



NEW WAVE ESPORTS CORP. ENTERS INTO NON-BINDING LETTER OF INTENT WITH ACTIVATE ENTERTAINMENT LLC FOR PROPOSED ACQUISITION

TORONTO, JANUARY 28, 2020 / New Wave Esports Corp. (“New Wave Esports” or the “Company”) (CSE:NWES) is pleased to announce that it has entered into a non-binding letter of intent (the “LOI”) with Activate Entertainment LLC (“**Activate**”) and the principal owners of Activate to acquire a 100% interest in Activate (the “**Transaction**”). The Transaction is currently contemplated to proceed by way of the Company purchasing all of the issued and outstanding membership units in the capital of Activate for an aggregate purchase price of US\$1,000,000. The final structure of the Transaction will be determined by New Wave Esports and Activate to accommodate tax considerations, accounting treatment, and applicable legal and regulatory requirements.

The closing of the Transaction is subject to New Wave Esports and the owners of Activate negotiating and executing definitive documentation, the satisfactory completion of due diligence and the receipt of all other necessary consents and approvals, among other conditions that are typical for a transaction of this nature. If a definitive agreement is signed, the Transaction is expected to close no later than March 31, 2020.

ABOUT ACTIVATE ENTERTAINMENT LLC

Activate is a creative management and production services company that specializes in esports events and activations. With operations in Los Angeles, CA and Las Vegas, NV, Activate offers full 360 turnkey solutions for professional, high-quality livestreams. Their team of technical directors, producers, content managers and stage crew members have decades of experience in live television and online production. Leveraging the latest equipment on the market (ranging from remote controlled PTZ cameras to Tricaster video switching technology), Activate has the ability to elevate any livestream into a AAA broadcast.

Many leisure and hospitality focused businesses are attempting to take advantage of the rapidly growing popularity of esports, and gaming generally. Activate currently works with a number of leading hotel chains such as Caesars Entertainment and Marriott to incorporate gaming programming, equipment and technology into their rooms for a premium guest experience. Using high-end PCs, consoles and peripherals, Activate helps such businesses take full advantage of the global esports phenomenon.

Generally, in the past several years, Activate has had consistent top-line revenue streams and profitability has been consistent with margins of approximately 25%. The Company expects the Transaction to create increased revenues and cash flow for Activate, benefitting from a partnership with esports and gaming industry companies to produce unique content programming out of the Blackfire Studio and DTLV locations.

In addition to the foregoing, Activate will provide new opportunities to the New Wave Esports portfolio by leveraging their proficiencies in:

- Livestream Production
- Tournament Operation
- Custom Activation Creation
- Partnership Representation
- IT & Support Infrastructure
- Esports Event Consultation & Production
- Hotel & Casino Resort Gaming Consultation
- Esports & Gaming Content Broadcast Production

Cross collaboration opportunities between New Wave Esports and Activate include (without limitation):

- Improved onsite event production
- Partnership and sponsorship management
- Expand event hosting and venue opportunities
- Custom content creation
- Complete content solutions
- Asset and brand IP creation
- General event staffing
- Marketing exposure featuring multiple NWES portfolio companies together

HIGHLIGHTS

- **Caesar's Entertainment:** Activate has worked with Caesars for the past 2 years on multiple esports initiatives including the esports stage at the World Series of Poker, the Streamer Suite at The Rio, and third-party esports events
- **Black Fire Studio:** Exclusive operations and management partner for the esports studio and control room at Black Fire Innovation, in partnership with Caesars Entertainment UNLV
- **Panasonic Advisory:** Contracted to produce esports programming for upcoming CES, InfoComm and ISE shows
- **Dell/Alienware:** Coordinating esports programming for Dell Technologies World, as well as TwitchCon and E3
- **NAB Show:** Coordinating esports stage, programming and content for NAB Show, the largest broadcast technology convention in the world
- **Greenlit Content Partnership:** Mandated with the production of two events: (i) CES Pre-Event Esports Party at the MGM Grand; and (ii) Wizard World Convention in New Orleans

CURRENT PARTNERSHIPS

- Alienware
- CyperpowerPC
- NAB Show
- Caesar's Entertainment
- World Series of Poker
- Sony
- Intel

- Panasonic
- HyperX
- DXRacer
- Greenlit
- Nelco Media

PROPOSED TRANSACTION

The LOI further contemplates, among other things, the following in connection with the Transaction:

- **Payment of Purchase Price:** New Wave Esports will pay and satisfy the purchase price by issuing to the owners of Activate an equivalent number of common shares in the capital of the New Wave Esports, with 60% of the common shares issued on the completion of the Transaction and the remaining 40% paid on the first anniversary of the closing date.
- **Management Team:** it is anticipated that following the Transaction, day-to-day operations and management of Activate will be led by Activate’s existing management team which includes:
 - **Chris Iaquinta (Executive Director):**
 - Creative Director and Event Manager with over 15 years of experience. Chris has managed creative teams comprised of more than 30 members (writers, designers, video editors etc.) and overseen large scale production teams with over 200 members.
 - A seasoned marketing consultant with over three dozen previous clients and firms including Activision, 7-Up, Rockstar Energy, Valken, Boy Scouts of America and more.
 - Chris was Editor-in-Chief (ran editorial production for two magazines and three websites over the course of his career) and content writer with more than 2,000 published articles in a variety of industries including gaming, sports, gambling, technology and pop culture.
 - **Dirk Hagen (Executive Producer):**
 - Dirk has been producing a wide variety of entertainment events and productions for over 30 years. He brings extensive experience in film and video production as a director and producer.
 - Dirk has produced dozens of location-based attractions and live events for a host of clients that include Universal Studios Hollywood, Knott’s Berry Farm, Live Nation, Caesars Entertainment and Six Flags.
 - An experienced producer that has designed and installed numerous Dark Ride and Haunted House attractions internationally, Dirk continues to expand the boundaries of interactive entertainment utilizing both traditional and new forms of technology.

It is expected that the above mentioned management team will enter into new employment agreements with Activate upon the completion of the Transaction.

The LOI includes a typical exclusivity provision in favour of the Company that expires on February 28, 2020 (the “**Exclusivity Period**”). The LOI will terminate if either of New Wave Esports or the principal owners of Activate notifies the other that it has elected not to proceed with the Transaction or the Exclusivity Period ends prior to the execution of a definitive agreement.

New Wave Esports and Activate will provide further details in respect of the Transaction, including a summary of final agreed-upon material terms and conditions, once a definitive agreement has been fully negotiated and entered into by the parties. There can be no assurance that the definitive documentation will be successfully negotiated and signed or that the Transaction will be completed as proposed or at all.

ABOUT NEW WAVE ESPORTS CORP.

New Wave Esports Corp. (CSE: NWES) is an esports and competitive gaming company that provides capital and support services to esports organizations, teams, leagues, events, platforms, tools, and technology innovators.

New Wave Esports has leadership teams located in Toronto, Ontario and Los Angeles, California. For more company information and contact details, visit <http://newwaveesports.com>.

HIGHLIGHTS OF THE NEW WAVE ESPORTS PORTFOLIO:

- **Avatar:** Esports acquisition vehicle (minority stake investment at a \$1M valuation).
- **Even Matchup Gaming:** Events company bringing esports to the masses through over 80 annual events (investment of 18%; entered into definitive agreement for full acquisition).
- **PlayLine:** Daily fantasy sports betting platform, co-founded by UFC middleweight champion Michael Bisping, with two-time NBA All-Star Roy Hibbert as their Investor/Strategic Partnerships Manager (minority stake investment at a \$4M valuation).
- **Talon Esports:** Professional esports team operator in Asia providing a supportive platform to elevate its players to compete at the highest levels in triple-A gaming titles (minority stake investment at a \$4M valuation).
- **Thunderbolt CDG:** Software applications and technology development company that has provided services for 40+ startup companies (wholly-owned subsidiary).
- **Tiidal Gaming:** Esports organization that owns and operates Canada’s premier esports team Lazarus, one of the highest-grossing teams in the world (minority stake investment at an \$8M valuation).

FOR FURTHER INFORMATION PLEASE CONTACT:

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CAUTIONARY NOTES

All information contained in this press release with respect to Activate, its business and operations was supplied by Activate for inclusion herein. New Wave Esports has not conducted due diligence on the information provided and does not assume any responsibility for the accuracy or completeness of such information.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

FORWARD-LOOKING INFORMATION DISCLAIMER

Certain statements contained in this news release may constitute forward-looking information, including but not limited to statements regarding the growth plans and strategy of New Wave Esports' investees. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of competitive factors and competition for investment opportunities, general business execution risks faced by each investee, risks related to operating in a rapidly developing industry, changes to the Company's strategic growth plans, and other factors, many of which are beyond the control of the Company. The Company believes that the forward-looking information herein is reasonable based on current expectations of management, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

Any information in this press release regarding the Company's portfolio investees and their respective plans were obtained directly from such investees. Although the Company believes these sources to be reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified.