



ASX Release
29th January 2021

December 2020 Quarterly Business Review & Appendix 4C

Esports Mogul Limited (ASX: ESH) (**Mogul** or the **Company**), owner of the world's most advanced pure-play online esports tournament and match-making platform, is pleased to provide an update on the Company's operations as well as its Appendix 4C for the quarter ended 31 December 2020 (**Q4 2020**).

Highlights:

- Mogul Revenue Model achieving traction with strongest ever revenue quarter (441% growth from previous quarter) and 264% year-on-year growth
- Mogul raised \$8m in a significantly oversubscribed placement and a further \$668,000 from options exercised
- Webinar Presentation to Shareholders: Mogul Strategic Pillars for 2021
- Mogul Partners with NASDAQ-listed Super League Gaming Inc
- Mogul Deliver World Class Player Experience in Mobile Titles
- Mogul Moves into Mobile

Mogul Revenue Model: Achieving Traction with Strongest ever Revenue Quarter

The Company is delighted to report its strongest ever revenue year following its best ever quarter. Revenue grew by ~441% from the September 2020 quarter to ~\$171K in the December 2020 quarter and finished the financial year with ~264% growth in revenue from the previous financial year. As per Appendix 4C receipts from customers during December 2020 quarter totalled ~\$139K.

During the quarter Mogul continued to develop its revenue model, leveraging the mogul.gg platform as a premium **destination for Brands and Gamers**. Esports remains the fastest growing segment in the \$160 billion gaming industry. Brands contribute over 75% of the \$1.1 billion global esports revenue¹. The market opportunity for Mogul is to focus on Brands to the benefit of Gamers. **The Company has continued generating revenue from Brands paying Mogul to create unique sponsorship-driven esports experiences for players.**

Building upon our world class online tournament technology, Mogul has further developed its tournament-as-a-service offering for global brands, advertisers and agencies. Focussed on scaling through continuous improvement in automation, user-generated content and community Mogul aims to deliver the best esports community for Gamers. This now includes adding capacity to include world

¹ Source: Newzoo - Global Esports Market Report 2020



class AI powered broadcast, streaming and content creation into its online tournament events (*Super League Gaming Inc, ASX Announcement 22 October 2020*).

This model has delivered revenue growth during the quarter and continues to generate significant inbound interest from Publishers and Brands and we look forward to updating the market in due course.

Funded for Expansion into Mobile and Continued Growth

During the quarter the Company successfully raised capital via a **placement** and the subsequent **exercise of options**.

CPS Capital acted as Lead Manager, with Mogul raising \$8m via the issue of 800 million fully paid ordinary shares at an issue price of \$0.01 per share, together with a free attaching listed option on a 1 for 2 basis, with an exercise price of \$0.02, expiring on 31 October 2022, in a significantly oversubscribed placement (*ASX Announcement 14 October 2020*). 33,350,000 options with an expiry date of 23 July 2021 were exercised at \$0.02 each in late October raising a further \$668,000.

Immediate use of funds includes investment in:

- e-commerce and digital sales expertise
- scaling product and engineering resources
- data analytics

As per the Company Presentation (*ASX Announcement 14 October 2020*) Mogul will also apply funds to the continued development of its mobile application (IOS and Android) with the goal of deploying feature parity with its web offering. Strategically, with no native mobile tournament solution currently in the market globally, the Company sees a significant first mover advantage. Mobile adoption is growing exponentially compared to PC and Console gaming with some of the biggest esports titles already exclusively mobile. Mogul has commenced engagement with major mobile-only game publishers and will update the market as those discussions unfold.

The Company notes the Appendix 4C includes cash outflows with respect to non-recurring items such that the normalised operating cash flow for the quarter is (~\$1,016k). The December normalised cash flow and expected cash usage in the next quarters are in line with budget expectations.

Mogul is now fully funded for at least the next 24 months. This puts Mogul in a strong position when negotiating major partnerships with large brands and publishers.

Webinar Presentation to Shareholders: Mogul Strategic Pillars for 2021

The Company held a Webinar Presentation and Q&A session for shareholders on 9 December, 2020. Hosted by Non-Executive Chairman, Gernot Abl and CEO, Michael Rubinelli, the session provided investors with information around the company's strategy and commercial progress.

Mogul's Strategic Pillars for 2021 were outlined:

- Move into mobile
- Developing a global presence
- Further refinement of business model



More detail can be found in the Investor Webinar Presentation (*ASX Announcement 9 December 2020*) and a recording of the session is available via this link:

https://zoom.us/rec/share/gF7rYlUnS_5ryPtrClj1oK02HdRyZFHCX9AfX858NmkkhzsV6y6TZvbUNA05ifs8.L30zZsPG8qyvuzEP

(Access Passcode: *rAhRCA0)

NASDAQ-listed Super League Gaming Inc Strategic Partnership

The Company announced a strategic partnership with NASDAQ-listed Super League Gaming Inc (Nasdaq: SLGG) (*ASX Announcement 22 October 2020*). Super League Gaming's technology suite includes patented, AI-powered streaming technology. Mogul and Super League Gaming have commenced joint business development activities in multiple regions globally, to partner on revenue-generating opportunities by providing end-to-end solutions for brands through esports tournament activations and streaming. Mogul will keep the market updated on material business activities as they come to light.

Mogul Deliver World Class Player Experience in Mobile Titles

Mogul continues to develop its global presence, building relationships with the world's largest Game Publishers. Mogul delivered fully automated matchmaking and tournaments to two of the game industry's best mobile titles (*ASX Announcement 5 November 2020*). Aligning with publisher Supercell on putting players first, Mogul is one of a very select group of partners to deeply integrate with their Clash Royale and Brawl Stars titles. Automation makes for an exceptional player experience and the viewing capability of the integration amplifies tournaments from participation to streaming, boosting engagement between game titles, the gaming community and the brands that engage with tournaments-as-a-service on Mogul.

Mogul moves into Mobile

In conjunction with its webinar presentation to shareholders in December, the Company progressed one of its 2021 strategic pillars, announcing its move into mobile (*ASX Announcement 9 December 2020*). Mogul is extending its best-in-class tournament experience with the introduction of a native mobile application. The first iteration of the Mogul mobile app moved into closed beta in a geo-location based test in South-East Asia. The beta launch is a milestone outcome from Mogul's investment in research and development of artificial intelligence driven technology in esports. This technology will allow Mogul to automate esports tournaments for game titles where publishers do not have API integrations available. Also, having successfully integrated the APIs of Supercell mobile titles into its online platform experience, the Mogul App will be further developed to consume these same APIs, creating a world first experience for gamers on mobile.

The mobile games market will generate US\$86.3 billion in 2020, accounting for 49% of the global US\$176 billion games market and is growing twice as fast as PC and Console². Mogul sees significant long term, first-mover, strategic value moving into mobile given rapid mobile adoption and growing publication of mobile esports titles. This move represents a great opportunity to deliver world-first experience on one divide for gamers, brands and publishers.



The Company notes that in Q4 2020, the Company paid \$268,438 to directors of the Company in fees, salaries and superannuation. Directors fees, salaries and superannuation going forward are expected to be \$77,000 per quarter, which is in line with budget expectations.

For further information, please contact:

Gernot Abl

Non-Executive Chairman

e: gernot.abl@mogul.gg

ASX Release authorised by the Board of Directors

About Esports Mogul (ASX:ESH)

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 – the **world's most advanced pure-play online esports tournament and matchmaking platform** with automation for major esports titles, including in platform chat and streaming functionality.

Mogul's platform attracts esports teams, tournament organisers, influencers, community groups, game publishers, and players of any skill level with a centralised esports offering built on an industry-leading tournament and matchmaking platform.

Mogul generates revenue by partnering with brands and creating unique sponsorship-driven esports experiences for players.

² Source: Newzoo - Global Esports Market Report 2020

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Esports Mogul Limited

ABN

22 148 878 782

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	139	292
1.2 Payments for		
(a) research and development	-	-
(b) cost of sales	(18)	(53)
(c) advertising and marketing	(362)	(1,121)
(d) tournament operations	(149)	(405)
(e) staff costs	(494)	(1,074)
(f) administration and corporate costs	(405)	(777)
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	-	75
1.8 Other (provide details if material)		(1)
1.9 Net cash from / (used in) operating activities	(1,288)	(3,061)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(159)	(983)
(f) other non-current assets	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	45
	(e) intellectual property	-	-
	(f) 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	(159)	(938)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,016	8,016
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	668	668
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(740)	(824)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	7,944	7,860

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,658	4,293
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,288)	(3,061)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(159)	(939)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,944	7,860

4.5	Effect of movement in exchange rates on cash held	(22)	(20)
4.6	Cash and cash equivalents at end of period	8,133	8,133

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	8,133	180
5.2	Call deposits	-	1,478
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,133	1,658

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	268
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
The amount paid to related parties and their associates is \$97,070 to directors of the Company in fees and salaries, and superannuation.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

	8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,288
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,133
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,133
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	6.32
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: Not applicable.	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: Not applicable.	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: Not applicable.	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 29 January 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the *entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position*. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. *If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".*
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.