

Latest News

Unaudited interim financial statements for the period ended 31 December 2016

28 March 2017

Gfinity (AIM: GFIN), a leading eSports business, announces its interim financial results for the six month period ended 31 December 2016.

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The full results are available to
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Financial highlights

- Revenue increased 45% on the same period in the prior year to £0.9m (H1 2016: £0.6m), up 10% sequentially on the previous six months.
- Operating loss decreased by £0.2m on the same period in the prior year to £1.7m, (H1 2016: loss of £1.9m), up £0.4m sequentially on the previous six months, reflecting planned investment in events, strengthening the quality of the Gfinity team and advancements in technology.
- Loss per share reduced 75% to 1p (H1 2016: 4p) reflecting the increased number of shares in issue in the period.
- Cash and cash equivalents, as at 31 December 2016, of £2.7m (30 June 2016: £0.8m and 31 December 2015: £1.6m).

Operational highlights

- Raised £3.7m in July 2016, through oversubscribed placing. This included the introduction of a new strategic investor, Charles Street International Holdings Ltd.
- Appointed by development studio "The Coalition" and game publisher Microsoft as one of two global partners for 2016/17 Gears of War Pro-Circuit. London event delivered in December 2016, with further events to follow in Mexico City and Paris during H1 2017.
- Delivered events across a number of game titles and with a wide range of partners:
 - HP Omen: CS:GO invitational at EGX in September 2016, the UK's largest gaming exhibition, delivering over 10 million online views across four days.
 - Gillette: The Gillette Championship in July 2016, a Pro-Evolution soccer event staged on line and at the Gfinity arena, attracting players from across Europe.
 - Activision Blizzard: Call of Duty Summer Masters in July 2016, featuring Europe's top teams as part of the Call of Duty World Championship Series.
 - Microsoft Xbox/ The Coalition: Gears of War UK Open, featuring the UK's top Gears of War teams.
 - Nintendo: The Great British Splat-Off. A first partnership with Nintendo, featuring the Splatoon game.
- Co-staged the inaugural eSports Industry Awards event from The Brewery in Central London, a celebration of achievements within the fast-growing eSports sector, attended by a number of the top players, talent and team owners, attracting sponsors including Now TV, Twitch and Xbox.
- Appointed by studio "343i" and Microsoft to deliver London and Mexico City events as part of Halo Championship Series in February 2017
- Announced launch of the Gfinity Elite Series UK, a bedroom to podium framework for eSports in the UK, to launch in June 2017.

Post period Highlights

- Delivered Gears of War Pro Circuit and Halo Championship Series events in Mexico City
- Contracted with Valve (Counter-Strike: Global Offensive), Capcom (Street-Fighter V) and Rocket League (Psyonix) for those games to form part of inaugural Elite Series.
- Announced partnership with Mediacom to develop and value sponsorship proposition around Elite Series.
- Delivered first European event as part of the Call of Duty World League, Presented by PlayStation®4 programme at the Gfinity Arena in London in January 2017.
- OMEN by HP announced as official hardware provider to the Gfinity Elite Series.

Neville Upton, Chief Executive Officer, Gfinity plc, said:

"During the six months to December 2016, we continued to build on our strategic objective to establish Gfinity as a leading player in the fast-growing eSports sector. I am also very pleased to be able to report another period of strong revenue growth, 45% up on the equivalent period in 2015. Gfinity has now built an excellent reputation for the quality of our technology, people and service delivery. This is evidenced by the range of companies, that selected Gfinity as their partner during the latter half of 2016, both in the UK and overseas.

"The eSports sector continues to grow rapidly. Market analysts Newzoo estimate that the global eSports audience will reach 385 million during 2017, a 19% increase on the prior year, with more and more sponsors and broadcasters seeking to enter the market. Having established a strong reputation for quality and as the only independent and publicly listed eSports company in Europe, Gfinity is well positioned to take advantage of this opportunity."

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About Gfinity

Founded in 2012, Gfinity has quickly established itself as one of the world's leading eSports companies. The London-based business enjoys strong relationships with game publishers, players and the wider eSports community and has already built a strong reputation for delivering high quality competitions, both on-line and off-line, and producing industry leading eSports broadcasts.

The Company has over half a million registered users, eligible to compete in its online competitions and stages world leading off-line events, which see the top players in the world, across a range of eSports titles travel to the Gfinity Arena in London to take part in competitions, which are broadcast on-line to millions of viewers around the world. The Company stages events featuring a number of top video gaming titles, across PCs, consoles and mobile devices.

The Company expects to be able to monetise the strong position that it has created through a combination of sponsorship, advertising, broadcast income relating to Gfinity's own events and through fees received for creating and delivering bespoke events for sponsors and game publishers seeking to engage with the eSports community.

Gfinity websites:

Investor: www.gfinityplc.com

Commercial: www.gfinity.net

About eSports:

eSports is a global term for organised multi-player video game competitions, particularly between professional players, that are streamed on the internet and watched by hundreds of millions of fans around the world. Leading titles include League of Legends, Counter Strike: Global Offensive, Defense of the Ancients 2 (DotA 2), Call of Duty and Rocket League. The industry is growing rapidly, with new communities developing around more and more titles.

The global eSports audience is expected to reach 385 million in 2017 (source Newzoo). With the majority of this audience being male, under the age of 35 and relatively affluent, this is an attractive demographic for broadcasters and sponsors, with many of these people difficult to reach via conventional channels.

The 2015 League of Legends Championships finals in Berlin were watched by 36 million people, with a peak concurrent viewership of 14 million viewers, while at DotA 2's flagship annual championship 'The International 2016' competitors from around the world competed for a prize pot of over \$20 million.

Commercially, the global eSports market is expected to grow 41% to \$696 million in 2017. By 2020, eSports revenues are expected to grow to \$1.49 billion.

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