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## **Quarterly Activities Update – Period Ending 31 March 2019**

Esports Mogul Asia Pacific Limited (ASX: ESH) (**the Company**) is pleased to present their Quarterly Activities Update for the period ending 31 March 2019.

The first quarter of 2019 has proved to be incredibly successful, focusing on user acquisition through bespoke tournaments, beginning commercialisation initiatives and esports industry partnerships.

### **Mogul Pleased to Deliver First Revenues**

The Company is pleased to announce that since the Mogul Wallet went live on 7 February 2019 (*ASX Announcement, 7 February 2019*) their first quarterly revenues have been approximately AU\$20,000. This is a result of experimentation and market-testing since the launch of payment capabilities – inclusive of ticketed tournaments (paid entry), VIP subscriptions, and the tremendous work of early organiser partnerships which have begun to be executed.

Into the next 12 months, as the Company continues to explore monetisation opportunities market-by-market through global expansion, the Company expects to increase the volume of revenue generating activity on the platform, and with confidence in the offering, for the first time begin to proactively promote revenue generating functionality to players and organisers across the global esports eco-system.

The Company's focus has been on bringing in external organisers, from teams, to event organisers and league operators, which represents not only the shortest path to a critical mass of enduringly active players, but will deliver significant cost savings for the business.

With each organising body that joins Mogul, the Company reduces operational overheads as content creation and tournament administration becomes outsourced to valued partners. Furthermore, the expensive task of attracting and retaining users is directly wound back to only a fraction of current outgoings. Instead, teams and leagues bring their already loyal and active users to the platform and keep them engaged as a by-product of their existing relationship and activities.

The result for Mogul is that the business can set active player growth on an exponential curve, ready for monetisation, while the cost to acquire users and deliver content to users falls exponentially.

Mogul is currently in advanced discussions with a number of global esports teams, leagues and grassroots esports organisations and will keep the market informed as these opportunities progress.

#### **QUARTERLY HIGHLIGHTS**

- **Mogul added PC, console and mobile game titles to their game catalogue.**
- **Silver Slam was successfully completed in Southeast Asia with 1,500 tournaments offered to players.**
- **Mogul reached the major milestone of 1 million registered users.**
- **The financial hub, Mogul Wallet, was launched to aid in commercialisation initiatives and paid entry tournaments.**
- **Jamie Skella joined the executive team as Chief Strategy and Commercial Officer.**
- **Strategic partnerships were launched, including the AFL's Adelaide Crows' Esports Team, Legacy Esports.**

#### **Additional Game Titles Added to Mogul's Game Catalogue**

In early 2019, Mogul proudly expanded their game title catalogue ahead of their inaugural Silver Slam tournament series. The chosen titles were focused around offering a selection of popular multi-platform games to drive user acquisition.

Following a period of testing, the best performing titles were selected to run continually on Mogul.

#### Console Game Titles (ASX Announcement, 8 January 2019)

The console game titles added to Mogul consisted of:

- Fortnite – 200m+ players worldwide
- Overwatch – 40m+ players worldwide
- Rainbow Six Siege – 40m+ players worldwide
- Call of Duty: Black Ops 4 – US\$500 million sales worldwide in the launch weekend alone
- Super Smash Bros. Ultimate – The fastest-selling game in the series
- Pro Evolution Soccer 19 – 100m+ sales worldwide
- NBA 2K19 – Best-selling sports game of 2018
- TEKKEN 7 – 47m+ sales worldwide across the Tekken series

According to Newzoo, in 2018 console games held 25% of the gaming market and were expected to generate \$34.6 billion. As console game titles were a new offering to Mogul.gg at this time, this extended the platform to a new demographic of gamers, significantly driving user acquisition.

Since the initial announcement, the popular console and PC game title Apex Legends was launched by Respawn Entertainment and swiftly added to Mogul.gg.

#### Mobile Game Titles (ASX Announcement, 14 January 2019)

The mobile game titles added to Mogul consisted of:

- Hearthstone – 100m+ players
- Mobile Legends: Bang Bang – \$200m+ total revenue
- Clash Royale – 354 million downloads
- Arena of Valor – 200m+ players

Mobile game revenue accounts for over 50% of the global games market and was estimated to generate \$70.3 billion in 2018, according to Newzoo.

#### PC Game Titles (ASX Announcement, 17 January 2019)

The PC game titles added to Mogul consisted of:

- Overwatch – 40m+ players worldwide
- Call of Duty: Black Ops 4 – US\$500 million sales worldwide in the launch weekend alone
- Rainbow Six Siege – 40m+ players worldwide
- StarCraft II – 8.3 million hours watched on Twitch in March 2018

Mogul was already integrated with three of the most popular PC titles of all time, CS:GO, Dota 2 and League of Legends, bringing the total number of PC titles offered to seven. Of these titles, six of them appeared in Newzoo's list of the most popular games for December 2018, giving the Company confidence that these titles would entice players to Mogul and aggressively drive user acquisition.

#### **Silver Slam Successfully Hosted 1,500 Tournaments in Southeast Asia**

Following the integration of multi-platform titles, Mogul announced the launch of their AU\$275,00 tournament series in Southeast Asia (*ASX Announcement, 24 January 2019*). In partnership with Razer Inc., Silver Slam ran from 5 February to 3 March 2019 with a range of daily and partner-run tournaments on offer.

Prominent partners across Southeast Asia were selected to host tournaments including The Plays, Rumble Royale, Ragequit, NEX STUDIO, Channel 8 and Lakoi. These partners were selected due to their large target audiences within Southeast Asia and encouraged their players to register to compete on Mogul.gg.

The results of Silver Slam were outstanding (*ASX Announcement, 21 March 2019*). Over the month, the Company hosted just under 1,500 Silver Slam tournaments with up to 20 tournaments being held concurrently. This was a technical and logistical feat which was received positively from the player base, demonstrating the tournament platforms unique position in the market, able to host a vast tournament series with differing game titles and structures simultaneously without interruption.

### **Mogul Reached the Major Milestone of 1 Million Users**

By the end of January, the Company was pleased to reach the first major milestone of 1 million registered users across all Mogul service offerings (*ASX Announcement, 30 January 2019*).

The increase in registered users was attributed to the integration of new game titles in preparation for Silver Slam, as well as accelerated marketing activity and strategic partnerships with the likes of gaming giants Razer Inc. and Southeast Asia's largest esports organisation Mineski, all supporting Mogul tournaments and registrations.

### **Mogul Wallet Launched**

In early February, the Mogul Wallet was released which signalled payment integration with payment providers, such as Razer Pay and PayPal, springboarding commercialisation initiatives and activities (*ASX Announcement, 7 February 2019*).

The Mogul Wallet sits as the financial hub of the platform, where users can easily deposit and withdraw funds to use on Mogul. It also serves as the rewards portal where users can access all winnings and virtual rewards from tournaments, Esports Elite and Refer a Friend. View the Mogul Wallet here: <https://wallet.mogul.gg/>

Additional commercial features were launched on the platform in conjunction with the Mogul Wallet, including Mogul VIP and paid entry tournaments.

Mogul VIP was introduced as the subscription service where for a monthly fee, users are able to access exclusive tournaments, private Esports Elite leaderboards and extra rewards for Daily Tournaments. Paid entry tournaments have also been released, where users can play in more exclusive tournaments with bigger prize pools for a market specific fee.

### **Jamie Skella Joined the Mogul Team as Chief Strategy and Commercial Officer**

Mr Jamie Skella joined the executive team in the newly established position of Chief Strategy and Commercial Officer to lead business operations and strategy (*ASX Announcement, 18 February 2019*). This role includes executing the go-to-market and commercialisation strategy, as well as overseeing software and technological development. Mr Skella's

appointment has ensured the Company is well positioned to build upon the significant momentum already achieved and is poised to maximise future growth.

### **Partnership with Legacy Esports Ignited**

From the end of March, Mogul began joining forces with key industry bodies to form collaborative and mutually beneficial partnerships with shared revenue streams.

The first to enter into a partnership agreement and the partner incentivisation program was Legacy Esports, owned by AFL football team, the Adelaide Crows (*ASX Announcement, 28 March 2019*). Legacy Esports is one of the most established and successful teams in the flourishing Oceania esports scene.

The strategic collaboration between Mogul and Legacy will provide joint growth avenues for both parties as they work together on Mogul-hosted tournaments. The partnership will bring about strategic synergy including generating competitive esports interest from communities and expanding into the mainstream sports landscape.

Legacy Esports' first tournament in partnership with Mogul is planned for mid-May.

## **POST REPORTING PERIOD HIGHLIGHTS**

### **Grassroots Partnership with Melbourne Melee Launched**

Following the partnership with Legacy Esports, Mogul entered an agreement with Melbourne Melee, an esports events organisation, to support grassroots activity in Fighting Game Communities (FGC) through best-in-class tournament administration systems and the co-development of new mutually beneficial revenue streams (*ASX Announcement, 1 April 2019*).

The partner incentivisation program, which Melbourne Melee joined, aligns interests to maximise participant numbers and create greater opportunities for enduring engagement. The program creates mutually beneficial objectives for the joint growth of revenues and encourages ongoing Melbourne Melee tournament activity through the referral of players to Mogul and activity to support them in an ongoing fashion.

### **Mogul Partners with Leading AU Esports Organisation, Avant**

One of the AU's leading esports organisations, Avant, joined Mogul's partnership model. Avant operates as its own esports eco-system, investing in, developing, and nurturing professional gaming teams and personalities across multiple esports titles (*ASX Announcement, 4 April 2019*). Avant entered into the partner incentivisation program mentioned above which offers a shared revenue stream.

As part of the partnership, Avant successfully ran their first esports tournament on Mogul to find the next generation of Apex Legends players, offering contracts to the winning team.

Eventually, the Company intends to open the doors for any organisation to run mutually beneficial initiatives on Mogul, even outside of bespoke strategic relationships.

### **Mogul Enters the AU Market with the Australian Apex Open**

In early April, Mogul officially entered the Australian market, launching its first major cash prize tournament series for the popular game title Apex Legends (*ASX Announcement, 8 April 2019*). Entering new markets, such as Australia, was the next step in strategic growth and globalisation for Mogul. The Australian market has large revenue potential, listed as one of the top gaming markets in the world for 2018.

The Australian Apex Open is currently underway, running from 15 April to 19 May with a prize pool of AU\$35,000 on the line for the top teams. The tournament is bringing together both top professional teams, such as Avant and Athletico, and casual gamers from across Australia and New Zealand.

The Company will provide an update on the outcome of the Australian Apex Open following the tournament series.

### **FUTURE OUTLOOK**

**Mogul** Managing Director, Gernot Abl, said:

*“This quarters activities were particularly pleasing in that we were able to demonstrate the scalability capability of our platform both from a tournament activity and game title point of view. Completing the integration of payment providers was especially significant as this has allowed the Company to implement and test a variety of monetisation streams – initially in Australia and pockets of SEA – before a wider global rollout.*

*Moving into the next quarter, the Company is laser-focused on continuing to drive monetisation through activities with local and international esports teams and grassroots organisations, leagues, influencers and non-endemic brands.*

*I would also like to acknowledge the patience and commitment of our investors and partners who have continued to support the company and our world-class esports tournament platform.”*

-ENDS-

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**About Mogul**

Mogul is an ASX listed (ASX: ESH) esports media and software business, with an initial focus on Australia, Asia and Latin America. At its core is **Mogul** – the world’s best tournament and matchmaking platform with full automation for major esports titles.

Esports is one of the fastest growing industries in the world. According to Newzoo, it’s estimated that in 2018 there were 2.3 billion gamers across all platforms globally, and the global games market was estimated to be worth over US\$137.9 billion.<sup>1</sup>

**About the Mogul Tournament Platform Technology**

Mogul is proud to be the world’s best online esports tournament platform offering not only full tournament automation but also state of the art esports empowering social features. Given strong game-publisher relationships, Mogul is already **deeply integrated** with the leading global esports titles, and is the only platform that allows **completely automated** tournament play and results across multiple games.

The top-class technology stack enables esports fans to compete and organise tournaments with ease. Esports enthusiasts can also follow streamers and elite esports results from around the globe. The platform deeply integrates with game title APIs (application programming interface) and rich features to provide gamers with the best user experience possible, including:

- Automated gameplay experience
- Multiple tournament modes
- Friendly esports communities
- Lifetime player statistics
- Achievements, ranks and rewards
- Match reminder notifications
- Easy tournament administrative access
- Automated prize pool payouts.

Mogul can also provide semi-automated brackets for **any game** including mobile (e.g. Vainglory) and console (e.g. NBA 2k) titles for strategic partners and brands.

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<sup>1</sup> Newzoo, 30 April 2018. <https://newzoo.com/insights/articles/global-games-market-reaches-137-9-billion-in-2018-mobile-games-take-half/>