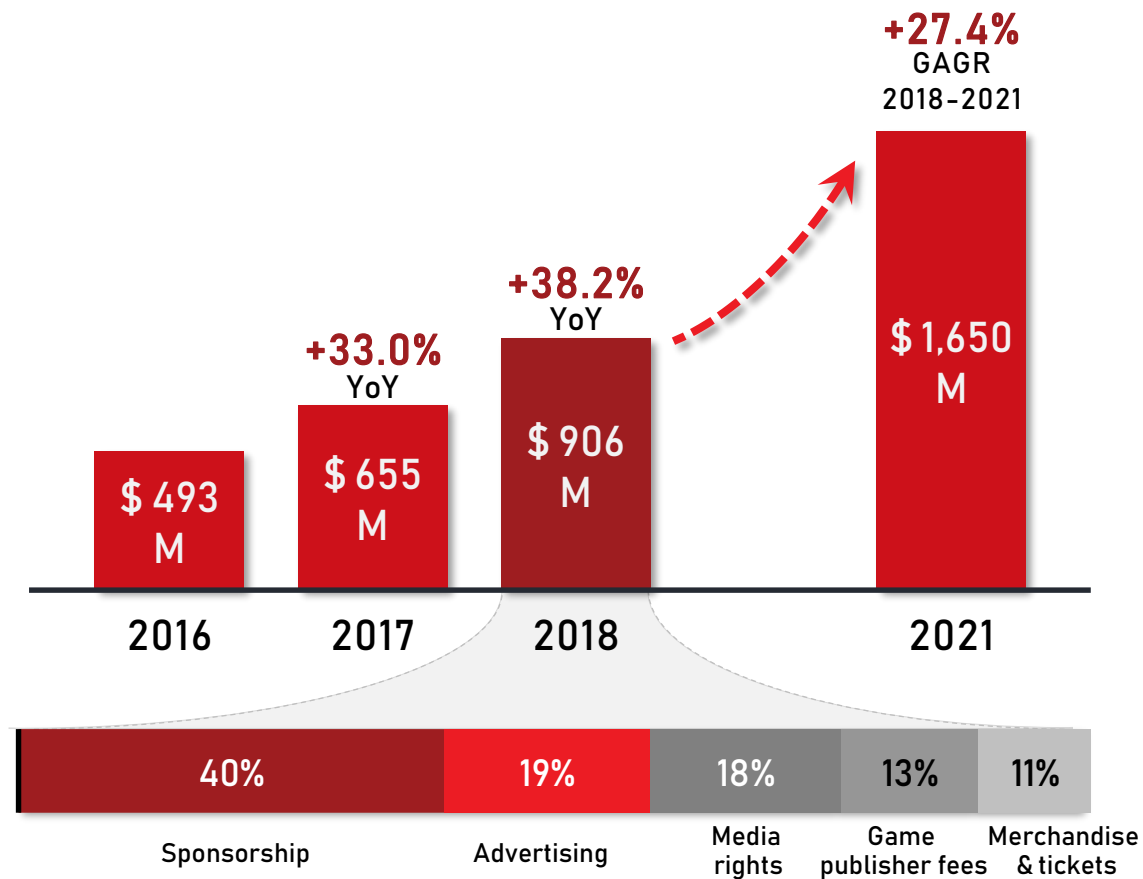
Options	Investments needed (2018 – mid 2020)
1. Company relocation to EU/NA, new gaming house + New rosters	\$ 900 k (30% equity)
2. Only new rosters (PUBG and/or Fortnite teams)	\$ 500 k (19% equity)

Why invest in eSports?

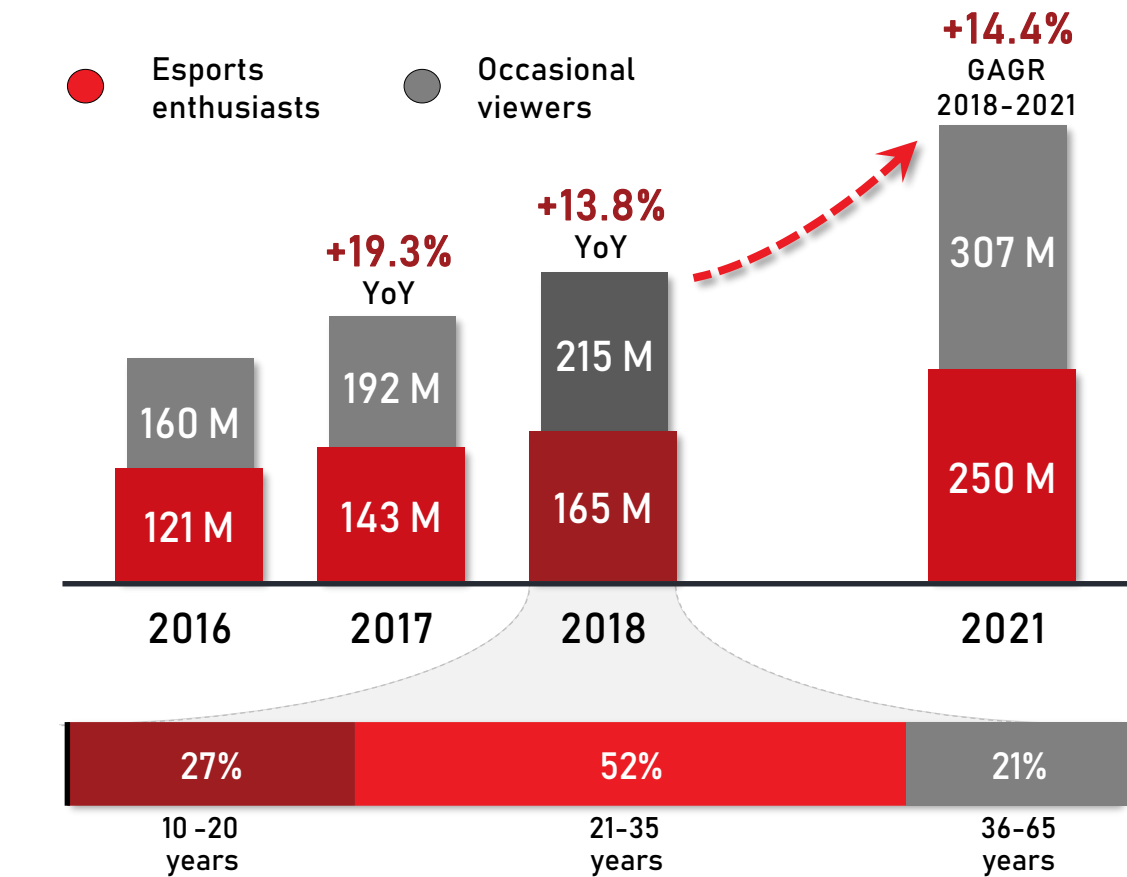


eSports is a rapidly growing modern phenomenon

In 2018, the global eSports economy will grow to **\$906 million**, a year-on-year growth of **+38.2%**, with the majority of revenue streams coming from **sponsorship** and **advertising**.





























In 2018, eSports enthusiasts* will reach **165 million**. However, with occasional viewers, the total audience will amount to **380 million**. The average eSport fan is **much younger** than in traditional sports.



Source: [Global Esports Market Report 2018](#)

*enthusiasts – people, who watch eSport at least once per month

Top teams get the majority of their income from sponsorships

Teams	Sponsors
 CLOUD9	      
 FNATIC	     
 mousesports	  
 ASTRALIS	     
 NINJAS IN PYJAMAS	   KINGUIN SAVE ON EVERY GAME  

Other major eSports sponsors



Major investors are trying to get into eSports

May 2018



February 2018



Pool of investors

December 2017



the largest mobile operator in Russia and CIS

November 2017



Jerry Jones – owner of Dallas Cowboys (a professional American football team)

October 2017



Pool of investors

Investors:
World Wrestling Entertainment, Beverly Hills Sports Council and other

August 2017



Hersh Family Investment

Private equity firm specializing in buyouts, mid to late stage growth, and special situations.

Invested in
EDward Gaming



\$ 15.7 M

LoL, CS:GO, PUBG

Invested in
Team Vitality



\$ 3.1 M

LoL, Heartstone, PUBG

Acquired
Gambit Esports



\$ 5.0 M

LoL, FIFA, CS:GO, Dota 2

Acquired
Complexity Gaming



not disclosed

Dota 2, CS:GO, Hearthstone

Invested in
Cloud9



\$ 25.0 M

LoL, CS:GO, Overwatch, PUBG

Invested in
EnVyUs



Rumored: \$35 M

LoL, CS:GO, Overwatch

Contracts with players are valuable assets



Gambit
eSport



NaVi



Zeus
Daniil
Teslenko

\$100 USD k



HellRaisers



Mousesports



STYKO
Martin
Stick

\$50 USD k



NaVi



FaZe Clan



GuardianN
Ladislav
Kovacs

Rumored: \$150-200 USD k



Pro100



Vega
Squadron



Crush
Igor
Shevchenko

Rumored: \$50-100 USD k



Tengri



Gambit
eSport



Hobbit
Abay
Khasenov

\$100 USD k



North








OpTic
Gaming

Full CS:GO team

kOnfig Christian Wineke
cajunb René Borg
Gade Niklas Geid
Snappi Marco Pfeiffer
JUG1 Jacob Hansen

Rumored: \$850 USD k

Top games attract huge audiences and prize money

Top eSports games	Twitch watch time, hours*	All-time prize money	Players	Tournaments
	979 M	\$ 53.5 M	5,447	2,044
	657 M	\$ 2.4 M	-	-
	563 M	new game	-	-
	441 M	\$ 142.2 M	2,519	927
	390 M	\$ 54.4 M	9,809	3,250

Recent news:

- 1) Epic Games will provide \$100M in prize money for Fortnite esports in 2018-2019 (source: 3)
- 2) PUBG's first major esports tournament kicks off this summer a \$2 M prize pool (source: 4)

Sources: 1. sullygnome.com 3. esportsoobserver.com
2. esportsearnings.com 4. polygon.com

* total hours during Apr 2017 – May 2018

 - games released in 2017

Most watched games on Twitch in May 2018, hours

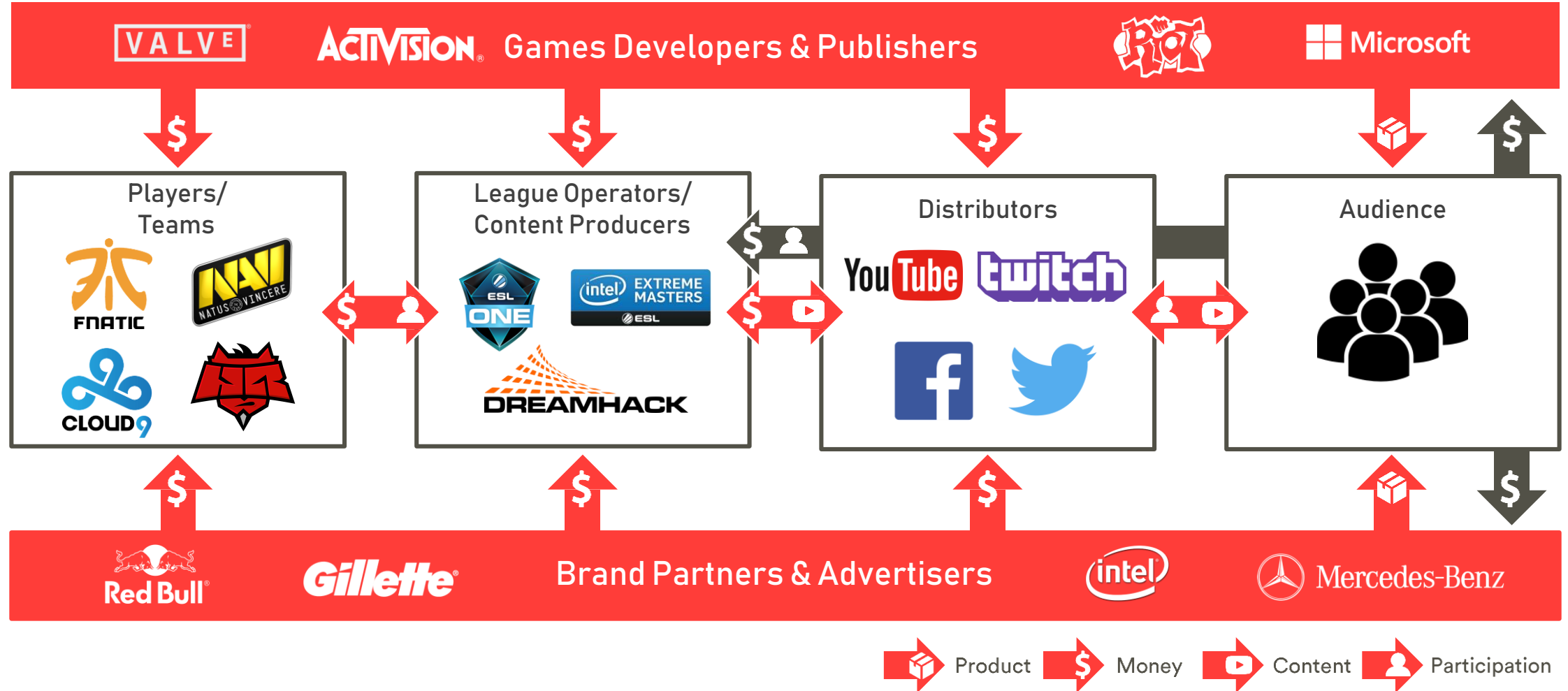


How the industry works

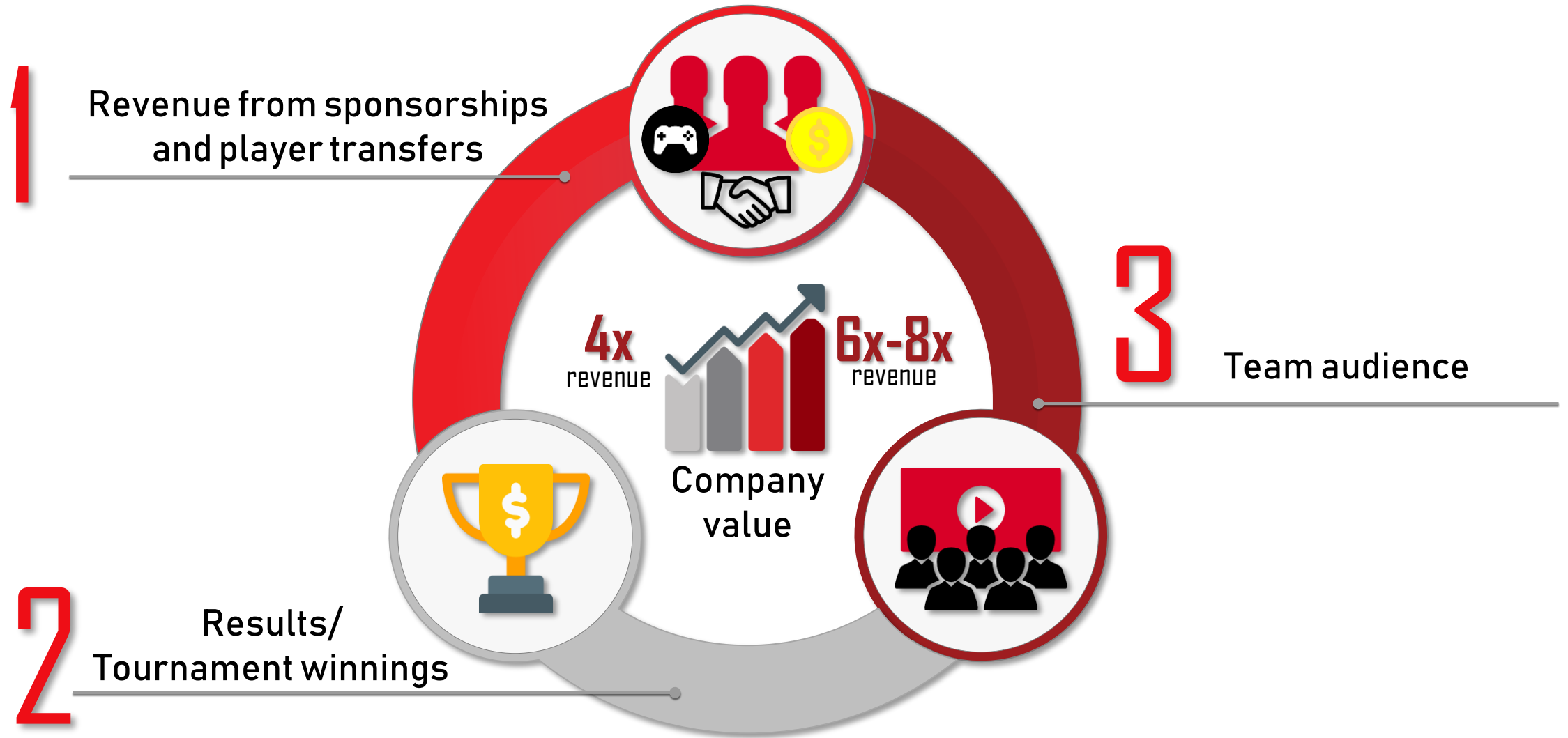


How the industry works

Overview of the eSports ecosystem



eSports teams have three main value sources



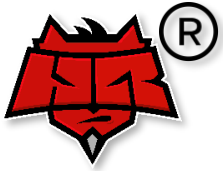
Entering the eSports market with HellRaisers



Invest in a world-class eSports team



Operating since 2014
HQ — Ukraine
Incorporation — Cyprus



Filed an application for trademark registration



420,000 subscribers

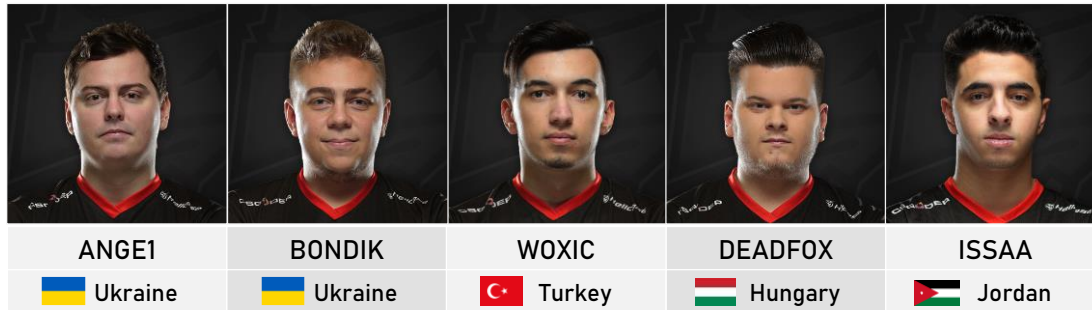
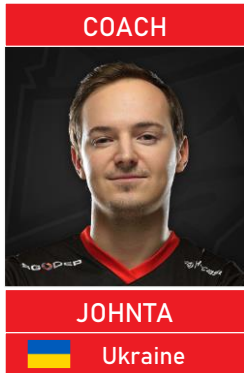


325,000 visits per year



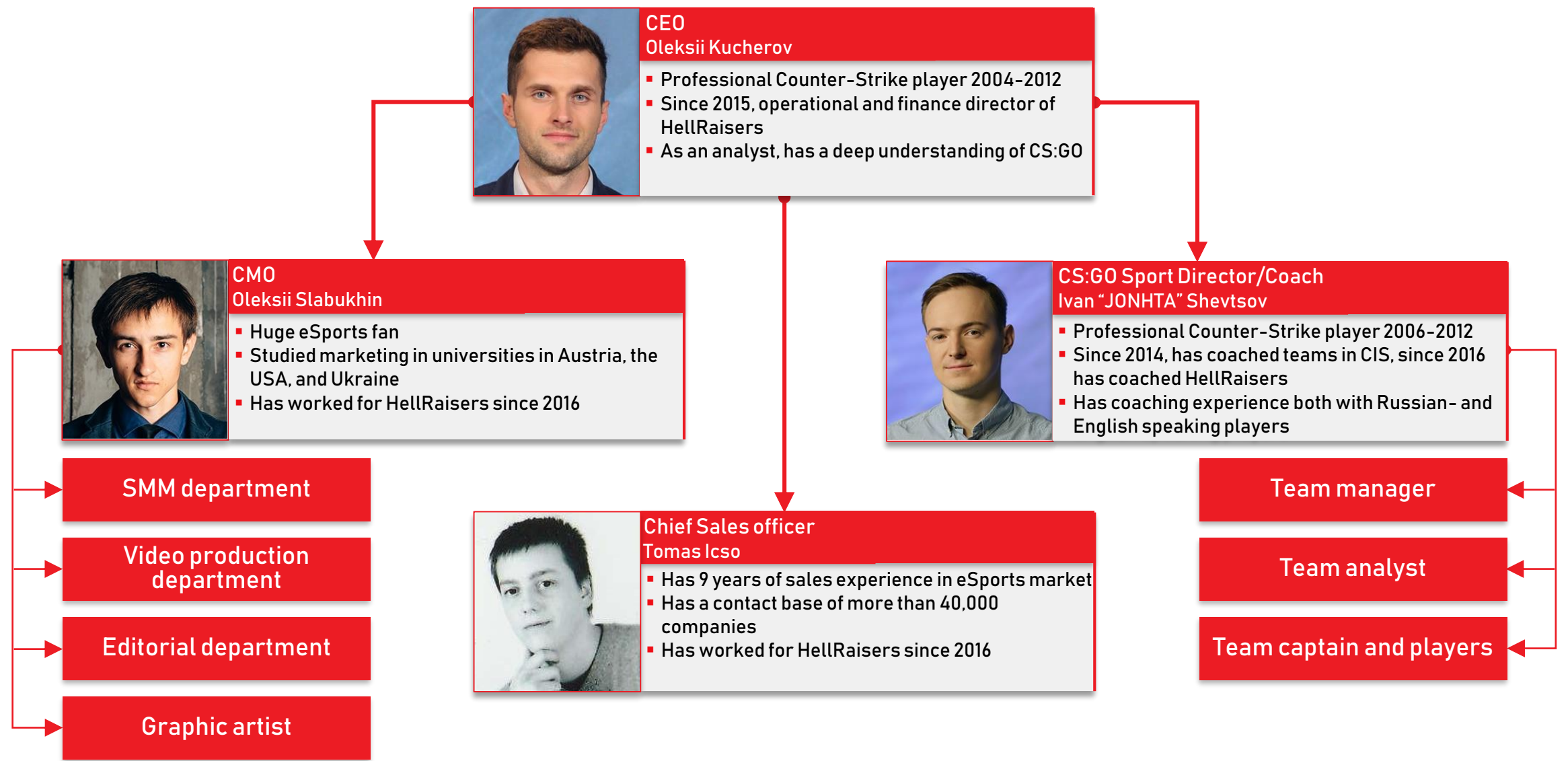
180,000 subscribers

Stayed in Top 16 World CS:GO teams for 3 years



Place	Tournament	Location	Prize pool	Prize won
2018				
2	Moche XL Esports	Lisbon	\$50,000	\$15,000
2	DreamHack Open Tours 2018	Tours	\$100,000	\$20,000
1	Bets.net Masters: Season 1	Kiev	\$100,000	\$50,000
3-4	V4 Future Sports Festival	Budapest	€500,000	€50,000
2017				
5-6	ESL Pro League Season 6: Finals	Odense	\$750,000	\$45,000
1	FCDB Cup 2017	Minsk	\$40,000	\$20,000
6	ESL Pro League Season 6 - Europe	Online	\$125,000	-
3	StarLadder i-League Invitational #2	Shanghai	\$100,000	\$15,000
2	DreamHack Tours 2017	Tours	\$100,000	\$20,000
3-4	StarLadder i-League StarSeries Season 3	Kiev	\$300,000	\$25,000
2016				
2	European Minor Championship 2017 - Atlanta	Bucharest	\$50,000	\$15,000
2	DreamHack Tours 2016	Tours	\$50,000	\$15,000
1	ESEA Season 21: Premier Division - Europe Finals	Leicester	\$20,000	\$10,000
1	Copenhagen Games 2016	Copenhagen	€ 30,000	€ 17,000
1	PGL European Minor Championship 2016	Bucharest	\$50,000	\$30,000
2015				
2	CS:GO Champions League Season 2	Online	\$50,000	\$15,000
1	Acer Predator Masters Season 1	Krefeld	\$40,000	\$20,000
3	ASUS ROG Winter 2015	Helsinki	\$25,000	\$4,000
3-4	DreamHack France 2015	Tours	\$40,000	\$3,000

Managed and coached by a highly-qualified team with 10+ years of experience in eSports



Development opportunities with HellRaisers



There are two main ways to increase HellRaisers's value

Relocation and new gaming house + new rosters

Investment:
\$ 900k

- Increase revenue from sponsorship and media rights sales
- Access to an international eSports audience
- Organizing a place for professional team training and content creation

Only new rosters (PUBG and/or Fortnite team)

Investment:
\$ 500k

- Games popularity and audience growing rapidly
- Large prize pools for future championships have been announced
- Contracts with players are cheaper than for other more well-established games



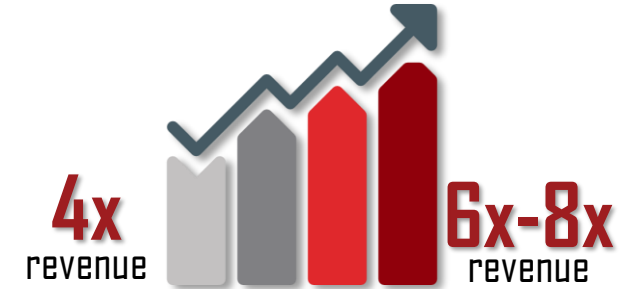
Increase in revenue
from sponsorship
and player transfers



Increase in team audience



Better results at
tournaments



Increase in company
capitalization

Relocation would have the greatest effect on the company`s value

And here`s why:



eSport companies' valuation is higher in Western Europe and North America, than in CIS.



Increase in revenue from sponsorship and sales of media rights.



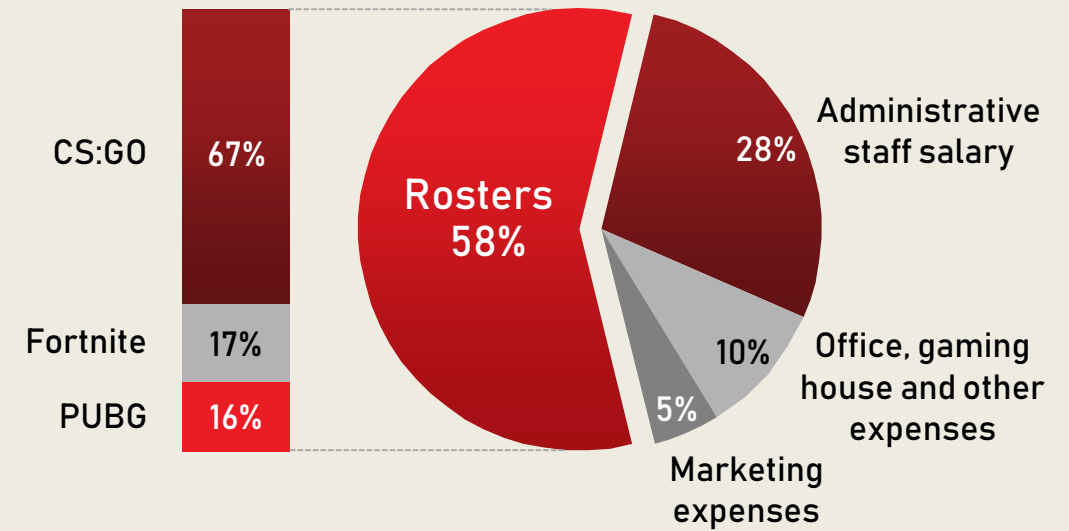
Access to an international eSports audience and sponsors.

2017	Eastern Europe	Western Europe	North America
Enthusiasts, M	11.9	22.6	24.8
eSport revenue, M	\$ 77.2	\$ 151.3	\$ 256.6
ARPE	\$ 6.5	\$ 6.7	\$ 10.4

Road map



Total costs structure in the case of relocation and new roster signings:



Appendices



Appendix 1. eSports team Canvas Business model

Key partners



- Tournament organizers
- Streaming platforms
- Betting companies
- SKINS related web-sites

Key activities



- Participating in tournaments
- Marketing and advertisement
- Training of players
- Content creation

Key resources



- Professional players
- Company employees
- Financial capital

Value proposition



1) For audience:

- Winnings on tournaments
- High-quality content
- Interaction
- Team merchandise

2) For sponsors:

- Sale of advertising rights on the team's audience
- Increased brand awareness and brand loyalty

Customer relationship



1) **Audience:** depends on results and content

2) **Sponsors:** depends on results and audience quantity and their enthusiasm

Channels



- Tournaments
- Streaming platforms
- Youtube, website
- Social networks
- Personal communication with sponsors

Customer segments



1) Audience:

- 16-35 years old
- Median and highly paid
- Male&Female
- Passionate about video game competitions

2) Sponsors:

- Endemic eSports brands (Logitech, AMD, nVidia)
- Betting companies (Betway, bet365, Unikrn)
- Non-endemic brands (Pepsi, RedBull, Audi)

Cost structure



- Salary and bonuses for the team and staff
- Marketing, business trips, equipment purchases
- Purchasing/loaning and training of players
- Expenses of content creation

Revenue streams



- Sponsorship
- Prize money
- Revenue from tournament organizers
- Transfers of players
- Revenue from sales of team merchandise