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ASX Release
29th October 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 30 September 2020 (**Q3 2020**).

Highlights:

- Post Reporting Period Highlights:
  - Mogul raised $8m in a significantly oversubscribed placement
  - Strategic partnership with NASDAQ-listed Super League Gaming Inc
  - Continued development of tournament hosting mobile application
- Kate Vale, former Spotify MD, joins the Mogul Board
- Michael Rubinelli, appointed as CEO after global search
- Board renewal completed with Gernot Abl's appointment as Non-Executive Chairman
- Mogul to use Custom Matchmaking for Fortnite
- Buriram United launches Branded Hub

POST REPORTING PERIOD HIGHLIGHTS

Subsequent to the end of Q3, 2020 the Company achieved a number of significant outcomes as announced to market.

Funded for Expansion into Mobile and Continued Growth

With CPS Capital as Lead Manager, Mogul raised $8m in a significantly oversubscribed placement *(ASX Announcement 14 October 2020),* with Tranche 1 totalling $5 million settled on 26 October 2020 and Tranche 2 totalling $3 million subject to shareholder approval at the Company's General Meeting anticipated to be held in late November. 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.

Immediate use of funds includes investment in:

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

As per 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

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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.

NASDAQ-listed Super League Gaming Inc Strategic Partnership

Shortly after the end of the quarter 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.

Board Renewal Completed and World Class CEO Appointed

The Company concluded a global search to renew the board and appoint a CEO.

Kate Vale, ex Google, YouTube, Spotify Managing Director, joined the Mogul board *(ASX Announcement 3 August 2020)*. The Los Angeles based expat brings a unique blend of relevant global networks and extensive experience in scaling technology businesses within complex ecosystems. Kate has significant executive experience in digital, sales, marketing, business development and growth which will offer incredible support to Mogul's growth plans.

Michael Rubinelli commenced as Chief Executive Officer *(ASX Announcement 6 August 2020)*. A former Electronic Arts, Midway and Disney executive, Michael brings significant experience in executive leadership, product development and revenue growth. The San Francisco based gaming and technology leader has a successful track record in large corporates as well as startup expertise ideal to lead Mogul's stage of growth.

Following these appointments, and in line with previous announcements, the Company announced Gernot Abl's move to Non-Executive Chairman and acknowledged the contribution of retiring Chairman and Non-Executive Director, Adam Jacoby *(ASX Announcement 10 September 2020)*.

The Company is extremely well structured with significant global experience in esports, gaming, media entertainment and technology scale-ups led by word class management and board.

Mogul Revenue Model: Destination for Brands and Gamers

During the quarter the Company has worked extensively with its partners and gamer communities on refining the Mogul offering. Esports remains the fastest growing segment in the $160 billion gaming industry. Brands contribute over 75% of the $1.1 billion global esports revenue[1]. The market opportunity for Mogul is to focus on Brands to the benefit of Gamers. **The Company has commenced generating**

[1] Source: Newzoo - Global Esports Market Report 2020

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 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 seen significant inbound interest from Publishers and Brands and we look forward to updating the market in due course.

Mogul Esports Marketing Funnel: Branded Hubs

In a market yet without a leader in esports advertising, Mogul's Branded Hubs continue to deliver a point of difference. Hubs provide brands with an omni-channel esports funnel, using digital esports events as an effective marketing funnel. The Company successfully partnered with SEA football powerhouse, Buriram United on the launch of their branded hub *(ASX Announcement 1 September 2020)* connecting their Club to the Thai gamer audience. This 12 month partnership will run tournament engagement across both PC and Mobile titles.

Game Publishers

The Company has continued to develop its relationship with the world's largest Game Publishers. Aligning with publishers on putting players first, the Company will continue to invest in relationships with global publishers. The appointment of Michael Rubinelli as CEO has added significantly to the Company's publisher network.

Mogul's integration with Fortnite *(ASX Announcement 22nd September 2020)* is a significant competitive advantage that will benefit our gamers and brands. Currently, each Fortnite battle royale game is played as a last-player-standing-wins contest starting from 100 random entrants. Access to Fortnite's custom match-making combined with Mogul's best-in-class, free-for-all tournament variant format allows Mogul to offer rarefied pro-level tournament experiences for our brands and enthusiast gamers. This functionality also brings additional opportunities for dynamic broadcasts, enabling a great experience for players and fans.

For Age of Empires II gamers the battles continue on mogul.gg under our year long series with Microsoft *(ASX Announcement 16 April 2020).* The benefits of integration of this Microsoft title has provided the Company with a great case study for other publishers and brands, presenting opportunities in different regions the Company will update the market with, in due course.

The Company notes that in Q3 2020, the Company paid $97,070 to directors of the Company in fees, salaries and superannuation.

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ASX Release authorised by Mr Gernot Abl

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.

Appendix 4C

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

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Name of entity	
Esports Mogul Limited	
ABN	**Quarter ended ("current quarter")**
22 148 878 782	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	66	153
1.2	Payments for		
	(a) research and development	-	-
	(b) cost of sales	(18)	(35)
	(c) advertising and marketing	(285)	(760)
	(d) tournament operations	(44)	(256)
	(e) staff costs	(192)	(580)
	(f) administration and corporate costs	(75)	(372)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	25	74
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(523)**	**(1,774)**

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	(240)	(824)
	(f) other non-current assets	-	-

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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**	**(240)**	**(779)**

3.	**Cash flows from financing activities**		
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	-	(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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**(84)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,429	3,160
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(523)	(489)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(240)	(242)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2)

4.5	Effect of movement in exchange rates on cash held	(8)	2
4.6	**Cash and cash equivalents at end of period**	**1,658**	**2,429**

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	180	122
5.2	Call deposits	1,478	2,307
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)**	**1,658**	**2,429**

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	97
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.	**Financing facilities** *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.*	**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.	

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	523
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,658
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,658
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**3.17**

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.

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.

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.

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 October 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.

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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.

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