

Company Registration No. 12187837 (England and Wales)

GUILD ESPORTS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

GUILD ESPORTS PLC

BOARD OF DIRECTORS

Directors	Mr C Curtis Mr A Drake Mr K Hourd Mr F Lew Mr J Savage Mr C Sullivan Mr S Walters Mr D Gardner	(Appointed 18 June 2020) (Appointed 3 December 2019) (Appointed 14 October 2019) (Appointed 3 December 2019) (Appointed 30 March 2020) (Appointed 1 September 2020) (Appointed 1 September 2020) (Appointed 18 June 2020)
Secretary	Mr J Savage	
Company number	12187837	
Registered office	Craven House 16 Northumberland Avenue London WC2N 5AP	
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD	

GUILD ESPORTS PLC

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GUILD ESPORTS PLC

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

I am pleased to report Guild's maiden results spanning the first financial period from incorporation on 3 September 2019 to 30 September 2020, a period that pre-dates the Company's debut on the LSE on 2 October 2020.

No revenue was generated and a loss before tax of £2.7m was incurred in the period under review. These reflect the start-up costs of the business, professional and other costs relating to the early rounds of equity funding, followed by the Company's IPO. Cash and near cash amounted to £2.5m as at 30 September 2020.

The focus of 2020 was to formulate a clear strategy and raise the necessary capital to build one of the world's leading esports organisations with a global fanbase and a roster of professional players to compete in major esports competitions under the Guild brand.

A key element of our vision was to find and nurture new talent by adopting the proven academy system pioneered by Premier League football clubs such as Manchester United. An early breakthrough was made after we clinched long-term backing from David Beckham as Guild's global brand ambassador, principal influencer, as well as securing financial investment that made him a co-owner of the Company.

David is closely involved in many aspects of the business and brings wide-ranging experience as a sports industry entrepreneur with an international brand management and marketing organisation behind him. He has a social media following of 125 million, providing Guild with the ability to reach a global audience, and gives Guild high-level access to many leading corporate advertisers and sponsors, which assists our strategy of developing mutually beneficial long-term partnerships leading to significant revenues for Guild. Furthermore, his direct experience, interest in and contribution to the development of Guild's academy system is of great value to the Company.

I would like to take this opportunity to thank all shareholders for their support, which has enabled the Company to ramp up its resources and activities in a very short time. Our staff numbers have increased from just a handful to more than 20 at present and I commend all our employees, players and partners for their hard work and dedication as we navigate through the challenges posed by Covid-19.

The pandemic has caused widespread great human and economic disruption; however, Guild remains mostly unaffected and the growth of the esports sector has been accelerated by increased time at home during the pandemic and restrictions on other leisure activities. For example, Twitch saw its traffic jump by 50% from March to April during lockdown (as reported by The Economist), which shows how the e-gaming sector has provided an alternative to traditional leisure activity to occupy their extra time whilst at home. This dynamic has increased media consumption by existing esports followers and brought new followers into the esports ecosystem, which we expect to benefit the esports sector and Guild long term.

Post-period review

Good progress has been made in the four months since IPO, which coincided with the start of the Company's new financial year.

The esports sector continues to enjoy strong growth, driven by favourable long-term fundamentals such as increasing access to high-speed broadband, which facilitates multiplayer gaming, the introduction of a new generation of games consoles, as well as the growing popularity of esports as a mass market leisure and entertainment activity. As noted above, the virus and lockdowns have spurred much interest and engagement in esports which we expect to be an enduring factor in their long-term growth prospects well beyond the duration of the pandemic.

The esports market is forecast to grow by around 50% from approximately \$1bn a year in 2019 to \$1.6bn by 2023 (Source: Newzoo). The total viewing audience is estimated to increase from more than 400 million to approximately 650 million in the same period.

GUILD ESPORTS PLC

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Sponsorship

Shortly after the stock market debut, Guild clinched its first sponsorship deal, with a new European fintech company for a total of £3.6m spread over three years. The deal enables the sponsor to promote its brand and logo on team jerseys, exposure during streaming of gameplay by Guild and its team players as well as other marketing initiatives. Our sponsor's plans to unveil their brand at a major marketing event were pushed back by travel disruption caused by Covid-19. Our deal remains completely unaffected and both sides continue to work and collaborate normally. The brand is expected to be launched by the sponsor shortly at which point Guild's revenues will commence.

This deal was followed by a two-year contract with HyperX, a leading gaming peripherals brand of Kingston Technology Company Inc, the world's largest independent manufacturer of memory products, based in California. HyperX has a long association with the esports sector and will become Guild's exclusive peripherals partner and as part of the agreement, its products will be used by our pro-players, content-creators and academy students as well as to fit out our London headquarters.

Together these sponsorship deals have enabled Guild to take big strides towards achieving its goal of £5m in sponsorship revenues in the first year after flotation. The Company's pipeline of new business from other potential sponsors and advertisers has also strengthened significantly. Discussions are currently at an advanced stage with several such prospects. These potential sponsors are engaged in multiple industries and have shown great interest in partnering with Guild as we emerge as a leading esports brand and expand our audience in a rapidly growing esports sector.

Rapidly growing audience

Guild is building its endemic audience through the creation of original content, signing of top-tier players and working with influencers and content creators, with David Beckham's social posts bringing in fans from the general population. Guild's fanbase and social reach has gone from strength to strength, with subscribed fans rapidly approaching 100,000, video views surpassing 9 million, and social impressions of over 59 million. With the Company's roster of players and influencers, Guild has direct access to over 1.8 million fans (excluding David Beckham's own followers) via social media posts, an essential and attractive asset for potential sponsors.

This is in addition to brand exposure provided by media coverage of Guild's teams competing in esports games and tournaments. Guild's current games are widely covered by specialist media via platforms such as Twitch and YouTube, and there has been increasing coverage from mainstream media outlets such as BBC Sport, who live streamed a number of Guild's Rocket League fixtures in January 2021.

Expansion of teams at pace

Our esports audience is expanding partly due to the step-up in recruitment of outstanding professional players, and the total roster of talent has increased from four in September 2020, to twelve players to date. They are organised in teams specialising in four major games franchises and compete individually and jointly for prize money in FIFA, Fortnite, Rocket League and Valorant tournaments.

Guild has also started a program to manage and drive player's social channels and digital content creation, expanding the reach of Guild and increasing its fanbase. The Company is considering expansion into new games, giving access to larger audiences and partnership opportunities.

Our expansion into Fortnite with three esports athletes has given us a top-tier roster with a significant social following, and a track record of wins and trophies in global competitions. Our FIFA player is currently ranked 3rd in Europe, and has already qualified for the pinnacle competitive FIFA tournament at the end of season, the FIFA World Cup. Our Rocket League team has gone from strength to strength, and is still on track to qualify for the World Championship. Our Valorant roster, now supported by a newly appointed head coach, is gearing up for the new season and anticipates being a top-three team.

GUILD ESPORTS PLC

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Merchandising

The first range of Guild-branded apparel went on sale on the Company's website in November 2020. Sales volumes, as expected, were modest as these are still early days for the Company's merchandising operations. A second line of products is being planned for a launch during the first half of 2021. The new range, 'Patch 0.2.1', will continue to feature the iconic Guild logo (as designed by renowned London artist, Fergus Purcell) but will be bolder and brighter, targeting the endemic esports and youth culture markets. Guild also plans to partner with prominent influencers and artists who resonate with the young, esports and culture-driven audiences, to create exclusive collaborative collections.

The Guild Academy

The Guild Academy has advanced from its planning phase to the implementation stage with Guild's roster of top-tier teams already benefiting from academy content. The academy is in beta-test and set for a global launch this year, with an interactive tournament platform, fully integrated learning engine and exclusive live workshops to be delivered.

Modelled on the Premier League and with input from David Beckham, the academy will provide holistic training to improve a player's physical, psychological, social and personal skills together with in-game coaching and development. The academy will contribute to the growing fanbase and identify the next generation of professional esports athletes to compete for Guild.

Following the IPO, the build-out of Guild's operational management team was completed, with senior hires for each of the Company's key verticals: Esports; Partnerships; Brand & Marketing; Merchandise & Apparel; and Academy.

2021 Outlook

Significant progress has been made to execute Guild's growth strategy since the flotation four months ago.

The Company has established a solid operational base, which together with our robust balance sheet and favourable industry fundamentals, provide an excellent backdrop to our prospects.

In 2021 the Company looks forward to continuing to work closely with co-founder, David Beckham; the highly anticipated launch of the Guild Academy; success in global esports tournaments; and collaboration with content creators and influencers.

Our fan base is growing rapidly with video views now exceeding 9.4 million and social impressions at 59 million. These factors will continue to drive Guild's fanbase and social reach, leading to significant growth opportunities in the apparel and partnerships divisions.

Guild has also clinched its first two multiyear sponsorship deals and the new business pipeline has strengthened significantly as our sales activity gains momentum. Several significant sponsorship deals are at an advanced stage of negotiations which puts Guild on track to deliver solid growth in sponsorship revenues in the current year.

As a result, the Board looks to the future with considerable confidence.

Mr C Curtis

Executive Chairman

28 January 2021

GUILD ESPORTS PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the period ended 30 September 2020.

Principal activity

The Company's principal activity is that of a global fan-focussed 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 esports veterans and co-owned by David Beckham.

Review of the business and future developments

Guild Esports Plc was incorporated on 3 September 2019. On 2 October 2020 the Company was admitted to the Official List of the UK Listing Authority by way of a listing on the standard segment of the London Stock Exchange.

The period to 30 September 2020 was a start-up phase for the Company, in which the foundations of the business were formed: hiring an experienced leadership team; entering into an influencer agreement with David Beckham; and securing capital with private equity raises, leading up to the initial public offering on 2 October 2020. During the period, Guild established a fanbase of around 20,000 and entered into competitive FIFA and Rocket League with top-tier teams.

Since the period-end, Guild has recruited industry leaders in senior roles in all key verticals (Esports; Partnerships; Brand & Marketing; Merchandise & Apparel; and Academy).

Guild has quickly built a reputation in the industry for engaging and creative content, setting a new standard for announcement videos, resulting in upwards of 9 million video views. In 2021, Guild will continue on this momentum by producing a variety of original content across multiple gaming titles and social platforms. It will feature players, influencers and industry personalities which will accelerate the growth of Guild's fanbase.

Guild has esports rosters competing at the highest levels in FIFA, Rocket League, Fortnite and Valorant. Guild has implemented a performance philosophy, which includes a holistic approach to unlock the full potential of each individual, and a clear roadmap for winning trophies. Guild has also started a program to manage and drive players' social channels and digital content creation, expanding the reach of Guild and increasing its fanbase. The Company is considering expansion into new games, including CS:GO, giving access to larger audiences and partnership opportunities.

The Guild Academy has progressed significantly and is currently undergoing external beta testing. The academy is set to launch globally in 2021 and will feature a holistic learning approach to the esports ecosystem, focused on providing a safe learning environment with engaging content, transferable life skills and a true 'path to pro' system. Once fully established, the academy is expected to attract a large fanbase which will be a lucrative asset to potential sponsors and identify the next generation of top-tier esports athletes for Guild.

Having launched its first apparel range in November 2020, Guild have designed and developed the start of a unique lifestyle apparel line with an aesthetic that is authentic to the esports community and infused with streetwear-inspired design philosophy. Guild will launch 'Patch 0.2.1' in the first half of the year. The new range will continue to feature the iconic Guild logo (as designed by renowned London artist, Fergus Purcell) but will be bolder and brighter, continuing to target the endemic esports and youth culture markets. Guild also plans to partner with prominent influencers and artists who resonate with the young, esports and culture-driven audiences, to create exclusive collaborative collections.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Company Strategy and Business Model

The Guild business model is to develop a global esports brand with a large viewership and a loyal fanbase, derived from a combination of top-tier esports teams, a world-class academy, influencers and content creators. Operations are led by industry experts and have the backing and support of David Beckham and his management team. Revenue is predominantly generated through multi-year sponsorship deals with corporate and consumer brands, looking to access their target market through esports. Merchandise, apparel and in-game micro transactions are also available to purchase by fans of Guild.

Key performance indicators

The Board of Directors monitors the activities and performance of the Company on a continuing basis. The core KPIs of the Company are Sponsorship revenues and Viewership figures. Growth in audience and building a tribal fanbase is crucial to creating long-term value for shareholders. As Guild was in a start-up phase during the period, latest figures have also been presented to show the early progress of the business.

	30 September 2020	28 January 2021
Sponsorships		
Partnership revenues		
- earned during the period	-	-
Contracted partnerships		
- minimum contracted revenues in future periods	-	*£3.6m+
Viewership		
Guild fans		
- Individuals who have opted into Guild channels (e.g. YouTube, Instagram, Twitter, Twitch etc.)	25k	97k
Guild network		
- Individuals subscribed to the network of Guild teams, influencers and content creators	0.5m	1.86m
- Guild social reach on David Beckham's channels	123m	125m
Social impressions		
- Display of Guild content on individuals' social feeds	7.6m	59.0m
Video views		
- Views of videos on Guild channels	0.6m	9.4m
Viewership of Guild events		
- Views of live Guild events (online)	148k	207k

*The figure includes contracted revenues of Guild's first sponsorship deal only. On 28 January 2021, Guild signed a two-year sponsorship deal with HyperX. The contract value, which is confidential for commercial reasons, is in line with the Company's expectations at the time of IPO.

Principal risks and uncertainties

The Board considers the principal risks of the Company to revolve around the accumulation of fans and its ability to attract sponsors. The Company mitigates the risk of low fan accumulation through diversification and appealing to a broad market. The Company engages a wide endemic audience by operating in multiple esports; working with influencers and content creators; and maintaining an active presence on several social media platforms. Guild social posts made through David Beckham's channels provide a mass market appeal and contribute significantly to the social reach of the Company. The Company mitigates the risk of not attracting sponsors through forming a partnerships team consisting of experienced professionals, sector specialists and led by the CEO. The team has an in depth understanding of the demographic which sponsors want to reach, and the market they intend to grow in. Guild attract top talent in target regions, and compound this with the social reach of David Beckham to create opportunities and meet sponsors' needs.

The Company operates in a changing environment and is subject to a number of risk factors. The Board consider the following to be of particular relevance but this is by no means an exhaustive list, as there may be other risk factors not currently known.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Risks relating to the esports industry

Esports sector growth

The esports sector grew by 26 percent from 2018 to 2019. While the Directors believe the esports market will continue to grow at a similar rate, at least for the next three years, there is no guarantee that it will do so and at some point growth will inevitably slow or stagnate. That may result in revenues across the sector stagnating or reducing and the sponsorship market becoming even more competitive, both of which would have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

Competition

The esports industry is highly competitive, with new teams entering tournaments and leagues on a regular basis and with existing and new participants having significant resources (both financial and in terms of talent). Increased competition may make it more difficult for the Company's team to win tournaments and leagues, to attract sponsors and to attract talent. Furthermore, the Company may be required to offer cheaper sponsorship and pay higher than expected salaries to talent, in order to secure contracts.

Reliance on third-party services

The vast majority of esports fans watch leagues and tournaments (and therefore teams such as Guild) via free, online live-streaming of content on Twitch and YouTube. If Twitch or YouTube were to change their business models and charge for content, the attractiveness of esports to sponsors would be reduced and profile-raising opportunities for Guild would be reduced. Furthermore, the esports sector is reliant on the technical infrastructure of Twitch and YouTube; a disruption in the services offered by Twitch and YouTube may have a material adverse effect on the Company.

Risks relating to the Company's Business strategy

The Company is a start-up business

The Company commenced operations on 25 June 2020, and is competing with established competitors who may have more resources and a more recognisable brand presence in the market. The Directors believe that they have the experience and connections to ensure that the business is able to compete with established rivals and take advantage of market opportunities they have identified.

Recruitment and retention of top-tier esports talent

The Company's brand will be built around the success and profile of esports players. The success of the Company will depend on its ability to recruit and retain esports players who have either the potential to be successful star players or are already successful star players. The Company's team, Guild, is a new name in the esports world, with no established reputation or tournament history. The Company will be competing to sign esports players against established teams that have greater resources, higher profile and a history of tournament success. If Guild cannot sign players of sufficient standing and/or talent, that is likely to have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

Player performance

Though the Company intends to sign the best esports players available to it (given its resources), there is no guarantee that such recruitment will translate into tournament success. If Guild does not perform to a reasonably high level in tournaments, it will not generate the publicity to grow its brand and to attract sponsors and the Company's revenue from prize money and sponsors will be lower than expected, making future or further recruitment more difficult.

Attracting sponsors

The global sponsorship market is very competitive, both within the esports sector and generally, with individuals, teams and tournaments all seeking sponsorship income. Without a track record of tournament success, Guild may have to offer preferential terms to sponsors resulting in below market value deals in the short term. The failure to attract sponsors and/or to agree satisfactory commercial terms may have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Popularity of chosen esports

There are a large number of esports games and the Company will not have the resources to compete in all esports competitions. The Company has therefore selected to enter teams in competitions relating to a limited number of games. The Company feels that these games are particularly suited to the esports market, will enjoy enduring popularity and that the competitions around these games have the potential for future development. If the Company's assessment of these games is incorrect then the Company may not see a return from its investment in players and tournaments fees and may find it more difficult to develop its business.

Covid-19

The Coronavirus is a respiratory infection, which has been given the official name Covid-19. Governments have taken unprecedented action to "lock down" cities and countries to reduce the spread of the infection. Although the Company's business is largely conducted online and esports events may not need to be cancelled in the way that many sports events have been, the downturn in economic activity caused by the preventative measures enacted is likely to adversely affect the Company's business.

League entry fees

Increasingly esports leagues are charging entry fees to teams wishing to participate in leagues. These entry fees can be very substantial (for example, the League of Legends Championship Series requires teams to pay a US\$10m fee for entry) and may prove prohibitive to the Company especially if its revenue forecasts do not meet the Directors' expectations. If the Company cannot afford to pay the requisite entry fees, it will not be able to compete in certain leagues meaning that it will not have the opportunity of winning prize money that the team may be less attractive to players, fans and sponsors as a consequence.

Adverse actions of players

The Company is expecting to recruit esports players who either have, or will develop, an online profile that will prove attractive to fans, sponsors and esports viewers. As a player's profile increases, there is a greater risk that the player's adverse behaviour could have a negative effect on the Company, whether by damage to its reputation and good standing and/or by way of the termination of contracts for breach. While the Company will put in place policies emphasising the need for esports players to be positive brand ambassadors at all time, and put players through sensitivity training where appropriate, the Company will not be able to control its players at all times.

Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The Company operates as an esports organisation, within a fast-growing and developing environment, and at times may be dependent on fund-raising for continued operation and/or growth. The nature of the business is understood by the Company's members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2020:

- Secured £20m gross proceeds through an IPO on 2 October 2020
- Partnered with co-owner, David Beckham, as an ambassador and the face of the Company, giving the Guild brand instant recognition and credibility
- Commenced hiring for key business pillars, being: Esports; Partnerships; Brand & Marketing; Merchandising; and Academy

As an esports organisation with a growing social following, the Board takes seriously its ethical responsibilities to the communities and the environment in which it works.

The interests of employees are a primary consideration for the Board and an inclusive share-option programme will allow them to share in the future success of the Company. Personal development opportunities are encouraged and supported.

This report was approved by the board on 28 January 2021 and signed on its behalf by:

Mr K Hourd
Chief Executive Officer

GUILD ESPORTS PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

General information

The Directors present the Annual Report and audited financial statements for the period ended 30 September 2020.

The Company's Ordinary Shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities on 2 October 2020. The Company is registered in England and Wales.

Future developments

As discussed in the Strategic Report, the Company is set to accelerate the growth of the Company, and its fanbase through:

- Success in tournaments across all game titles, continuing to develop and attract world-class players
- Production of high-quality digital entertainment content, in collaboration with influencers and industry personalities
- Launch of the Guild Academy and its 'path to pro' system

Dividends

The directors do not propose a dividend in respect of the period ended 30 September 2020.

Directors

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

Attendance at Board meetings, up to the balance sheet date:

Member	Meetings attended
C Curtis	3 of 3
K Hourd	7 of 7
J Savage	5 of 5
D Lew	5 of 5
A Drake	5 of 5
D Gardner	3 of 3
S Walters	2 of 2
C Sullivan	2 of 2
T Le Druillenec	4 of 4
J Bixby	3 of 3

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets when required, with a minimum of once per month, and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from independent professionals at the Company's expense. Training is available for new Directors and other Directors as necessary. All Directors are subject to re-election annually and, on appointment, at the first AGM after appointment.

GUILD ESPORTS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Communications with shareholders

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there will be regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Chairman and other members of the Board at the Annual General Meeting. All published information for shareholders is also available on the Company website, including annual and interim reports, circulars, announcements and significant shareholdings.

Accountability and Audit

The Board presents a balanced and understandable assessment of the Company's position and prospects in all interim and price sensitive reports to regulators as well as in the information required to be presented by statutory requirements.

The Company's audit committee is comprised of Simon Walters (as committee chair), Chris Sullivan and Andrew Drake. The audit committee is to meet at least twice a year to consider the integrity of the financial statements of the Company, including its annual and interim accounts; the effectiveness of the Company's internal controls and risk management systems; auditor reports; and terms of appointment and remuneration for the auditor.

Internal control

The Directors acknowledge they are responsible for the Company's systems of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Company failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Political donations

The Company did not make any political donations or expenditure.

Post-balance sheet events

On 2 October 2020, in the Company's initial public offering, 250,000,000 ordinary shares were issued at £0.08 each (premium of £0.079 per share). Subsequent to the period end, a further 4,000,000 ordinary shares were issued, including 3,000,000 in Director warrants as disclosed in Note 18. As at the date of this document, the total number of ordinary shares in issue is 518,617,362.

On 19 October 2020, the Company announced its first sponsorship deal, with a new European fintech company serving esports fans. Under the terms of the agreement, the sponsor will pay a guaranteed fee of £3.6m over a three-year period. On 28 January 2021, HyperX (a leading gaming peripherals brand of Kingston Technology Company Inc, the world's largest independent manufacturer of memory products), signed a two-year contract as a peripherals sponsor of Guild, which includes consideration in cash (75%) and gaming hardware (25%).

Directors and directors' interests

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Director	Appointment/resignation during the period
C Curtis	Appointed 18 June 2020
K Hourd	Appointed 14 October 2019
J Savage	Appointed 30 March 2020
D Lew	Appointed 3 December 2019
A Drake	Appointed 3 December 2019
D Gardner	Appointed 18 June 2020
S Walters	Appointed 1 September 2020
C Sullivan	Appointed 1 September 2020
T Le Druillenec	Appointed 3 September 2020 and resigned 30 March 2020
J Bixby	Appointed 3 September 2019 and resigned 3 December 2019

GUILD ESPORTS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Directors' shareholdings

Director	Ordinary shares at 30 September 2020	Percentage of Issued Share Capital at 30 September 2020
K Hourd	11,000,000	4.94%
J Savage	1,200,000	0.45%
D Lew	1,800,000	0.68%
A Drake	2,000,000	0.76%
D Gardner	2,000,000	0.76%
S Walters	333,333	0.13%
C Sullivan	1,000,000	0.38%
T Le Druillenec	2,300,000	0.87%
J Bixby*	24,000,000	9.07%

*Jonathan Bixby's shares are held by Toro Consulting Ltd, which holds 48,000,000 shares and is jointly controlled by another party

Directors' warrant holdings

Date of Agreement	Warrant Holder	Number of Warrants	Price per Ordinary Share	Exercise Period	Vesting Period	Exercised	Lock-in
3/12/19	Andrew Drake	1,500,000	£0.01	3 months from admission	Immediate	Yes	24 months
3/12/19	Derek Lew	1,500,000	£0.01	3 months from admission	Immediate	Yes	24 months
30/03/20	James Savage	1,000,000	£0.01	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months
18/06/20	Carleton Curtis	5,000,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months
14/08/20	James Savage	750,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months
17/08/20	Christopher Sullivan	1,000,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months
20/08/20	Simon Walters	1,000,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months

Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to meet its obligations over the next 12 months. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the financial statements.

The Directors have considered the impact of Covid-19 on the Company, in the context of its operations and the wider esports market.. At this stage, the Directors do not envisage a long-term impact to the Company resulting from Covid-19, but will continue to monitor the situation.

GUILD ESPORTS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Financial Risk Management

The Company has a simple capital structure and its principal financial asset is cash. The Company has a limited number of transactions with Europe, the United States and Canada, and is therefore subject to market risk by way of being exposed to variations in foreign exchange rates. The Company has little exposure to credit risk due to holding its reserves with credible institutions. The Company may also be exposed to liquidity and capital risk, due to the nature of operations and the requirements for operating an esports organisation. The Company manage these risks through maintenance of sufficient working capital.

Substantial shareholdings

Name	Ordinary Shares at date of this report	Percentage of Share Capital at the date of this report
Toro Consulting Ltd	48,000,000	9.26%
Pioneer Media Holdings Inc	31,000,000	5.98%
Blue Star Capital plc	30,626,500	5.91%
Schroder Investment Management Ltd	26,350,000	5.08%
David Beckham	24,573,529	4.74%
Soros Fund Management LLC	18,750,000	3.62%

Controlling shareholder

The Company does not have a controlling shareholder.

Greenhouse gas emissions

As at the period-end, the Directors, contractors and esports teams operate from their respective homes, with little to no travel. For the period to 30 September 2020, the Company's CO₂ emissions were immaterial.

Provision of information to auditor

As far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

This report was approved by the board on 28 January 2021 and signed on its behalf by:

Mr K Hourd
Chief Executive Officer

GUILD ESPORTS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

The directors confirm to the best of their knowledge:

- The Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The annual report includes a fair review of the development and performance of the business and financial position of the Company together with a description of the principal risks and uncertainties.

GUILD ESPORTS PLC

REMUNERATION REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

This remuneration report sets out the Company's policy on the remuneration of executive and non-executive Directors together with details of Directors' remuneration packages and service contracts for the financial period ended 30 September 2020.

The Company's remuneration committee is comprised of Chris Sullivan (as committee chair), Simon Walters and Andrew Drake. The remuneration committee is to meet at least twice a year and has as its remit the determination and review of, among others, the remuneration of executives on the Board and any share incentive plans of the Company.

Remuneration Policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company;
- The Company's general aim of seeking to reward all employees fairly according to the nature of their role and their performance;
- Remuneration packages offered by similar companies within the same sector;
- The need to align the interests of shareholders as a whole with the long-term growth of the Company; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Future Policy Table

Element	Purpose	Policy	Operation	Opportunity and performance conditions
Executive directors				
Base salary	To award for services provided	Based on recommendations of the Remuneration committee, with comparison with other companies of a similar size and sector.	Paid monthly and will be reviewable annually.	N/A
Pension	N/A	Statutory, where appropriate	N/A	N/A
Benefits	N/A	Health and dental plans	N/A	N/A
Annual Bonus	N/A	Based on recommendations of the Remuneration committee in relation to contributions to the Company.	N/A	N/A
Share Options	N/A	Based on recommendations of the Remuneration committee as part of a management incentive, where appropriate	N/A	N/A
Non-executive directors				
Base salary	To award for services provided	The Board as a whole determines the remuneration of non-executive Directors based on and the recommendations of the Chairman and comparison with other companies of a similar size and sector.	Paid monthly and reviewable annually.	N/A
Pension	N/A	Statutory, where appropriate	N/A	N/A
Benefits	N/A	None provided	N/A	N/A
Annual Bonus	N/A	No element of remuneration for performance	N/A	N/A
Share Options	N/A	Not awarded	N/A	N/A

Notes to the future policy table

The Directors shall also be paid by the Company all travelling, hotel and other expenses as they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

GUILD ESPORTS PLC

REMUNERATION REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Directors' remuneration (audited)

Details of directors' remuneration during the period ended 30 September 2020 is as follows:

Director	Salary and fees	Taxable benefits	Bonus	Pension-related benefits	Share-based payment	2020 Total
	£		£	£	£	£
Executive directors						
C Curtis	58,157	-	-	-	4,875	63,032
K Hourd	55,000	-	-	-	-	55,000
J Savage	42,000	-	-	-	907	42,907
T Le Druillenec	3,000	-	-	-	-	3,000
J Bixby	5,000	-	-	-	-	5,000
Non-executive directors						
D Lew	27,000	-	-	-	2,005	29,005
A Drake	50,000	-	-	-	2,005	52,005
D Gardner	-	-	-	-	12,863	12,863
S Walters	3,500	-	-	-	390	3,890
C Sullivan	3,500	-	-	-	418	3,918

Details of the share options and warrants granted to the directors during the period are included within the Directors' Report.

Total pension entitlements (audited)

The Company did not operate a pension plan during the period. The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Statement of directors' shareholding and share interests (audited)

The Directors who held office at 30 September 2020 and who had beneficial interests in the Ordinary Shares of the Company are summarised as follows:

Director	Position	Resigned
C Curtis	Executive Chairman	-
K Hourd	Chief Executive Officer	-
J Savage	Chief Financial Officer	-
T Le Druillenec	Executive Director	30 March 2020
J Bixby	Executive Director	3 December 2019
D Lew	Non-executive Director	-
A Drake	Non-executive Director	-
D Gardner	Non-executive Director	-
S Walters	Non-executive Director	-
C Sullivan	Non-executive Director	-

Details of these beneficial interests can be found in the Directors' Report.

GUILD ESPORTS PLC

REMUNERATION REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Service Agreements and Letters of Appointment

A consultancy agreement with Carleton Curtis dated 18 June 2020, pursuant to which Carleton Curtis was appointed as chairman of the Company with effect from 25 June 2020. The appointment will continue until terminated and is terminable by the Company giving 52 weeks' notice to Carleton or by Carleton giving 16 weeks' notice to the Company. A consultancy agreement with Kalum Lee Hourd dated 1 November 2019, pursuant to which Kalum Lee Hourd was appointed as chief executive officer of the Company. The agreement will continue until terminated and is terminable on 24 weeks' notice on either side. A service agreement with James Savage dated 9 September 2020, pursuant to which James Savage was appointed as chief financial officer of the Company. The appointment is terminable on three months' notice on either side and, if terminated by the Company other than for breach, James Savage will be entitled to receive six months' salary by way of compensation for loss of office. All executive directors have agreed to post termination restrictive covenants that are typical for a person of each individual's seniority.

A letter of appointment with Derek Lew dated 3 December 2019, pursuant to which Derek Lew was appointed as a non-executive director of the Company. The appointment is for an initial term of three years and is terminable on three months' notice on either side. A letter of appointment with Andrew Drake dated 3 December 2019, pursuant to which Andrew Drake was appointed as a non-executive director of the Company. The appointment is for an initial term of three years and is terminable on three months' notice on either side. A letter of appointment with David Gardner dated 9 September 2020, pursuant to which David Gardner was appointed as a non-executive director of the Company with no right to receive a fee. A letter of appointment with Simon Walters dated 12 August 2020, effective from 1 September 2020, pursuant to which Simon Walters was appointed as a non-executive director of the Company. The appointment is for an initial term of two years and is terminable on three months' notice on either side. A letter of appointment with Christopher Sullivan dated 13 August 2020, effective from 1 September 2020, pursuant to which Christopher Sullivan was appointed as a non-executive director of the Company. The appointment is for an initial term of two years and is terminable on three months' notice on either side.

Terms of appointment

The services of the Directors, provided under the terms of agreement with the Company, are dated as follows:

Director	Year of appointment	Number of years completed	Date of current engagement letter
C Curtis	2020	-	18 June 2020
K Hourd	2019	1	1 November 2019
J Savage	2020	-	9 September 2020
D Lew	2019	1	3 December 2019
A Drake	2019	1	3 December 2019
D Gardner	2020	-	9 September 2020
S Walters	2020	-	12 August 2020
C Sullivan	2020	-	12 August 2020

Consideration of shareholder views

The Board will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

GUILD ESPORTS PLC

REMUNERATION REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Corporate Governance Statement

The Company intends to comply with the provisions of the Corporate Governance Code published by the Quoted Companies Alliance (QCA Corporate Governance Code) insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements in this Prospectus are themselves misleading, false or deceptive.

The Board will report on the ten principles of the QCA Corporate Governance Code in future annual reports.

This report was approved by the board on 28 January 2021 and signed on its behalf by:

Mr J Savage
Finance Director

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUILD ESPORTS PLC

Opinion

We have audited the financial statements of Guild Esports Plc (the 'company') for the period 3 September 2019 to 30 September 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the company financial statements was set at £48,500. This was calculated based on 2% of total expenses, which we determined, in our professional judgment, to be the key principal benchmark within the financial statements relevant to members of the company in assessing financial performance during the first period since incorporation leading up to the commencement of trading. We set performance materiality at 70% of overall financial statement materiality.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £2,425. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

As part of our planning we assessed the risk of material misstatement including those that required significant audit consideration for the company. Procedures were then performed to address the risk identified and for the most significant assessed risks of material misstatement. The procedures performed are outlined below in the key audit matters section of this report. We addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GUILD ESPORTS PLC

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed it
<p>Accounting treatment of IPO costs</p> <p>The company completed the Standard Listing and Placing of shares on 2 October 2020. The associated costs incurred or accrued as at 30 September 2020 need to be allocated between those attributable to the listing and the equity raise and accounted for as follows:</p> <ul style="list-style-type: none">▪ Incremental costs that are directly attributable to issuing new shares should be deducted from equity (net of any income tax benefit); and▪ Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, should be recorded as an expense as incurred in the statement of comprehensive income. <p>Costs incurred but attributable to the Placing are eligible to be carried forward within prepayments as at 30 September 2020 and offset against share premium on completion of the fund raise.</p> <p>There is a risk the costs have not been correctly recorded and allocated in the financial statements.</p>	<p>Our work in this area included but was not restricted to:</p> <ul style="list-style-type: none">▪ Substantive testing of expenditure incurred and accrued in the financial statements in order to test their accuracy and allocation; and▪ Agreeing expenditure back to the underlying engagement letters and invoices, including where applicable the basis of allocation where costs comprise both elements. <p>We are satisfied the costs have been accurately recorded and allocated in the financial statements.</p>

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GUILD ESPORTS PLC

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board on 7 December 2020 to audit the financial statements for the period ended 30 September 2020. Our total uninterrupted period of engagement is 1 year, covering the period ended 30 September 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GUILD ESPORTS PLC

We considered the extent of compliance with laws and regulations as part of our procedures on the related financial statements items. We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

The PKF capital markets division undertook the reporting accountant role in respect of the IPO onto the standard segment of the London Stock Exchange. The financial information audited under the Standards of Investment Reporting for the Prospectus comprised the period from incorporation to 30 June 2020. No members of the capital markets division have had any involvement in the 30 September 2020 audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 January 2021

GUILD ESPORTS PLC

INCOME STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Notes	Period ended 30 September 2020 £
Operating and administrative expenses		(2,727,324)
Operating loss	3	(2,727,324)
Interest received	6	129
Loss before taxation		(2,727,195)
Taxation	7	-
Loss and total comprehensive income for the period		(2,727,195)
Earnings per share attributable to equity owners	8	
Basic and diluted earnings per share (pence)		(1.70)

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the income statement.

GUILD ESPORTS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Notes	2020 £
Non-current assets		
Intangible assets	10	36,001
Property, plant and equipment	11	4,342
		<hr/>
Total non-current assets		40,343
		<hr/>
Current assets		
Trade and other receivables	12	2,065,626
Cash and cash equivalents		2,517,734
		<hr/>
Total current assets		4,583,360
		<hr/>
Total assets		4,623,703
		<hr/>
Current liabilities		
Trade and other payables	14	2,092,720
		<hr/>
Net current assets		2,490,640
		<hr/>
Total liabilities		2,092,720
		<hr/>
Net assets		2,530,983
		<hr/> <hr/>
Equity		
Share capital	15	264,617
Share premium	15	4,880,511
Share-based payment reserve		113,050
Retained deficit		(2,727,195)
		<hr/>
Total equity		2,530,983
		<hr/> <hr/>

The financial statements were approved by the board of directors and authorised for issue on 28 January 2021 and are signed on its behalf by:

Mr J Savage
Finance Director

Company Registration No. 12187837

GUILD ESPORTS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

		Share capital	Share premium	Share-based payment reserve	Retained deficit	Total
	Notes	£	£	£	£	£
Balance at 3 September 2019		-	-	-	-	-
Period ended 30 September 2020:						
Loss and total comprehensive income		-	-	-	(2,727,195)	(2,727,195)
Issue of share capital	15	264,617	5,034,923	-	-	5,299,540
Share-based payments		-	-	113,050	-	113,050
Share issue costs		-	(154,412)	-	-	(154,412)
Balance at 30 September 2020		<u>264,617</u>	<u>4,880,511</u>	<u>113,050</u>	<u>(2,727,195)</u>	<u>2,530,983</u>

GUILD ESPORTS PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Notes	2020 £	£
Cash flows from operating activities			
Cash used by operations	20	(2,439,079)	
			<hr/>
Net cash outflow from operating activities			(2,439,079)
Investing activities			
Purchase of intangible assets		(39,078)	
Purchase of property, plant and equipment		(4,466)	
Interest received		129	
		<hr/>	
Net cash used in investing activities			(43,415)
Financing activities			
Proceeds from issue of shares (net of issue costs)		5,000,228	
		<hr/>	
Net cash generated from financing activities			5,000,228
Net increase in cash and cash equivalents			<hr/> 2,517,734
Cash and cash equivalents at beginning of period			<hr/> -
Cash and cash equivalents at end of period			<hr/> <hr/> 2,517,734

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Guild Esports PLC is a public limited company incorporated in England and Wales and domiciled in the United Kingdom. The registered office is Craven House, 16 Northumberland Avenue, London, WC2N 5AP. The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company applied IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments for the first time from 3 September 2019. The nature and effect of these changes as a result of the adoption of these new 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.

1.2 Going concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption.

The directors have a reasonable expectation that the Company has adequate cash resources to continue in operational existence for a period of at least one year from date of approval of these financial statements. The Company therefore has adopted the going concern basis in preparing its financial statements.

The directors have reviewed the ongoing situation with Covid-19 and do not consider its effects to have a material impact on the Company's going concern. The directors note that esports tournaments which would have normally taken place in a physical location, have been adapted to take place virtually, in light of the practical restrictions enforced by regulations. The directors have also noted that during this period of "lock-down", esports viewership numbers have increased.

1.3 Reporting period

The Company was incorporated on 3 September 2019. The figures in these financial statements therefore represent the period from 3 September 2019 to 30 September 2020. There are consequently no comparative figures presented in these financial statements and related notes.

1.4 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Website costs are amortised on a 33% per annum, straight-line basis.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	33% straight-line per annum
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. The Company monitors both short-term and long-term credit ratings of the financial institutions it banks with. NatWest Group Plc has a high rating from Fitch Ratings Inc, being 'F1' short-term and 'A' long-term.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

1.8 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the Company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.10 Equity and reserves

The share capital reserve represents the nominal value of equity shares. The share premium reserve is the amount subscribed for share capital in excess of nominal value. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Share based payments relating to incentive schemes or advisor warrants have been recognised at their fair value at grant within the share based payment reserve in line with IFRS2. The retained earnings reserve represents the cumulative net gains and losses and other transactions with equity holders not recognised elsewhere.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

1.11 Financial risk management

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (price risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance. The Company has no borrowings but is exposed to market risk in terms of foreign exchange risk. Risk management is undertaken by the board of directors.

Market risk - price risk

The Company is exposed to price risk primarily for the costs of operating in the Esports industry.

Credit risk

Credit risk arises from outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the board. The Company considers the credit ratings of banks in which it holds funds in order

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Controls over expenditure are carefully managed, in order to maintain its cash reserves.

Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Company has no borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company monitors capital on the basis of the total equity held by the Company,.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are currently no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

3 Operating loss

2020

£

Operating loss for the period is stated after charging:

Fees payable to the Company's auditor for the audit of the financial statements	23,500
Fees payable to the Company's auditor for work in respect of the IPO	60,000
Depreciation of property, plant and equipment	124
Amortisation of intangible assets (included within administrative expenses)	3,077
Share-based payments	113,050

4 Employees

The average monthly number of persons (excluding directors) employed by the Company during the period was Nil. Amounts paid to Directors during the period are disclosed in note 18.

5 Directors' remuneration

2020

£

Remuneration for qualifying services	247,157
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Remuneration disclosed above include the following paid to the highest-paid director:

Remuneration for qualifying services	58,157
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6 Finance income

2020

£

Interest income

Bank deposits	129
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Total interest income for financial assets that are not held at fair value through profit or loss was £129.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

7 Taxation

The charge for the period can be reconciled to the loss per the income statement as follows:

	2020
	£
Loss before taxation	(2,727,195)
Expected tax credit based on a corporation tax rate of 19%	(518,167)
Effect of expenses not deductible in determining taxable profit	57,562
Unutilised tax losses carried forward	440,036
Permanent capital allowances in excess of depreciation	(911)
Share based payment charge	21,480
Taxation credit for the period	-

The Company has tax losses of £2,315,978 available to be carried forward against trading profits arising in future periods. At this time, a deferred tax asset has not been recognised due to insufficient certainty over the level of future profits to utilise against this amount.

8 Earnings per share

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

	2020
	No.
Number of shares	
Weighted average number of ordinary shares for basic earnings per share	160,342,559
Earnings	£
Loss for the period from continued operations	(2,727,195)
Earnings for basic and diluted earnings per share being net profit attributable to equity shareholders of the Company for continued operations	(2,727,195)
Earnings per share for continuing operations	
Basic and diluted earnings per share	(1.70) pence

Outstanding warrants are non-dilutive given the loss for the period.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

9 Share-based payments

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

Options/warrants	Grant date	Expiry period	Exercise price	Outstanding at 30 September 2020	Exercisable at 30 September 2020
Warrants	3 December 2019	3 months from admission	£0.01	3,000,000	-
Warrants	18 February 2020	24 months from the first anniversary of admission	£0.01	3,250,000	-
Warrants	13 March 2020	36 months from the first vesting date	£0.01	75,000	-
Warrants	30 March 2020	36 months	£0.01	1,000,000	500,000
Warrants	9 June 2020	36 months	£0.01	250,000	250,000
Warrants	12 June 2020	Upon admission	£0.01	2,500,000	2,500,000
Warrants	18 June 2020	36 months from the first vesting date	£0.06	5,000,000	-
Warrants	19 June 2020	Five years from issue	£0.06	6,963,000	6,963,000
Warrants	29 June 2020	36 months from the first vesting date	£0.06	250,000	-
Warrants	7 July 2020	36 months from the first vesting date	£0.06	225,000	-
Warrants	5 August 2020	36 months	£0.06	250,000	-
Warrants	7 August 2020	36 months from the first vesting date	£0.06	500,000	-
Warrants	14 August 2020	36 months from the first vesting date	£0.06	750,000	-
Warrants	17 August 2020	36 months from the first vesting date	£0.06	1,000,000	-
Warrants	20 August 2020	36 months from the first vesting date	£0.06	1,000,000	-
Warrants	28 August 2020	36 months from the first vesting date	£0.06	150,000	-
				26,163,000	10,213,000

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

9 Share-based payments

	Number of options and warrants	Weighted average exercise price
	2020	2020
	No.	£
At incorporation	-	-
Granted in the period	26,163,000	0.04
Forfeited in the period	-	-
Exercised in the period	-	-
Expired in the period	-	-
	<hr/>	<hr/>
Outstanding at 30 September 2020	26,163,000	0.04
	<hr/>	<hr/>
Exercisable at 30 September 2020	10,213,000	0.04
	<hr/>	<hr/>

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. Risk-free interest has been based on UK Government Gilt rates. The weighted average remaining life of warrants as at the balance sheet date was 2.6 years.

10 Intangible assets

	Website costs £
Cost	
Additions	39,078
	<hr/>
At 30 September 2020	39,078
	<hr/>
Amortisation and impairment	
Charge for the period	3,077
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At 30 September 2020	3,077
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Carrying amount	
At 30 September 2020	36,001
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GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

11 Property, plant and equipment

	Office equipment £
Cost	
Additions	4,466
At 30 September 2020	<u>4,466</u>
Accumulated depreciation and impairment	
Charge for the period	124
At 30 September 2020	<u>124</u>
Carrying amount	
At 30 September 2020	<u>4,342</u>

12 Trade and other receivables

	2020 £
VAT recoverable	579,288
Prepayments	1,486,338
	<u>2,065,626</u>

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value. No significant receivable balances are impaired at the reporting date.

13 Financial instruments

	2020 £
Financial assets measured at amortised cost	2,517,734
Financial liabilities measured at amortised cost	2,092,720

The directors consider the carrying amounts of financial instruments in the financial statements approximate to their fair values.

14 Trade and other payables

	2020 £
Trade payables	79,746
Accruals	227,974
Other payables	1,785,000
	<u>2,092,720</u>

Other payables relates to amounts received in advance for share capital issued post-period end.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

15 Share capital and premium

	Number of shares No.	Share capital £	Share premium £	Total £
At incorporation	1,000	1	-	1
Issue of ordinary shares (13/09/2019)	99,999,000	99,999	-	99,999
Issue of ordinary shares (21/10/2019)	27,500,000	27,500	247,500	275,000
Issue of ordinary shares (28/10/2019)	3,000,000	3,000	27,000	30,000
Issue of ordinary shares (30/12/2019)	1,250,000	1,250	11,250	12,500
Issue of ordinary shares (30/03/2020)	7,500,000	7,500	67,500	75,000
Issue of ordinary shares (19/05/2020)	1,600,000	1,600	14,400	16,000
Issue of ordinary shares (12/06/2020)	52,700,029	52,700	474,300	527,000
Issue of ordinary shares (30/06/2020)	64,600,667	64,601	3,811,439	3,876,040
Issue of ordinary shares (17/07/2020)	5,133,333	5,133	302,867	308,000
Issue of ordinary shares (27/08/2020)	1,333,333	1,333	78,667	80,000
Share issue costs deducted from share premium	-	-	(154,412)	(154,412)
At 30 September 2020	264,617,362	264,617	4,880,511	5,145,128

On incorporation, the Company issued 1,000 ordinary shares for a total consideration of £1. On 13 September 2019, 99,999,000 shares were issued for consideration of £0.001 each, at par value. Between 21 October 2019 and 12 June 2020, the Company issued a total of 93,550,029 Ordinary shares for a consideration of £0.01 each, at a premium of £0.009. Of this amount, 14,490,000 shares were issued for non-cash consideration in respect of service fees, including Directors fees as disclosed in note 18. Between 30 June 2020 and 27 August 2020, the Company issued a total of 71,067,333 Ordinary shares for consideration of £0.06 each, at a premium of £0.059. All shares are authorised, issued and fully paid.

16 Financial commitments

During the period, the Company entered into an influencer agreement with Footwork Productions Limited. Pursuant to this agreement, Footwork will procure that David Beckham provides certain personal services to the Company, including personal appearances and social media posts. In addition Footwork will provide the Company with a non-exclusive, non-transferable licence to use David Beckham's name, voice, biography, image and likeness and signature to advertise and promote the Company for a five-year term. In consideration for these services the Company will pay Footwork an annual fee equal to 15% of the net proceeds of all of the Company's merchandising sales and 15% of all sponsorship revenue received in respect of contracts entered into during the term. Such payments will be subject to a minimum payment of £2,250,000 in the first twelve-month period, and further annual minimum payments of £2,500,000 in the second year, £3,000,000 in the third year, £3,500,000 in the fourth year and £4,000,000 in the final year of the term. Of these amounts, £13,000,000 is remaining as payable over the next four years.

The Company has not entered into any long-term commitments other than that outlined above.

17 Controlling party

The directors do not consider there to be an ultimate controlling party.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

18 Related-party transactions

During the period, remuneration was paid to the directors, as set out below:

	Fees settled by cash £	Fees settled by shares £	Share-based incentives £
Carleton Curtis (Executive chairman)	58,157	-	4,875
Kal Hourd (CEO)	35,000	20,000	-
James Savage (CFO)	30,000	12,000	907
Andrew Drake (Non-executive director)	30,000	20,000	-
Derek Lew (Non-executive director)	9,000	18,000	-
David Gardner	-	-	12,863
Jonathan Bixby (Director - resigned 03/12/19)	5,000	-	-
Timothy Le Druillenc (Director - resigned 30/03/20)	-	3,000	-
Simon Walters	3,500	-	390
Christopher Sullivan	3,500	-	418

The Company issued to Andrew Drake 1,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 3 December 2019 for advisory services rendered to the Company prior to Andrew becoming a director. The warrants are conditional on admission and expire three months from the date of admission. These warrants are not subject to any provisions. The warrant was exercised post year-end.

During the period to 30 September 2020, Bad Moon Talent LLC, a company for which Andrew Drake (non-executive director of Guild Esports plc) is the CEO and 55% shareholder provided esports consulting services to the Company. The total amount was £110,000 and no amounts remained payable at the period end. The consulting agreement with Bad Moon Talent LLC ended on 31 December 2020.

The Company issued to Derek Lew 1,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 3 December 2019 for advisory services rendered to the Company prior to Derek becoming a director. The warrants are conditional on admission and expire three months from the date of admission. These warrants are not subject to any lock-in provisions. The warrant was exercised post year-end.

19 Events after the reporting date

On 2 October 2020, in the Company's initial public offering, 250,000,000 ordinary shares were issued at £0.08 each (premium of £0.079 per share). Subsequent to the period end, a further 4,000,000 ordinary shares were issued, including 3,000,000 in Director warrants as disclosed in note 18. As at the date of this document, the total number of ordinary shares in issue is 518,617,362.

On 19 October 2020, the Company announced its first sponsorship deal, with a new European fintech company serving esports fans. Under the terms of the agreement, the sponsor will pay a guaranteed fee of £3.6m over a three-year period. On 28 January 2021, HyperX (a leading gaming peripherals brand of Kingston Technology Company Inc, the world's largest independent manufacturer of memory products), signed a two-year contract as a peripherals sponsor of Guild, which includes consideration in cash (75%) and gaming hardware (25%).

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

20 Cash absorbed by operations

	2020
	£
Loss for the period after tax	(2,727,195)
Adjustments for:	
Investment income	(129)
Amortisation and impairment of intangible assets	3,077
Depreciation and impairment of property, plant and equipment	124
Services settled by issue of shares	144,900
Services settled by issue of warrants	113,050
Movements in working capital:	
Increase in trade and other receivables	(2,065,626)
Increase in trade and other payables	2,092,720
	<hr/>
Cash absorbed by operations	(2,439,079)
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