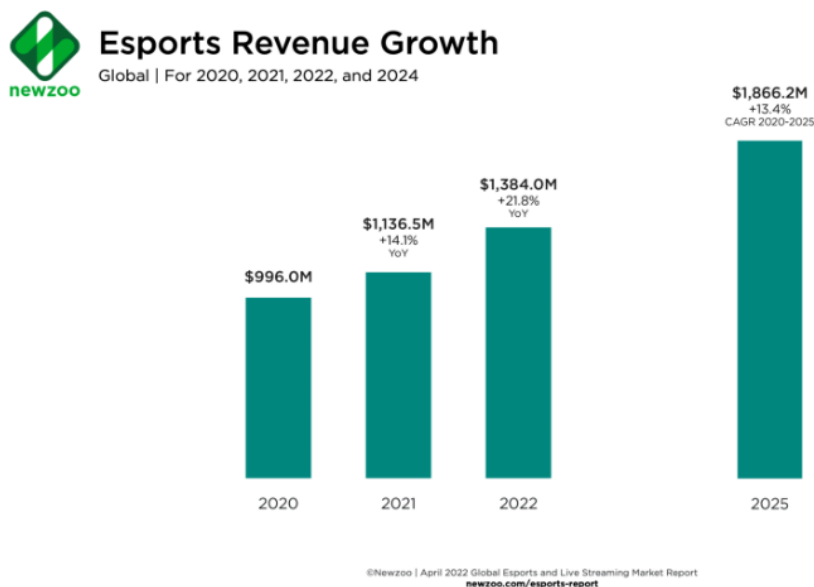


VIETNAM ESPORTS MARKET REPORT Q1/2023

1. Overview of the global eSports market

eSports (electronic sports) is a form of sport in which players compete against each other in online video games. Seen as an industry full of potential, eSports has become a global phenomenon with rapid growth over the past decade.

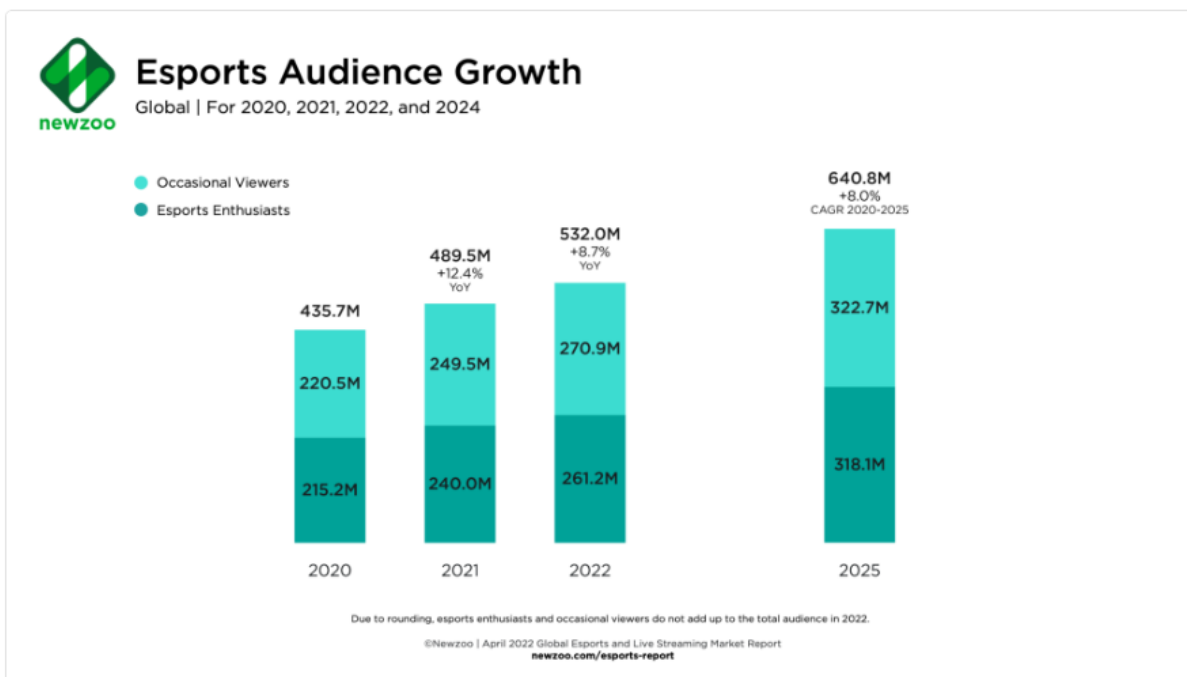
eSports generated more than \$1.38 billion in revenue globally at the end of 2022, up 21.8% from 2021. Of that, China accounted for nearly a third of eSports revenue worldwide. ESports revenue in the Asia-Pacific region has also grown by +17% year-over-year, reaching \$590.2 million in 2022, accounting for nearly 42% of global revenue.



eSport revenue to reach over \$1.38 billion globally by the end of 2022

(According to Newzoo)

In 2022, the global eSports audience will grow +8.7 percent year-on-year to reach 532 million. E-sports enthusiasts—those who watch eSports content more than once a month—would make up more than 261 million people.



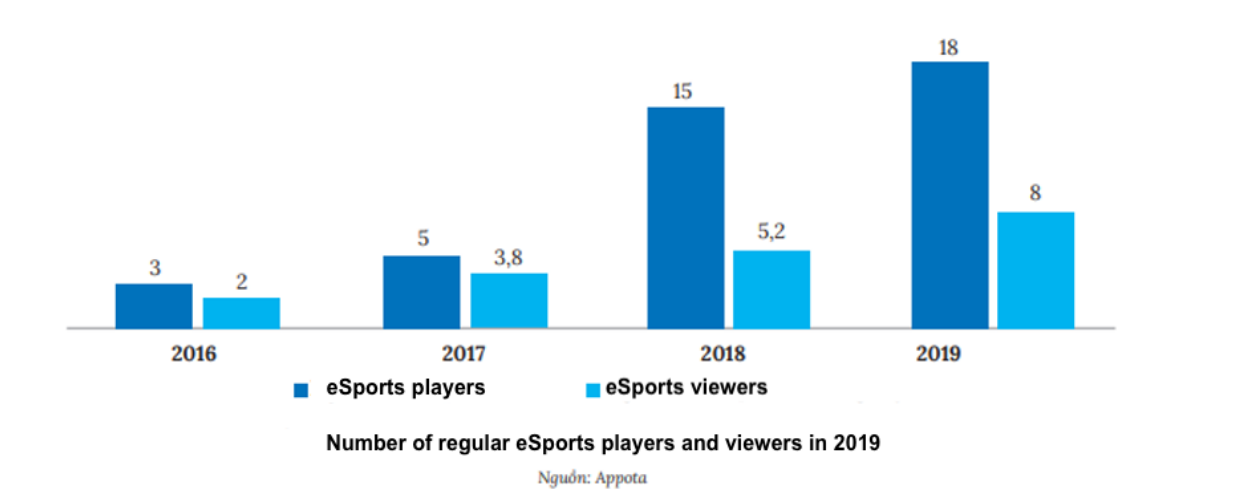
The number of people interested in eSports will increase to 318 million people by 2025 (According to NewZoo)

The number of people interested, eSports fans will increase to 318 million people by 2025, with a compound annual growth rate (CAGR) of +8.1% (2020-2025). By 2025, the total audience will surpass 640 million.

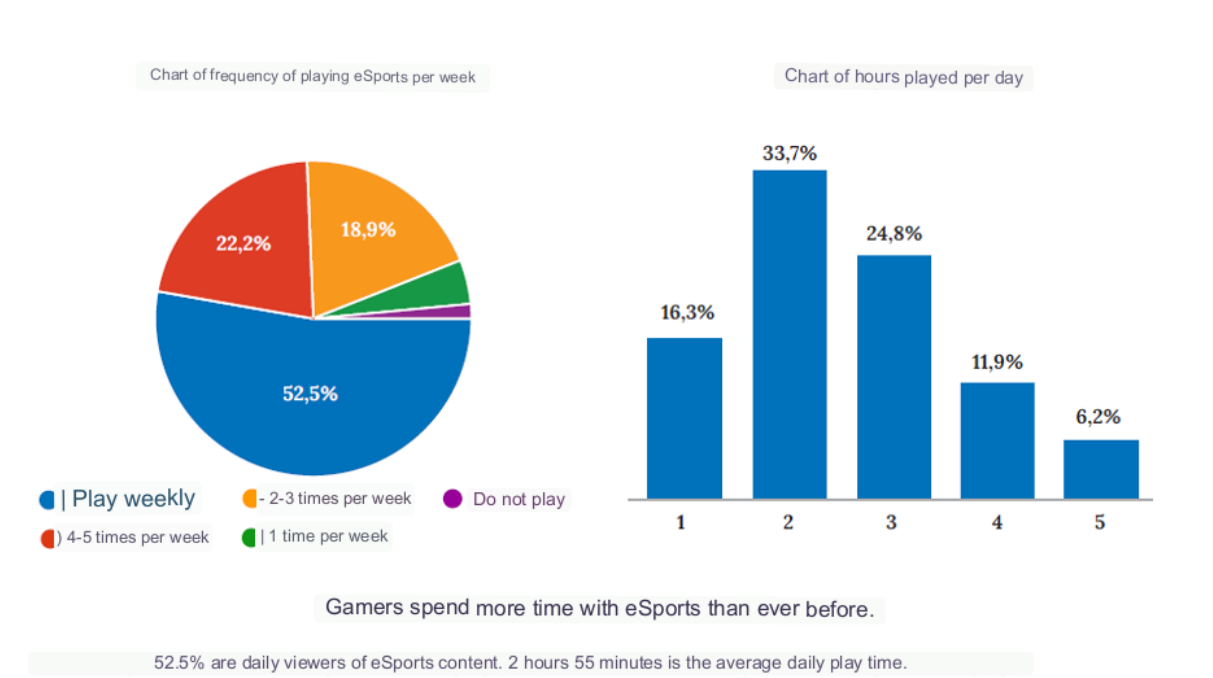
Digital and streaming are the two fastest-growing revenue streams for eSports, with a compound annual growth rate (CAGR) of +27.2% and +24.8% for 2020-2025, respectively. Raising awareness of digital assets like NFT is likely to drive investment and fan interest in purchasing eSports IP in-game items.

2. Overview of Vietnam eSports

eSports Vietnam in recent years has grown significantly and become a prominent field, attracting millions of players and fans across the country.



In 2020, the Vietnamese game market is estimated to reach 40 million players, of which 18 million have played eSports. On average, the community in Vietnam has played and watched about 2 eSports sports. It is estimated that about 52.5% of people watch eSports content daily and the average playing time is about 3 hours. In particular, MOBA games are still the most dominant genre with many famous games such as League of Legends ...



It is estimated that about 52.5% of people watch eSports content daily and the average playing time is about 3 hours (According to the E-Sports White Paper)

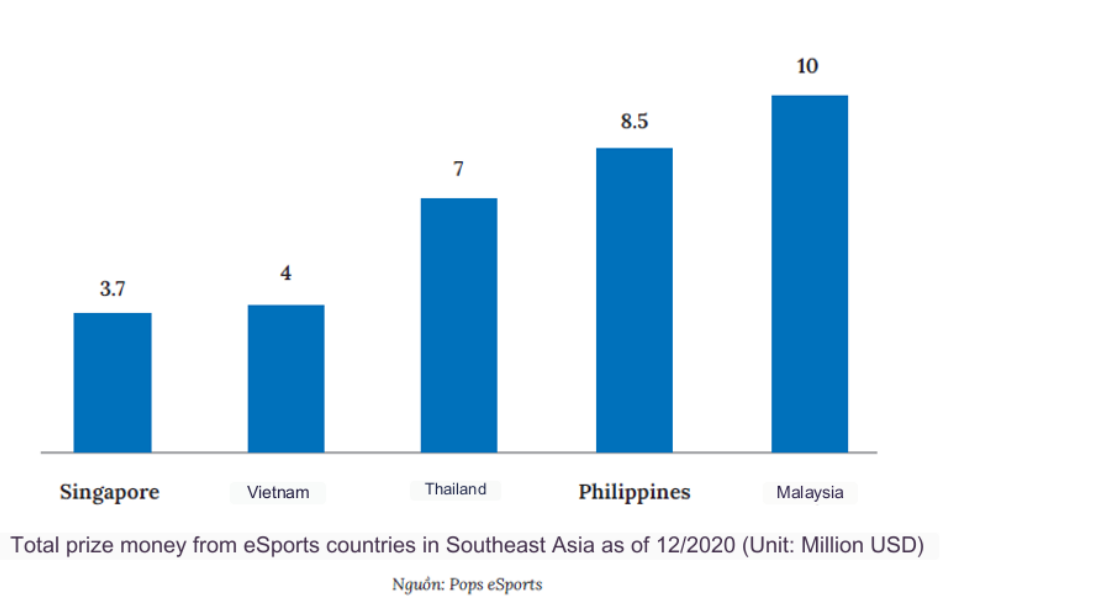
Domestic broadcasting platforms also recorded a sudden growth in eSports content. Typically, the number of views on Facebook Gaming increased by 81.37% during the Covid-19 pandemic, interaction and coverage also increased by 50% and 79.6%, respectively.

Assessing the eSports market in Vietnam, Mr. Terence Ting, CEO of Flash team, said that, “In terms of economic and overall development in the field of eSports, Vietnam has great potential to lead the Southeast Asia market in the next 3 years if it continues to develop in an upward trend, especially with the 31st SEA Games to be held in Hanoi in 2021. Vietnam has a strong talent base among the 3 countries, but the commercial potential is a bit more limited because the market is still in the "triggering" stage.



Terence Ting, CEO of Team Flash

According to Pops eSports statistics, the total prize money from eSports in Vietnam as of December 2020 has reached 4 million USD and continues to increase rapidly every year.



According to Mr. Nguyen Quang Dong - Director of the Institute for Policy Research and Media Development, "'e-sports' is a potential business. In order for Vietnamese enterprises to thrive in this market, the 'legal bottlenecks' in licensing; on content moderation controls; about copyright protection should be 'removed' soon. In addition, businesses in the industry themselves need to focus on safety and benefits for users to bring a comprehensive view of e-sports. A strong push from the policy and regulatory environment promises to make Digital Sports a spearhead industry in Vietnam's digital economy."



Mr. Nguyen Quang Dong - Director of the Institute for Policy Research and Communication Development

The system of policies and legal regulations for the Vietnamese eSports market has been shaped and created conditions for the industry to develop. However, businesses in the industry still face difficulties and expect changes in the legal environment in the direction of being closer to the region and the world and still suitable to Vietnam's conditions. Four main legal issues of concern include content control and moderation; licensing issues; better protection of intellectual property rights; and industry cooperation contracts.

3. Policy of the Vietnamese government in developing eSports industry

Recognition of esports as an official form of e-sports: The Vietnamese government has recognized eSports as an official form of e-sports. This enhances recognition and entitlement for esports players.

- **Support for esports growth:** The government has provided financial support and promotion for esports events and esports teams to represent

Vietnam in specific international tournaments from SEA Games 30, eSports Listed to compete at the largest sports festival in Southeast Asia, Vietnam registered to participate in 6 sports including Dota 2, Lien Quan Mobile, Mobile Legends: Bang Bang, Tekken, StarCraft II and Hearthstone. This is to promote the development and enhance the face of Vietnam's esports industry in the international arena.



19 eSports athletes honored to receive certificates from Prime Minister Pham Minh Chinh

- **Regulations on operating licenses:** Organizations, businesses and individuals operating in the field of esports need to comply with licensing regulations and operating conditions. This helps to ensure the sustainable management and development of the industry.
- **Infrastructure development:** The government has invested in the development of technological infrastructure such as the Internet and telecommunications infrastructure to facilitate the development of esports. This includes improving internet connection and ensuring a stable and high-speed network for players to have the best experience.

- **Education and training:** The government has set up esports education and training plans and programs to create quality human resources in the industry. This includes the training of coaches, managers and professional players in the field of eSports.

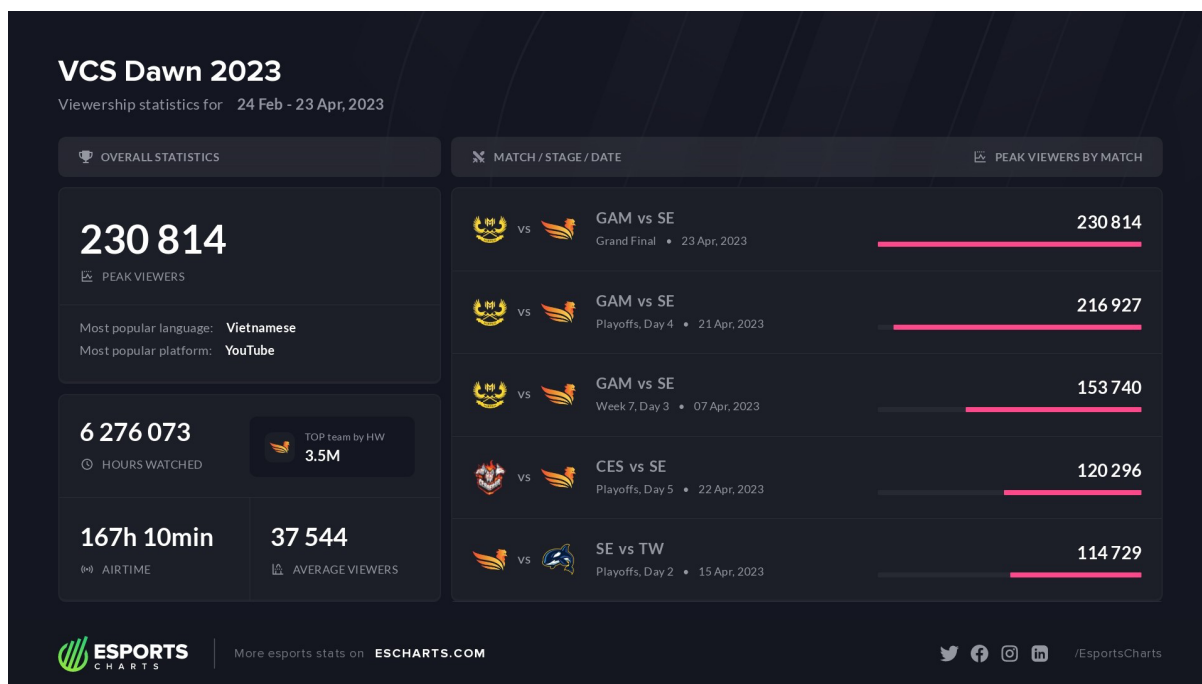


Intek IT Lecture Hall - the first school in Vietnam to apply eSports and gamification training methods

4. The situation of eSports in Vietnam in Q1/2023

In the first half of 2023, Vietnam's eSports market has continued to grow strongly with many important events and tournaments. According to the report of the General Department of Physical Education and Sports, as of March 2023, there have been more than 10 major tournaments held in Vietnam, with a total prize value of up to hundreds of billions of dong. Among them, the VSC Breaking Dawn 2023 (League of Legends) tournament is one of the events that attract the most

audience, with more than 200,000 participants cheering online and offline, in which the Peak view final match has 230,815 participants.



VCS Spring 2023 (League of Legends) peaked at 230,000 viewers in the climactic clash between GAM eSports beating SBTC eSports

At the same time, the community of eSports players in Vietnam is also growing strongly. According to statistics from GameK, one of the leading game information sites in Vietnam, the number of game players increased significantly in the first months of 2023, especially in popular games such as League of Legends, PUBG and Free. Fire. In addition, forums and websites specializing in eSports, such as eSports.vn and GameK, also attract millions of visitors each month.



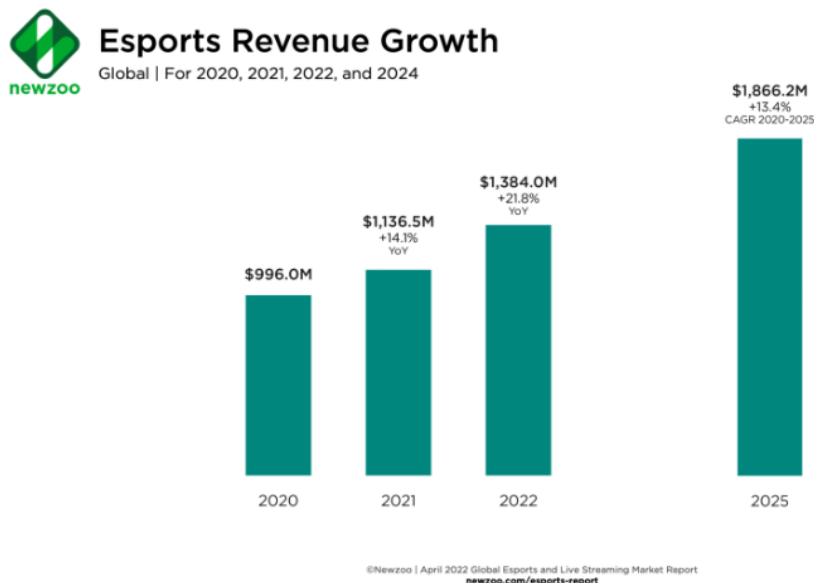
*Vietnam and Southeast Asia are witnessing a robust growth in the eSports industry
(Photo: The ASEAN Post)*

However, community development and talent training are still issues facing many challenges. According to a report by the Vietnam eSports Federation (VEF), there is currently no professional talent training system in Vietnam, which is giving young talents no chance to be better developed. Moreover, the tournament system is also facing many difficulties in terms of facilities and management, especially in provinces outside of Ho Chi Minh City and Hanoi. ESports organizations need to invest more in tournaments and training systems to sustainably develop the eSports industry in Vietnam.

5. Kirin Capital's prediction

Predicting the end-2023 esports market in Vietnam is quite difficult due to the impact of the economic recession following the COVID-19 pandemic, resulting in a decline in investment into eSports and a reduction in sponsorship budgets from brand sponsors. However, with the rapid development of the eSports industry in Vietnam, experts from Kirin Capital can make some predictions about the number of eSports markets in Vietnam by the end of 2023:

- **Revenue growth:** According to a report by Newzoo, the global eSports industry revenue reached over US\$1.3 billion in 2022 and is expected to continue to grow in the following years. With the development of major eSports tournaments in Vietnam, the revenue of this industry in Vietnam can reach about 50 million USD (equivalent to more than 1.1 trillion VND) by the end of 2023.
- **Number of players:** Currently, Vietnam is one of the countries with the largest number of gamers in Southeast Asia. With the development of the eSports industry in Vietnam, the number of eSports players could reach about 10 million by the end of 2023.
- **Number of Tournaments:** The number of eSports tournaments in Vietnam may also continue to increase in the future. It is predicted that there will be about 100 large and small eSports tournaments in Vietnam by the end of 2023.



According to a report by Newzoo, the global eSports industry revenue reached over US\$1 billion in 2020 and is expected to continue to grow in the following years

Certainly, these projections and estimates are subject to fluctuations over time. However, what remains indisputable is the rapid growth of Vietnam's eSports industry, positioning it as a promising sector with tremendous potential to flourish in the country in the upcoming years.

**The content above is just a part of the report by Kirin Capital's Game Industry Research Team. If investors and partners have any collaboration, financial investment, or in-depth research needs, please contact:*

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