



ASX Release  
31 July 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 platform, is pleased to provide an update on the Company's operations as well as its Appendix 4C for the quarter ended 30 June 2020 (**Q2 2020**).

### Highlights:

- Continuing exceptionally strong inbound interest in Mogul platform with COVID-19 boosting interest in the esports sector - including from LATAM.
- Mogul well positioned for current market: can meet demand for all-online esports event hosting and market need for stronger marketing and branding opportunities
- In the immediate term Mogul remains focused on enhancing the product offering, and targeting companies, publishers and advertisers to Mogul that have a propensity to pay Mogul
- The long-term aspiration and growth opportunity remains on organic B2C growth
- Approx. 35% reduction in net operating cash flow from the previous quarter

### The Leading All-Online Esports Tournament Platform

With COVID-19 making in-person esports events and tournaments untenable for the foreseeable future, Mogul has been promoting its platform as an all-online solution. For event hosts and marketers, Mogul offers a strong marketing and branding platform packaged with its world class tournament hosting and resulting technology, whilst also significantly reducing the cost of administering and hosting these events.

The Company continues to receive significant inbound interest as a result of the pandemic related travel and gathering restrictions, and is well placed to attract and support companies, publishers and advertisers in establishing a presence on Mogul.

Having secured high profile partners including Razer, Mineski, Microsoft, Hasbro, and Team Secret within less than a year since launch of the Company's Branded Hubs offering, Mogul continues to work with multiple potential new global partners for launching on the Mogul platform, and looks forward to updating the market in due course..

A key benefit of the Mogul platform, particularly to global partners like Microsoft, is the Company's proprietary language localisation technology. Localised versions of Mogul's platform have been launched in Simplified Mandarin, Thai, Vietnamese, Indonesian, Japanese, Korean, Arabic, Portugese and now Spanish to better cater to the LATAM market. The intellectual property in these localisations is significant and goes far beyond a simple translation of menus and interfaces but rather towards creating a near-native user experience.

### Board Renewal Continuing

As announced earlier this quarter (*ASX Announcement 27 May*) the Company is conducting a global search to continue to renew the board and bolstering the operational executive. The addition of Canva



co-founder Cameron Adams to the Mogul Board late in 2019 (*ASX Announcement 19 November*) has already delivered significant insights and value to Mogul. Being able to add similar talent in the short term will only serve to further enhance Mogul's position in the global esports ecosystem.

### **Well Funded for Continued Growth**

As at the end of Q2 2020, Mogul's available cash was over \$2.4 million against a quarterly net operating cash flow of approx. \$489,000. This represents an approx. 35% reduction in net operating cash flow from the previous quarter. The Board continues to ensure funds are managed prudently to ensure that the Company does not need to seek additional funding from equity capital markets for the foreseeable future given current market uncertainties. In determining the action to be taken, the Board has sought to ensure that these reductions would not affect the Company's ability to service existing partners, continue to improve on existing or launch new product features, and to attract new revenue generating partners to the platform.

The Company notes that in Q2 2020, the Company paid \$78,834 to directors of the Company in fees and salaries, and \$22,813 to related parties in the quarter.

### **For further information, please contact:**

#### **Gernot Abl**

Managing Director

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ASX Release authorised by Mr Gernot Abl

### **About 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.

- Gamers join the mogul.gg community to compete for glory, cash and prizes in all the major esports game titles – cross-platform and title agnostic.
- Game publishers are able to reduce the cost of grassroots esports activations, supporting their game titles through Branded Hubs.
- Esports teams get better fan engagement and active participation through branded tournaments.
- Tournament organizers, influencers, and community groups can run their own online events – improving player experience, monetising their audience, reducing operating costs, and saving time in event, administration and management.

## 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")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	61	86
1.2 Payments for		
(a) research and development	-	-
(b) cost of sales	-	(26)
(c) advertising and marketing	(249)	(402)
(d) tournament operations	(98)	(195)
(e) staff costs	(198)	(387)
(f) administration and corporate costs	(56)	(377)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	50	50
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(489)</b>	<b>(1,249)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(287)	(585)
(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	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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(242)</b>	<b>(540)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(84)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(2)</b>	<b>(84)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,160	4,293
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(489)	(1,249)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(242)	(540)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(84)

4.5	Effect of movement in exchange rates on cash held	2	9
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,429</b>	<b>2,429</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	121	104
5.2	Call deposits	2,307	3,056
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,429</b>	<b>3,160</b>

6.	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	101
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 \$78,834 to directors of the Company in fees and salaries, and \$22,813 to related parties in the current quarter.		

7.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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)	489
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,429
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	2,429
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  <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>	<b>4.96</b>
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?  <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Answer: Not applicable.</div> 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?  <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Answer: Not applicable.</div> 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?  <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Answer: Not applicable.</div> <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: 31 July 2020

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.