

Quarterly Business Review & Appendix 4C

Further expansion of Mogul as a value creating tech hub in the esports ecosystem

HIGHLIGHTS

-  Rapid increase in Branded Hubs being launched with 14 live at end Q4 2019 and targeting a total of 25 live Hubs in Q1 2020 – many Branded Hubs include paid subscriptions or paid ticketed tournament access
-  High profile partners continue to be attracted to Mogul recognising world-class technology
-  Entering new markets with localisation technology – including South America in partnership with Razer Brazil. Japanese and Korean languages have been recently added to the platform.
-  Cameron Adams, Co-Founder and Chief Product Officer of Canva, joins the Mogul board
-  AU\$3.97 million placement completed in Q4 2019 – funding the continuing growth of Mogul

Esports Mogul Limited (ASX: ESH) (**Mogul** or the **Company**), the world's most advanced pure-play online esports tournament platform, is pleased to provide an update on the Company's operations for the quarter ended December 2019 (**Q4 2019**) as well as its Q4 2019 Appendix 4C.

Continued Rapid Increase in Branded Hubs Launched




Since Mogul's launch of the Branded Hubs technology in August 2019, Mogul has been very successful in attracting high profile global partners within the Company's four target verticals – teams, game publishers, esports organisers, and influencers.

At the end of Q4 2019, 14 Branded Hubs were live on Mogul, with 25 Branded Hubs expected to be live by the end of Q1 2020. Many of these Branded Hubs will also include either subscription offerings for fans, or paid tournament access options delivering additional revenue to the Company and its partners.

Mogul's Branded Hubs offer a centralised hub for partners to create and feature their own branded tournaments on the Mogul platform, as well as showcase their esports related content, including streams, sponsors, and upcoming events. These bespoke Branded Hubs provide partners with an exclusive mini-site for their marketing and fan engagement on a world class, highly cost effective, feature rich platform.

High Profile Global Partner Acquisition

Mogul continues to secure high profile partners in key international markets within the Company's four key target verticals. Some of the largest partners launched in Q4 2019 and their target regions include:

-  Teams: Team Secret (Global)
-  Organisers: Razer (Asia), NEX Studio (Asia), CriticalX (India), Australian Esports League (Australia), SG Esports (Australia), Mineski Global (Asia), DotPro (North America)
-  Influencers: Tier One (Asia), EmiEmiTV (Asia), Mineski Global (Asia)
-  Publishers: Hasbro (Australia and NZ)



Mogul's partners have used the Mogul platform to launch exclusive paid and free-to-play esports tournaments, such as Team Secret's "Secret Stars", for engaging their fanbase, or Australia's largest League of Legends community group "Summoners' Society" regular tournaments series, and even by the SEA Games official partner Razer to create supporting online events for the International Olympics Committee's 2019 Southeast Asian Games (SEA Games). The bespoke nature of Mogul's Branded Hubs and branded tournaments allows these partners to create unique experiences for their fans and gamers.

During the SEA Games Online Challenge, Mogul hosted more than 90 tournaments over a 23 day period with over 4,000 tournament registrations from Southeast Asian gamers.

Chief Product Officer of Mogul, Jamie Skella commented:

"Mogul's ability to rapidly acquire high profile partners highlights the strength of our platform's proposition and the value it brings to the esports ecosystem. We're hard at working continuing to extend our technology's market lead, with an impressive suite of platform additions arriving throughout 2020 in response to both partner and player demand. This includes world-first automation tech to support the growth of mobile esports in our key markets, and opening up our tools to the masses, enabling any and every individual or organisation to better engage their community, and revenue share with us in the monetisation of those communities."

Localisation for a Global Platform

To support the Company's global expansion, Mogul has developed and launched a proprietary platform localisation technology which enables the launch of Mogul in different languages within days from project commencement. Mogul has used this capability to localise into Korean this month, Simplified Chinese, Arabic, Portuguese and Japanese during Q4 2019 in addition to Thai, Vietnamese, Indonesian, and English already supported. As a result, Mogul is now localised in five of the top ten spoken languages worldwide.¹

A key example of the value of the Company's localisation technology has been Mogul's partnership with Razer, who in Q4 2019 tested a Razer Brazil Branded Hub and tournament series to support Razer's esports activities in Brazil for 2020. Brazil has a large gaming market with over 75 million players and US\$1.5 billion in video game revenue in 2018 alone.² Mogul's localisation technology allows Razer Brazil to attract the Portuguese speaking market in South America, significantly expanding the potential Addressable Partner Audience.

Chief Marketing Officer of Mogul, Mark Warburton commented:

"Our state-of-the-art platform and localisation technology now enables Mogul to build a fully localised Branded Hub within a matter of days, opening up new international markets for Mogul in response to partner demand easily and effectively.

"We're excited to continue attracting high profile global partners, presenting Mogul as a value creating tech hub, and positioning it as the premier destination for esports teams, organisers, influencers, and game publishers."

¹ Ethnologue, *The Ethnologue 200*, <<https://www.ethnologue.com/guides/ethnologue200>>

² Newzoo, *Brazil Games Market 2018*, <<https://newzoo.com/insights/infographics/brazil-games-market-2018/>>.



MOGUL

Cameron Adams Joins Mogul Board

Cameron Adams, the Co-Founder and Chief Product Officer of Canva, a Software-as-a-Service graphic design platform, joined the Mogul board during Q4 2019 to support Mogul's pursuit of being the premier online esports destination for gamers, fans, teams, publishers, influencers, and organisers. Cameron brings to Mogul his significant experience in scaling a technology business, as well as developing and refining a digital platform towards a multi-billion-dollar valuation.

Capital Raising Completed – Raising AU\$3.97 million

Mogul completed a AU\$3.97 million placement in Q4 2019 which was well supported by both existing and new investors. The funds are being applied towards fast tracking the monetisation of the Mogul platform including by launching new paid subscription offerings and exclusive pay-to-play events. Mogul is well funded to see significant growth in upcoming quarters through engagement of new high profile partners, and entering new international markets.

Managing Director of Mogul, Gernot Abl commented:

“We're very pleased with the success we have had to date in bringing new high profile partners to Mogul internationally, and look forward to this continuing in coming quarters. Having completed a well supported capital raising in December, we're now able to focus on rapidly growing our business and seeking to secure our revenue base, including recurring revenues from paid subscriptions to Branded Hubs as well as other revenue streams from the platform.”

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About Mogul – mogul.gg

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
- 🏆 With commercialisation in place, Mogul offers a revenue-generating monthly subscription feature, named Mogul VIP, where platform users can subscribe for exclusive VIP tournaments, bonus cash winnings and unlock more perks
- 🏆 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 while building new revenue streams through team memberships, branded tournaments, and fan subscriptions
- 🏆 Tournament organisers, 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 report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

eSports Mogul Limited

ABN

22 148 878 782

Quarter ended ("current quarter")

31 December 2019

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	11	59
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(259)	(1,289)
(d) tournament operations	(209)	(749)
(e) staff costs	(317)	(1,050)
(f) administration and corporate costs	(348)	(930)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	(4)
1.9 Net cash from / (used in) operating activities	(1,121)	(3,958)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(18)
(b) businesses (see item 10)	-	-
(c) investments	-	(6)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 12 months) \$A'000
(d) intellectual property	(245)	(732)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	(245)	(756)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,920	7,020
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from issue of performance right	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(187)	(409)
3.5 Loans made to unrelated parties	-	-
3.6 Repayment of loans from unrelated parties	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	(1)
3.10 Net cash from / (used in) financing activities	3,733	6,610

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,924	2,395
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,121)	(3,958)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(245)	(756)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,733	6,610

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of quarter	4,293	4,293

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	34	46
5.2	Call deposits	4,259	1,878
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,293	1,924

6. Payments to directors of the entity and their associates

		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	117
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes director's fee, salaries & superannuation for executive and non-executive directors, CFO and company secretarial fees.

7. Payments to related entities of the entity and their associates

		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	370
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	265
9.4 Tournament operations	85
9.5 Staff costs	165
9.6 Administration and corporate costs	185
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,070

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here:

Company Secretary

Date: 31 January 2020

Print name: George Lazarou

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.