

WATCHLIST REPORT

Turning the Corner

Our Take: Gamelancer (“Gamelancer”, “GMNG” or the Company”) is showing early evidence of turning the corner with revenues growing q/q throughout 2022. With preliminary 2023 guidance of at least \$8.6M in revenue (vs \$3.6M in 2022) and \$15-20M in 2024, GMNG is painting a bullish picture whereby it aims to be a demographic play in which brands choose to work with Gamelancer because of its 12–40-year-old reach – an audience which management claims tunes in to watch its videos for ~95 min/day.

KEY HIGHLIGHTS

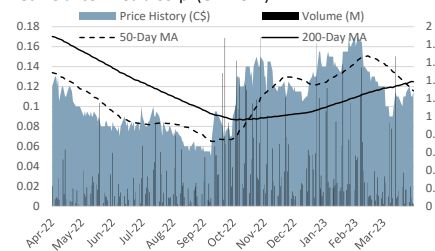
- ◆ **Gamelancer is New Media:** Gamelancer owns 44 channels across TikTok, Instagram and Snapchat, and brands want to advertise on these channels so they can drive brand affinity with young people. Brands can no longer access young people via traditional channels whereas TikTok, Snapchat, and Instagram Reels are dominating the paradigm shift. Gamelancer is new media and brands need new media to attract a hard-to-reach demographic. GMNG aspires to be an agency killer who engages directly with multi-billion-dollar brands, working between the fray of the client and their agency of record, to take over digital creative and distribution on TikTok, Snap and Instagram. Gamelancer is a media first organization with owned and operated channels, producing and distributing gaming and lifestyle content to an audience of GenZ and young millennials.
- ◆ **TikTok Alliance:** Gamelancer recently announced a hallmark partnership agreement with TikTok North America, becoming the 68th Global Joint Business Partner of TikTok globally, strengthening its capabilities as a full-service media partner to brands and creators. Boasting a large gaming community on TikTok with over 32 million followers across its 12 TikTok accounts, Gamelancer offers expertise in building loyal and engaging online communities. As a modern media enterprise, the Company provides a unique opportunity for brands to create authentic connections with Gamelancer's extensive GenZ and younger Millennial audiences through ad space on its network of 44 owned-and-operated channels and full production capabilities. With over 39 million total followers and subscribers across its social media platforms to date, brands have a unique advantage in making authentic connections with their desired demographic through custom branded short-form content that resonates with these audiences. According to Omnicore Agency, TikTok embodies 1.8Bn MAUs, had 672M downloads in 2022, generated over \$6Bn in consumer spending in Q4/22, has 94.1M MAUs in the USA, and produced US\$11.64Bn in 2022 revenue, +200% y/y.
- ◆ **Snapchat Partnership:** Gamelancer recently deepened its media partnership with Snapchat. With numerous popular short-form video programs currently hosted on Snapchat's Stories page (the 4th tab) within the Discover feed, Gamelancer aims to include additional programs and creator partnerships through the deepened engagement across its 29 Snapchat channels. Snapchat's Stories page provides made-for-mobile content including shows, news reports, creator content and more. With a specific focus on producing short-form series that resonate with Gen Z and young Millennials, Gamelancer will expand upon its original content with new series and creators covering topics such as beauty, fashion, crime stories, cooking and more. The Company's Snapchat Shows are popular OTT (over the top) short-form video programs that engage younger audiences. Gamelancer's total Snapchat presence sits at just over 3.7 million subscribers to date and generates over \$440,000 in recurring monthly revenue across 23 channels. Snapchat embodies over 375M DAUs as of Q4/22, +17% y/y and recently disclosed a global community of 750M MAUs. The technology company reaches over 75% of 13- to 34-year-olds and 90% of 13- to 24-year-olds in over 20 countries, including Canada.
- ◆ **Guidance Issued:** GMNG recently issued a Q4/22 and 2023 outlook on April 3 in which GMNG expects to report \$1.7M in Q4/22 revenue, has booked 2023 revenue of \$8.6M with expected 2023 gross profit of 68%. The Company projects to report between \$15-20M revenue in 2024, majority coming from direct media with the balance Snapchat OTT revenue. Gamelancer aims to reduce total expenses by 36% in 2023.

Outlook: Gamelancer has been illustrating early evidence of a growth curve. Its deepened relationships with TikTok and Snapchat are a competitive advantage which should attract brands to deepen their advertising/marketing spend with Gamelancer. Early evidence of this is observed in the Company's recent expectation of a minimum of \$8.6M in 2023 revenue with expected gross margin of 68%. Also, the Company projects between \$15-20M revenue in 2024, majority coming from direct media with the balance Snapchat OTT revenue, while aiming to reduce 2023 expenses by 36%.

KEY STATISTICS AND METRICS (GMNG-CSE)

52-Week High/Low	\$0.19-0.05	Debt	\$7.1M
YTD Performance	4.76%	Enterprise Value	\$57.7M
Dividend Yield	n/a	Daily Volume (3 mos.)	249,392
Shares O/S	443.5M	Currency	C\$ unless noted
Market Cap	\$51.0M	Website	www.gamelancer.com
Cash	\$0.4M	CEO	Jon Dwyer

Gamelancer Media Corp. (GMNG-V)



Source: Capital IQ, and Haywood Securities

Gamelancer Overview

Gamelancer is a media-production, entertainment and distribution company that produces short & long-form video content for brands, broadcast on its network of 44 owned and operated channels on TikTok, Instagram and Snapchat. Connecting their global audience to global brands, the platform provides a space for GenZ & Young Millennials to unite as a community and stay connected outside of the game. The Company's revenue source is advertisement which allows brands to advertise on the companies owned & operated channels for agreed upon fees. The Company also creates original content through its production company, JoyBox Media. Clients pay Gamelancer for video production, and distribution of the video on the Gamelancer network. Clients can also distribute Gamelancer video elsewhere through shared or exclusive IP.

With advanced user data analytics, Gamelancer provides its audience with content that resonates with its Gen Z & Millennial subscribers. Gamelancer owns the largest gaming media inventory on TikTok and monetizes across its Snapchat Discover channels in partnership with Snapchat. Gamelancer has a follower base in excess of 39 million and generates over 2 billion monthly views.

Figure 1: Gamelancer Partners



Source: Company Documents

Business Description

Gamelancer is an entertainment company that unites brands with the global gaming community by providing short & long-form video content for brands, and direct media advertising over its social media channels (Gamelancer Media). Gamelancer also owns a loyalty and rewards program to serve the gaming and entertainment landscape (Rewarded). Up until Q3/22, GMNG also owned a NFT platform but announced during the quarter it was exiting the NFT business and no longer pursuing initiatives in this segment.

Gamelancer Media

Gamelancer Media creates content and activation campaigns with brands by selling advertising to help partners access Gamelancer's 39M+ subscribers via Tik Tok, Snapchat and Instagram. Part of Gamelancer's offering to its media partners also includes driving consumers to Rewarded's loyalty platform.

Gamelancer Studios aka JoyBox

Gamelancer Studios is a production studio owned through the acquisition of full production studio, JoyBox Media. The studio creates original programming, including scripting, storyboarding, and shooting original short and long-form video content for brand partners. The Company provides both full production + user-generated content to promote partner's products and services through its network of 44 owned and operated channels with over 39 million global followers/subscribers.



TikTok Alliance

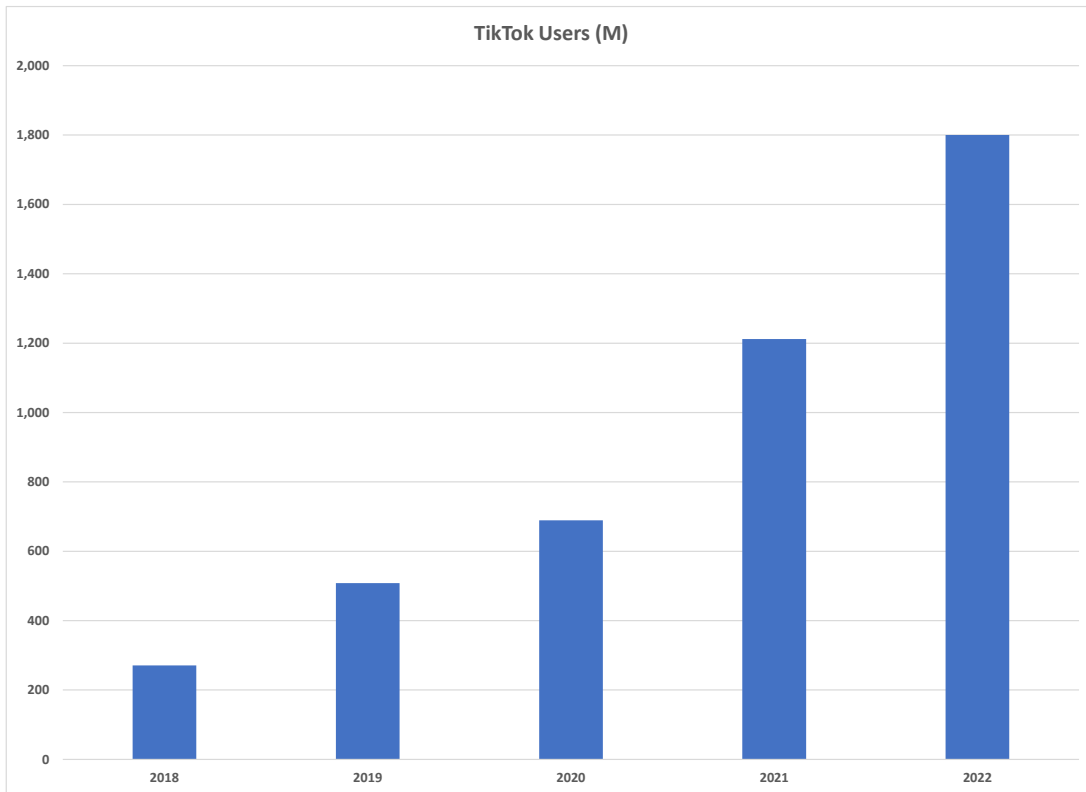
Gamelancer recently announced a hallmark partnership agreement with TikTok North America, becoming only the 68th Global Joint Business Partner of TikTok globally. Strengthening its capabilities as a full-service media partner to brands and creators, Gamelancer owns a largest gaming community on TikTok with over 32 million followers across its 12 TikTok accounts. Gamelancer offers expertise in building loyal and engaging online communities. As a modern media enterprise, the Company provides a unique opportunity for brands to create authentic connections with Gamelancer’s extensive GenZ and young Millennial audiences through ad space on its network of 44 owned-and-operated channels + full production capabilities. With over 39 million total followers and subscribers across its social media platforms to date, brands have a unique advantage in making authentic connections with their desired demographic through custom branded short-form content that resonates with these audiences.

The partnership sees TikTok bringing brand partners directly to Gamelancer, introducing integrations that further strengthen Gamelancer's Creator Program, increasing brand and creator opportunities and creator content monetization on the platform. The Company has successfully executed a variety of brand and creator agreements through its creator program, bolstering content monetization and building out market share. The collaboration enables Gamelancer to cultivate opportunities for creators to earn and/or increase their revenues.

As part of the Joint Business Partnership with TikTok, Gamelancer is the only company part of TikTok’s first creator-revenue-share-program; the TTCC Program inducted 100 US-based creators, 20 of which were from the Gamelancer Creator Program. TikTok brings brand partners to the program, and Gamelancer provides the creators. Once creators are inducted into the TTCC program, they are provided access to brand deals through weekly briefings, which include details of campaigns; the brand involved, the specific product being promoted, and which audience they are trying to drive engagement through. The Creators then film UGC content promoting the brand, which is edited and submitted by Gamelancer to TikTok, to be broadcast on the TikTok “For You Page” (FYP) in specific regions. Gamelancer is paid by TikTok, who pays the creator; Gamelancer received a 10% fee on each TTCC campaign featuring Gamelancer talent.

According to Omnicore Agency, TikTok embodies 1.8Bn MAUs, had 672M downloads in 2022, generated over \$6Bn in consumer spending in Q4/22, has 94.1M MAUs in the USA, and produced US\$11.64Bn in 2022 revenue, +200% y/y.

Figure 2: TikTok Users per Year



Source: Omnicore Agency



TikTok In the Media

There has been much buzz around TikTok in the news recently with lawmakers in the US, Europe and Canada escalating efforts to restrict access to TikTok, the app owned by ByteDance, citing security threats, due to China's minority ownership of the firm.

The White House informed federal agencies on February 27th that they had 30 days to delete the app from government devices and a growing number of other countries and government agencies, including the British parliament, Canada, the executive arm of the EU, France, and New Zealand's parliament have also recently banned the app from official devices.

On March 1st, a House committee backed an even more extreme measure, voting to advance legislation that would allow President Biden to ban TikTok from devices nationwide. On March 23rd, TikTok's CEO, Shou Chew, was questioned about the app's relationship to its parent company and China's potential influence over the platform in roughly five hours of testimony before the House Energy and Commerce Committee.

The questioning is principally due to concern that TikTok's parent company, ByteDance, may put sensitive user data into the hands of the Chinese government. Lawmakers and regulators have pointed to laws that allow the Chinese government to secretly demand data from Chinese companies and citizens for intelligence-gathering initiatives. TikTok has denied such allegations and has attempted to distance itself from ByteDance.

In the USA, since November 2022, more than 24 states have banned TikTok on government devices and many colleges have blocked it from campus Wi-Fi networks.

A broader, government-imposed ban that stops Americans from using an app could face legal challenges on First Amendment grounds. This ongoing debate will have implications for GMNG and is worthwhile to continue being monitored.

Snapchat Partnership

Gamelancer recently deepened its media partnership with Snapchat. With numerous popular short-form video programs currently hosted on Snapchat's Stories page (the 4th tab) within the Discover feed, Gamelancer aims to include additional programs and creator partnerships through the deepened engagement across its 29 Snapchat channels. With subscribers and revenues continually increasing, growing the existing partnership is a natural next step.

Snapchat's Stories page provides made-for-mobile content including shows, news reports, creator content and more. With a specific focus on producing short-form series that resonate with Gen Z and young Millennials, Gamelancer will expand upon its original content with new series and creators covering topics such as beauty, fashion, crime stories, cooking and more. The Company's Snapchat Shows are popular OTT (over the top) short-form video programs that engage younger audiences. Gamelancer's total Snapchat presence sits at just over 3.7 million subscribers to date and generates over \$440,000 in recurring monthly revenue across 23 channels. This is in addition to Gamelancer's core ad-sales business. Added programming along with 6 new channels, now a combined 29 channels, is anticipated to have a direct and positive impact on the Company's monthly OTT earnings.

Snapchat embodies over 375M DAUs as of Q4/22, +17% y/y and recently disclosed a global community of 750M MAUs. The technology company reaches over 75 percent of 13- to 34-year-olds and 90 percent of 13- to 24-year-olds in over 20 countries, including Canada.



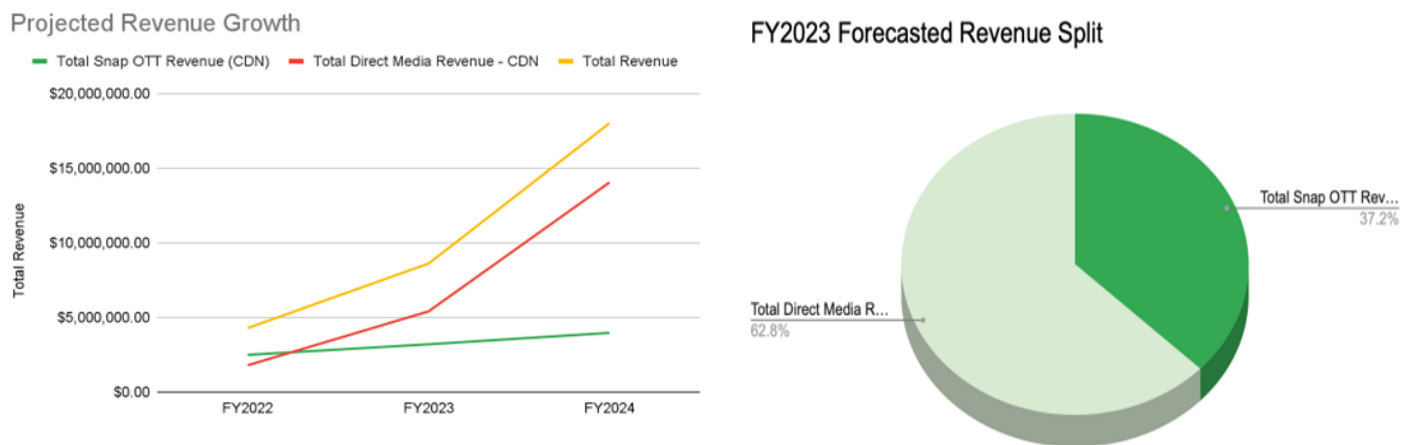
Growth Trajectory and Pipeline

Gamelancer continues to expand its ability to provide both direct and programmatic advertising and content over its social media channels. GMNG began generating revenue in Q4/21 and illustrating accelerated growth throughout 2022. Gamelancer’s direct and programmatic advertising options have significantly expanded following the acquisition of JoyBox Media in Q1/22.

The Company has purposely slowed the pace of development to focus on its media business while remaining committed to enhancing its loyalty platform to onboard gamers which allows Gamelancer to aggregate fans within its consolidated digital ecosystem, providing unique access to deals (consumer goods, banking, automotive, etc.).

GMNG recently issued a Q4/22 and 2023 outlook on April 3rd in which GMNG expects to report \$1.7M in Q4/22 revenue, has booked 2023 revenue of \$8.6M and expected 2023 gross profit of 68%. The Company projects to report between \$15-20M revenue in 2024, majority coming from direct media with the balance Snapchat OTT revenue. Gamelancer aims to reduce total expenses by 36% in 2023.

Figure 3: Revenue Projections & Splits



Source: Company documents

Financial Snapshot

Revenues have been on an upward trajectory in 2022. With anticipated 2023 revenue of \$8.6M, we believe GMNG can hover near breakeven levels assuming its targeted 36% reduction in total expenses is realized.

Figure 4: Snapshot Financials

\$CAD	Q1/22	Q2/22	Q3/22	Q4/22*	2023*	2024*
Revenue	\$67k	\$524k	\$1.3M	\$1.7M	\$8.6M	\$15-20M
EBITDA	-\$1.6M	-\$3.1M	-\$1.2M	-\$1.4M		
Total Assets	\$17.1M	\$44.7M	\$47.1M			
Total Liabilities	\$2.4M	\$10.2M	\$11.1M			
Net Debt**	-\$11.2M	\$5.7M	\$6.7M			
Shares Outstanding	197.2M	400.2M	440.2M			

*Preliminary Q4/22 revenue and EBITDA provided in an April 3 press release along with 2023 and 2024 revenue guidance

**Includes deferred consideration, lease liability & due to related parties

Source: FactSet, Company documents

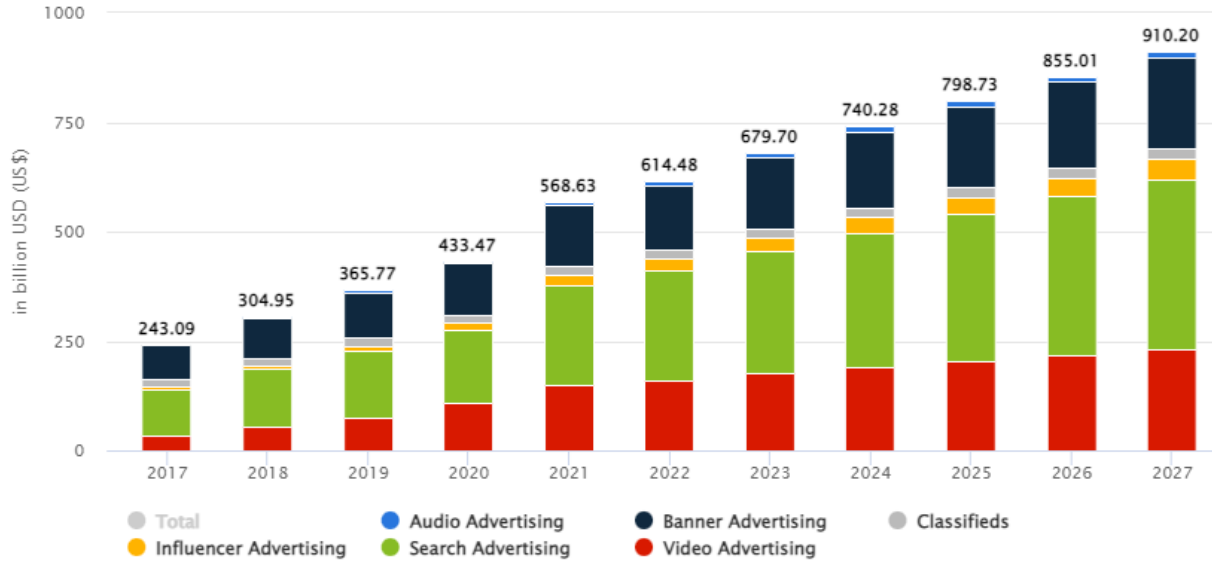


Industry Summary

Global Digital Advertising

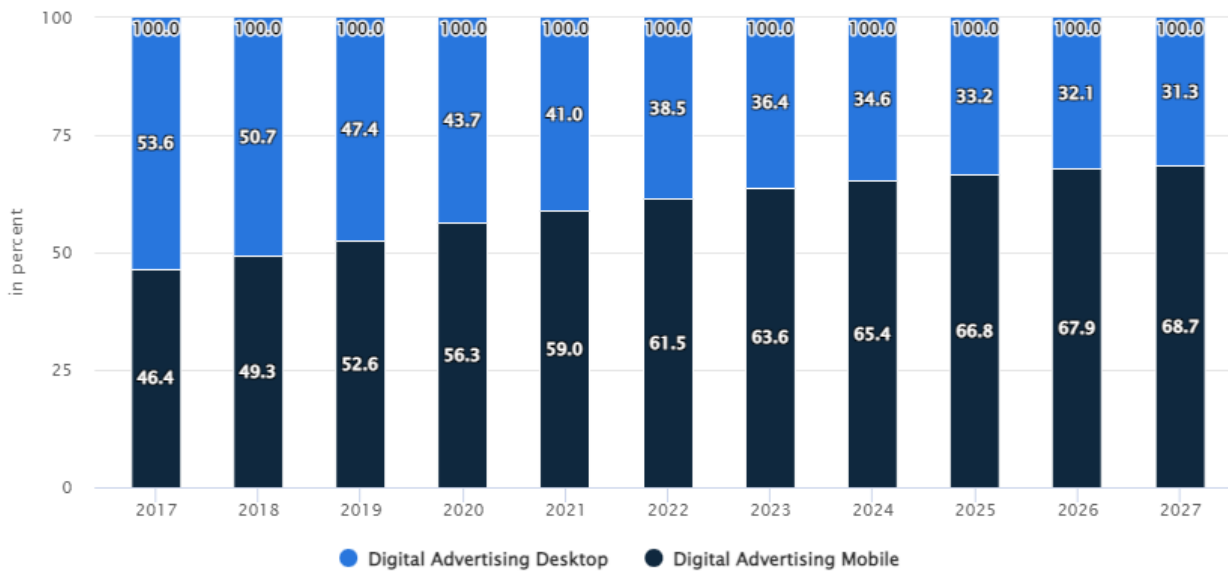
Ad spending in the digital advertising market is projected to reach US\$680Bn in 2023, +10.6% y/y. Ad spending on social media is expected to reach US\$207.1Bn in 2023, +9.3% y/y. Digital advertising on mobile is projected to continue eating into desktop ad spending share as the proliferation of devices and total cost of ownership and connectivity continues to decrease, globally.

Figure 5: Global Ad Spending by Segment



Source: Statista

Figure 6: Ad Spending Share, Desktop & Mobile



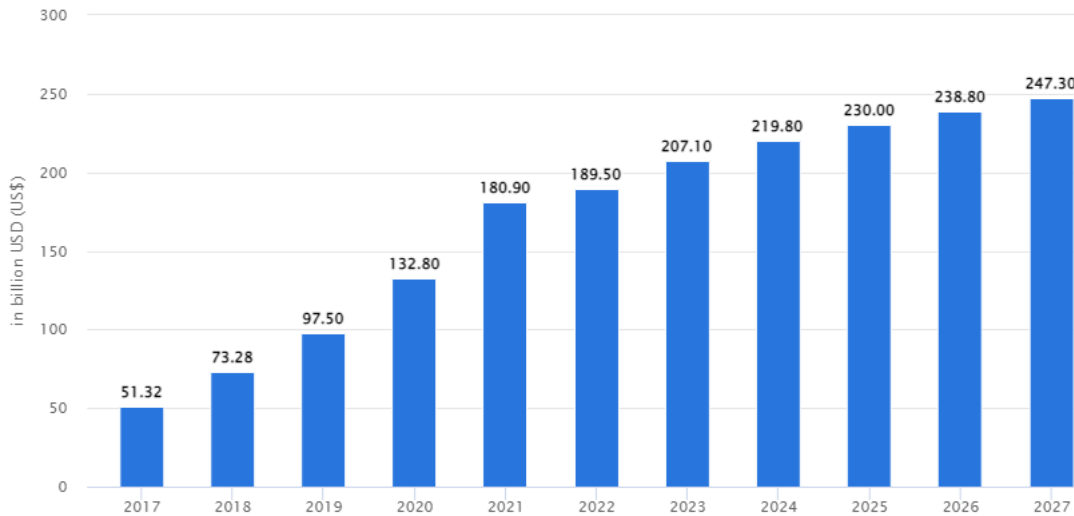
Source: Statista



Social Media Advertising

Social media advertising is a whole different beast from traditional social media. According to HootSuite, more than 4.7Bn people globally use social media and in 2022, the number of social media users grew by 4.2%. Statista projects social media ad spending to hit US\$207.1Bn in 2023 with HootSuite expecting social video advertising to reach US\$79.3Bn in 2024 – social media accounted for 33% of all digital advertising spend in 2022. By the end of 2022, the volume of social media ad impressions was more than 30% higher than the previous year.

Figure 7: Social Media Ad Spending



Source: Statista

Figure 8: US Social Network Ad Revenue Growth, by Company

US Social Network Ad Revenue Growth, by Company, 2019-2024
% change

	2019	2020	2021	2022	2023	2024
TikTok	-	347.5%	170.0%	139.9%	36.0%	26.1%
LinkedIn	35.2%	31.3%	50.4%	19.0%	16.3%	27.9%
Reddit	30.4%	71.7%	89.0%	16.6%	14.2%	15.9%
Snapchat	31.4%	42.8%	54.9%	14.8%	15.9%	17.1%
Twitter	21.4%	6.6%	42.2%	8.4%	1.5%	1.0%
Pinterest	43.5%	38.9%	40.2%	3.3%	10.2%	11.8%
Instagram	100.5%	31.3%	47.6%	1.5%	12.1%	16.3%
Meta*	27.5%	21.8%	32.8%	-3.7%	5.5%	8.6%
Facebook	2.9%	15.6%	21.7%	-8.5%	-1.2%	-0.2%
Other	-13.1%	-9.7%	1.5%	1.2%	1.0%	1.0%

*Note: includes paid advertising appearing within social networks, social network games, and social network apps; excludes spending by marketers that goes toward developing or maintaining a social network presence; *Includes Facebook and Instagram advertising revenues*
Source: eMarketer, Oct 2022

279287 eMarketer | InsiderIntelligence.com

Source: eMarketer



Gaming and Streaming

Gaming revenues are growing with the catalyst of mobile gaming being a major factor for accessibility in emerging markets. Smartphone penetration and 5G rollouts across the globe are making it easier for gamers to access content and join the gaming & esports communities with lower latency and increased speeds. The global esports audience is forecasted to reach 641M people by 2025 made up of roughly 50% occasional viewers and 50% enthusiasts – gamers who watch professional esports content more than once a month. The North American audience is growing steadily driven by exposure to the industry and the interest of younger generations with esports audiences consisting largely of hard-to-reach demographics under the age of 35. Traditional marketing formats are proving to be less effective in these demographics and brands are shifting their strategies to target the esports audience to promote their products.

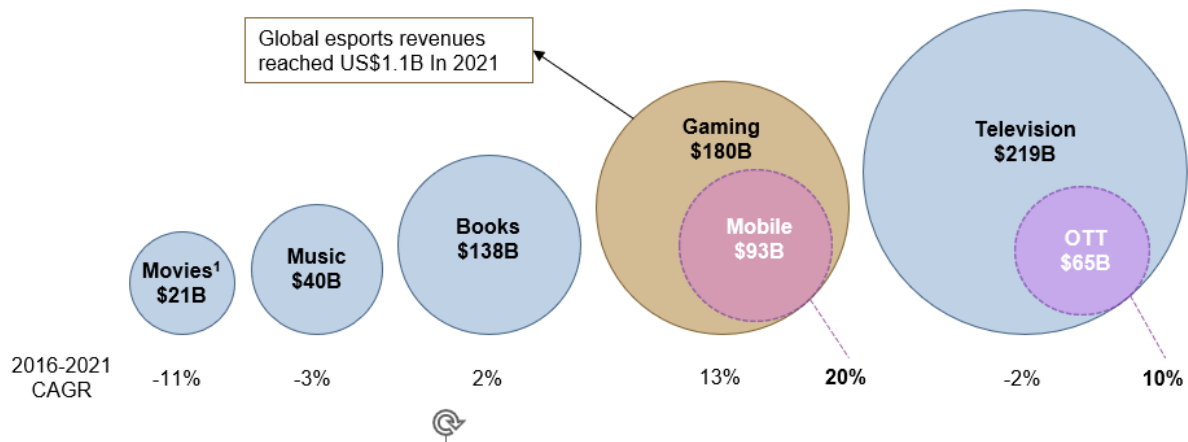
Influencer Marketing

Influencer marketing is becoming more frequently utilized by brands to attract a difficult to reach demographic segments of the population. Gaming is the fourth most popular vertical in influencer marketing and is continuing to grow as gaming and influencers become more ingrained in mainstream society.

Global Gaming Growth

The gaming industry has quickly eclipsed media types like movies, music and books to become the second most prominent form of entertainment globally, only behind television. The esports industry made up a small portion of the global gaming revenue in 2021 but is amongst the fastest growing segments in today's entertainment industry. In 2021, 83% of esports revenue was made up of Sponsorships (61%), Media Rights (15%), Digital (4%) and Streaming (3%). Gaming live streaming audience reached nearly 810M in 2021 and is expected to reach ~1.4B by 2025, indicating a CAGR of 16.3% from 2020 to 2025.

Figure 9: 2021 Global Revenues by Media Segment



Source: Skillz Company Presentation May 2022, Newzoo 2021 Gaming Report

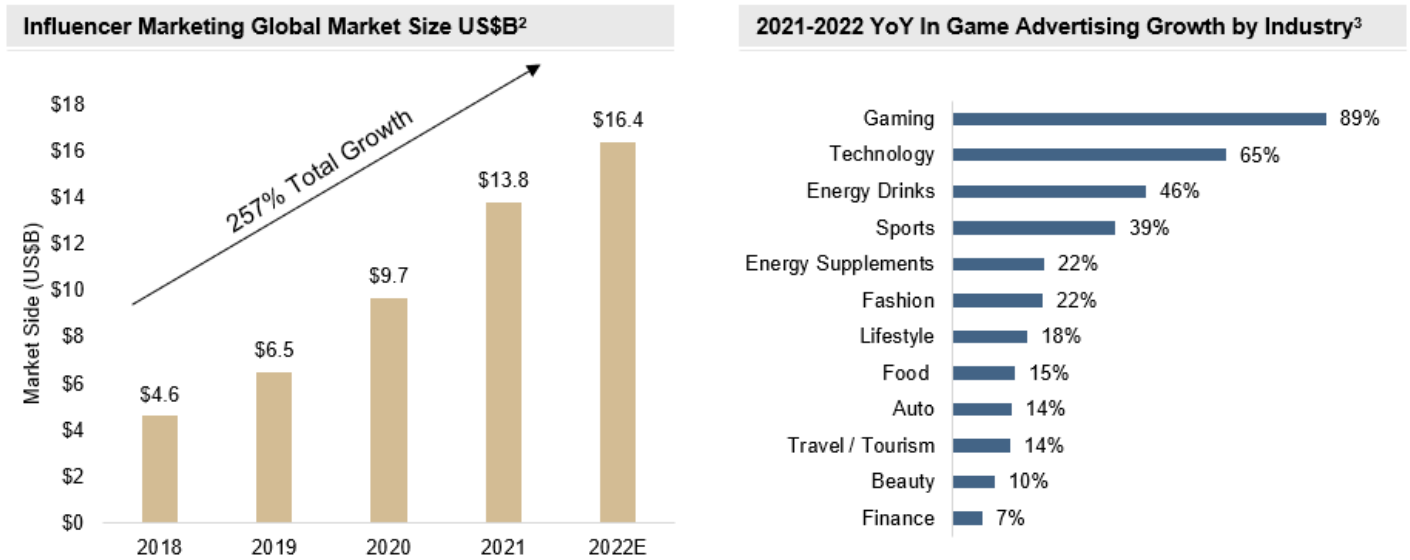
1 Global Film Box Office



Influencer Marketing

Influencer marketing is gaining traction as a key tool for brands to attract younger audiences, a typically hard-to-reach but highly profitable demographic. According to Esports iQ Analytics, 78% of esports fans in North America are not likely to be influenced by online ads and must be targeted using creative methods like influencer marketing. While sponsorship is an attractive way to reach the broader gaming market, esports fans seem to crave a more personal approach. Influencers attract audiences on a human level allowing them to relate to a personality rather than a logo. Gaming represents the 4th most popular influencer marketing segment with roughly 11% of the market share behind Fashion & Beauty, Health & Fitness and Travel.

Figure 10: Influencer Marketing Market Size & In Game Advertising



Source: 1. Esports Group: 2021 Guide to Esports Influencer Marketing
 2. Influencer Marketing Hub: The State of Influencer Marketing 2022
 3. SocialPubli: Gaming & Influencer Marketing Study 2022

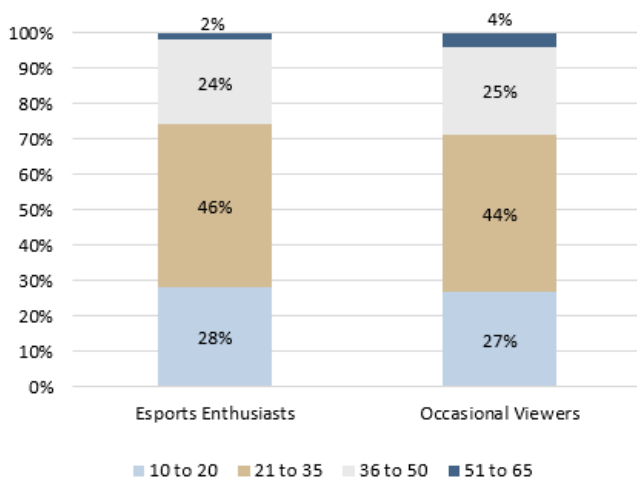


Gaming Demographics

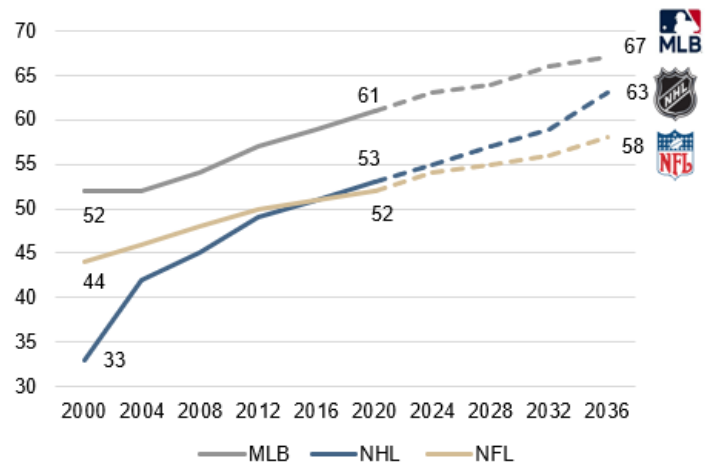
The demographics for esports and gaming is changing quickly along with the average age for traditional sports fans. The average age for esports viewers in 2021 was 32 with nearly 80% of all esports viewers being under the age of 35. Traditional sports fans are an aging demographic with average ages predicted to reach into the high 50's and 60's. The 18 to 34-year-old demographic is highly attractive for brands but unreachable by traditional media forms – companies without esports advertising strategies will be at risk of not reaching this audience, ultimately hurting their results.

Figure 11: 2021 Esports Age Demographics & Traditional Sports Viewers

Age Demographics For Esports Viewers¹



Average Age For Traditional Sports Viewers²



Source: Newzoo, PwC

1. Newzoo Data, includes both male and female viewers

2. Sports business journal Data



Appendix A

Snapchat Ad Stats

Figure 12: Snapchat Ad Stats



OCT 2022 **SNAPCHAT AD REACH RANKING**
 COUNTRIES AND TERRITORIES WITH THE LARGEST SNAPCHAT ADVERTISING AUDIENCES
NOTE: PLEASE VIEW THE IMPORTANT NOTES ON COMPARING DATA AT THE START OF THIS REPORT BEFORE COMPARING DATA ON THIS CHART WITH PREVIOUS REPORTS.

#	LOCATION	TOTAL REACH	REACH vs. POP. 13+	#	LOCATION	TOTAL REACH	REACH vs. POP. 13+
01	INDIA	145,250,000	13.1%	11	EGYPT	12,950,000	16.4%
02	UNITED STATES OF AMERICA	107,050,000	37.3%	12	CANADA	10,700,000	32.1%
03	FRANCE	25,000,000	45.3%	13	NIGERIA	10,000,000	7.4%
04	UNITED KINGDOM	21,650,000	37.7%	14	AUSTRALIA	7,450,000	33.7%
05	PAKISTAN	21,550,000	13.4%	15	PHILIPPINES	6,850,000	8.0%
06	SAUDI ARABIA	20,600,000	72.9%	16	BRAZIL	6,500,000	3.7%
07	GERMANY	16,150,000	22.1%	17	ALGERIA	6,300,000	19.2%
08	IRAQ	15,300,000	51.2%	18	NETHERLANDS	6,250,000	41.0%
09=	MEXICO	14,000,000	13.9%	19	MOROCCO	5,750,000	19.9%
09=	TURKEY	14,000,000	20.5%	20	POLAND	5,100,000	14.4%

SOURCES: SNAPCHAT ADVERTISING REACH DATA, LEXIPOL ANALYSIS. NOTE: DATA INCLUDES COUNTRIES AND TERRITORIES WITH POPULATION OF AT LEAST 200M PEOPLE. DATA WAS NOT AVAILABLE FOR ALL SOCIAL COUNTRIES BASED ON RESPONSES OF AVAILABLE DATA ON THE ADVERTISER. REACH FIGURES MAY VARY DEPENDING ON USER PROFILES OR MATCH TO THE TOTAL ACTIVE USER BASE. VALUES FOR REACH AND POPULATION MAY VARY DUE TO DIFFERENT ACCOUNTS, DIFFERENT RESEARCH DATES, AND DIFFERENCES IN CENSUS DATA. RESIDENT POPULATION. COMPARABILITY: SOURCE DATA REVISIONS, VALUES MAY NOT BE COMPARABLE WITH PREVIOUS REPORTS.

we are social | Hootsuite

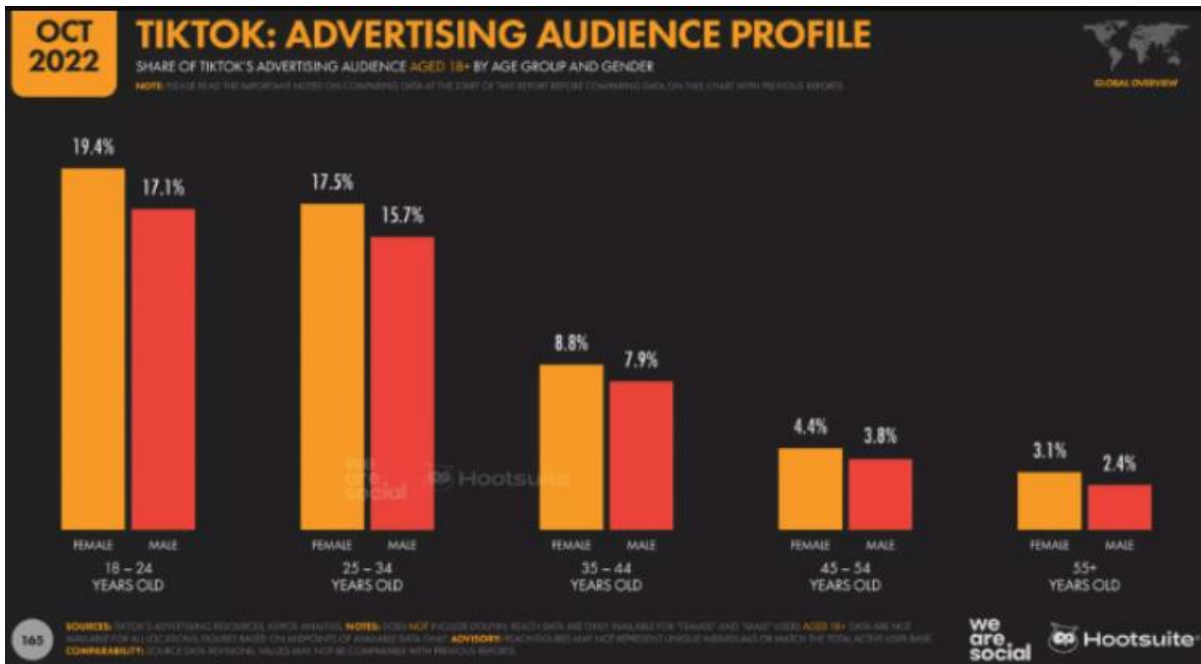
Source: HootSuite



Appendix B

TikTok Ad Stats

Figure 13: TikTok Ad Stats



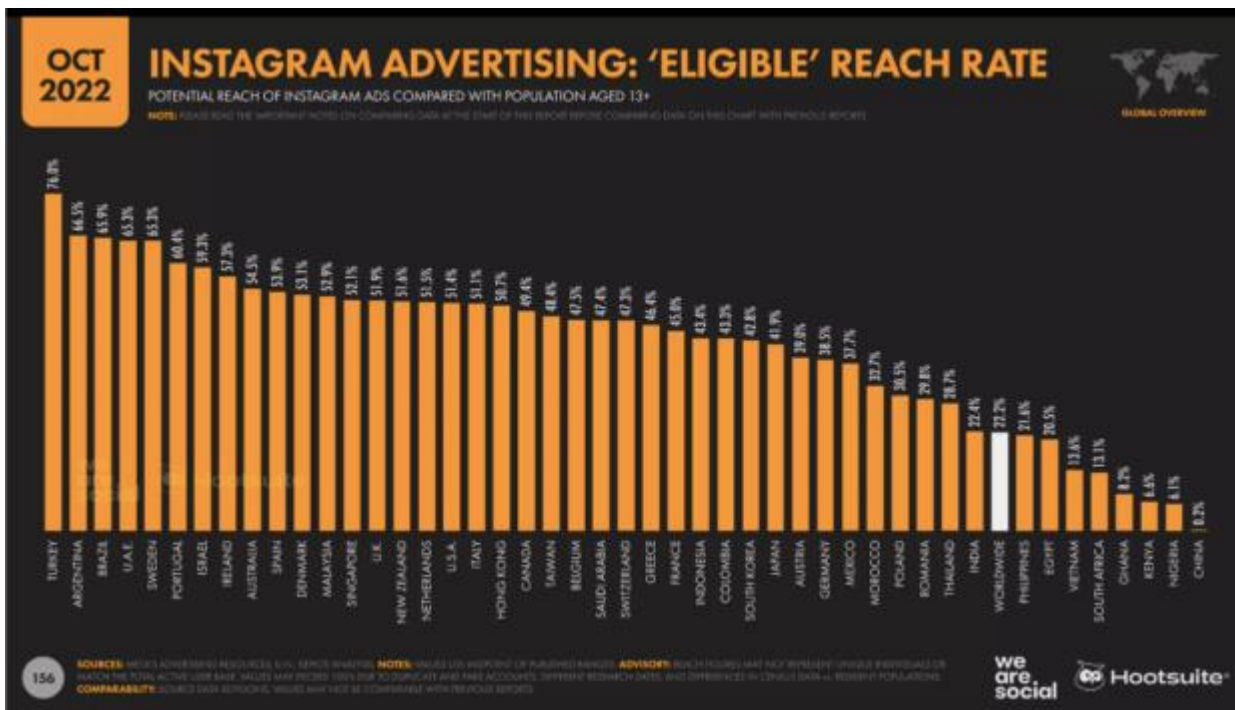
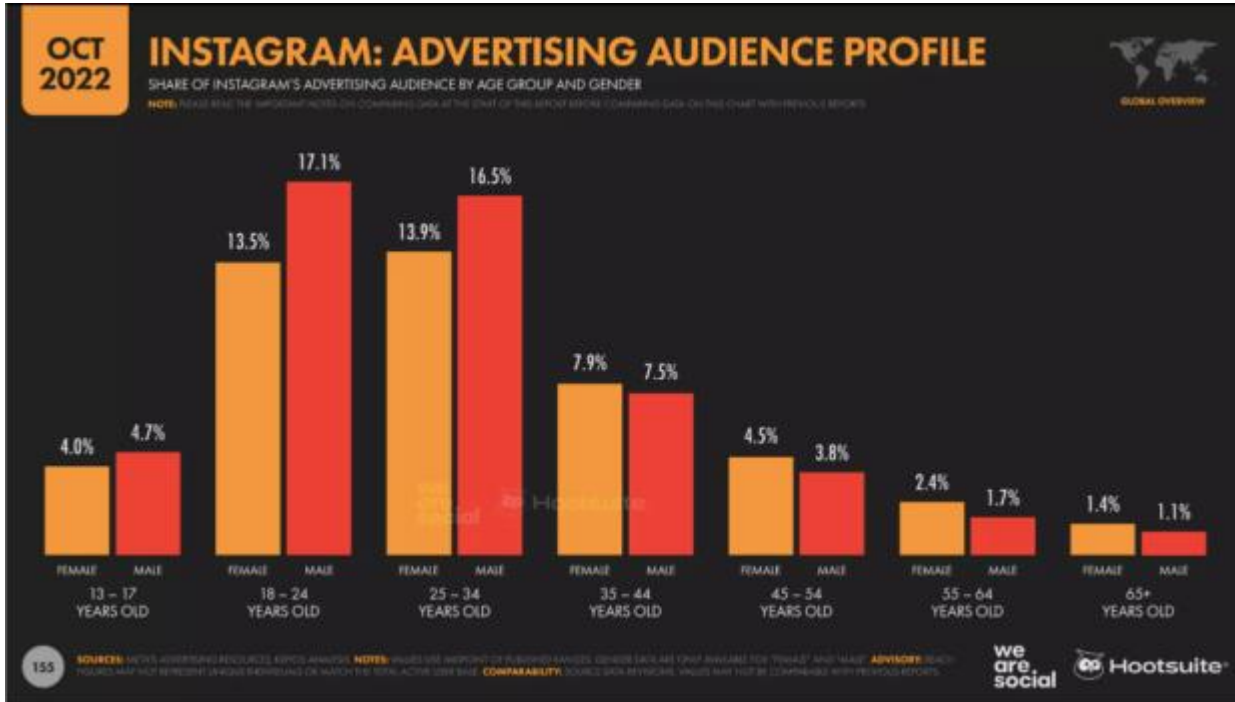
Source: HootSuite



Appendix C

Instagram Ad Stats

Figure 14: Snapchat Ad Stats



Source: HootSuite



Important Information and Legal Disclosures

This report may be distributed in the following states: Alaska, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, Washington DC, West Virginia, Wisconsin, Wyoming. Otherwise, this report may only be distributed into those states with an institutional buyer state securities registration exemption.

Analyst Certification

I, Gianluca Tucci, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

◆ n/a

Distribution of Ratings (as of April 24, 2023)

	%	#	IB Clients (TTM)
Buy	76.7%	79	95.2%
Hold	8.7%	9	4.8%
Sell	0.0%	0	0.0%
Tender	1.9%	2	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	12.6%	13	0.0%

B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
Source: Capital IQ and Haywood Securities

Link to Research Policy: <http://haywood.com/what-we-offer/research/research-policy>

