

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 4, 2019

ALLIED ESPORTS ENTERTAINMENT, INC.  
(Exact Name of Registrant as Specified in Charter)

Delaware

(State or other jurisdiction  
of incorporation)

001-38226

(Commission  
File Number)

82-1659427

(I.R.S. Employer  
Identification No.)

17877 Von Karman Avenue, Suite 300  
Irvine, California, 92614

(Address of Principal Executive Offices) (Zip Code)

(949) 225-2600

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AESE	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

Attached as Exhibit 99.1 is an updated Company presentation deck. The information under this Item 7.01, including the exhibit attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information under this Item 7.01 shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Company Presentation Deck](#)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 4, 2019

**ALLIED ESPORTS ENTERTAINMENT, INC.**

By: /s/ Ng Kwok Leung Frank  
Ng Kwok Leung Frank  
Chief Executive Officer



# SAFE HARBOR STATEMENT



This presentation includes "forward-looking statements." The Company's actual results will likely differ from its expectations, estimates and projections and consequently, you should not rely on these forward looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the outcome of any legal proceedings against the Company; (2) the ability of the Company to grow and manage growth profitably, maintain relationships with suppliers and obtain adequate supply of products and retain its key employees; (3) general economic conditions and those particularly affecting the industries in which the Company operates; (4) changes in applicable laws or regulations; (5) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; and (6) other risks and uncertainties to be indicated from time to time in the Company's filings with the Securities and Exchange Commission.

The foregoing list of factors is not exclusive, and readers should not place undue reliance upon any forward-looking statements, which speak only as of the date of this presentation. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Some of the financial information and data contained herein is unaudited and does not conform to SEC Regulation S-X. Furthermore, it includes certain financial information (Adjusted EBITDA) not derived in accordance with United States Generally Accepted Accounting Principles ("GAAP"). The Company believes that the presentation of these non-GAAP measurements provides information that is useful as it indicates more clearly the ability of the Company to meet capital expenditures and working capital requirements and otherwise meet its obligations as they become due. However, this should not be construed to replace GAAP figures, and such information and data may be adjusted and presented differently in the Company's filings.

This presentation is not intended to be all-inclusive or to contain all the information that a person may desire in reviewing the Company, its business or prospects. You are encouraged to review the Company's periodic reports and other documents filed on the Securities and Exchange Commission's website at <http://www.sec.gov> for more information about the Company, including those Risk Factors set forth in the Company's Proxy Statement on Schedule 14A filed June 12, 2019.

# ALLIED ESPORTS ENTERTAINMENT OVERVIEW



## Equity Snapshot (as of 10/3/19)

NASDAQ: **AESE**

Share Price	Equity Market Cap
\$4.85	\$111.98 M
Range Since Close	30-Day Avg. Volume
\$6.28 - \$3.20	102,031



Allied Esports Entertainment is a global esports entertainment company powered by two of the largest brands in the rapidly emerging multi-billion dollar competitive entertainment sector — **Allied Esports** and the **World Poker Tour**.

## BUSINESS HIGHLIGHTS

- Premier public esports company
- Opportunities exist for multiple avenues for growth, including:
  - Building additional esports venues and trucks to host tournaments and top influencers
  - Signing sponsors and publishing esports-related content
  - Strategic investments and commercial agreements leverage partnerships to create a powerful business ecosystem
- World-class content production and distribution for esports creating an integrated online / offline ecosystem to fuel growth

# ALLIED ESPORTS ENTERTAINMENT OVERVIEW

## CAPITALIZATION

- Allied Esports Entertainment ("AESE" or the "Company") became a public company on August 9, 2019 when the merger with Black Ridge Acquisition Corp. closed
- Company listed on NASDAQ Capital Market (NASDAQ: AESE)
- Capitalization includes 23.1 million common shares outstanding<sup>(1)(2)</sup>

## RECENT FINANCIAL HIGHLIGHTS & EVENTS

- 2Q 2019 revenue of \$7.3M, up 18% from prior quarter; 1H 2019 revenue of \$13.6M, up 40% year-over-year
- Strategic investors and partners Simon Property Group and TV Azteca
- 2019 first half launched original productions PlayTime with KittyPlays, Day One and Nation Vs. Nation
- 2019 first half HyperX Esports Arena notable hosted events: NBA 2K League, NHL Gaming World Championship and Dragon Ball Legends Showdown
- WPT Season XVII featured more than 60 global events

(1) Excludes \$50m in contingent share consideration payable based on achieving a share price of at least \$13.00 for 30 consecutive calendar days within five years of transaction close.  
 (2) Excludes 18.6 million warrants and 600,000 underwriter unit purchase options.



## NOTABLE PARTNERS



PRO FORMA OWNERSHIP <sup>(1)</sup>	SHARES	% OUTSTANDING
Seller (Ourgame)	12.0M	51.9%
Other Shareholders	5.3M	22.8%
Employees	3.1M	13.6%
BRAC Founders	2.7M	11.7%
<b>TOTAL</b>	<b>23.1M</b>	<b>100.0%</b>

(1) Excludes out of the money warrants and underwriter unit purchase options.



Allied Esports Entertainment represents a unique opportunity for investors to participate in the burgeoning esports industry

#### LARGE AND RAPIDLY EXPANDING ADDRESSABLE MARKET

- **2.2 BILLION** gamers globally
- Esports viewership **GROWING** at 13.6% CAGR through 2021E

#### EXPERIENCED LEADERSHIP TEAM BACKED BY STRONG STRATEGIC PARTNERS

- Decades of **EXPERTISE** in the gaming and entertainment industry including:
  - Management of online platforms with over 700 million registered users
- Successful development and execution of World Poker Tour's Three Pillar business model
- **SIMON PROPERTY GROUP** and **TV AZTECA** partnerships aligned to execute and grow Three Pillar strategy

#### COMPELLING STRATEGY CREATING PLATFORM SERVING AS BARRIER TO ENTRY

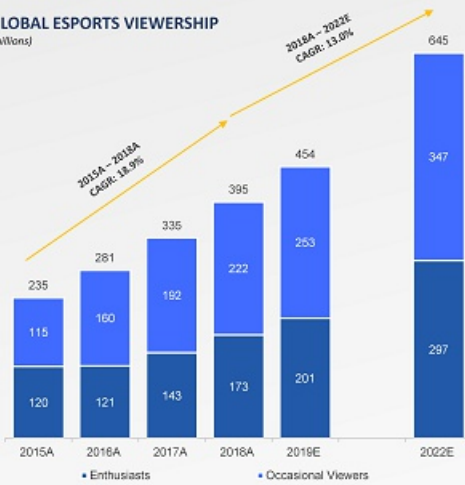
- In-Person **EXPERIENCES**, Multi-Platform **CONTENT** and Interactive **SERVICES** (online platform) drive consumers into Company ecosystem
- **PROPERTIES** are synonymous with esports, creating a barrier to entry around Company platform
- **STRATEGY** and proof points from almost 20 years of execution with WPT, but in a larger, faster growth market



# ESPORTS IS THE NEXT GLOBAL SPORTS INDUSTRY

Esports revenue and viewership growth outpace the broader gaming and entertainment markets, led by brand investment through sponsorship, advertising and media rights deals

**GLOBAL ESPORTS VIEWERSHIP**  
(millions)



**GLOBAL ESPORTS REVENUE**  
(US\$ millions)



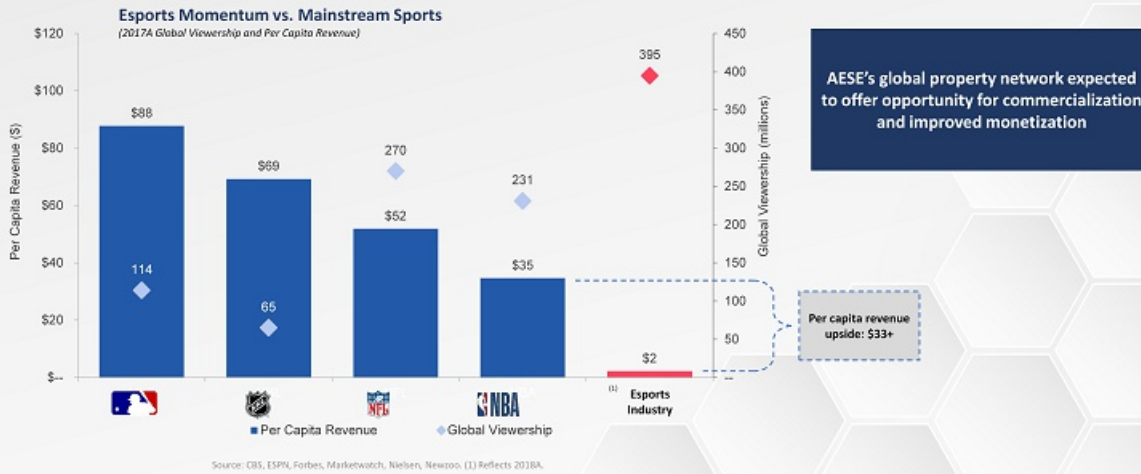
Source: Statista

(1) Revenue from sponsorship, advertising and media rights. (2) Revenue from merchandising, tickets and game publisher fees

# ESPORTS VIEWERSHIP RIVALS MAINSTREAM SPORTS LEAGUES



As viewership eclipses many traditional sports, monetization has lagged; significant per capita revenue upside remains to be realized as the ecosystem matures



# THREE PILLAR SYSTEM

Utilizing World Poker Tour's powerful and proven business model: The Three Pillar System



**Pillar One**  
**IN-PERSON EXPERIENCES**

The creation of engaging live events catered to a dedicated fan and player base



**Pillar Two**  
**MULTIPLATFORM CONTENT**

The development of proprietary content that promotes the first pillar while expanding its customer base



**Pillar Three**  
**INTERACTIVE SERVICES**

The monetization of the ecosystem through online products and services

# NEAR TERM STRATEGIC FOCUS



OWNED & OPERATED ASSETS



SIMON PROPERTY GROUP



TV AZTECA



## REVENUE DRIVERS

O&O Assets have achieved double digit revenue growth

- B2C**
- Gaming
  - Ticketing
  - F&B
  - Merchandise
- B2B**
- Venue Rentals
  - Sponsorship



## OWNED & OPERATED ASSETS

- Owned & Operated and Affiliate-Operated assets in the U.S., Europe and China with Australia to open in Q1 2020
- HyperX Esports Arena Las Vegas has become the world's most prominent esports destination
- Mobile Esports Truck's allow corporate sponsors to reach a large audience in multiple locations at an economical cost
- Appearances at Super Bowl, NASCAR races, music festivals, and E3

## PREMIER EVENTS



LEAGUE OF LEGENDS ALL-STAR 2018 & 2019



CAPCOM CUP 2018 & 2019



ML WORLD GAMING CHAMPIONSHIP 2018 & 2019



NBAK THE TURN 2010



MMA VEGAS '18



PLAYTIME WITH KITTYPLAYS

# IN-PERSON EXPERIENCES, CONT'D

STRATEGIC INVESTOR: SIMON PROPERTY GROUP



- Strategic investment in AESE by a leading mall operator of premier shopping, dining, entertainment and mixed-use destination properties across North America, Europe and Asia
- Partnership with AESE to deliver esports experiences through integrated gaming venues and production facilities at select Simon destinations
- On-Mall venues
  - Targeting ~10,000 sq. ft. spaces in high-traffic malls
  - First venue scheduled to open in 2020
- Simon Cup
  - Seasonal tournament series in regional markets
  - Culminates in Grand Final at HyperX Esports Arena in Las Vegas

On-Mall Venues

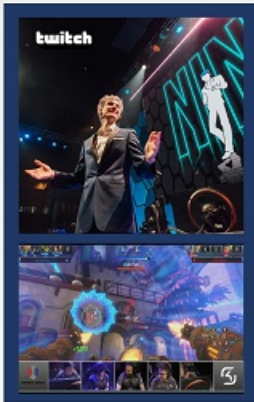


Simon Cup



# MULTIPLATFORM CONTENT

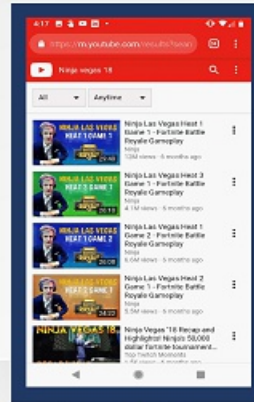
Allied Esports Entertainment generates content for consumption **24 HOURS** a day, **7 DAYS** a week



LIVE STREAMS



BROADCAST SHOWS



DIGITAL VIDEOS

# MULTIPLATFORM CONTENT, CONT'D

BUILT-IN AUDIENCE FOR RATABLE MONETIZATION, ALLOWING NAVIGATION OF THE FULL DISTRIBUTION LANDSCAPE

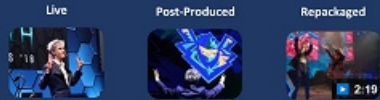
## OFFLINE EXPERIENCES ENABLE COMPELLING CONTENT CREATION

- Premier events will be anchored in AESE's iconic global property network
  - Delivered in partnership with top talent (i.e., streamers and personalities)
  - Generated targeted content to serve emergent esports communities



## MULTI-FORMAT CONTENT DRIVES INBOUND VIEWERSHIP

- AESE can generate content via live streamed, post-produced or repackaged formats
  - Simultaneous use of formats allows for incremental monetization
  - Content generation draws significant audiences from the multi-million strong fan bases of top streamers and gamers
- Inbound viewers are introduced into the AESE content ecosystem



## OPTIONALITY IN DISTRIBUTION AND MONETIZATION

- AESE retains optionality in monetization of content via direct distribution and sponsorship, use of a third-party distributor, or various hybrid solutions
- AESE's capabilities in multiplatform content distribution are well-suited towards the increasingly non-traditional consumption patterns of esports enthusiasts



Targeted content drives penetration in a coveted younger demographic and can be optimized to serve distinct or crossover segments comprised of emergent esports communities



# MULTIPLATFORM CONTENT, CONT'D



## STRATEGIC INVESTOR: TV AZTECA



- Strategic investment in AESE by leading sports network in Latin America and global provider of Spanish-language content
- Launched localized WPT programming in Mexico on free-to-air Channel 7



- Partnership will create 24-hour digital esports channel dedicated to esports and video gaming in Mexican market

# INTERACTIVE SERVICES

## OVERVIEW

- Development of a subscription-based online platform where esports players and fans can watch, play and win with other members of the esports community and top esports personalities
- Modeled after long-time operating WPT Interactive Services strategy that includes subscription model ClupWPT and social gaming models PlayWPT, WPTGO and partnership with Zynga
- Subscriptions will provide members with exclusive access to numerous unique and proprietary experiences, products and services that are not available outside of Allied Esports' ecosystem
- Authenticity and reach of its in-person experiences and multiplatform content viewership will drive platform adoption by esports fans
- Platform features will roll out sequentially to support core strategic initiatives with its key partners, Simon Property Group and TV Azteca



### Value Proposition to Fans and Gamers

Exclusive access to unique and proprietary experiences, products and services



### Monthly Subscription Service

Targeting \$6.95 - \$9.95 per month (base)



### User Acquisition Strategy

Leverage first two pillars Streamer affiliate program



# WORLD POKER TOUR

SUCCESSFULLY EXECUTING THREE PILLAR MODEL SINCE 2002

## WPT GLOBAL FOOTPRINT



## WPT INTERACTIVE SERVICES



## WPT DISTRIBUTION



## IN-PERSON EXPERIENCES

- Global main tour of 60+ events across four continents
- Awarded over \$1 billion in prize monies to date

## MULTIPLATFORM CONTENT

- 16 successful seasons across networks including Fox Sports where show currently resides
- Globally broadcasted in 25 countries and territories

## INTERACTIVE SERVICES

- ClubWPT-online subscription platform launched 2008
- Multi-year partnership with Zynga to host tournaments on Zynga Poker platform
- Launched poker and social casino site WPTGO in Latin America

## LOOKING FORWARD

- Real Money Gaming
- Sports Book Affiliate

# FINANCIAL & OPERATIONAL HIGHLIGHTS

## REVENUE

(US\$ millions)



## KEY NEAR-TERM MILESTONES

- Launch first proprietary esports event series cohesively deploying all three pillars of three pillar strategy
- Announce first new on-mall esports venue offering
- Announce detailed plans for LatAm digital esports channel

## SELECT BALANCE SHEET METRICS

(as of Merger Close on 8/9/2019)

Cash	\$21.7M
Debt	\$14.0M
Shares Outstanding	23.1 M

## ADJ. EBITDA

(US\$ millions)



APPENDIX



## 2019 UPCOMING KEY EVENTS



- October 17-20 – EGX London (HyperX Esports Truck EU)
- October 24-27 – MCM Comic Con, London, (HyperX Esports Truck EU)
- October 26-27 – Simon Cup NY Regional Final, (HyperX Esports Truck NA)
- October 28 – Lightning Cup @ World Crypto Con, (HyperX Esports Arena Las Vegas)
- November 2 – Soulcalibur World Invitational, (HyperX Esports Arena Las Vegas)
- November 2 – Post Malone's Posty Fest, Dallas, (HyperX Esports Truck NA)
- November 9-10 – Simon Cup LA Regional Final, (HyperX Esports Truck NA)
- November 15-17 – DreamHack Atlanta, (HyperX Esports Truck NA)
- November 16-17 – Capcom Cup Regional, (HyperX Esports Arena Las Vegas)
- November 23 – Simon Cup Grand Final, HyperX Esports Arena Las Vegas
- November 23-24 – Gamevention, Hamburg, (HyperX Esports Truck EU)
- December 5-7 – League of Legends All-Star, (HyperX Esports Arena Las Vegas)
- December 7 – Cinema Clash, Hamburg, (HyperX Esports Studio)



- October 2 – WPT UK, Dusk Till Dawn Poker & Casino
- October 4 – WPTDeepStacks UK, Dusk Till Dawn Poker & Casino
- October 4 – WPT Australia, The Star Gold Coast
- October 11 – WPT bestbet Bounty Scramble, bestbet Jacksonville
- October 18 – WPT India, Deltin Royale Casino Goa
- October 25 – WPT Montreal, Playground Poker Club
- November 14 – WPTDeepStacks Brussels, Grand Casino Brussels
- November 21 – WPT Cambodia, Nagaworld
- November 22 – WPTDeepStacks Johannesburg, Emperors Palace
- November 22 – WPTDeepStacks Thunder Valley, Thunder Valley
- November 29 – WPT Seminole Rock 'N'Roll, Seminole Hard Rock
- December 14 – WPT500 Los Angeles, The Gardens Casino
- December 16 – WPT Five Diamond Classic, Bellagio

# NON-GAAP RECONCILIATION



EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered as a substitute for net income (loss), operating income (loss) or any other performance measure derived in accordance with United States generally accepted accounting principles ("GAAP") or as an alternative to net cash provided by operating activities as a measure of AESE's profitability or liquidity. AESE's management believes EBITDA and Adjusted EBITDA are useful because they allow external users of its financial statements, such as industry analysts, investors, lenders and rating agencies, to more effectively evaluate its operating performance, compare the results of its operations from period to period and against AESE's peers without regard to AESE's financing methods, hedging positions or capital structure and because it highlights trends in AESE's business that may not otherwise be apparent when relying solely on GAAP measures. AESE presents EBITDA and Adjusted EBITDA because it believes EBITDA and Adjusted EBITDA are important supplemental measures of its performance that are frequently used by others in evaluating companies in its industry. Because EBITDA and Adjusted EBITDA exclude some, but not all, items that affect net income (loss) and may vary among companies, the EBITDA and Adjusted EBITDA AESE presents may not be comparable to similarly titled measures of other companies. AESE defines EBITDA as earnings before interest, income taxes, depreciation and amortization of intangibles. AESE defines Adjusted EBITDA as EBITDA excluding stock-based compensation and impairment losses.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA from net loss, AESE's most directly comparable financial measure calculated and presented in accordance with GAAP.

## RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA

(in thousands)	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,	March 31,	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018	2019	2018
GAAP net loss	\$ (3,854)	\$ (6,175)	\$ (2,811)	\$ (8,633)	\$ (6,665)	\$ (14,808)
Interest expense	-	584	67	729	67	1,313
Income tax expense	-	-	-	-	-	-
Depreciation and amortization	1,686	1,220	1,732	2,116	3,418	3,336
Stock-based compensation expense	-	(779)	-	-	-	(779)
Restructuring expense	-	-	-	-	-	-
Impairment	600	-	-	4,338	600	4,338
Adjusted EBITDA*	<u>(1,568)</u>	<u>(5,150)</u>	<u>(1,012)</u>	<u>(1,450)</u>	<u>(2,580)</u>	<u>(6,600)</u>

