

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): September 20, 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Frank Ng Employment Terms

On September 20, 2019, Allied Esports Entertainment, Inc. (the “Company”) approved the compensation terms of Frank Ng, the Company’s Chief Executive Officer. Mr. Ng is entitled to receive an annual base salary of \$300,000 and is eligible for annual bonus compensation determined by the Company’s Board of Directors. Mr. Ng may participate in the Company’s benefit plans that are currently and hereafter maintained by the Company and for which he is eligible, including, without limitation, group medical, 401(k), and other benefit plans. The Company and Mr. Ng and the Company are in the process of entering into an employment agreement to set forth additional terms of Mr. Ng’s employment arrangement.

The Company also granted Mr. Ng 17,668 restricted shares of Company common stock under the Company’s 2019 Equity Incentive Plan (the “Plan”), which restrictions lapse on the earliest of the one-year anniversary of issuance, the termination of Mr. Ng’s employment without Cause (to be defined in an employment agreement) or resignation of Mr. Ng as an employee of the Company for Good Reason (to be defined in an employment agreement).

The foregoing summary of the restricted stock agreement is qualified in all respects by the form of restricted stock agreement, a copy of which is attached hereto as Exhibit 10.1, and is incorporated by reference herein.

David Moon Employment Terms

On September 20, 2019, the Board approved of an annualized salary to David Moon, the Company’s Chief Operating Officer, of \$285,000. Mr. Moon may participate in the Company’s benefit plans that are currently and hereafter maintained by the Company and for which he is eligible, including, without limitation, group medical, 401(k), and other benefit plans.

Director Compensation

On September 20, 2019, the Board approved the issuance to each Company director of options to purchase 40,000 shares of the Company common stock under the Plan. The options vest in equal installments of 10,000 shares over four years on each anniversary of issuance. The exercise price of the options is \$5.66 per share, the closing price of the Company’s common stock as reported on Nasdaq on the date of issuance. The form of option agreement is attached as Exhibit 10.2

The Board also issued to each Company director 3,534 restricted shares of Company common stock under the Plan, which restrictions lapse on the one-year anniversary of issuance. The form of restricted stock agreement is attached as Exhibit 10.3.

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.

- 10.1 [Form of Executive Restricted Stock Agreement](#)
- 10.2 [Form of Option Agreement](#)
- 10.3 [Form of Director Restricted Stock Agreement](#)
- 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: September 26, 2019

ALLIED ESPORTS ENTERTAINMENT, INC.

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

**ALLIED ESPORTS ENTERTAINMENT, INC.
RESTRICTED STOCK AGREEMENT**

THIS RESTRICTED STOCK AGREEMENT (“**Agreement**”) made effective as of September 20, 2019, is by and between Allied Esports Entertainment, Inc., a Delaware corporation (the “**Company**”), and _____ (“**Executive**”).

BACKGROUND

- A. The Company desires to induce Executive to continue to serve the Company and/or its affiliates;
- B. The Company has adopted the 2019 Equity Incentive Plan (the “**Plan**”), pursuant to which restricted stock, among other things, may be granted or issued by the Board of Executives of the Company, or the committee of the Board of Executives established to administer the Plan;
- C. The Company desires that restricted stock of the Company be issued to Executive under the Plan, subject to the restrictions herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Stock. Subject to the terms and provisions of this Agreement, the Company hereby grants to Executive ● shares of the Company’s common stock (such shares are referred to hereinafter as the “**Shares**”), which Shares shall be subject to the restrictions set forth herein. Upon the execution of this Agreement, the Shares shall be registered on the books of the Company setting forth the restrictions listed herein, and the Company shall cause the transfer agent and registrar of its common stock to issue one or more certificates in Executive’s name evidencing the Shares (or issued via book entry on the records of the Company’s transfer agent and registrar). The stock certificate for the Shares shall bear a legend in substantially the following form:

The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the 2019 Equity Incentive Plan of Allied Esports Entertainment, Inc. (the “**Company**”), and an agreement entered into between the registered owner and the Company. A copy of the 2019 Equity Incentive Plan and the agreement is on file in the office of the secretary of the Company.

Executive shall deposit with the Company the stock certificate evidencing the Shares, together with a stock power endorsed in blank by Executive attached as Exhibit A, to be held by the Company until such time as the restrictions set forth herein and under the Plan have lapsed pursuant to Section 4 of this Agreement.

- 2. Vesting Schedule. All of the Shares will vest on the earlier of (such earliest date, the “**Vesting Date**”):
 - (a) The Company terminates Executive’s employment with the Company without Cause (as defined in any employment agreement between the Company and Executive);

(b) The Executive terminates Executive's employment with the Company for Good Reason (as defined in any employment agreement between the Company and Executive); or

(c) first anniversary of the effective date of this Agreement.

3. Rights of Executive. Upon the execution of this Agreement and issuance of Shares, Executive shall become a stockholder of the Company with respect to the Shares and shall have all of the rights of a holder of common stock with respect to the Shares, including the right to vote the Shares and to receive all dividends and other distributions paid with respect to the Shares; *provided, however*, that prior to the Vesting Date the Shares shall be subject to the restrictions set forth in Section 4 of this Agreement and Section 7 of the Plan.

Notwithstanding the preceding paragraph, the Company's Board of Executives may, in its discretion, instruct the Company to withhold any stock dividends accrued or stock splits issued on or with respect to the Shares prior to the Vesting Date ("**Retained Distributions**"), which Retained Distributions shall also be subject to the restrictions provided for in Section 4 of this Agreement until the Vesting Date.

4. Restrictions. Executive agrees that, at all times prior to the Vesting Date:

(a) Executive shall not sell, transfer, pledge, hypothecate or otherwise encumber any Shares or Retained Distributions;

(b) In the event the Executive's employment with the Company is terminated (for any reason or no reason), and no Vesting Date occurs as a result of such termination, then Executive shall, for no consideration, forfeit and transfer to the Company all Shares and forfeit all Retained Distributions; and

(c) In the event Executive breaches any of the terms, conditions, or restrictions in this Agreement, then Executive shall, for no consideration, forfeit and transfer to the Company all Shares and forfeit all Retained Distributions.

5. Lapse of Restrictions. The restrictions with respect to the Shares set forth in Section 4 shall lapse on the Vesting Date. Upon request of Executive at any time after the date that the restrictions set forth in Section 4 of this Agreement have lapsed with respect to the Shares, and such Shares have become vested, free and clear of all restrictions, except as provided in the Plan, the Company shall remove any restrictive notations placed on the books of the Company and the Stock Certificate(s) in connection with such restrictions.

5. Copy of the Plan. By the execution of this Agreement, Executive acknowledges receipt of a copy of the Plan, the terms of which are hereby incorporated herein by reference and made a part hereof by reference as if set forth in full.

6. Change of Control. In the event of a Change of Control, as defined in the Plan, the provisions of the Plan shall control any additional rights or restrictions on the Shares or the vesting thereof.

7. Continuation of Employment. Nothing contained in this Agreement shall be deemed to grant Executive any right to continue in the employ of the Company or its affiliates for any period of time or to any right to continue his or her present or any other rate of compensation, nor shall this Agreement be construed as giving Executive, Executive's beneficiaries or any other person any equity or interests of any kind in the assets of the Company or creating a trust of any kind or a fiduciary relationship of any kind between the Company and any such person.

8. Withholding of Tax. To the extent that the receipt of the Shares or the lapse of any restrictions thereon results in income to Executive for federal or state income tax purposes, Executive shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money as the Company may require to meet its withholding obligation under applicable tax laws or regulations, and, if Executive fails to do so, the Company is authorized to withhold from any cash or stock remuneration then or thereafter payable to Executive any tax required to be withheld by reason of such resulting compensation income; provided, however, that unless payment in full of such amount is received by the Company on or prior to the date on which the amount of tax to be withheld shall be determined ("**Tax Date**"), Executive shall be deemed to have irrevocably elected to satisfy such payment obligation by electing to have the Company withhold from the distribution of Shares upon the lapse of restrictions thereon such number of Shares having a value up to the minimum amount of withholding taxes required to be collected on the transaction. The value of the shares to be withheld shall be based on the fair market value of the common stock on the Tax Date.

9. Section 83(b) Election. Executive understands that Executive shall be responsible for his own federal, state, local or foreign tax liability and any of his other tax consequences that may arise as a result of transactions in the Shares. Executive shall rely solely on the determinations of Executive's tax advisors or Executive's own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters. Executive understands that Section 83 of the Internal Revenue Code of 1986, as amended (the "**Code**"), taxes as ordinary income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any restrictions on the Shares lapse. Executive understands that Executive may elect to be taxed at the time the Shares are received rather than when and as the restrictions on the Shares lapse or expire by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days from the date of the acquisition of the Shares. If Executive files an election under Section 83(b) of the Code, such election shall contain all information required under the applicable treasury regulation(s) and Executive shall deliver a copy of such election to the Company contemporaneously with filing such election with the Internal Revenue Service. EXECUTIVE ACKNOWLEDGES THAT IT IS EXECUTIVE'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(B) OF THE CODE, EVEN IF EXECUTIVE REQUESTS THAT THE COMPANY OR ITS REPRESENTATIVES MAKE THIS FILING ON EXECUTIVE'S BEHALF.

10. General. This Agreement may be amended only by a written agreement executed by the Company and Executive. This Agreement embodies the entire agreement made between the parties hereto with respect to matters covered herein. To the extent any provision of this Agreement conflicts with the terms of any other agreement, this Agreement shall control. Nothing herein expressed or implied is intended or shall be construed as conferring upon or giving to any person or entity other than the parties hereto, any rights or benefits under or by reason of this Agreement. Each party hereto agrees to execute such further documents as may be necessary or desirable to effect the purposes of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. This Agreement, in its interpretation and effect, shall be governed by the laws of the State of Delaware applicable to contracts executed and to be performed therein. This Agreement shall be governed by the internal laws of the State of Delaware, without regard to any conflict of laws principles. In the event of a breach or threatened breach by Executive of any provision hereof, Executive hereby consents and agrees that the Company may seek, in addition to other available remedies, injunctive or other equitable relief from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security.

[Signature Page Follows]

In Witness Whereof, the parties have executed this Agreement to be effective as of the date first set forth above.

COMPANY:

EXECUTIVE:

ALLIED ESPORTS ENTERTAINMENT, INC.:

By: _____
Name: _____
Its: _____

Name: _____, *Individually*

EXHIBIT A
STOCK POWER

FOR VALUE RECEIVED, the undersigned does hereby assign, sell and transfer unto Allied Esports Entertainment, Inc., a Delaware corporation (the "Corporation"), an aggregate of [●] shares of Common Stock of the Corporation, represented by Certificate No. _____ enclosed herewith (or issued via book entry on the records of the Corporation's transfer agent) (the "Stock"), legally and beneficially owned by the undersigned and standing in the name of the undersigned on the Corporation's books and records. The undersigned hereby irrevocably appoints each of the officers of the Company, as the undersigned's true and lawful attorney-in-fact to transfer the Stock on the Corporation's books and records, with full power of substitution in the premises.

Dated, effective and delivered as of September 20, 2019.

Name: _____, *Individually*

**ALLIED ESPORTS ENTERTAINMENT, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT**

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (“**Agreement**”) is made and entered into as of **September 20, 2019** (the “**Execution Date**”), by and between **Allied Esports Entertainment, Inc.**, a Delaware corporation (the “**Company**”), and _____ (“**Director**”).

Background

- A. Director is a member of the Board of Directors of the Company (the “**Board**”);
- B. The Company has adopted the 2019 Equity Incentive Plan (the “**Plan**”) under which shares of common stock of the Company have been reserved for issuance;
- C. As consideration for Director serving on the Board, the Company agrees to issue Director non-qualified stock options as defined herein; and
- D. Director and the Company desire to enter into this Agreement for the granting of non-qualified stock options as described in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Incorporation by Reference. The terms and conditions of the Plan are hereby incorporated herein and made a part hereof by reference as if set forth in full. In the event of any conflict or inconsistency between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall govern and control.

2. Grant of Option; Purchase Price. Subject to the terms and conditions of this Agreement and the Plan, the Company hereby grants from the Plan to Director the right and option (the “**Option**”) to purchase all or any part of an aggregate of 40,000 shares of common stock, \$0.0001 par value per share, of the Company (the “**Shares**”), at a purchase price per Share equal to **USD \$5.66**, which price is intended to be at least 100% of the fair market value of the Company’s common stock on the grant date (determined in accordance with the Company’s procedures for calculating such fair market value). Each exercise of all or a portion of the Option shall be executed only upon Director’s completion of the Non-Qualified Stock Option Exercise Form attached hereto (the “**Exercise Form**”) and full payment of the exercise price as identified on the Exercise Form.

3. Exercise and Vesting of Option. The Option shall be exercisable only to the extent that all, or any portion thereof, has vested in Director. Except as provided in paragraph 4, the Option shall vest in Director and become exercisable as follows: TWENTY-FIVE PERCENT (25%) of the Shares shall vest on each annual anniversary of the Execution Date until all Shares have vested on the four-year anniversary of the Execution Date.

4. Termination of Relationship with the Company. If Director shall cease to be a director of the Company (for any reason or no reason, and regardless of whether the termination is voluntary or involuntary on the part of Director) prior to complete vesting of the Option, then the unvested remainder of the Option shall terminate, and any rights thereunder (including, without limitation, unvested Shares) shall be forfeited by Director.

5 . Term of Option. Except as otherwise provided in this Agreement, the Option shall be exercisable for ten years from the date of this Agreement;*provided, however:*

(a) If Director's directorship is terminated by reason of death, the legal representative of Director's estate shall have one year from the date of Director's death, or, if earlier, upon the expiration date of the Option as set forth above, to exercise any part of the vested Option, after which time, any portion of the Option remaining unexercised shall terminate;

(b) If Director's directorship is terminated by reason of Disability (as defined in the Plan), Director shall have one year from the date of termination, or, if earlier, upon the expiration date of the Option as set forth above, to exercise any part of the vested Option, after which time, any portion of the Option remaining unexercised shall terminate;

(c) Subject to Section 12.3 of the Plan, if Director is an employee of the Company and Director's employment and directorship is terminated by Normal Retirement (as defined in the Plan), the Director shall have one year from the date of Director's Normal Retirement, or, if earlier, upon the expiration date of the Option as set forth above, to exercise any part of the vested Option, after which time, any portion of the Option remaining unexercised shall terminate; and

(d) If Director's directorship is terminated for any other reason, Director or his/her legal representative shall have 90 days from the date of such termination, or, if earlier, upon the expiration date of the Option as set forth above, to exercise any part of the vested Option, after which time, any portion of the Option remaining unexercised shall terminate;

6 . Rights of Option Holder. Director, as holder of the Option, shall not have any of the rights of a shareholder with respect to the Shares covered by the Option except to the extent that one or more certificates for such Shares shall be delivered to him or her upon the due exercise of all or any part of the Option (or, if applicable, Shares have been recorded as book entries in the corporate records of the Company). Nothing contained in this Agreement shall be deemed to grant Director any right to continue as an employee, consultant or director of the Company for any period of time or any right to continue his or her present or any other rate of compensation, nor shall this Agreement be construed as giving Director, Director's beneficiaries or any other person any equity or interests of any kind in the assets of the Company or creating a trust of any kind or a fiduciary relationship of any kind between the Company and any such person.

7. Transferability. With respect to any unvested portion of the Option, Director shall not sell, transfer, pledge, hypothecate or otherwise encumber the Option, or any unvested Shares thereunder.

8 . Director Representations. Director hereby represents and warrants that Director has reviewed with his or her own tax advisors the federal, state, and local tax consequences of the transactions contemplated by this Agreement. Director is relying solely on such advisors and not on any statements or representation of the Company or any of its agents. Director understands that he or she will be solely responsible for any tax liability that may result to him or her as a result of the transactions contemplated by this Agreement. The Option, if exercised, will be exercised for investment and not with a view to the sale or distribution of the Shares to be received upon exercise thereof.

9. Notices. All notices and other communications provided in this Agreement will be in writing and will be deemed to have been duly given when received by the party to whom it is directed at the addresses indicated on the signature page of this Agreement, or any other address that the recipient party provides to the other party in writing.

10. General.

(a) The Option is granted pursuant to the Plan and is governed by the terms thereof. The Company shall at all times during the term of the Option reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Option Agreement.

(b) This Agreement may be amended only by a written agreement executed by the Company and Director.

(c) This Agreement and the Plan embody the entire agreement made between the parties hereto with respect to matters covered herein and shall not be modified except in accordance with paragraph 10(b) of this Agreement.

(d) Nothing herein expressed or implied is intended or shall be construed as conferring upon or giving to any person, firm, or corporation other than the parties hereto, any rights or benefits under or by reason of this Agreement.

(e) Each party hereto agrees to execute such further documents as may be necessary or desirable to effect the purposes of this Agreement.

(f) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

(g) This Agreement, in its interpretation and effect, shall be governed by the laws of the State of Delaware applicable to contracts executed and to be performed therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Execution Date.

ADDRESS FOR NOTICE

Allied Esports Entertainment, Inc.
Attn: Allison Hushek, General Counsel
17877 Von Karman Ave, Suite 300
Irvine, CA 92614

PARTY

Director:

Name: _____

ALLIED ESPORTS ENTERTAINMENT, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

**ALLIED ESPORTS ENTERTAINMENT, INC.
2019 EQUITY INCENTIVE PLAN**

NON-QUALIFIED STOCK OPTION EXERCISE FORM

(To be signed only upon exercise of stock option)

Pursuant to that certain Non-Qualified Stock Option Agreement dated as of September 20, 2019 (the "**Option Agreement**"), the undersigned is the holder of an option (the "**Option**") to purchase 40,000 shares of common stock, par value \$0.0001 per share (the "**Common Stock**"), of Allied Esports Entertainment, Inc., a Delaware corporation (the "**Company**"), at a purchase price of \$5.66 per share. In accordance with the terms of the Option Agreement, the undersigned hereby irrevocably elects to exercise the Option with respect to _____ shares of Common Stock and to purchase such shares from the Company, and herewith makes payment of \$ _____ therefor:

- by cash, uncertified or certified check or bank draft;
- by delivery of shares of Common Stock (if permitted by the Committee or Board) or
- by instructing the Company to withhold from the shares issuable upon exercise of the Option shares of Common Stock in payment of \$ _____ of the exercise price (and/or any related withholding tax obligations, if permissible under applicable law).
- by combination of the above

The undersigned requests that the certificate(s) for such shares be issued in the name of _____, and be delivered to _____, whose address is set forth below the signature of the undersigned.

Dated: _____

(Signature)

(Address)

(Social Security or other Tax ID No.)

**ALLIED ESPORTS ENTERTAINMENT, INC.
RESTRICTED STOCK AGREEMENT**

THIS RESTRICTED STOCK AGREEMENT (“**Agreement**”) made effective as of September 20, 2019, is by and between Allied Esports Entertainment, Inc., a Delaware corporation (the “**Company**”), and _____ (“**Director**”).

BACKGROUND

- A. The Company desires to induce Director to continue to serve the Company and/or its affiliates;
- B. The Company has adopted the 2019 Equity Incentive Plan (the “**Plan**”), pursuant to which restricted stock, among other things, may be granted or issued by the Board of Directors of the Company, or the committee of the Board of Directors established to administer the Plan;
- C. The Company desires that restricted stock of the Company be issued to Director under the Plan, subject to the restrictions herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Stock. Subject to the terms and provisions of this Agreement, the Company hereby grants to Director three thousand five hundred thirty-four (3,534) shares of the Company’s common stock (such shares are referred to hereinafter as the “**Shares**”), which Shares shall be subject to the restrictions set forth herein. Upon the execution of this Agreement, the Shares shall be registered on the books of the Company setting forth the restrictions listed herein, and the Company shall cause the transfer agent and registrar of its common stock to issue one or more certificates in Director’s name evidencing the Shares (or issued via book entry on the records of the Company’s transfer agent and registrar). The stock certificate for the Shares shall bear a legend in substantially the following form:

The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the 2019 Equity Incentive Plan of Allied Esports Entertainment, Inc. (the “**Company**”), and an agreement entered into between the registered owner and the Company. A copy of the 2019 Equity Incentive Plan and the agreement is on file in the office of the secretary of the Company.

Director shall deposit with the Company the stock certificate evidencing the Shares, together with a stock power endorsed in blank by Director attached as Exhibit A, to be held by the Company until such time as the restrictions set forth herein and under the Plan have lapsed pursuant to Section 4 of this Agreement.

2. Vesting Schedule. All of the Shares will vest on the first anniversary of the effective date of this Agreement (the “**Vesting Date**”).

3. Rights of Director. Upon the execution of this Agreement and issuance of Shares, Director shall become a stockholder of the Company with respect to the Shares and shall have all of the rights of a holder of common stock with respect to the Shares, including the right to vote the Shares and to receive all dividends and other distributions paid with respect to the Shares; *provided, however*, that prior to the Vesting Date the Shares shall be subject to the restrictions set forth in Section 4 of this Agreement and Section 7 of the Plan.

Notwithstanding the preceding paragraph, the Company's Board of Directors may, in its discretion, instruct the Company to withhold any stock dividends accrued or stock splits issued on or with respect to the Shares prior to the Vesting Date ("**Retained Distributions**"), which Retained Distributions shall also be subject to the restrictions provided for in Section 4 of this Agreement until the Vesting Date.

4. Restrictions. Director agrees that, at all times prior to the Vesting Date:

(a) Director shall not sell, transfer, pledge, hypothecate or otherwise encumber any Shares or Retained Distributions;

(b) In the event the Director no longer serves as a director on the Company's Board of Directors (for any reason or no reason, and regardless of whether such termination is voluntary or involuntary on the part of Director), then Director shall, for no consideration, forfeit and transfer to the Company all Shares and forfeit all Retained Distributions; and

(c) In the event Director breaches any of the terms, conditions, or restrictions in this Agreement, then Director shall, for no consideration, forfeit and transfer to the Company all Shares and forfeit all Retained Distributions.

5. Lapse of Restrictions. The restrictions with respect to the Shares set forth in Section 4 shall lapse on the Vesting Date. Upon request of Director at any time after the date that the restrictions set forth in Section 4 of this Agreement have lapsed with respect to the Shares, and such Shares have become vested, free and clear of all restrictions, except as provided in the Plan, the Company shall remove any restrictive notations placed on the books of the Company and the Stock Certificate(s) in connection with such restrictions.

6. Copy of the Plan. By the execution of this Agreement, Director acknowledges receipt of a copy of the Plan, the terms of which are hereby incorporated herein by reference and made a part hereof by reference as if set forth in full.

7. Change of Control. In the event of a Change of Control, as defined in the Plan, the provisions of the Plan shall control any additional rights or restrictions on the Shares or the vesting thereof.

8. Continuation of Employment. Nothing contained in this Agreement shall be deemed to grant Director any right to continue in the employ of the Company or its affiliates for any period of time or to any right to continue his or her present or any other rate of compensation, nor shall this Agreement be construed as giving Director, Director's beneficiaries or any other person any equity or interests of any kind in the assets of the Company or creating a trust of any kind or a fiduciary relationship of any kind between the Company and any such person.

9. Withholding of Tax. To the extent that the receipt of the Shares or the lapse of any restrictions thereon results in income to Director for federal or state income tax purposes, Director shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money as the Company may require to meet its withholding obligation under applicable tax laws or regulations, and, if Director fails to do so, the Company is authorized to withhold from any cash or stock remuneration then or thereafter payable to Director any tax required to be withheld by reason of such resulting compensation income; provided, however, that unless payment in full of such amount is received by the Company on or prior to the date on which the amount of tax to be withheld shall be determined ("**Tax Date**"), Director shall be deemed to have irrevocably elected to satisfy such payment obligation by electing to have the Company withhold from the distribution of Shares upon the lapse of restrictions thereon such number of Shares having a value up to the minimum amount of withholding taxes required to be collected on the transaction. The value of the shares to be withheld shall be based on the fair market value of the common stock on the Tax Date.

10. Section 83(b) Election. Director understands that Director shall be responsible for his own federal, state, local or foreign tax liability and any of his other tax consequences that may arise as a result of transactions in the Shares. Director shall rely solely on the determinations of Director's tax advisors or Director's own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters. Director understands that Section 83 of the Internal Revenue Code of 1986, as amended (the "**Code**"), taxes as ordinary income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any restrictions on the Shares lapse. Director understands that Director may elect to be taxed at the time the Shares are received rather than when and as the restrictions on the Shares lapse or expire by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days from the date of the acquisition of the Shares. If Director files an election under Section 83(b) of the Code, such election shall contain all information required under the applicable treasury regulation(s) and Director shall deliver a copy of such election to the Company contemporaneously with filing such election with the Internal Revenue Service. DIRECTOR ACKNOWLEDGES THAT IT IS DIRECTOR'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(B) OF THE CODE, EVEN IF DIRECTOR REQUESTS THAT THE COMPANY OR ITS REPRESENTATIVES MAKE THIS FILING ON DIRECTOR'S BEHALF.

11. General. This Agreement may be amended only by a written agreement executed by the Company and Director. This Agreement embodies the entire agreement made between the parties hereto with respect to matters covered herein. To the extent any provision of this Agreement conflicts with the terms of any other agreement, this Agreement shall control. Nothing herein expressed or implied is intended or shall be construed as conferring upon or giving to any person or entity other than the parties hereto, any rights or benefits under or by reason of this Agreement. Each party hereto agrees to execute such further documents as may be necessary or desirable to effect the purposes of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. This Agreement, in its interpretation and effect, shall be governed by the laws of the State of Delaware applicable to contracts executed and to be performed therein. This Agreement shall be governed by the internal laws of the State of Delaware, without regard to any conflict of laws principles. In the event of a breach or threatened breach by Director of any provision hereof, Director hereby consents and agrees that the Company may seek, in addition to other available remedies, injunctive or other equitable relief from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security.

[Signature Page Follows]

In Witness Whereof, the parties have executed this Agreement to be effective as of the date first set forth above.

COMPANY:

DIRECTOR:

ALLIED ESPORTS ENTERTAINMENT, INC.:

By: _____
Name: _____
Its: _____

Name: _____, *Individually*

EXHIBIT A
STOCK POWER

FOR VALUE RECEIVED, the undersigned does hereby assign, sell and transfer unto Allied Esports Entertainment, Inc., a Delaware corporation (the "Corporation"), an aggregate of three thousand five hundred thirty-four (3,534) shares of Common Stock of the Corporation, represented by Certificate No. _____ enclosed herewith (or issued via book entry on the records of the Corporation's transfer agent) (the "Stock"), legally and beneficially owned by the undersigned and standing in the name of the undersigned on the Corporation's books and records. The undersigned hereby irrevocably appoints each of the officers of the Company, as the undersigned's true and lawful attorney-in-fact to transfer the Stock on the Corporation's books and records, with full power of substitution in the premises.

Dated, effective and delivered as of September 20, 2019.

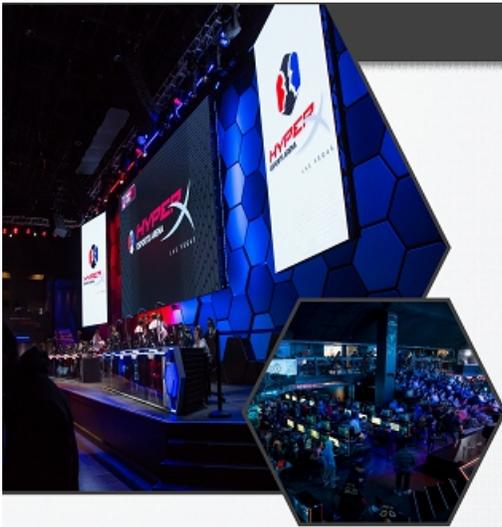
Name: _____, *Individually*

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 (available at https://www.sec.gov/Archives/edgar/data/1708341/000168316819001882/brac_defm14a.htm). Neither Allied Esports Entertainment, Inc. (f/k/a Black Ridge Acquisition Corp.) nor any of their respective subsidiaries or affiliates (collectively, the "Company") makes any representation or warranty as to the accuracy or completeness of the information contained in this presentation.

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.



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**.

Allied Esports assists companies wanting to reach the valuable esports audience through the promotion of its own live venue experiences; generation of world-wide content; and by providing players a path for engaging directly with global influencers in competitive, high profile live and virtual events that bring together fans and players from around the world. The owner of the industry's most well-recognized physical esports location, the **HyperX Esports Arena Las Vegas** in MGM Resort's Luxor Hotel, the company hosts some of the world's most compelling esports events as it collaborates with publishers, platforms and high impact influencers.

Through strategic investment and commercial agreements with partners like **Simon Property Group** and **TV Azteca**, the company aims to provide the infrastructure and comprehensive IP content and operation execution for partners with sufficient resources and highly unique positions which allow them to reach the massive gaming communities (such as media, malls, merchandise and gaming). These strategic alliances create a powerful ecology for AESE that grows stronger as the model is replicated world wide and additional partners are incorporated.

The World Poker Tour has been the leading name in quality, international tournament poker for the past 18 years. Providing inspiration of the three pillar strategy now employed by Allied Esports, the WPT hosts more than 65 poker events worldwide, produces television content reaching more than 200 million people annually and employs various online monetization including its strategic partnership with **Zynga**, its own **ClubWPT** products, **WPTGO** and **PlayWPT**. The Tour has awarded far in excess of one billion dollars in prize money since its inception. The WPT Champions Cup remains one of the most sought after titles in all of poker and the tour attracts both the most well-known professionals as well as amateurs in the six 6 continents in which it operates. The company attracts high end global sponsors such as **Hublot** and **Baccarat Crystal** as it promotes both competition and lifestyle through a valuable targeted database of customers and its talent and brand footprint.

- 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⁽¹⁾⁽²⁾
- Business Highlights**
 - AESE consists of Allied Esports and the World Poker Tour
 - 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 Twitch Prime Crown Cup
 - WPT Season XVII featured more than 60 global events

Pro Forma Ownership ⁽¹⁾	Shares	% Outstanding
Seller (Ourgame)	12.0	51.9%
Other Shareholders	5.3	22.8%
Employees	3.1	13.6%
BRAC Founders	2.7	11.7%
Total	23.1	100.0%

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



Notable Partners



(1) Excludes \$50mm 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



1 In-Person Experiences



2 Multiplatform Content



3 Interactive Services

At the heart of AESE's operating method is a powerful and proven business model — The Three Pillar System. As refined by the World Poker Tour over its 18-year history and equally applicable to the massive esports community, AESE's business approach can be summarized as:

- 1) In-Person Experiences** - The creation of engaging live events catered to a dedicated fan and player base
- 2) Multiplatform Content** - The development of proprietary content that promotes the first pillar while exponentially expanding its customer base
- 3) Interactive Services** - The monetization of the ecology through online products and services.

The result is a business with multiple revenue streams and an enhanced competitive edge as each pillar supports the other and its first mover advantage is further solidified by its brand reinforcement.



Owned & Operated Assets



AESE seeks to establish itself as the leader in a few key dedicated areas of the esports market. Instead of focusing on the development of teams or game publishing, AESE's focus is to provide the infrastructure to create premier esports entertainment. Recognizing that the key to longer term monetization is the creation of an ecology that keeps its fans and players engaged and provides unique products and services under the Allied banner, the company has developed key relationships in media and encounter-based locations with world-class partnerships that bring a competitive moat to their field.

By leveraging the AESE brand, its flagship arenas and fleet of mobile arenas, these assets allow it to offer truly singular offerings to our consumer base. Moreover, one of the advantages of the AESE approach is that instead of being competitive with the major players in other areas of the esports market (such as game publishers and distributors), the company's instinctive power to mobilize an audience makes it an ideal affiliate fostering even greater collaboration. The recent strong interests of strategic partners has allowed the company to leapfrog over many of the building obstacles originally anticipated and has given the company a more streamline focus which will allow it to achieve its goals faster with less heavy capital outlay.



At the heart of the AESE network and ecology are its owned and operated assets. Starting with the flagship **HyperX Esports Arena**, at MGM Resort's Luxor Hotel, Allied has become the physical symbol of esports for millions of players and fans around the world. More than just a venue, the esports arena was the first 24/7 broadcast television studio and competitive arena and spectator encounter center of its kind in the world. As one of the most prominent signs fixed on the Luxor Hotel when one flies into Las Vegas, the Arena has played host to the biggest names in esports and gaming such as Ninja, TSM Myth, FaZe Clan, and Fnatic.

The Arena has the ability to host multiple shows and can accommodate more than a 1,000 person audience. Publishers such as Riot Games, Capcom and Nintendo have worked with AESE to use the space as well as other collaborations such as the Allied Esports Rainbow Six Siege Vegas Minor with Ubisoft. Furthermore, the grandeur and efficiencies of having a full working studio have resulted in our successful decision last year to tape all WPT final tables at the HyperX Esports Arena.

The arena also allows AESE to create Pillar 2 programming that can be immediately sent to affiliates such as TV Azteca and other regional partners we anticipate in the future, all while promoting the Allied Esports brand and providing high value sponsorship opportunities for companies who wish to reach the esports and gaming demographics.

Another unique development of Allied Esports' property division is its fleet of mobile esports trucks. These massive 18-wheel semi trucks allow Allied to hold esports events and produce content virtually anywhere in the US or Europe. Extremely popular with partners, they have appeared at the Super Bowl, NASCAR races, music festivals and E3. Combined with the HyperX Esports Arena our owned and operated assets provide a comprehensive infrastructure for the development of esports entertainment.

Revenues from AESE's owned and operated assets have seen double digit growth as the popularity of HyperX Esports Arena continues to spread. The sources are Gaming, Sponsorship (such as the Las Vegas arena's naming rights sponsor **HyperX** and other brands associating with our pillar 2 content), food and beverage, merchandise and venue rentals. Because of the iconic nature of the facility and AESE's complimentary business model to other pillars of the esports industry, the facility has been used by most all major publishers and organizations such as the NBA and National Hockey League. Similarly the rental of the mobile arenas have continued to increase significantly.

While these revenues are important to our business, each work to reinforce and enhance the Allied brands, which in turn creates a more sticky ecology for the lifetime value of our long term customers.



LEAGUE OF LEGENDS
ALL STARS 2018



CAPCOM CUP
2018 & 2019



NHL WORLD GAMING
CHAMPIONSHIP 2018 & 2019



NBA 2K: THE TURN
2019



NINJA VEGAS '18



PLAYTIME WITH KITTYPLAYS



HyperX Esports Arena Las Vegas

AESE will continue to organize and host the most engaging esports events in Las Vegas in order to grow business to consumer revenue streams and leverage our prominent position as the world's premier esports venue to continue to attract the most high profile esports events and productions.



HyperX Esports Trucks

AESE will increase the frequency by which we deploy and monetize our truck assets by targeting industries beyond gaming and esports including music festivals and sporting events.



AESE seeks to be the undisputed industry leader in the current trend of migration of malls into experiential centers as related to gaming and esports. In one of its first major partnerships, AESE has announced it has partnered with Simon Property Group, a leading mall operator. In addition to being one of AESE'S largest corporate shareholders, Simon has entered into a commercial agreement with AESE to develop a two pronged approach consisting of dedicated on-mall esports venues and a series of consistent tournaments and on-mall festivals at Simon malls and in conjunction with AESE'S fleet of mobile esports trucks. This Pillar One focus will capitalize on mall traffic as well as AESE'S ability to drive consumers to permanent physical themed locations with already-ideal infrastructure for gathering for esports play. Like the flagship venues, revenues come from gaming, rentals, merchandise and food & beverage. However, because of the size and premier location of the venues sponsorship revenues are also possible by licensing title right to theme-games (which promotes publisher IP) as well as traditional sponsorship. AESE will retain 100% of revenues in exchange for a reduced lease operation within the malls.

Having permanent venues and a captured market of foot traffic and retail sales partner network, the partnership allows AESE to also create specialized, localized and proprietary IP such as the first of its kind **Simon Cup** — a seasonal tournament series that engages the regional markets through high profile competitive achievement and gaming festivals while combining incentives that pull from the vast retail network of Simon's mall tenants. The Simon Cup combines the full power of AESE'S ability to create compelling IP and mobilize its esports consumer base, with the power of an infrastructure that only the largest mall chains in America can provide. Regularly scheduled tournaments are promoted throughout the malls and are played online to capture the largest regional audience playing down to one of several Simon playoff locations and utilizing AESE'S fleet of mobile esports trucks. Compelling content is created not only from the game play and festival footage but from ancillary events such as the winner's timed shopping spree at Simon locations. As a tenant of Pillar Two, the content around these prestigious esports events serves to promote the tournaments and greatly expand the reach of the consumer base. Revenues are made from Pillar One onsite activities, Pillar Two sponsorships and Pillar Three online tournament fees and other Pillar three monetization methods. These revenues operate on a revenue share basis with Simon Property Group.



On-Mall Venues

AESE's property team is in the final site selection process for Simon and Allied's first on-mall esports venue. The locations will be targeting 8-10,000 square feet of space located in entertainment areas at high traffic malls with offerings that align with our core customer. Key to AESE's ability to leverage the infrastructure we plan for these venues is the use of mall common areas for larger events that AESE produces for pillar 2 content or for publisher and partner rentals.

We plan to open our first on-mall venue in 2020.



Simon Cup

AESE's first Simon Cup season will kick off this fall with online and on-mall qualifiers leading to a Las Vegas Final and Grand Prize \$50,000 Simon Mall Shopping Spree. AESE will deploy an influencer-based marketing campaign as well as an on-mall marketing campaign in 13 regionally relevant malls as AESE builds toward the on-mall gaming and esports festivals.

Following the successful completion of Season 1 AESE plans to launch a further expanded Season 2 that will take place in more properties across the U.S.



DIGITAL CHANNEL & CONTENT

TV Azteca is the #1 sports network in Latin America and #2 global provider of Spanish-language content. TV Azteca's massive broadcast television footprint, bundled cable services, sporting arenas, and Electra stores provide a very structured avenue for Allied Esports to gain scalability quickly in the Latin America market.

A large scale media partner creates a powerful competitive advantage in accelerating the Three Pillar model. As a shareholder and commercial partner, TV Azteca provides unmatched strategic advantage in Latin America – one of the fastest growing markets in esports – and in the joint rollout of a 24/7 digital esports channel.

Under AESE's agreement with TV Azteca, the companies will develop a 24/7 dedicated digital esports channel to broadcast original, co-produced, and licensed programming that will consist of live events, episodic content, and archived segments, as well as news and cross-over content. The channel will provide a hub for players under the combined brands of Allied and TV Azteca, and the companies have already begun to build an esports audience through successful co-produced programming. The digital esports channel, developed over the next 24 months, will provide an important platform for the production, co-production, and content aggregation efforts that will provide the basis for programmatic revenues from ads, sponsorships and distribution of shows individually and in blocks.

The unparalleled effect of TV Azteca's market power is exemplified also by the launch of localized programming of the World Poker Tour television series in the market on its free-to-air Channel 7. Since the initial airings in August 2019, WPT has already seen a record 3 million people tuning-in to watch a single episode before full marketing, repeat and repeat airing have been scheduled. Utilizing well-known regional talent commentating in Spanish on the US broadcast taped shows, the show is being used to promote the WPTGO online social gaming platform launched in Beta in August. With full scale marketing planned for the fall, this will typify our Third Pillar strategy of monetization online and vastly will improve the scalability and reach of the WPT in the vast Spanish language market.

Revenue streams from AESE's TV Azteca strategic alliance include, Pillar One in-person revenues, fees, merchandise and sponsorship (the latter greatly enhanced by the ability of the company to promote sponsors on a holistic and wide-ranging basis); Pillar Two sponsorship and ad fees from television and streaming content; and Pillar Three subscription revenues, publisher affiliate fees, sponsorship on both the digital platform and WPTGO. All fees related to content and digital channel are on a revenue share basis with TV Azteca.



Allied Esports intends to develop its own online platform where esports players and fans can watch, play and win with other members of the esports community and top esports personalities. The online platform will enable fans to compete against each other as well as participate in esports programs starring their favorite players. 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, such as exclusive online content, member-only tournaments, prizes and cash awards, exclusive live event and merchandise access, exclusive opportunities to be part of our entertainment programming, VIP treatment at Allied Esports' arenas, and much more. As described above, Allied Esports intends to use the authenticity and reach driven by its in-person experiences and content viewership to drive platform adoption by esports fans. Allied Esports Entertainment's executive team has years of experience developing online platforms—its CEO, Frank Ng, has managed and run online platforms with approximately 700 million registered users in China for over 14 years, and its COO, David Moon, has produced, published and operated numerous game services for over 20 years, including helping build NHN Corporation's global footprint to over 1 million concurrent users. Furthermore, WPT has developed and operated its subscription platform for poker fans, ClubWPT, since 2010, and developed and operated a social poker product, PlayWPT, starting in 2016.

Allied Esports will sequentially roll out platform features to support core strategic initiatives with its strategic partners, Simon and TV Azteca. The initial release of the platform will focus on supporting regular programs of esports experiences across Simon's national network of premier mall destinations. The platform will subsequently be released in Mexico in partnership with TV Azteca, to support the participation, viewing, and monetization of esports events and programs, as well as the provision of a 24/7 digital esports entertainment channel.



The WPT has played an instrumental role in the emergence of AESE. From its long standing relationship with MGM, resulting in the launch of HyperX Esports Arena Las Vegas, to its experience in production and distribution, and even its broadcasting of the final tables of the WPT at the HyperX Esports Arena, the companies have been great compliments and have allowed Allied to avoid costly pitfalls as it deploys its model.

The WPT 3 Pillar model starts with over 65 events around the world of various buy-in levels. From high roller events to charity events such as Tiger's Poker Night (benefits the Tiger Woods Foundation), the events serve WPT's most ardent fans and provide a competitive platform for players seeking to compete at the highest levels, including securing their name on one of the most coveted titles in poker – The WPT Champions Cup.

From the many events, WPT creates and distributes hundreds of hours of footage yearly on Fox Sports Net in the US, Channel 7 on TV Azteca in Latin America, and over two dozen broadcasters, reaching more than 200 Million people annually. The show has also proven immensely popular on a number of well distributed online channels. The result of this is a best-in-class brand position that attracts not only the world's greatest players but also world class sponsors.

Such a prolific broadcast footprint allows WPT to deploy a successful Pillar Three online monetization strategy that now accounts for nearly 2/3 of its revenues. Subscription gaming such as ClubWPT, social gaming such as Zynga and PlayWPT and regional online gaming such as WPTGo provide a model that allows WPT's customers to stay in continual contact. And as WPT continues to grow internationally, the ability to deploy its model on a regional basis is a strong tool in gaining scalability.

WPT Global Footprint





Online games offer a way for WPT's customer to stay connected throughout the world 24 hours a day. By leveraging its database, extensive 18-year-old television library of footage and its global distribution footprint social gaming becomes a primary driver of the WPT business.

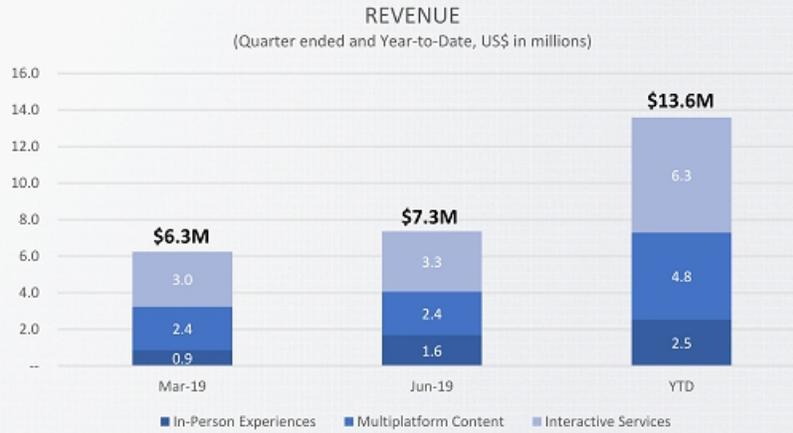
WPT's primary partnership with massive social gaming giant, Zynga Poker, allows its audience to experience WPT competition in a causal environment. Zynga players also enjoyed special invitations to WPT events in Las Vegas where they have competed against some of the largest names in poker.

And WPT has additional offerings, such as ClubWPT.com which offers poker, slots and valuable benefits in addition to real prizes like entrees to WPT events, invitations to the WPT cruise and other in-person talent experiences.

In Latin America, WPT has just launched WPTGO in conjunction with its strategic investment partner, TV Azteca. This poker and social casino site is bolstered by the committed distribution of the WPT television show using notable Latin American talent on Channel 7 — one of the primary free-to-air stations in Mexico.

Other offerings include PlayWPT and soon to be launched, WPTAlpha8, for the asian market which also cater to the high demand for quality online poker experiences that incorporate the WPT brand.

WPT is currently evaluating opportunities to its sports book affiliate strategy as well as real money gaming poker, both which have the potential to be primary revenue drivers of the business in the years to come.



First Half 2019 Highlights:

- WPT revenue totaled \$9.9mm, including \$5.1mm in the quarter ended June 30
- Allied Esports revenue totaled \$3.7mm, including \$2.3mm in the quarter ended June 30
- Allied Esports Q2 2019 revenue up 60% over Q1 2019 and 40% Year-over-Year

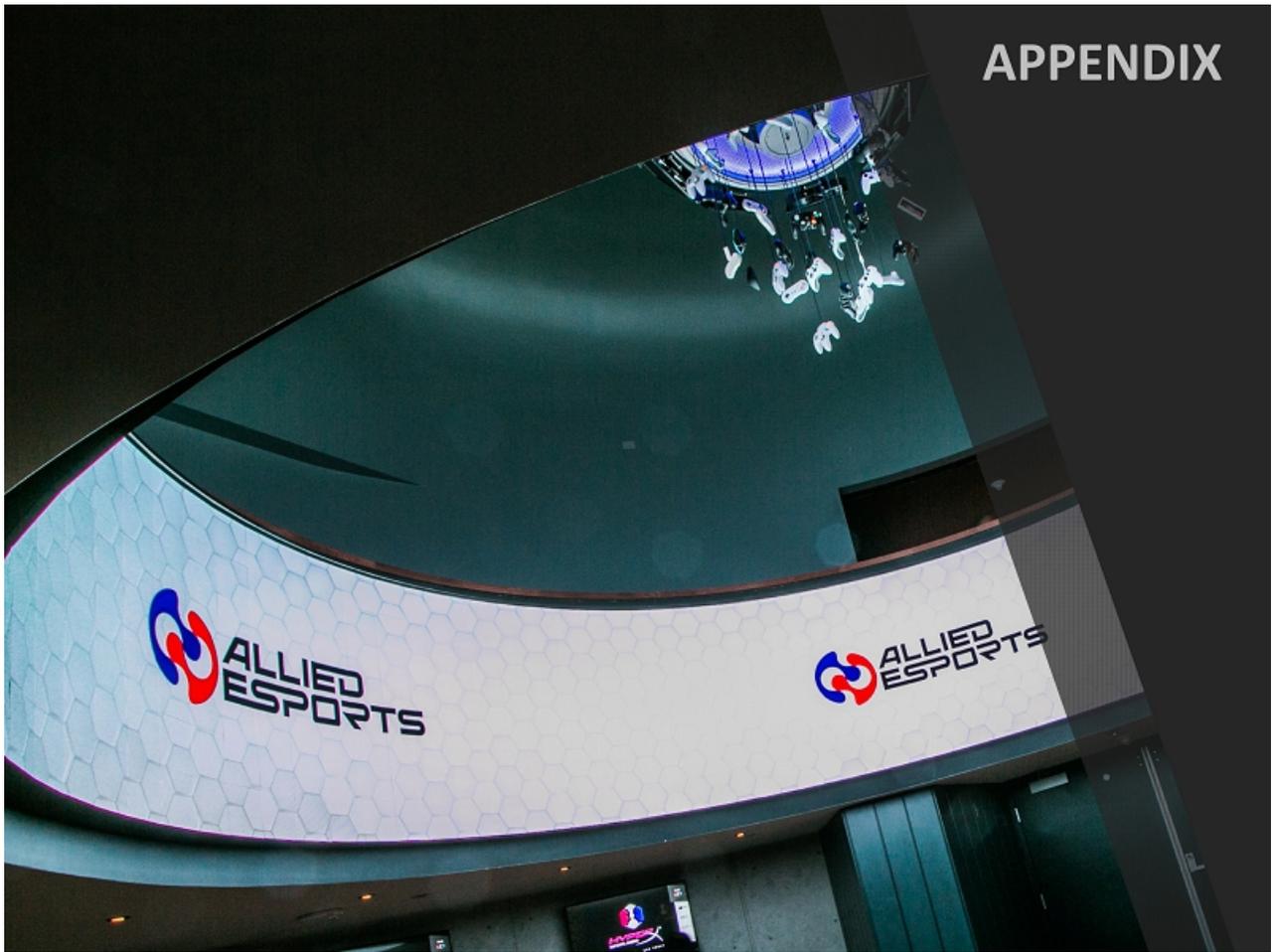
Reconciliation of GAAP Net Loss to Adjusted EBITDA

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

RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA
(in thousands) (unaudited)

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.

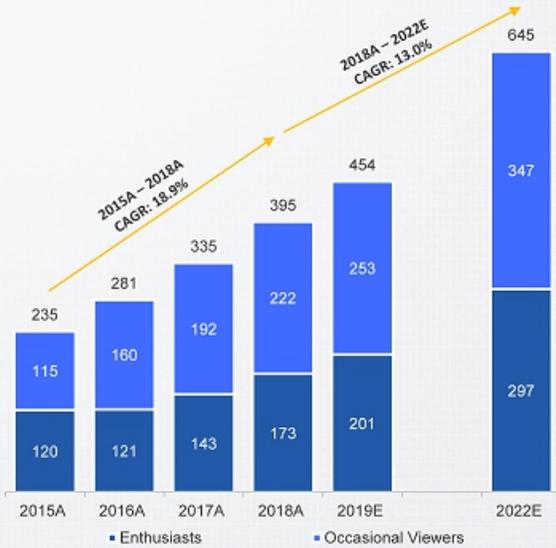
The following table presents a reconciliation of EBITDA and Adjusted EBITDA from net loss, AESE's most directly comparable financial measure calculated and presented in accordance with GAAP.



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

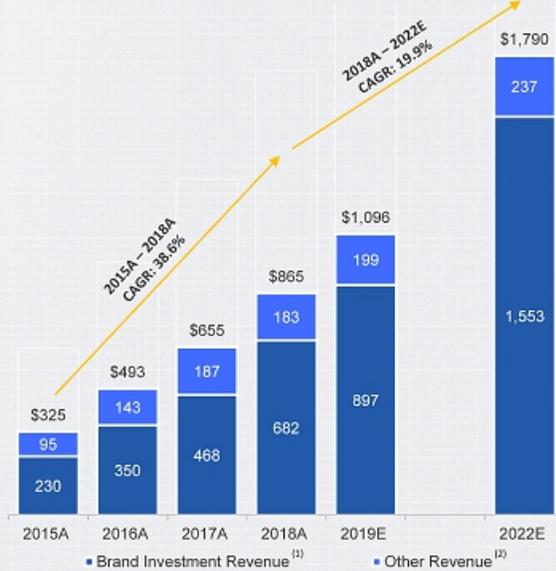
• Global Esports Viewership

(millions)



• Global Esports Revenue

(US\$ millions)



Source: Newzoo.

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

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

AESE's global property network expected to offer opportunity for commercialization and improved monetization

- Esports Momentum vs. Mainstream Sports (2017A Global Viewership and Per Capita Revenue)

