Teacher's Key

The Business of Esports: Big Prizes, Small Profits (Level B2)

Vocabulary Matching

1 metrics = **N**
2 revenue = **A**
3 dominate = **H**
4 sponsorship = **L**
5 franchises = **G**
6 valuations = **M**
7 absorbed = **I**
8 break even = **E**
9 stakes = **D**
10 consolidate = **O**
11 subsidies = **J**
12 dependence = **K**
13 sustainable = **B**
14 diversify = **C**
15 monetize = **F**

Fill in the Blank

1 metrics
2 revenue
3 sponsorship
4 franchises
5 valuations
6 absorbed
7 break even
8 stakes
9 consolidate
10 subsidies
11 dependence
12 sustainable
13 diversify
14 monetize

True or False

1 **True.** 440 million against about 237 million.
2 **False.** It was held in Paris.
3 **True.** The reading names both games.
4 **False.** They paid $20 million; $6 million was the fee offered to leave.
5 **True.** Bloomberg valued the share deal at about $17 million.
6 **False.** They grew from 8.1 billion won to 28.5 billion won.
7 **True.** Approved betting companies may sponsor teams, but not on Riot's broadcasts.
8 **False.** He said it was close to breaking even within Riot.
9 **True.** The last sentence of paragraph 6 says so.
10 **False.** Mobile Legends: Bang Bang was the most watched.

Language Focus: Noun Compounds in Business English

Example answer: A national team **development fund**.

Comprehension Questions: Model Answers

1 AG.AL won $7 million as overall Club Champion. The total prize pool was $75 million, which the organizers called a record.

2 The organizers reported 440 million hours, while Esports Charts counted about 237 million using its own method. This shows that audience metrics depend on what is measured, so figures should be compared with care.

3 Every esport is built on a game that belongs to its publisher. The publisher decides who runs tournaments, how teams qualify, and how revenue is shared, and it can change the rules or close a league.

4 Founding teams paid $20 million each to join in 2017. As viewing numbers fell, Activision Blizzard offered each team $6 million to leave, and the league ended in 2023. It suggests that a paid, permanent place does not protect teams if the publisher changes its plans.

5 FaZe Clan was valued at $725 million when it joined the stock market in 2022. In 2023, GameSquare agreed to buy the whole company in a share deal that Bloomberg valued at about $17 million.

6 It shows that even a country with a long history of professional gaming and a strong audience can lose money: LCK Corporation's losses grew and its revenue fell by more than half between 2022 and 2024, and Riot Games Korea then absorbed it.

7 Riot sells in-game items linked to teams and events, shares part of that income with partner teams, and allows approved betting sponsors for top teams in some regions. "Within Riot" matters because it means esports is judged as a division of a company that profits from the game, not as an independent business.

8 Saudi money pays for the EWC and its prizes, supports selected teams through the Club Partner Program, and owns ESL FACEIT Group and, with partners, Electronic Arts. The risks are dependence on one funder, sudden changes such as the move to Paris, and criticism that the spending is sportswashing.

9 Open answer. Example: mobile games seem best supported, because Esports Charts found Mobile Legends: Bang Bang was the most-watched EWC tournament again. Diversification is described, but the reading gives no figures showing that it works.

10 Not Given. The reading reports prizes, viewers, and hours watched, but it says nothing about ticket sales.

11 No. The writer says the wording "describes a division inside a company that profits from the game itself, not an independent business."

12 The evidence points in several directions and the outcome depends on things that have not happened yet, so the writer names what to watch instead of claiming to know the result.

Notes on the Evidence

- Sources checked (September 2026). EWC 2026: Esports Foundation, 2026 Esports World Cup in Numbers (11 September 2026) and reports in PocketGamer.biz and Respawn (850 million viewers, 440 million hours, record 75 million dollar prize pool, AG.AL won the 7 million dollar Club Championship, return to Riyadh in 2027). Esports Charts figures (about 237 million hours; Mobile Legends: Bang Bang most watched at 45.27 million hours) via the earlier version's notes and Insider Gaming. Relocation: Esports Foundation announcement (regional situation cited). Overwatch League: Field Level Media, esports.gg, and Push Square (20 million dollar founding fee; 6 million dollar termination fee offered in July 2023; league ended November 2023). FaZe Clan: Sportcal and Pulse 2.0 citing Bloomberg (about 17 million dollars; 725 million dollar valuation at the July 2022 SPAC listing); other outlets give 15.8 to 18.5 million depending on the date. LCK: Sheep Esports citing DealSite (net losses 8.1 billion won in 2022, 13.2 billion in 2023, 28.5 billion in 2024; revenue 27.9 to 11.4 billion won); rft.gg (merger into Riot Games Korea on 31 October 2025); Inven Global and Ministry of Sport (regional prize pools removed from 2026; Gen.G CEO Arnold Hur called it unfortunate). Riot: covers.com, GosuGamers, and PPC Land (betting sponsors for Tier 1 teams in the Americas and EMEA, first signaled December 2024, formal policy 26 June 2025, no betting content on Riot broadcasts); esports.net and a summary of the GamesIndustry.biz feature of 7 July 2026 (Needham: super close to breaking even and self-sustaining within Riot). Saudi: EA press release (acquisition by PIF, Silver Lake, and Affinity Partners closed 4 August 2026); Esports Advocate via the earlier version (Club Partner Program funded through the PIF). Savvy's 2022 purchase of ESL and FACEIT is from general knowledge and was not re-searched.
- Evidence limits. The 850 million viewer figure is the organizer's and its definition was not identified; Esports Charts tracks public streams with its own method. The GamesIndustry.biz feature itself was not read; the quotes come from summaries. The claim that Mobile Legends' biggest leagues are in Indonesia and the Philippines is general knowledge, not a searched figure. The LCK figures are from filings as reported by DealSite, read through a secondary outlet. Sportswashing is reported as a critics' description, not the writer's view. The reading gives no market-size estimate because published estimates differ by a factor of three.
- Revision (27 September 2026, rebuild mode). Reframed from a survey of the industry's size, structure, and trends to one question: why esports finds it hard to pay for itself. Corrections: the earlier version said FaZe Clan's competitive arm was sold for 17 million dollars; GameSquare bought the whole company. It said a PIF consortium had proposed buying Electronic Arts; the purchase closed on 4 August 2026. It used the organizers' 2025 audience (750 million) rather than the 2026 figure (850 million). The Riot betting policy is now described as covering the Americas and EMEA. The True/False/Not Given item had an ambiguous answer (False or Not Given) and was replaced. Removed: market-size estimates, the 640 million forecast, G2 figures, the 10.7 billion dollar betting figure, the IOC and Nations Cup items, and VALORANT's 2027 qualifier change. Added: the Overwatch League case, LCK losses and merger (a Korean perspective), and the meaning of "within Riot". Vocabulary: dropped forecast and viable (viable was close in meaning to sustainable); added absorbed and break even; definitions of franchises, sponsorship, and subsidies rewritten so matching is unambiguous. The Hindi and Arabic translations have not been checked by a native speaker.