

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014, as retained as part of the law of England and Wales. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

Press release

10 May 2023

Guild Esports PLC

("Guild Esports", "Guild" or "the Company")

Interim results

Guild Esports, (LSE: GILD; OTCQB: GULDF), a global teams organisation and lifestyle brand, is pleased to announce its unaudited financial results for the six months ended 31 March 2023.

Financial highlights

- Revenues increased by 241% to £3.7m (H1 2022: £1.1m), driven by strong growth in sponsorship income;
- Gross profit rose by 256% to £2.5m (H1 2022: £0.7m);
- Loss before tax declined to £2.3m (H1 2022: £4.96m) reflecting increased sponsorship revenue and a significant reduction in operating expenses;
- Net cash of £1.1m as at 31 March 2023.

Operating highlights

- Entered a four-year partnership with SCL Education to launch Guild College, providing a career pathway for young people in the esports industry and a new revenue opportunity for Guild globally;
- Launched in-house production and creative division, Guild Studios, to provide bespoke, campaign-led solutions for brands. Since launching in February, Guild Studios has already signed contracts with Samsung Mobile and blood cancer charity Anthony Nolan;
- Strengthened the Board of Directors with appointments of Jasmine Skee as Chief Executive Officer and Jocelin Caldwell as a Non-Executive Director ("NED"), to lead the next phase of the Company's development;
- Reinforced senior leadership team with appointments of Clare Jarvis as Chief Financial Officer and Company Secretary, Luke Jones as Director of Esports and Gaming, Nick Westwood as Senior Vice President of Creative and Strategy, and Matthew Charles as Director of Operations;
- Entered Counter-Strike: Global Offensive ("CS:GO"), the world's second most popular esports (*source: Esports Charts, 2023*), signing an all-female roster to represent Guild in international tournaments. The new team is intended to grow Guild's owned audience and create further revenue-generating opportunities;
- Signed R&D partnership with artificial intelligence and data analytics company Gerford AI, to utilise AI technologies to improve the discovery and development of professional esports players;
- Guild professional player Anas "Anas" El-Abd won global Fortnite competition *MrBeast's Extreme Survival Challenge*, with a top prize of US\$1m. Anas and Guild teammate Henrik "Hen" McLean extended their contracts in February 2023 to remain with Guild until at least 2024.

Post-period highlights

- Appointed hummel as Guild's Official Technical Kit Partner in a three-year deal valued at up to £0.7m in sponsorship revenues in addition to a double-digit share of merchandising sales;
- Developed UK-focused esports competitions using established game IP, including world's first mixed-gender VALORANT tournament in partnership with Coca-Cola, a women's European league in Rocket League launched by Guild with Sky Broadband,

and a new influencer-led esports competition with Samsung;

Further development and enhancement of the Sky Guild Gaming Centre that will provide further opportunities for public attendance, events and live broadcasting.

Outlook

Company continues to trade in line with expectations underpinned by a strong order book and pipeline of potential new business;

Following a 23% reduction in administrative costs including staffing expenses, the net cash used in operating activities declined by 58% in the first half, putting the Company on track for a substantially lower cash burn for the full year;

Second half revenues are expected to show further growth compared with the corresponding period in the previous year;

In January, Guild Esports committed to adding 2 million new followers to its owned audience. After seeing success across the first three months of 2023, Guild has upgraded this audience growth estimate to 5 million.

Commenting on the results, Jasmine Skee, Chief Executive Officer, said: "Guild has navigated a challenging macroeconomic environment to deliver triple-digit revenue growth, driven by strong sponsorship income and relationships with our partners. Combined with a significant reduction in operational expenses, we've seen our gross profits rise and our loss cut in half. We're keen to carry this positive momentum into the second half of 2023, with ambitious revenue and audience-growth targets for the full year.

"Guild Studios and Guild College present an opportunity to both complement our sponsorship income, and appeal to new brands looking to enter the esports space for the first time. With a strong leadership team, high-level performances from our esports teams and a growing audience, we are making excellent operational progress, positioning the Company for another year of solid growth. As a result, the Board looks to the future with confidence."

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About Guild Esports:

Guild Esports PLC is a global fan-focused team organisation and lifestyle brand that fields professional players in gaming competitions under the Guild banner. Our in-house training academy aims to attract and nurture the best esports talent, and our goal is to provide the ultimate entertainment experience alongside a distinctive lifestyle brand authentic to the esports community worldwide. Guild is led by an experienced management team of entertainment sector and esports veterans and co-owned by David Beckham. The Company is headquartered in the UK and its shares are listed on the Main Market of the London Stock Exchange (ticker: GILD) and on the OTCQB Venture Market in the United States (ticker: GULDF). Please visit www.guildesports.com for more information.

Interim Management Report

Overview

Guild has continued to gain momentum into 2023 driven by a strong contracted order book and a diversification of its revenue streams, despite a challenging and uncertain macroeconomic environment.

First half revenues more than tripled to £3.7m (H1 2022: £1.1m), including £1.1m in prize money won by Guild's professional players. Gross profit increased to £2.5m (H1 2022: £0.7m).

In combination with these increasing revenues, Guild executed a significant rationalisation of administrative costs which declined from £5.6m to £4.3m, including an approximately 29% reduction in staffing expenses compared with the corresponding period last year.

As a result, the Company saw its loss before tax for the half year decrease substantially to £2.28m from £4.96m.

The Company continues to review its contracted revenue, pipeline, cash balances and committed expenditure. Based on the directors' assessment of the Company's cash needs and the availability of financing, the directors consider the Company to be a going concern, though anticipate a fundraising may be required during the year ahead. A further update will be provided in due course.

Operating review

The Company delivered strong growth in sponsorship revenue, reflecting continued progress with the fulfilment of existing contracts as well as generation of revenue from new projects which commenced in the period under review.

Guild has a strong contracted order book, which currently stands at £5.8m, representing the total amounts remaining to be recognised as revenues over the lifetime of contracts signed to date.

Subsequent to the end of the first half, the Company won a new three-year sponsorship and merchandising contract with hummel, a well-known sports and lifestyle brand. hummel has been appointed as Guild's first ever Technical Kit Partner, generating sponsorship revenues of up to £0.7m over the three-year term for Guild, in addition to a double-digit percentage of merchandising sales. The Company expects to generate approximately £1m in revenue over the course of the contract including certain performance targets being achieved. The partnership will develop a new esports professional performance line, as well as consumer-focused lifestyle ranges and a dedicated kidswear line, with products potentially to be made available in online stores globally and physical stores in the UK. Similarly, Guild is in positive conversations with its existing client base for further work and renewals.

New revenues in H2 through sponsorship will be targeted around filling the remaining spots available to partners on the professional jersey and in activation spaces across the Sky Guild Gaming Centre. This includes naming rights to the newly formed Guild College and targeted expansion of our esports division into new gaming titles and virtual sport categories.

As well as generating significant sponsorship revenue, in the first half Guild has taken steps to diversify revenue generation through the launch of new partnerships and expansion of new initiatives, notably in education, creative and production, and AI.

In November 2022, Guild launched Guild College in a four-year partnership with post-16 education provider SCL Education, to provide BTEC Level 2 and Level 3 qualifications in esports. The partnership generates four-figure revenues for each student enrolled in the course, with an initial projection of 125 students to enrol in the programme. The first course will begin in September 2023, and enrolments are progressing in-line with expectations.

This was followed by the launch of Guild Studios, the Company's in-house creative and production division, providing bespoke campaign-led solutions for brands looking to connect with Guild's audience. Guild Studios not only widens the Company's offering to brands, but provides a lower barrier to entry, encouraging brands not typically associated with esports to collaborate with Guild to reach new audiences. Since Guild Studios' soft launch in January 2023, Guild has signed and delivered contracts for Samsung Mobile and blood cancer charity Anthony Nolan. Guild Studios has already generated six-figure revenues for the Company.

The Guild Studios team will be delivering campaigns and large events for Coca-Cola, Samsung TV, Sky Broadband and Subway across the summer as part of their existing sponsorship commitments. These innovative campaigns will include the launch of the world's first mixed-gender VALORANT tournament in partnership with Coca-Cola, the launch of a women's European league in Rocket League, and the launch of a new influencer-led competition with Samsung.

In March 2023, the Company signed an agreement with Gerford AI, a leading developer of artificial intelligence and machine learning technologies, to develop and utilise AI technologies for the scouting and development of esports professional players. Guild sees long-term potential

for the scouting and development of esports professional players. Guild sees long-term potential in the licensing and sale of the technologies developed by the partnership, intending to benefit from a first-mover advantage in esports.

The Company continues to attract the interest of global brands and has focused on developing a number of new partnership opportunities across a variety of sectors, including automotive, aviation, travel and finance. Guild's healthy pipeline consists of discussions at a range of levels of investment, many of which are at an advanced stage of progression.

On 25 April 2023, it was announced that Guild and Bitstamp had mutually decided to end their sponsorship one year early. The termination is not expected to impact Guild's revenues in the current financial year. The release of inventory and other rights from the Bitstamp deal will enable the Company to pursue similar contracts with other sponsors. The Company has adapted its contracting process to have more innovative and collaborative relationships with its sponsors moving forward, which will allow the Company to reduce the costs of servicing contracts in addition to leveraging its inventory and sponsorship rights more effectively with future sponsors.

Leadership team strengthened

Guild fortified both its Board-level and senior management teams, appointing Jasmine Skee as Chief Executive Officer and Jocelin Caldwell as Non-Executive Director in November 2022.

Ms Skee has taken steps to strengthen Guild's executive team since her arrival, recruiting Clare Jarvis as Chief Financial Officer and Company Secretary, Luke Jones as Director of Esports, Nick Westwood as Senior Vice President of Creative and Strategy, Georgia Morison as Head of Events and HQ, and Matthew "Charlie" Charles as Director of Operations. Post period, Luke Jones has been promoted to Vice President of Commercial, Esports and Gaming, owing in part to his excellent performance in securing hummel as Technical Kit Partner. Mr Jones (formerly Senior Gaming and Esports Manager at Formula One team Red Bull Racing and Digital Partnerships Director at live event company Live Nation Entertainment) will help strengthen Guild's sponsorship team leveraging his significant experience leading strategic planning, new business development and high-level digital partnership experience.

Audience

Guild refocused its audience-targeting strategies in January for aggressive growth. In January, Guild committed to adding 2 million new followers in 2023. This has been revised, following good growth in the three months to March 2023, to adding five million new followers.

Guild's channel growth will be driven by an always-on content strategy that will utilise a variety of digital platforms. The company is also developing its owned-and-operated site and exploring more ways to deliver live esports and gaming entertainment to UK fans.

Esports

The Company's athletes continue to compete at the highest levels of esports, and Guild has been delighted with their success over the half-year period. Guild Fortnite professional player Anas won the *MrBeast's Extreme Survival Challenge* tournament in December 2022 (with official confirmation received in January 2023), securing the entire prize pool of US\$1m. Guild received a percentage of these winnings in line with contractual agreements with its pro-players.

Guild has looked to sign high-level players to secure the Company's long-term future as a top-level esports brand. Anas and Guild teammate Hen, who have won five tournaments between them for Guild so far and have a combined social media reach of more than 1m followers, extended their contracts until at least 2024. The Company additionally signed an all-female CS:GO team, representing its first entry into the sport. CS:GO is expected to create new audience-growth and revenue-generation opportunities for the Company.

As at 31 March 2023, the Company has a roster comprising 17 pro-players.

Academy

Guild Academy's transition to a predominantly in-person experience has served to provide a stream of owned talent for Guild's professional teams and build a source of future revenue for Guild through the scouting, development and subsequent sale and transfer of professional players to other teams for profit.

Guild has taken great steps towards achieving both goals. The Company has signed nine players to its Elite development Academy squad.

Guild now fields Academy graduates "VoltiaX" and Max "Mayza" May in its professional Fortnite teams, with both competing in this year's Fortnite Champion Series (FNCS). These two were joined in April 2023 by content creator Ruby "RubyPlays" Allenby, another Academy graduate, who produces online content for her more than 50,000 followers as well as competing for Guild.

Outside of Fortnite, Guild Academy's young Rocket League team continues to flourish. Two Academy players have been signed to compete professionally for Guild and are competing at a high level despite their young age. Furthermore, there was the recent success of signing "BrigArmy17", a top 100 player in Europe, to head up the Company's FIFA roster.

Guild has run community days to showcase its Academy to young people, as well as generate interest in Guild College. More than 200 students have visited the Sky Guild Gaming Centre since January, with Guild committed to giving Academy access to 1000 under 16s by the end of 2023, as well as developing and delivering a programme of Academy events around the country.

Revenue generation via player sale and transfer has the ability to create value from the 'path to pro' academy system by developing select players from the esports talent pyramid that are currently below the elite level. Guild Academy is helping to feed this pipeline and increase the value of players. Guild has already sold players for profit previously, selling Tai "TaySon" Starčič for US\$115,000 in 2021. More recently, former Guild professional player Vivian "Roxi" Schilling was sold to G2 in March 2023, generating one of the highest ever transfer fees for a female VALORANT player.

Outlook

The Company has continued to benefit from positive trading momentum in the first half of 2023, with strong revenue growth from sponsorship deals and new initiatives, as well as a sharp reduction in its cost base implemented under the new leadership team.

The Company continues to trade in line with expectations underpinned by a strong order book and pipeline of potential new business. The significant decline in administrative costs including staffing expenses have helped to right size the business and reduced cash used in operating activities by 58% in the first half, putting the Company on track to achieve a substantial reduction in cash burn for the full year. This cost cutting includes a continuation of the strategic focus to shift away from employing influencers on a full-time basis, and instead deploying content creators and influencers selectively to boost specific campaigns run with Guild's sponsorship partners.

Second half revenues are expected to show further growth compared with the corresponding period in the previous year. With a strong leadership team, high-level performances from our esports teams and a growing audience, we are making excellent operational progress, positioning the Company for another year of solid growth. As a result, the Board looks to the future with confidence.

Responsibility Statement

We confirm that to the best of our knowledge:

- the Interim Report has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as adopted by the EU; and
- gives a true and fair view of the assets, liabilities, financial position and profit/loss of the Company; and
- the Interim Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year.
- the Interim Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The Interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by Jasmine Skee (CEO), on 9 May 2023.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

The unaudited condensed statement of comprehensive income of the Company for the six months ended 31 March 2023 is set out below.

Unaudited	Unaudited	Audited
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		Period ended 31-Mar 2023	Period ended 31-Mar 2022	12 months to 30-Sep 2022
	Note	£'000	£'000	£'000
Revenue	3	3,702	1,086	4,453
Cost of sales	4	(1,165)	(372)	(1,686)
Gross profit		2,537	714	2,767
Administrative expenses		(4,281)	(5,630)	(10,913)
Depreciation & amortisation		(417)	(22)	(430)
Operating loss		(2,161)	(4,938)	(8,576)
Finance costs		(123)	(17)	(172)
Loss before taxation		(2,284)	(4,955)	(8,748)
Taxation		-	-	-
Loss after taxation		(2,284)	(4,955)	(8,748)
Other comprehensive income		-	-	-
Total comprehensive loss attributable to shareholders from continuing operations		(2,284)	(4,955)	(8,748)
Basic and diluted earnings per share (pence)	6	(0.44)	(0.96)	(1.69)

CONDENSED STATEMENT OF FINANCIAL POSITION

The unaudited condensed statement of financial position of the Company as at 31 March 2023 is set out below.

	Note	Unaudited As at 31-Mar 2023 £'000	Unaudited As at 31-Mar 2022 £'000	Audited As at 30-Sep 2022 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		1,408	478	1,552
Intangible assets		174	151	220
Right-of-use asset	9	3,241	498	3,457
Other receivables		143	-	143
Total non-current assets		4,965	1,127	5,372
Current assets				
Cash and cash equivalents		1,050	6,110	2,730
Trade and other receivables	7	942	2,871	3,961
Total current assets		1,992	8,981	6,691
Total assets		6,957	10,108	12,063
EQUITY AND LIABILITIES				
Equity				
Share capital	10	519	519	519
Share premium	10	22,644	22,643	22,644
Share-based payment reserve		731	419	650
Retained earnings		(22,539)	(16,462)	(20,255)
Total equity		1,355	7,119	3,558
Non-current liabilities				
Provisions		334	-	323
Lease liability	9	2,967	532	3,204
Total non-current liabilities		3,301	532	3,527
Current liabilities				
Trade and other payables	8	1,117	1,148	3,401
Deferred revenue		787	1,309	1,318
Lease liability		397	-	259

Total current liabilities	2,301	2,457	4,978
Total liabilities	5,602	2,989	8,505
Total equity and liabilities	6,957	10,108	12,063

CONDENSED STATEMENT OF CHANGES IN EQUITY

The unaudited condensed statement of changes in equity of the Company for the six months ended 31 March 2023 is set out below.

	Share capital	Share premium account	Share-based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2021	519	22,643	419	(11,507)	12,074
Loss for the period	-	-	-	(4,955)	(4,955)
Total comprehensive loss for the period	-	-	-	(4,955)	(4,955)
Total transactions with equity owners	-	-	-	-	-
Balance at 31 March 2022	519	22,643	419	(16,462)	7,119
Loss for the period	-	-	-	(3,793)	(3,793)
Total comprehensive loss for the period	-	-	-	(3,793)	(3,793)
Share-based payments	-	-	232	-	232
Warrants cancelled during the period	-	1	(1)	-	-
Total transactions with equity owners	-	1	231	-	232
Balance at 30 September 2022	519	22,644	650	(20,255)	3,558
Loss for the period	-	-	-	(2,284)	(2,284)
Total comprehensive loss for the period	-	-	-	(2,284)	(2,284)
Share-based payments	-	-	81	-	81
Transactions with equity owners	-	-	81	-	81
Balance at 31 March 2023	519	22,644	731	(22,539)	1,355

CONDENSED STATEMENT OF CASH FLOWS

The unaudited condensed statement of cash flows of the Company for the six months ended 31 March 2023 is set out below.

	Unaudited Period ended 31-Mar 2023 £'000	Unaudited Period ended 31-Mar 2022 £'000	Audited 12 months to 30-Sep 2022 £'000
Cash flows from operating activities			
Cash used by operations	(1,456)	(3,429)	(5,370)
Net cash flow used in operating activities	(1,456)	(3,429)	(5,370)

Cash flows from investing activities

Purchase of intangible assets	-	(101)	(206)
Purchase of property, plant and equipment	(4)	(448)	(1,620)
Interest accrued	-	16	-
Net cash used in investing activities	(4)	(533)	(1,826)

Cash flows from financing activities

Payment of lease liabilities	(220)	-	(146)
Net cash generated from financing activities	(220)	-	(146)

Net (decrease) in cash and cash equivalents	(1,681)	(3,962)	(7,342)
Cash and cash equivalents at beginning of period	2,730	10,072	10,072
Cash and cash equivalents at end of period	1,050	6,110	2,730

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2023
1 Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

1.1 Basis of preparation

The condensed interim financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the European Union (EU). The interim financial statements have been prepared on the historical cost basis, except for assets and liabilities measured at fair value through profit and loss, and are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest £'000, unless otherwise stated. The financial information contained in the interim financial statements is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The accounting policies are unchanged from those disclosed in the previously filed audited financial statements for the period ended 30 September 2022.

The interim financial statements are for the six months to 31 March 2023, being six months from the financial year end for Guild Esports Plc ("Guild" or "the Company"), 30 September 2022. The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the period ended 30 September 2022. The Company has disclosed comparative data for the statement of comprehensive income for the Company for the period from 1 October 2021 to 31 March 2022, being not materially different from comparative data for the six months ended 31 March 2022.

The Company has adopted the applicable amendments to standards effective for accounting periods commencing on 1 October 2021. The nature and effect of these changes as a result of the adoption of these amended standards did not have an impact on the financial statements of the Company and hence have not been disclosed. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The condensed interim financial statements have not been audited, nor have they been reviewed by the Company's auditors in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the audited annual financial statements for the year ended 30 September 2022.

1.2 Going concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant available information about the current and future position of the Company. The directors have concluded that the adoption of the going concern assumption is appropriate based on the Company's contracted revenues, current cash balance and committed expenditure, together with the directors' assessment of the Company's ability to secure additional fundraising. However, this does constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

During the period, the Company issued warrants. The directors have applied the Black-Scholes pricing model to assess the costs associated with the share-based payments. The Black-Scholes model is dependent upon several inputs where the directors must exercise their judgement, specifically: risk-free investment rate; expected share price volatility at the time of the grant; and expected level of redemption. The assumptions applied by the directors, and the associated costs recognised in the financial statements are outlined in these financial statements.

3 Revenue

The Company derives revenue from various sources, including revenue from contracts with customers. These revenue sources involve the transfer of goods and/or services over time and at a point in time in the following major product lines.

	Unaudited period ended 31 Mar 2023	Unaudited period ended 31 Mar 2022	Audited period ended 30 Sep 2022
	£'000	£'000	£'000
Sponsorship revenue	2,490	1,077	3,148
Prize money	1,055	9	1,275
Other revenue	157	-	30
Total revenue	3,702	1,086	4,453

4 Cost of sales

	Unaudited period ended 31 Mar 2023	Unaudited period ended 31 Mar 2022	Audited period ended 30 Sep 2022
	£	£	£
Prize money payments to players	899	351	1,190
Sponsorship direct costs	227	-	477
Other direct costs	39	13	19
Opening inventory	-	-	-
Inventory purchases	-	8	-
Closing inventory	-	-	-
Total cost of sales	1,165	372	1,686

5 Employees

The average monthly number of persons (excluding directors) employed by the Company during the period was 32 (2022: 45).

	Unaudited period ended 31 Mar 2023	Unaudited period ended 31 Mar 2022	Audited period ended 30 Sep 2022
Senior management	6	11	5
Operations	26	34	31

The aggregate remuneration of employees and directors comprised:

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	Unaudited period ended 31 Mar 2023 £'000	Unaudited period ended 31 Mar 2022 £'000	Audited period ended 30 Sep 2022 £'000
Wages & salaries	789	1,128	1,654
Social security costs	93	113	220
Pension costs	11	15	26
	894	1,256	1,900

6 Earnings per share

The basic earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of shares in issue.

	Unaudited At 31 Mar 2023	Unaudited At 31 Mar 2022	Audited At 30 Sep 2022
Loss for the year from continuing operations (£'000)	(2,284)	(4,955)	(8,748)
Weighted average number of ordinary shares in issue	518,617,362	518,617,362	518,617,362
Basic and diluted earnings per share for continuing operations (pence)	(0.44)	(0.96)	(1.69)

The Company had in issue 77,595,228 warrants and options at 31 March 2023 (37,914,360 at 31 March 2022). The loss attributable to equity holders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of warrants and options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

7 Trade and other receivables

	Unaudited period ended 31 Mar 2023 £'000	Unaudited period ended 31 Mar 2022 £'000	Audited period ended 30 Sep 2022 £'000
Trade debtors	552	909	1,375
Accrued revenue	5	153	-
Other receivables	12	12	56
Prepayments	368	298	1,870
VAT recoverable	6	1,356	660
Rental deposit	-	142	-
Total trade & other receivables	942	2,870	3,961

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

8 Trade and other payables

	Unaudited period ended 31 Mar 2023 £'000	Unaudited period ended 31 Mar 2022 £'000	Audited period ended 30 Sep 2022 £'000
Trade creditors	965	755	3,150
Accruals	86	306	242
Other payables	4	-	9
Other taxation and social security	62	87	-
Total trade and other payables	1,117	1,148	3,401

The directors consider that the carrying value of trade and other payables is approximately equal to their fair value.

9 Leases

The Group had the following lease assets and liabilities:

	Unaudited period ended 31 Mar 2023 £'000	Unaudited period ended 31 Mar 2022 £'000	Audited period ended 30 Sep 2022 £'000
<i>Right-of-use assets</i>			
Properties	2,852	498	3,010

Equipment	388	-	447
	3,240	498	3,457
<i>Lease liabilities</i>			
Current	397	82	259
Non-current	2,967	450	3,204
	3,364	532	3,463

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	Unaudited period ended 31 Mar 2023	Unaudited period ended 31 Mar 2022	Audited period ended 30 Sep 2022
	£'000	£'000	£'000
<i>Properties</i>			
Opening balance	3,010	-	-
Additions	9	515	3,284
Depreciation	(167)	(17)	(274)
	2,852	498	3,010
<i>Equipment</i>			
Opening balance	477	-	-
Additions	-	-	477
Depreciation	(59)	-	(30)
	388	-	447
Total	3,240	498	3,457

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	Unaudited period ended 31 Mar 2023	Unaudited period ended 31 Mar 2022	Audited period ended 30 Sep 2022
	£'000	£'000	£'000
Opening balance	3,463	-	-
Additions	9	519	3,356
Payment made	(220)	-	(50)
Finance charge	112	17	157
	3,364	536	3,463

10 Share-based payments

The following options and warrants over ordinary shares have been granted by the Company and are outstanding:

Grant Date	Outstanding Warrants	Exercise Price	Expiry date
18-Feb-20	3,250,000	£0.01	24 months from the first anniversary of admission
13-Mar-20	75,000	£0.01	36 months from the first vesting date
09-Jun-20	250,000	£0.01	36 months from the first vesting date
18-Jun-20	1,666,666	£0.06	36 months from the first vesting date
19-Jun-20	6,963,000	£0.06	5 years from issue
29-Jun-20	250,000	£0.06	36 months from the first vesting date
07-Jul-20	225,000	£0.06	36 months from the first vesting date
05-Aug-20	250,000	£0.06	36 months
07-Aug-20	500,000	£0.06	36 months from the first vesting date
14-Aug-20	750,000	£0.06	36 months from the first vesting date
17-Aug-20	1,000,000	£0.06	36 months from the first vesting date
20-Aug-20	1,000,000	£0.06	36 months from the first vesting date

20-Aug-20	1,000,000	£0.00	date
28-Aug-20	150,000	£0.06	36 months from the first vesting date
02-Oct-20	20,584,694	£0.104	5 years from issue
27-Sep-22	25,930,868	£0.027	5 years from grant
01-Nov-22	14,750,000	£0.014	5 years from issue
At 31 March 2023	77,595,228		

At the grant date, the fair value of the warrants issued have been determined using the Black-Scholes option pricing model. Volatility was calculated based on data from comparable esports companies, with an appropriate discount applied due to being an unlisted entity at the grant date, if applicable. Risk-free interest has been based on UK Government Gilt rates.

11 Share capital and share premium

	Shares No.	Share Capital £'000	Share Premium £'000	Total £'000
At 30 September 2022	518,617,362	519	22,644	23,163
At 31 March 2023	518,617,362	519	22,644	23,163

No shares were issued in the period from the Company's last annual report on 30 September 2022 to 31 March 2023.

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