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): May 25, 2022

ALLIED ESPORTS ENTERTAINMENT, INC.

(Exact Name of Registrant as Specified in Charter)

	(Exact Name of Registrant as Specified in Charter)	
Delaware	001-38266	82-1659427
(State or other jurisdiction	(Commission File Number)	(I.R.S. Employer
of incorporation)		Identification No.)
	745 Fifth Ave, Suite 500	
	New York, NY 10151 (Address of Principal Executive Offices) (Zip Code)	
	(Address of Finespar Executive Offices) (Zip Code)	
	(646) 768-4241 (Registrant's Telephone Number, Including Area Code)	
(For	rmer Name or Former Address, if Changed Since Last Report)	
Check the appropriate box below if the Form 8-K filing is General Instruction A.2. below):	intended to simultaneously satisfy the filing obligation of the	e registrant under any of the following provisions ⅇ
☐ Written communications pursuant to Rule 425 under the	e Securities Act (17 CFR 230.425)	
☐ Soliciting material pursuant to Rule 14a-12 under the E	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 the Securities Exchange Act of 1934 (§240.12b-2 of this charge)	ng growth company as defined in Rule 405 of the Securities A apter).	ct of 1933 (§230.405 of this chapter) or Rule 12b-2 of
Emerging growth company ⊠		
If an emerging growth company, indicate by check mark if accounting standards provided pursuant to Section 13(a) of	the registrant has elected not to use the extended transition p the Exchange Act. \Box	eriod for complying with any new or revised financial
Item 2.02. Results of Operations and Financial Condition	n	
On May 25, 2022, Allied Esports Entertainment, In 2021. The full text of the press release is furnished as Exhib	nc. issued a press release reporting the unaudited financial result 99.1 to this Form 8-K.	ults for the fiscal quarter and year ended December 31,
and not "filed" for purposes of Section 18 of the Securities	8-K, including the information contained in the press release Exchange Act of 1934, as amended (the "Exchange Act"), is y filing under the Exchange Act or the Securities Act of 1933	not otherwise subject to the liabilities of that Section,
Item 9.01 Financial Statements and Exhibits.		

Press release dated May 25, 2022 (filed herewith)

Cover Page Interactive Data File (embedded within the Inline XBRL document)

(d) Exhibits.

Description

Exhibit No.

99.1 104

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: May 25, 2022

ALLIED ESPORTS ENTERTAINMENT, INC.

/s/ Roy Anderson Roy Anderson, *Chief Financial Officer*



Allied Esports Entertainment Announces Fourth Quarter and Full Year 2021 Financial Results

New York, NY (May 25, 2022) – Allied Esports Entertainment, Inc. (NASDAQ: AESE) (the "Company" or "AESE"), a global esports entertainment company, today announced financial results for the fourth quarter and fiscal year ended December 31, 2021, as well as an update on key business initiatives. This release refers to "continuing" and "discontinued" operations due to the sale of the Company's subsidiaries owning and operating its poker-related business, the World Poker Tour," or "WPT[®]") on July 12, 2021. Unless otherwise noted, results presented in this release relate to the continuing operations of the Company and its Allied Esports business, and excludes the operations of the World Poker Tour, which are classified as discontinued operations of the Company.

Commenting on the fourth quarter 2021 results and strategic process, the Company's Interim CEO, Lyle Berman, said, "As our Esports operations continue to recover from the effects of the COVID-19 pandemic, our process to explore strategic alternatives for the business is gaining traction and we are in active discussions with several interested parties. We ended the year with a cash position of nearly \$98 million, including restricted cash, and we are continuing to identify opportunities to invest this cash to acquire or merge with an existing business, along with any cash from any sale of the Esports business."

Mr. Berman continued, "Over the past several months, we have reviewed the merits of a number of potential target investment opportunities with our financial and legal advisors. Our due diligence and the continued sourcing of other opportunities remains ongoing. We continue to work with a sense of urgency in these efforts and we are very focused on finding the absolute best opportunity available to maximize value for our shareholders."

Fourth Quarter 2021 Financial Results

Revenues: Total revenues of \$1.9 million increased 108% for the fourth quarter of 2021 compared to the fourth quarter of 2020. This was driven by the increased foot traffic at the Company's HyperX Arena Las Vegas due to the increased number of events, as well as encouraging results from the Company's Multiplatform Content pillar of the business.

Costs and expenses: Total costs and expenses for the fourth quarter of 2021 were \$5.7 million, a decrease of 64% compared to the fourth quarter of 2020. Costs and expenses decreased primarily due to the impairment of investments and property and equipment that were charged to operations in the prior year period. The decrease was somewhat offset by an increase in in-person expenses due to the recovery of live in-person events.

Net loss for the fourth quarter of 2021 was \$6.3 million compared to a net loss of \$18.9 million in the prior year period.

Adjusted EBITDA loss was \$2.1 million for the fourth quarter of 2021 compared to a loss of \$7.8 million in the fourth quarter of 2020. A reconciliation of the GAAP-basis net loss to adjusted EBITDA is provided in the table at the end of this press release.

Full Year 2021 Financial Results

Revenues: Total revenues of \$5.0 million increased 54% in 2021 compared to 2020. This was driven by the increased foot traffic at the Company's HyperX Arena Las Vegas due to the increased number of events and the end of capacity COVID-19 pandemic-related restrictions and social distancing measures, as well as encouraging results from the Company's Multiplatform Content pillar of the business.

Costs and expenses: Total costs and expenses in 2021 were \$20.7 million, a decrease of 41% compared to 2020. Costs and expenses decreased primarily due to the aforementioned impairment of investments and property and equipment that were charged to operations in the prior year period.

Net income was \$62.9 million in 2021 compared to a net loss of \$45.1 million in 2020. The improvement was primarily driven by the gain on the sale of the WPT during the third quarter of 2021.

Adjusted EBITDA loss was \$11.1 million in 2021 compared to a loss of \$21.7 million in 2020. A reconciliation of the GAAP-basis net loss to adjusted EBITDA is provided in the table at the end of this press release.

Balance Sheet

As of December 31, 2021, the Company had a cash position of \$97.9 million, including \$5.0 million of restricted cash compared to \$5.4 million at December 31, 2020, which also included \$5.0 million of restricted cash. As of December 31, 2021, the gross principal amount of bridge and convertible debt had been paid-off compared to a balance of \$3.4 million as of December 31, 2020. As of December 31, 2021, the Company had approximately 39.1 million shares of outstanding common stock.

Operational Update

During the fourth quarter of 2021, Allied Esports produced 110 events, including 29 proprietary events and 81 third-party online and in-person productions.

The Company continued to produce strong results in the quarter in both its in-arena and online proprietary offerings, with over 17,000 total players competing in both online and in-arena events, a company record.

Third party events were up 14% quarter over quarter, driven by a 24% increase in third party events and productions booked at the HyperX Arena Las Vegas. In addition, AE Studios, the Company's new original content, storytelling and production services arm, streamed ten episodes of CelebriTee Showdown for Twitch on its TwitchSports channel. Subsequent to the end of the fourth quarter, AE Studios debuted ELEVATED Presented by Progressive Insurance, an all-new original content series designed to help up-and-coming Twitch streamers break through the clutter, get discovered and grow their audiences. The initial four-episode run in March 2022 delivered 10.4 million views.

The Allied Esports Trucks were active during the fourth quarter of 2021, and were deployed at the following events: eNASCAR Arcade at NASCAR Cup Series events in Talladega, Kansas City, Martinsville and Phoenix; Poznan Game Arena in Poznan, Poland and at the Cotton Bowl at AT&T Stadium in Arlington, Texas. In addition, subsequent to the end of the fourth quarter of 2021, the Company announced the renewal of their partnership with NASCAR to bring the eNASCAR Arcade on the Allied Esports Truck to 17 race weekends across the 2022 NASCAR Cup Series.

Also subsequent to the end of the fourth quarter of 2021, the Company announced that it has now joined the NFT market with the sale of its first collection on the Ethereum Blockchain, EPICBEAST NFTs leverage the recent addition of digital ownership empowered by the blockchain and its impact on developing digital communities. The Company expects to deliver utility and value to holders via access to Allied Esports-backed events and future metaverse experiences, monthly live streams, customizable merchandise and collectibles.

Corporate Developments

As previously announced, during the fourth quarter of 2021 AESE engaged The Benchmark Company, LLC to serve as the Company's exclusive financial advisor in connection with a potential business combination transaction. The Company has reviewed a number of potential target investment opportunities over the past several months, and due diligence, as well as the continued sourcing of other opportunities, remains ongoing. AESE intends to provide further updates in due course when appropriate.

Additionally, as previously announced, the Company remains in the process of exploring strategic options for the Esports business and intends to provide further updates in due course when appropriate.

Fourth Quarter and Full Year 2021 Conference Call

The Company will host a conference call today at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time to discuss its fourth quarter and full year 2021 financial results. Participants may join the conference call by dialing 1-877-407-0792 (United States) or 1-201-689-8263 (International).

A live webcast of the conference call will also be available on the Company's Investor Relations site at http://ir.alliedesportsent.com. Additionally, financial information presented on the call will be available on Allied Esports' Investor Relations site. For those unable to participate in the conference call, a telephonic replay of the call will also be available shortly after the completion of the call, until 11:59 p.m. ET on Wednesday, June 8, 2022, by dialing 1-844-512-2921 (United States) or 1-412-317-6671 (International) and entering the replay pin number: 13730215.

About Allied Esports Entertainment

Allied Esports Entertainment, Inc. (NASDAQ: AESE) is a global esports entertainment venture dedicated to providing transformative live experiences, multiplatform content and interactive services to audiences worldwide. For more information, visit alliedesports.gg.

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Non-GAAP Financial Measures

As a supplement to our financial measures presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company presents certain non-GAAP measures of financial performance. These non-GAAP financial measures are not intended to be considered in isolation from, as a substitute for, or as more important than, the financial information prepared and presented in accordance with GAAP. In addition, these non-GAAP measures have limitations in that they do not reflect all of the items associated with the company's results of operations as determined in accordance with GAAP.

The Company provides net income (loss) and earnings (loss) per share in accordance with GAAP. In addition, the Company provides EBITDA (defined as GAAP net income (loss) from continuing operations before interest (income) expense, income taxes, depreciation, and amortization). The Company defines "Adjusted EBITDA" as EBITDA excluding certain non-cash charges, such as stock-based compensation, inducement expense, extinguishment losses and impairment losses, but also excluding certain non-recurring items, such as the forgiveness of loans from the Paycheck Protection Program (PPP).

In the future, the Company may also consider whether other items should also be excluded in calculating the non-GAAP financial measures used by the Company. Management believes that the presentation of these non-GAAP financial measures provides investors with additional useful information to measure the Company's financial and operating performance. In particular, these measures facilitate comparison of our operating performance between periods and help investors to better understand the operating results of the Company by excluding certain items that may not be indicative of the Company's core business, operating results, or future outlook. Additionally, we consider quantitative and qualitative factors in assessing whether to adjust for the impact of items that may be significant or that could affect an understanding of our ongoing financial and business performance or trends. Internally, management uses these non-GAAP financial measures, along with others, in assessing the Company's operating results, measuring compliance with any applicable requirements of the Company's debt financing agreements in place at such time, as well as in planning and forecasting.

The Company's non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles, and our non-GAAP definitions of the "EBITDA" and "Adjusted EBITDA" do not have a standardized meaning. Therefore, other companies may use the same or similarly named measures, but include or exclude different items, which may not provide investors a comparable view of the Company's performance in relation to other companies.

Management compensates for the limitations resulting from the exclusion of these items by considering the impact of the items separately and by considering the Company's GAAP, as well as non-GAAP, results and outlook, and by presenting the most comparable GAAP measures directly ahead of non-GAAP measures, and by providing a reconciliation that indicates and describes the adjustments made.

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Forward Looking Statements

This communication contains certain forward-looking statements under federal securities laws. Forward-looking statements may include our statements regarding our goals, beliefs, strategies, objectives, plans, including product and service developments, future financial conditions, results or projections or current expectations. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "intend" or "continue," the negative of such terms, or other comparable terminology. These statements are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those contemplated by the forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our control, that could cause actual results or outcomes to differ materially from those discussed in these forward-looking statements. Important factors, among others, that may affect actual results or outcomes include: the ability to meet Nasdaq's continued listing standards; our ability to execute on our business plan; the ability to retain key

personnel; potential litigation; general economic and market conditions impacting demand for our services; a change in our plans to retain the net cash proceeds from the WPT sale transaction; our inability to enter into one or more future acquisition or strategic transactions using the net proceeds from the WPT sale transaction; and our ability, or a decision not to pursue strategic options for the esports business. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. The business and operations of AESE are subject to substantial risks, which increase the uncertainty inherent in the forward-looking statements contained in this communication. Except as required by law, we undertake no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Further information on potential factors that could affect our business and results is described under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on or about May 25, 2022, as well as subsequent reports we file with the SEC. Readers are also urged to carefully review and consider the various disclosures we made in such Annual Report on Form 10-K and in subsequent reports with the SEC.

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Brian Fisher Allied Esports Entertainment brian@alliedesports.com

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Allied Esports Entertainment, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

Accounts receivable 38,9,040 271,142 Prepaide expenses and other current assets 98,477 909,766 Assets of discontinued operations 98,477 109,766 Assets of discontinued operations 94,260,347 45,363,817 Total Current Assets 5,000,000 5,000,000 Property and equipment, net 26,827 30,818 Deposits 379,105 625,000 Total Assets 105,803,672 \$10,900,955 Deposits \$105,803,672 \$10,900,955 Liabilities and Stockholders' Equity \$341,161 901,353 Accounts payable \$341,161 901,353 Accounts payable \$341,161 901,353 Account dexpenses and other current liabilities \$341,161 901,353 Account interest, current portion \$18,000 152,899 Account payable \$1,000,000 152,899 152,899 Deferred revenue \$141,825 57,018 Bridge note payable \$1,000,000 100,000 Convertible debt, current portion \$35,055 1,600,000			31,		
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Accrued expenses - related party 1,800,000 Accrued interest, current portion 152,899 152,893,975 Deferred revenue 141,825 57,018 Bridge note payable 141,825 57,018 Bridge note payable 1,200,000 Convertible debt, current portion 1,000,000 Convertible debt, related party, current portion 1,000,000 Loans payable, current portion 1,000,000 Loans payable, current portion 1,907,634 1,693,056 Liabilities of discontinued operations 2,249,231 25,661,660 Deferred rent 1,907,634 1,693,056 Accrued interest, non-current portion 1,907,634 1,693,056 Accrued interest, non-current portion 578,172 Loans payable, non-current portion 578,172 Loans payable, non-current portion 578,172 Loans payable, non-current portion 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies Stockholders' Equity Preferred stock, \$0,0001 par value, 1,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital 197,784,972 195,488,181 Accumulated deficit (99,411,683) (162,277,414 Accumulated deficit (99,411,683) (162,277,414 Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 190,966 100			2,966,245		
Accrued interest, current portion 152,899 Due to affiliates 9,433,975 Deferred revenue 141,825 57,975 Bridge note payable 141,825 57,975 Convertible debt, current portion 1,421,096 Convertible debt, related party, current portion 1,000,000 Loans payable, current portion 539,055 Liabilities of discontinued operations 9,169,247 Total Current Liabilities 5,249,231 25,661,660 Accrued interest, non-current portion 1,907,634 1,693,096 Accrued interest, non-current portion 1,907,634 1,693,096 Accrued interest, non-current portion 1,907,634 1,693,096 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies 7,156,865 28,494,911 Common stock, \$0,0001 par value, 1,000,000 shares authorized, none issued and outstanding 2,850,0001 Common stock, \$0,0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital 197,784,972 195,488,181 Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584			<i>y y</i> -		-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Due to affiliates 9,433,975 Deferred revenue 141,825 57,018 Bridge note payable 1,21,096 Convertible debt, curent portion 1,000,000 Convertible debt, related party, current portion - 1,000,000 Loans payable, current portion - 539,055 Liabilities of discontinued operations - 9,169,247 Total Current Liabilities 5,249,231 25,661,660 Deferred rent 1,907,634 1,693,066 Accrued interest, non-current portion - 193,939 Convertible debt, net of discount, non-current portion - 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies - 28,494,911 Stockholders' Equity - - - Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital 197,784,972 195,488,181 Accumulated other comprehensive income 269,666 190,966 Total Stockholders' Equi			-		152,899
Bridge note payable - 1,421,096 Convertible debt, curent portion - 1,000,000 Convertible debt, related party, current portion - 1,000,000 Loans payable, current portion - 539,055 Liabilities of discontinued operations - 9,169,247 Total Current Liabilities 5,249,231 25,661,660 Deferred rent 1,907,634 1,693,066 Accrued interest, non-current portion - 1578,172 Loans payable, non-current portion - 578,172 Loans payable, non-current portion - 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies 5 28,494,911 Commitments and Contingencies 5 249,491 Stockholders' Equity - - - Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding - - Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional pai	/ 1		-		9,433,975
Convertible debt, curent portion	Deferred revenue		141,825		57,018
Convertible debt, curent portion	Bridge note payable		_		1,421,096
Convertible debt, related party, current portion			-		1,000,000
Liabilities of discontinued operations - 9,169,247 Total Current Liabilities 5,249,231 25,661,660 Deferred rent 1,907,634 1,693,066 Accrued interest, non-current portion - 193,393 Convertible debt, net of discount, non-current portion - 368,074 Loans payable, non-current portion - 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies Stockholders' Equity - - Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital 197,784,972 195,488,181 Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584			-		1,000,000
Total Current Liabilities 5,249,231 25,661,660 Deferred rent 1,907,634 1,693,066 Accrued interest, non-current portion - 193,939 Convertible debt, net of discount, non-current portion - 578,172 Loans payable, non-current portion - 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding - - Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital 197,784,972 195,488,181 Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584	Loans payable, current portion		-		539,055
Deferred rent	Liabilities of discontinued operations		-		9,169,247
Accrued interest, non-current portion - 193,939 Convertible debt, net of discount, non-current portion - 578,172 Loans payable, non-current portion - 368,074 Total Liabilities - 7,156,865 - 28,494,911 Commitments and Contingencies Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively Additional paid in capital - 197,784,972 - 195,488,181 Accumulated deficit - (99,411,683) - (162,277,414) Accumulated other comprehensive income - 269,606 - 190,966 Total Stockholders' Equity - 98,646,807 - 33,405,584	Total Current Liabilities		5,249,231		25,661,660
Convertible debt, net of discount, non-current portion - 578,172 Loans payable, non-current portion - 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding	Deferred rent		1,907,634		1,693,066
Loans payable, non-current portion - 368,074 Total Liabilities 7,156,865 28,494,911 Commitments and Contingencies Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding	Accrued interest, non-current portion		-		193,939
Total Liabilities Commitments and Contingencies Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively Additional paid in capital Accumulated deficit Accumulated deficit Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at 197,784,972 195,488,181 197,784,972 195,488,181 197,784,972 196,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584	Convertible debt, net of discount, non-current portion		-		578,172
Commitments and Contingencies Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively Additional paid in capital Accumulated deficit (99,411,683) (162,277,414) Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584	Loans payable, non-current portion		-		368,074
Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively Additional paid in capital Accumulated deficit Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584	Total Liabilities		7,156,865		28,494,911
Stockholders' Equity Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively Additional paid in capital Accumulated deficit Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584	Commitments and Contingencies				
Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital Accumulated deficit 197,784,972 195,488,181 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584					
Common stock, \$0.0001 par value; 100,000,000 shares authorized, 39,116,907 and 38,506,844 shares issued and outstanding at December 31, 2021 and 2020, respectively 3,912 3,851 Additional paid in capital Accumulated deficit 197,784,972 195,488,181 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584	Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding		-		-
Additional paid in capital 197,784,972 195,488,181 Accumulated deficit (99,411,683) (162,277,414 Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584					
Accumulated deficit (99,411,683) (162,277,414) Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584			3,912		3,851
Accumulated other comprehensive income 269,606 190,966 Total Stockholders' Equity 98,646,807 33,405,584			197,784,972		195,488,181
Total Stockholders' Equity 98,646,807 33,405,584	Accumulated deficit		(99,411,683)		(162,277,414
Total Stockholders' Equity 98,646,807 33,405,584	Accumulated other comprehensive income		269,606		190,966
T (11' 17') 10 11 11 1F '	Total Stockholders' Equity		98,646,807		33,405,584
	Total Liabilities and Stockholders' Equity	\$	105,803,672	\$	61,900,495

Allied Esports Entertainment, Inc. and Subsidiaries Condensed Consolidated Statements of Operations and Comprehensive Loss

Costs and Expenses: In-person (exclusive of depreciation and amortization) 1,245,776 673,684 3,688,527 2,808,648 Multiplatform content (exclusive of depreciation and amortization) 172,465 54,256 386,723 54,256 Online operating expenses 68,388 37,725 202,396 186,702 202,396 186,703 202,396 186,703 202,396 186,703 202,396 186,703 202,396 186,703 202,396 202,39			For the Three Months Ended December 31,				For the Years Ended December 31,			
Substitution Subs			2021		2020		2021		2020	
Multiplatform content 371,097 221,491 754,781 222,441 Total Revenues 1,944,755 335,719 4,956,040 3,210,805 32,108,055 335,719 4,956,040 3,210,805 32,108,055 335,719 3,210,805 32,108,055 335,719 3,210,805 335,719 3,210,805 335,719 3,210,805 3,210,805 335,719 3,210,805 3,210,										
Total Revenues		\$		\$		\$	/ /	\$, ,	
Constant Expenses Constant Expense Constant E										
In-person (exclusive of depreciation and amortization)			1,944,575		935,719		4,956,040		3,210,805	
Multiplatform content (exclusive of depreciation and amortization) 172,465 54,256 386,732 54,256 Online operating expenses 68,388 37,725 202,396 186,702 Selling and marketing expenses 77,989 74,888 294,417 259,892 General and administrative expenses 3,325,151 3,514,616 12,850,367 16,238,611 Depreciation and amortization 80,955 894,473 3,305,895 3,609,618 Impairment of investment in ESA - 5,000,000 - 6,138,631 Impairment of property and equipment - 5,595,557 72,505,575										
Online operating expenses 68,388 3,725 20,396 186,702 Selling and marketing expenses 77,989 74,888 294,417 259,892 General and administrative expenses 3,325,151 3,514,616 12,850,567 16,283,617 Depreciation and amortization 809,955 894,473 3,305,895 3,609,488 Impairment of investment in ESA 5,699,724 15,845,199 20,728,525 3,909,678 Impairment of property and equipment 5,699,724 15,845,199 20,728,525 3,936,783 Loss From Operations (3,755,149) (14,909,480) (15,772,485) 31,725,978 Other Income (Expense) - - 912,475 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5,595,557 - 5			1,245,776		673,684		3,688,527		2,808,648	
Selling and marketing expenses 77,989 74,888 294,417 259,892 General and administrative expenses 3,325,151 3,514,616 12,850,567 16,283,617 Depreciation and amortization 809,955 894,473 3,305,895 3,609,480 Impairment of investment in ESA - 5,000,000 - 6,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,138,631 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,200 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of property and equipment - 5,000,000 - 5,000 Impairment of pro							,		54,256	
General and administrative expenses 3,325,151 3,514,616 12,850,567 16,283,617 10,285,017 10,285			,				/		186,702	
Depreciation and amortization 809,955 894,473 3,305,895 3,609,485 Impairment of investment in ESA 5,000,000 6,138,631 Impairment of property and equipment 5,599,724 15,845,190 20,728,525 34,936,783 ILOSE FROM Operations 63,755,149 14,009,480 15,772,485 34,936,783 ILOSE FROM Operations 7,728,595,597 Other Income (Expense): Gain on forgiveness of PPP loans and interest 912,475 16,015 Other income (expense): 912,475 176,015 Other income (expense): 912,475 912,475 176,015 Other income (expense): 912,475 912,475 176,015 Other income (expense): 912,475 91			,				,			
Impairment of investment in ESA					, ,					
Impairment of property and equipment 5,595,557 5,595,557 Total Costs and Expenses 5,699,724 15,845,199 20,728,525 34,936,783 20,578,578 20,578,587 20,57			809,955				3,305,895			
Total Costs and Expenses			-				-			
Class From Operations			<u>-</u>		5,595,557				5,595,557	
Other Income (Expense): 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 912,475 176,015 91,475 176,015 91,475 176,015 91,433 28,175 28,135 28,135 28,135 28,135 172,640 14,088,360 181,447 88,185 15,059,845 145,784,388 <	Total Costs and Expenses		5,699,724		15,845,199		20,728,525		34,936,783	
Gain on forgiveness of PPP loans and interest	Loss From Operations		(3,755,149)		(14,909,480)		(15,772,485)		(31,725,978)	
Other income (expense), net (496) 181,447 68,917 176,015 Conversion inducement expense - - - - (5,247,536) Extinguishment loss on acceleration of debt redemption - (1,704,493) - (3,438,506) Interest expense 659 (2,515,059) (268,752) (5,548,583) Total Other Income (Expense) 163 (4,038,105) 712,640 (14,058,366) Loss from continuing operations (3,754,986) (18,947,585) (15,059,845) (45,784,338) (Loss) income from discontinued operations, net of tax provision: (2,570,894) - 77,858,835 - Gain on sale of WPT (2,570,894) 94,830 77,925,576 725,508 Net income (loss) (6,325,880) (18,852,755) 62,865,731 (45,058,830) Basic and Diluted Net (Loss) Income per Common Share (0,07) 0,00 2,00 0,00 Discontinued operations, net of tax (0,07) 0,00 2,00 0,00 Weighted Average Number of Common Shares Outstanding: 39,036,907 35,168,132	Other Income (Expense):									
Conversion inducement expense -	Gain on forgiveness of PPP loans and interest		-		-		912,475		-	
Extinguishment loss on acceleration of debt redemption 1,704,493 2,3438,261 Interest expense 659 (2,515,059) (268,752) (5,548,582 Total Other Income (Expense) 163 (4,038,105) 712,640 (14,058,360 Loss from continuing operations (3,754,986 (18,947,585) (15,059,845) (45,784,338 (Loss) income from discontinued operations, net of tax provision: (1,058) income from discontinued operations before the sale of WPT 94,830 (66,741 (725,508 Gain on sale of WPT (2,570,894) 77,925,576 (725,508 Income from discontinued operations (2,570,894) 94,830 (77,925,576 (725,508 Net income (loss) (2,570,894) 94,830 (77,925,576 (725,508 Net income (loss) (2,570,894) 94,830 (77,925,576 (725,508 Net income (loss) (0,548 (0,325,880) (1,852,755) (45,058,830 Saic and Diluted Net (Loss) Income per Common Share (2,570,894) (0,549 (0,39) (1,60 (0,549 (0,39) (0,394 (0,394	Other income (expense), net		(496)		181,447		68,917		176,015	
Interest expense 659	Conversion inducement expense		-		-		-		(5,247,531)	
Total Other Income (Expense)	Extinguishment loss on acceleration of debt redemption		-		(1,704,493)		-		(3,438,261)	
Closs from continuing operations (3,754,986) (18,947,585) (15,059,845) (45,784,338) (15,059,845) (45,784,338) (15,059,845) (45,784,338) (15,059,845)	Interest expense		659		(2,515,059)		(268,752)		(5,548,583)	
Closs from continuing operations (3,754,986) (18,947,585) (15,059,845) (45,784,338 (15,059,845) (45,784,338 (15,059,845) (45,784,338 (15,059,845) (15,059,845) (45,784,338 (15,059,845) (15,	Total Other Income (Expense)		163		(4,038,105)		712,640		(14,058,360)	
CLoss income from discontinued operations, net of tax provision: (Loss income from discontinued operations before the sale of WPT									(45,784,338)	
(Loss) income from discontinued operations before the sale of WPT - 94,830 66,741 725,508 Gain on sale of WPT (2,570,894) - 77,858,835 - Income from discontinued operations (2,570,894) 94,830 77,925,576 725,508 Net income (loss) \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Basic and Diluted Net (Loss) Income per Common Share \$ (0.10) (0.54) \$ (0.39) \$ (1.60) Discontinued operations, net of tax \$ (0.07) 0.00 \$ 2.00 0.03 Weighted Average Number of Common Shares Outstanding: 39,036,907 35,168,132 39,004,317 28,687,361 Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss Net Income (Loss) \$ (6,325,880) \$ (18,852,755) 62,865,731 \$ (45,058,830) Other comprehensive (loss) income: \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Foreign currency translation adjustments 43,151 9,241 78,640 54,785	~ .	_	(-) /		((-) /		(-) /	
Gain on sale of WPT (2,570,894) - 77,858,835 Income from discontinued operations (2,570,894) 94,830 77,925,576 725,508 Net income (loss) (6,325,880) (18,852,755) 62,865,731 (45,058,830) Basic and Diluted Net (Loss) Income per Common Share (0.10) (0.54) (0.39) (1.60 Discontinued operations, net of tax (0.07) 0.00 2.00 0.03 Weighted Average Number of Common Shares Outstanding: 39,036,907 35,168,132 39,004,317 28,687,361 Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss (6,325,880) (18,852,755) 62,865,731 (45,058,830) Other comprehensive (loss) income: (6,325,880) (18,852,755) 62,865,731 (45,058,830) Foreign currency translation adjustments 43,151 9,241 78,640 54,780			_		94.830		66.741		725.508	
Income from discontinued operations			(2 570 894)		,020				- 20,000	
Net income (loss) \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830)				_	94 830	_		_	725 508	
Basic and Diluted Net (Loss) Income per Common Share Continuing operations \$ (0.10) \$ (0.54) \$ (0.39) \$ (1.60)	•		(2,370,054)		74,030	_	77,723,370		725,500	
Continuing operations \$ (0.10) \$ (0.54) \$ (0.39) \$ (1.60) Discontinued operations, net of tax \$ (0.07) \$ 0.00 \$ 2.00 \$ 0.03 Weighted Average Number of Common Shares Outstanding: Basic 39,036,907 35,168,132 39,004,317 28,687,361 Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss Net Income (Loss) \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Other comprehensive (loss) income: Foreign currency translation adjustments 43,151 9,241 78,640 54,789	Net income (loss)	\$	(6,325,880)	\$	(18,852,755)	\$	62,865,731	\$	(45,058,830)	
Discontinued operations, net of tax \$ (0.07) \$ 0.00 \$ 2.00 \$ 0.03 \$ 0.03 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00 \$ 0.03 \$ 0.00	Basic and Diluted Net (Loss) Income per Common Share									
Discontinued operations, net of tax \$ (0.07) \$ 0.00 \$ 2.00 \$ 0.03 Weighted Average Number of Common Shares Outstanding: Basic 39,036,907 35,168,132 39,004,317 28,687,361 Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss *** Net Income (Loss)** Other comprehensive (loss) income: Foreign currency translation adjustments \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Foreign currency translation adjustments 43,151 9,241 78,640 54,789	Continuing operations	\$	(0.10)	\$	(0.54)	\$	(0.39)	\$	(1.60)	
Basic 39,036,907 35,168,132 39,004,317 28,687,361 Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss *** Net Income (Loss)** Other comprehensive (loss) income: Foreign currency translation adjustments \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Foreign currency translation adjustments 43,151 9,241 78,640 54,789	Discontinued operations, net of tax	\$		\$		\$		\$	0.03	
Basic 39,036,907 35,168,132 39,004,317 28,687,361 Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss *** Net Income (Loss)** Other comprehensive (loss) income: Foreign currency translation adjustments \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Foreign currency translation adjustments 43,151 9,241 78,640 54,789	Weighted Average Number of Common Shares Outstanding:			_						
Diluted 39,036,907 35,168,132 39,004,317 28,687,361 Comprehensive Loss Net Income (Loss) \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Other comprehensive (loss) income: Foreign currency translation adjustments 43,151 9,241 78,640 54,789			39 036 907		35 168 132		39 004 317		28 687 361	
Comprehensive Loss \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Other comprehensive (loss) income: Foreign currency translation adjustments 43,151 9,241 78,640 54,789	Diluted	_		-		-		-		
Net Income (Loss) \$ (6,325,880) \$ (18,852,755) \$ 62,865,731 \$ (45,058,830) Other comprehensive (loss) income: Foreign currency translation adjustments 43,151 9,241 78,640 54,789	Comprehensive Loss		27,030,707		23,100,132	_	39,001,317	_	20,007,301	
Other comprehensive (loss) income: Foreign currency translation adjustments 43,151 9,241 78,640 54,789		¢	(6 325 880)	¢	(18 852 755)	¢	62 865 731	¢	(45.058.830)	
Foreign currency translation adjustments 43,151 9,241 78,640 54,789		Þ	(0,323,880)	Ф	(10,032,733)	Ф	02,803,731	Ф	(43,038,830)	
	Foreign currency translation adjustments		12 151		0.241		78 640		54 790	
74,280,563 (6,503,519) \$ 62,944,371 \$ (45,004,041				_		_		_		
	Total Comprehensive income (Loss)		74,280,563		(6,503,519)	\$	62,944,371	\$	(45,004,041)	

RECONCILIATION OF GAAP NET LOSS FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA

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, gain on forgiveness of PPP loans, transaction costs and other charges relate to sale of WPT, impairment losses, conversion inducement expenses and extinguishment losses.

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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.

	Three Months Ended December 31,				Years Decem			
		2021		2020		2021		2020
Continuing operations								
Net loss from continuing operations	\$	(3,754,986)	\$	(18,947,585)	\$	(15,059,845)	\$	(45,784,338)
Interest expense, net		659		(2,515,059)		(268,752)		(5,548,583)
Federal, state, and foreign taxes		=		-		(48,400)		167,410
Depreciation and amortization		809,955	_	894,473	_	3,305,895	_	3,609,480

EBITDA	(2,944,372)	(20,568,171)	(12,071,102)	(47,556,031)
Stock compensation	842,511	483,753	1,923,873	5,396,393
PPP loan forgiveness	-	-	(912,475)	-
Extinguishment loss on acceleration of debt redemption	-	1,704,493	-	3,438,261
Impairment expense	=	10,595,557	=	11,734,188
Conversion inducement expense	-	-	-	5,247,531
Adjusted EBITDA	\$ (2,101,861)	\$ (7,784,368)	\$ (11,059,704)	\$ (21,739,658)