

June 2022 Quarterly Business Review & Appendix 4C

Mogul Games Group Ltd (ASX: MGG) (**Mogul** or the **Company**) is pleased to provide an update on the Company's operations as well as its Appendix 4C for the quarter ended 30 June 2022 (**Q2 2022**).

Highlights:

- Buy and build strategy in the video games sector continues to build momentum
- Strong balance sheet with ~\$A4.6m in cash to accelerate Mogul's execution against its buy and build strategy in the games sector
- Continue to field inbound inquiries with regard esports tournament platform

Buy and Build Strategy Update

Mogul is pleased to announce it has continued to make significant progress in the execution of its buy and build strategy.

Buy and build is a proven approach to achieving 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. Mogul is confident that it is well-positioned to take advantage of continued consolidation in the sector - especially in light of the broader market downturn.

Despite broader market volatility and valuation drawdowns the M&A market in the games industry remains very active and competitive. Revenue and EBITDA multiples have declined in line with broader public company valuations. This offers Mogul the opportunity to not only take advantage of its strong balance sheet and potentially transact at a multiple which will be more beneficial to new and existing shareholders.

Under the guidance of Chris Bergstresser and his M&A team, Mogul has now evaluated in excess of 70 potential acquisition opportunities across multiple geographic regions - including the United States & Canada, LATAM, Europe, and Australia.

Several of these opportunities have now progressed to a more formal due diligence stage and the Company looks forward to updating shareholders on progress as soon as possible.



With ~A\$4.6m currently in cash reserves and no debt, the company is in a strong position to accelerate execution against its buy and build strategy.

Mogul also continues to field inbound inquiries as it relates to its online esports tournament platform - specifically from esports organisers and video gaming groups looking to partner with Mogul for their tournament hosting activities. As Mogul onboards game development companies under its buy and build strategy, the company will also explore the potential synergies which these targets may be able to extract from our technology. The Company will continue to keep the market updated in accordance with its continuous disclosure obligations.

Expenditure Summary

A total of ~\$A52,000 was spent on staffing costs and ~\$A326,000 on administration and corporate costs - related in part to the legal, financial and operational due diligence costs associated with the buy and build strategy.

Within the quarter, the company received ~\$A57,000 from the federal government Export Market Development Grants (EDMG) which relates to the June 2021 year of operations.

Mogul notes that in Q2 2022, the Company paid ~\$A71,000 to directors of the Company in fees, salaries, and superannuation.

For further information, please contact:

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ASX Release authorised by the Board of Directors

About Mogul Games Group Ltd (ASX:MGG)

Mogul Games Group Ltd (ASX: MGG) (**Mogul** or the **Company**) is an ASX listed gaming, esports media and software business.

Mogul owns 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

Mogul Games Group Ltd

ABN

22 148 878 782

Quarter ended ("current quarter")

30 June 2022

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	-	23
1.2 Payments for		
(a) research and development	-	-
(b) cost of sales	-	-
(c) advertising and marketing	-	-
(d) tournament operations	-	(3)
(e) staff costs	(53)	(132)
(f) administration and corporate costs	(326)	(508)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	57	57
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(322)	(563)
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	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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	-	-

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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,888	5,132
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(322)	(563)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	4	1
4.6	Cash and cash equivalents at end of period	4,570	4,570

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	4,570	4,888
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)	4,570	4,888

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	71
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 \$70,950 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)	(322)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,570
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,570
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	14.19
<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: 28 July 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.