



ASX Release
31 July 2019

Quarterly Business Update

Mogul targeting to become the premier destination for esports

Key Points:

- **Mogul Organiser Hubs technology and subscription capability nearing commercial launch, enabling core revenue streams**
- **Organiser Hubs to revolutionise esports marketing, fan engagement, and branded tournament operation**
- **Alliance, one of the world's leading esports brands to be first Organiser Hubs partner**
- **Appointment of Mark Warburton as CMO – senior executive with top-tier esports experience at industry leaders Blizzard, Microsoft, Activision**
- **Continued success of partner acquisition strategy in Australia and globally**
- **Hosted the Australian Apex Open Tournament – 3,854 games played in single tournament – strong validation of the Mogul platform capability.**

Esports Mogul Limited (ASX: ESH) (**Mogul or the Company**), the world's most advanced tournament and matchmaking platform provider, is pleased to present an update on the Company's recent business activity for the quarter ended 30 June 2019.

Mogul is now close to the commercial launch of its revolutionary Organiser Hubs technology and subscription model, which will unlock a significant opportunity for the development of strong revenue streams from the Mogul platform.

The Mogul Organiser Hubs technology complements Mogul's demonstrated tournament hosting and organising technology by adding a new subscription-based esports focused capability, placing Mogul in a position to become the premier destination for esports fans, gamers, and brands.

Mogul Organiser Hubs will allow partners and esports organisations to develop their own 'Hub' which includes centralised media and game streams, new exclusive subscriber-only content, and the ability to create and host their own bespoke themed tournaments on the platform. For partners and esports organisations, the Hubs reduce their marketing costs significantly and allow them to drive fans and gamers to their Hub. Mogul will offer their subscription capability to each partner or esports organisation with said 'Hub', where fans and gamers can purchase exclusive content. The attraction for fans and gamers is closer engagement with their favourite gamers and teams, exclusive access to content and tournaments, and being a part of a community following those teams and brands.

As the subscription model roll-out commences, Mogul expects that these subscriptions will deliver recurring annuity-style revenues from each follower of a team, partner, or other organisation with their own Mogul Organiser Hub.



Partnership with Alliance

Alliance, one of the most recognisable esports brands in the world, will be the first partner to launch a Mogul Organiser Hub following commercial launch of the technology. On one digital media platform alone, Twitch, Alliance has a following of over 1 million fans. Mogul expects to be launching with a subscription offering for Alliance's Hub of US\$5 per month. Considering the number of fans Alliance has on other disparate platforms, the Organiser Hubs model represents a massive revenue opportunity from just one partner alone.

The reduced cost of marketing through the Mogul platform, combined with the additional revenue stream from the subscription, will incentivise partners such as Alliance to centralise their marketing efforts into the Mogul platform.

Alliance's first planned tournament series on the Mogul platform will have over US\$50,000 in cash and prizes on offer in 2019 alone and will be targeted towards amateur and semi-pro gamers across Europe, broadening Mogul's global network of gamers and subscribers.

Expanding Highly Experienced Executive Team

Mark Warburton is a highly experienced senior esports and gaming executive having held Vice President and Director level roles at industry-leading esports organisations including Blizzard, Activision, and Microsoft globally.

Securing a Chief Marketing Officer of Mr Warburton's calibre is critical for Mogul's global marketing strategy, particularly in the areas of partner development and acquisition, collaborating with global esports teams, leagues, influencers, game developers and game publishers. This role is key to the Company's ability to capitalise on its revenue generation strategy and achieve near and medium-term monetisation of the Mogul platform globally.

Mr Warburton's appointment follows the appointment of Jamie Skella earlier in the year as the Chief Strategy and Commercial Officer. Mr Skella is a highly respected digital product and technology executive, having held roles at Tatts Group, the Australian Football League, as well as advising and founding a number of technology businesses, including one to win the World Economic Forum Technology Pioneer award.

Partner Acquisition Strategy

In addition to securing Alliance, Mogul has also partnered with a number of other leading esports organisations, particularly within the Oceanic region, including Avant, Melbourne Melee, and Australian Esports League, representing the broad range of potential partners for Mogul.

Avant, an Australian esports organisation focused on investing in, developing, and nurturing professional gaming teams and personalities partnered with Mogul to operate an Apex Legends tournament where Avant offered contracts to join Avant's development program to the winning team.

The Australian Esports League's partnership with Mogul saw the use of the Mogul platform for the landmark annual Girl Gamer Sydney Festival – a national competitive tournament celebrating women in esports, supported by the NSW Government (Australia) and part of the VIVID Sydney Festival.

Additionally, Melbourne Melee, a grassroots esports event organiser used the Mogul platform to support their Fighting Game Communities tournaments.

Mogul continues to develop partnerships with a broad range of esports organisations, each with their own unique revenue stream and each bringing additional gamers and fans to the



Mogul platform. The wide range of organisations on the platform – from local grassroots organisations through to some of the largest brands in global esports – highlights the attractiveness of the Mogul platform to partners.

Australian Apex Open

Over the course of six weeks, Mogul hosted the Australian Apex Open, an open Apex Legends tournament where a total of 3,854 Apex Legends games were played, with the top teams sharing a total prize pool of AU\$35,000. Hosting a tournament of this scale provided Mogul with key operational data as it continues to develop its tournament hosting platform. Key engagement metrics included a total of 34,768 viewing hours of Mogul related content via Twitch, and over 6.65 million Facebook users viewing Australian Apex Open specific marketing content.

Mogul's Managing Director, Gernot Abl, commented:

“The progress we have been able to achieve in the past few months has been phenomenal, particularly as we ready for the commercial launch of the Mogul Organiser Hubs technology and subscription capability which will enable entirely new revenue streams from the Mogul platform.

“Our focus on monetisation activities enabled by our industry-leading technology will continue to increase as we look towards establishing Mogul as the premier destination for esports fans, gamers, and brands”.

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About Mogul

Esports Mogul Limited (ASX: ESH) (**Mogul or the Company**) is an ASX listed esports media and software business. Mogul owns and operates the mogul.gg tournament platform technology – the **world's best and most advanced tournament and matchmaking platform** with automation for major esports titles, including in platform chat functionality.

Having secured strong game-publisher relationships, mogul.gg is already **deeply integrated** with the leading global esports titles and is the only platform that allows **completely automated** tournament play and results across multiple games.



Mogul's top-class technology stack enables esports fans to compete and organise tournaments with ease. The platform deeply integrates with game title APIs (application programming interface), offering rich features, providing gamers with the best user experience possible, and organisers with a unique and seamless way of hosting and marketing esports tournaments with features including:

- Automated gameplay experience
- Multiple tournament modes
- Friendly esports communities
- Lifetime player statistics
- Achievements, ranks and rewards
- Match reminder notifications
- Easy tournament administrative access
- Automated prize pool payouts.

In addition to online PC games such as Dota 2, League of Legends, CS:GO, Starcraft II, and PUBG, Mogul can also provide semi-automated brackets for **any game** including mobile (e.g. Vainglory) and console (e.g. NBA 2K) titles for strategic partners and brands.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

eSports Mogul Asia Pacific Limited

ABN

22 148 878 782

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	15	35
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(222)	(900)
(d) tournament operations	(239)	(423)
(e) staff costs	(255)	(462)
(f) administration and corporate costs	(117)	(313)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	2
1.9 Net cash from / (used in) operating activities	(817)	(2,058)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(16)
(b) businesses (see item 10)	-	-
(c) investments	(6)	(6)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
	(d) intellectual property	(215)	(342)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(226)	(364)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	3,100	3,100
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from issue of performance right	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(222)	(222)
3.5	Loans made to unrelated parties	-	-
3.6	Repayment of loans from unrelated parties	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(1)	(1)
3.10	Net cash from / (used in) financing activities	2,877	2,877

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,016	2,395
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(817)	(2,058)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(226)	(364)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,877	2,877

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,850	2,850

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	48	214
5.2	Call deposits	2,802	802
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,850	1,016

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	118
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes director's fee, salaries & superannuation for executive and non-executive directors, CFO and company secretarial fees.

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	200
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	120
9.4 Tournament operations	150
9.5 Staff costs	200
9.6 Administration and corporate costs	150
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	820

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 31 July 2019

Print name: George Lazarou

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.