

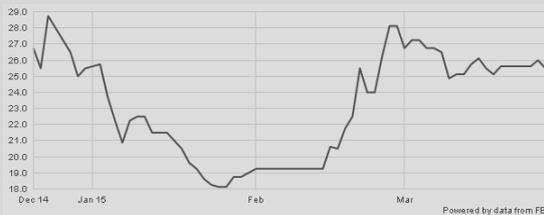
31st March 2015

Winning the race in eSports

Key Statistics

Code : GFIN
Listing : AIM
Sector : Media
Market Cap : £19.85m
Share in issue : 77.85m
Current Price : 25.50p
12 mnth High/Low : 28.75p/18.13p

Stock Performance



Source: InvestEgate

Financials

31/12/2014

Interim Revenue 0.15
EBT -1.39

Source: Gfinity Annual reports

Company description

Gfinity is a leading UK-based eSports company serving, in co-operation with games publishers, a rapidly growing community of online gamers worldwide. Founded in September 2012, the Company has established a popular online brand, Gfinity.net, where gamers can compete, socialise and enjoy a wider range of content relating to electronic games on a proprietary technology platform. This platform enables Gfinity to run a regular roster of online competitions, leagues and ladders with the opportunity for gamers to enter and potentially win substantial prize money and/or pit their skills against professional widely-followed "star players".

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The recent interim results summed up a very busy start to Gfinity's life on AIM since its IPO on 22nd December 2014 raising £3.5m, before expenses, at 17p per share.

Gfinity is positioning itself as an early mover in the eSports sector through its offering of both online and offline eSporting events to a global audience. The gaming sector has a long tradition and has evolved from a one player singular activity to an on-line global community where players can compete with each other on various games anywhere in the world. The "best of the best" from these online competitions are then selected to compete against each other in stadiums throughout the world in front of vast live and online audiences. NewZoo, an international market research firm focused on the games industry estimated by the end of 2014 there were 205 million eSports enthusiasts globally. By 2017 they estimate that this will grow to 335 million. Major events that have hosted eSport tournaments have reported equally impressive numbers such as the "League of Legends Finals" (2014) at the Sangam Arena, South Korea where 40,000 spectators attended live and attracted 27 million views online. It is these substantial global audiences that Gfinity is looking to capitalise on through the commercialisation of their gaming platform predominantly through sponsorship and advertising revenue channels.

Gfinity was founded in September 2012 and has been a fast mover in establishing itself as a key player in the eSports domain through accomplishing a number of strategic milestones in a relatively short space of time. In June 2014, the company launched its new proprietary technology platform which enables Gfinity to run regular roster of online competitions, leagues and ladders with the opportunity for gamers to enter and potentially win substantial prize money and/or compete against professional and wide-followed "star" players. High profile games such as Call of Duty, FIFA 2015 and League of Legends are all featured on the website whereby fans can watch online tournaments. Since the launch of the new platform there has been rapid increase in registered users from 43,000 as at 30th June 2014 to over 300,000 on 31st December 2014; and approaching 350,000 as of 17th March 2015.

The company are also progressing in securing sponsorship and marketing partnerships including a two-year contract with Pitch International which allows Pitch to package and sell sponsorship and broadcasting rights on the Company's behalf. Earlier this year, the company staged the Call of Duty: Advanced Warfare European Championships at the Royal Opera House on behalf of game publisher Activision which delivered revenues of £160k. The company's recent strategic partnership with Vue Cinema to create the UK's only dedicated eSports event arena at Fulham Broadway further reinforces the company's strategy to be a major player in the organising and hosting of major live and online eSports tournaments.

Unaudited Statement of Comprehensive Income
Six months ended 31 December 2014

	6 months to 31/12/14 £	6 months to 31/12/13 £	6 months to 30/07/13 £
Continuing Operations			
Revenue	145,401	16,303	197,147
Cost of sales	-791,003	-391,508	-193,302
Gross profit (loss)	-645,602	-375,205	3,845
Administrative Expense	-746,897	-208,791	-349,032
Operating Loss	-1,392,499	-583,996	-345,187
Finance Income	126	5	148
Loss on ordinary activities before tax	-1,392,373	-583,991	-345,039
Taxation	-	-	-
Retained loss for the year	-1,392,373	-583,991	-345,039
Loss and total comprehensive income for the period	-1,392,373	-583,991	-345,039
Loss per share (basic and diluted)	(0.03)	(0.03)	(0.01)

Source: Gfinity plc Annual Reports

**Unaudited Interim statement of Financial Position
As at 31 December 2014**

	31/12/2014	30/07/2014
	£	£
Non Current Assets		
Property, plant and equipment	76,989	14,730
Current Assets		
Trade and other receivables	576,861	140,802
Cash and cash equivalents	4,680,120	591,275
	<u>5,256,981</u>	<u>732,077</u>
Total Assets	<u>5,333,970</u>	<u>746,807</u>
Equity and Liabilities		
Equity		
Ordinary shares	77,845	32,367
Share premium account	4,679,538	1,330,263
Other reserves	35,515	8,014
Retained earnings	292,695	-1,064,932
Total Equity	5,085,593	305,712
Non Current Liabilities		
Borrowings	0	329,978
Current Liabilities		
Trade and other payables	248,377	111,117
Total Liabilities	<u>248,377</u>	<u>441,095</u>
Total Equity and Liabilities	<u>5,333,970</u>	<u>746,807</u>

Source: Gfinity plc Annual Reports

Unaudited Interim Statement of Cash Flows
Six months ended 31 December 2014

	6 months to 31/12/14 £	6 months to 31/12/13 £	6 months to 30/07/13 £
Cash flow used in operating activities			
Net cash used in operating activities	-1,656,954	-428,586	-371,602
Cash flow from/(used in) investing activities			
Interest received	126	5	148
Additions to property, plant and equipment	-69,144	-562	-12,402
Net cash used in investing activities	-69,018	-557	-12,254
Cash flow from/(used in) financing activities			
Issue of equity share capital	5,814,817	664,802	675,520
Cash inflow from director's loan	-	21,817	-
Net cash from financing activities	5,814,817	686,619	675,520
Net increase in cash and cash equivalents	4,088,845	257,476	291,664
Opening cash and cash equivalents	591,275	42,135	299,611
Closing cash and cash equivalents	4,680,120	299,611	591,275

Source: Gfinity plc Annual Reports

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