



**ASX Release
31st January 2022**

December 2021 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 matchmaking platform, is pleased to provide an update on the Company's operations as well as its Appendix 4C for the quarter ended 31st December 2021 (**Q4 2021**).

Highlights:

- Christopher Bergstresser, former COO for SEGA and Enad Global 7 and MTG Investment Executive joins the Mogul board and was appointed Executive Director
- A\$1.6m Private Placement to accelerate a buy and build strategy
- Strong balance sheet (~\$A5.13m in cash) to accelerate Mogul's execution against its buy and build strategy in the games sector

Chris Bergstresser Joins Mogul Board

During November (*ASX Announcement 11th November*) we were proud to advise that Christopher Bergstresser had joined the Mogul Board as a non-executive Director. In December (*ASX Announcement 15th December*) Mogul announced that Chris had been appointed as an Executive Director.

Chris is a senior entertainment executive with 30 years of experience founding, buying, and building companies in the gaming and mobile sectors.

Most recently Chris was Group Chief Operating Officer & Head of M&A of Enad Global 7, a Nasdaq First North listed, Sweden based, games company. He was responsible for building the company's expansion, through a buy and build strategy (merger and acquisitions, and investments) in video games.

As Executive Director Chris will lead Mogul's buy and build strategy in the video games sector.

Private Placement to Accelerate Buy and Build Strategy

On 23 December 2021, Mogul completed an oversubscribed placement of A\$1.6m.



With ~\$A5.13m in cash after the completion of the placement, Mogul will use the proceeds from the placement to provide additional working capital to accelerate Mogul's execution against our buy and build strategy in the games sector. Buy and build is a proven approach to achieve significant investor returns - especially in video games.

Initially, the focus will be on profitable small to midsize games companies with strong founder lead teams, great IP, and engaged audiences to ensure future scalability and continuous growth. These companies may be Mobile or PC games and include existing or new business models - including play-to-earn.

The key difference for Mogul vs other buy and build games companies is our focus on managing operational synergies from the first acquisition onwards. These operational synergies will include common financial infrastructure across all group companies, centralised legal & HR and common data visualisation across all group companies.

We feel this will allow group companies to focus on what they do best: make best-in-class games. Moreover, this structure enables group companies to learn from one another. By sharing experiences, they will assist each other in finding new ways to innovate and lower risk pathways to rapidly scale.

Financial Outlook

Mogul is now in an exceptionally strong financial position with ~A\$5.13m in cash reserves on the balance sheet.

As a result of cost reduction initiatives undertaken by the Board towards the end of the December quarter, Mogul has significantly reduced our operating costs.

Mogul will not need to seek additional funding from equity capital markets for the foreseeable future whilst having adequate cash reserves to maintain its best-in-class esports tournament platform and aggressively pursue its buy and build strategy.

We are confident that Mogul is sufficiently funded for its current operations well into 2023.

Expenditure Summary

A total of ~\$A716,000 was spent on operational activity, including ~\$A34,000 on tournament operations, ~\$A272,000 on staffing costs, and ~\$A410,000 on administration and corporate expenses. A further ~\$A175,000 was spent on capitalised Intellectual Property.

During the December quarter, the business activity had sales of \$A23,337. Since 1 January 2022 Mogul has had cash receipts related to tournament activity of \$A73,799.

Mogul notes that in Q4 2021, Mogul paid \$A24,750 to directors of Mogul in fees, salaries, and superannuation.



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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 games, 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.

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 2021

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	74	188
1.2 Payments for		
(a) research and development	-	-
(b) cost of sales	-	(3)
(c) advertising and marketing	-	(221)
(d) tournament operations	(34)	(651)
(e) staff costs	(272)	(1,531)
(f) administration and corporate costs	(410)	(1,357)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	213
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(643)	(3,359)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(76)
(d) investments	-	-
(e) intellectual property	(175)	(1,012)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	44	44
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(68)	(116)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(199)	(1,160)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,600	1,600
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	(73)	(73)
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	1,527	1,527

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,457	8,133
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(643)	(3,359)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(199)	(1,160)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,527	1,527
4.5	Effect of movement in exchange rates on cash held	(9)	(8)
4.6	Cash and cash equivalents at end of period	5,132	5,132

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	5,132	4,457
5.2	Call deposits	-	-
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)	5,132	4,457

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	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>The amount paid to related parties and their associates is \$24,750 to directors of the Company in fees and salaries, and superannuation.</p>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	643
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,132
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,132
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.99
<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>	
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: 31 January 2022

Authorised by: By the Board

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.