



**ASX Release  
2 April 2020**

## **Mogul Business Update in Response to COVID-19** **Well positioned to push towards all-online esports events and solid financial position**

Esports Mogul Limited (ASX: ESH) (**Mogul** or the **Company**), owner of the world's most advanced pure-play online esports tournament platform, provides an update on the Company's operations during the COVID-19 pandemic.

### **Highlights:**

- Online esports tournament hosting is in strong demand, with global travel restrictions and limitations on public gatherings making large scale in-person esports events near impossible
- With a world-class online esports tournament platform, Mogul is highly attractive to esports event organisers, teams, influencers and game publishers
- Partnership pipeline remains strong with discussions continuing with many well-known esports brands and organisations including expansion of existing partnerships
- Mogul well funded and not expecting to require further capital within next 12 months on current business plan
- Prudent cost reduction action taken by Board with directors foregoing large parts of their remuneration, headcount being reduced, and reductions in operating cost identified
- Cost reduction action will not have a material negative effect on continued operations, ongoing product development, or continued partner acquisition and marketing
- Board highly confident of continued growth of Mogul platform throughout 2020 and not expecting negative effect on revenue as a result of COVID-19

### **Leading Platform for All-Online Esports Events**

The Company's tournament platform, [mogul.gg](http://mogul.gg), is the world's most advanced pure-play online esports tournament and matchmaking platform enabling the creation and hosting of bespoke esports tournaments.

With most of the world currently imposing travel bans and restrictions on public gatherings, the hosting of in-person esports tournaments has become entirely untenable for the foreseeable future. This presents a significant market opportunity for Mogul to showcase its platform, offering esports teams, game publishers, influencers, and organisers a low cost 'turn-key' solution for continuing to run esports events and promoting their brands to fans and gamers.

Mogul's Branded Hubs additionally enables partners to centralise their fan engagement efforts with one centralised space to access streams, promote sponsors, and create new online tournaments or other events.

Significant increases in global video game and esports activity have been well reported in the past few weeks as a result of social isolation policies established by most national governments in response to the COVID-19 pandemic. Mogul is expecting to see continued increases in interest for Mogul's platform from both gamers and esports promoters in the coming period as a result.



### **Partnership Pipeline for 2020**

Since the commercial launch of Mogul Branded Hubs in August 2019, Mogul has attracted some of the largest esports organisations in the world onto the Mogul platform including Razer, Microsoft, Team Secret, Mineski, Hasbro and many others. Mogul's team continues to work with both existing partners and new potential partners on launching new Branded Hubs and creating new tournaments and events on Mogul.

The Company has not experienced and does not expect to experience any material disruption to its partnership pipeline through 2020 as a result of the COVID-19 pandemic. Mogul will continue to make periodic announcements to the ASX on the growth in number of Branded Hubs and launches of exclusive tournament series and other events hosted on Mogul.

### **Securing Pathway to Revenue Growth**

Whilst the Company is not expecting any negative impacts on its revenue or its operations as a result of the COVID-19 pandemic, the Board has sought to take prudent cost reduction action to ensure that the Company will not need to raise equity within the next 12 months. This decision was made to avoid the Company having to potentially consider further dilutionary capital raisings in depressed capital markets.

Although the Board generally expects revenue growth to increase through this pandemic along the Company's existing business plan, the cost reduction actions have been designed to ensure the Company has over 12 months runway assuming a worst-case scenario of nil revenue over the same period.

The measures put in place by the Board include an immediate reduction in non-executive and executive director cash remuneration by 20%, a reduction in the Company's head-count in non-core operations, and agreements with a number of the Company's staff to implement salary reductions. Additionally, the Company is reducing its expenditure on discretionary marketing spend and other highly adjustable operating outflows. These measures will be effective for the foreseeable future as the COVID-19 pandemic continues to affect global capital markets.

The cost reductions will not have a material effect on the continued operation of Mogul's tournament hosting platform and support for its users, and will not significantly delay launches of new platform features or key product development projects.

Managing Director, Gernot Abl, commented:

"The current COVID-19 pandemic is unprecedented both in its effect on our daily lives and on capital markets. From a business perspective, we're buoyed by the resilience of the esports market in these challenging times and are confident of our ability to maintain our commercial direction and to offer a solution to the esports industry that is grappling with mass-cancellations of live in-person events.

"The operational changes we have announced ensure that Mogul can continue to execute on its business plan and deliver revenue growth, whilst assuring investors that the Company is well funded and won't need to conduct a capital raising for the foreseeable future."



# MOGUL

**For further information, please contact:**

**Gernot Abl**

Managing Director

E: gernot.abl@mogul.gg

ASX Release authorised by Mr Gernot Abl

**Phoebe McCreath**

Communications Manager

E: phoebe.mccreath@mogul.gg

## 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
- 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