

Setanta S.A. invests in the e-sports industry

Setanta S.A., a company listed on the Main Market of the Warsaw Stock Exchange, being a capital group (investment entity) focussed on three areas, i.e. global projects, local projects and real estate, has made an investment in a company in the e-sports industry. The Issuer acquired 20% of shares in PRIDE Gaming Sp. z o.o. (30% in total with a co-investor).

The company signed an investment agreement with the e-sport organisation PRIDE Gaming Sp. z o.o. and acquired, together with a co-investor, 30% of shares in the initial capital of this entity. PRIDE Gaming is a modern electronic sports organisation with a Counter Strike: Global Offensive team – champions of the Polish E-sports League and winners of the Polish Cup. It is also a founding member of the Polish E-LEAGUE. Setanta S.A. has been analysing the e-sports industry for a considerable time while preparing itself for an appropriate investment. The Issuer perceives the perspective of a dynamic growth of e-sports in the coming years and hopes for a high rate of return on invested capital.

“The e-sports industry is on the rise – the number of playing or watching e-sports events (streaming) is dynamically growing and increasingly larger budgets are invested in this segment due to the desire to reach the wide group of young consumers who are not interested in the traditional media. Furthermore, the emotions that accompany e-sports are greater than in the traditional sports through faster changing scenarios and action. The group of young people for whom e-sports are more important than the traditional sports is also growing. Today, it is difficult to assess the possible rate of return on the investment in PRIDE Gaming Sp. z o.o. A lot depends on whether the company succeeds with its plan of development towards a professional e-sports organisation. Then, the rate of return over a period of several years may have an above-average value,” comments Piotr Boliński, Board Member of the Setanta S.A. company.

The e-sports market currently belongs to the fastest growing in Europe, and in Poland the number of recipients of this industry has the highest increase. This is mainly due to the effective utilisation of the modern and innovative communication channels to create promotion of tournaments, teams and also e-sports events. According to the estimates, by the end of 2020 the value of the global e-sports market may reach nearly USD 1.5bn. Entry into the electronic sports industry is consistent with the assumptions of the strategy and investment policy of Setanta S.A. This is because PRIDE Gaming has potential for not only local but also global growth.

“The Polish market seems to be very interesting because it is first this year that the e-sports scene is beginning to grow professional in the area of organisation. Teams become legal entities, there is bigger money from sponsors and advertisers, not only those associated with the computer industry. Also the initiative to build the E-LEAGUE as a grouping of clubs that

participate in the profits (according to the pattern of the football premier league) is perceived by us as an element of making the industry professional. With regard to the above and to the momentum being gained by the entire segment, we want Setanta to participate in the impressive emergence of this new market,” concluded Boliński.

In June 2017, the Issuer joined the Liquidity Support Programme. The Issuer has also filed an application to the Financial Supervision Authority to be entered in the register of internally managed AIFs.

Setanta S.A. is an actively developed capital group (investment entity) focussed on three areas: global projects, local projects and real estate. The company floated on the Main Market of the Warsaw Stock Exchange in January 2017 by way of transfer from the NewConnect market on which it was listed from January 2013. The Issuer’s main objective is a long-term increase in the value of its net assets.