



**ASX Release**  
**29<sup>th</sup> April 2022**

## **March 2022 Quarterly Business Review & Appendix 4C**

Esports Mogul Limited (ASX: ESH) (**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 31 March 2022 (**Q1 2022**).

### **Highlights:**

- The “Buy and Build” strategy in the video games sector is progressing at pace
- A strong balance sheet with ~\$A4.89m in cash to accelerate Mogul's execution against its buy and build strategy in the games sector

### **Buy and Build Strategy Progress**

Mogul is pleased to announce it has continued to progress in line with its Buy and Build strategy in the video gaming sector. Buy and Build is a proven approach to achieve significant investor returns, especially in video games.

The Company continues to leverage its intellectual property in esports, and extensive relationships across the broader video game industry, to build a pipeline of suitable acquisition targets.

Under the guidance of Chris Bergstresser and his M&A team, Mogul has already evaluated more than 50 potential acquisition opportunities across multiple geographic regions, including the United States, LATAM, Europe, and Australia.



Several games companies that have passed suitability screening are now progressing to a more formal due diligence stage, and the Company looks forward to updating shareholders in due course.

The focus remains to acquire small to midsize games companies that fit carefully considered criteria, put together by Chris Bergstresser, his M&A team and approved by the Board.

The suitability criteria include games companies with strong founder lead teams, great IP, are profitable, and existing engaged audiences to ensure future scalability and continued growth. Mogul is open to acquiring Mobile and PC games companies with existing or new business models - including play-to-earn.

The critical difference between Mogul and other games companies in Buy and Build remains our dedication to managing operational synergies from the first acquisition onwards. These operational synergies include common financial infrastructure across all group companies, centralised legal & HR and shared data visualisation.

This approach allows group companies to re-focus on what brought them their past successes: making best-in-class games. Moreover, this structure enables group companies to learn from one another, cross-promote, help each other find new ways to innovate and embark on a lower risk pathway to scale rapidly.

In line with Mogul's renewed focus, the Company is also proposing to change its name from Esports Mogul Limited to Mogul Games Group Limited. This name change will be subject to shareholder approval at the Company's AGM on 25 May 2022.

## **Balance Sheet & Financial Outlook**

As a direct result of cost reduction initiatives undertaken towards the end of the previous quarter, Mogul is in a sound financial position with ~A\$4.89m in cash reserves on the balance sheet.

Mogul and the Board have taken this action to ensure sufficient cash reserves to maintain its best-in-class esports tournament platform while also aggressively pursuing its Buy and Build strategy.



### **Expenditure Summary**

A total of ~\$A241,000 was spent on operational activity, which included ~\$A3,000 on tournament operations, ~\$A79,000 on staffing costs, and ~\$A182,000 on administration and corporate costs.

Mogul notes that in Q1 2022, the Company paid \$A37,950 to directors of the Company in fees, salaries, and superannuation.

### **For further information, please contact:**

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Chairman

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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 video gaming, 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 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	23	23
1.2 Payments for		
(a) research and development	-	-
(b) cost of sales	-	-
(c) advertising and marketing	-	-
(d) tournament operations	(3)	(3)
(e) staff costs	(79)	(79)
(f) administration and corporate costs	(182)	(182)
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	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(241)</b>	<b>(241)</b>
<b>2. Cash flows from investing activities</b>		
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 (3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,132	5,132
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(241)	(241)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,888</b>	<b>4,888</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,888	5,132
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,888</b>	<b>5,132</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	38
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 \$37,950 to directors of the Company in fees and salaries, and superannuation.		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	241
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,888
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,888
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	20.28
<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: 29 April 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.