

February 18, 2021

Price (as of close on
February 17, 2021)**\$17.35**

Rating

BUY Long-term

New 12- Month Target Price

\$20.00

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Esports Entertainment (GMBL)

Esports Entertainment delivers \$2.4 million of revenues during Q2:21 and raises full-year revenue guidance to \$18 million, growing to \$70 million (pro forma) next year. We reiterate our Buy Long-term rating and raise our price target to \$20 from \$8.

52-Week Range	\$2.40 – 20.74	Total Debt (million)	\$0
Shares Outstanding	17.6 million	Total Debt/Equity	0%
Insider/Institutional	35% / 1%	ROE (TTM)	NM%
Public Float	8.5 million	Book Value/Share	\$1.03
Market Capitalization	\$211.8 million	Daily Volume (90-day avg)	816.7k

FYE June EPS(\$)	2020A ACTUAL	2021E		2022E	
		CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Sept		\$(0.15) A	\$(0.15) A	\$(0.02) E	\$(0.10) E
Q2 Dec		(0.57) A	(0.15) E	(0.01) E	(0.04) E
Q3 March		(0.17) E	(0.13) E	(0.02) E	(0.03) E
Q4 June		(0.05) E	(0.10) E	0.02 E	0.01 E
Year*	\$(1.50) A	\$(0.94) E	\$(0.53) E	\$(0.03) E	\$(0.15) E

FYE June Revenue (\$ mil.)	2020A ACTUAL	2021E		2022E	
		CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Sept		\$0.22 A	\$0.22 A	\$14.0E	\$5.0E
Q2 Dec		2.4 A	2.2 E	15.5E	6.0E
Q3 March		4.8 E	4.7 E	18.2E	6.5E
Q4 June		10.6 E	5.9 E	22.3E	7.5E
Year	\$0.0A	\$18.0E	\$13.0E	\$70.0E	\$25.0E
Change				288%	

- Numbers may not add up due to rounding.

Q2:21 Highlights

- The gaming market consists of 2.7 billion gamers globally and almost 500 million of these gamers are esports fans. Surveys indicate that given the chance, 50% of gamers would like to wager on game outcomes, creating a \$750 million esports wagering market projected to expand to \$3 billion in five years.
- GMBL owns the only esports-focused wagering platform, which it plans to launch in the US in April, initially in New Jersey and eventually expanding into other US states that allow online gaming.
- Deal highlights for GMBL during the December quarter include an agreement to serve as the esports platform provider for the Philadelphia Eagles. GMBL already has similar agreements with the Philadelphia Union, LA Kings, LA Galaxy, and Baltimore Ravens professional sports teams. Each has millions of fans who may be converted to esports wagerers.
- GMBL is acquiring Malta online casino operator Lucky Dino and has acquisitions pending for Helix and ggCircuit. Lucky Dino expands GMBL's foothold in Europe and Helix and ggCircuit provide esports gaming facilities, analytical software and a player-vs-player wagering platform. Due to acquisitions, the company increased guidance for FY:21 revenues to \$18 million from \$13 million. FY:22 revenues are projected to reach \$70 million, up from earlier guidance of \$42 million.
- We reiterate our Buy Long-term rating and increase our price target to \$20, which assigns a 5X multiple to FY:22 revenue estimates.

Esports Entertainment is an online gambling company that offers esports entertainment, esports wagering and igaming and traditional sports betting. The company offers odds wagering, fantasy and pools on various esports events on its licensed and secure Vie.gg wagering platform and owns and operates an online sports book at SportNation.bet. In late 2020 Esports Entertainment became the first esports-focused gaming business to acquire a US gambling license.

Please refer to the end of this report to obtain important disclosure information.

Q2:21 Financial Results

Revenues totaled \$2.4 million in Q2:21, a \$2.2 million increase from the prior quarter. Growth in Q2 revenues was driven mainly by the company's flagship Argyll Entertainment brand, which was acquired by GMBL in August. During the December quarter, the company took in \$54 million of handle and logged over 24,000 unique active players on its platform.

Operating expenses totaled \$8.1 million, up from \$4.1 million in Q1. A big contributor to the rise in operating expenses was equity-based compensation totaling \$1.3 million and depreciation charges of \$0.7 million.

Net loss was \$7.3 million or \$0.57 per share, up from \$1.8 million and \$0.15 per share in Q1. In addition to significantly higher operating expenses, net results were negatively impacted by a \$2.1 million change in the fair value of warrant liabilities.

Q2:21 Overview

Esports Entertainment is deploying a three-pillar business strategy to capitalize on fast-growing opportunities in esports and online gambling. The first pillar, which focuses on esports entertainment and infrastructure, is expanding via the acquisitions of Esports Gaming League (EGL) and the pending acquisitions of Lucky Dino, Helix and ggCircuit. Lucky Dino is an established online casino operator in Malta with its own proprietary casino software platform. In addition to expanding GMBL's technology stack, Lucky Dino gives the company a substantial foothold in new jurisdictions across Europe, particularly Scandinavia, where esports are extremely popular. The Lucky Dino acquisition is expected to close in February.

Through the purchases of Helix and ggCircuit, the company acquires esports facilities, the Genji esports analytics platform, and LANdual, a player-vs- player wagering platform. ggCircuit is the operating system software provider for many gaming centers. These acquisitions are expected to close in April.

GMBL's second pillar is esports wagering, which consists of both traditional wagering on the company's VIE.gg-branded platform and player-vs-player wagering on its new platform. The company plans to roll out its proprietary wagering platform in the US market in April via its partnership with the Twin Rivers Casino in New Jersey and expand into additional US states that allow online gaming over the next few years.

GMBL's third pillar focuses on traditional online sports wagering, which was enabled by the August acquisition of Argyll Entertainment, owner of the popular SportNation brand. Argyll operates in the U.K. and Ireland and has a Tier 1 gambling license. In addition to strategic licenses, Argyll provides GMBL with access to a large pool of players it can cross-sell esports wagering. GMBL can already market its services in over 150 jurisdictions worldwide.

Business highlights from the December quarter include extending the company's agreement with the Arsenal Football Club to manage their Pro Evolution Soccer Roster, marking the second year of this partnership. In addition, GMBL signed a multiyear agreement with the Philadelphia Eagles to be their exclusive esports platform provider and host bi-annual NFL esports tournaments for the Eagles. The company has similar agreements with the Philadelphia Union, LA Kings, LA Galaxy and Baltimore Ravens. As part of the agreement, the Eagles also became GMBL shareholders. The company is talking to many other sporting franchises and anticipates further announcements in the coming months.

After the end of the December quarter, GMBL added SportsNation.bet to its multi-jurisdiction gaming license, finalized the terms of the Helix and ggCircuit acquisitions and began integrating these new assets into its platform. GMBL closed a \$30 million financing in February at \$15 per share that will be used to fund acquisitions.

Over the long-term, investors should benefit from the company's three-pillar approach by gaining exposure to two macro- trends – explosive growth in competitive gaming and the legalization of online gambling in many US states.

Estimates and Valuation

GMBL bumped up its guidance for FY:21 revenues from \$13 million to \$18 million and guidance for FY:22 revenues from \$42 million to \$70 million. No EBITDA guidance was provided, but we expect the company to reach EBITDA breakeven in FY:22.

GMBL ended the December quarter with \$5.6 million of available cash. Subsequent to the end of the quarter, net proceeds from the sale of approximately 1.4 million shares issued for warrants exercised in early 2021 boosted the company's cash on hand to over \$12 million. Cash on hand plus the \$30 million raised through the February equity offering should provide sufficient funding for upcoming acquisitions and ongoing operations. The company estimates its current monthly cash burn rate at \$0.9 million, but anticipates the burn rate will drop to \$0.6 million after the close of the Lucky Dino acquisition.

Due to the market's rapid growth and huge potential, valuations in the esports gaming space have been rich during early 2021. Esports competitor Skillz (SKLZ) was recently trading at 65 times revenues and another competitor Super League Gaming (SLGG) is valued at 25 times revenues. We believe we are being conservative by valuing GMBL at 21 times projected FY:21 revenues and 5 times projected FY:22 revenues.

Our discounted cash flow model, shown on page 8, derives a better than \$22.00 target price for GMBL shares, using our EBIT forecasts through 2023 and a 5% growth rate thereafter.

We reiterate our "Buy- Long-term" rating for GMBL shares and boost our price target to \$20.

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Rating Definitions

BUY, 30% or greater increase in the next 12 months.

BUY- Long-Term, near term EPS horizon is challenging, attractive long-term appreciation potential.

SELL, 30% or more declines in the next 12 months.

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Esports Entertainment (GMBL)
Quarterly Results & Estimates
\$ in Millions

	Fiscal 2020A	2021E				Fiscal 2021E	2022E				Fiscal 2022E
		1QA Sept	2QA Dec	3QE March	4QE June		1QE Sept	2QE Dec	3QE March	4QE June	
Total Revenues	\$ -	\$ 0.22	\$ 2.36	\$ 4.80	\$ 10.62	\$ 18.00	\$ 14.00	\$ 15.50	\$ 18.20	\$ 22.30	\$ 70.00
Revenue Growth	0.0%					NM	500.0%	71.0%	63.0%	67.0%	288.8%
Cost of Goods Sold	\$ -	\$ 0.42	\$ 1.33	\$ 2.88	\$ 6.37	\$ 11.00	\$ 8.40	\$ 9.30	\$ 10.92	\$ 13.38	\$ 42.00
Gross Profit	\$ -	\$ (0.20)	\$ 0.94	\$ 1.92	\$ 4.25	\$ 6.91	\$ 5.60	\$ 6.20	\$ 7.28	\$ 8.92	\$ 28.00
Gross margin		-88.9%	39.8%	40.0%	40.0%	38.4%	40.0%	40.0%	40.0%	40.0%	40.0%
General & Administrative	\$ 4.05	\$ 3.06	\$ 4.91	\$ 3.50	\$ 3.50	\$ 14.97	\$ 4.00	\$ 4.00	\$ 5.20	\$ 5.40	\$ 18.60
Sales & Marketing	\$ -	\$ 0.60	\$ 1.89	\$ 2.00	\$ 2.00	\$ 6.49	\$ 2.20	\$ 2.50	\$ 2.80	\$ 2.80	\$ 10.30
	\$ -	\$ -									
Total Operating Expense	\$ 4.05	\$ 4.08	\$ 8.13	\$ 8.38	\$ 11.87	\$ 21.46	\$ 14.60	\$ 15.80	\$ 18.92	\$ 21.58	\$ 28.90
SG&A Margin	0.0%	1645.7%	288.1%	114.6%	51.8%	119.2%	44.3%	41.9%	44.0%	36.8%	41.3%
EBITDA	\$ (4.03)	\$ (3.59)	\$ (5.41)	\$ (3.22)	\$ (0.89)	\$ (13.11)	\$ (0.24)	\$ 0.06	\$ (0.36)	\$ 1.08	\$ 0.54
Depreciation, Depletion, & Amortization	\$ 0.02	\$ 0.27	\$ 0.36	\$ 0.36	\$ 0.36	\$ 1.35	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 1.44
Operating Profit	\$ (4.05)	\$ (3.86)	\$ (5.77)	\$ (3.58)	\$ (1.25)	\$ (14.46)	\$ (0.60)	\$ (0.30)	\$ (0.72)	\$ 0.72	\$ (0.90)
Operating Margin	0.0%	-1734.5%	-244.5%	-74.6%	-11.8%	-80.3%	-4.3%	-1.9%	-4.0%	3.2%	-1.3%
Interest Expense	\$ -	\$ (0.00)				\$ (0.00)					
Interest & Investment Income			\$ 0.05			\$ 0.05					
Change in fair value of warrant liability		\$ 2.10	\$ (1.47)								
Impairment of Goodwill											
Other Non-Operating Income (Expense)	\$ (6.30)	\$ 0.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign exchange loss		\$ (0.05)	\$ (0.49)								
Pretax Income	\$ (10.35)	\$ (1.81)	\$ (7.29)	\$ (3.58)	\$ (1.25)	\$ (13.93)	\$ (0.60)	\$ (0.30)	\$ (0.72)	\$ 0.72	\$ (0.90)
Total Income Taxes	\$ (0.00)	\$ -	\$ -			\$ -	\$ (0.14)	\$ (0.07)	\$ (0.17)	\$ 0.17	\$ (0.22)
Minority Interest											
Net Income	\$ (10.35)	\$ (1.81)	\$ (7.29)	\$ (3.58)	\$ (1.25)	\$ (13.93)	\$ (0.46)	\$ (0.23)	\$ (0.55)	\$ 0.55	\$ (0.68)
Foreign currency translation		\$ 0.94	\$ (0.06)								
Comprehensive income (Loss)		\$ (1.81)	\$ (7.35)	\$ (7.35)	\$ (3.58)	\$ (20.09)	\$ (0.46)	\$ (0.23)	\$ (0.55)	\$ 0.55	\$ (0.68)
Shares for Basic EPS	6.880	12.173	12.877	18.000	19.000	19.000	19.019	19.038	19.057	19.076	19.076
Shares for Diluted EPS	6.880	12.173	12.877	21.500	23.000	23.000	23.023	23.046	23.069	23.092	23.092
EPS Diluted	\$ (1.50)	\$ (0.15)	\$ (0.57)	\$ (0.17)	\$ (0.05)	\$ (0.94)	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ 0.02	\$ (0.03)

Esports Entertainment (GMBL)
Balance Sheet
\$ in Millions

	Fiscal 2020A	2021 Estimated					2022 Estimated				
		1QA Sept	2QA Dec	3QE March	4QE June	Fiscal 2021E	1QE Sept	2QE Dec	3QE March	4QE June	Fiscal 2022E
Cash & Equivalents	\$ 12.35	\$ 8.89	\$ 5.57	\$ 5.02	\$ 5.35	\$ 5.35	\$ 8.95	\$ 7.98	\$ 7.99	\$ 10.06	\$ 10.06
Loans Receivable		\$ 0.25	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Other Receivables		\$ 0.48	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48
Receivables Reserved for Users		\$ 0.22	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
Prepaid Expenses	\$ 0.26	\$ 0.56	\$ 0.89	\$ 0.96	\$ 2.12	\$ 2.12	\$ 0.25	\$ 3.10	\$ 3.64	\$ 4.46	\$ 4.46
Deferred Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ 0.50	\$ -	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Assets	\$ 13.12	\$ 10.40	\$ 10.60	\$ 8.11	\$ 9.60	\$ 9.60	\$ 10.15	\$ 12.03	\$ 12.58	\$ 15.47	\$ 15.47
Fixed Assets	\$ 0.01	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Right of Use Assets		\$ 0.34	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34
Long-term Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ 0.00	\$ 6.57	\$ 6.47	\$ 6.27	\$ 6.27	\$ 6.27	\$ 6.27	\$ 6.27	\$ 6.27	\$ 6.27	\$ 6.27
Goodwill		\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91	\$ 6.91
Deferred Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Assets	\$ 0.01	\$ 1.12	\$ 1.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ 13.13	\$ 25.40	\$ 25.52	\$ 21.66	\$ 23.15	\$ 23.15	\$ 23.74	\$ 25.62	\$ 26.17	\$ 29.06	\$ 29.06
Accounts Payable & Accrued Expenses	\$ 0.79	\$ 2.00	\$ 3.35	\$ 1.44	\$ 3.19	\$ 3.19	\$ 4.20	\$ 5.40	\$ 5.46	\$ 6.69	\$ 6.69
Liabilities to Customers		\$ 2.09	\$ 2.23	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09
Contingent Considerations		\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Note Payable Current		\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03
Operating Lease Liability Current	\$ 0.93	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13
Liabilities Settled in Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes Payable	\$ -	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -
Warrant Liability		\$ 3.39	\$ 4.86	\$ 4.86	\$ 4.86	\$ 4.86	\$ 3.39	\$ 3.39	\$ 3.39	\$ 3.39	\$ 3.39
Deferred Revenues	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.17	\$ 0.07	\$ 0.11	\$ 0.22	\$ 0.22
Other Current Liabilities											
Total Current Liabilities	\$ 1.74	\$ 8.17	\$ 11.15	\$ 9.09	\$ 10.84	\$ 10.84	\$ 10.51	\$ 11.61	\$ 11.71	\$ 13.05	\$ 13.05
Operating Lease Liability Noncurrent	\$ -	\$ 0.10	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07					\$ -
Unearned Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable Noncurrent	\$ -	\$ 0.30	\$ 0.31	\$ 1.09	\$ 1.09	\$ 1.09	\$ 1.54	\$ 1.54	\$ 1.54	\$ 1.54	\$ 1.54
TOTAL LIABILITIES	\$ 1.74	\$ 8.57	\$ 11.54	\$ 10.25	\$ 12.00	\$ 12.00	\$ 12.05	\$ 13.15	\$ 13.25	\$ 14.59	\$ 14.59
Common Stock	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Additional Paid-in Capital	\$ 31.80	\$ 39.13	\$ 43.67	\$ 43.67	\$ 43.67	\$ 43.67	\$ 43.67	\$ 43.67	\$ 43.67	\$ 43.67	\$ 43.67
Accumulated Deficit	\$ (20.54)	\$ (22.34)	\$ (29.63)	\$ (29.63)	\$ (29.63)	\$ (29.63)	\$ (29.63)	\$ (29.63)	\$ (29.63)	\$ (29.63)	\$ (29.63)
Retained Earnings	\$ -	\$ 0.01	\$ (0.06)	\$ (2.64)	\$ (2.89)	\$ (2.89)	\$ (2.35)	\$ (1.58)	\$ (1.12)	\$ 0.42	\$ 0.42
Equity to be Issued	\$ 0.12	\$ 0.03									\$ -
TOTAL EQUITY	\$ 11.39	\$ 16.83	\$ 13.98	\$ 11.40	\$ 11.15	\$ 11.15	\$ 11.70	\$ 12.47	\$ 12.92	\$ 14.47	\$ 14.47
TOTAL LIABILITIES & EQUITY	\$ 13.13	\$ 25.41	\$ 25.52	\$ 21.66	\$ 23.15	\$ 23.15	\$ 23.74	\$ 25.62	\$ 26.17	\$ 29.06	\$ 29.06

Esports Entertainment (GMBL)
Cash Flow Statement
\$ in Millions

	Fiscal 2020A	2021 Estimated					2022 Estimated				
		1QA Sept	2QA Dec	3QE March	4QE June	Fiscal 2021E	1QE Sept	2QE Dec	3QE March	4QE June	Fiscal 2022E
Income Before Extraordinary Items	\$ (10.35)	\$ (1.81)	\$ (9.09)	\$ (3.58)	\$ (1.25)	\$ (13.92)	\$ (0.46)	\$ (0.23)	\$ (0.55)	\$ 0.55	\$ (0.68)
Depreciation and Amortization	\$ 0.00	\$ 0.27	\$ 0.72	\$ -	\$ -	\$ 0.72	\$ -	\$ -	\$ -	\$ -	\$ -
Stock Compensation	\$ 1.61	\$ 1.01	\$ 2.31	\$ 1.00	\$ 1.00	\$ 4.31	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 4.00
Right of use asset amortization	\$ 0.07	\$ -	\$ 0.09	\$ -	\$ -	\$ 0.09	\$ -	\$ -	\$ -	\$ -	\$ -
Net Amortization Debt Discount Convertible Debt	\$ 1.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Fair Value of Derivative Liability	\$ 2.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in the Fair Value of Warrant Liability	\$ -	\$ (2.10)	\$ (0.63)	\$ -	\$ -	\$ (0.63)	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Extinguishment of Debt	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash Interest Expense	\$ 2.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Warrant Exchange	\$ (1.89)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Settlement of Debt	\$ (0.25)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ (3.13)	\$ (2.63)	\$ (6.60)	\$ (2.58)	\$ (0.25)	\$ (9.43)	\$ 0.54	\$ 0.77	\$ 0.45	\$ 1.55	\$ 3.32
Other Receivables	\$ -	\$ 0.02	\$ (0.17)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables Reserves for Users	\$ -	\$ (0.20)	\$ (0.28)	\$ -	\$ -	\$ (0.28)	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses - Dec (Inc)	\$ (0.12)	\$ (0.03)	\$ (0.28)	\$ (0.07)	\$ (1.16)	\$ (1.51)	\$ 1.87	\$ (2.85)	\$ (0.54)	\$ (0.82)	\$ (2.34)
Other Assets - Decrease (Increase)	\$ (0.17)	\$ -	\$ (0.02)	\$ 2.00	\$ -	\$ 1.98	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable - Inc (Dec)	\$ 0.25	\$ (0.74)	\$ 0.30	\$ (1.91)	\$ 1.75	\$ 0.13	\$ 1.01	\$ 1.20	\$ 0.06	\$ 1.23	\$ 3.50
Liabilities to Customers	\$ -	\$ 0.38	\$ 0.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Lease Liability	\$ -	\$ 0.00	\$ (0.04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Payable	\$ -	\$ (0.05)	\$ (0.04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Officers	\$ -	\$ (0.02)	\$ (0.02)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities - Increase (Decrease)	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.17	\$ (0.09)	\$ 0.03	\$ 0.12	\$ 0.22
Operating Activities - Net Cash Flow	\$ (2.27)	\$ (3.26)	\$ (6.75)	\$ (2.56)	\$ 0.33	\$ (8.98)	\$ 3.59	\$ (0.97)	\$ 0.01	\$ 2.07	\$ 4.71
Payments Made in Connection with Acquisitions	\$ -	\$ (0.85)	\$ (0.83)	\$ -	\$ -	\$ (1.68)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	\$ (0.50)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments Made in Connection with Loans Rec.	\$ -	\$ (0.25)	\$ (1.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of Intangible Assets	\$ -	\$ (0.10)	\$ (0.34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of P&E	\$ -	\$ (0.00)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Investing Activities	\$ -	\$ 0.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investing Activities - Net Cash Flow	\$ (0.50)	\$ (1.12)	\$ (2.18)	\$ -	\$ -	\$ (2.18)	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Common and Preferred Stock	\$ 8.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Promissary Convertible Note	\$ 1.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of Promissary Convertible Note	\$ (0.23)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from the Exercise of Overallotments	\$ 0.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from the Exercise of Warrants'	\$ 6.69	\$ 1.02	\$ 4.26	\$ -	\$ -	\$ 4.26	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Financing Costs	\$ (1.84)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ 0.00
Financing Activities - Net Cash Flow	\$ 15.08	\$ 1.02	\$ 4.26	\$ -	\$ -	\$ 4.26	\$ 0.00	\$ -	\$ -	\$ -	\$ 0.00
Exchange Rate Effect	\$ -	\$ (0.108)	\$ (0.107)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in cash	\$ 12.31	\$ (3.47)	\$ (4.77)	\$ (2.56)	\$ 0.33	\$ (7.00)	\$ 3.60	\$ (0.97)	\$ 0.01	\$ 2.07	\$ 4.71
Cash Beginning	\$ 0.04	\$ 12.36	\$ 12.35	\$ 7.58	\$ 5.02	\$ 12.36	\$ 5.35	\$ 8.95	\$ 7.98	\$ 7.99	\$ 5.35
Cash End	\$ 12.35	\$ 8.89	\$ 7.58	\$ 5.02	\$ 5.35	\$ 5.36	\$ 8.95	\$ 7.98	\$ 7.99	\$ 10.06	\$ 10.06

Esports Entertainment (GMBL): Valuation



