

MOGUL GAMES GROUP LTD

Appendix 4E Preliminary Final Report

1. Reporting period

- Year ended 31 December 2022

Previous corresponding period

- Year ended 31 December 2021

2. Results for announcement to the market

	31 December 2022 Current Year \$	Percentage Change Up / (Down) \$	Change Up / (Down) \$	31 December 2021 Previous Corresponding Year \$
2(a) Revenue from ordinary activities	6,532	(97.53)%	(257,773)	264,305
2(b) Loss from ordinary activities after tax	(3,621,493)	(49.18)%	(3,504,518)	(7,126,011)
2(c) Net Loss for the year attributable to members	(3,621,493)	(49.18)%	(3,504,518)	(7,126,011)

2(d) Dividends: The Company does not propose to pay any dividends in the current year.

2(e) Record Date: Not applicable

2(f) See attached Director's Report

3. Statement of Profit or Loss and Other Comprehensive Income

- See attached Annual Report

4. Statement of Financial Position

- See attached Annual Report

5. Statements of Cash Flows

- See attached Annual Report

6. Statements of Changes in Equity / Statement of Retained Earnings

- See attached Annual Report

7. Dividends

- The Company does not propose to pay any dividends in the current year.

8. Dividend reinvestment plan

- The Company does not propose to pay any dividends in the current year and does not have a dividend reinvestment plan.

9. Net tangible assets per security

	Current Year (31 December 2022)	Previous Corresponding Year (31 December 2021)
Cents per ordinary share	0.10 cents	0.16 cents

10. Details of entities over which control has been gained or lost

- **Control gained over entities:** Please refer to Note 10 of the attached Annual Report
- **Control lost over entities:** Please refer to Note 10 of the attached Annual Report

11. Details of Associates / Joint Ventures

- Not applicable

12. Other significant information

- Not applicable

13. Accounting Standards

- **For foreign entities, the set of accounting standards used in compiling the report:**
- International Financial Reporting Standards (IFRS)

14. Results of the period

- Refer to Director's Report in attached Annual Report

15. Statement on the financial statements

- Financial Statements are based on audited accounts.

16. Unaudited Accounts

- Not applicable

17. Auditor's audit report

- **For all entities, if the accounts are subject to audit dispute or qualification, include a description of the dispute or qualification:** Not applicable

Mogul Games Group Ltd
(ACN 148 878 782)

Annual Report

For the year ended 31 December 2022

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CORPORATE DIRECTORY

DIRECTORS

Non-Executive Chairman

Gernot Abl

Executive Director

Christopher Bergstresser

Non-Executive Director

George Lazarou

COMPANY SECRETARY

George Lazarou

REGISTERED OFFICE

Level 2 461 Bourke Street

Melbourne VIC 3000

Telephone: (03) 9602 5564

AUDITORS

Moore Australia Audit (VIC)

Level 44

600 Bourke St

Melbourne VIC 3000

SHARE REGISTRAR

Automic Pty Ltd

Level 5

191 St Georges Terrace

PERTH WA 6000

SOLICITORS

Hamilton Locke Pty Ltd

Level 27, 152 - 158 St Georges Terrace

Perth WA 6000

Telephone: +61 (8) 6311 9160

STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: MGG

DIRECTORS' REPORT

The directors present the following report on Mogul Games Group Ltd (“the Company”) and the entities it controlled (“Group”) during or at the end of the financial year ended 31 December 2022.

1. DIRECTORS

The names and details of the Company’s directors in office during and since the financial year end until the date of the report are as follows.

Mr Gernot Abl	– Non-Executive Chairman (from 1 January 2023) & Executive Executive (from 20 December 2021 to 31 December 2022)
Mr Christopher Bergstresser	– Executive Director
Mr George Lazarou	– Non-Executive Director
Mrs Kate Vale	– Independent Non-Executive Director (resigned 19 August 2022)

INFORMATION ON DIRECTORS

Gernot Abl	Non-Executive Chairman (from 1 January 2023) Executive Chairman (from 20 December 2021 to 31 December 2022) Non-Executive Chairman (from 10 September 2020 until 20 December 2021) Managing Director (from 14 November 2016 to 10 September 2020)
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Qualifications	B.Com & Law (First Class Honours in Finance), Finsia (Applied Finance and Valuations)
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Experience	Mr Abl’s background is in Law, Corporate Finance and Strategic Consulting and has over 15 years of entrepreneurial, business strategy, and investment experience gained as a management consultant with Deloitte Consulting and Deloitte Corporate Finance. Mr Abl has had significant success in the online gaming industry and currently serves as a director of several private start-up technology companies. Mr Abl also currently serves as the Non-Executive Chairman of Live Verdure Limited (ASX:LV1) – An Australian Health, Wellness and Skincare products company
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Interest in Shares	38,281,250 Fully paid Ordinary Shares
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Christopher Bergstresser	Executive Director (from 15 December 2021) Independent Non-Executive Director (from 11 November 2021 to 15 December 2021)
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Qualifications	Bachelor of Arts (Economics)
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Experience	Mr Bergstresser is a senior entertainment executive with 20 years of experience founding, buying and building companies in the gaming and mobile sectors.
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Most recently Mr Bergstresser was Group Chief Operating Officer of Enad Global 7, a Nasdaq First North listed, Swedish based, games company with games holdings in Germany, Russia, Sweden, UK and the US. Mr Bergstresser was responsible for building the expansion of the company, through a buy and build strategy (M&A investments) in games. Between October 2019 and January 2021 Enad Global 7’s share price grew from ~16 SEK to a high of ~120SEK.

DIRECTORS' REPORT (Continued)**INFORMATION ON DIRECTORS (Continued)**

Prior to that, as Partner at MTG (Modern Times Group), Mr Bergstresser operated in a key advisory role to help MTG broaden its reach into games investment. MTG operates as a strategic and operational investment holding company managing a unique portfolio including esports businesses ESL and DreamHack, gaming companies InnoGames, Ninja Kiwi and Kongregate as well as digital network company Zoomin.TV.

Across an impressive career Mr Bergstresser has held senior gaming executive positions in major global gaming and media companies including SEGA, Atari and Konami (working with Microsoft, Disney and ESPN). Mr Bergstresser is also an experienced founder, having co-founded mobile analytics start-up Appscotch (sold to App Annie), video game software start-up Vector Entertainment and gaming TV producer Gamer.TV.

Mr Bergstresser's expert leadership in strategic planning and execution has seen him engaged by many businesses to transform, innovate and drive sustained growth. Mr Bergstresser has served as adviser and Board member with multiple companies including Lottoland, Nitro Games, Appscotch and Reflection.io and currently sits on the board of Flexion Mobile Inc (listed on Nasdaq First North).

Interest in Shares 13,335,814 Fully paid Ordinary Shares

George Lazarou **Non-Executive Director (appointed 11 November 2021)**

Qualifications Bachelor of Commerce, CA

Experience Mr Lazarou is a qualified Chartered Accountant with over 20 years' experience, including five years as a partner of a mid-tier accounting firm, specialising in the areas of audit, advisory and corporate services. Mr Lazarou has extensive skills in the areas of corporate services, due diligence, independent expert reports, mergers & acquisitions and valuations.

Mr Lazarou also brings with him a high level of commercial skills having worked closely with publicly listed companies in the mining, building, engineering, environmental and construction industries.

Mr Lazarou has previously held the position of Chairman or Non-Executive Director on a number of ASX listed companies.

Mr Lazarou is currently the Managing Director of corporate advisory firm Citadel Capital.

DIRECTORS' REPORT (Continued)**INFORMATION ON DIRECTORS (Continued)**

Kate Vale	Independent Non-Executive Director (resigned 19 August 2022) Director (since 1 August 2020)
Qualifications	Bachelor of Business
Experience	<p>Ms Vale is a visionary experienced Senior Executive and Consultant with more than 24 years of success across digital media, social media and technology industries.</p> <p>Ms Vale has held senior leadership positions with organisations including Google, YouTube and Spotify.</p> <p>As Managing Director, Australia and New Zealand with Spotify, Ms Vale was hired as the first regional employee and managed all aspects of the business across Australia and New Zealand. Ms Vale was instrumental in setting up the Asian operations in 2013. Ms Vale was instrumental in driving music streaming in Australia to reach the position of No. 1 revenue source for record labels in the country.</p> <p>As Country Manager for Google Australia & New Zealand, Ms Vale established the Australian and New Zealand offices, hired and managed 150+ employees, and grew revenues from zero to US\$500 million over a six-year period. Ms Vale also drove YouTube product and sales strategy for ANZ managing sale of advertising solutions to advertisers and agencies.</p> <p>Ms Vale served as a founding member of the IAB Australian Board. Ms Vale has achieved recognition for her success through her listing in the Top 40 Under 40 in Digital Age.</p>
Interest in Shares	9,014,271 Fully paid Ordinary Shares (at date of resignation)

Company Secretary

Mr George Lazarou has held the position of Company Secretary during and at the end of the financial period.

Directorships of other listed companies

Name	Company	Period of directorship
Gernot Abl	Vortiv Limited	Appointed 30 June 2017 Resigned 31 July 2019
	Live Verdure Limited	Appointed 17 October 2020
Kate Vale	-	-
George Lazarou	-	-
Christopher Bergstresser	-	-

DIRECTORS' REPORT (Continued)

2. PRINCIPAL ACTIVITIES

The principal activities of the Group primarily are an esports media and software business. At its core is the mogul.gg tournament platform technology – a tournament and matchmaking platform with automation for major esports titles.

3. OPERATING RESULTS

The consolidated loss of the Group after providing for income tax amounted to \$3,621,493 (2021: \$7,126,011).

4. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. REVIEW OF OPERATIONS

The Company's primary focus during the year was:

- Continue to field inbound inquiries with regard to the esports tournament platform; and
- Continue to progress against the buy and build strategy in the video games sector.

Buy and Build Strategy

The Company continued to progress its buy and build strategy during the year. Buy and build is a proven approach to achieving significant investor returns - especially in video games.

The focus during the year has been on profitable small to mid-size 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.

Despite broader market volatility and valuation drawdowns the M&A market in the games industry remained very active and competitive. Revenue and EBITDA multiples have declined during the year in line with broader public company valuations, providing the Company with the opportunity to potentially transact at a multiple which will be more beneficial to new and existing shareholders.

Esports Tournament Platform

The Company continued to field inbound inquiries during the year, as it relates to its online esports tournament platform, specifically from esports organisers and video gaming groups looking to partner with the Company for any of their tournament hosting activities.

The Company has explored further use cases for its technology in conjunction with game development companies under its buy and build strategy. The Company has also explored the potential synergies which these targets may be able to extract from our technology.

DIRECTORS' REPORT (Continued)

In line with this more diversified approach the Company changed its name to Mogul Games Group Ltd after shareholder approval at the AGM held on 25 May 2022.

CEO Appointment

The Company announced in July the appointment of Mr Christopher Bergstresser as CEO and Managing Director of the Company, subject to the UK Home Office granting Christopher permission to work for Mogul Games Group (UK) Limited. In the interim, Christopher's appointment as an executive director of the Company has been extended and will continue monthly until such time as the permission is granted and his appointment as CEO and Managing Director of the Company becomes effective.

Further details about Christopher's qualifications and experience can be found in Section 1 "Directors" of the Director's Report.

Christopher has been working to leverage the Company's existing best in class tournament technology whilst also leading the Company's execution of buy and build strategy in the gaming sector.

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year.

7. AFTER REPORTING DATE EVENTS

There are no matters or circumstances arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MEETINGS OF DIRECTORS

To assist it in undertaking its duties, the Board has established the following standing committees towards the end of the financial year, and as such, did not have any meetings during the year:

- Audit & Risk Committee; and
- Nomination & Remuneration Committee.

Details of Directors' membership of each committee and those eligible members' attendance at meetings throughout the period from 1 January 2022 to 31 December 2022 are set out below.

During the period, 3 meetings of directors were held. Attendances by each director during the period were as follows:

Directors	Directors' Meetings		Audit & Risk		Nomination & Remuneration	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Gernot Abl	3	3	2	2	2	2
Christopher Bergstresser	3	3	1	1	-	-
George Lazarou	3	3	2	2	2	2
Kate Vale *	3	3	1	1	2	2

* Ms Vale was the Chairperson of the Audit and Risk committee and the Nomination and Remuneration Committee up to her date of resignation on 19 August 2022

DIRECTORS' REPORT (Continued)**9. FUTURE DEVELOPMENTS**

The Company continues to assess opportunities and conduct diligence on profitable video gaming companies under its buy and build strategy, this includes actively assessing the application of the esports tournament platform, as well as assessing all inbound opportunities and potential acquisitions which would serve to increase shareholder value.

10. ENVIRONMENTAL ISSUES

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

11. OPTIONS

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number of Options
30 November 2023	\$0.01	160,000,000

482,000,000 options expired during the year.

12. INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Company has paid premiums to insure each Director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity of Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The total amount of premiums paid was \$75,488.

13. PROCEEDINGS ON BEHALF OF COMPANY

There are no proceedings on behalf of the company for the year ended 31 December 2022.

14. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 18 of the annual report.

15. NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Moore Australia. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

DIRECTORS' REPORT (Continued)**15. NON-AUDIT SERVICES (Continued)**

Moore Australia received or are due to receive the following amounts for the provision of non-audit services:

	2022	2021
	\$	\$
Tax compliance & consultancy	-	-
	-	-

16. DIVERSITY

The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice and is committed to managing diversity as a means of enhancing the Company's performance. The Company will continue to focus on participation of women on its Board and within senior management and has set measurable objectives for achieving gender diversity.

Gender diversity objectives for the employment of women are as follows:

- to the Board – currently no women appointed aim is at least 33% by the end of 2024
- to senior management (including board and company secretary) – 40% by the end of 2024
- to the organisation as a whole – 40% by the end of 2024

As at the date of this report, the Company has the following proportion of women appointed:

- to the Board – 0%
- to senior management (including board and company secretary) – 0%
- to the organisation as a whole – 0%

17. REMUNERATION REPORT - AUDITED**Details of key management personnel**

The following persons were directors of the Company during the financial year unless otherwise stated:-

Mr Gernot Abl	– Non Executive Chairman
Mr Christopher Bergstresser	– Executive Director
Mr George Lazarou	– Non-Executive Director
Mrs Kate Vale	– Independent Non-Executive Director (resigned on 19 August 2022)

Remuneration Policy

The remuneration policy of the Group has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the Group.

DIRECTORS' REPORT (Continued)

17. REMUNERATION REPORT – AUDITED (Continued)

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows: -

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 10%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using a binomial option pricing method or Black Scholes model.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties, and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$350,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration

The Group has shared based and performance-based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and director's and executive's remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This will be facilitated through the issue of options and performance rights to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Group believes the policy will be effective in increasing shareholder wealth.

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)****Compensation of key management personnel for the period ended 31 December 2022**

	Short-Term Benefits	Short-Term Benefits	Post-Employment Benefits	Share-Based Payments		Value of equity as Proportion of remuneration
	Salary and Fees	Consulting Fees³	Superannuation	Equity	Total	
	\$	\$	\$	\$	\$	%
Directors						
Gernot Abl	90,000	53,485	9,225	60,000	212,710	28.20
Kate Vale ¹	-	-	-	45,677	45,677	100
George Lazarou	60,000	-	6,180	-	66,180	-
Christopher Bergstresser	54,000	86,705	-	78,000	218,705	35.66
Executives						
James Clyne (CFO) ²	105,472	-	-	-	105,472	-
Total	309,472	140,190	15,405	183,677	648,744	

¹ Kate Vale resigned as Director on 19 August 2022.

² James Clyne receives his fees through Dillon Clyne (formerly: Clyne Partners)

³ Consulting fees have ceased as of 31 December 2022

Compensation of key management personnel for the period ended 31 December 2021

	Short-Term Benefits	Post-Employment Benefits	Share-Based Payments		Value of equity as Proportion of remuneration
	Salary and Fees	Superannuation	Equity	Total	
	\$	\$	\$	\$	%
Directors					
Gernot Abl	90,000	8,775	4,839	103,614	4.67
Cameron Adams ¹	20,818	2,022	52,560	75,400	69.71
Kate Vale	-	-	72,000	72,000	100
George Lazarou ²	6,545	655	-	7,200	-
Christopher Bergstresser ³	-	-	15,606	15,606	100
Executives					
Michael Rubinelli (CEO) ⁴	339,863	-	191,250	531,113	36.01
James Clyne (CFO) ⁵	110,610	-	-	110,610	-
Total	567,836	11,452	336,255	915,543	

¹ Cameron Adams resigned as Director on 11 November 2021

² George Lazarou was appointed as Director on 11 November 2021

³ Christopher Bergstresser was appointed as Director on 11 November 2021

⁴ Michael Rubinelli resigned as CEO on 15 December 2021

⁵ James Clyne receives his fees through Dillon Clyne (formerly: Clyne Partners)

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)****Equity issued as part of remuneration**

During the financial year ended 31 December 2022, the following equity was issued as part of remuneration to Key Management Personnel:

- 30,403,147 fully paid ordinary shares
- 1,406,250 fully paid ordinary shares as a result of Performance Rights conversion

For details on the valuation of the above equities, including models and assumptions used, please refer to Note 27. There were no alterations to the terms and conditions of any securities granted as remuneration since their grant date.

Remuneration policy of key management personnel

The objective of the Group's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Non-Executive Directors

The constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in a general meeting (currently \$350,000). The Chairman's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market. The remuneration policy has been tailored to increase goal congruence between shareholders and Directors. This will be facilitated through the issue of free options to Directors to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing wealth.

Directors' fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)****Service Agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:-

Name:	Gernot Abl
Title:	Non-Executive Chairman (from 1 January 2023) Executive Chairman (20 December 2021 to 31 December 2022)
Agreement Commenced:	10 September 2020 (as Non-Executive Chairman) 20 December 2021 (as Executive Chairman)
Agreement Updated:	24 June 2022 (as Executive Chairman)
Term of Agreement:	Subject to re - election every 3 years
Details:	Director Fees of \$90,000 plus superannuation per annum, to be reviewed annually by the Board.

The Company entered into a consultancy agreement with Mr Abl to fulfil the role of Executive Chairman, effect from 20 December 2021. The Company paid Mr Abl \$10,000 per month (\$60,000 in total) in addition to his Director fees via the issue of 10,000,000 fully paid ordinary shares (deemed issued price of \$0.006) as approved by shareholders at the AGM on 25 May 2022. A variation to the consultancy agreement was made on 24 June 2022, extending the consultancy agreement until 31 December 2022, with a reduced rate of \$7,500 per month paid in cash.

Name:	Christopher Bergstresser
Title:	Independent Non-Executive Director (from 11 November 2021 to 14 December 2021) Executive Director (from 15 December 2021)
Agreement Commenced:	11 November 2021 (Non-Executive Director) & 15 December 2021 (Executive Director)
Agreement Updated :	24 June 2022 (as Executive Director)
Term of Agreement:	Subject to re - election every 3 years
Details	Director Fees of \$72,000 plus superannuation (if applicable) per annum, subject to annual review by the Board of the Company, paid in shares and approved at the AGM on 25 May 2022.

A Letter of Variation was entered into by the Company with Mr Bergstresser's to pay Director Fees from 1 April 2022 in cash.

The Company entered into a consultancy agreement with Mr Bergstresser to under the role of Executive Director, effect from 15 December 2021. The Company paid Mr Bergstresser \$10,000 per month (\$60,000 in total) in addition to his Director fees via the issue of 10,000,000 fully paid ordinary shares (deemed issued price of \$0.006) as approved by shareholders at the AGM on 25 May 2022. A variation to the consultancy agreement was made on 24 June 2022, extending the consultancy agreement to a monthly basis with a one month termination period at \$10,000 per month paid in cash.

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)**

Name: George Lazarou
 Title: Non-Executive Director
 Agreement
 Commenced: 11 November 2021
 Agreement
 Updated: 24 June 2022
 Term of
 Agreement: Subject to re - election every 3 years
 Details: Director Fees of \$72,000 plus superannuation per annum effective from 1 July 2022, to be reviewed annually by the Board.

The Company also has an Agreement with Citadel Capital Pty Ltd (Mr George Lazarou is a Director and Shareholder) for the provision of Company Secretarial services by Mr George Lazarou at a fixed fee of \$5,000 plus GST per month, with a 2 month termination period.

Name: Kate Vale
 Title: Independent Non-Executive Director
 Agreement
 Commenced: 1 August 2020 (resigned 19 August 2022)
 Term of
 Agreement: Subject to re - election every 3 years
 Details: Director Fees of \$72,000 plus superannuation (if applicable) per annum, subject to annual review by the Board of the Company.

The Company will accrue and not pay in cash all of the Director Fees of \$72,000.

Prior to each Annual General Meeting of the Company, the Board of Directors may elect to seek shareholder and regulatory approval for the accrued Director Fees to be paid by the issuance of the equal value of fully paid ordinary shares in the Company to Ms Vale or her nominee. The issue price will be calculated on a monthly basis at the monthly Volume Weighted Average Price (VWAP) for the month in which the accrued Director Fees is to be paid. If the shares are not issued to Ms Vale or her nominee, the Board of Directors must pay the accrued Director Fees in cash.

Name: James Clyne
 Title: Chief Financial Officer (CFO)
 Agreement
 Commenced: 19 May 2020
 Term of
 Agreement: Continue until terminated in accordance with the agreement
 Details: The Company has an Agreement with Dillon Clyne (formerly: Clyne Partners Chartered Accountants) where Mr James Clyne is a Director and Shareholder for the provision of Chief Financial Officer services by Mr James Clyne at a fixed fee of \$90,000 plus GST per year

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)****Retirement benefits**

Other retirement benefits may be provided directly by the Group if approved by shareholders.

Shareholdings of key management personnel

2022	Balance at 1 January 2022	Holding on Date of Appointment	Bought & (Sold)²	Holding on Date of Resignation	Balance at 31 December 2022
Gernot Abl	26,875,000		11,406,250	-	38,281,250
Kate Vale ¹	1,946,938	-	7,067,333	9,014,271	-
George Lazarou	-	-	-	-	-
Christopher Bergstresser	-	-	13,335,814	-	13,335,814
James Clyne	-	-	-	-	-
	<u>28,821,938</u>	<u>-</u>	<u>31,809,397</u>	<u>9,014,271</u>	<u>51,617,064</u>

¹ Kate Vale resigned on 19 August 2022

² Issue of shares in lieu of Director Fees or Consultancy Fees and exercise of performance rights

2021	Balance at 1 January 2021	Holding on Date of Appointment	Bought & (Sold)⁵	Holding on Date of Resignation	Balance at 31 December 2021
Gernot Abl	25,000,000	-	1,875,000	-	26,875,000
Cameron Adams ¹	2,004,053	-	3,110,925	(5,114,978)	-
Kate Vale	-	-	1,946,938	-	1,946,938
Michael Rubinelli ²	-	-	-	-	-
George Lazarou ³	-	-	-	-	-
Christopher Bergstresser ⁴	-	-	-	-	-
James Clyne	-	-	-	-	-
	<u>27,004,053</u>	<u>-</u>	<u>6,932,863</u>	<u>(5,114,978)</u>	<u>28,821,938</u>

¹ Cameron Adams resigned on 11 November 2021

² Michael Rubinelli resigned as Director on 15 December 2021

³ George Lazarou was appointed on 11 November 2021

⁴ Christopher Bergstresser was appointed on 11 November 2021

⁵ Issue of shares in lieu of Director Fees and exercise of performance rights

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)****Option holdings of key management personnel**

The movement during the reporting period in the number of options over ordinary shares in Mogul Games Group Ltd held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

2022	Balance at 1 January 2022	Holding on Date of Appointment	Expired	Issued	Holding at Date of Resignation	Balance at 31 December 2022	Total Vested at 31 December 2022	Total Exercisable at 31 December 2022
Gernot Abl	2,500,000	-	(2,500,000)	-	-	-	-	-
Kate Vale ¹	-	-	-	-	-	-	-	-
George Lazarou	-	-	-	-	-	-	-	-
Christopher Bergstresser	-	-	-	-	-	-	-	-
James Clyne	-	-	-	-	-	-	-	-
	2,500,000	-	(2,500,000)	-	-	-	-	-

¹ Kate Vale resigned on 19 August 2022

2021	Balance at 1 January 2021	Holding on Date of Appointment	Expired	Issued	Holding at Date of Resignation	Balance at 31 December 2021	Total Vested at 31 December 2021	Total Exercisable at 31 December 2021
Gernot Abl	2,500,000	-	-	-	-	2,500,000	-	2,500,000
Cameron Adams ¹	-	-	-	-	-	-	-	-
Kate Vale	-	-	-	-	-	-	-	-
Michael Rubinelli ²	-	-	-	-	-	-	-	-
George Lazarou ³	-	-	-	-	-	-	-	-
Christopher Bergstresser ⁴	-	-	-	-	-	-	-	-
James Clyne	-	-	-	-	-	-	-	-
	2,500,000	-	-	-	-	2,500,000	-	2,500,000

¹ Cameron Adams resigned on 11 November 2021

² Michael Rubinelli resigned as Director on 15 December 2021

³ George Lazarou was appointed on 11 November 2021

⁴ Christopher Bergstresser was appointed on 11 November 2021

Performance Rights holdings of key management personnel

The movement during the reporting period in the number of performance rights in Mogul Games Group Ltd held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

2022	Balance at 1 January 2022	Holding on Date of Appointment	Issued	Lapsed	Exercised	Balance at 31 December 2022	Total Vested at 31 December 2022	Total Exercisable at 31 December 2022
Gernot Abl	23,125,000	-	-	(21,718,750)	(1,406,250)	-	-	-
Kate Vale ¹	-	-	-	-	-	-	-	-
George Lazarou	-	-	-	-	-	-	-	-
Christopher Bergstresser	-	-	-	-	-	-	-	-
James Clyne	-	-	-	-	-	-	-	-
	23,125,000	-	-	(21,718,750)	(1,406,250)	-	-	-

¹ Kate Vale resigned on 19 August 2022

DIRECTORS' REPORT (Continued)**17. REMUNERATION REPORT (Continued)****Performance Rights holdings of key management personnel (continued)**

2021	Balance at 1 January 2021	Holding on Date of Appointment	Issued	Lapsed	Holding at Date of Resignation	Balance at 31 December 2021	Total Vested at 31 December 2021	Total Exercisable at 31 December 2021
Gernot Abl	-	-	25,000,000	-	(1,875,000)	23,125,000	468,750	468,750
Cameron Adams ¹	-	-	-	-	-	-	-	-
Kate Vale	-	-	-	-	-	-	-	-
Michael Rubinelli ²	120,000,000	-	-	(107,250,000)	(12,750,000)	-	-	-
George Lazarou ³	-	-	-	-	-	-	-	-
Christopher Bergstresser ⁴	-	-	-	-	-	-	-	-
James Clyne	-	-	-	-	-	-	-	-
	120,000,000	-	25,000,000	(107,250,000)	(14,625,000)	23,125,000	468,750	468,750

¹ Cameron Adams resigned on 11 November 2021

² Michael Rubinelli resigned as Director on 15 December 2021

³ George Lazarou was appointed on 11 November 2021

⁴ Christopher Bergstresser was appointed on 11 November 2021

Signed in accordance with a resolution of the Board of Directors.



Gernot Abl
Non-Executive Chairman

Dated this 22nd day of February 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MOGUL GAMES GROUP LTD & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



GEORGE S DAKIS
Partner
Audit and Assurance

Melbourne, Victoria

22 February 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue from continuing operations	2	6,532	264,305
Other income	2a	93,108	102,522
Administration expenses		(161,836)	(599,953)
Amortisation expense		(253,676)	(610,756)
Compliance & professional expenses		(1,698,656)	(769,378)
Cost of sales		53	(116)
Depreciation expense	11	(10,932)	(3,892)
Employee benefits	3	(435,966)	(3,648,518)
Finance costs		(1,170)	(14,748)
Foreign exchange loss		8,925	(12,458)
Gain/(Loss) on sale of assets		(175)	-
Impairment on intangibles	12	(1,014,703)	(1,433,039)
Marketing & promotional		(52,078)	(66,022)
Occupancy		(34,496)	-
Tournament operations		(65,323)	(251,049)
Travel expenses		(1,100)	(82,909)
		(3,621,493)	(7,126,011)
Loss before income tax expense		(3,621,493)	(7,126,011)
Income tax expense	4	-	-
Total comprehensive loss for the period		(3,621,493)	(7,126,011)
Basic and diluted earnings per share (cents per share)	20	(0.10)	(0.20)

The Company's potential ordinary shares were not considered dilutive as the Company is in a loss position.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	7	3,699,438	5,132,442
Trade & other receivables	8	17,560	75,535
Other assets	9	4,486	155,823
TOTAL CURRENT ASSETS		3,721,484	5,363,800
NON-CURRENT ASSETS			
Plant and equipment	11	-	4,663
Intangibles	12	-	1,268,379
TOTAL NON-CURRENT ASSETS		-	1,273,042
TOTAL ASSETS		3,721,484	6,636,842
CURRENT LIABILITIES			
Trade and other payables	13	574,087	268,563
Provisions	14	-	9,230
TOTAL CURRENT LIABILITIES		574,087	277,793
TOTAL LIABILITIES		574,087	277,793
NET ASSETS		3,147,397	6,359,049
EQUITY			
Issued capital	15	47,228,310	46,992,642
Reserves	16	12,163,709	11,989,536
Accumulated losses	17	(55,948,701)	(52,327,208)
Acquisition Reserve- Controlling Interest		(295,921)	(295,921)
TOTAL EQUITY		3,147,397	6,359,049

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Issued Capital	Accumulated Losses	Option Reserve	Share Based Payments Reserve	Acquisition Reserve- Controlling Interest	Total
	\$	\$	\$	\$		\$
Balance at 1 January 2022	46,992,642	(52,327,208)	8,068,551	3,920,985	(295,921)	6,359,049
<i>Total comprehensive income for the year</i>						
Loss for the period	-	(3,621,493)	-	-	-	(3,621,493)
Other comprehensive income	-	(3,621,493)	-	-	-	(3,621,493)
<i>Transaction with owners in their capacity as owners:</i>						
Issue of shares on exercise of performance rights	-	-	-	-	-	-
Issue of share-based payments	235,668	-	-	174,173	-	409,841
Reclassification of free attaching options – cap raising	-	-	-	-	-	-
Balance at 31 December 2022	47,228,310	(55,948,701)	8,068,551	4,095,158	(295,921)	3,147,397

	Issued Capital	Accumulated Losses	Option Reserve	Share Based Payments Reserve	Acquisition Reserve- Controlling Interest	Total
	\$	\$	\$	\$		\$
Balance at 1 January 2021	45,619,522	(45,201,197)	7,730,227	2,307,226	(295,921)	10,159,857
<i>Total comprehensive income for the year</i>						
Loss for the period	-	(7,126,011)	-	-	-	(7,126,011)
Other comprehensive income	-	(7,126,011)	-	-	-	(7,126,011)
<i>Transaction with owners in their capacity as owners:</i>						
Issue of shares – capital raising (net of expenses)	1,588,000	-	-	-	-	1,588,000
Issue of share-based payments	105,120	-	18,324	1,613,759	-	1,737,203
Reclassification of free attaching options – cap raising	(320,000)	-	320,000	-	-	-
Balance at 31 December 2021	46,992,642	(52,327,208)	8,068,551	3,920,985	(295,921)	6,359,049

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities			
- Receipts from customers		23,448	314,302
- Interest received		6,532	2,531
- Payments to suppliers and employees		(1,558,748)	(3,707,512)
- Payment of rent bond		-	-
- Receipt of government grant and tax incentives		93,108	212,548
<i>Net cash used in operating activities</i>	21 (a)	<u>(1,435,660)</u>	<u>(3,178,131)</u>
Cash Flows from Investing Activities			
- Payment for plant and equipment		(6,268)	(1,492)
- Payment for intangibles		-	(1,379,055)
- Proceeds from sale of investments		-	43,846
<i>Net cash used in investing activities</i>		<u>(6,268)</u>	<u>(1,336,701)</u>
Cash Flows from Financing Activities			
- Proceeds from issue of shares		-	1,600,000
- Payments for cost of issue of shares		-	(73,320)
<i>Net cash provided by financing activities</i>		<u>-</u>	<u>1,526,680</u>
Net increase/(decrease) in cash and cash equivalents held		(1,441,928)	(2,988,152)
Cash and cash equivalents at beginning of financial period		5,132,442	8,133,052
Effect of movement in exchange rates on cash held		<u>8,924</u>	<u>(12,458)</u>
Cash and cash equivalents at end of financial period	21 (b)	<u>3,699,438</u>	<u>5,132,442</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Mogul Games Group Ltd (the "Company") is a Company domiciled in Australia and listed on the ASX.

The consolidated financial statements of the Company as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The principal activities of the Group primarily are an esports media and software business. At its core is the mogul.gg tournament platform technology – a tournament and matchmaking platform with automation for major esports titles.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for profit oriented entities. The consolidated financial report of the Group comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Board of Directors on 22nd February 2023.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value
- liabilities for cash-settled share-based payment arrangements are measured at fair value

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Use of Estimates and Judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using either a binomial option pricing model or Black Scholes Model.

Income Tax Expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

Fair Value Measurement

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. The fair values of financial instruments measured at amortised cost are disclosed in Note 28. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g., when the entity acquires a business, or where an entity measures the recoverable amount of an asset or cash-generating unit (CGU) at fair value less costs of disposal.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

Going concern

The consolidated financial statement has been prepared on a going concern basis, which assumes the continuity of normal business activities and the settlement of liabilities in the normal course of business. During the year ended 31 December 2022 the Group incurred net loss after tax of \$3,621,493 (2021: loss of \$7,126,011). In determining that the going concern basis is appropriate, the directors have had regard to: - the Group's ability to raise equity; - Current Assets exceeds all Liabilities by \$3.147m. The Group's ability to continue to operate as a going concern is dependent upon these items. Should these events not occur as anticipated, the Group may not be able to pursue its business objectives and will have difficulty continuing to operate as a going concern, including realising its assets and extinguishing its liabilities at the amounts shown in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mogul Games Group Ltd ('company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the year then ended. Mogul Games Group Ltd and its subsidiaries together are referred to in these financial statements as the 'group entity'.

Subsidiaries are all those entities over which the parent entity is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect returns through its power over the entity, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the group entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the group entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the group entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument, is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(d) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity are not in the profit or loss in the statement of comprehensive income.

(e) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Impairment

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the profit or loss in the statement of comprehensive income in the cost of sales line item.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets vary from 40% to 50%.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(g) Earnings Per Share

Basic earnings per share (“EPS”) is calculated by dividing the net loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated as net loss attributable to members, adjusted for, costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Group has concluded that it is the principal in all of its revenue arrangements, since it is the primary obligator in all revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants that compensate the Group for expenses incurred are recognised in profit or loss; within 'Other income'; on a systematic basis in the periods in which the expenses are recognised. Note 2 provides further information on government grants.

Interest income

Interest income is accrued when earned.

Licensing Fee Revenue

License fee revenue comprises of fees for service to provide tournament hosting to clients. Clients would pay on account at agreed completed milestones throughout the engagement.

Other Revenue

Other revenue comprises of revenue that is not license fee revenue and not considered normal business activity. Examples include the sale of assets and government grants.

(i) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics. All impairment losses are recognised either in the profit or loss in the statement of comprehensive income or revaluation reserves in the period in which the impairment arises.

Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held as financial assets at fair value through profit and loss, are measured at fair value. Gains or losses on investments held as financial assets at fair value are recognised in the profit or loss in the statement of comprehensive income.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date.

(m) Intangible Assets

Licences

Licences that the Company acquires are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the term of the licence. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

Software under development and acquired

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and services and employee costs.

Assets in the course of construction include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset.

Other licences that the Company acquires are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

The Razer license fee is amortised over a useful life of 2 years and has been fully amortised. The Mogul Platform is amortised over a useful life of 5 years.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(p) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(q) Share-Based Payment Transactions

The Company provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using either the binomial option pricing model or Black Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Issued Capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(s) Trade and Other Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Company's credit risk exposure is located in Australia.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor (where applicable) and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two or more years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

(t) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

(u) Fair Value Measurement

Fair values of financial instruments measured at fair value through profit and loss are disclosed in Note 28.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which value measured or disclosed in the financial statements are categorised within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board determines the policies and procedures for both recurring fair value measurement, such as derivatives, and non-recurring measurement, such as impairment tests.

At each reporting date, the Board analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed as per the Group's accounting policies. For this analysis, the Board verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents

The Board also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(v) New and amended accounting standards adopted by the Group

The Group has adopted all standards which became effective for the first time at 31 December 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

2. REVENUE FROM CONTINUING ACTIVITIES	2022	2021
	\$	\$
License income	-	260,837
Fees charged on withdrawals	-	1,126
Subscriptions	-	(189)
Interest received	6,532	2,531
	<u>6,532</u>	<u>264,305</u>
2a. OTHER INCOME		
Government Grants	-	17,500
EDMG Grant	93,108	41,175
Proceeds from sale of assets	-	43,846
	<u>93,108</u>	<u>102,522</u>
3. EXPENSES		
Loss has been determined after the following specific expenses:		
- Auditing or reviewing the financial report	53,625	43,264
- Depreciation	10,932	3,892
- Amortisation	253,676	610,756
Employee benefits expense:		
- Annual leave	(9,231)	4,102
- Director's fees	122,177	150,630
- Recruitment	-	54,188
- Share based payments	135,940	1,679,029
- Superannuation	15,405	15,478
- Wages	171,675	1,745,091
	<u>435,966</u>	<u>3,648,518</u>
Impairment:		
- Impairment on intangibles	1,014,703	1,433,039
	<u>1,014,703</u>	<u>1,433,039</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

4. INCOME TAX

(a) The components of tax expense comprise:	2022	2021
	\$	\$
Current income tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	2022	2021
	\$	\$
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2021: 26%) from continuing operations	(905,373)	(1,959,653)
Add tax effect of:		
- Other non-allowable items	39,006	450,521
- Revenue losses not recognised	1,206,045	1,534,192
- Other deferred tax balances not recognised	(339,678)	(25,060)
- Other non-assessable items	-	-
	<hr/>	<hr/>
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income from continuing operations	-	-
	<hr/>	<hr/>
(c) Unrecognised deferred tax assets at 25% (2021: 26%) (Note 1):	2022	2021
	\$	\$
Carried forward revenue losses	8,229,606	8,404,917
Carried forward capital losses	3,225,306	3,541,332
Capital raising costs	82,900	124,193
Provisions and accruals	22,540	24,044
Financial investments	-	-
Impairment of Asset	647,762	394,086
	<hr/>	<hr/>
	12,208,114	12,488,572
	<hr/>	<hr/>
(d) The tax benefits of the above Deferred Tax Assets will only be obtained if:		
(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;		
(ii) the Group continues to comply with the conditions for deductibility imposed by law; and		
(iii) no changes in income tax legislation adversely affect the Group in utilising benefits.		

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

4. INCOME TAX (Continued)

(e) Tax Consolidation

Mogul Games Group Ltd and its wholly owned Australian resident subsidiaries formed a tax consolidated group with effect from 5 February 2014. Mogul Games Group Ltd is the head entity of the tax consolidated group.

Note 1 - the corporate tax rate for eligible companies has reduce from 26% to 25% for the financial year ended 31 December 2022 and future years providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

	2022	2021
	\$	\$
5. AUDITOR'S REMUNERATION		
Remuneration of the auditor Moore Australia:		
Auditing and reviewing the financial statements of Group	60,294	43,264

6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the year. No recommendation for payment of dividends has been made.

	2022	2021
	\$	\$
7. CASH AND CASH EQUIVALENTS		
Current		
Cash at bank and on hand	3,699,438	5,132,442

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

8. TRADE AND OTHER RECEIVABLES	2022	2021
	\$	\$
Current		
Trade receivables ¹	-	23,448
GST receivable	17,560	52,087
	<u>17,560</u>	<u>75,535</u>
 ¹ <i>Aging of gross carrying amounts due</i>		
0-30 days	-	-
30-60 days	-	23,448
60-90 days	-	-
90+ days	-	-
Total	<u>-</u>	<u>23,448</u>

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Company's credit risk exposure is located in Australia.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor (where applicable) and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two or more years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

The Company does not currently hold any collateral as security.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

9. OTHER ASSETS

	2022	2021
	\$	\$
Current		
Prepayments	4,486	7,885
Bond on office rental	-	31,753
Amex	-	116,185
	4,486	155,823

10. INTERESTS IN CONTROLLED ENTITIES

(a) Controlled entities consolidated

The consolidated financial statements incorporate the assets, liabilities, and the results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding*		Investment(\$)	
			2022	2021	2022	2021
eSports Nominees Pty Ltd	Australia	Ordinary	100%	100%	-	-
SEA Esports Pte Ltd	Singapore	Ordinary	100%	100%	95	95
GameGeek Pte Ltd	Singapore	Ordinary	100%	100%	-	-
eSports Mogul LLC	United States	Ordinary	100%	100%	-	-
					95	95

* Percentage of voting power is in proportion to ownership.

On 15 June 2022, the Company incorporated Mogul Games Group (UK) Limited which domiciles in the United Kingdom for initial share capital of \$175 for 100% of the issued capital. On 20 December 2022, the Company sold its entire shareholding in Mogul Games Group (UK) Limited to Mr Christopher Bergstresser for nil consideration.

11. PLANT AND EQUIPMENT

	2022	2021
	\$	\$
Office Equipment		
At cost	42,012	35,743
Accumulated depreciation	(42,012)	(31,080)
Total	-	4,663

Movements in carrying amounts

<i>Office Equipment</i>		
Carrying amount at beginning of reporting period	4,663	7,064
Additions	6,269	1,491
Disposals	-	-
Depreciation expense	(10,932)	(3,892)
Carrying amount at end of reporting period	-	4,663

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

12. INTANGIBLES

	2022	2021
Non-Current	\$	\$
Mogul Platform		
Razer licence fee – at cost ¹	271,712	271,712
Accumulated amortisation	(271,712)	(271,712)
WDV Razer	-	-
Mogul platform – at cost ²	3,879,455	3,879,455
Accumulated amortisation	(1,431,713)	(1,178,037)
Accumulated impairment	(2,447,742)	(1,433,039)
WDV Mogul	-	1,268,379
Total cost	4,151,166	4,151,166
Total accumulated amortisation	(1,703,424)	(1,449,748)
Total impairments	(2,447,742)	(1,433,039)
WDV	-	1,268,379

¹ The licence fee relates to the Razer (Asia-Pacific) Pte Ltd Tournament Platform, that has subsequently been renamed “Mogul” and ran for an initial 2-year period. The license fee has been fully amortised.

² Relates to costs associated with building out the Mogul Platform with additional functionality, games, etc. The Group is amortising the costs over a period of 5 years. The Mogul Platform has been fully impaired as at 31 December 2022. The impairment was assessed in relation to the trading performance of the Tournament Platform during the financial year and the assessment of the value of the platform under the guidance of relevant accounting standards. As there is no cashflow of contracts in place for future cash flow the platform has been impaired to nil.

13. TRADE AND OTHER PAYABLES

	2022	2021
Current (unsecured)	\$	\$
Trade creditors ¹	446,262	66,771
Other creditors & accruals ²	127,825	201,792
	574,087	268,563

Terms and conditions relating to the above financial instruments.

- 1. Trade creditors are non-interest bearing and generally on 30 day terms.*
- 2. Other creditors are non-interest bearing have no fixed repayment terms.*

For further details refer to note 19 Financial Instruments.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

14. PROVISIONS	2022	2021
	\$	\$
Current		
Employee benefits	-	9,231
There are currently three employees and five contractors in the company. Of the nine people three of them are Directors of the company		
15. ISSUED CAPITAL	2022	2021
	\$	\$
(2022: 3,263,441,204) fully paid ordinary shares	47,228,310	46,992,642
(a) Movements in fully paid ordinary shares on issue	2022	
	\$	Number
At the beginning of the reporting period	46,992,642	3,221,993,962
Shares issued during the period:		
Issue of shares on exercise of performance rights	-	2,531,250
Issue of shares to employee under their employment agreement	7,026	2,341,918
Issue of shares to directors in lieu of remuneration	88,625	13,062,169
Issue of shares to consultants in lieu of consulting fees	140,017	23,511,905
Balance at 31 December 2022	<u>47,228,310</u>	<u>3,263,441,204</u>
	2021	
	\$	Number
At the beginning of the reporting period	45,619,522	2,877,166,328
Shares issued during the period:		
Issue of shares on exercise of performance rights	-	14,625,000
Issue of shares to employee under their employment agreement	-	5,144,771
Issue of shares to directors in lieu of remuneration	105,120	5,057,863
Capital raising – placement	1,600,000	320,000,000
Reclass of free attaching options from issued capital to options reserve	(320,000)	-
Capital raising costs	(12,000)	-
Balance at 31 December 2021	<u>46,992,642</u>	<u>3,221,993,962</u>

(b) Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholder's meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands. These fully paid ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

15. ISSUED CAPITAL (Continued)

(c) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being an eSports media software business, it does not have ready access to credit facilities, with the primary source of funding being equity raisings, given the early stage of its business. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet the building of its eSports media and software business and general corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is not subject to any externally imposed capital requirements.

16. RESERVES	2022	2021
	\$	\$
OPTION RESERVES		
160,000,000 (2021: 642,000,000) options	8,068,551	8,068,551
	2022	
(a) Movements in listed options on issue:	\$	Number
<i>Options</i>		
At the beginning of the reporting period	8,068,551	642,000,000
Options issued during the period:		
Expiry of listed options	-	(482,000,000)
Balance at 31 December 2022	<u>8,068,551</u>	<u>160,000,000</u>
	2021	
	\$	Number
<i>Options</i>		
At the beginning of the reporting period	7,730,227	847,150,000
Options issued during the period:		
Free attaching options issued as part of capital raising to subscribers	320,000	160,000,000
Expense as part of Employee Incentive Plan	18,324	-
Expiry of unlisted options	-	(340,150,000)
Cancellation of employee options	-	(25,000,000)
Balance at 31 December 2021	<u>8,068,551</u>	<u>642,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

16. RESERVES (Continued)

(b) Terms of Options

At the end of reporting period, there are 160,000,000 options over unissued shares as follows:

Expiry Date	Exercise Price	Number of Options
30 November 2023	\$0.01	160,000,000
		<u>160,000,000</u>

SHARE BASED PAYMENTS RESERVE	2022	2021
	\$	\$
Share based payments at the beginning of the reporting period	3,920,985	2,307,226
Employee equity settled transactions (refer note 23)	<u>174,173</u>	<u>1,613,759</u>
Share based payments at the end of the reporting period	<u>4,095,158</u>	<u>3,920,985</u>

17. ACCUMULATED LOSSES

	2022	2021
	\$	\$
Accumulated losses at the beginning of the reporting period	(52,327,208)	(45,201,197)
Net loss attributable to members	<u>(3,621,493)</u>	<u>(7,126,011)</u>
Accumulated losses at the end of the reporting period	<u>(55,948,701)</u>	<u>(52,327,208)</u>

18. RELATED PARTY DISCLOSURES

(a) Parent entity

The ultimate parent entity within the Group is Mogul Games Group Ltd.

(b) Intercompany transactions

Loans

Mogul Games Group Ltd has provided an unsecured, interest free loan to its wholly owned subsidiary, eSports Nominees Pty Ltd totalling \$1,741,366 (2021: \$1,740,190) at reporting date. The Company has made a provision for impairment against the loan of \$1,741,366 (2021: \$1,740,190) during the year ended 31 December 2022. There were no repayments (2021: \$42,746) made during the year. This loan can be recalled on demand.

Mogul Games Group Ltd has provided an unsecured, interest free loan to its wholly owned subsidiary, SEA Esports Pte Ltd totalling \$9,045,164 (2021: \$9,024,599) at reporting date. The Company has made a provision for impairment against the loan of \$9,045,164 (2021: \$9,024,599) during the year ended 31 December 2022. There were no repayments made during the year. This loan can be recalled on demand.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

18. RELATED PARTY DISCLOSURES (Continued)

Mogul Games Group Limited has provided an unsecured, interest free loan to its wholly owned subsidiary GameGeek Pte Ltd totalling \$242,548 (2021: \$236,764) at reporting date. The Company has made a provision for impairment against the loan of \$242,548 (2021: \$236,764) during the year ended 31 December 2022. There were no repayments made during the year. This loan can be recalled on demand.

(c) Loans to key management personnel

There was no loan to key management personnel for the financial year ended 31 December 2022.

(d) Executive Agreements

Mr Gernot Abl

On 20 December 2021, the Company entered into a Consultancy Agreement with Mr Abl as Executive Chairman of Mogul Games Group Ltd – specifically in relation to the execution against the buy-and-build strategy. Pursuant to the term of the Agreement, Mr Abl was paid \$10,000 per month in addition to his director fees via the issue of 1,666,666 fully paid ordinary shares (deemed issued price of \$0.006) in the Company per month (10,000,000 fully paid ordinary over initial 6 months period of the consultancy agreement), which was approved at the AGM of shareholders on 25 May 2022.

On 24 June 2022, the Company varied the Consultancy Agreement with Mr Abl's to amend the remuneration to \$7,500 per month, paid in cash, and an end date of 31 December 2022.

Payments totalling \$53,485 (2021: \$Nil) were also made to CSNA Pty Ltd ATF CGL Trust, an entity of which Mr Abl is a beneficiary, for services provided by Mr Abl in relation to consulting services.

For the year ended 31 December 2022:

- \$99,225 including statutory superannuation (2021: \$98,775) was paid to Mr Abl for Director Fees,
- \$53,485 (2021: \$Nil) excluding GST in consultancy fees were paid to CSNA Pty Ltd ATF CGL Trust, an entity in which Mr Abl is a beneficiary; and
- 10,000,000 fully paid ordinary shares were issued at \$0.006 per share as consulting fees to Mr Abl, as approved at the AGM of shareholders held on 25 May 2022.

Either Mr Abl or the Company may terminate the Consultancy Agreement at any time in writing, with one month's notice.

Mr Christopher Bergstresser

On 15 December 2021, The Company entered into a Consultancy Agreement with Mr Bergstresser as Executive Director – specifically in relation to the execution against the buy-and-build strategy. Pursuant to the term of the Consultancy Agreement, Mr Bergstresser was paid \$10,000 per month (\$60,000 in total) in addition to his Director fees via the issue of 1,666,666 fully paid ordinary shares (deemed issued price of \$0.006) in the Company per month (10,000,000 fully paid ordinary shares in total over the initial 6 months period of the consultancy agreement), which was approved at the AGM of shareholders on 25 May 2022.

On 24 June 2022, the Company varied the Consultancy Agreement to continue on a monthly basis and agreed to pay the monthly remuneration in cash.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

18. RELATED PARTY DISCLOSURES (Continued)

Payments totalling \$86,705 (2021: \$Nil) were also made to Mr Bergstresser for services provided by Mr Bergstresser in relation to consulting services.

For the year ended 31 December 2022:

- \$140,705 (2021: \$Nil) was paid to Mr Bergstresser as Director and consultancy fees;
- 7,067,333 fully paid ordinary shares were issued at \$0.0058 per share as Director fees to Mr Bergstresser, as approved at the AGM of shareholders held on 25 May 2022; and
- 10,000,000 fully paid ordinary shares were issued at \$0.006 per share as consulting fees to Mr Bergstresser, as approved at the AGM of shareholders held on 25 May 2022

Either Mr Bergstresser or the Company may terminate the Consultancy Agreement at any time in writing, with one month's notice.

(f) Key management personnel compensation

	2022	2021
	\$	\$
The key management personnel compensation comprised:		
Short term employment benefits	309,472	567,836
Short term consulting fees	140,190	-
Post-employment benefits	15,405	11,452
Share based payments	183,677	336,255
	648,744	915,543

Detailed remuneration disclosures are provided in the Remuneration Report on pages 9 to 17.

19. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, short term deposits and equity investments. The main purpose of the cash and term deposit is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

The directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Financial Risk Exposures and Management

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

19. FINANCIAL INSTRUMENTS (Continued)

(i) Interest Rate Risk

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal.

(ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entities' maximum exposure to credit risk.

(iii) Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows. The Group does not have any significant liquidity risk as the Group does not have any collateral debts.

(iv) Equity Price Risk

Price risk relates to the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices for equities. The Group is exposed to equity price risk, which arises from financial assets at fair value through profit and loss of equity investments held. Such risk is managed through diversification of investments across industries and geographical locations.

(v) Equity Price Risk Sensitivity Analysis

	2022	2021
	\$	\$
Change in profit/(loss)		
Increase in financial assets at fair value through profit and loss by 10%	-	-
Decrease in financial assets at fair value through profit and loss by 10%	-	-
	2022	2021
	\$	\$
Change in equity		
Increase in financial assets at fair value through profit and loss by 10%	-	-
Decrease in financial assets at fair value through profit and loss by 10%	-	-

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

19. FINANCIAL INSTRUMENTS (Continued)

Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

2022	Weighted Average	Floating interest rate	Fixed Interest Rate Maturing		Non- Interest bearing
	Effective Interest Rate %		Within 1 year \$	Over 1 year \$	
Financial Assets					
Cash at bank	0.17%	3,699,438	-	-	-
Trade & other receivables		-	-	-	17,560
Equity investment		-	-	-	-
Total Financial Assets		3,699,438	-	-	17,560
Financial Liabilities					
Trade & other creditors		-	-	-	574,087
Total Financial Liabilities		-	-	-	574,087
2021	Weighted Average	Floating interest rate	Fixed Interest Rate Maturing		Non- Interest bearing
	Effective Interest Rate %		Within 1 year \$	Over 1 year \$	
Financial Assets					
Cash at bank	0.05%	5,086,480	-	-	45,962
Trade & other receivables		-	-	-	75,535
Equity investment		-	-	-	-
Total Financial Assets		5,086,480	-	-	121,497
Financial Liabilities					
Trade & other creditors		-	-	-	268,563
Total Financial Liabilities		-	-	-	268,563

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

19. FINANCIAL INSTRUMENTS (Continued)

	2022	2021
	\$	\$
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	574,087	268,563
6 months to 1 year	-	-
1-5 years	-	-
	574,087	268,563

(b) Net Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2022	2022	2021	2021
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
	\$	\$	\$	\$
Consolidated				
Cash and cash equivalents	3,699,438	3,699,438	5,132,442	5,132,442
Receivables	17,560	17,560	75,535	75,535
Equity investment	-	-	-	-
Consideration held in escrow	-	-	-	-
Payables	(574,087)	(574,087)	(268,563)	(268,563)
	3,142,911	3,142,911	4,939,414	4,939,414

(c) Interest Rate Sensitivity Analysis

At 31 December 2022, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2022	2021
	\$	\$
Change in profit/(loss)		
Increase in interest rate by 1% (100 basis points)	44,673	57,965
Decrease in interest rate by 1% (100 basis points)	(44,673)	(57,965)
Change in equity		
Increase in interest rate by 1% (100 basis points)	44,673	57,965
Decrease in interest rate by 1% (100 basis points)	(44,673)	(57,965)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(e) Foreign Currency Exchange Rate Sensitivity Analysis

The Group's main foreign currency risk arises from cash and cash equivalents held in foreign currency bank accounts and trade and other payable amounts denominated in currencies other than the functional currency. At 31 December 2022 and 31 December 2021, the Group's exposure to foreign currency risk is not considered material.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

20. EARNINGS PER SHARE	2022
	\$
(a) (Loss) used in the calculation of basic and dilutive earnings per share for continuing operations	(3,621,493)
	Number of shares
	2022
(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted earnings per share	3,809,181,593

21. CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with loss from ordinary activities after income tax.	2022	2021
	\$	\$
Loss after income tax	(3,621,493)	(7,126,011)
Adjustment for;		
- Depreciation	10,932	3,892
- Share based payments	277,768	1,816,967
- Annual leave accrual	(9,231)	4,102
- Unrealised foreign exchange gain	(8,925)	12,458
- Amortisation	253,676	610,756
- Impairment on intangibles	1,014,703	1,433,039
- Proceeds from sales of investment	-	(43,846)
- Transaction costs related to issues of equity securities	-	61,320
- Bad Debt expenses	-	55,171
Changes in assets and liabilities		
- (Increase)/Decrease in trade and other receivables	177,559	104,895
- (Increase)Decrease in deposits	31,753	7,683
- Increase/(Decrease) in trade and other payables	437,598	(118,557)
Net cash flow used in operating activities	(1,435,660)	(3,178,131)

(b) Reconciliation of cash and cash equivalents	2022	2021
	\$	\$
Cash and cash equivalents comprises:		
Cash at bank and on hand	3,699,438	5,132,442

(c) Non-cash financing and investing activities

The was no non-cash financing and investing activities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

22. SHARE BASED PAYMENTS

Recognised employee share based payment expenses

The expense recognised for employee services received during the period are as follows:

	2022	2021
	\$	\$
Total expense rising from employee, consultant and Director share based payment transactions	174,173	1,613,759

Performance Rights – 31 December 2022

No performance rights were granted during the period. The expense during the period ended 31 December 2022 amounted to \$174,173 (2021: \$1,613,759).

On 24 May 2022, the Company obtained shareholder approval at a meeting of shareholders and the Company issued 750,000 fully paid ordinary shares to a consultant upon the vesting of 750,000 Performance Rights issued under the Company's Employee Incentive Plan.

On 27 July 2022, the Company cancelled 30,593,750 Performance Rights by agreement between the Company and the holders of the Performance Rights.

On 10 August 2022, 1,406,250 fully paid ordinary shares were issued to Mr Gernot Abl on the vesting of 1,406,250 Performance Rights. On 10 August 2022, 375,000 fully paid ordinary shares were issued to a consultant on the vesting of Performance Rights.

Performance Rights – 31 December 2021

Director

On 26 May 2021, the Company issued 25,000,000 performance rights to Mr. Gernot Abl, as part of his Letter of Appointment and shareholder approval that was obtained on 26 May 2021.

The terms of the Performance Rights issued are as follows:-

- (a) 7,500,000 Performance Rights subject to the following Tenure related vesting conditions:
- (i) 1,875,000 Performance Rights, twelve (12) months from date of employment (**Tranche 1**);
 - (ii) 156,250 Performance Rights to vest on a monthly basis (1,875,000 in total) after Tranche 1 has been met but not issued until twenty four (24) months from date of employment (**Tranche 2**);
 - (iii) 156,250 Performance Rights to vest on a monthly basis (1,875,000 in total) after Tranche 2 has been met but not issued until thirty six (36) months from date of employment (**Tranche 3**); and
 - (iv) 156,250 Performance Rights to vest on a monthly basis (1,875,000 in total) after Tranche 3 has been met but not issued until forty eight (48) months from date of employment (**Tranche 4**).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

22. SHARE BASED PAYMENTS (Continued)

(b) 17,500,000 Performance Rights will be subject to the following Business Performance related vesting conditions:

- (i) Milestone 1: 2,187,500 Performance Rights will independently vest (up to 4,375,000 Performance Rights in total), upon the achievement of either of the below vesting conditions being met:
 - A. 1 million Monthly Active Users (MAU's) for a consecutive 90 day period ("Active" is defined as a unique user who participates in content offered by Mogul); or
 - B. AU\$2.5 million in revenue to Mogul within 24 months from date of employment (the Initial Vesting Events); and
- (ii) Milestone 2: 6,562,500 Performance Rights will vest (up to 13,125,000 Performance Rights in total) provided each of the Initial Vesting Events as outlined at clause above has been met as follows:
 - A. 2,187,500 Performance Rights (up to 4,375,000 Performance Rights in total) twelve (12) months from date of Initial Vesting Event (Tranche 1);
 - B. 2,187,500 Performance Rights (up to 4,375,000 Performance Rights in total) twenty four (24) months from date of Initial Vesting Event (Tranche 2); and
 - C. 2,187,500 Performance Rights (up to 4,375,000 Performance Rights in total) thirty six (36) months from date of Initial Vesting Event (Tranche 3)

In the event of a Change of Control, all Performance Rights immediately vest, provided the Initial Vesting Events have been met. Any Performance Rights that do not vest and become exercisable in accordance with the Initial Vesting Events as outlined in clause (b)(i) will automatically lapse.

Any Performance Rights that do not vest and become exercisable in accordance with the Initial Vesting Events as outlined in clause (b)(i) will automatically lapse.

The value of performance rights granted during the period was calculated using the Black-Scholes Option Pricing Model incorporating a Monte Carlo simulation and totalled \$227,500. The expense during the period ended 31 December 2021 amounted to \$1,613,759 (2020: \$972,385). The values and inputs are as follows:

Director:

Performance Rights	
Performance rights issued	25,000,000
Underlying share value	\$0.01
Exercise price of performance rights	Nil
Risk free interest rate	0.53%
Share price volatility	80%
Expiration period	3 September 2023
Probability of meeting milestone hurdle	100%
Valuation per performance right	\$0.01

The expected life of the performance rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The Performance Rights were subscribed for nil consideration per Performance Right.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

22. SHARE BASED PAYMENTS (Continued)

107,250,000 Performance Rights having been cancelled since the financial period and 14,625,000 Performance Rights have been exercised.

Options – 31 December 2022

No options were granted during the period. On 1 November 2022, 482,000,000 options were expired.

Options – 31 December 2021

On 23 December 2021, the Company issued 160,000,000 options to subscribers who participated in the placement undertaken by the Company in December 2021.

The options granted are free attaching options as part of the placement that occurred in December 2021. The value of these options is \$320,000. The values and inputs are as follows:

Options	
Options issued	160,000,000
Underlying share value	\$0.007
Exercise price of options	\$0.01
Risk free interest rate	0.53%
Share price volatility	80%
Expiration period	30 November 2023
Probability of meeting milestone hurdle	100%
Valuation per option	\$0.002

A summary of the movements of all company options issued is as follows:-

	Number	Weighted Average Exercise Price
Options outstanding as at 1 January 2021	847,150,000	\$0.02
Options outstanding as at 31 December 2021	642,000,000	\$0.017
Options cancelled	(482,000,000)	(\$0.02)
Options outstanding as at 31 December 2022	160,000,000	\$0.01
Options exercisable as at 31 December 2022	160,000,000	
Options exercisable as at 31 December 2021	642,000,000	

As at the date of this report, no options were issued during the year and 482,000,000 options expired during the year.

Employee Incentive Plan Shares – 31 December 2022

On 24 May 2022, the Company issued 2,341,918 fully paid ordinary shares to a consultant as part of their consultancy agreement under the Company's Employee Incentive Plan. The shares were issued to the consultant in lieu of cash, representing \$12,000.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

22. SHARE BASED PAYMENTS (Continued)

Employee Incentive Plan Shares – 31 December 2021

On 29 November 2021, the Company issued 5,144,771 fully paid ordinary shares to an employee as part of his employment agreement, which relate to tenure of 12 months being met. The shares were issued to the employee for nil consideration.

23. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its eSports, and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) *eSports*

Segment assets, such as equity investments and intangible assets and all expenses related to the eSports business are reported on in this segment.

(ii) *Unallocated*

Corporate, including treasury, corporate and regulatory expenses arising from operating an entity. Corporate assets, including cash and cash equivalents are reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated entity.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

23. SEGMENT INFORMATION (Continued)

The following represents revenue, profit information, for reportable segments for the period ended 31 December 2022

2022	eSports \$	Unallocated \$	Total \$
Revenue from continuing operations			
Interest revenue	-	6,532	6,532
Other Revenue	-	93,108	93,108
Administration	-	(161,836)	(161,836)
Amortisation	(253,676)	-	(253,676)
Compliance & Professional	(28,549)	(1,670,107)	(1,698,656)
Depreciation	-	(10,932)	(10,932)
Employee Benefits	-	(435,966)	(435,966)
Finance	(74)	(1,096)	(1,170)
Foreign Exchange Gain/(Loss)	(226)	9,151	8,925
Gain/(Loss) on sale of assets	-	(175)	(175)
Impairment of Intangibles	(1,014,702)	-	(1,014,702)
Marketing & Promotional	(821)	(51,257)	(52,078)
Occupancy	-	(34,496)	(34,496)
Tournament Operations	(1,832)	(63,438)	(65,270)
Travel	-	(1,101)	(1,101)
Net profit/(loss) before tax from continuing operations	(1,299,880)	(2,321,613)	(3,621,493)
Segment assets	2,447,742	1,273,742	3,721,484
Segment liabilities	8,552	565,535	(574,087)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

23. SEGMENT INFORMATION (Continued)

2021	eSports	Unallocated	Total
	\$	\$	\$
Revenue from continuing operations			
Proceeds from sale of assets	-	43,846	43,846
Fees charged on withdrawals	1,126	-	1,126
Interest revenue	-	2,531	2,531
License income	-	260,837	260,837
Other Revenue	-	58,676	58,676
Subscriptions	(189)	-	(189)
Administration	(29,691)	(570,262)	(599,953)
Amortisation	(610,756)	-	(610,756)
Compliance & Professional	(19,789)	(749,589)	(769,378)
Depreciation	-	(3,892)	(3,892)
Employee Benefits	-	(3,648,518)	(3,648,518)
Finance	(11,460)	(3,288)	(14,748)
Foreign Exchange Gain/(Loss)	(6,843)	(5,615)	(12,458)
Impairment of Intangibles	(1,433,039)	-	(1,433,039)
Marketing & Promotional	(30,066)	(35,956)	(66,022)
Tournament Operations	(246,741)	(4,308)	(251,049)
Travel	-	(82,908)	(82,908)
Net profit/(loss) before tax from continuing operations	(2,387,448)	(4,738,563)	(7,126,011)
Segment assets	1,268,379	5,368,463	6,636,842
Segment liabilities	4,579	273,214	277,793

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

23. SEGMENT INFORMATION (Continued)

Revenue by geographical region

There was \$Nil revenue attributable to external customers for the period ended 31 December 2022 (2021: \$937), which relates to Asia.

Assets by geographical region

There were no reportable segment assets located outside of Australia as at 31 December 2022 (2021: \$1,268,379).

- Nil Intangibles in Singapore (2021: \$1,268,379).

24. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

25. CONTINGENT LIABILITIES

There are no contingent liabilities to declare.

26. COMMITMENTS

	2022	2021
	\$	\$
Operating lease expenditure commitments		
No later than 6 months	-	-
Between 6 and 12 months	-	-
Between 12 and 18 months	-	-
	-	-
	-	-

27. FAIR VALUE MEASUREMENTS

The Group measures and recognises the obligation for contingent consideration arising from a business combination at fair value on a recurring basis after initial recognition. The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

27. FAIR VALUE MEASUREMENTS (Continued)

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:-

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; or
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset as its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Groups assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

27. FAIR VALUE MEASUREMENTS (Continued)

	31 December 2022			Total
	Level 1	Level 2	Level 3	
<i>Assets</i>	\$	\$	\$	\$
Equity investment	-	-	-	-
Total assets recognised at fair value	-	-	-	-

b) Valuation Techniques and Unobservable Inputs Used to Measure Level 3 Fair Values

Equity Investment

In circumstances where a valuation technique for financial instruments is based on significant unobservable inputs, such instruments are included in level 3. These include investments in unlisted equity investments. The Directors utilised as at period end information provided by the underlying entities and used its best estimate based on events during and subsequent to period end in valuing its investments.

28. PARENT ENTITY INFORMATION

Information for Mogul Games Group	2022	2021
	\$	\$
Current assets	3,721,484	5,247,611
Total assets	3,721,579	5,252,370
Current liabilities	565,534	157,029
Total liabilities	565,534	157,029
Issued capital	51,475,122	51,239,454
Reserves	7,916,898	7,742,726
Accumulated losses	(56,235,975)	(53,886,838)
Total shareholders' equity	<u>3,156,045</u>	<u>5,095,342</u>
Net loss after tax of the parent entity	(2,349,137)	(6,649,827)
Total comprehensive income of the parent	(2,349,137)	(6,649,827)

29. COMPARATIVE INFORMATION

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

30. COMPANY DETAILS

The registered office and principal place of business address is:

Level 2 461 Bourke Street
Melbourne Victoria 3000

DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements, notes and additional disclosures included in the Directors' report and designated as audited, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and Corporations Regulations 2001;
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the year ended on that date;
 - (c) the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
2. The Chief Executive Officer and Chief Financial Officer have declared that:
 - (b) the financial records of the company for the financial period have been properly maintained in accordance with section 295A of the Corporations Act 2001;
 - (c) the financial statements and notes for the financial period comply with Accounting Standards; and
 - (d) the financial statements and notes for the financial period give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Gernot Abl
Non-Executive Chairman

Dated this 22nd day of February 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOGUL GAMES GROUP LTD & CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mogul Games Group Ltd & Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER 1 – VALUATION OF INTANGIBLES

Refer to Note 12 - Intangibles

As at 31 December 2022 the Group has completely written off its intangible assets (2021: \$1,268,379) which represented the capitalised development costs associated with the development of the Mogul operating platform. During the year, intangible assets were impaired by \$1,014,703 (2021: \$1,433,039).

The valuation and recoverability of intangible assets was a key audit matter given the significance of the technology to the group's operations and the judgement involved in the assessment of its overall value and impairment.

Our procedures included, amongst others:

- Obtained an understanding of the processes and assumptions involved in capitalisation of intangible assets.
 - Evaluated the progress made by management in developing the Mogul platform to date and assessing for any indicators of impairment by reviewing minutes of Board minutes, ASX announcement and management impairment assessment. Reviewed the impairment recognised for the year.
 - Tested capitalised expenditures related to these intangibles during the year on a sample basis against supporting documentation.
 - Reviewed the reasonableness of management estimates made, including useful life.
 - Reviewed the Group's revitalised business plan, direction and strategy to assess impact, if any, on the intangible assets value.
 - Assessed the appropriateness of the relevant disclosure in the financial statements.
-

KEY AUDIT MATTER 1 – SHARE BASED PAYMENTS

Refer to Note 16 Reserves & Note 22 Share Based Payments

During the year ended 31 December 2021, total share-based payments amounting to \$135,940 (2021: \$1,679,029) was recognised by the Group arising from services provided by employees, contractors and consultants.

The fair value of the share-based payments is determined using the Black Scholes model which takes into account the terms and conditions upon which the instruments were granted and a number of key underlying assumptions.

The value of these share-based payments is considered a key audit matter due to it being a material balance and its valuation is subject to significant judgment and accounting estimation.

Our procedures included, amongst others:

- Reviewed ASX announcements and other documentation (including the Company's Employee Incentive Plan & Various offer letters) pertaining to the underlying share-based payment;
 - Assessed the valuation methodology used by management to estimate the fair value of equity instruments issued (where they relate to performance rights and options), including testing the integrity of information provided, assessing the appropriateness of key assumptions input into the valuation model as applicable;
 - Ensured the proper expensing of the share-based payments on a proportionate basis across the relevant financial period from grant date to vesting date;
 - Assessing whether the share-based payments have been appropriately classified and accounted for in the financial statements; and
 - Assessing the appropriateness of the relevant disclosures in the financial statements.
-

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages xx to xx of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Mogul Games Group Ltd & Controlled Entities, for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



GEORGE S DAKIS
Partner
Audit and Assurance

Melbourne, Victoria

22 February 2023

CORPORATE GOVERNANCE SUMMARY

1. Corporate Governance Summary

1.1. Roles and Responsibilities of Board and Management

The Role of the Board and Delegations

The Board is accountable to shareholders for the activities and performance of Mogul Games Group Ltd by overseeing the creation of sustainable shareholder value within an appropriate risk framework and having regard for stakeholder interests and community expectations.

The Board is responsible for setting Mogul Games Group Ltd's vision and strategy.

Directors are actively involved in setting, approving and regularly monitoring Mogul Games Group Ltd's strategic priorities and holding management accountable for progress.

This process includes one annual Board strategy meeting, regular Board reporting and meetings, and discussion and review with management. Similarly, the Board ensures that rigorous governance processes operate effectively to guide decision making across the business.

The Board's responsibilities are set out in the Board Charter, which is available at [Corporate Governance Plan](#).

The Board's role and responsibilities include:

- establishing, promoting and maintaining the strategic direction of Mogul Games Group Ltd;
- approving business plans, budgets and financial policies;
- considering management recommendations on strategic business matters;
- establishing, promoting and maintaining proper processes and controls to maintain the integrity of accounting and financial records and reporting;
- fairly and responsibly rewarding executives, having regard to the performance of the executives, Mogul Games Group Ltd's risk management framework and culture, the interests of shareholders, market conditions and Mogul Games Group Ltd's overall performance;
- adopting and overseeing of implementation of corporate governance practices;
- overseeing the establishment, promotion and maintenance of effective risk management policies and processes;
- reviewing Board composition and performance;
- appointing, evaluating and remunerating the Chief Executive Officer (CEO) or its equivalent, and approving the appointment of the Chief Financial Officer (CFO) and Company Secretary; and
- determining the CEO's or its equivalent's delegated authority.

The Board has now established committees to assist in carrying out its responsibilities and to consider certain issues and functions in detail.

The Board committees are discussed at section 1.3.

Management responsibility

The Board has delegated to the CEO, or its equivalent, the authority and powers necessary to implement the strategies approved by the Board and to manage the business affairs of Mogul Games Group Ltd within the policies and delegation limits specified by the Board from time to time. The CEO, or its equivalent may delegate authority to management but remains accountable for all authorities delegated to management.

CORPORATE GOVERNANCE SUMMARY (CONTINUED)

1.2. Directors' Skills Matrix

The Board has determined that its current members have an appropriate collective mix of skills, experience and expertise to:

- exercise independent judgement;
- have a proper understanding of, and competence to deal with, current and emerging issues of the business;
- encourage enhanced Mogul Games Group Ltd performance; and
- effectively review and challenge the performance of management.

The Board's competencies are assessed annually and the results of the most recent (January 2023) assessment are shown in the table below.

Areas of expertise/leadership qualities	Average Self-Assessment Rating*
Risk & Compliance	3.83
Financial & Audit	4
Strategy	4.33
Policy Development	4
Technology	3.33
Executive Management	4.33
Industry Specific Skills	3.83
Leadership	4.5
Ethics and Integrity	5
Contribution	4.33
Negotiation	4
Crisis Management	4.5
Previous Board Experience	4.33

*Self-assessment rating from 1 to 5, with 1 being the lowest and 5 being the highest

Given the relatively small size of the Board at present the Board skills matrix shows some skill gaps. The Board will consider adding Non-Executive Directors with complementary skills to augment, add perspective and to help improve diversity on the Board as the Company grows.

1.3. Board Committees

To assist it in undertaking its duties, the Board has established the following standing committees:

- Audit & Risk Committee; and
- Nomination & Remuneration Committee.

Each committee has its own charter, copies of which are available at [Corporate Governance Plan](#).

The charters specify the composition, responsibilities, duties, reporting obligations, meeting arrangements, authority and resources available to the committees and the provisions for review of the charter.

Details of Directors' membership of each committee and those eligible members' attendance at meetings throughout the period from 1 January 2022 to 31 December 2022 are set out below.

During the period, 3 meetings of directors were held. Attendances by each director during the period were as follows:

CORPORATE GOVERNANCE SUMMARY (CONTINUED)

Directors	Directors' Meetings		Audit & Risk		Nomination & Remuneration	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
	Gernot Abl	3	3	2	2	2
Christopher Bergstresser	3	3	1	1	-	-
George Lazarou	3	3	2	2	2	2
Kate Vale *	3	3	1	1	2	2

* Ms Vale was the Chairperson of the Audit & Risk committee and the Nomination & Remuneration Committee up to her date of resignation on 19 August 2022.

1.4. Risk Management Framework

Mogul Games Group Ltd's Board is responsible, in conjunction with senior management, for the management of risks associated with the business and implementing structures and policies to adequately monitor and manage these risks.

The Board has established the Audit & Risk Committee (**ARC**) to assist in discharging its risk management responsibilities. In particular, this committee assist the Board in setting the appropriate risk appetite and for ensuring that there is an effective risk management framework that is able to manage, monitor and control the various risks to which the business is exposed.

On a day-to-day basis, the CEO or its equivalent, has the responsibility for monitoring the implementation of the risk framework, including the monitoring, reporting and analysis of the various risks faced by the business, and providing effective challenge to activities and decisions that may materially affect Mogul Games Group Ltd's risk profile.

Mogul Games Group Ltd has a robust risk management framework which supports its operating segments, and its risk appetite distinguishes risks from which Mogul Games Group Ltd will seek to make an economic return from those which it seeks to minimise and which it does not consider will provide a return. The management of these risks is fundamental to Mogul Games Group Ltd's business, customers and to building long-term shareholder value.

In addition to having a separate risk management function, Mogul Games Group Ltd recognises that a requirement for an effective risk management framework is for there to be a strong risk culture throughout the organisation, where risk is everybody's business. The foundation of this risk culture is a set of values, the Mogul Games Group Ltd values. All employees are assessed against the Mogul Games Group Ltd values as part of the annual performance review process, and this outcome contributes to the overall performance rating and remuneration outcomes. In addition to this, Mogul Games Group Ltd regularly assesses its risk culture through external audits to ensure that the management of risk and day-to-day compliance remains entrenched within the way in which Mogul Games Group Ltd operates. The Board is responsible for setting and monitoring the risk appetite for Mogul Games Group Ltd when pursuing its strategic objectives. The Board's approach to, and appetite for risk provides that, subject to earning acceptable economic returns, it can retain exposure to credit risk, liquidity risk and market risk.

- Credit default risk – is the risk of loss in the value of an asset due to a counterparty failing to discharge its contractual obligations when they fall due;
- Liquidity risk – is the potential impact of Mogul Games Group Ltd's short, medium and long-term funding and liquidity management requirements; and
- Market risk - is the risk that changes in the market prices such as foreign exchange rates, interest rates and equity prices will affect Mogul Games Group Ltd's income or value of its holdings of financial instruments.

CORPORATE GOVERNANCE SUMMARY (CONTINUED)

Mogul Games Group Ltd seeks to minimise or hedge the risks for which it does not consider an appropriate return can be generated.

These risks include:

- Foreign exchange risk – is the risk of a change in asset values as a result of movements in foreign exchange rates;
- Inflation risk – is the risk of a change in asset values and Mogul Games Group Ltd’s earnings as a result of movements in inflation both in Australia and jurisdictions in which Mogul Games Group Ltd owns assets;
- Operational risk – is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events; and
- Regulatory and compliance risk – is the risk of legal or regulatory sanctions or loss as a result of Mogul Games Group Ltd’s failure to comply with laws, regulations or regulatory policy applying to its business.

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

The distribution of members and their holdings of equity securities in the Company as at 6 February 2023 were as follows:

Number Held as at 6 February 2023	Class of Equity Securities
	Fully Paid Ordinary Shares
1- 1,000	24
1,001 - 5,000	2
5,001 – 10,000	2
10,001 - 100,000	184
100,001 and over	2,389
TOTALS	2,601

Holders of less than a marketable parcel: 1,352

Substantial Shareholders

There are currently no substantial shareholders listed in the Company's register as at 6 February 2023.

Voting Rights

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

On-market buyback

There is no current on-market buy-back.

Unquoted Securities

Securities	Number of Securities	Number of Holders	 Holders with more than 20%
Unlisted Options – exercisable at \$0.01 exercisable on or before 30 November 2023	160,000,000	32	Nil

ADDITIONAL SHAREHOLDER INFORMATION (CONTINUED)***Twenty Largest Shareholders***

The names of the twenty largest ordinary fully paid shareholders as at 6 February 2023 are as follows:

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Emery Number 2 Pty Ltd <Scott Emery Family No 2 A/C>	138,379,233	4.24
Clayton Capital Pty Ltd	114,456,375	3.51
Mr Bilal Ahmad	110,000,000	3.37
HSBC Custody Nominees (Australia) Limited-GSCO ECA	73,340,667	2.25
DDPevcic (WA) Pty Ltd <Dominic Family A/C>	57,805,000	1.77
Ms Chunyan Niu	53,877,246	1.65
Mr Sufian Ahmad	37,000,000	1.13
R F Thomson (Qld) Pty Ltd <Thompson (Qld) Family No 2 A/C>	32,500,000	1.00
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail client DRP>	30,815,728	0.94
Cyber Century Limited	27,500,000	0.84
Mr Gary Dean Shaw	27,000,000	0.83
Havana Nominees (WA) Pty Ltd	22,250,000	0.68
Mrs Jane Catherine Jocelyn Bell & Mr Geoffrey Arthur Bell <Schooner Super Fund A/C>	21,149,404	0.65
Kobala Investments Pty Ltd <Fernando Edward Family A/c>	20,000,000	0.61
Seed Strategic Advisory Pty Ltd	20,000,000	0.61
Mr Ran Vaingold	20,000,000	0.61
Mr Bin Lau	20,000,000	0.61
KG Venture Holdings Pty Ltd <KG Ventures Holding A/C>	18,281,250	0.56
Mr Abusad Ahmad	17,814,178	0.55
Mr Huanbin Xia	17,000,000	0.52
TOTAL	879,169,081	26.93

Company Secretary

The name of the Company Secretary is George Lazarou.

Address and telephone details of the entity's registered and administrative office

Level 2
461 Bourke Street
Melbourne VIC 3000
Telephone: + (61) 3 9602 5564

Address and telephone details of the office at which a register of securities is kept

Automic Pty Ltd
Level 5
191 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664

Securities exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Securities Exchange.