

This document comprises a registration document (**Registration Document**) relating to Guild Esports PLC (**Company**) prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority of the United Kingdom (**FCA**) made under section 73A of the Financial Services and Markets Act 2000 (**FSMA**). This Registration Document has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Registration Document.

The Company and each of the Directors, whose names appear on page 13 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



GUILD ESPORTS PLC

(incorporated in England and Wales under the company number 12187837 with Legal Entity Identifier 213800IE96YMHXDJ7H92)

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company and its Directors, as to the accuracy, completeness, verification or sufficiency of the information contained herein and nothing contained in this Registration Document is, or shall be relied upon as, a promise or representation by any of the Company's advisers or any of their respective affiliates as to the past, present or future. The delivery of this Registration Document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Registration Document or that the information contained in it is correct as at any time subsequent to its date. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. Without limitation, the contents of the website of the Company do not form part of this Registration Document and information contained therein should not be relied upon by any person.

This Registration Document may be combined with a securities note and summary to form a prospectus in accordance with the Prospectus Regulation Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. This Registration Document, where not combined with a securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Company in any jurisdiction, nor shall this Registration Document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise.

The distribution of this Registration Document in certain jurisdictions may be restricted by law. No action has been taken by the Company to permit possession or distribution of this Registration Document in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Persons into whose possession this Registration Document comes are required by the Company to inform themselves about and observe any such restrictions. In the United States, this Registration Document may not be distributed nor may copies of it be made available without the Company's prior written consent other than to people who have been retained to advise in connection with this Registration Document or persons reasonably believed by the Company to be "qualified institutional buyers" as defined in and pursuant to Rule 144A of the United States Securities Act of 1933, as amended (the "US Securities Act").

The contents of this Registration Document are not to be construed as legal, financial or tax advice. Each recipient of this Registration Document should consult his, her or its own legal, financial or tax adviser for advice.

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RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

RISKS RELATING TO THE ESPORTS INDUSTRY

The rapid growth of the esports sector may slow

The esports sector grew by 26.7 per cent. between 2018 and 2019. Whilst 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.

The Company faces competition from numerous market participants

The esports industry is highly competitive, with new teams entering tournaments and leagues on a regular basis and with both 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.

The sector is reliant on Twitch and YouTube

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 the 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

The Company is a newly formed entity with no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out an esports business

The Company is recently formed, having been incorporated on 3 September 2019. It has no operating results and commenced initial operations on 25 June 2020. The Company lacks an established operating history and therefore investors have no basis on which to evaluate the Company's ability to achieve its objective of operating a business. The Company's substantive operations will only commence operations following completion the raising of substantial capital, whether equity or debt.

The Company is a start-up business which will compete 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.

The Company may be unable to recruit esports players of sufficient standing and 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 esports players whom 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.

The Company may be unable to retain esports players

The Company faces the risk of its players moving to other teams at the end of their contracts. Whilst the Company intends to pay market competitive salaries and offer benefits similar to those offered by its competitors, there is always a risk that players will move teams for either higher pay and/or the opportunity to join a winning, high-profile team. If *Guild* cannot retain top players, this is likely to have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

Players may not perform

Whilst 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.

The Company may not be able to attract 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.

The Company's chosen games may not prove to be popular

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 four particular 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.

The Company's business may be adversely affected by the impact of the Coronavirus

The Coronavirus is a respiratory infection, which has been given the official name Covid-19. The virus was first detected in the Wuhan province of China in January 2020 and has since spread around the world. As at 26 August 2020 there have been approximately 23,903,870 cases of Covid-19 and 819,609 deaths worldwide. The UK has, as at 26 August 2020, seen 326,614 confirmed cases and 41,433 deaths. 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 may be prohibitive

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\$10,000,000 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 and that the team may be less attractive to players, fans and sponsors as a consequence.

The Company may be harmed by the adverse actions of players

The Company is expecting to recruit esports players that 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. Whilst the Company will put in place policies emphasising the need for esports players to be positive brand ambassadors at all time, the Company will not be able to control its players at all times.

Preventing access by minors is difficult

Some of the esports in which the Company will participate carry PEGI (Pan European Game Information) ratings of 16 or 18. A game is rated “16” once the depiction of violence (or sexual activity) reaches a stage that looks the same as would be expected in real life. The use of bad language in games with a PEGI 16 rating can be more extreme, while games of chance, and the use of tobacco, alcohol or illegal drugs can also be present. A game is rated “18” when the level of violence reaches a stage where it becomes a depiction of gross violence, apparently motiveless killing, or violence towards defenceless characters. The glamorisation of the use of illegal drugs and explicit sexual activity will also fall into this age category.

Even when applying strict parental and other controls, restricting internet access to age appropriate games is difficult. If minors gain access to coverage of *Guild* participating in leagues or games with age classifications above that of the minor, the Company may receive adverse publicity which would make it less attractive to sponsors and players and which could also result in the termination of sponsor and/or player contracts.

Intellectual property offices may object to the registration of the Company's brand name

The Company has and will continue to incur time and expense in establishing and refining its brand and its associated range of branded products. The Company is setting out to obtain trade mark registrations in the UK and EU. The Company has to date filed applications in the UK for the word marks “GUILD” and “GUILD ESPORTS” and logo marks “G” and “GUILD” (in stylised form) for esports team-related services. The UK Intellectual Property Office has accepted and published the applications without query.

With regard to any further applications (including in the EU, or other territories that may be of interest, such as the USA), trade mark registries have the power to object to registration of a mark on various grounds. Given the meaning of the name “GUILD”, there is a risk that an attempt to register the mark in connection with esports team-related services could be met with objections by registries on the basis that the mark is descriptive or lacks distinctiveness. The acceptance of the applications by the UK registry means that it did not perceive any problem with descriptiveness or non-distinctiveness with the applications as filed. Any difficulty and/or inability to obtain trade mark registrations on this basis may not prevent the Company continuing to use the brand but could be a

disadvantage to the long term value of the brand. However, it may be possible to overcome such issues through ensuring that trade mark specifications are drafted appropriately and by making representations to the registries.

The Company may be required to defend third party claims

Firstly, in the process of the Company applying to register its brand name as a trade mark, third parties wishing to oppose the registration of the mark may commence proceedings with the relevant trade mark registry. Preliminary trade mark searches have been carried out, which have displayed a number of existing registered trademarks in the UK and the EU that include the word “GUILD” for identical and/or similar goods and services to those proposed by the Company (including computer software and electronic games). There is a risk that the proprietors of such earlier marks may oppose the Company’s application of the GUILD mark. However, this is not guaranteed and may depend on a number of factors such as whether the third party has the resources to oppose the mark. There is also no guarantee that an opposition for registration of the mark would be successful, and the Company would seek to defend itself against any such opposition proceedings. If a third party was successful in opposing registration of the mark, this could result in a disadvantage to the long term value of the brand, in particular as the Company would have fewer rights in terms of defending itself from third party infringement of the brand. This may also result in an award of the opponent’s costs being payable by the Company.

Secondly, there is also a risk that the Company’s use of the brand and intellectual property (“**Company IP**”) may result in legal action being pursued against the Company for intellectual property infringement by third party proprietors of existing registered or unregistered rights in the Company IP. Such a claim could be made whether or not the Company has successfully registered its intellectual property rights.

Notably, if a third party were successful in claiming that the use of the brand name “GUILD” infringed its intellectual property rights, this could result in the Company being ordered to cease all use of the mark in trade and having to rebrand its entire operation, which may require significant costs and resources. Should the Company be found to have infringed the intellectual property rights of a third party, the Company may also be liable to the third party for damages and their legal fees and expenses. Any claims could therefore have a material adverse effect on the Company’s business, revenue, financial condition, profitability, prospects and results of operations. Again, the risks of a particular claim would be highly fact-specific, and depend upon the resources, belligerence and trading position of any claimant.

The Company may be required to take action against a third party

There is a risk that third parties may seek to copy the Company’s brand and produce unlicensed, counterfeit goods and that the Company is unable to protect its intellectual property. Such goods may damage the Company’s brand and goodwill if they are of poorer quality than the Company’s licensed products as well as having a material adverse effect on the Company’s business, revenue, financial condition, profitability, prospects and results of operations.

The Company may identify such third parties who have infringed its intellectual property which may result in litigation between the parties. Such litigation would necessarily require the Company to devote time and attention to pursuing the matter and defending its intellectual property and would likely require the Company to incur costs in so doing (which can often be substantial). If unsuccessful, the Company could also be liable to the third party for their legal fees and expenses.

The Company, its players or a supplier on which it relies, may suffer a security breach

Security breaches, computer malware and computer hacking attacks have become more prevalent. Many companies have been the targets of such attacks. Any security breach caused by hacking which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses could harm the business. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of network infrastructure to the satisfaction of fans may harm the Company reputation and its ability to retain existing fans and attract new fans.

The Company's operations may be materially and adversely affected as a result of constitutional change in the United Kingdom

On 23 June 2016, the United Kingdom held a referendum on the United Kingdom's continued membership of the European Union. This resulted in a vote for the United Kingdom to exit the European Union, and the United Kingdom invoking Article 50 of the Lisbon Treaty to notify the European Union of its intention to withdraw from the European Union by 29 March 2019. This deadline was subsequently extended to 31 October 2019 and then again until 31 January 2020. The UK has now formally left the European Union and is in a transitional period which continues until 31 December 2020. The stated intention is for negotiations on the UK's future relationship with the European Union, including on trade terms, to be concluded before 31 December 2020. However, due to Covid-19 this may be delayed, with or without an extension of the transitional period.

There are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including among other things, the UK's financial regulation, the conduct of cross-border business and export and import tariffs. There is also uncertainty in relation to how, when and to what extent these developments will impact the economy in the UK, the future growth of its various industries, on levels of investor activity, confidence on market performance and on exchange rates. There is also a risk that the vote by the United Kingdom to leave could result in other member states reconsidering their respective memberships in the European Union. Although it is not possible to predict fully the effects of the exit of the United Kingdom from the European Union, any of these risks, taken singularly or in the aggregate, could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST

The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to deliver its business plan

The Company's Directors are required to commit such time as is necessary for them to fulfil their duties to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Directors are engaged in other business endeavours. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to deliver the business plan.

RISKS RELATING TO TAXATION

The Company may be liable to taxation in more than one jurisdiction

The Directors intend that the Company will expand its operations into additional overseas jurisdictions, and consequently it will need to ensure that it is compliant with the tax registration requirements and tax filing requirements in not only the UK, but also in those overseas jurisdictions.

There can be no certainty that the current taxation regime in the UK or in overseas jurisdictions within which the Company plans to operate in the future will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Company, which may have a material adverse effect on the Company's financial position.

Taxation of returns from assets located outside the UK may reduce any net return to Shareholders

It is possible that any return the Company receives from any assets, company or business which the Company acquires and which is or are established outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of holders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax

laws or practices or in interpretation of the law in the UK or any other relevant jurisdiction. Any such change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the group to maximise returns for Shareholders in as fiscally efficient a manner as practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions cannot be borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This will alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices or interpretation of the law could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage to the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns to Shareholders.

The risk factors listed above set out the material risks and uncertainties currently known to the Directors but do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to above materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

IMPORTANT INFORMATION AND PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Recipients of this document should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Recipients of this document must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Recipients of this document should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Recipients of this document must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

FORWARD-LOOKING STATEMENTS

Some of the statements under “Summary”, “Risk Factors”, Part I: Information on the Company, Investment Opportunity and Strategy” and elsewhere in this document include forward-looking statements which reflect the Company’s or, as appropriate, the Directors’ current views, interpretations, beliefs or expectations with respect to the Company’s financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words “expects”, “intends”, “plans”, “believes”, “projects”, “anticipates”, “will”, “targets”, “aims”, “may”, “would”, “could”, “continue”, “estimate”, “future”, “opportunity”, “potential” or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company’s actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company’s actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company’s ability to implement effective growth strategies for the Company’s business;
- the Company’s ability to ascertain the merits or risks of the operations of the Company’s business;
- the Company’s ability to deploy the Net Proceeds on a timely basis;
- changes in economic conditions generally (and specifically in the UK market);
- impairments in the value of the Company’s assets;
- the availability and cost of equity or debt capital for future transactions;

- changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Company's, or as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's future business, results of operations, financial conditions and growth strategy.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Regulation Rules, the Market Abuse Regulation, the Listing Rules and the Disclosure and Transparency Rules and except as required by the FCA, the London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

THIRD PARTY INFORMATION

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DATA PROTECTION

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering or anti-terrorism procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

DEFINED TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in Part VI: Definitions, starting on page 86 of this document.

CURRENCY

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom; all references to “\$”, “US\$” or “US dollars” are to the lawful currency of the US; and all references to “€” or “euro” are to the lawful currency of the Euro zone countries.

NO INCORPORATION OF WEBSITE TERMS

Except to the extent expressly set out in this document, neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

DIRECTORS, AGENTS AND ADVISERS

Directors

Carleton Curtis (*Executive Chairman*)

Kalum Lee Hourd (*Executive Director and CEO*)

James Stephen Savage (*Executive director and chief financial officer*)

Andrew Drake (*Non-Executive Director*)

Derek Lew (*Non-Executive Director*)

David Scott Gardner (*Non-Executive Director*)

Simon Walters (*Non-Executive Director*)

Christopher Sullivan (*Non-Executive Director*)

(All c/o the registered office)

Company Secretary

James Stephen Savage

Registered Office

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Auditors and Reporting Accountants

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E14 4HD

Website

www.guildesports.com

PART I INFORMATION ON THE COMPANY AND STRATEGY

1. Introduction and overview

Guild Esports PLC

Guild Esports PLC is a recently established company incorporated in England and Wales. The Company was formed for the purpose of raising capital to develop a global esports team called *Guild* (www.guildesports.com). Since incorporation on 3 September 2019, the Company has been developing its commercial relationships, its overall brand and in-house marketing technology required to run a digitally based esports organisation. The Company has already signed a leading FIFA esports player, a high calibre Rocket League team and has reached an agreement for David Beckham to be the face of the Company's brand.

To date the Company has raised £5,219,540.29. The Company will need further funding to finalise the development of and then launch its brand globally, acquire gaming talent and launch its ecommerce and merchandising operations.

What are esports?

Esports are electronic sports, usually in the form of competitions using video or electronic games for multiple professional players, and watched at a physical venue and through digital media.

The esports market¹

The esports market is large and experiencing rapid growth. In 2012, the worldwide esports audience was estimated at 134 million viewers (of whom 58 million were considered frequent viewers or enthusiasts). By 2019, esports had a total of 443 million viewers (of whom 198 million were considered frequent or enthusiastic viewers). The market is projected to grow to 646 million viewers by 2023. The *League of Legends* championship (an annual esports event for the online battle arena game, League of Legends) in 2017 alone attracted a peak viewing audience of 106 million viewers, far in excess of that of established sports such as the 2018 Wimbledon tennis championships, the 2018 US Open (golf) and the 2017 Tour de France.

The growth in viewers has been matched by the revenue generated by esports, increasing from US\$130 million in 2012 to US\$950.6 million in 2019, an estimated US\$1.1 billion in 2020 and projected to reach US\$1.59 billion by 2023.

The esports market is dominated by young (18-35 year-old) passionate fans who are also casual gamers. The Directors expect that this demographic will grow with the sport and will be able to support growing revenue per fan moving forward.

What is an esports organisation?

An esports organisation is a team of players, hired to play exclusively for the team and operating under a common brand. Esports organisations are analogous to traditional sports teams or franchise in that they are essentially entities skilled at recruiting, managing and signing player talent and then marketing that player talent to a fan base and monetising that fan base through various means.

The three most valuable teams in the world at present are Cloud 9 (valued at US\$400 million and with revenue of US\$29 million in 2019), Team SoloMid (valued at US\$400 million and with revenue of US\$35 million in 2019) and Team Liquid (valued at US\$320 million and with revenue of US\$24 million in 2019)².

The opportunity

Esports are now one of the most popular spectator sports on earth. Global follower interest in esports has enabled franchises to commercialise their activities through sponsorship, retail, merchandising, apparel & product

¹ Figures in this section are from <https://newzoo.com/insights/trend-reports/> unless otherwise stated

² <https://www.forbes.com/sites/christinasettimi/2019/11/05/awful-business-or-the-new-gold-rush-the-most-valuable-companies-in-esports-are-surgings/#62d7b27d324d>

licensing, new media & mobile, broadcasting and tournaments. As a consequence of these commercial opportunities, the Directors believe that esports will eventually constitute a significant portion of the overall global sports industry.

The growth of esports is primarily a product of consumer demand for and interest in gaming, whether viewed in person at the venue or through television and digital media. Esports revenue growth has been driven by the appetite among consumers, advertisers and media distributors for access to and association with electronic games in particular those with global appeal.

As television and digital media such as broadband internet and mobile extend their reach globally, the availability of and access to live tournaments and other content of the leading global leagues has increased and tournaments are now viewed worldwide. In addition, advances in new technology continue to both improve the television and digital media user experience and the effectiveness of sponsorships and advertising on these platforms. These trends further strengthen the commercial benefit of associating with esports for media distributors and advertisers and increase the global opportunities for the sport.

The esports eco-system can be summarised as follows:



Objectives

The Directors intend for *Guild* to be a global brand that will compete across multiple esports disciplines. The Company wishes to develop an iconic brand akin to that of a Premier League football team or a US NFL team.

The esports market appears poised for further significant growth and so the Company provides shareholders with a unique opportunity to own a team that intends to create revenue through tournament winnings, digital marketing opportunities, sponsorship, membership, merchandise and promotional tours/events.

Guild will target and cultivate the growing esports fan base through digital marketing and traditional marketing similar to the way that the top Premier League or NFL teams have done in their respective leagues and will endeavour to create a top ten global esports team over the next three years.

The Company has the following objectives:

- to be recognised as one of the most successful esports teams in the world. The Company's goal is to create a competitive team by developing the best training infrastructure and global scouting network;
- to develop a globally recognised brand with a large, worldwide following. The Company's goal is to create a deep follower base that is far-reaching and diverse, transcending cultures, geographies, and languages

and socio-demographic groups. Ultimately the goal will be to create a brand that goes beyond the world of esports;

- to successfully monetise *the Guild* brand. The Directors intend that the popularity and quality of a globally recognised brand will make *Guild* an attractive marketing partner for companies around the world. The intention is to build a diversified portfolio of sponsorships with leading brands. It is expected that global brands will be attracted to the esports market as its community of followers is strong in emerging markets, particularly in certain regions of Asia. The Company will therefore be able to deliver media exposure and growth to partners in these markets; and
- to create sought-after content by capitalising on the proliferation of digital and social media. The Company intends to produce content that is consumed year-round by a global community of followers. It is intended that multiple content distribution channels will produce “Hollywood” quality content that can be monetised across languages and channels.

Strategy

The Directors intend to achieve their objectives by, among other things, implementing the following strategy:

- building the best farm (development/second) team in the world. The Company will invest and cultivate the best farm team of esports players around the world by providing training facilities, academies and scouts. Like other professional leagues, such as those in football and baseball, the key to success is finding young up-and-coming players and monetising them early. The Company will build a model that is scalable and proprietary.
- active acquisition of teams and other brands. The Company will invest in a roll-up strategy for existing teams, talent and brands. This strategy will quickly enable the Company to increase its global footprint.
- attracting global and regional sponsors. Sponsors around the world such as Red Bull, Nike and Coca-Cola are positioning themselves to market to the esports fan. *Guild* will be a sponsor friendly brand and will implement a proactive approach to identifying, securing and supporting sponsors;
- developing a robust and scalable retail, merchandising, apparel and product licensing business. It is intended that *Guild* will be a global retail opportunity. It is expected that esports branded retail locations will expand over the next several years and *Guild* will invest to create a portfolio of product licensees to enhance the range of product offerings available to its fans;
- develop a relationship with key social media influencers, including David Beckham, to enhance the profile and attractiveness of the brand to both sponsors and fans;
- exploiting new media and mobile opportunities. The rapid shift of media consumption towards internet, mobile and social media platforms presents *Guild* with multiple growth opportunities and massively scalable revenue streams. *Guild's* digital media platforms, such as mobile sites, applications and social media, are expected to become one of the primary methods by which the team engages and transacts with followers around the world; and
- enhancing the reach and distribution of broadcasting rights. The value of live sports programming has grown dramatically in recent years due to changes in how television content is distributed and consumed. Specifically, television consumption has become more fragmented and audiences for traditional scheduled television programming have declined as consumer choice increased with the emergence of multi-channel television, the development of technologies such as the digital video recorder and the emergence of digital viewing on the internet and mobile devices. *Guild* intends to capitalise on this opportunity by providing a great viewing experience and will partner with other high profile teams and leagues on larger broadcasting rights contracts.

The Directors intend to create a trading business, rather than an investment entity.

Board and Senior Management

The Board is responsible for the Company's objectives and business strategy and its overall supervision. The Board has considerable experience in both the esports sector as well as in marketing and will seek to establish the Company's presence in the sector and provide a platform for the Company's growth.

In addition to the Board, the Company's Senior Management have significant experience in ecommerce, brand development and marketing. Further details of the Directors' and the Senior Managers' experience is set out in Part II of this document.

2. The development of the esports market

The early years

By most accounts, the first official video game competition on record happened at Stanford University in October, 1972 when invited players competed in a game called Spacewar, a space combat game that was first developed in 1962. Students gathered to compete against each other in this revolutionary game, with the top prize of one year's subscription to Rolling Stone magazine.

In 1980, video game competitions hit the mainstream when Atari held the Space Invaders Championship. The event attracted over 10,000 players and helped bring video games out of the shadows as a niche product and firmly into the public's eye. In the same year Walter Day created Twin Galaxies, an organisation that would record and keep world records in video gaming. With an organization dedicated to keeping these records and the Guinness Book of World Records acknowledging them, the race for top scores developed around the world. Billy Mitchell became well known in the 1980s for his mastery of various arcade games and world records in them including the popular Pac-Man and Donkey Kong arcade cabinet games. This craze caused video games to make their way onto television as shows like Starcade in the United States and First Class in the United Kingdom pitted players against each other in competitive gaming to battle for high scores.

Competitive gaming had worked its way into popular culture in the 1980s, but it really took off in the 1990s when the internet opened up a whole new world of possibilities. The Nintendo Entertainment System (NES) took the controls, graphics, gameplay and accessibility of video games to a new level. The original NES made its way to North America in 1985, and the Super NES (SNES) was released in 1991. The Sega Genesis came out in 1989, sparking an "arms race" that would lead to video games becoming exponentially better in a short period of time. In addition to making video gaming more accessible to families around the world, Nintendo also helped competitive gaming continue to grow. The Nintendo World Championships ran in 1990 and toured the United States before eventually holding its championship games at Universal Studios in California. Nintendo held another world championship in 1994 to promote the SNES. These events paved the way for much larger video game tournaments towards the end of the decade. PC gaming was on the rise, and the internet made it possible for gamers to play against each other across the world.

The 1990s

Some of the first esports leagues were founded in the late 1990s including the Cyberathlete Professional League (CPL), the Professional Gamers League, and Quakecon. Games like Quake, Counter-Strike and Warcraft were featured in events. One of those Quake events was the Red Annihilation in May of 1997 which is considered by many to be one of the first true esports competitions. The internet allowed for over 2,000 entrants to face each other in one-on-one competitions in Quake before the field was eventually whittled down to just 16 players. Those 16 players were flown into Atlanta, Georgia, to compete at the Electronic Entertainment Expo at the World Congress Center. This event was viewed by spectators in person and online and received news coverage from newspapers and television networks. Dennis "Thresh" Fong earned the win and the tournament's grand prize, a Ferrari 328 GTS.

The 2000s

All of the pieces were in place for esports to take another big step forward in the 2000s. Video games and online gaming continued to grow in popularity. Internet cafes started popping up around the world, giving video game players the opportunity to play multi-player games on high powered PCs they may not have been able to afford in

their own homes at the time. This gradually changed to as home computers kept becoming more powerful and less expensive.

In 2006, FUN Technologies held a Worldwide Webgames Championship in which 71 players competed for a \$1 million grand prize. This was just one example of an esports tournament and its prize pool growing in the early 2000s. There were approximately a dozen tournaments held worldwide in 2000; that number had increased over 20-fold by 2010.

After sitting out for much of the esports boom it had helped to create back in the 1990s, Nintendo returned to the scene with the Wii Games Summer 2010. This tournament lasted over a month and garnered over 400,000 participants. It also helped establish Super Smash Brothers for Wii as one of the most popular esports games of its time.

Twitch, League of Legends and Defense of the Ancients 2³

Esports had found its way onto television in the United States sporadically in previous decades. In countries like South Korea, it was much more popular on television. But never had the entire world had access to the excitement of competitive gaming as a spectator sport like it did when Twitch was founded. Established in 2011, Twitch gave esports a live-streaming platform to reach previously unthinkable heights. While competitive gaming was previously mostly just enjoyed by gamers and casual fans, Twitch's online broadcasting of tournaments and events around the world gave anyone with an interest in the sport a chance to dive in. Games like *League of Legends* (LoL) and *Defense of the Ancients 2* (Dota 2) became immensely popular as spectator sports, bringing in millions of unique views on Twitch. The first *League of Legends* World Championship was held in 2011 in Sweden. The event featured a \$100,000 prize pool with the first place winners Fnatic taking home the top prize of \$50,000. In 2012, the second *League of Legends* World Championships were held at the Galen Center in Los Angeles, California in front of 10,000 fans. Just one year later, the venue in Los Angeles was upgraded to the Staples Center as the finals were played in front of a sold-out crowd. In both of these years, the top prize was \$1 million. In 2014, the championship was held in Seoul, South Korea and over 40,000 fans attended. The 2016 *League of Legends* World Championships brought in 43 million viewers, with a peak of 14.7 million viewers watching concurrently at one point. These numbers were dwarfed by the event in 2017 which had over 60 million viewers. Numbers like these exceed viewership totals of the championship events of two of the United States biggest sports leagues, the MLB and the NBA.

While the *League of Legends* World Championship is an indicator of the growth of esports as a spectator sport, the annual *Defense of the Ancients 2* or Dota 2 tournament, known as "The International", is a testament to how large the sport has become on the financial side. The first International was held in August 2011. The top 16 teams in the world were invited to the event, which was the first publicly streamed Dota event. The tournament was broadcast in four different commentary languages and the grand prize for the winner was \$1 million. Subsequently, The International has broken its own record for the biggest prize pool in esports every year since 2014 with the first place prize reaching US\$10.8 million in 2017. The overall prize pool was double this amount.

Amazon purchased Twitch for just under \$1 billion in 2014 and has continued to help the platform grow alongside esports.

Fortnite

Fortnite is a free-to-play online game launched by Epic Games in 2017. The Fortnite World Cup in 2019 attracted huge media interest, not least because of the number of participants, the number of viewers and the prize money available. Approximately 40 million of Fortnite's more than 250 million registered players competed in online qualifying over a ten week period for the opportunity to play in the New York finals. The 200 finalists had an average age of 16 and came from 34 different countries. The three-day finals consisted of a creative competition and pro-am on Friday and the duos competition on Saturday and the singles championship on Sunday. Commentary was broadcast on Fortnite.com, YouTube, Twitch, Facebook, Mixer and Caffeine. The live-stream attracted an audience of 2.3 million concurrent views and fans watched an aggregate 81.8 million hours of

³ Figures in this section are from <https://newzoo.com/insights/trend-reports/> unless otherwise stated

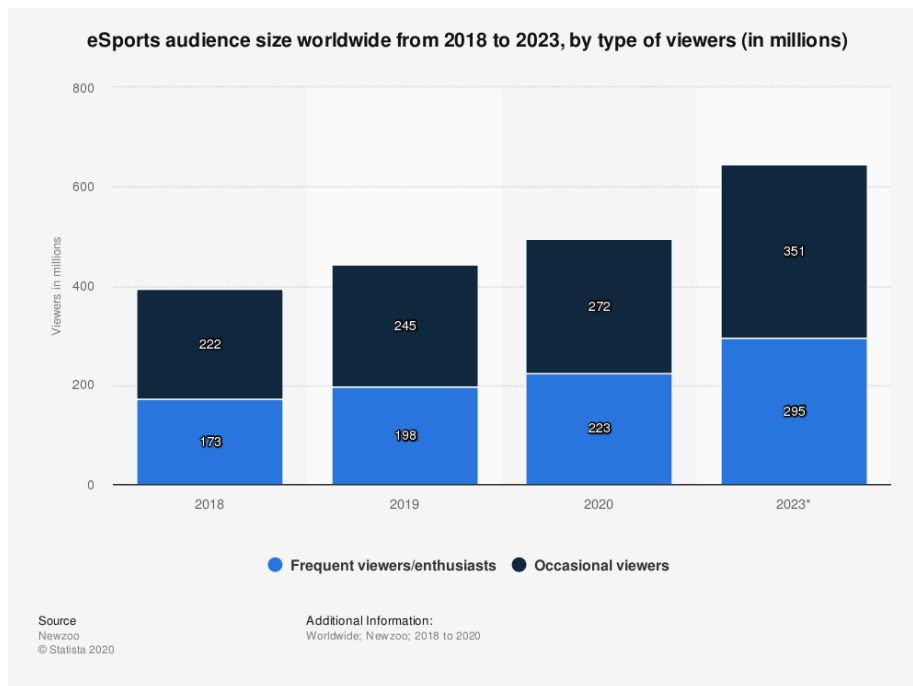
coverage of the World Cup. The winner, Bugha, won US\$3 million, with the second, third and fourth prize winners taking home US\$1.8 million, US\$1.2 million and US\$1.05 million respectively. Reflecting on the event The Guardian commented, “The question is not whether esports is the future of sports entertainment, but whether there’s any possible scenario where it’s not” (30 July 2019).

3. Size of the market⁴

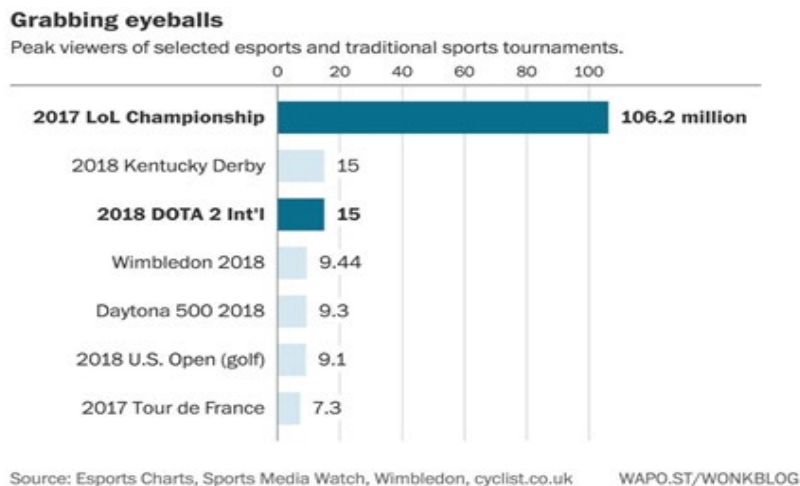
The esports market is large and experiencing rapid growth.

Audience / viewership

In 2012, the worldwide esports audience was estimated at 134 million viewers (of whom 58 million were considered frequent viewers or enthusiasts). By 2019, the market was estimated at 443 million viewers (of whom 198 million were considered frequent viewers). The market is projected to grow to 646 million viewers by 2023.



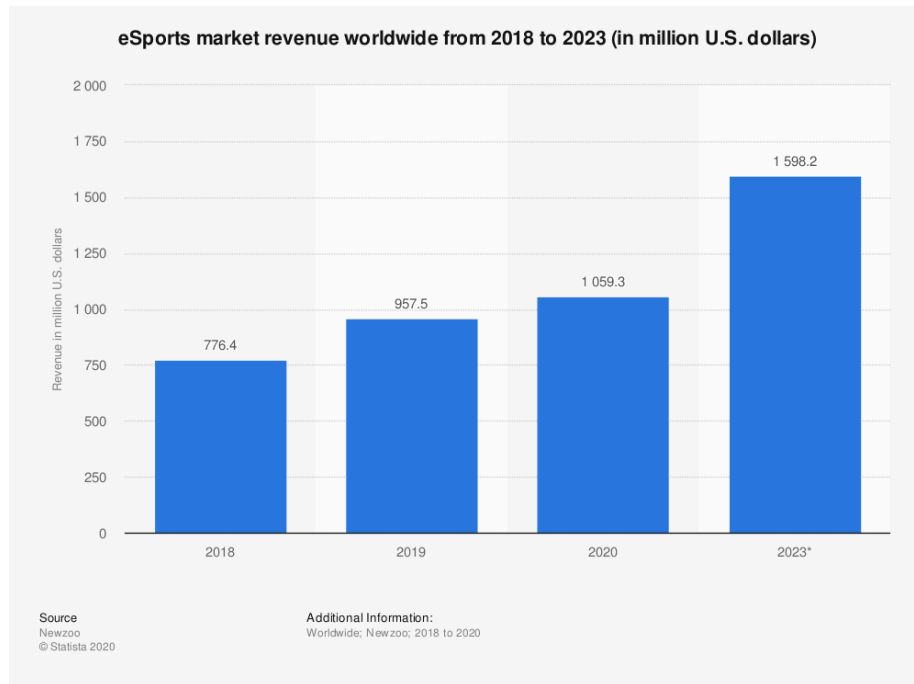
The *League of Legends* championship in 2017 alone attracted a peak viewing audience of 106 million viewers, far in excess of that of established sports such as the 2018 Wimbledon tennis championships, the 2018 US Open (golf) and the 2017 Tour de France.



⁴ Figures in this section are from <https://newzoo.com/insights/trend-reports/> unless otherwise stated

Revenue

The growth in viewers has been matched by the revenue generated by esports, increasing from US\$130 million in 2012 to over US\$950 million in 2019 and projected to reach over US\$1.59 billion in 2023, representing year on year growth of between 15 and 20 per cent⁵.

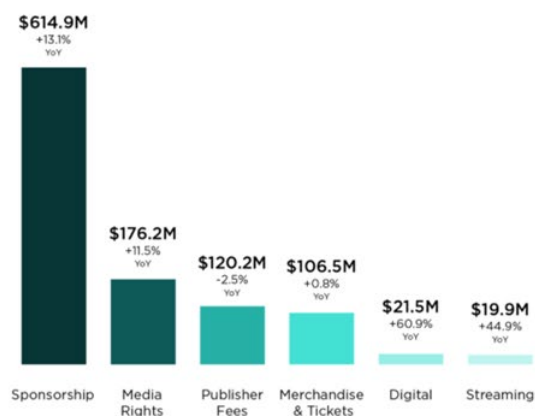


Within the esports market, Newzoo expect total revenue in 2020 to derive from the following sources:



2020 Esports Revenue Streams | Global

Including Year-on-Year Growth



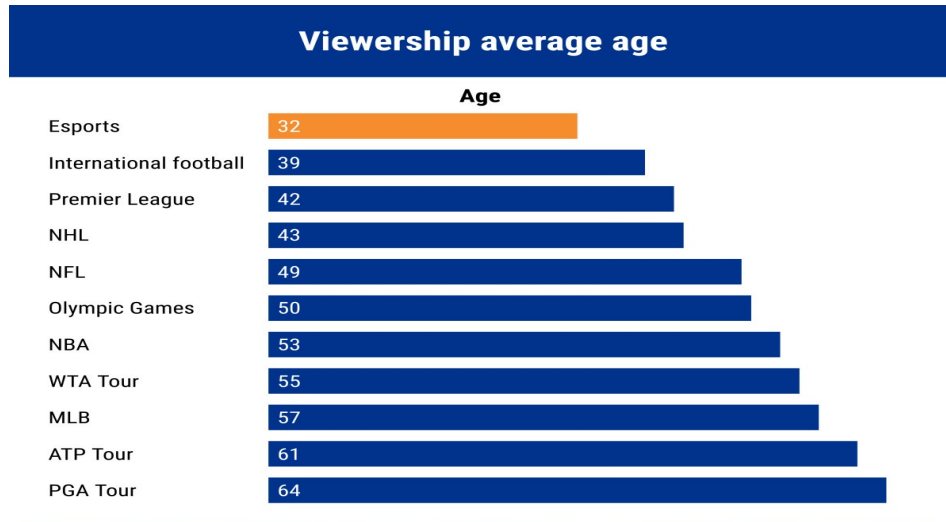
Newzoo's esports revenue figures always exclude revenues from betting, fantasy leagues, and similar cash-payout concepts, as well as revenues generated within games.
©Newzoo | 2020 Global Esports Market Report | April 2020 Update

⁵ <https://newzoo.com/insights/trend-reports/>

Demographics and geographies

The esports market is dominated by young fans. 73% of esports viewers are between 16 and 34 years old⁶ and the average esports fan is significantly younger than the average fan of traditional sports. In addition, 40% of 18-25 year olds watch five hours or more of live gaming per week⁷.

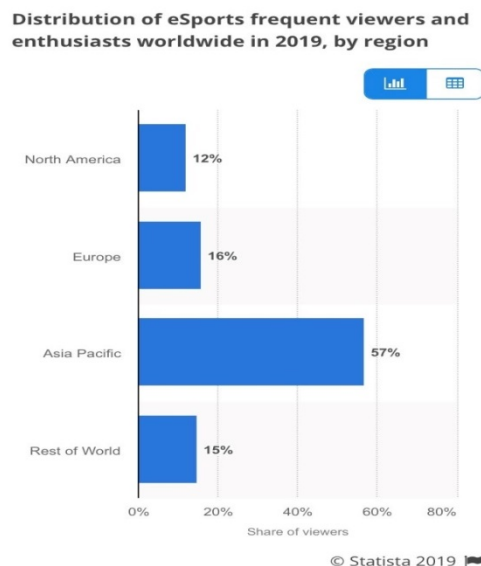
The below chart shows how the average ages of esports fans compares to those of traditional sports.



Source: KPMG research and Nielsen, in 2016

A significant majority of esports fans are male and consider themselves to be in the middle to top income bands⁸ while 46% of fans are university educated⁹.

Interest in viewing esports is particularly strong in the Asia Pacific region, with over half of global viewing coming from the area:



⁶ <https://www.globalwebindex.com/reports/esports-trends-2018>

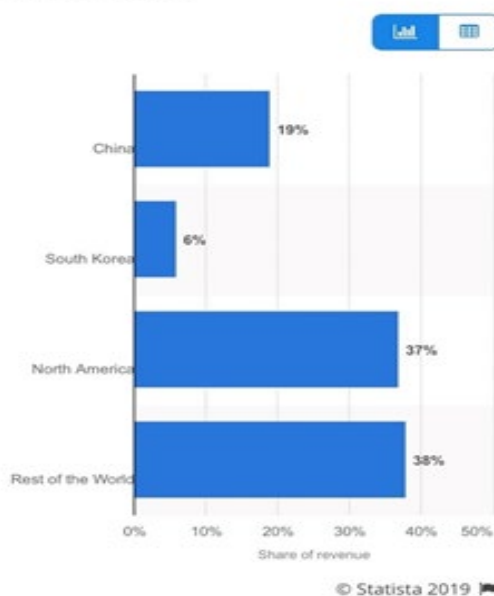
⁷ <https://www.limelight.com/resources/white-paper/state-of-online-gaming-2020/>

⁸ <https://cdn2.hubspot.net/hubfs/Downloads/Esports-report>

⁹ <https://interpret.la/who-watches-esports-interpret-releases-report-that-busts-myths-about-esports-viewers/>

Global revenue, however, is more evenly spread:

Share of worldwide eSports market revenue in 2019, by region



4. Esports franchises / teams – the competition

The growth in the popularity of esports has been matched by the creation of new esports franchises or teams. A number of high profile individuals have invested in prominent esports franchises in recent years, including Jerry Jones (Complexity), Will Smith (Gen.G) and Michael Jordan (invested in aXiomatic Gaming, which owns the esports organisation Team Liquid). The Directors anticipate that large corporations and brands will enter the esports market in the next few years.

Below is a table of the top teams in 2019 by value, as ranked by Forbes ¹⁰:

TEAM	REPORTED REVENUE*	LAST REPORTED VALUATION*	TWITTER	FACEBOOK	CS GO	LEAGUE OF LEGENDS	FORTNITE	VALORANT	DOTA 2	PUBG	OVERWATCH	FIFA	SELECTED Sponsors
Cloud9	\$29M	\$400M	2.7M		✓	✓	✓	✓	✓	✓	✗	✗	Microsoft, BMW, PUMA
Team Solomid	\$35M	\$400M	7.8M		✗	✓	✓	✓	✓	✓	✗	✗	GRUBHUB, Twitch, logitech
Team Liquid	\$24M	\$320M	2.8M		✓	✓	✓	✓	✓	✓	✓	✗	SAP, Honda, Monster Energy
Faze Clan	\$35M	\$240M	23.2M		✓	✗	✓	✓	✓	✓	✗	✓	Manchester City, Razer, Nissan
Immortals	\$11M	\$210M	0.4M		✓	✓	✗	✓	✓	✗	✗	✗	Frontier, Toyota, EAT CLUB
Gen.G	\$9M	\$185M	0.2M		✓	✓	✓	✓	✗	✓	✗	✗	Mercedes-Benz, McDonald's, Old Spice
FaZe	\$16M	\$175M	5.7M		✓	✓	✓	✗	✓	✓	✗	✓	Monster Energy, BMW, AMD
Team Envy	\$8M	\$170M	1.1M		✓	✗	✗	✓	✗	✗	✓	✗	CORSAIR, iLuvTee, Samsung
G2	\$22M	\$165M	2.7M		✓	✓	✓	✓	✓	✗	✓	✗	PHILIPS, Mastercard, paysafecard

¹⁰ <https://www.forbes.com/sites/christinasettimi/2019/11/05/awful-business-or-the-new-gold-rush-the-most-valuable-companies-in-esports-are-surging/#15e740ab324d>

All of the above teams have a track record of winning tournament prize money, attracting sponsor income and generally commercialising their product. As such all of them will be competitors to *Guild*.

As far as the Directors are aware there are currently at least five professional UK based teams:

Team	Owner	Founded	Games	Partners
Fnatic	Sam Mathews	2004	20 titles	BMW, AndaSeat, OnePlus, AMD, PCSpecialist, Rivalry, LeTou, and Monster.
Team Endpoint	Adam Jessop	2016	CS:GO, Rocket League, Street Fighter	CEX, Noblechairs, Republic of Gamers and Overclockers UK
MnM Gaming	Kalvin and Daniel Chung	2013	Hearthstone, LOL, CS:GO, Overwatch, Track Mania	Gamers Apparel
Team Dignitas	Philadelphia 76ers	2003	CS:GO, Rocket League, Super Smash Bros	Champion, HyperX, Mountain dew, Twitch
London Spitfires	Jack Etienne	2017	Overwatch	Cloud9 affiliate in Overwatch League (British Hurricane is academy team)

5. Leagues and tournaments

Esports competition is currently based on a tournament style approach where the best teams are entered in a live-streamed or broadcast tournament which determines a winner. Most major games have a tournament attached to them including League of Legends, Fortnite, Dota 2, Call of Duty and FIFA. The diagram below shows the Company's perception of the various tiers of esports competitions with tier one competitions representing those which the Company believes to be the most prestigious or where the highest levels of prize money are offered.



The Company believes that the tournament approach will evolve as more financially stable and professionally managed leagues form and the Company will endeavour to enter teams into these leagues as they come online. This will likely change the game play to a league style one on one format which will create a table of ranked teams leading to a playoff and finals style format.

Many tournaments have qualifying rounds, often online initially. After qualifying for a tournament, players/teams receive an invitation to the tournament.

Some of the larger leagues are moving towards a franchise model similar to the American football and baseball model. The 12 franchises taking part in the inaugural season of Overwatch League in 2017, for example, paid \$20 million each to Activision Blizzard for those franchise spots. This not only buys them a spot in the league but also a share of the league's revenues. Similarly, the NA LCS (League of Legends Championship Series), consists of ten teams who paid a buy-in fee of US\$10m each. New teams in the league will go through an application process and will be required to pay a US\$13m franchise fee.¹¹

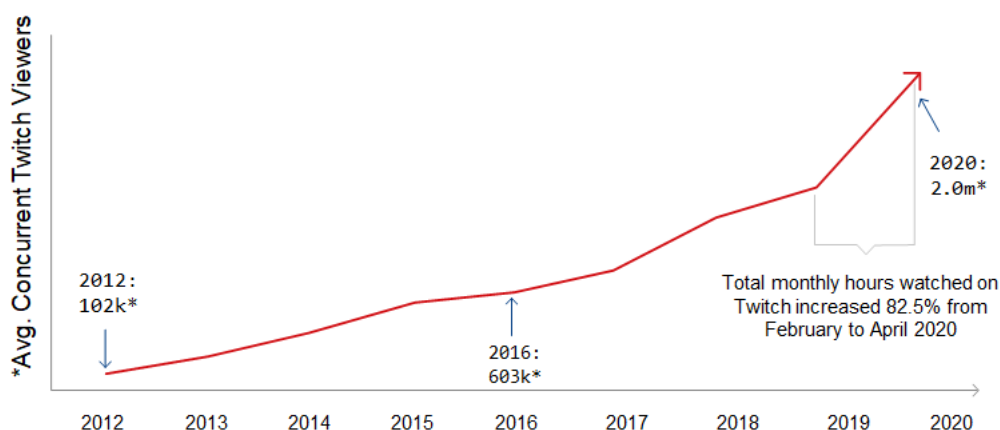
Certain games have numerous levels of competition, to suit different abilities. These are the equivalent to the Minor League in baseball or the English Football League competitions.

Amateur level competitions are also held. Some of these are in an ongoing league format such as SuperLeague Gaming (California) while others are one off or ad-hoc events which often take place in a single "gaming stadium" location, such as cinemas and are sometimes known as LAN events.

6. Impact of Covid-19

During the global Covid-19 pandemic the audience for esports has increased significantly. From February to April 2020 the monthly hours of esports watched on Twitch increased by 82.5%. This growth has been fuelled by traditional sports fans seeking alternative entertainment (in the absence of sports events being played), increased promotion as a result of brands seeking new forms of customer engagement and the fact that viewing esports is cheaper than viewing sports.

The growth of esports viewership of Twitch is shown in the below table:



7. IP Acquisition

On 11 March 2020, the Company acquired certain intellectual property rights and goodwill from Kalum Hourd. The Company paid £11,000 for such intellectual property satisfied entirely by the issue and allotment by the Company of 11,000,000 Ordinary Shares at an issue price of £0.001 each.

The intellectual property rights acquired by the Company constitute 12 months of business development including but not limited to:

Market Research: Kalum Hourd has undertaken a significant project around market research on the entire esports market as well as specific sports.

¹¹ <https://www.forbes.com/sites/kurtbadenhausen/2017/10/03/Esports-leagues-grow-up-with-permanent-franchises/>

Business Plans: Kalum Hourd has developed a business plan for entry into a number of esports and this business plan is being heavily used by the Company and is described in this document.

Marketing Strategies: Kalum Hourd has developed a marketing strategy based on social media and traditional media and public relations which will be adopted by the Company.

Sponsorship Pipeline: Kalum Hourd had developed a local sponsorship pipeline and a sponsorship sales process that will be used in developing the Company's sponsorship strategy.

Player Development: Kalum Hourd had developed a comprehensive player development program and a grassroots plan for local academies. This plan is being used as the basis for the Company's player development platform.

Kalum Hourd had developed a go to market strategy based on a number of sports including: Fortnite, Rainbow Six, CS:GO, Rocket League, League of Legends and Dota 2. *Guild* intends to use the developed strategy and plans specifically for Fortnite, Rocket League and CS:GO.

8. The Company's business plan and strategy

The Company intends to create a deeply integrated global sports franchise built on the model of successful Premier League teams and NBA and NFL franchises.

The specific elements of developing out a global franchise include building a skilled team and choosing the right esports games to play.

8.1 Teams - overview

Esports players

The core asset of any sports team is its talent pool. The Company intends to engage up to 20 esports players by the end of 2021 across its chosen game formats. The Company currently has one FIFA player and three Rocket League players. The Company intends to continue to enhance its player roster to enable it to field multiple teams in all of its chosen game formats.

Typically esports players are employed by teams on an exclusive basis for contracts of between one and three years, terminable on 6 months' notice on either side. The basic salary of an esports player is between US\$1,000 and US\$5,000 per month, with the top players making up to US\$15,000 per month. On top of salary, a remuneration package typically includes performance related bonuses, healthcare, housing and access to practice facilities.

Players are also often allowed to monetize their personal Twitch account by collecting the revenue from streaming and donations from fans.

In addition to basic salary, players are usually incentivised by being entitled to a proportion of team winnings. This information tends to be confidential but the Directors believe that salary and win bonuses are inversely proportional, with higher paid players having smaller entitlements to winnings than lower paid players.

The Company intends to place 5,000,000 shares in an option pool to further incentivise its players.

Some esports leagues, for example Overwatch, are moving to a franchise model that requires participating teams to provide a base salary, healthcare, a pension plan, housing, and a practice/training facility. Overwatch League players, while on a team's contract, are paid an annual salary. In the first year, a player's salary was a minimum of US\$50,000 set by the League. Teams were required to provide bonuses representing at least 50% of the team's winnings and revenue.¹²

¹² Kim, Matt (July 26, 2017). "Do You Want to be a Pro Overwatch Player? Here's How Much You Could Make". US Gamer. Archived from the original on July 28, 2017. Retrieved July 26, 2017.

As at the date of this document, the Company has entered into contracts with the following players:

FIFA

Niklas Raseck

Niklas Raseck, also known as NRasek or NR7 is a German born professional FIFA esports player who competes on the Xbox format and ranked as the world's second best Xbox FIFA player. Niklas has been competing in FIFA tournaments since 2013. He won the German FIFA esports championship 2015 and was the runner up in the same tournament in 2017. In July 2019 he reached the semi-finals of the Xbox FIFA global series playoffs which qualified him to compete in the 2019 FIFA eWorld Cup Grand Final (the premier FIFA esports competition). After qualifying from the group stages, Niklas won his round of 16 match before losing in the quarter finals. In November 2019 he won the FUT 20 Champions Cup Stage II before reaching the semi-final of the FUT 20 Championship Stage III in January 2020.

Niklas has already qualified for the 2020 FIFA eWorld Cup Grand Final which means the Company will have a representative in the premier FIFA esports competition in the first year of its operations

Niklas represented the *VFL Bochum 1848* esports team between July 2018 and September 2018 before signing for *Rogue* and competing for them between September 2018 and September 2019. Niklas was a free agent before signing for the Company.

Niklas has agreed an 18 month contract with the Company commencing 13 March 2020 but the Company has an option to extend this contract for a further 12 month period. The Company will pay Niklas a monthly salary of Euro 8,333 plus 50% of digital merchandising sold in his games. Niklas will also retain any prize money won by him. Niklas will be obligated to compete in all major FIFA tournaments and to produce or create a specified number of relevant posts, content and videos on all social media platforms. Niklas will be required to stream at least 10 hours of game play a week on the Company's designated platform and will wear and use the Company's apparel and merchandise. The contract is terminable on 60 days' notice by the Company at any time after six months from the date of commencement of the contract. The Company may also terminate the contract on notice if, among other things Niklas commits a material un-remedied breach of the agreement, commits an act that damages the reputation of the Company or is charged with a criminal offence. Niklas may terminate the agreement on notice if the Company commits a material un-remedied breach of the agreement or enters into liquidation, receivership or administration.

Rocket League

The Company has concluded the transfer of Rocket League Players Thomas "Th0" Binkhorst and Joseph "Noly" Kidd from Team Singularity, who were previously competing in the Rocket League Championship Series, produced by Psyonix. The Company has paid a combined transfer price of £75,000 and 1,000,000 Ordinary Shares with a deemed issued price of six pence per Ordinary Share.

The company has also signed Kyle "Scrub Killa" Robertson to complete the team. The team will join Michael "Gegan" Ellis who is the Company's Rocket League General Manager and coach and previously worked with Kyle "Scrub Killa" Robertson at Renault Vitality where they won the Rocket League Championship in 2019. The players have a combined viewership across streaming platforms and social media of just under 500,000 people.

Each player has agreed a two year contract on what the Directors consider to be market standard terms with regard to remuneration. The engagements commenced on 7 July 2020 in the case of Thomas Binkhorst and Joseph Kidd and 10 July 2020 in the case of Kyle Robertson.

As described above Niklas Raseck will retain 100% of any winnings under the terms of his engagement. This is not standard market practice but prize money for FIFA esports competitions are not yet as sizable as for other games and the Company believes that Niklas represents a marquee signing who will significantly raise the profile of the Company. As a result the Company was prepared to offer Niklas preferential terms. The Directors believe that otherwise, the salaries and benefits offered to players are market standard.

First Teams

Guild intends to have “first teams” across the following esports disciplines: Fortnite, Counter Strike, Rocket League and FIFA. The number of disciplines will grow over time but *Guild* will only have one “first team” in any one game segment. Each “first team” will consist of between five and ten players who will be under contract with *Guild* and will compete in various tournaments around the world. The first team players will be the leading marketing content creators for *Guild* and will have high profiles and dedicated PR and press liaisons. Each first team will have a coach who is responsible for game play and tournament line up decisions. Each discipline will have a general manager who will be responsible for both the first team personnel decisions, contracts as well as the farm/development teams and scouting.

Farm/Development Teams

Guild will have “farm teams” across various esports disciplines. *Guild* may have more than one “farm team” in any one game. The farm team will consist of between three and five players who will be under contract with *Guild* for multiple years and will be the up and coming talent for the team. Each farm team will have a trainer and will train in multiple locations across the world. The farm team members will be promoted to the first team based on merit and marketability.

Recruitment

Recruitment for players will take place on multiple levels, subject to the nature and extent of the competitions played in each of the esports games. Generally, *Guild* will consider recruiting:

- High level amateurs, these will be identified by the Company’s contacts at gaming stadiums/LAN events or by the Company’s scouts attending such events, including events organised by *Guild*;
- Minor league or collegiate level players, at this level tournament results are often publicly available and *Guild* will utilise Twitch and Twitter to identify and monitor prospective recruits at this level; and
- Professional level, *Guild* will monitor and seek to attract players who are free agents (not currently signed to a team) and those whose contracts with their existing team are due to expire shortly. Players routinely advertise availability via social media and player performance history is readily obtainable.

The Company expects that its teams will be made up of a mix of all three of the categories of players listed above as it believes that the best players in the world at any given time are often a mix of established professionals and new “first time” players. The exact make up of any given team will be influenced by the availability of talent for that particular game.

Players may be recruited from any country and the Company does not plan to target any particular nationalities for its teams. The fact that early recruitment may come from the academies the Company proposes to run in the UK may, however, result in initial recruits being mostly from the UK and Europe.

The Company is conscious that a different approach will need to be taken in recruiting players for different games/tournaments. For example, Fortnite’s open format lends itself to greater parity among all players and so greater value will be placed on a specific player’s marketability and social media rather than on tournament results.

Academy and scouting

Guild will pioneer a feeder system of talent in the UK based on the Premier League model and will provide free gaming academies across the world. *Guild’s Academy* will consist of an online portal and physical locations which will provide free gaming instruction to academy members and a hub for future talent to gain the skills needed to be a professional esports player. *Guild Academy* will be further bolstered by a roster of scouts who will find and sign the best young talent.

The Company has retained a head scout. The Company then hopes to recruit scouts for specific esports, prioritising FIFA (with a hire in the first quarter of 2021), Rocket League (with a hire in the second quarter of 2021) and Fortnite (with a hire in the third quarter of 2021). It is anticipated that these scouts will be recruited on a contract basis and will not need to attend esports events but instead will view events and conduct scouting activities remotely.

The scouts will be assisted with player identification and recruitment by the general manager for each of the Company's teams.

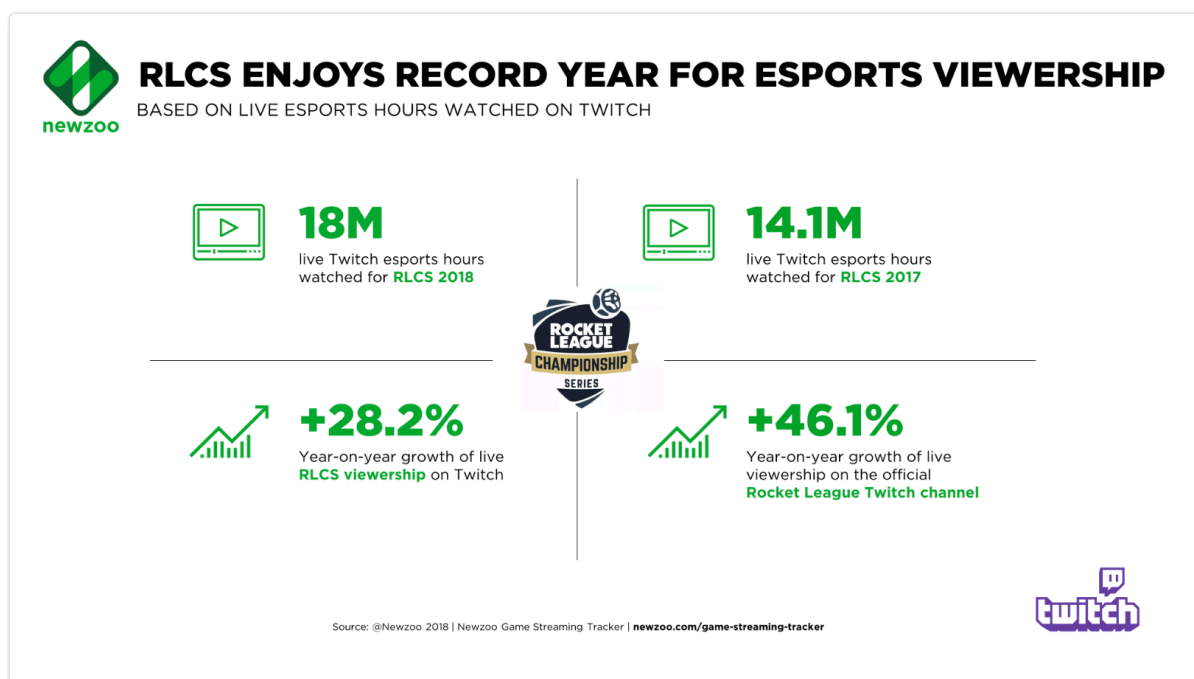
In the short to medium term the Company intends to host academies in properties available on short term lets; the Company does not intend to acquire real estate or enter into long term leases. At the academies, the Company will provide access to gamers to gaming consoles and software owned or licensed to the Company. The Company intends to recruit players from these academy events in the first instance.

8.2 Competitions

The Company has undertaken extensive research and intends to enter the following esports games in the short term:

Rocket League:

Rocket League was first published in 2015 by Psyonix (<https://www.psyonix.com/>). Described as "soccer, but with rocket-powered cars", *Rocket League* has up to four players assigned to each of the two teams, using rocket-powered vehicles to hit a ball into their opponent's goal and score points over the course of a match. The game earned a number of industry awards, and saw over 10 million sales and 40 million players by the beginning of 2018¹³.



Competition

The current format for Rocket League esports competitions includes three tiers:

RLCS X

Rocket League launched a new tournament format on 1 July 2020 called RLCS X, which moves away from the League Play format and bi-annual seasons. RLCS X will be an open event-based circuit format that culminates in an annual Rocket League World Championship.

¹³ https://en.wikipedia.org/wiki/Rocket_League



RLCS X will have three Splits, which together constitute a full season (Fall, Winter, and Spring). Each Split will feature three standalone Regional Events for both North America and Europe (six between the two regions for a total of 18 Regional Events per season), which will begin with an Open Qualifier. All three Splits will showcase a different tournament format:

- The Fall Split is a 32-team tournament format;
- The Winter Split will be a 24-team format; and
- The Spring Split will be a 20-team format,

But each Split will culminate with a Major (three Majors per season).

RLCS: The Grid

Rocket League has also launched The Grid, a new weekly tournament circuit that brings top teams together to battle for Grid Points, prize money, better seeding, and a spot at the Majors. The structure is as follows:

- Nine weekly tournaments per RLCS Split
- Teams earn Grid Points and a cut of a \$10,000 (per region) weekly prize pool
- The Grid will inform seeding for RLCS Regional Events
- The team with the highest accumulated Grid Points will qualify for that Split's Major
- At the end of each Split the top ten teams retain their spots, while the bottom six teams will have to fight for their spots in The Grid
- The 16 teams invited to the first season of The Grid are the teams that earned RLCS and Rival Series auto-qualifications via their performance in Season 9
- Grid Points will reset after each Split and can't be used to qualify for the World Championship.

Collegiate Rocket League (CRL)

The CRL is a competition for colleague teams from the United States. The competition is split into two conferences, East and West. The top two teams then compete in an annual knock-out championship with the winner receiving a colleague scholarship.

Teams











Guild will submit one professional team of three players to compete in RLCS: The Grid and RLCS X. The team will train remotely on a daily basis with monthly face to face training sessions conducted if no tournament is being played.









Guild will have two development teams for Rocket League under contract, consisting of six players in total. The development teams will feature collegiate players and/or young up-and-coming players or high level amateurs. The development teams will have monthly online training session with coaching staff and a yearly face to face training event. Expenses will be limited as the majority of training and contact is done remotely. Collegiate teams will be playing primarily with their respective Universities and non-collegiate development teams will compete at assorted amateur events.

The Company has recruited Michael Ellis as a general manager and coach for its Rocket League teams. Michael is known in the esports world as Gregan and is a world championship winning Rocket League manager and coach who has joined the Company with the intention of building a world class team.

Michael began his journey in esports as a Rocket League commentator. In the summer of 2017 he hosted the European Crown Championship Global Series, travelling to Los Angeles and working on a game he was unfamiliar with (Clash Royale). During this event he met Team Vitality, who were a growing French esports organisation looking to get into Rocket League. They agreed that Michael would help them scout a team. After sourcing a top team Michael became manager of Team Vitality and led them to a World Championship win in the third season of 2018/19 and a close second place finish in the fourth season. Michael studied medicine at the University of Sheffield and has undertaken additional courses in nutrition and sports psychology.

Top 10 Rocket League Teams (RLCS) - Based on 2019 Earnings

Organization				 S Tier	Earnings
 Renault Vitality	2	3	0	2	\$ 447,131
 NRG Esports	9	2	0	3	\$ 397,004
 G2 Esports	1	3	1	0	\$ 207,363
 Cloud9	1	3	0	0	\$ 167,263
 Dignitas	1	0	1	0	\$ 164,802
 PSG Esports	1	0	1	0	\$ 100,156

Organization					S Tier	Earnings
 Spacestation Gaming	1	1	1	0		\$ 97,463
 FC Barcelona	3	1	0	0		\$ 94,773
 Rogue	0	1	0	0		\$ 92,422
 Team SoloMid	0	1	0	0		\$ 69,963

FIFA:

Competition

FIFA eWorld Cup started in 2004 and has evolved into the EA Sports FIFA 19 Global Series (culminates in FIFA eWorld Cup Grand Final). Multiple live events are held in various locations throughout the year and the players/teams earn points at these events. These events range in status from weekend leagues at which only small number of points can be won, through official league partner tournaments, to major championships such as the FUT Champions Cup and the FIFA eNations Cup, at which significantly more points are available.

The top 128 points scoring players/teams qualify for the playoffs which are held in June after which only the top 32 ranked teams/players qualify for the FIFA eWorld Cup, which is considered the pinnacle event of FIFA esports competition and is held in July. A total of \$500,000 was distributed at the FIFA eWorld Cup Grand Final 2019. The FIFA eWorld Cup winner received \$250,000 whilst the runner-up received \$100,000.



FIFA can be played on console (XBOX and PS4) as well as PC (less popular).

Teams

Guild will submit one professional team which will be made up of up to four players and seek to enter all major tournaments with the intention of reaching the FIFA eWorld Cup. The players will have daily training sessions which will be conducted remotely as well as monthly face to face training sessions unless such sessions fall during a tournament. Major expenses will be travel to tournaments and player salaries.

The Company will also maintain two teams under contract, consisting of two players per team. The team will comprise college players, young up-and-coming players and high level amateurs. Players will be encouraged/required to play as many qualifying tournaments as possible, in order to gain valuable experience and collect points. There will be monthly training sessions with coaching staff and a yearly in-person event (Major Tournament). Expenses will be limited as the majority of training and contact is done remotely.

Top 10 Team Rankings for FIFA 2020 based on earnings

1.	Fnatic	\$103,802.47
2.	Rogue	\$74,500.00
3.	compLexity Gaming	\$40,000.00
4.	The Imperial	\$19,000.00
5.	Ajax Amsterdam eSports	\$18,630.37
6.	Vitality	\$17,000.00
7.	North	\$10,361.30
8.	VfL Wolfsburg	\$10,250.00
9.	Ninjas in Pyjamas	\$3,304.65
10.	PSV eSports	\$3,071.00

Fortnite

Competition

Developed by EPIC games and launched in 2017, Fortnite is a battle royal game where the last person standing is the winner. The Fortnite World Cup is held in July each year with qualifying taking place over the course of ten weeks from April to June. The qualifying rounds are played online while the finals are played in a physical location, in 2019 this was the Arthur Ashe Stadium in New York. The qualifying rounds (and the Fortnite World Cup itself) feature both single and double play and the top scorers in each geographical region during the qualifiers earn the right to compete in the Fortnite World Cup. In 2019, 100 singles players qualified for the World Cup and each received \$50,000 for doing so while the winners received a prize of \$3,000,000. The doubles tournament featured 50 pairs.

The total prize pool for the world cup is \$30 million making it one of the premier esports competitions in the world. The minimum age for entry is 13.

Teams

The Company will submit a Fortnite pro team which will feature four individual players. These players will train daily and, if not attending major tournaments, will meet face to face to train with coaching staff on a monthly basis. The goal for this team will be for at least one player to reach the Fortnite World Cup.

The Company will also maintain a Fortnite development team which will have six players in it. The team will be made up of college players, young up and comers and high performing amateurs. This team will train online on a monthly basis with at least one yearly face to face training session or event. The development team will enter ad-hoc Fortnite events and the World Cup qualifiers, although there is no expectation that players will reach the finals.

In addition the Company will maintain a Fortnite pre-development team for under age players (16-18 year olds) who show promise. The pre-development teams will be affiliated with *Guild* and will operate in a very similar fashion to Football academies.

Top players based on earnings

	Player ID	Player Name	Total (Game)
1.	Bugha	Kyle Giersdorf	\$3,069,883.34
2.	Aqua	David Wang	\$1,890,841.23
3.	psalm	Harrison Chang	\$1,870,138.80
4.	Nyhrox	Emil Bergquist Pedersen	\$1,527,225.69
5.	EpikWhale	Shane Cotton	\$1,327,791.54
6.	Wolfiez	Jaden Ashman	\$1,306,026.67
7.	Rojo	Dave Jong	\$1,203,873.33
8.	Kreo	Nate Kou	\$1,175,550.00
9.	Zayt	Williams Aubin	\$1,117,441.53
10.	Ceice	Davis McClellan	\$1,099,888.80

CS GO:

Competition

Counter Strike: Global Offensive is a multiplayer first person shooter game developed by Valve Corporation. It is played on all platforms. The game is centred on two competing teams, “the terrorists” and the “counter-terrorists”. Both sides try and eliminate the other while also completing other objectives. Games are played 5v5 and matches take up to 45 minutes.

There are a number of pro-leagues and major tournaments for CS:GO. Valve sponsors the CS:GO Major Championship (Spring and Autumn) as well as a number of premier tournaments throughout the year. Top teams from premier tournaments earn spots in the Major Championship. Other large tournaments include:

ELeague; DreamHack Masters; ESL Pro League; Intel Extreme Masters; Major League Gaming.

Teams

Guild will have a five person professional team. The team will train daily in an online format but as most CS:GO tournaments are played in an offline LAN format the team will need to travel regularly to compete.

Guild will also maintain a six player development team. This team will be made up of college players, young up and comers and high performing amateurs. This team will train online on a monthly basis with at least one yearly face to face training session or event. The team will travel to the major tournaments outlined above and will compete in person for tournament prize money.

Top Teams based on earning to date

1.	Astralis	\$8,216,918.81
2.	Team Liquid	\$4,572,925.35
3.	Fnatic	\$4,509,896.20
4.	Natus Vincere	\$3,705,074.32
5.	FaZe Clan	\$3,585,528.94
6.	Virtus.pro	\$3,114,440.63
7.	mousesports	\$2,911,959.90

8.	SK Gaming	\$2,869,076.54
9.	Ninjas in Pyjamas	\$2,807,221.31
10.	Cloud9	\$2,533,791.19

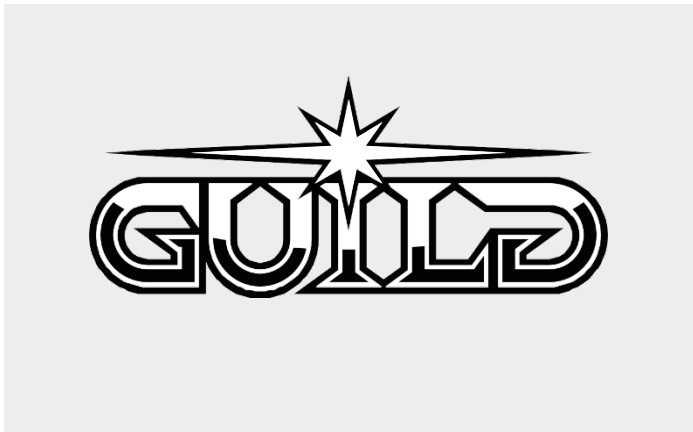
8.3 Revenue

Marketing strategy

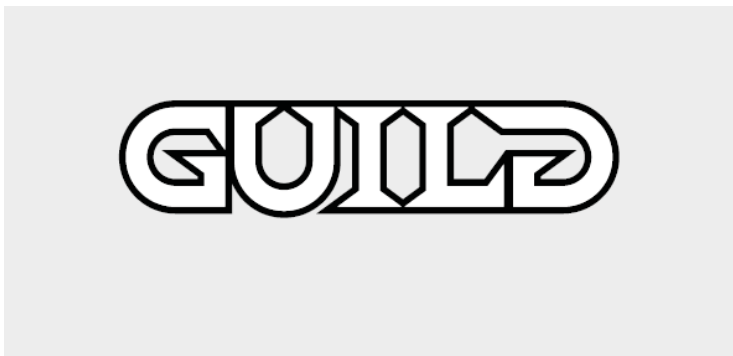
The Directors believe that esports offer a unique global marketing opportunity as the “sport” is not geographically based and tournaments are played around the world and then streamed globally. This means that the Company will have a significant opportunity to connect to a global audience with *Guild*.

To enhance the Company’s marketing strategy the Company has engaged the well known designer, Fergus Purcell, to design the Company’s logo and branding. Fergus was behind the Palace Skateboard Penrose triangle logo and has worked with leading designers including Marc Jacobs, Katie Miller, Luella Bartley and Ashley Williams. The brand will look as follows:

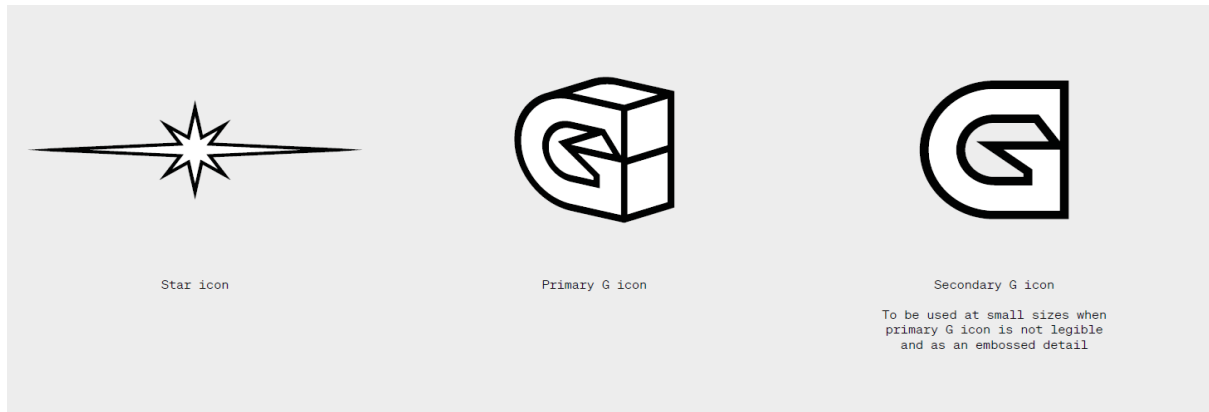
Primary Logo:



Secondary logo (to be used as smaller sizes when the primary logo is not legible):



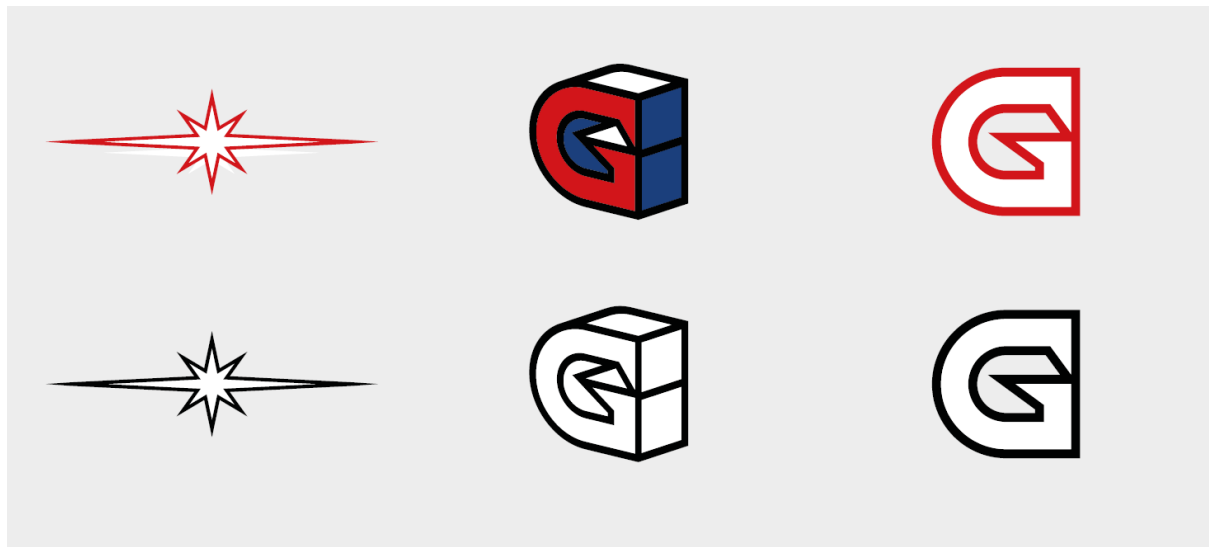
Icons (to be used separate to the logo in places where the logo cannot be used):



Colour ways:



Icon colour ways:



The Company has applied to register the Primary Logo, Primary G Icon, GUILD [word] and GUILD ESPORTS [word] as trade marks in the UK. The applications were accepted by the UK trade mark registry and published on 17 July 2020 so that any third party proprietors may object within a two month period. As at the date of this document, the Company has not been notified of any objections.

The Company will develop a global marketing and brand strategy to promote and monetise its brand. The components of this strategy and the associated revenue generating activities will be as follows (further described below):

- Influencers
- Streaming/content/new media/mobile
- Sponsorship
- Retail, Merchandising, Apparel & Product Licensing
- Tournament winnings
- Revenue sharing with leagues
- Membership

Influencers

The Company has entered into an influencer agreement with Footwork Productions Limited pursuant to which Footwork will procure that David Beckham will become the '*Face of Guild*' and perform certain endorsement and ambassadorial services to advertise and promote the Company.

David Beckham is an internationally renowned former footballer, celebrity and fashion icon who is a recognisable figure across the world. He has played for some of the largest football clubs in the World such as Manchester United, Real Madrid and PSG. He has also recently launched a new Major League Soccer club in the USA called Inter Miami. Footwork is a company incorporated in England and Wales with a right to provide the personal services of David Beckham.

Pursuant to the agreement with Footwork the Company will have 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 addition, David Beckham will, in each year during the five year term, complete one photo shoot, make one TV/video content shoot, make two public event appearances and complete twelve social media posts about the Company.

Further details on the influencer agreement are set out in paragraph 10 of Part V.

Streaming/content/new media/mobile

Each player will be responsible for producing weekly content on Twitch and/or YouTube. Each individual player will be able to monetise their own Twitch and YouTube accounts but all the content will be aggregated to *Guild* main feeds and the Company will monetise the users based on a stream and video views model. Players will be expected to produce around 20 hours of content a week. In addition, players and key influencers will make paid for live appearances. The Company will also generate revenue from the adverts featured before its videos are viewed and which roll during its videos. These adverts will not be directly linked to the Company but the platform will pay sums to the Company based on views and click of these adverts.

In addition, the Company will produce a team documentary entitled "Esports: Road to the Pros". The documentary will be filmed in London and will be based on various players' journeys from relative obscurity to competing in major tournaments around the world. The Company believes that creating original and interesting content will generate interest in esports in general and will elevate the *Guild* brand. Further to this, the Company will produce a competitive series of content based on the Ultimate Fighter concept (https://en.wikipedia.org/wiki/The_Ultimate_Fighter) where new and unproven players will have a chance to make *Guild's* main teams based on a competitive weekly battle type series.

Due to the growth in the esports market coupled with the expected power of the *Guild* brand the Company intends to put a significant amount of its resources into digital marketing including Facebook, Twitter, Instagram and Twitch. The Company's website, www.guildsports.com, will be published in multiple languages.

The proliferation of digital television, broadband internet, smartphones, mobile applications and social media globally provides the business with many opportunities to extend the reach of its core content. The Company will leverage digital media to generate customer data and information as well as follower profiles of commercial value to the Company, its sponsors and media partners. In the future, digital media will be one of the primary means through which *Guild* engages and interacts with its fan base.

The Company has purchased the domain name guildesports.com and it has established a social media presence through:

- Instagram - @GuildEsports (5,194 followers);
- Facebook – GUILDEsports (367 followers);
- Twitch - GUILDEsports (3,100 followers);
- Twitter - @guildesports (3,924 followers);
- LinkedIn - Guild Esports (769 followers);
- Reddit – GUILDEsports;
- YouTube - GUILDEsports (756 subscribers).

The Company intends to launch a Podcast which will be a destination for all things related to *Guild* and esports in general.

The Company anticipates generating around £600,000 in revenue from such media activities (including streaming and content activities described above) in the twelve months from formal launch.

Sponsorship

Esports provides a truly global sponsorship opportunity. Given the nature of the games played, the location of the team or franchise is not nearly as important or limiting as it is in the world of traditional sports. Further to this, the “tribe” of fans can be cultivated across the world without being limited by geography. This provides sponsors with a truly global sponsorship opportunity. *Guild* intend to capitalise on this opportunity by providing sponsorships on a global, game and specific geographic basis. This greatly widens the sponsorship revenue that can be created from the Company’s product. Specifically the Company will provide:

- rights in respect of the Company’s brand, logo and other intellectual property;
- rights in respect of the Company’s players’ and coaches’ imagery;
- exposure on the www.guildesports.com website;
- exposure on team apparel, merchandise and interview backdrops; and
- the right to administer promotions targeted at customers whose details are stored in the Company’s CRM database.

The Directors believe that there are numerous companies that are looking to promote their brands through esports. Existing sponsors of esports include some very significant brands. For example:

 Partners & Sponsors of the League of Legends Championship Series Teams in Europe

Source: Official websites of the League of Legends Championship Series teams in North America. (21.01.2018)

www.esports-marketing-blog.com | Business and marketing related eSports insights



The Company has secured a contract with MediaCom (www.mediacom.com) to be a key partner for sponsorship in the UK. MediaCom is one of the world’s top media companies and represents over 2,000 global brands in over 100 locations around the world. MediaCom is the UK’s largest buying agency with over 1,400 employees in five offices in London, Manchester, Leeds, Birmingham and Edinburgh. MediaCom’s UK client list includes Sky, British Gas, Tesco, Coca Cola, Proctor and Gamble, Mars, among others. The Company will work with MediaCom to secure their first sponsors after launch. Details of the contract with MediaCom are set out in paragraph 10 of Part V.

The Company is confident that it will be able to attract up to twelve sponsors before the end of the first quarter of 2021 due to the level of interest the directors anticipate will be generated in the brand and the team by the Company’s relationship with David Beckham. David Beckham is a very marketable individual with over 62 million Instagram followers who has advertised some of the world’s leading brands (including Adidas, Breitling and Samsung). The Directors believe that with David Beckham as the ‘face’ of the Company, it will be in a strong position to attract sponsors, especially with the support of MediaCom and its contacts.

It is anticipated that sponsorship will account for much of the revenue generated by the Company in late 2020 and early 2021 with the Company (having consulted extensively with MediaCom) anticipating sponsorship revenue of approximately £5,000,000 being generated in the twelve months following launch. Greater revenue is expected once the Company has brought the majority of the twelve initial sponsors on board and such sponsors have been in place for a sustained period of time. This is because the release of funds pursuant to sponsorship arrangements will depend on the individual terms of those sponsorship agreements but the Company does not expect sponsors to release all sponsorship payments upfront. As disclosed above, the Directors are confident that the brand and the team will attract sponsorship interest.

Retail, Merchandising, Apparel & Product Licensing

The Company will retain full control of the use and monetisation of its intellectual property rights worldwide in the areas of retail, merchandising, apparel & product licensing. A range of products will be sold both online and through retail outlets across the world.

The Company has designed a range of branded apparel and products and entered into contracts for the manufacture and distribution of these goods. The Company has also established an ecommerce function on its website. The Company believes that it will be able to generate around £1,000,000 in merchandising sales in the twelve months following formal launch. The Company believes that the combination of David Beckham and Fergus Purcell will make this revenue objective achievable and the estimate is in line with reported sales from

rival esports teams such as 100 Thieves and Faze Clan. To achieve this the Company intends to ensure that a full range of merchandise is available in the months before Christmas 2020.

If the Company develops as the Directors anticipate, the Company will consider opening a flagship retail store in one or more capital cities around the world. Initial designs of the Company's clothing apparel are shown below:



Tournament winnings

As partially disclosed above, teams and players can win substantial sums for competing in and winning various tournaments. As with more traditional sports, the largest individual amounts are usually reserved for the winners but first place prize money makes up only a small proportion of the amount available to be won. For example the winner of the Fortnite World Cup in 2019 won around \$3,000,000 but the total pool of prize money for 2019 Fortnite competitions was \$100,000,000. Teams that enter the right spread of competitions therefore give themselves an opportunity to make significant revenue from prize money.

Revenue sharing with league

Although not always the case, leagues have a revenue sharing process by which teams will be paid for competing. None of the leagues in which the Company intends to compete in the near term currently has a revenue sharing structure.

Membership programme

The Company will operate a membership fan club. Individuals who become Official Members will have the opportunity to gain access and benefits that will not be available to the general public. Membership benefits will include:

- insider access to *Guild* on all social media channels;
- 10% discount on all *Guild* merchandise;
- insider deals from sponsors;
- being included on a mailing list and access to insider podcasts;
- “ask me anything” sessions with team member; and
- insider tips on game play.

There will be no cost to fans of becoming a member nor will fans be expected to make any future commitments (financial or otherwise) when becoming a fan.

As at 9 September 2020 the Company has 15,350 registered fans who have signed up to its membership fan club. The Company expects to have around 1,000,000 registered fans, and a global audience (individuals who have watched one or more of the Company’s teams in competition on at least one occasion) of around 10,000,000, by the end of the first twelve months following launch.

The Company expects that fans will be generated in a number of ways. As disclosed in this Registration Document, the Company will host academies and other esports events and it is anticipated that those participating in such events, either as spectators or as players, will be inspired to join the membership fan club. The Company’s presence at major esports events, online (via player and team produced content), and in the online press (which the Company will use influencers to try to procure) are also expected to attract fans. Finally the Company will conduct an online digital marketing campaign via platforms such as Twitch, Twitter, Facebook and Instagram to raise awareness of the Company and attract supporters.

8.4 Launch

The Company formally launched on 25 June 2020 with a teaser digital campaign followed by a globally circulated press release announcing the establishment of the team and formally revealing David Beckham as the ‘face’ of the organisation. The Company’s press release resulted in articles regarding the Company being featured in a number of national news sources and industry publications. The launch is being followed by a digital marketing campaign and as at 9 September 2020 the Company has signed up 15,350 registered fans.

9. Establishment

The Company’s core operations (head office, finance and marketing) will be based in the United Kingdom. The Company’s academies and scouting operations will be world-wide. The fan base and tournament play will be global.

The Company’s initial staff will be the Directors, the Senior Managers and its six employees/consultants. Of the executive directors James Savage will be based in the United Kingdom, Carleton Curtis will be based in the USA and Kalum Hourd will be based in Canada. Of the Senior Managers, Michelle Tierney, Raina Marwaha and Daniel Lopez will be based in the United Kingdom while Jocelin Caldwell will be based in Canada. Details of the Directors and the Senior Manager are set out in Part II.

The Company will be based in the United Kingdom and will maintain an office in the United Kingdom which will house most of the Company’s administrative functions. The Company intends, however, to be a global brand and to compete in esports tournaments around the world. As a result it will need to engage employees in other jurisdictions where *Guild* will compete, in particular marketing functions and in-house country-managers/operational staff.

In the first two years following the date of this document the Company anticipates the following staffing (including the Directors) being engaged by the Company:

Department	Staffing Year 1	Staffing Year 2
Directors (exc. non-executive)	3	3
Operations	7	8
Marketing	3	4
R&D/Technical	1	1
Esports (coaches, scouts, team, academy etc.)	19	33
Total	33	49

10. Anticipated expenditure

The Company anticipates the expenditure required to develop the Company's business in the manner set out in paragraph 8 of this Part I. In particular, the Directors anticipate the following expenditure in the 24 months following the date of this document:

Expenses	Estimated amount in first 12 months	Estimated amount in second 12 months	Total in first 24 months
	£	£	£
Team costs (including players, coaches, scouts etc.)	1,750,000	2,350,000	4,100,000
Operations Costs	1,200,000	1,300,000	2,500,000
Influencer Costs*	5,500,000	-	5,500,000
Directors' Salaries	600,000	600,000	1,200,000
Head Office Costs	400,000	500,000	900,000
Marketing Costs	640,000	660,000	1,300,000
Development Costs	600,000	600,000	1,200,000
Working Capital	1,000,000	1,050,000	2,050,000
TOTAL	11,690,000	7,060,000	18,750,000

*as set out in paragraph 10.2 of Part V the first year's payment to Footwork was paid prior to the date of this document and is therefore not included in this use of proceeds table. The payments for years two and three will be placed in escrow if Admission occurs and are therefore considered to be costs arising in the first 12 months.

In estimating the use of Net Proceeds as set out above, the Directors have assumed a worst case scenario of the Company having no income from sponsorship, merchandising, licensing or tournament prizes in the 24 months following the date of this document. This scenario assumes that the Directors would reduce expenditure in the second year following the date of this document as the Company's cash resources reduce.

11. Key assumptions and sensitivities

The Directors anticipate that the Company will have income from sponsorship, merchandising, licensing and tournament prizes during the two years following the date of this document and in their business plan have assumed that

- the Company raising the capital to fund the expenditure set out in paragraph 10 of this Part I;
- the esports market will continue to grow at its current rate;
- the Company will be able to attract at least 1,000,000 registered fans in the 12 months following launch and around 2,250,000 by the end of the 24 months following the date of this document;
- the Company will be able to attract and retain sufficient talented players and coaches so as to be able to compete to a high level in 30 tournaments in 2020 and 120 tournaments in 2021;
- that the success and profile of *Guild* in such tournaments will be such as to generate material interest in *Guild* branded apparel and products;

- that such success and fan interest will enable the Company to contract with sponsors and licensees and to generate merchandising revenues within three months following the date of this document. The Company expects to have 15 sponsors by the end of the second year following the date of this document;
- in the first 24 months following the date of this document the Company will have one office in the United Kingdom; and
- additional staff will be required mainly in areas such as marketing and operations in the second twelve months following the date of this document.

Sensitivity analysis

Slowing esports growth

The esports market has shown dramatic growth over the past three to five years. It is possible that such growth will slow, thereby reducing the Company's opportunities in the sector.

Lack of take-up of Guild brand

The Company may not be able to achieve its targets if there is significantly lower take-up of its brand than expected. In addition, the Company cannot be certain that its brand will be well received by esports fans or that the Company will be able to develop offers and products quickly enough to adapt to changes in market trends and the demands of fans. Even if it does, such changes may require the appointment or recruitment of additional staff with appropriate experience at additional expense.

Failure to recruit; failure to win

The Company's success will depend on the quality of the talent that it is able to recruit. If the Company is not able to attract quality players and/or if players do not compete in tournaments as well as expected, the Company's revenues will be lower than anticipated and the team will be less attractive both to fans and sponsors.

Failure of talent to produce desirable content

Key to the Company's financial development and popularity will be the team's social media production. If top players are unable to produce attractive content and attract significant followers then the Company's ability to fulfil its business plan will be reduced

The Company may have chosen the wrong games

The Company intends to submit teams for Rocket League, FIFA, Fortnite and CS:GO. These competitions have been carefully selected by the Company as they are considered to be games ideally suited to esports while the Company believes the competitions created in respect of these games have scope for further growth and development. If the Company's assessment is incorrect and the chosen games' popularity prove short lived and/or there is no development in the competitions surrounding such games, then the Company will have difficulty generating its anticipated revenue in the medium to long term.

Lack of sponsors

Although the Company is not reliant on generating revenue to carry out its basic business plan in the 24 months following the date of this document, initial revenues are anticipated to be generated primarily from sponsors. A failure to attract sponsors for any reason could hinder the Company's longer term plans.

PART II
DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1. The Board and the Directors

The Board currently comprises eight Directors, who collectively have extensive experience and a proven track record in investment, corporate finance and business acquisition, operation and development in the various sectors including the esports market and are well placed to implement the Company's business objectives and strategy. The Company will be reliant on the Board along with the Senior Managers to deliver the Company's business plan and the Company believes that the esports experience of certain members of the board will be key to enabling such delivery, however, no member of the Board is considered to be indispensable. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. The Company will not be externally managed, and the Board will have full responsibility for its activities.

Details of the Directors are set out below:

Carleton Curtis, Executive Chairman (Age 44)

Carleton Curtis is a global media executive with an established record of multiplatform innovation and growth across esports, sports and entertainment properties. Prior to Guild Esports, Mr. Curtis served as Vice President, Programming at Activision Blizzard since 2017 and was responsible for the global strategy and vision of the Overwatch League, Call Of Duty League, and Major League Gaming. Prior to joining Activision Blizzard, he led the esports division at Red Bull as Program Director, overseeing business operations, partnerships, programming, live events, teams & athletes, social media, and marketing.

Before entering the esports industry in 2015, Mr. Curtis spent seven years at Fox Sports Media Group in Los Angeles, CA. From 2013 to 2015, he served as Senior Director, Digital Strategy at Fox Sports Digital where he led strategic operations including audience development, partnerships, distribution, and marketing. In that position, Mr. Curtis served as the chief digital liaison between the UFC, Red Bull Media House, and Street League Skateboarding, including digital support for incoming partners FIFA and the USGA. From 2008 to 2013, Mr. Curtis served as Director, Digital Media & Marketing at Fuel TV, a division of Fox Cable Networks, later FS2, where he led digital strategy, production, distribution, marketing, and partnerships.

Mr. Curtis holds a B.A. in Mass Communications and English from the University of California at Berkeley.

Kalum (Kal) Lee Hourd, Executive Director and CEO (Age 44)

Kalum Hourd is an experienced esports entrepreneur. Kal Hourd has been a successful entrepreneur and executive for more than 20 years. He has a track record of exceeding targets, building strong business relationships, and creating work environments and cultures that promote growth and collaboration.

During his time as an advertising executive with Directwest Limited, Kal and his team worked directly with large corporate advertisers across Canada and the US. They developed programs to target their specific market in western Canada and grew Directwest Limited's national portfolio by 140%.

As Vice President for Montana Homes Limited, Kal successfully oversaw Montana Homes Limited's growth including growth of 55% between 2018 and 2019. He has achieved this while keeping costs low and delivering improved profits.

James Savage, Executive Director and CFO (Age 30)

James is a member of the Association of Chartered Certified Accountants. He spent seven years at PKF Littlejohn LLP, most recently as a manager in the Capital Markets team. He has provided financial audit, corporate finance and business valuation services to a range of companies, across various capital markets in the UK, US and Canada. He has held roles managing audits of large multinational groups and has carried out valuations for investment funds. James specialises in financial reporting, business analysis and financial modelling.

James is the Company's chief financial officer and will be responsible for managing the financial risks of the Company and for financial planning and record-keeping, as well as financial reporting to the Board.

Franklin Derek Lew (known as Derek Lew), *Non-Executive Director (Age 50)*

Derek Lew is an active esports investor and the Chairman of Blue Star Capital PLC (BLU:AIM). Derek is a venture capital investor and is the President and CEO of Growthworks Capital Limited, one of Canada's leading venture capital firms with over \$900M (CAD) invested. He is a partner with Initio Capital Group Inc. a Vancouver BC early stage angel investment firm and a lawyer experienced in the areas of corporate, commercial and real estate law. Derek is the director of the Frank and Joan Lew Charitable Trust and the FJL Housing Society. He is a member of the Law Society of British Columbia and holds a Bachelor of Arts from the University of British Columbia and a Bachelor of Law from the University of Alberta.

Andrew Drake, *Non-Executive Director (Age 34)*

Andrew Drake is a seasoned esports entrepreneur and operator. Andrew is the founder of Bad Moon Talent LLC, a leading esports talent management and consulting company based in Los Angeles. Prior to founding Bad Moon Talent LLC, Andrew contributed to numerous marketing and esports initiatives within Activision, Blizzard and Major League Gaming, including the launches of the Call of Duty World League and the Overwatch League. Most recently he worked at Activision Blizzard Esports with a focus on creative content building and talent management/negotiations across several professional sports leagues.

David Scott Gardner, *Non-Executive Director (Age 43)*

David Gardner is Managing Director of DB Ventures Ltd, and oversees David Beckham's commercial businesses, partnerships and global brand management. He is a director of a number of businesses in David Beckham's portfolio including the Seven Global joint venture with Global Brands Group and Studio 99, the content studio and production company. Aside from brand and business management, he partners with David Beckham to support the growth of Inter Miami CF, the newest MLS franchise, of which Beckham is a co-owner. Gardner was a professional footballer in his early career and met Beckham when both were youth team players at Manchester United. Mr Gardner went on to launch several entrepreneurial operations which managed commercial rights for players, rights holders and brands. He has been a participant in a number of investments that have launched luxury and lifestyle brands both in the UK and globally. He has also served as executive producer on a number of highly successful documentaries including Class of 92.

Simon Walters, *Non-Executive Director (Age 57)*

Simon qualified as a chartered accountant in 1986 and joined the corporate finance department of Stoy Hayward (now BDO). In 1990, he left to join Fuller Peiser, a national property consultancy, as Finance Partner, where he stayed for two years before becoming finance director of the privately-held Molyneux property group, whose interests included 52 per cent of listed Molyneux Estates plc. In 1997, Simon became Finance Director at Shani, a fully-listed UK clothing manufacturer with operations in the UK and Eastern Europe. In 1999, Simon became finance director of Wood Hall Securities, a private equity group with funds invested in a range of private high-growth businesses and a significant property portfolio. Simon has also been a non-executive director of AIM-quoted Bilston & Battersea Enamels plc; finance director of the Fish! chain of restaurants; a director of NetFM, an internet radio station where he headed a consortium of backers; finance director of AIM-quoted AFC Energy plc and Neville Porter plc; and finance director of main market-listed OTAQ plc. Since 2003, Simon has provided finance director services to a portfolio of listed and unlisted companies in various sectors, currently through Headline FD Limited, of which he is a director.

Christopher Sullivan, *Non-Executive Director (Age 63)*

Chris retired from his role as Chief Executive of the Corporate & Investment Bank at Santander UK at the end of 2018, having successfully built and grown the business over three years to comply with the UK Banking Reform standards. Prior to joining Santander, Chris had spent 40 years with the Royal Bank of Scotland and NatWest in various CEO roles with 11 years on the Group ExCo which included heading up Corporate Banking, Retail Banking, Direct Line / Insurance businesses and Retail Direct Division culminating in appointment to his final role with the Group as the Deputy Group Chief Executive in March 2014.

For five years from 2009, in his role as the CEO of RBS Corporate Banking Division, Chris rebuilt the bank to create the largest Corporate Bank, Commercial Bank, Invoice Finance business, Asset Finance business (Lombard) and Transaction Services / Payment business in the UK. As part of this role Chris also had

responsibility for Ulster Bank. During his time in this role he championed the return to professional qualified bankers and introduced new propositions for Entrepreneurs and Women in Business.

Chris is currently a director of Cannaray Ltd, one of Europe's leading CBD businesses and the deputy chairman of law firm DWF Group plc.

Throughout his career, Chris has focussed on building new propositions and businesses, e.g. WorldPay, Direct Line Group, RBS Aviation Capital and Lombard – businesses sold and valued in excess of £20bn.

Further details of Directors' service agreements and letters of appointments (as applicable) are set out in paragraph 8.7 of Part V: Additional information of this document.

2. Senior Management

Jocelin Caldwell, Chief Operating Officer (Age 44)

Jocelin Caldwell has over 14 years of HR and operations experience. She has assisted numerous clients with recruitment and selection, terminations, return to work, policy development, and performance management. As a former VP for a workforce development firm, she has extensive experience managing large contracts and working collaboratively on management teams, supervising and motivating staff, and building strong relationships with multiple stakeholders. She has a Bachelor of Arts from the University of Victoria and has been certified as Professional Certified Coach by the International Coaching Federation. She also holds two additional HR designations: Registered Rehabilitation Professional and Certified Career Development Practitioner.

Michelle Tierney - Director Commercial Partnerships (Age 41)

Michelle Tierney is an experienced brand partnerships specialist who has developed, negotiated and delivered for some of the world's biggest brands, athletes and rights holders across sports and entertainment. Her extensive knowledge of the inner workings of Arsenal FC having spent 14 years in various partnership roles, saw her contribute to their global commercial growth over a decade, delivering one of the club's most successful partnerships with Emirates airline (£350M) and developing their family of partners including Nike and EA Sports to name just two.

Raina Marwaha – Director of Apparel and Merchandise (Age 38)

Raina joins the Company from Puma and she brings with her over 15 years' experience in buying, sourcing, licensing and manufacturing. She has a sports sector background having worked with Formula 1 whilst at Puma and previously at Arsenal Football Club. She has solid retail experience from her time at Tesco Plc and through her career has covered a multitude of product categories including apparel, accessories and hard goods.

Daniel Lopez – Director of Brand and Marketing (Age 38)

Daniel has over five years of senior level experience in esports and entertainment; specialising in brand management, strategy, creative, merchandise, social media & content. He has worked on projects for Riot Games, Fnatic, Immortals, NYXL, Monster, Steelseries, HP, Taco Bell and Lionsgate, as well as for A-list celebrities and musicians.

Further details of Senior Management's service agreements and letters of appointments (as applicable) are set out in paragraph 8.7 of Part V: Additional information of this document.

3. Advisory Team

The Company has identified a team of advisors with whom the Company will work with in order to formulate and develop its business model and ensure that it remains abreast of current developments. Each member of the Company's advisory team has entered into a consulting contract with the Company under which the Company has agreed to reimburse any reasonable expenses incurred by the advisors in connection with their engagement with the Company, and each of the advisors have been granted certain warrants over Ordinary Shares. The initial advisory team will comprise of the following:

Brice Faccento:

Brice Faccento is a principle at Bad Moon Talent LLC. Prior to working at Bad Moon, Faccento was a mainstay in the professional Call of Duty scene since 2015. For over four years, he featured on various professional Call of Duty teams, including Rise Nation, Echo Fox and Evil Geniuses. In 2019, Faccento transitioned to Head Coach of eUnited, leading them to wins in the two biggest Call of Duty tournaments of the year: CWL Playoffs & CWL Champs.

4. Corporate governance

As an unlisted company, the Corporate Governance Code does not apply to the Company as at the date of this Registration Document. The Board has not established an audit committee or a remuneration committee. If the need should arise, the Board will set up committees as appropriate.

5. Conflicts of interest**General**

Potential areas for Directors' conflicts of interest in relation to the Company include:

- certain of the Directors are required to commit only a limited amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities;
- in the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented;
- Andrew Drake is a co-founder and CEO of Bad Moon Talent LLC, an esports player management company. Bad Moon Talent LLC may provide consulting services to the Company. The potential conflict has been fully disclosed and approved by the board of Bad Moon Talent LLC and any determination made by the Company in connection with the provision of consultancy work by Bad Moon Talent LLC will be made by independent directors;
- the Directors are or may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company, which may include entities with a focus on target companies or businesses similar to those being sought by the Company; and
- the Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by a target company or business as a condition to any agreement with respect to the acquisition.

Accordingly, as a result of these multiple business affiliations, each of the Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Company or other companies on whose board of directors they may sit, the Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Company. Accordingly, they may refrain from presenting certain opportunities to the Company that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities.

Additionally, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they are or may be affiliated.

PART III
SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

1. Share capital

The Company was incorporated on 3 September 2019 in England and Wales under CA 2006 as a public limited company.

Details of the current issued share capital of the Company are set out in paragraph 3.12 of Part V: Additional Information. .

2. Financial position

The Company has commenced initial operations. The financial information in respect of the Company as at 30 June 2020 is set out in Part B of Part IV : Financial Information on the Company and is audited.

3. Liquidity and capital resources

Sources of cash and liquidity

The Company's initial source of cash will be the £5,119,540.28 raised by the Company prior to the date of this document as further detailed in paragraph 3 of Part V, the net proceeds of any fundraising in connection with an initial public offering and any revenue associated with its initial trading activities.

The Company may raise additional capital from time to time. This may include capital to be raised in connection with acquisitions by the Company of future equipment and/or premises. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. As at the date of this document, the Company has no borrowings. The forms of debt financing to be used by the Company in due course are expected to be limited to bank financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised by the Company (including cash from subsequent share offers) will (or is expected to) be used in connection with the development and expansion of the Company's business and the Company's future liquidity will depend in the medium to longer term primarily on: (i) the Company's implementation of its Business Plan, (ii) the Company's management of available cash and (iii) the use of borrowings, if any, to fund short-term liquidity needs.

Ongoing costs and expenses

The Company's principal use of the net proceeds of any fundraising in connection with an initial public offering will be to develop and expand the Company's business. In addition, the Net Proceeds will be to fund the day-to-day expenses to be incurred by the Company.

The Directors expect that it may be necessary to raise further funds in the future to enable the Company to increase the pace at which it develops its business, including but not limited to, an acquisition of a suitable complementary business, and to pay the fees of financial, tax, legal, accounting, technical and other advisers.

Over time and in accordance with the Company's business strategy, the Company expects to make distributions to Shareholders in accordance with the Company's dividend policy, as adopted from time to time. The Company does not anticipate making any distributions in the short to medium term.

The expenses that the Company expects to fund through the gross proceeds of any fundraising in connection with an initial public offering in the first year, will include:

- all costs relating to raising capital, including any initial public offering. This will include the expenses incurred in the incorporation and establishment of the Company, initial public offering costs and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other application expenses;

- Directors' fees, projected at £600,000 in the first twelve months following the date of this document;
- operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Registrar, as well as regulatory, audit and licence fees, intellectual property fees, insurance and other similar costs and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses.

The Company's day-to-day expenses will be paid from gross proceeds of any fundraising in connection with an initial public offering, the funds raised prior to the date of this document and, if available, revenue attributable to the Company's operations and, if the Company considers it appropriate or desirable for flexibility, through short-term borrowings (to the extent that it is able to affect such borrowings).

Capitalisation and indebtedness

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

The following table shows the Company's unaudited capitalisation and indebtedness as at 30 June 2020 and has been extracted without material adjustment from the Company's audited Historical Financial Information as shown in Part IV.

Total Current Debt	30 June 2020
	£
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
 Shareholder Equity	 30 June 2020
	£
Share Capital	258,151
Share Premium	4,446,643
Other reserves ⁽¹⁾	104,098
Total shareholder equity	4,808,892

⁽¹⁾ Other reserves excludes the Company's retained losses.

As at 17 September 2020, being the latest practicable date prior to the publication of this document, there has been no material change in the capitalisation of the Company since 30 June 2020, with the exception of the issue of 6,466,666 Ordinary Shares at an issue price of £0.06 per Ordinary Share for gross proceeds of £387,999.96.

The following table sets out the unaudited net funds of the Company as at 30 June 2020 and has been extracted without material adjustment from the Company's audited Historical Financial Information as shown in Part IV.

	30 June 2020
	£
A. Cash	1,239,296
B. Cash equivalent	-
C. Trading securities	-
D. Liquidity (A) + (B) + (C)	1,239,296

E. Current financial receivable	-
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current Financial Debt (F) + (G) + (H)	-
J. Net Current Financial Indebtedness (I) - (E) - (D)	1,239,296
K. Non-current Bank loans	-
L. Bonds Issued	-
M. Other non-current loans	-
N. Non-current Financial Indebtedness (K) + (L) + (M)	-
O. Net Financial Indebtedness (J) + (N)	-

As at 30 June 2020, the Company had no indirect or contingent indebtedness.

As at 17 September 2020, being the latest practicable date prior to the publication of this document, there has been no material change in the indebtedness of the Company since 30 June 2020.

Accounting policies and financial reporting

The Company's financial year end is 30 September and the first set of financial statements will be for the period to 30 September 2020. The Company will present its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

4. Dividend policy

The Company intends that its cash resources will be used for the operation and development of its business. As such, no dividends are intended to be paid in the short term. Any earnings in the short term are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company has not paid any dividends to date.

PART IV
FINANCIAL INFORMATION ON THE COMPANY

(A) REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

The Directors
Guild Esports Plc
Room 4, 1st Floor, 50 Jermyn Street
London, SW1Y 6LX

Dear Sirs

Introduction

We report on the financial information of the Company for the period from incorporation to 30 June 2020 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the Registration Document of the Company dated 18 September 2020 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, Section 18, Item 18.3.1 of Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Registration Document and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, Section 1, Item 1.3 of Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Registration Document.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Registration Document dated 18 September 2020, a true and fair view of the state of affairs of the Company as at 30 June 2020 and of the

results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Registration Document and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Registration Document in compliance with Annex 1, Section 1, Item 1.2 of Commission Delegated Regulation (EU) 2019/980.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

15 Westferry Circus
Canary Wharf
London E14 4HD

18 September 2020

(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of the Company is stated below:

	Note	For the 10 month period from incorporation to 30 June 2020
		£
Administrative expenses	4	(1,165,349)
Operating result		(1,165,349)
Finance income		102
Result before taxation		(1,165,247)
Income tax	6	-
Total comprehensive loss for the period		(1,165,247)
Earnings per share attributable to equity owners		
Basic and diluted earnings per share (pence)	7	(0.903)

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

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of the Company is stated below:

	Note	As at 30 June 2020
		£
ASSETS		
Current assets		
Cash and cash equivalents		1,239,296
Trade and other receivables	10	2,596,962
		<u>3,836,258</u>
Total assets		<u>3,836,258</u>
EQUITY AND LIABILITIES		
Equity attributable to owners		
Share capital	11	258,151
Share premium	11	4,446,643
Share based payment reserve		104,098
Retained earnings		(1,165,247)
Total equity		<u>3,643,645</u>
Current liabilities		
Trade and other payables	12	192,613
		<u>192,613</u>
Total Equity and Liabilities		<u>3,836,258</u>

STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Company is as follows:

		30 June 2020
	Note	£
Cash flows from operating activities		
Loss for the period		(1,165,247)
Adjustments for:		
Increase in trade and other receivables	10	(2,365,962)
Increase in trade and other payables	12	192,613
Services settled by issue of shares		161,000
Services settled by issue of warrants		104,099
Finance income		(102)
Net cash outflows from operating activities		(3,073,599)
Cash flows from investing activities		
Finance income		102
Net cash from investing activities		102
Cash flows from financing activities		
Issue of ordinary shares	11	4,312,793
Net cash from financing activities		4,312,793
Net increase in cash and cash equivalents		1,239,296
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		1,239,296

Non-cash transactions

During the period, the Company entered into the following non-cash transactions:

- Expenses of the Company to the amount of £161,000 were settled by issue of ordinary shares (at a price of £0.01 each), in lieu of cash payment.
- Warrants were granted during the period in connection with long-term incentives and advisor warrants. The value recognised within administrative expenses is £42,882, and £61,216 was set off against share premium.

STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity of the Company is stated below:

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total
	£	£	£	£	£
At incorporation					
Total comprehensive loss for the period:					
Loss for the period	-	-	-	(1,165,247)	(1,165,247)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,165,247)	(1,165,247)
Transactions with equity owners					
Issued at incorporation	1	-	-	-	1
Issue of ordinary shares	258,150	4,653,389	-	-	4,911,539
Share issue costs	-	(206,746)	-	-	(206,746)
Share based payments	-	-	104,098	-	104,098
Total transactions with equity owners	258,151	4,446,643	104,098	-	4,808,892
TOTAL	258,151	4,446,643	104,098	(1,165,247)	3,643,645

NOTES TO THE COMPANY'S FINANCIAL INFORMATION

1 General information

Guild Esports Plc (the "Company") was incorporated on 3 September 2019 as The Lords Esports plc in England and Wales with Registered Number 12187837 under the Companies Act 2006. The Company changed its name on 17 April 2020. No dividends have been declared or paid since the date of incorporation. The address of its registered office is Room 4, 1st Floor, 50 Jermyn Street, London, SW1Y 6LX, United Kingdom.

The Company has not yet commenced operations in respect of its intended principal activity. The objective of the Company is to own and operate a popular and successful esports brand that will submit teams to compete in major esports competitions.

The Historical Financial Information covers the period from incorporation 3 September 2019 to 30 June 2020.

2 Significant accounting policies

The Historical Financial Information and accompanying notes are based on the following policies which have been consistently applied:

Basis of preparation

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the Companies Act 2006.

The financial statements are presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

The preparation of Financial Information in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 3.

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.

Adoption of new and revised standards

New standards, amendments and interpretations

The Company has adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 3 September 2019.

New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Key requirements	Effective date for annual periods beginning on or after:
IFRS 3	Amendments to IFRS 3 'Business Combinations' to clarify the definition of a business	1 January 2020
IAS 1	Amendments to IAS 1, 'Presentation of Financial Statements' regarding the definition of 'material'	1 January 2020
IAS 8	Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' regarding the definition of 'material'	1 January 2020

These standards are considered to have an immaterial impact on the financial statements.

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.

Other receivables

Other receivables are short term financial assets due to the Company. Other receivables are recognised at the transaction price when it is probable that economic benefit will flow to the Company.

Equity

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.

Financial instruments

Financial assets

Financial assets are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are subsequently measured at amortised cost, fair value through OCI, or FVPL.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. IFRS 9.5.4 The Company's financial assets at amortised cost include other receivables and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an

approximation of the original EIR. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

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 to reduce exposure to credit risk, which is stated under the cash and cash equivalents accounting policy.

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, being £3,643,645.

Current and deferred income tax

Current tax

The tax currently payable is based on taxable profit or loss for the year. Taxable profit or loss differs from the profit or loss for the financial year as reported in the statement of total comprehensive income 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 date.

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.

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 future 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 the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Subsidiary intends to settle its current tax assets and liabilities on a net basis.

Deferred tax will be recognised on the losses incurred when the Company has sufficient visibility over the usage of these losses and is forecasting future profits in the short term.

3. Critical accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There significant estimates and assumptions that have a significant risk of causing a material adjustment in the financial statements are those in relation to share options and warrants which are disclosed in Note 8.

4. Operating expenses by nature

	2020
	£
Directors' fees	111,141
Esports team fees	34,965
Legal, professional and consultancy	460,710
Regulatory costs	17,000
Advertising and PR	460,898
Website and IT	28,803
Office and general expenses	51,832
	<u>1,165,349</u>

5. Staff and directors' remuneration

During the period, the Company had no employees other than Directors. By the end of the period, the Company had contracts with five esports professionals, and one consultant under a service contract.

Directors fees were paid as follows:

	2020
	£
Services settled by issue of shares	50,000
Fees paid in cash	47,387
Fair value of warrants issued	13,754
	<u>111,141</u>

6. Taxation

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2020
	£
Loss before taxation	<u>(1,165,247)</u>
Tax using UK corporation tax rate of 19%	(221,397)
Unutilised tax losses carried forward	221,397

The Company has tax losses 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.

7. Earnings per share

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

The Company had in issue 22,288,000 warrants at 30 June 2020. The loss attributable to equity holders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2020
Loss for the period attributable to equity holders (£)	(1,165,247)
Weighted average number of shares in issue (000s)	129,100
Basic and diluted earnings per share (pence)	0.903

8. 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	Number of options and warrants outstanding at 30 June 2020	Number of options and warrants exercisable at 30 June 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	250,000
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	-
				22,288,000	9,963,000
				Number of options and warrants	Weighted average exercise price £
At incorporation				-	-
Granted				22,288,000	0.04
Exercised				-	-
Lapsed				-	-
Outstanding at 30 June 2020				22,288,000	0.04
Exercisable at 30 June 2020				9,963,000	0.04

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.

Black-Scholes table

	3 December 2019	18 February 2020	13 March to 9 June 2020	12 June 2020	18 & 29 June 2020	19 June 2020
Grant date share price	£0.01	£0.01	£0.01	£0.01	£0.06	£0.06
Exercise price	£0.01	£0.01	£0.01	£0.01	£0.06	£0.06
Expected volatility	51%	51%	51%	51%	51%	51%
Option life	3 months	24 months	36 months	End upon admission	36 months	60 months
Risk-free interest rate	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Marketability discount	50%	50%	50%	50%	50%	50%

9. Financial instruments

	2020
	£
Carrying amount of financial assets	
Measured at amortised cost	719,704
Carrying amount of financial liabilities	
Measured at amortised cost	192,613

10. Trade and other receivables

	2020
	£
Other receivables	231,000
Other taxation	488,704
Prepayments	1,877,258
At 30 June 2020	2,596,962

All trade and other receivables are denominated in £ Sterling. Other receivables pertains to amounts owed for unpaid share capital, for which the shareholders holding such shares have undertaken to pay the amount unpaid on their shares on demand by the Company. Prepayments relates mainly to a contract entered into with Footwork Productions Limited regarding David Beckham and limited rights to his image and agreed services (for further details see note 13). The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

11. Share capital and premium

	Number of shares	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)	64,601,667	64,601	3,811,439	3,876,040
Share issue costs deducted from share premium	-	-	(206,746)	(206,746)
At 30 June 2020	258,150,696	258,151	4,446,643	4,704,794

On incorporation, the Company issued 1,000 ordinary shares for consideration of £1. On 13 September 2019, 99,999,000 shares were subsequently issued for consideration of £0.001, at par value. Between 21 October 2019 and 12 June 2020, the Company issued a total of 193,549,029 Ordinary shares for consideration of £0.01 each, at a premium of £0.009. On 30 June 2020, the Company issued 64,601,667 Ordinary shares for consideration of £0.06, at a premium of £0.059.

12. Trade and other payables

	2020
	£
Accruals and other payables	192,613
At 30 June 2020	192,613

13. Commitments and operating leases

	2020
	£
Influencer agreement	
Commitments due in 1 year	2,500,000
Commitments due in 2–5 years	10,500,000
At 30 June 2020	13,000,000

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 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 over the next four years.

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

14. Controlling party

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

15. Related parties

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

Related party	Service fees	Service fees	Share based
	settled by cash	settled by shares	incentives
	£	£	£
Carleton Curtis (Executive Chair)	4,000	-	604
Kal Hourd (CEO)	20,000	20,000	-
James Savage (CFO)	-	12,000	288
Andrew Drake (Non-executive director)	15,387	-	-
Derek Lew (Non-executive director)	-	18,000	-
David Gardner	-	-	12,863

Jonathan Bixby (Director – resigned 3/12/19)	5,000	-	-
Timothy Le Druillenec (Director – resigned 30/03/20)	3,000	-	-

The Company has issued 1,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 3 December 2019 to Andrew Drake 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 Company has issued 1,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 3 December 2019 to Derek Lew 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

16. Post balance sheet events

In July and August 2020, subsequent to the period end, further share issues totalling 6,466,666 ordinary shares were made at £0.06 each (premium of £0.059 per share). As at the date of this document, the total number of ordinary shares in issue is 264,617,362. Subsequent to the period end, a further 3,725,000 warrants were also issued, with varying terms and conditions. As at the date of this document, the total number of warrants granted is 26,163,000.

PART V
ADDITIONAL INFORMATION

1. Responsibility

The Company and each of the Directors whose names appear on page 13 of this document accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and makes no omission likely to affect its import.

2. The Company

- 2.1 The Company's legal and commercial name is Guild Esports PLC.
- 2.2 The Company was incorporated in England and Wales on 3 September 2019 under the name The Lords Esports PLC with registered number 12187837 as a public limited company under CA 2006. By resolution of the board on 16 April 2020 the Company's name was changed to Guild Esports PLC. Its legal entity identifier is 213800IE96YMHXDJ7H92.
- 2.3 A certificate permitting the Company to do business and exercise any borrowing powers was issued by the Registrar of Companies pursuant to section 96 CA 2006 on 19 August 2020. The domicile of the Company is the United Kingdom.
- 2.4 On 3 September 2019 Jonathan Franklin Bixby and Timothy Le Druillenec were appointed as directors of the Company. Kalum Hourd was appointed as a director of the Company on 14 October 2019. On 3 December 2019 Derek Lew and Andrew Drake were appointed as directors of the Company while Jonathan Franklin Bixby resigned as a director. James Savage was appointed as a director on 30 March 2020 while Timothy Le Druillenec resigned on the same date. David Gardner and Carleton Curtis were both appointed on 18 June 2020. On 1 September 2020 Simon Walters and Christopher Sullivan were appointed as directors of the Company.
- 2.5 The principal legislation under which the Company operates is CA 2006. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 2.6 The Company is registered in, and has its principal place of business in the UK. As a result it is subject to the UK regulatory environment. There are no specific regulations relating to the esports industry in the UK or in any other market in which the Company currently intends to operate.
- 2.7 The Company's registered office is at Room 4, 1st Floor 50 Jermyn Street, London SW1Y 6LX, United Kingdom and the telephone number is 020 3553 1276.
- 2.8 To date, the Company's activities have been limited to organisational matters and establishment of the Company's initial operations and it expects to commence substantive operations following an equity or debt fundraising.
- 2.9 Other than as set out in this Part V, the Company has no subsidiaries, joint ventures or investments, or any investments in progress, or any future investments on which its management bodies have made firm commitments.

3. Share Capital of the Company

- 3.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.
- 3.2 On incorporation of the Company 1,000 ordinary shares of £0.001 were subscribed for and issued and allotted to Timothy Le Druillenec (a former director), paid up in full.
- 3.3 On 13 September 2019, the Company raised gross proceeds of £99,999 by the issue and allotment of 99,999,000 Ordinary Shares to the certain initial shareholders. These Ordinary Shares were issued at par and were fully paid up.

- 3.4 Between 21 October 2019 and 30 December 2019 the Company raised further gross proceeds of £317,500 by the issue and allotment of 31,750,000 Ordinary Shares to certain early stage investors. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.
- 3.5 On 30 March 2020 the Company raised further gross proceeds of £75,000 by the issue and allotment of 7,500,000 Ordinary Shares to certain early stage investors. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.
- 3.6 On 19 May 2020 the Company raised £16,000 in gross proceeds by the issue and allotment of 1,600,000 Ordinary Shares to certain investors. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.
- 3.7 On 12 June 2020 the Company raised £245,735.29 by the issue and allotment of 24,573,529 Ordinary Shares to David Beckham. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.
- 3.8 On 12 June 2020 the Company raised £163,265 by the issue and allotment of 16,326,500 Ordinary Shares to various investors. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.
- 3.9 On 12 June 2020 the Company issued 11,800,000 Ordinary Shares to creditors in satisfaction of sums due to such creditors. The deemed issue price per share was £0.01 and the shares are fully paid up.
- 3.10 Between 30 June 2020 and 17 July 2020 the Company raised £4,184,040 by the issue and allotment of 68,067,333 Ordinary Shares to various investors. These Ordinary Shares were issued at a price per share of £0.06 and were fully paid up.
- 3.11 On 27 August 2020 the Company raised £79,999.98 by the issue and allotment of an aggregate of 1,333,333 Ordinary Shares to Simon Walters and Christopher Sullivan. These Ordinary Shares were issued at a price per share of £0.06 and were fully paid up.
- 3.12 The issued share capital of the Company at the date of this document is as follows:

Number of Ordinary Shares allotted	Aggregate nominal value of Ordinary Shares
264,617,362	£264,617.362

- 3.13 The Company has entered into warrant agreements (**Warrant Agreements**) with each of the following parties (**Warrant Holders**):

Date	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
18 February 2020	Jocelin Caldwell	3,250,000	£0.01	Yes	24 months from the first anniversary of Admission	N/A	Yes	No
12 June 2020	Fergus Purcell	250,000	£0.01	None	36 months	N/A	Yes	No
5 August 2020	Fergus Purcell	250,000	£0.06	None	36 months	N/A	Yes	No
30 March 2020	James Savage	1,000,000	£0.01	None	36 months	25% vest on the date of the warrant agreement and a further 25% vest every six months thereafter	Yes	No

Date	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
13 March 2020	Niklas Raseck	75,000	£0.01	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
18 June 2020	Carleton Curtis	5,000,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
29 June 2020	Michelle Tierney	250,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
7 July 2020	Thomas Binkhorst	75,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
7 July 2020	Joseph Kidd	75,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
7 July 2020	Kyle Robertson	75,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No

Date	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
7 August 2020	Daniel Lopez	250,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
7 August 2020	Raina Marwaha	250,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
14 August 2020	James Savage	750,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
20 August 2020	Simon Walters	1,000,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
17 August 2020	Christopher Sullivan	1,000,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
28 August 2020	Rory Moran ¹⁴	150,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second	Yes	No

¹⁴ Rory Moran is engaged as the Company's commercial partnerships manager.

Date	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
						anniversary and the final third vest on the third anniversary		

The Warrant Agreements are on substantially the same terms and conferring the right to subscribe for the number of Ordinary Shares at the price and in the period set out above. Warrant Agreements stated as being subject to conditions are conditional upon the relevant warrant holder's service agreement with the Company being in full force and effect, the relevant warrant holder not being in breach of such agreement and no notice having been served to terminate such agreement. Any warrants not exercised during the Exercise Period set out in the table above shall lapse. There are no other material conditions to the exercise of any of the above warrants other than as disclosed above.

- 3.14 The Company issued 1,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 3 December 2019 to Andrew Drake 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.
- 3.15 The Company issued 1,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 3 December 2019 to Derek Lew 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.
- 3.16 The Company issued 2,500,000 warrants exercisable at £0.01 each pursuant to a warrant instrument dated 12 June 2020 to Chris Akers. The warrants are exercisable at any time from issue until the earlier of the first anniversary of issue and Admission conditional upon the Company's capital markets advisory agreement with Chris Akers remaining in force and Chris Akers not being in breach of any of his obligations under that agreement.
- 3.17 The Company has issued warrants exercisable at £0.06 each pursuant to the warrant instrument dated 19 June 2020 to the following parties:

Warrant Holder	Number of Warrants	Date of issue	Conditions	Exercise Period
Letter 4 Consulting Ltd ¹⁵	885,000	19 June 2020	None	Five years from issue
Haywood Securities Inc ¹⁶	258,000	19 June 2020	None	Five years from issue
Cadigal Advisors Pty Ltd ¹⁷	2,800,000	19 June 2020	None	Five years from issue
Kiyo Capital Limited ¹⁸	816,250	19 June 2020	None	Five years from issue

¹⁵ Letter 4 Consulting Ltd has received its warrants in connection with the introducer agreement made with the Company, details of which are set out in paragraph 10.7 of Part V.

¹⁶ Haywood Securities Inc. has received its warrants in connection with the introducer agreement made with the Company, details of which are set out in paragraph 10.9 of Part V.

¹⁷ Cadigal Advisors Pty Ltd has received its warrants in connection with the introducer agreement made with the Company, details of which are set out in paragraph 10.8 of Part V.

¹⁸ Kiyo Capital Limited has received its warrants in connection with the introducer agreement made with the Company, details of which are set out in paragraph 10.6 of Part V.

Warrant Holder	Number of Warrants	Date of issue	Conditions	Exercise Period
David Gardner ¹⁹	1,000,000	19 June 2020	David Gardner remaining as a director and no notice having been served to terminate his appointment	Five years from issue
Ross Connolly ²⁰	500,000	19 June 2020	Ross Connolly remaining as a board observer and no notice having been served to terminate his status	Five years from issue
Salamander Davoudi ²¹	250,000	19 June 2020	The Company's engagement with Tancredi Intelligent Communication Limited being in full force and effect with Tancredi not being in breach of the engagement and no notice having been served to terminate the engagement	Five years from issue
Paul Whiteman ²²	150,000	19 June 2020	None	Five years from issue
Andrew Frangos ²³	48,750	19 June 2020	None	Five years from issue
Angus Campbell ²⁴	80,000	19 June 2020	None	Five years from issue
John McHugh ²⁵	175,000	19 June 2020	None	Five years from issue

¹⁹ David Gardner is the board member nominated by David Beckham in accordance with David Beckham's contractual rights under the investment agreement set out in paragraph 10.3 of Part V. He has been awarded warrants as an incentive.

²⁰ Ross Connolly is the board observer nominated by David Beckham in accordance with David Beckham's contractual rights under the investment agreement set out in paragraph 10.3 of Part V. He has been awarded warrants as an incentive.

²¹ Salamander Davoudi is the co-founder and managing partner of Tancredi Intelligent Communication Limited. Salamander received her warrants in connection with the engagement by the Company of Tancredi Intelligent Communication Limited to provide public relations advice to the Company

²² Paul Whiteman has received his warrants at the direction of Kiyo granted in connection with the introducer agreement made between Kiyo and the Company, details of which are set out in paragraph 10.6 of Part V.

²³ Andrew Frangos has received his warrants at the direction of Kiyo granted in connection with the introducer agreement made between Kiyo and the Company, details of which are set out in paragraph 10.6 of Part V.

²⁴ Angus Campbell has received his warrants at the direction of Kiyo granted in connection with the introducer agreement made between Kiyo and the Company, details of which are set out in paragraph 10.6 of Part V.

²⁵ These warrants were originally issued to Lucas McHugh. Lucas received these warrants as part of his consideration for providing introducer services to the Company, details of which are set out in paragraph 10.10 of Part V and has since transferred them to John McHugh.

- 3.18 Assuming exercise of all of the outstanding warrants in full, the warrants would represent 9% of the share capital of the Company as enlarged by the exercise of the warrants and the existing share capital would be diluted so as to constitute 91% of the so enlarged share capital of the Company.
- 3.19 Pursuant to a resolution passed on 13 September 2019, the Company resolved that:
- (a) the Directors be generally authorised in accordance with the Articles to exercise all the powers of the Company to allot Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares, up to a maximum aggregate nominal value of £500,000;
 - (b) the Directors may allot equity securities up to a maximum nominal value of £500,000 as if section 561 of the Companies Act and any pre-emption rights in the Articles did not apply; and
 - (c) the above authorities expire on 31 December 2020 or, if earlier, the first annual general meeting of the Company to be held in 2020.
- 3.20 The provisions of section 561(1) CA 2006 (to the extent not disapplied pursuant to sections 570-571 CA 2006) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 CA 2006) which are, or are to be, paid up in cash and will apply to the unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 3.13 above.
- 3.21 Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Warrants, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital.
- 3.22 No share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.
- 3.23 Except for the Warrants, the Company does not have in issue any securities not representing share capital, nor any shares which are held by or on behalf of the Company itself or by its subsidiaries, and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company.
- 3.24 Except as disclosed in this paragraph and as referred to in paragraph 10 below, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company. PRR Ann 1
19.1.7
- 3.25 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercises or could exercise control over the Company.

4. Objects and Purposes of the Company

The Company's objects and purposes are unrestricted.

5. Substantial Shareholders

- 5.1 Except for the interests of those persons set out in this paragraph 5 and in paragraph 8 below, the Directors are not aware of any interests (other than interests of the Directors and Senior Management) which, at the date of this document, amount to 3% or more of the Company's issued share capital:

Name	Ordinary Shares as at the date of this document	Percentage of Ordinary Shares
Toro Consulting Ltd (controlled by Jonathan Bixby and Shannon Wall)	48,000,000	18.14%
David Beckham	24,573,529	9.29%

Kalum Hourd	13,000,000	4.91%
Blue Star Capital Plc	30,626,500	11.57%
Pioneer Media Holdings Inc. (controlled by Mike Edwards)	15,500,000	5.86%
Kies Technology Holdings SA (controlled by Andrew Graham)	8,000,000	3.02%
Paniolo Ventures Inc. (controlled by Brad Roark)	8,000,000	3.02%
1219626 BC Ltd (controlled by Eric Chang)	8,000,000	3.02%

5.2 o holder of Ordinary Shares, either as listed above, or as set out in paragraph 8 of this Part V, has voting rights different from other holders of Ordinary Shares.

5.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

6. The Directors

6.1 The Directors and their respective functions are as follows:

Carleton Curtis (*Executive Chairman*), appointed 18 June 2020

Kalum Lee Hourd (*Executive Director and CEO*), appointed 14 October 2019

James Savage (*Executive Finance Director*), appointed 30 March 2020

Derek Lew (*Non-Executive Director*), appointed 3 December 2019

Andrew Drake (*Non-Executive Director*), appointed 3 December 2019

David Gardner (*Non-Executive Director*), appointed 18 June 2020

Simon Walters (*Non-Executive Director*), appointed 1 September 2020

Christopher Sullivan (*Non-Executive Director*), appointed 1 September 2020

6.2 The business address of each of the Directors is Room 4, 1st Floor 50 Jermyn Street, London SW1Y 6LX, United Kingdom.

7. Senior Management

The Company's senior management currently comprises the Senior Managers and the Directors.

8. Directors' and Senior Managements' interests in the Company including service agreements

8.1 The interests of the Directors, Senior Management and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, at the date of this document, all of which are beneficial, are:

Name	Ordinary Shares as at the date of this document	Percentage of Ordinary Shares
Kalum Hourd	13,000,000	4.91%
David Beckham	24,573,529	9.29%
David Gardner	2,000,000	0.76%
James Savage	1,200,000	0.45%
Jocelin Caldwell	2,000,000	0.76%

Andrew Drake	2,000,000	0.76%
Derek Lew	1,800,000	0.68%
Christopher Sullivan	1,000,000	0.38%
Simon Walters	333,333	0.13%

8.2 The Directors and Senior Management and persons connected with them hold the following warrants over Ordinary Shares:

Date of Agreement/ instrument	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
3 December 2019	Andrew Drake	1,500,00	£0.01	Admission	The three months following Admission	N/A	Yes	No
3 December 2019	Derek Lew	750,000	£0.01	Admission	The three months following Admission	N/A	Yes	No
18 February 2020	Jocelin Caldwell	3,250,000	£0.01	Yes	24 months from the first anniversary of admission	N/A	Yes	No
30 March 2020	James Savage	1,000,000	£0.01	Yes	36 months	25% vest of the date of the warrant agreement and a further 25% vest every six months thereafter	Yes	No
18 June 2020	Carleton Curtis	5,000,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No

Date of Agreement/ instrument	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
19 June 2020	David Gardner	1,000,000	£0.06	Yes	Five years from issue	N/A	Yes	No
29 June 2020	Michelle Tierney	250,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
7 August 2020	Daniel Lopez	250,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
7 August 2020	Raina Marwaha	250,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No

Date of Agreement/ instrument	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditions	Exercise Period	Vesting Period	Transferrable	Exercised
14 August 2020	James Savage	750,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
20 August 2020	Simon Walters	1,000,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No
17 August 2020	Christopher Sullivan	1,000,000	£0.06	Yes	36 months from the first vesting date	One third vest on the first anniversary of the warrant agreement, a further third vest on the second anniversary and the final third vest on the third anniversary	Yes	No

Warrants which are expressed to be subject to conditions that are not specified in the above table are conditional upon the relevant warrant holder's service agreement with the Company being in full force and effect, the relevant warrant holder not being in breach of such agreement and no notice having been served to terminate such agreement. There are no other material conditions other than disclosed above.

- 8.3 Derek Lew is the Chairman of and minority shareholder of Blue Star Capital Plc, an AIM quoted company which as at the date of this document holds 11.57% of the issued share capital of the Company.

- 8.4 David Beckham is entitled to nominate a person to act as a director of the Company (subject to prior approval of the Company) while he holds 5% or more of the Ordinary Shares. He has elected to nominate David Scott Gardner who has been appointed as a director of the Company.
- 8.5 Except as disclosed in paragraphs 8.1, 8.2, 8.3 and 8.4, none of the Directors or Senior Management nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.
- 8.6 There are no outstanding loans or options granted by the Company to any Director or Senior Management, nor has any guarantee been provided by the Company for their benefit.
- 8.7 The Company has entered into the following agreements and letters of appointment with Directors and Senior Management:
- (a) 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 for an annual fee of \$300,000, payable monthly in arrears. Carleton Curtis will be expected to devote the whole of his working time and attention to performing his duties for the Company. 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. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Carleton is in material breach of the terms of the appointment. Carleton Curtis has agreed to post termination restrictive covenants that are typical for a person of his seniority. Carleton has entered into a supplementary director service letter to govern his appointment as a director of the Company. Carleton is not entitled to any additional fees under the terms of this letter.
 - (b) 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 for an annual salary of £60,000 increasing to £150,000 following Admission, payable monthly in arrears. Kalum Lee Hourd will be expected to devote the whole of his working time and attention to performing his duties for the Company. The agreement will continue until terminated and is terminable on 24 weeks' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Kalum is in material breach of the terms of the appointment. Kalum Lee Hourd has agreed to post termination restrictive covenants that are typical for a person of his seniority. Kalum has entered into a supplementary director service letter to govern his appointment as a director of the Company. Kalum is not entitled to any additional fees under the terms of this letter.
 - (c) a service agreement with James Savage dated 9 September 2020, conditional upon Admission, pursuant to which James Savage was appointed as chief financial officer of the Company for an annual salary of £120,000, payable monthly in arrears. 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. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, James Savage is in material breach of the terms of the appointment. James Savage has agreed to post termination restrictive covenants that are typical for a person of his seniority. This agreement replaced an agreement dated 30 March 2020 under which Mr Savage was appointed finance director on a part time basis;
 - (d) 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 for an annual fee of £36,000, payable monthly in arrears. Derek Lew will be expected to devote at least four days a month to perform his duties for the Company. The appointment is for an initial term of three years and is terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Derek Lew is in material breach of the terms of the appointment;

- (e) 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 for an annual fee of £48,000, payable monthly in arrears. Andrew Drake will be expected to devote at least eight days a month to perform his duties for the Company. The appointment is for an initial term of three years and is terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Andrew Drake is in material breach of the terms of the appointment;
- (f) 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 for an annual fee of £42,000, payable monthly in arrears. Simon Walters will be expected to devote at least two days a month to perform his duties for the Company. The appointment is for an initial term of two years and is terminable on three months' notice on either side. The appointment may be terminated immediately if, among other things, Simon Walters is in material breach of the terms of the appointment;
- (g) 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 for an annual fee of £42,000, payable monthly in arrears. Christopher Sullivan will be expected to devote at least two days a month to perform his duties for the Company. The appointment is for an initial term of two years and is terminable on three months' notice on either side. The appointment may be terminated immediately if, among other things, Christopher Sullivan is in material breach of the terms of the appointment;
- (h) 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. The appointment is terminable in accordance with the terms set out in the investment agreement concluded with David Beckham, further details of which can be found in paragraph 10.3 of Part V.
- (i) a consultancy agreement with Jocelin Caldwell dated 18 February 2020 effective from 1 March 2020 pursuant to which Jocelin Caldwell was engaged to provide services as an executive Chief Operating Officer, such position not to be a board level role. The Company will pay the consultant £500 plus VAT (if applicable) for each full day worked subject to a maximum of £5,000 plus VAT a month and Jocelin commits to devote at least ten days per calendar month to the Company. The agreement may be terminated by either party giving 12 weeks' notice or immediately by the Company in the case of a material breach or gross misconduct on the part of Jocelin Caldwell;
- (j) a consultancy agreement dated 29 June 2020 and made between the Company and Quiche Media Ltd effective from 1 July 2020 pursuant to which Quiche Media Ltd agrees to provide the services of Michelle Tierney to the Company as Director of Commercial Partnerships. The consultant company will be paid a fee of £99,996 per annum and Michelle will receive other benefits including healthcare and dental insurance. The Company may also pay a bonus paid on a per sponsor basis and calculated on the value of the sponsorship deal. The agreement is terminable of eight weeks written notice on either side or immediately in the case of breach. Michelle Tierney will devote her full time and attention to the Company and the consultant has agreed to comply with, and procure that Michelle complies with, certain covenants in the consultancy agreement (relating to confidentiality, intellectual property and non-competition);
- (k) a consultancy agreement with Raina Marwaha dated 7 August 2020 effective from 9 November 2020 pursuant to which Raina Marwaha was engaged to provide services as Director of Apparel and Merchandise, such position not to be a board level role. The Company will pay the consultant £10,000 plus VAT a month and Raina commits to devote at least 40 hours per week to the Company. The agreement may be terminated by the Company on six months' notice, by Raina on three months' notice or immediately by the Company in the case of a material breach or gross misconduct on the part of Raina Marwaha; and

(l) a consultancy agreement with Daniel Lopez dated 6 August 2020 effective from 10 August 2020 pursuant to which Daniel Lopez was engaged to provide services as Director of Marketing and Brand, such position not to be a board level role. The Company will pay the consultant £8,333 plus VAT a month and Daniel commits to devote at least 40 hours per week to the Company. The agreement may be terminated by either party giving eight weeks' notice or immediately by the Company in the case of a material breach or gross misconduct on the part of Daniel Lopez.

8.8 Except as disclosed in this paragraph 8, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits, nor are any such arrangements proposed.

8.9 In addition to their directorships of the Company, the Directors and Senior Management are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships within the five years prior to the publication of this document:

Director/Senior Manager	Current Appointments	Previous Appointments
Carleton Curtis	None	None
Kalum Hourd	None	Cyqiq Gaming Ltd
Derek Lew	Growthworks Capital Ltd Initio Capital Group Inc. 1045704 BC Ltd 1045801 BC Ltd 676408 Alberta Inc. Aether Catalyst Solutions Inc. Blue Star Capital Plc BookYourDentistg.com corp California One Pizza Ventures Inc. California Pizza Group Inc. California Two Pizza Ventures Inc. Caprice Business Development Canada Inc. Conation Capital Ltd Derek Lew, Barrister and Solicitor DFJ Capital Inc. Dickens Christmas Fair Ltd FJL Housing Society Frank and Joan Lew Charitable Trust Gatineau Holdings Ltd GBIF I General Partner Inc. Growthworks Blockchain Innovation Fund I Partnership Initio Capital II GP Corp Initio Capital II L.P. Joder Management Services Inc. Lilac Ventures Ltd Mobio Technologies Inc. Ohji Holdings Ltd P.T. Hero Enterprises Inc. Pacific First Management Ltd Plank Ventures Ltd Rosendale Enterprises Inc. Scarlet Systems Inc. Venture Newfoundland and Labrador Limited Partnership Your Price Auto Group Ltd	British Columbia Innovation Council Harvest Travel Agency Ltd Working Opportunity Fund (EVCC) Ltd
Andrew Drake	Bad Moon Talent LLC	None
James Savage	Argo Blockchain Plc	None
David Gardner	Tanner Krolle International Limited Beckham Brand Limited	DBrazil TV Ltd

	DB Ventures Limited My Little Soldier Productions Limited 7Global Footwork Management Limited Studio 99 Limited	
Simon Walters	Headline FD Limited The Restaurant Club Limited Signature Dish Limited TPS DEZ Retentions Limited	Otaq Plc
Christopher Sullivan	Chris Sullivan Associates Ltd Goodwood Estate Company Ltd DWF Group plc Alfa Plc Cannaray Ltd	Santander Financial Services Plc Santander Asset Finance Plc Carter Allen Limited Santander UK Operations Limited
Jocelin Caldwell	Reimagine Work Ltd	None
Michelle Tierney	Quiche Media Ltd	Arsenal Soccer School (Dubai)
Daniel Lopez	None	None
Raina Marwaha	House of Kind Ltd	None

8.10 In 1999 Christopher Sullivan was a director of Surrey TEC which was dissolved as part of the transition to local Learning Counsels imposed by the UK government. A full transfer of assets and liabilities took place and all creditors of Surrey TEC were paid in full.

8.11 No Director or member of the Senior Management has:

- (a) had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;
- (b) had a bankruptcy order made against him or her or entered into an individual voluntary arrangement;
- (c) other than as disclosed in paragraph 8, been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;
- (d) been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
- (e) been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or
- (f) been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

- 8.12 No Director or Senior Management has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.
- 8.13 In the case of those Directors or Senior Management who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under chapter 2 of part 10 CA 2006 and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with the duties owed to the Company. Except as mentioned above and in paragraph 5 of Part II: Directors, Senior Management and Corporate Governance, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.
- 8.14 Except for the Directors and the Senior Management, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

9. Share Option Schemes

As at the date of this document, the Company has not adopted a share option scheme.

10. Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

10.1 *MediaCom contract*

On 15 June 2020, the Company entered into an agreement with MediaCom Sports & Entertainment. Pursuant to this agreement MediaCom will review the Company's marketing potential and develop, in conjunction with the Company, a marketing strategy. MediaCom will then promote the Company on a non-exclusive basis to its extensive client base with a view to securing sponsors for the Company and evaluate any sponsorship proposals. Once a sponsorship agreement has been reached MediaCom will then manage the account with the sponsor. The Company will pay ten percent of the revenue generated from the sponsor as a fee to MediaCom. MediaCom will also conduct competitor analysis for the Company. MediaCom will identify which brands it will approach on behalf of the Company and fees will then be payable if contracts are concluded with those brands. The contract will subsist until the services are fulfilled and it is expected that this will take 4-6 weeks. There are no provisions regarding termination.

10.2 *Influencer agreement*

On 4 May 2020 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 of an amount equal to 15% of the 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. The total amount of the minimum payments will therefore be £15,250,000. Each minimum payment will be due in advance with the first such payment being due on the commencement of the agreement (as a result the first year's payment has not been included in the use of proceeds table). On Admission the Company will deposit in an escrow account an amount equal to any unpaid proportion of the minimum payment for years two and three (and as such both of these payments are considered to be costs borne by the Company in the first 12 months following Admission). Should

Footwork's entitlement to fees exceed the minimum payment for that year, the Company will make a balancing payment at the end of the relevant twelve month period.

For the duration of the agreement and provided that David Beckham has not already elected to appoint such persons under the investment agreement described below, Footwork will be entitled to appoint one person to be a director of the Company, subject to prior approval of the Company as to suitability of such person to hold such office. Footwork may also appoint a board observer who will not have the right to vote at a meeting of the Board. For the avoidance of doubt, Footwork and David Beckham will have the power to appoint one director and one observer in aggregate between them with priority given to David Beckham under the investment agreement.

The agreement is for a term of five years but may be terminated by either party on notice as a result of either the occurrence of an un-remedied material breach of the agreement by the other party or insolvency. The Company may also terminate by giving notice if David Beckham dies or is convicted of a criminal offence. If the agreement is terminated by the Company as a result of the matters described above then no further sums will be payable under the agreement but if Footwork terminate as a result of an un-remedied material breach of the agreement by the Company or as a result of the Company's insolvency then the Company will be required to pay the aggregate total of the unpaid minimum payments.

10.3 ***David Beckham investment agreement***

On 26 April 2020, the Company and David Beckham entered into an investment agreement pursuant to which David Beckham agreed to subscribe for 24,573,529 Ordinary Shares at a subscription price of £0.01 per Ordinary Share. Until Admission, David Beckham has certain enhanced information rights (right to receive financial information and other information on request) and the right to participate in any further issues of Ordinary Shares to maintain or achieve a 10% interest in the Company. In addition, David Beckham has the right to appoint a director and/or observer to the Board subject to any such director being approved in advance by the Company, such right to expire if David Beckham ceases to hold 5% or more of the issued Ordinary Shares. As an acknowledgement that he will receive information from the director and/or observer appointed by him David Beckham agrees to treat such information as insider information and comply with MAR.

10.4 ***Share purchase agreement and rescission***

On 1 November 2019, the Company entered into a share purchase agreement with Kalum Hourd and Cyqiq Gaming Ltd pursuant to which Kalum Hourd agreed to sell the entire issued share capital of Cyqiq Gaming Ltd to the Company for £11,000, to be satisfied by the allotment and issue of 11,000,000 Ordinary Shares at a deemed price of £0.001 each. Subsequent investigations revealed that Cyqiq Gaming Ltd had, contrary to the contractual terms of the share purchase agreement as well as the belief and expectations of the parties, no assets or liabilities. In addition the Company had not issued any Ordinary Shares to Kalum Hourd in consideration for the share transfer. On 11 March 2020 the parties entered into an agreement to rescind the share purchase agreement. Pursuant to this rescission agreement the Company transferred the entire issued share capital of Cyqiq Gaming Ltd back to Kalum Hourd and it was agreed that each party would be released from any obligations that it had under the share purchase agreement, including the Company's obligation to pay the consideration by way of the issue of Ordinary Shares.

10.5 ***IP Assignment***

Pursuant to a IP Assignment dated 11 March 2020 between Kalum Hourd and the Company, Kal Hourd sold and the Company purchased all of intellectual property rights generated by Kal in connection with the business of devising, proposing and/or operating an esports team for £11,000 which was satisfied by the allotment and issue to Kal Hourd of 11,000,000 Ordinary Shares at a deemed issue price of £0.001 per share. Kal Hourd gave warranties as to his ownership of such rights and the lack of any infringement.

10.6 ***Introducer agreement with Kiyo Capital Limited***

The Company entered into an introducer agreement with Kiyo Capital Limited (**Kiyo**) on 25 May 2020 pursuant to which Kiyo agreed to introduce investors to the Company in connection with a private financing conducted by the Company. As consideration for such services the Company agreed to pay in cash to Kiyo an amount equal to 6% of the total amount raised from investors introduced by Kiyo and issue such number of warrants in the Company as represents a further 6% of the total amount raised from investors introduced by Kiyo. The exercise price of such warrants would be the price at which the shares were issued at the private placing. The Company also agreed to pay Kiyo a retainer of £2,083 per month. Under the terms of the introducer, agreement the Company gave warranties as to its capacity and authority to enter into and perform its obligations under the introducer agreement. The introducer agreement terminates on the earlier of the completion of the private financing or the first anniversary of the date of the introducer agreement.

10.7 ***Introducer agreement with Letter 4 Consulting Ltd***

The Company entered into an introducer agreement with Letter 4 Consulting Ltd (**Letter 4**) on 25 May 2020 pursuant to which Letter 4 agreed to introduce investors to the Company in connection with a private financing conducted by the Company. As consideration for such services the Company agreed to pay in cash to Letter 4 an amount equal to 6% of the total amount raised from investors introduced by Letter 4 and issue such number of warrants in the Company as represents a further 6% of the total amount raised from investors introduced by Letter 4. The exercise price of such warrants would be the price at which the shares were issued at the private placing. Under the terms of the introducer agreement, the Company gave warranties as to its capacity and authority to enter into and perform its obligations under the introducer agreement. The introducer agreement terminates on the earlier of the completion of the private financing or the first anniversary of the date of the introducer agreement.

10.8 ***Introducer agreement with Cadigal Advisors Pty Ltd***

The Company entered into an introducer agreement with Cadigal Advisers Pty Ltd (**Cadigal**) on 8 June 2020 pursuant to which Cadigal agreed to introduce investors to the Company in connection with a private financing conducted by the Company. The Company agreed to issue such number of warrants in the Company to Cadigal as represents 12% of the total amount raised from investors introduced by Cadigal. The exercise price of such warrants would be the price at which the shares were issued at the private placing. Under the terms of the introducer agreement, the Company gave warranties as to its capacity and authority to enter into and perform its obligations under the introducer agreement. The introducer agreement terminates on the earlier of the completion of the private financing or the first anniversary of the date of the introducer agreement.

10.9 ***Engagement with Haywood Securities Inc.***

The Company reached an unwritten agreed with Haywood Securities Inc. (**Haywood**) for Haywood to introduce investors to the Company in connection with a private placing by the Company. In consideration for such introductions the Company agreed to pay cash to Haywood an amount equal to 6% of the total amount raised from investors introduced by them and issue such number of warrants in the Company as represents a further 6% of the total amount raised from investors introduced by Haywood. The exercise price of such warrants would be the price at which the shares were issued at the private placing.

10.10 ***Engagement with Lucas McHugh***

The Company reached an unwritten agreed with Lucas McHugh for him to introduce investors to the Company in connection with a private placing by the Company. In consideration for such introductions the Company agreed to pay cash to Mr McHugh of an amount equal to 6% of the total amount raised from investors introduced by them and issue such number of warrants in the Company as represents a further 6% of the total amount raised from investors introduced by Haywood. The exercise price of such warrants would be the price at which the shares were issued at the private placing.

10.11 ***Jermyn Street Agreement***

Dukemount Capital PLC, a company in which Timothy Le Druillenec (a shareholder and former director) was previously interested and of which he was previously a director has informally agreed with the Company to allow the Company to occupy Dukemount Capital PLC's offices at Jermyn Street and use those offices as the Company's registered office. In consideration of the offices being made available to the Company, the Company has agreed to pay Dukemount Capital PLC the sum of £525 per quarter until such time as the Company establishes its own offices.

The agreement is not on arms' length terms owing to the previous common director between the Company and Dukemount Capital PLC but the Company considers that the agreement is on terms more favourable to the Company than an arms' length agreement.

10.12 ***Investment agreement***

On 13 October 2019 the Company entered into an investment agreement with (i) Googly Esports Plc, (i) The Dibs Esports Corp (registered in Delaware USA), (iii) Dynasty Esports Pte Ltd (registered in Singapore), (iv) The Cubs Esports Pty Ltd (registered in Australia), (vi) the Drops Esports Inc (registered in Canada) and (vi) Blue Star Capital Plc. pursuant to which Blue Star Capital Plc agreed to subscribe for 15,000,000 Ordinary Shares for an aggregate subscription price of £150,000. The investment agreement also contained obligations on the Company to, in the period prior to Admission, provide certain information to Blue Star including regular management accounts and business plans. In addition the Company agreed that it would not issue further shares or securities without giving Blue Star an opportunity to subscribe for such number of shares as would be required for Blue Star to maintain the same percentage of the enlarged share capital of the Company as it held immediately prior to such further issue of shares or securities.

10.13 ***Fergus Purcell contract***

On 2 April 2020 the Company and Fergus Purcell entered into a contract pursuant to which Fergus Purcell agreed to design a logo for the Company. Fergus agrees that all of the intellectual property rights in connection with such logo will belong to the Company and the Company agreed to pay Fergus a fee of £50,000 plus VAT (if applicable) plus warrants over 250,000 Ordinary Shares with an exercise price of £0.01 each.

10.14 ***Fergus Purcell IP assignment***

The Company has also engaged Fergus Purcell to provide additional design services under an agreement dated 6 July 2020, as subsequently amended on 17 September 2020. The provisions of the agreement dated 2 April 2020 are incorporated into this agreement. The Company will pay to Fergus Purcell the sum of £22,000 plus VAT upon completion of the additional services, and will issue and deliver to Fergus Purcell an additional 250,000 warrants at £0.06 in the Ordinary Shares of the Company, exercisable before listing.

10.15 ***Dynasty agreement***

On 21 August 2020, the Company entered into a software as a service agreement with Dynasty Esports Pte Ltd (registered in Singapore). Pursuant to this agreement, Dynasty grants to the Company a licence to use a digital web-based platform for the hosting, registration, and running of digital esports leagues and/or tournaments developed by Dynasty. In consideration of the licence to use the platform, the Company will pay to Dynasty a monthly subscription fee of US\$40,000. The agreement expires on 9 August 2021 however there is an automatic renewal right for a further year (unless either party elects to not renew the contract).

10.16 ***Warrant agreements***

The Company has entered into warrant agreements with various dates (**Warrant Agreements**) with Jocelin Caldwell, James Savage, Michelle Tierney, Carleton Curtis, Thomas Binkhorst, Joseph Kidd, Kyle Robertson, Niklas Raseck, Christopher Sullivan, Simon Walters, Raina Marwaha, Daniel Lopez and Fergus Purcell respectively (**Warrant Holders**). The Warrant Agreements are on substantially the same

terms, however, some attach conditions relating to service or consultancy contracts while others do not. In addition some have an exercise price of £0.01 per Ordinary Share while others have an exercise price of £0.06 per Ordinary Share. Please see the table at 3.13 for a full summary of the Warrant Agreements.

10.17 **Warrant instruments**

The Company has created the following warrant instruments (**Warrant Instruments**):

- (a) a warrant instrument dated 3 December 2019 in respect of up to 1,500,000 Ordinary Shares with an exercise price of £0.01 per Ordinary Share. The warrants are exercisable at any time prior to Admission. The warrants are freely transferable. The Company is obliged to keep a register of warrant holders and gives certain covenants as to the Ordinary Shares including that the Company will maintain sufficient authority to issue all of the warrant shares free from restriction and that the Company will not modify the rights attaching to the Ordinary Shares.
- (b) a second warrant instrument dated 3 December 2019 in respect of up to 1,500,000 Ordinary Shares with an exercise price of £0.01 per Ordinary Share. The warrants are exercisable at any time prior to Admission. The warrants are freely transferable. The Company is obliged to keep a register of warrant holders and gives certain covenants as to the Ordinary Shares including that the Company will maintain sufficient authority to issue all of the warrant shares free from restriction and that the Company will not modify the rights attaching to the Ordinary Shares.
- (c) a warrant instrument dated 12 June 2020 in respect of up to 2,500,000 Ordinary Shares with an exercise price of £0.01 per Ordinary Share. The warrants are exercisable at any time prior to Admission. The warrants are freely transferable. The Company is entitled to attach conditions to the warrants provided such conditions are notified to the warrant holder prior to the issue of the warrants. The Company is obliged to keep a register of warrant holders and gives certain covenants as to the Ordinary Shares including that the Company will maintain sufficient authority to issue all of the warrant shares free from restriction and that the Company will not modify the rights attaching to the Ordinary Shares.
- (d) a warrant instrument dated 19 June 2020 in respect of up to 6,963,000 Ordinary Shares with an exercise price of £0.06 per Ordinary Share. The warrants are exercisable at any time in the five years following issue. The warrants are freely transferable. The Company is entitled to attach conditions to the warrants provided such conditions are notified to the warrant holder prior to the issue of the warrants. The Company is obliged to keep a register of warrant holders and gives certain covenants as to the Ordinary Shares including that the Company will maintain sufficient authority to issue all of the warrant shares free from restriction and that the Company will not modify the rights attaching to the Ordinary Shares.

11. **Litigation**

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) in the previous 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

12. **Intellectual property**

The Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

13. **Premises**

The Company does not own any premises or hold any leasehold interests in any properties. The Company has an agreement with Dukemount Capital PLC, a company of which Timothy Le Druillenec (a shareholder and former director) was a director and shareholder. Further details of this agreement are set out in paragraph 10.11 of this Part V.

14. Related Party Transactions

The Company is not party to any transactions with related parties for the period covered by the historical financial information up to the date of this document.

15. No significant change

There has been no significant change in the financial position and/or performance of the Company since 30 June 2020, being the date as at which the financial information contained in Part IV: Financial Information on the Company has been prepared.

16. Concert party

Pursuant to the terms of the City Code, the following shareholders are believed to be acting in concert with one another: Toro Consulting Ltd, Kies Technology Holdings SA, Pallasite Ventures Inc., 1219626 BC Ltd, Alexis Abraham, Timothy Le Druillenec, Paniolo Ventures Inc., Smaller Company Capital Limited, DFJ Capital Inc. Andrew Frangos, Blue Star Capital plc, Pello Capital Limited, Pioneer Media Holdings Inc., Pioneer Acquisition 1 Inc., Haymarket Investments Inc., James Savage, Jocelin Caldwell, Derek Lew and Joshua Bixby. The Concert Party together hold 61.50% of the Company's share capital.

17. General

- 17.1 PKF Littlejohn LLP were appointed as the auditors of the Company on 5 March 2020. PKF Littlejohn LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of 1 Westferry Circus, Canary Wharf, London E14 4HD.
- 17.2 PKF Littlejohn LLP which has no material interest in the Company, has given and has not withdrawn its written consent to (1) the issue of this document with the inclusion of the references to its name and (2) the inclusion of the following reports in Part IV of this document:
- (a) Accountant's Report on the Historical Financial Information of the Company; and
 - (b) Historical Financial Information of the Company;
- and has authorised the contents of those reports for the purposes of the Prospectus Regulation Rules.
- 17.3 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.

18. Documents available for inspection

Copies of the following documents will be published in electronic form and be available on the webpage www.guildesports.com/investors/ for a period of 12 months from the date of this document:

- 18.1 the Articles;
- 18.2 the consent letter of PKF Littlejohn LLP; and
- 18.3 this document.

PART VI DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Admission	the effective admission of the Ordinary Shares to listing on the Official List and trading on the London Stock Exchange's main market for listed securities.
Articles	the articles of association of the Company.
Board or Directors	the directors of the Company whose names are set out on page 13 of this document.
City Code	the City Code on Takeovers and Mergers published by the Takeover Panel.
CA 2006	the Companies Act 2006.
Company or Guild	Guild Esports PLC, incorporated in England and Wales with registered number 12187837.
European Economic Area or EEA	territories comprising the European Union together with Norway, Iceland and Liechtenstein.
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom Authority.
Footwork	Footwork Productions Limited, a company incorporated in England and Wales with company number 03190273.
FRC Corporate Governance Code	the Corporate Governance Code, published by the Financial Reporting Council.
FSMA	the Financial Services and Markets Act 2000.
HMRC	HM Revenue & Customs.
Listing Rules	the Listing Rules of the FCA.
London Stock Exchange	London Stock Exchange plc.
Official List	the Official List maintained by the FCA.
Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company.
Premium Listing	a Premium Listing on the Official List under Chapter 6 of the Listing Rules.
Prospectus Regulation	the Regulation of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (no. 2017/1129).
Prospectus Regulation Rules	the Prospectus Regulation Rules of the FCA.

Registrar	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE.
Regulation S	Regulation S promulgated under the Securities Act.
Securities Act	the United States Securities Act of 1933, as amended.
Senior Managers or Senior Management	Jocelin Caldwell, Michelle Tierney, Raina Marwaha, Daniel Lopez
Shareholders	holders of Ordinary Shares.
subsidiary	has the meaning given to it by section 1159 CA 2006.
Takeover Panel	the Panel on Takeovers and Mergers.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
United States, US or USA	the United States of America, its territories and possessions.
Warrant Agreements	has the meaning set out in paragraph 3.13 of Part V of this document.
Warrant Holders	has the meaning set out in paragraph 3.13 of Part V of this document.
Warrant Instruments	has the meaning set out in paragraph 10.17 of Part V of this document.