

Company Registration No. 12187837 (England and Wales)

GUILD ESPORTS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

GUILD ESPORTS PLC

COMPANY INFORMATION

Directors

Mr A Drake
Mr K Hourd
Mr F Lew
Mr J Savage
Mr C Sullivan
Mr S Walters
Mr D Gardner

Secretary

Mr J Savage

Company number

12187837

Registered office

Craven House
16 Northumberland Avenue
London
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Auditor

PKF Littlejohn LLP
Statutory Auditor
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GUILD ESPORTS PLC

CONTENTS

	Page
Chairman's statement	1
Strategic report	4 - 8
Directors' report	9 - 12
Directors' responsibilities statement	13
Remuneration report	14 - 16
Independent auditor's report	17 - 22
Income statement	23
Statement of financial position	24
Statement of changes in equity	25
Statement of cash flows	26
Notes to the financial statements	27 - 43

GUILD ESPORTS PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

I am pleased to report Guild's maiden full year results since its flotation on the London Stock Exchange on 2 October 2020. The period under review saw Guild rapidly scale from start-up phase to full commercial operations as part of its growth strategy to become one of the world's leading esports team organisations in the next few years.

Despite the challenges of building a new business amid a global pandemic, good progress was made across the business to fulfil that vision.

The Company generated revenues of £1.9m (2020: £nil) as it benefitted from first-time contributions from sponsorship deals signed earlier in the year. The loss before tax increased to £8.8m (2020: £2.7m) which reflects a major investment in operational infrastructure, esports teams, the Guild Academy, content creation and the development of Guild merchandising. This investment is fundamental to Guild's business model and long-term strategy. It enabled the Company to deliver exponential growth in its fan base and total audience network in 2021, making it the fastest growing esports teams organisation in Europe.

Our growing audience of young and hard-to-reach consumers is a powerful magnet for global brands and sponsors as evidenced by the quality of the sponsorship deals signed with Subway, Samsung and Hyper X during the year, followed by BitStamp, a leading cryptocurrency exchange, in January 2022. I am proud that we have gained the trust of such marque brands as our sponsorship partners in a relatively short time.

Guild is still at an early stage in its growth and also well placed to benefit from long term industry fundamentals driving the esports sector worldwide. In terms of market size, the electronic games sector is larger than the Hollywood movie and music industries combined, as well as one of the fastest growing leisure and entertainment activities pursued by mainstream consumers. The recent \$69bn cash takeover bid by Microsoft for Activision reflects how leading consumer facing technology giants see the industry's long-term prospects.

Guild's own investment in the business in 2021 provides a solid platform for long term growth and build media value necessary to drive sponsorship revenue in the year ahead and beyond. Our new business pipeline remains robust and we are at an advanced stage of negotiations with multiple partners which provides great confidence for Guild's prospects.

As a young teams organisation, Guild's fast growing audience of keen and loyal fans is the life blood of the Company. Our expanding roster of pro-players achieved notable success in several major tournaments and their continued success is of great pride for all Guild fans and supporters alike.

We are confident that we have laid the foundation to provide tremendous value to our brand partners and as well as create long-term shareholder value.

Our staff numbers have increased from just a handful to more than 35 full-time staff at present and I commend all our employees, players and partners for their hard work and dedication which has positioned the Company for growth in the years ahead.

Mr D Lew
Non-Executive Chairman
28 January 2022

GUILD ESPORTS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Principal activity

The Company's principal activity is that of a global fan-focussed team organisation and lifestyle brand that fields players in professional gaming competitions under the Guild banner. Our in-house training academy aims to attract and nurture the best esports talent, and our goal is to provide the ultimate entertainment experience alongside a distinctive lifestyle brand authentic to the esports community worldwide. Guild is led by an experienced management team of esports veterans and co-owned by David Beckham. The Company is headquartered in the UK and its shares are listed on the main market of the London Stock Exchange (ticker: GILD) and on the OTCQB Venture Market in the United States (ticker: GULDF).

Review of the business and future developments

On 2 October 2020, Guild Esports Plc was admitted to the Official List of the UK Listing Authority by way of a listing on the standard segment of the London Stock Exchange. On 16 December 2021, the Company's shares were cross-traded on the US OTC market.

Guild has esports rosters competing at the highest levels in FIFA, Rocket League, Fortnite, Apex Legends, and Valorant where Guild also fields an all-women roster competing in the new Game Changers league, where Guild led the charge in advocating equality in gaming. With all rosters, Guild uses a performance philosophy, which includes a holistic approach to unlock the full potential of each player, and provides a clear roadmap for winning trophies. Guild has also started a program to manage and drive players' social channels and digital content creation, expanding the reach of Guild and increasing its fanbase. The Company is constantly evaluating the esports landscape and considering expansion into new games, including mobile titles, to ensure we are maximizing audience reach and best positioning the Company for partnership opportunities.

Operational review

Good progress was made in our first full year, with growth in operations, esports, the launch of the Guild academy, and a growing fanbase which generates the media value needed to attract brand sponsors and generate revenue for the Company.

The esports sector grew by 14.5 per cent in 2021 and is now a \$1bn industry. The growth is expected to continue according to Newzoo and is predicted to reach \$1.6bn by 2024. Total viewing audience is estimated to increase from more than 400 million to approximately 650 million in the same period.

Sponsorship

Guild secured three sponsorships totalling contracted revenues of £3.9m since its stock market debut with leading high-profile brands in their respective industry sectors.

Hyper X, a leading gaming peripherals brand recently acquired by HP Inc from Kingston Technologies, which has a long association with the esports sector, became Guild's exclusive peripherals partner in Jan 2021. As part of the two-year agreement, HyperX products will be used by our pro-players, content-creators and academy students as well as to fit out our London headquarters.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Subway, the world's largest submarine sandwich franchise signed as a main sponsor March 2021, becoming Guild's Official Quick-Service Restaurant Partner as well as an Official Academy Partner of Guild Esports in more than 50 EMEA markets. The agreement provides Subway marketing exposure on Guild's team jersey, bespoke branded content, its London headquarters, and player and content creator channels, along with exclusive esports activations

In June 2021, Guild signed with Samsung, world-leader in transformative technologies, as its Official Display Partner. The agreement provides best-in-class products for our players, content creators, academy students and the London Headquarters and will provide exposure for Samsung across Guild's digital and social eco-system.

Together these sponsorship deals have laid a strong foundation for growth in sponsorship revenues from this year following their first-time contribution to revenues in the second half of 2021.

The Company's pipeline of new business from other potential sponsors and advertisers has also strengthened significantly. Discussions are currently at an advanced stage with several such prospects

These potential sponsors are engaged in multiple industries and have shown great interest in partnering with Guild as we emerge as a leading esports brand and expand our audience in a rapidly growing esports sector.

In October 2021, Guild announced the termination of a sponsorship deal with a European Fintech company totalling £3.6m over three years. Despite working with the brand for over a year through their financial difficulties induced by Covid-19, Guild took the decision to cancel the deal due to lack of certainty of their launch date, and delay in contractual payments. Guild's robust pipeline and growing interest from a range of other fintech prospects gave comfort that a replacement would be secured soon.

Although termination of the contract held back our revenue growth in 2021 we bounced back with a substantially larger £4.5m sponsorship deal with BitStamp in January 2022, which will start making a significant contribution to revenues in the current year. BitStamp is one of the world's longest established cryptocurrency exchanges, and has also opened up potentially further opportunities in the fintech sector. Taking this win into account, the total contracted revenues at the date of this report is £8.4m.

Rapidly growing audience

Guild is building its endemic audience through the creation of original content, signing of top-tier players and working with influencers and content creators, with David Beckham's social posts bringing in fans from different segments. Guild's fanbase and social reach has grown significantly, with Guild's owned audience making the Company the fastest growing esports organisation in Europe in 2021.

Subscribed fans in 2021 exceeded 1.1 million, video views surpassed 38.5 million, and social impressions of almost 500 million. With the Company's roster of players and content-creators, Guild has a network audience with direct access to over 14.6 million fans (not including David Beckham's own followers) via social media posts, an essential and attractive asset for potential sponsors.

This is in addition to brand exposure provided by media coverage of Guild's teams competing in esports games and tournaments. Guild's current games are widely covered by specialist media via platforms such as Twitch and YouTube, where Rocket League and Valorant saw over 100,000 concurrent viewers during peak matches. There has been increasing coverage from mainstream media outlets such as BBC Sport, who live-streamed a number of Guild's Rocket League fixtures in January 2021.

Expansion of teams continues at pace

Our esports audience is expanding partly due to the step-up in recruitment of outstanding professional players. The total roster of talent has increased from four in September 2020, to 22 players currently. They are organised in teams specialising in five major games franchises (FIFA, Fortnite, Rocket League, Apex Legends and Valorant) and compete in tournaments for trophies and prize money.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Our expansion into Fortnite with four esports athletes has given us Europe's number 1 roster with a significant social following, and a track record of wins and trophies in global competitions. Our FIFA roster, with the addition of Argentinian player Nico, places our duo among the top ranks globally. Our Valorant roster has now qualified for the EMEA Challengers league after a roster restructuring and is on track to becoming a global powerhouse in 2022. In Rocket League, our squad continues to develop, and with the growth in the title globally, it is an area of focus for the Company in the short term. Winning is important for the growth of the Company, and with our approach to player development, we are confident in adding more trophies to the current four we hold.

In the year to 30 September 2021, Guild teams contributed £0.72m in prize money wins to revenues, before players' share of winnings.

Merchandising

The first ranges of Guild-branded apparel went on sale on the Company's website in November 2020. A second line of products went on sale in May 2021. Sales volumes, as expected, were modest as these are still early days for the Company's merchandising operations.

In terms of apparel, we have been making strategic decisions on releasing products that assist with the progression of brand conversations. An example of this is the team jersey where we now have a product for our players to wear while playing, and brands can see the physical product that will display their logos.

Our strategy in 2022 is to launch additional product lines to our now larger and growing fanbase, and look to partner with existing brands and distribution networks to introduce products that not only appeal to those looking for fanwear, but also those that are passionate about fashion and culture.

The Guild Academy

A key element to Guild is with the vision to find and nurture new talent by adopting the proven academy system pioneered by Premier League football clubs such as Manchester United. On launch, the Academy saw rapid uptake with over 3,000 sign-ups and engagement from all across the world. Alongside the learning platform, the Guild Academy Tournaments running each week have thousands of unique players, with the final tournament of 2021, Apex Legends, oversubscribed days before it started.

The focus for 2022 is growing the Academy in two areas. One is focusing on providing added value to the casual gamer, and the other is identifying and developing aspiring professionals through the player development system. In terms of player development and platform growth, we continue to improve by taking key learnings from last year to develop the product with gamification and collaboration front of mind.

Complementing the Academy learning is pro player and content-creator driven workshops, using Guild's extensive roster of influencers to provide one-of-a-kind experiences to students.

The second element is with schools and colleges, where we are seeing strong appetite for esports engagement resulting in partnering with five colleges in January 2022. Guild aims to be the largest provider of school-based learning for esports through 2022.

Outlook

Significant progress has been made to execute Guild's growth strategy, and the Company is well positioned to attract more brand partners in 2022.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Earlier this month the Company' largest single sponsorship contract, a three-year £4.5m sponsorship with BitStamp was signed, providing a head start for the current year. In addition, the pipeline of potential sponsors remains robust with several deals at advanced stages of negotiations.

This provides the Company with confidence in adding significant sponsorship revenues to the current annualised revenue run rate at £3.1m for the year ending 30 September 2022, based on total contracted sponsorship revenues of £8.4m to date.

An expanding roster of top players means Guild is also well-positioned to achieve high rankings in tournaments and drive its fan base. Guild's network audience continues to grow rapidly and on track to broadly double again this year. As a result, the Company looks to the future with great confidence.

Company Strategy and Business Model

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

Key performance indicators

The Board of Directors monitors the activities and performance of the Company on a continuing basis. The core KPIs of the Company are Sponsorship revenues and Viewership figures. Growth in audience and building a tribal fanbase is crucial to creating long-term value for shareholders.

	30 September 2021	30 September 2020
Sponsorships		
Partnership revenues	£1.0m	-
- earned during the year		
Contracted partnerships	£7.5m	-
- total contracted sponsorship revenue to date*		
Viewership		
Guild fans		
- Individuals who have opted into Guild channels (e.g. YouTube, Instagram, Twitter, Twitch etc.)	1.1m	25k
Guild network		
- Individuals subscribed to the network of Guild teams, influencers and content creators	14.6m	0.5m
- Guild social reach on David Beckham's channels	127.7m	123m
Social impressions		
- Display of Guild content on individuals' social feeds	472.7m	7.6m
Video views		
- Views of videos on Guild channels	38.5m	0.6m
Viewership of Guild events		
- Views of live Guild events (online)	1m+	148k

*Subsequent to the year end on 22 October 2021, Guild terminated a £3.6m, three-year sponsorship deal with a European fintech company following delays in the sponsor's launch and the payment of sums due under the contract. On 18 January 2022, Guild signed a £4.5m, three-year sponsorship deal with BitStamp – one of the world's longest running crypto exchanges. The total contracted revenues at the date of this report is £8.4m.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Principal risks and uncertainties

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

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

Risks relating to the esports industry

Esports sector growth

The esports sector grew by 14.5 percent in 2021 and is now a \$1bn industry. The growth is expected to continue according to Newzoo and is believed to reach \$1.6bn by 2024. While the Directors are encouraged by the projection, there is no guarantee that it will do so and at some point, growth will inevitably slow. 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. It is for these reasons that the directors believe that it is critical that Guild remain on this growth trajectory and continue pursuing its vision of becoming a top esports organisation.

Competition

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

Reliance on third party services

The vast majority of esports fans watch leagues and tournaments (and therefore teams such as Guild) via free, online live-streaming of content on Twitch and YouTube. If Twitch or YouTube were to change their business models and charge for content, the attractiveness of esports to sponsors would be reduced and 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.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Risks relating to the Company's Business strategy

The Company is a start-up business

The Company continues on its high growth trajectory, but remains in its start-up phase. The Company's main competition are established companies who may have more resources and a more recognisable brand presence in the market. The Directors believe that Guild team has the experience and connections to ensure that the business is able to compete with established rivals and take advantage of market opportunities they have identified.

Recruitment and retention of top tier esports talent

The Company's brand will be built around the success and profile of esports players. The success of the Company will depend on its ability to recruit and retain esports players who have either the potential to be successful star players or are already successful star players. The Company's team, Guild, is building a reputation of success via its in game performance model, but is still a relatively new name in the esports world,. The Company will be competing to sign esports players against established teams that have greater resources, higher profile and a history of tournament success. If Guild cannot sign players of sufficient standing and/or talent, that is likely to have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

Player performance

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

Attracting sponsors

The global sponsorship market is very competitive, both within the esports sector and generally, with individuals, teams and tournaments all seeking sponsorship income. Attracting top talent to our rosters and winning tournaments is critical to attracting sponsors to Guild. 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.

Popularity of chosen esports

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

Covid-19

Governments continue to take 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. This includes building upon its fanbase and selling merchandise and apparel.

League entry fees

Increasingly esports leagues are charging entry fees to teams wishing to participate in leagues. These entry fees can be very substantial (for example, the League of Legends Championship Series required teams to pay an initial entry fee of US\$10m. A value that now exceeds \$25m (if a team is willing to sell their franchise slot), 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 fans and sponsors as a consequence.

GUILD ESPORTS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Adverse actions of players

The Company recruits 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 has put in place policies emphasising the need for esports players to be positive brand ambassadors at all times, the Company will not be able to control its players at all times.

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

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

The requirements of s172 are for the Directors to:

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

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

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

- Secured £20m gross proceeds through an IPO on 2 October 2020
- Signing multiple sponsorship deals with global partners
- Investment into operational infrastructure, securing talent for creation of content and entering into new competitive game titles to grow an audience and generate media value for current and future partners

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

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

This report was approved by the board on 28 January 2022 and signed on its behalf by:



Mr K Hourd
Chief Executive Officer

GUILD ESPORTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

General information

The Directors present the Annual Report and audited financial statements for the year ended 30 September 2021.

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

Future developments

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

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

Dividends

The directors do not propose a dividend in respect of the year ended 30 September 2021.

Directors

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

Attendance at Board meetings during the year ended 30 September 2021 were as follows:

Member	Meetings attended
C Curtis	6 of 6
K Hourd	6 of 6
J Savage	6 of 6
D Lew	6 of 6
A Drake	6 of 6
D Gardner	5 of 6
S Walters	6 of 6
C Sullivan	6 of 6

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

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

GUILD ESPORTS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Communications with shareholders

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

Accountability and Audit

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

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

Internal control

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

Political donations

The Company did not make any political donations or expenditure.

Post-balance sheet events

In January 2022, the Company signed a new sponsorship deal with BitStamp, one of the world's longest running crypto exchanges. BitStamp will be given marketing rights and prominent exposure across Guild's team jersey and digital content. The deal will generate £4.5m in revenue for the Company over three years.

The Company recently entered into a lease for a 9,831 square foot building in a prime location in London's, Shoreditch. The lease agreement is for ten years, which includes a 26-month rent free period and has a five year break clause. When fully operational, the building will be Guild's main headquarters, featuring state-of-the-art spaces for Guild's pro teams, training academy, event space, operations, and an entertainment hub. The Guild headquarters is a major sponsorship asset.

Directors and directors' interests

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

Director	Appointment/resignation during the year
C Curtis	Resigned 14 July 2021
K Hourd	
J Savage	
D Lew	
A Drake	
D Gardner	
S Walters	
C Sullivan	

GUILD ESPORTS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Directors' share holdings

Director	Ordinary shares at 30 September 2021	Percentage of Issued Share Capital at 30 September 2021
K Hourd	13,000,000	2.51%
J Savage	1,200,000	0.23%
D Lew	3,300,000	0.64%
A Drake	3,500,000	0.68%
D Gardner	2,000,000	0.39%
S Walters	333,333	0.06%
C Sullivan	1,000,000	0.19%

Directors' warrant holdings

Date of Agreement	Warrant Holder	Number of Warrants	Price per Ordinary Share	Exercise Period	Vesting Period	Exercised	Lock-in
30/03/20	James Savage	1,000,000	£0.01	36 months from the first vesting date	25% vest on the date of the warrant agreement and a further 25% vest every six months thereafter	No	24 months
14/08/20	James Savage	750,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months
17/08/20	Christopher Sullivan	1,000,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months
20/08/20	Simon Walters	1,000,000	£0.06	36 months from the first vesting date	One third on each anniversary of the warrant agreement	No	24 months

Going concern

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

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

GUILD ESPORTS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial Risk Management

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

Substantial shareholdings

Name	Ordinary Shares as at 31 December 2021	Percentage of Share Capital as at 31 December 2021
Toro Consulting Ltd	48,000,000	9.26%
Pioneer Media Holdings Inc	31,000,000	5.98%
Blue Star Capital plc	30,626,500	5.91%
Schroder Investment Management Ltd	34,000,000	6.56%
David Beckham	24,573,529	4.74%

Controlling shareholder

The Company does not have a controlling shareholder.

Greenhouse gas emissions

As at the year end, the Directors, contractors and esports teams operate from their respective homes, with little to no travel. For the year to 30 September 2021, the Company's CO2 emissions were immaterial.

Provision of information to auditor

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

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

Auditors

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

This report was approved by the board on 28 January 2022 and signed on its behalf by:



Mr K Hourd
Chief Executive Officer

GUILD ESPORTS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the Company financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

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

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

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

Website publication

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

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

The directors confirm to the best of their knowledge:

- The Company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The Annual report includes a fair review of the development and performance of the business and financial position of the Company together with a description of the principal risks and uncertainties.

GUILD ESPORTS PLC

REMUNERATION REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

This remuneration report sets out the Company's policy on the remuneration of executive and non-executive Directors together with details of Directors' remuneration packages and service contracts for the year ended 30 September 2021.

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

Remuneration Policy

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

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

Future Policy Table

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

GUILD ESPORTS PLC

REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Notes to the future policy table

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

Directors' remuneration (audited)

Details of directors' remuneration during the year ended 30 September 2021 is as follows:

Director	Salary and fees	Taxable benefits	Bonus	Pension-related benefits	2021 Total
	£	£	£	£	£
Executive directors					
C Curtis	417,616*	-	-	-	417,616
K Hourd	150,000	-	-	-	150,000
J Savage	120,000	418	-	989	121,407
Non-executive directors					
D Lew	36,000	-	-	-	36,000
A Drake	60,000	-	-	-	60,000
D Gardner	-	-	-	-	-
S Walters	42,000	-	-	805	42,805
C Sullivan	42,000	-	-	-	42,000

*During the year, the Company ceased using the services of Carleton Curtis. Of the amount disclosed as salary and fees, £258,923 relates to amounts paid in respect of the associated departure agreement.

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

Statement of directors' shareholding and share interests (audited)

The Directors who held office at 30 September 2021 and who had beneficial interests in the Ordinary Shares of the Company are summarised as follows:

Director	Position
K Hourd	Chief Executive Officer
J Savage	Chief Financial Officer
D Lew	Non-executive Chairman
A Drake	Non-executive Director
D Gardner	Non-executive Director
S Walters	Non-executive Director
C Sullivan	Senior Independent Non-executive Director

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

GUILD ESPORTS PLC

REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Terms of appointment

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

Director	Year of appointment	Number of years completed	Date of current engagement letter
K Hourd	2019	2	1 November 2019
J Savage	2020	1	9 September 2020
D Lew	2019	2	3 December 2019
A Drake	2019	2	3 December 2019
D Gardner	2020	1	9 September 2020
S Walters	2020	1	12 August 2020
C Sullivan	2020	1	12 August 2020

Consideration of shareholder views

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

Policy for new appointments

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

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

Corporate Governance Statement

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

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

This report was approved by the board on 28 January 2022 and signed on its behalf by:



Mr J Savage
Finance Director

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUILD ESPORTS PLC

Opinion

We have audited the financial statements of Guild Esports Plc (the 'company') for the year ended 30 September 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included reviewing cash flow forecasts prepared by management for the period up to January 2023, corroborating the underlying data, providing challenge to key assumptions and reviewing for reasonableness, reviewing post year-end events impacting going concern, holding discussions with management on future plans, and assessing the adequacy of going concern disclosures within the audit report and financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GUILD ESPORTS PLC

Our application of materiality

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

Materiality for the company financial statements was set at £262,000 (2020 - £48,500), the increase reflecting the company's first year of trading following admission to the London Stock Exchange. Overall materiality was calculated based on 3% of the loss for the year, which we determined, in our professional judgement, to be the key principal benchmark within the financial statements relevant to members of the Company in assessing financial performance. We set performance materiality at 70% of overall financial statement materiality at £183,400 (2020 - £33,950).

We applied a lower materiality level of £38,470, calculated at 2% of draft revenue, to apply to our revenue testing in order to obtain additional coverage of this balance. The company reported no revenue during the 2020 financial period.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £13,100 (2020 - £2,425). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

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

Key audit matters

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

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GUILD ESPORTS PLC

Key audit matter

Revenue recognition

Under ISA (UK) 240 there is a rebuttable presumption that revenue recognition is a fraud risk. The year ended 30 September 2021 is the first year revenue has been generated and recognised by the company.

The revenue streams have different performance obligations and recognition criteria, increasing the risk revenue has been recognised incorrectly in the year including year-end cut-off.

How our scope addressed this matter

Our work in this area included:

Updating our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems that had been operating in the period under audit;

Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at the year-end;

A review of post year-end receipts to ensure completeness of income recorded in the accounting period; and

A review of sponsorship agreements and ensuring revenue (both cash and in kind) has been recognised in line with the performance obligations and underlying contractual agreements.

We are satisfied that revenue is correctly accounted for in the financial statements and correctly disclosed in accordance with IFRS 15.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GUILD ESPORTS PLC

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GUILD ESPORTS PLC

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, international accounting standards, London Stock Exchange Rules and the Disclosure and Transparency Rules.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included but were not limited to enquiries of management, review of legal and professional fees and review of Board minutes.
- We also identified the risks of material misstatements of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias in relation to revenue recognition. This was addressed through updating our understanding of the internal control environment, performing walkthrough tests, analysing and reviewing the sponsorship agreements for the year, substantive testing of revenue recognised and a review of post year end receipts.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing bank payments and receipts in the year; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters which we are required to address

We were appointed by the Board on 7 December 2020 to audit the financial statements for the period ended 30 September 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering the periods ended 30 September 2021.

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

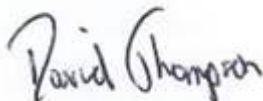
Our audit opinion is consistent with the additional report to the audit committee.

GUILD ESPORTS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GUILD ESPORTS PLC

Use of our report

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



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

28 January 2022

15 Westferry Circus
Canary Wharf
London
E14 4HD

GUILD ESPORTS PLC

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Year ended 30 September 2021 £	Period ended 30 September 2020 £
	Notes		
Revenue	3	1,901,557	-
Cost of sales		(802,361)	-
		<hr/>	<hr/>
Gross profit		1,099,196	-
Operating and administrative expenses		(9,925,280)	(2,727,324)
		<hr/>	<hr/>
Operating loss	5	(8,826,084)	(2,727,324)
Interest received	8	10,151	129
		<hr/>	<hr/>
Loss before taxation		(8,815,933)	(2,727,195)
Taxation	9	-	-
		<hr/>	<hr/>
Loss and total comprehensive income for the year/period		(8,815,933)	(2,727,195)
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share attributable to equity owners	10		
Basic and diluted earnings per share (pence)		(1.70)	(1.70)
		<hr/> <hr/>	<hr/> <hr/>

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

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

GUILD ESPORTS PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Non-current assets			
Intangible assets	12	49,879	36,001
Property, plant and equipment	13	29,597	4,342
		<u>79,476</u>	<u>40,343</u>
Current assets			
Trade and other receivables	14	3,542,983	2,065,626
Cash and cash equivalents		10,071,655	2,517,734
		<u>13,614,638</u>	<u>4,583,360</u>
Total assets		<u>13,694,114</u>	<u>4,623,703</u>
Current liabilities			
Trade and other payables	16	837,051	2,092,720
Deferred revenue	17	783,288	-
		<u>1,620,339</u>	<u>2,092,720</u>
Net current assets		<u>11,994,299</u>	<u>2,490,640</u>
Total liabilities		<u>1,620,339</u>	<u>2,092,720</u>
Net assets		<u>12,073,775</u>	<u>2,530,983</u>
Equity			
Share capital	19	518,617	264,617
Share premium	19	22,642,717	4,880,511
Share-based payment reserve		419,003	113,050
Retained earnings		(11,506,562)	(2,727,195)
Total equity		<u>12,073,775</u>	<u>2,530,983</u>

The financial statements were approved by the board of directors and authorised for issue on 28 January 2022 and are signed on its behalf by:



Mr J. Savage
Finance Director

Company Registration No. 12187837

GUILD ESPORTS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Share premium account £	Share-based payment reserve £	Retained earnings £	Total £
Balance at 3 September 2019		-	-	-	-	-
Period ended 30 September 2020:						
Loss and total comprehensive income for the period		-	-	-	(2,727,195)	(2,727,195)
Issue of share capital	19	264,617	5,034,923	-	-	5,299,540
Share-based payments		-	-	113,050	-	113,050
Share issue costs		-	(154,412)	-	-	(154,412)
Balance at 30 September 2020		264,617	4,880,511	113,050	(2,727,195)	2,530,983
Year ended 30 September 2021:						
Loss and total comprehensive income		-	-	-	(8,815,933)	(8,815,933)
Issue of share capital	19	254,000	19,836,000	-	-	20,090,000
Share-based payments		-	-	342,519	-	342,519
Other movements for exercised and lapsed warrants		-	-	(36,566)	36,566	-
Share issue costs		-	(2,073,794)	-	-	(2,073,794)
Balance at 30 September 2021		518,617	22,642,717	419,003	(11,506,562)	12,073,775

GUILD ESPORTS PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(10,686,474)		(2,439,079)	
Net cash outflow from operating activities		(10,686,474)		(2,439,079)	
Investing activities					
Purchase of intangible assets		(34,903)		(39,078)	
Purchase of property, plant and equipment		(33,313)		(4,466)	
Interest received		10,151		129	
Net cash used in investing activities		(58,065)		(43,415)	
Financing activities					
Proceeds from issue of shares (net of issue costs)		18,298,460		5,000,228	
Net cash generated from financing activities		18,298,460		5,000,228	
Net increase in cash and cash equivalents		7,553,921		2,517,734	
Cash and cash equivalents at beginning of year		2,517,734		-	
Cash and cash equivalents at end of year		10,071,655		2,517,734	

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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

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

The Company has adopted the applicable amendments to standards effective for accounting periods commencing on 1 October 2020. The nature and effect of these changes as a result of the adoption of these amended standards did not have an impact on the financial statements of the Company and, hence, have not been disclosed. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

1.2 Going concern

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

The directors have a reasonable expectation that the Company has adequate cash resources to continue in operational existence for a period of at least one year from the 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. Whilst this has hindered merchandise sales during the year, and live events where Guild can interact with the community, its fanbase has continued to grow. The Company looks forward to working alongside gaming developers as physical events begin to take place again, with limited restrictions.

1.3 Reporting period

The Company was incorporated on 3 September 2019. The figures in these financial statements represent the 12-month period ended 30 September 2021. Comparative figures presented in these financial statements are for the period from 3 September 2019 to 30 September 2020 and are therefore not entirely comparable.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.4 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Royalties

The Company receives royalties from in-game digital products branded with the Guild logo. The rights to the digital products are held by the game developers, and Guild is not deemed to be the principal in such transactions. Therefore, the revenue recognised from the sale of these digital products is the net amount of commission earned by the Company.

Prize money

The Company operates esports teams in several game titles which each have multiple tournaments with varying amounts of prize pools. The Company recognises total prize winnings as revenue at the point that its esports teams' placing is confirmed in a tournament. Prize pool amounts payable to the Company's esports teams as part of the players' contracts are shown in cost of sales.

Long-term partnership contracts

The Company enters into partnership deals which provide rights over services and assets operated and owned by Guild. Contracts may include both fixed-price and variable-price services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on actual services provided relative to the total expected services expected as part of the contract. The rights over services and assets are subject to minimum monthly commitments and as such, these fixed-price contracts accrue materially evenly over the life of the contract.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

1.5 Intangible assets other than goodwill

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

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

1.6 Property, plant and equipment

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

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

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

1.7 Impairment of tangible and intangible assets

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

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

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

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

1.8 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. During the period, the Company banked with NatWest Group Plc which has a high rating from Fitch Ratings Inc, being 'F1' short-term and 'A' long-term.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.9 Financial assets

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

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

Financial assets at fair value through profit or loss

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

Financial assets held at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.11 Equity and reserves

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

1.12 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.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Credit risk

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

Liquidity risk

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

Capital risk management

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

1.13 Taxation

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

Current tax

The tax currently payable/receivable is based on taxable profit/loss for the year. Taxable profit/loss differs from net profit/loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.15 Share-based payments

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

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

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

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

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

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

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

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 Revenue

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

	2021	2020
	£	£
Revenue analysed by class of business		
Sponsorship revenue- Over time	976,712	-
Sponsorship revenue- Point in time	28,008	-
Campaigns- Point in time	50,000	-
Prize winnings- Point in time	717,454	-
Other revenue- Point in time	129,383	-
	<u>1,901,557</u>	<u>-</u>
	<u><u>1,901,557</u></u>	<u><u>-</u></u>
	2021	2020
	£	£
Revenue analysed by geographical market		
UK	804,740	-
EMEA	380,155	-
USA	716,662	-
	<u>1,901,557</u>	<u>-</u>
	<u><u>1,901,557</u></u>	<u><u>-</u></u>

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Expense analysis

Cost of sales	2021	2020
	£	£
Player prize money	665,336	-
Sponsorship direct costs	87,838	-
Other direct costs	49,187	-
	<hr/>	<hr/>
Total cost of sales	802,361	-
	<hr/> <hr/>	<hr/> <hr/>

Administrative expenses	2021	2020
	£	£
Directors fees and payments	870,234	247,157
Esports and content creator costs	1,645,531	246,439
Ambassador fees	2,333,048	1,359,287
Academy costs	671,978	-
Legal, professional and regulatory fees	894,471	620,408
Marketing, promotion and content production costs	1,760,938	-
Staff and operations costs	1,659,732	134,587
Depreciation and amortisation	29,083	3,201
Share based payment charge	60,265	113,050
	<hr/>	<hr/>
Total administrative expenses	9,925,280	2,724,129
	<hr/> <hr/>	<hr/> <hr/>

5 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	10,348	-
Fees payable to the Company's auditor for the audit of the financial statements	23,500	23,500
Fees payable to the Company's auditor for work in respect of the IPO	-	60,000
Depreciation of property, plant and equipment	8,058	124
Amortisation of intangible assets (included within administrative expenses)	21,025	3,077
Share-based payments	60,265	113,050
	<hr/> <hr/>	<hr/> <hr/>

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2021 Number	2020 Number
Management	5	-
Operations	17	-
Total	<u>22</u>	<u>-</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,372,616	-
Social security costs	151,574	-
Pension costs	15,770	-
	<u>1,539,960</u>	<u>-</u>

Settlement and termination agreements during the period amounted to £170,100 (2020:£nil), included within the totals above.

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	608,693	247,157
Amounts paid in respect of departure agreement	258,923	-
Company pension contributions to defined contribution schemes	2,618	-
	<u>870,234</u>	<u>247,157</u>

Remuneration disclosed above include the following amounts paid to the highest-paid director:

Remuneration for qualifying services	<u>158,693</u>	<u>58,157</u>
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During the year, the Company ceased using the servicers of Carleton Curtis, leading to a payment of 52 weeks' notice and other benefits, totalling £258,923.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Finance income

	2021	2020
	£	£
Interest income		
Bank deposits	10,151	129

Total interest income for financial assets that are not held at fair value through profit or loss was £10,151.

9 Taxation

The charge/credit for the year can be reconciled to the loss per the income statement as follows:

	2021	2020
	£	£
Loss before taxation	(8,815,933)	(2,727,195)
Expected tax credit based on a corporation tax rate of 19% (2020: 19%)	(1,675,027)	(518,167)
Effect of expenses not deductible in determining taxable profit	38,815	57,562
Unutilised tax losses carried forward	1,630,086	440,036
Permanent capital allowances in excess of depreciation	(5,324)	(911)
Share-based payment charge	11,450	21,480
Taxation charge/credit for the year/period	-	-

The Company has tax losses of £10,885,738 (2020: £2,306,341) 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.

10 Earnings per share

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

	2021	2020
	No.	No.
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	515,708,522	160,342,559
Earnings	£	£
Loss for the period from continued operations	(8,815,933)	(2,727,195)
Earnings for basic and diluted earnings per share being net loss attributable to equity shareholders of the Company for continued operations	(8,815,933)	(2,727,195)

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

(Continued)

10 Earnings per share

Earnings per share for continuing operations

Basic and diluted earnings per share	pence	(1.70)	(1.70)
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Outstanding warrants are non-dilutive given the loss for the period.

11 Share-based payments

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

Options/warrants	Grant date	Expiry period	Exercise price	Outstanding at 30 September 2021	Exercisable at 30 September 2021
Warrants	18 February 2020	24 months from the first anniversary of admission	£0.01	3,250,000	3,250,000
Warrants	13 March 2020	36 months from the first vesting date	£0.01	75,000	50,000
Warrants	30 March 2020	36 months	£0.01	1,000,000	1,000,000
Warrants	9 June 2020	36 months	£0.01	250,000	250,000
Warrants	18 June 2020	36 months from the first vesting date	£0.06	1,666,666	1,666,666
Warrants	19 June 2020	5 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	83,333
Warrants	7 July 2020	36 months from the first vesting date	£0.06	225,000	75,000
Warrants	5 August 2020	36 months	£0.06	250,000	250,000
Warrants	7 August 2020	36 months from the first vesting date	£0.06	500,000	166,667
Warrants	14 August 2020	36 months from the first vesting date	£0.06	750,000	250,000
Warrants	17 August 2020	36 months from the first vesting date	£0.06	1,000,000	333,333
Warrants	20 August 2020	36 months from the first vesting date	£0.06	1,000,000	333,333
Warrants	28 August 2020	36 months from the first vesting date	£0.06	150,000	50,000
Warrants	2 October 2020	5 years from issue	£0.104	20,584,694	20,584,694
				<u>37,914,360</u>	<u>35,306,026</u>

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Share-based payments

(Continued)

	Number of options and warrants	Weighted average exercise price
	2021 No.	2021 £
Brought forward at 1 October 2020	26,163,000	0.04
Granted in the period	20,584,694	0.104
Forfeited in the period	-	-
Exercised in the period	(3,000,000)	0.01
Lapsed in the period	(5,833,334)	0.04
	<hr/>	<hr/>
Outstanding at 30 September 2021	37,914,360	0.08
	<hr/> <hr/>	<hr/> <hr/>
Exercisable at 30 September 2021	35,306,026	0.08
	<hr/> <hr/>	<hr/> <hr/>

The weighted average remaining contractual life of options and warrants as at 30 September 2021 is 3.3 years.

If the exercisable shares had been exercised on 30 September 2021 this would have represented 6.37% of the enlarged share capital. At the grant date, the fair value of the warrants issued have been determined using the Black-Scholes option pricing model. Volatility was calculated based on data from comparable esports companies, with an appropriate discount applied due to being an unlisted entity at the grant date, if applicable. Risk-free interest has been based on UK Government Gilt rates. The Company intends to introduce a share-based payment scheme for employees, whereby options are granted between 75,000 and 250,000 shares at an exercise price of £0.08, vesting over three years.

12 Intangible assets

	Website costs £
Cost	
At 30 September 2020	39,078
Additions	34,903
	<hr/>
At 30 September 2021	73,981
	<hr/>
Amortisation and impairment	
At 30 September 2020	3,077
Charge for the year	21,025
	<hr/>
At 30 September 2021	24,102
	<hr/>
Carrying amount	
At 30 September 2021	49,879
	<hr/> <hr/>
At 30 September 2020	36,001
	<hr/> <hr/>

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Property, plant and equipment

	Office equipment £
Cost	
At 30 September 2020	4,466
Additions	33,313
	<hr/>
At 30 September 2021	37,779
	<hr/>
Accumulated depreciation and impairment	
At 30 September 2020	124
Charge for the year	8,058
	<hr/>
At 30 September 2021	8,182
	<hr/>
Carrying amount	
At 30 September 2021	29,597
	<hr/> <hr/>
At 30 September 2020	4,342
	<hr/> <hr/>

14 Trade and other receivables

	2021 £	2020 £
Trade receivables	972,000	-
VAT recoverable	962,633	579,288
Other receivables	22,650	-
Prepayments	1,585,700	1,486,338
	<hr/>	<hr/>
	3,542,983	2,065,626
	<hr/> <hr/>	<hr/> <hr/>

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

15 Financial instruments

	2021 £	2020 £
Financial assets measured at amortised cost	11,043,655	2,517,734
Financial liabilities measured at amortised cost	1,620,338	2,092,720

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

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Trade and other payables

	2021 £	2020 £
Trade payables	555,828	79,746
Accruals	146,527	227,974
Social security and other taxation	134,696	-
Other payables	-	1,785,000
	<u>837,051</u>	<u>2,092,720</u>

Other payables in 2020 relates to amounts paid in advance for share capital issued post-period end.

17 Deferred revenue

	2021 £	2020 £
Arising from sponsorship income	<u>783,288</u>	<u>-</u>

All deferred revenues are expected to be recognised within 12 months from the reporting date.

18 Retirement benefit schemes

Defined contribution schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £18,388 (2020: £nil)

19 Share capital and premium

	Number of shares No.	Share capital £	Share premium £	Total £
At 1 October 2020	264,617,362	264,617	4,880,511	5,145,128
Issue of ordinary shares (02/10/2020)	250,000,000	250,000	19,750,000	20,000,000
Issue of ordinary shares (22/10/2020)	1,500,000	1,500	13,500	15,000
Issue of ordinary shares (07/01/2021)	2,500,000	2,500	72,500	75,000
Share issue costs deducted from share premium	-	-	(2,073,794)	(2,073,794)
At 30 September 2021	<u>518,617,362</u>	<u>518,617</u>	<u>22,642,717</u>	<u>23,161,334</u>

On 2 October 2020, in the Company's initial public offering, 250,000,000 ordinary shares were issued at £0.08 each (premium of £0.079 per share). 4,000,000 ordinary shares have also been issued which includes 3,000,000 on the exercise of Director warrants.

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

20 Operating lease commitments

Subsequent to the year end, the Company entered into a lease for a 9,831 square foot building in a prime location in London's, Shoreditch. The lease agreement is for ten years, which includes a 26-month rent free period and has a five year break clause.

	2021	2020
	£	£
Within one year	-	-
Between two and five years	1,900,000	-
In over five years	-	-
	<u>1,900,000</u>	<u>-</u>

21 Financial commitments

In 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 equal to 15% of the net proceeds of all of the Company's merchandising sales and 15% of all sponsorship revenue received in respect of contracts entered into during the term. Such payments will be subject to a minimum payment of £2,250,000 in the first twelve-month period, and further annual minimum payments of £2,500,000 in the second year, £3,000,000 in the third year, £3,500,000 in the fourth year and £4,000,000 in the final year of the term. Of these amounts, £10,500,000 is remaining as payable over the next three years.

22 Events after the reporting date

In January 2022, the Company signed a new sponsorship deal with BitStamp, one of the world's longest running crypto exchanges. BitStamp will be given marketing rights and prominent exposure across Guild's team jersey and digital content. The deal will generate £4.5m in revenue for the Company over three years.

In December 2021, the Company entered into a lease for a 9,831 square foot building in a prime location in London's, Shoreditch. The lease agreement is for ten years, which includes a 26-month rent free period and has a five year break clause. When fully operational, the building will be Guild's main headquarters, featuring state-of-the-art spaces for Guild's pro teams, training academy, event space, operations, and an entertainment hub. The Guild headquarters is a major sponsorship asset.

23 Controlling party

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

GUILD ESPORTS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

24 Related-party transactions

During the period to 30 September 2021, Bad Moon Talent LLC, a company for which Andrew Drake (non-executive director of Guild Esports plc) is the CEO and 55% shareholder provided esports consulting and talent agent services to the Company. The total amount paid during the year was £37,475 and no amounts remained payable at the year end.

During the period, Derek Lew and Andrew Drake (non-executive directors of the Company) each exercised warrants of 1,500,000 ordinary shares at an exercise price of £0.01, on 22 October 2020 and 7 January 2021 respectively. The share price on these dates was £0.07 and £0.06 respectively.

25 Cash absorbed by operations

	2021 £	2020 £
Loss for the year after tax	(8,815,933)	(2,727,195)
Adjustments for:		
Investment income	(10,151)	(129)
Amortisation and impairment of intangible assets	21,025	3,077
Depreciation and impairment of property, plant and equipment	8,058	124
Services settled by issue of shares	-	144,900
Services settled by issue of warrants	60,265	113,050
Movements in working capital:		
Increase in trade and other receivables	(1,477,357)	(2,065,626)
(Decrease)/increase in trade and other payables	(1,255,669)	2,092,720
Increase in deferred revenue	783,288	-
Cash absorbed by operations	<u>(10,686,474)</u>	<u>(2,439,079)</u>