

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

FORM 10-Q

(Mark One)

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

For the fiscal quarter ended March 31, 2024

or

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

For the transition period from to

Commission File Number: 001-41458

**MOBILE GLOBAL ESPORTS INC.**  
(Exact Name of Registrant as Specified in Its Charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation or Organization)	<u>86-2684455</u> (I.R.S. Employer Identification No.)
<u>500 Post Road East Westport, Connecticut</u> (Address of Principal Executive Offices)	<u>06880</u> (Zip Code)

Registrant's telephone number, including area code: **(475) 666-8401**

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.001 par value per share	MGAM	OTC Pink Sheets

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer  Smaller Reporting Company   
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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of May 17, 2024, there were 21,236,503 shares of the registrant's common stock outstanding.

**MOBILE GLOBAL ESPORTS INC.**

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### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements other than statements of historical facts contained in this Quarterly Report may be forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," but are also contained elsewhere in this Quarterly Report. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "should," "expects," "plans," "anticipates," "could," "would," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- Failure of future market acceptance of our mobile esports products and services;
- Increased levels of competition;
- Changes in political, economic or regulatory conditions generally and in the markets in which we operate;
- Our ability to retain and attract senior management and other key employees;
- Our ability to protect our trade secrets or other proprietary rights, operate without infringing upon the proprietary rights of others and prevent others from infringing on the proprietary rights of the Company; and
- Other risks, including those described in the "Risk Factors" discussion.

You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition or future results set forth under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. There have been no material changes from the risk factors previously disclosed therein, except as set in the "Risk Factors" section of this Quarterly Report on Form 10-Q for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. The forward-looking statements in this Quarterly Report are only predictions, and we may not actually achieve the plans, intentions or expectations included in our forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

These forward-looking statements speak only as of the date of this Quarterly Report. While we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

## PART I. FINANCIAL INFORMATION

### Item 1. Condensed Financial Statements

#### MOBILE GLOBAL ESPORTS INC. Condensed Balance Sheets

	Note	March 31, 2024 (unaudited)	December 31, 2023 (audited)
<b>Assets</b>			
Current assets:			
Cash		\$ 2,769,620	\$ 3,174,703
Prepaid expenses		124,820	93,127
Total current assets		2,894,440	3,267,830
Property and equipment, net	3	31,930	29,632
Operating lease right of use asset	4	89,634	103,812
Other long-term assets		19,558	20,070
Total assets		\$ 3,035,562	\$ 3,421,344

#### Liabilities

Current liabilities:

Accounts payable and accrued expenses	5	\$ 329,635	\$ 152,423
Related party payable	6	62,395	-
Operating lease liabilities, current	4	55,965	54,509
Note payable	7	26,300	65,040
Total current liabilities		474,295	271,972
Operating lease liabilities, long term		36,508	52,166
Total liabilities		510,803	324,138
<b>Commitments and contingencies</b>	9		
<b>Stockholders' equity</b>	8		
Preferred stock; \$0.0001 par value; 10,000,000 shares authorized; nil shares issued and outstanding		-	-
Common stock, \$0.0001 par value, 100,000,000 shares authorized, 21,191,593 shares issued and outstanding		2,119	2,119
Additional paid-in capital		11,473,899	11,427,419
Accumulated deficit		(8,940,015)	(8,322,769)
Accumulated other comprehensive loss		(3,332)	(3,032)
Total stockholders' equity - Mobile Global Esports Inc.		2,532,671	3,103,737
Non-controlling interest		(7,912)	(6,531)
Total stockholders' equity		2,524,759	3,097,206
Total liabilities and stockholders' equity		\$ 3,035,562	\$ 3,421,344

The accompanying footnotes are an integral part of these unaudited financial statements.

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**MOBILE GLOBAL ESPORTS INC.**  
**Condensed Statements of Operations (Unaudited)**  
For the three months ended March 31, 2024 and 2023

	<u>Note</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Revenue		\$ -	\$ -
Cost of revenue		-	-
Gross profit		-	-
Operating expenses:			
Research and development expenses		-	-
General and administrative expenses	10	617,374	815,731
Total operating expenses		617,374	815,731
Loss from operations		(617,374)	(815,731)
Interest income		129	3,647
Interest expense		(1,382)	-
Net loss before income taxes		(618,627)	(812,084)
Income tax expense		-	-
Net loss		\$ (618,627)	\$ (812,084)
Net loss - non-controlling interest		\$ (1,381)	\$ (992)
Net loss attributable to Mobile Global Esports Inc.		\$ (617,246)	\$ (811,092)
Net loss per share attributable to common stockholders, basic and diluted		\$ (0.03)	\$ (0.04)
Weighted average common shares outstanding, basic and diluted		20,421,593	20,421,593
Comprehensive loss:			
Net loss		(618,627)	(812,084)
Unrealized loss on foreign currency translation		(300)	(57)
Total comprehensive loss		\$ (618,927)	\$ (812,141)
Comprehensive loss attributable to non-controlling interest		(1,381)	(992)
Comprehensive loss - Mobile Global Esports Inc.		(617,546)	(811,149)

The accompanying footnotes are an integral part of these unaudited financial statements.

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**MOBILE GLOBAL ESPORTS INC.**  
**Condensed Statements of Stockholders' Equity (Unaudited)**  
For the three months ended March 31, 2024 and 2023

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Gain (Loss)	Non- controlling Interest	Total Stockholders' Equity
	Shares	Amount					
<b>Balance, December 31, 2023</b>	21,191,593	\$ 2,119	\$11,427,419	\$ (8,322,769)	\$ (3,032)	\$ (6,531)	\$ 3,097,206
Fair value of warrants issued for services	-	-	46,480	-	-	-	46,480
Other comprehensive loss	-	-	-	-	(300)	-	(300)
Net loss	-	-	-	(617,246)	-	(1,381)	(618,627)
<b>Balance, March 31, 2024</b>	<u>21,191,593</u>	<u>\$ 2,119</u>	<u>\$11,473,899</u>	<u>\$ (8,940,015)</u>	<u>\$ (3,332)</u>	<u>\$ (7,912)</u>	<u>\$ 2,524,759</u>
<b>Balance, December 31, 2022</b>	20,421,593	\$ 2,042	\$10,557,136	\$ (1,549,388)	\$ 1,399	\$ (656)	\$ 9,010,533
Fair value of warrants issued for services	-	-	72,480	-	-	-	72,480
Other comprehensive loss	-	-	-	-	(57)	-	(57)
Net loss	-	-	-	(811,092)	-	(992)	(812,084)
<b>Balance, March 31, 2023</b>	<u>20,421,593</u>	<u>\$ 2,042</u>	<u>\$10,629,616</u>	<u>\$ (2,360,480)</u>	<u>\$ 1,342</u>	<u>\$ (1,648)</u>	<u>\$ 8,270,872</u>

The accompanying footnotes are an integral part of these unaudited financial statements.

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**MOBILE GLOBAL ESPORTS INC.**  
**Condensed Statements of Cash Flows (Unaudited)**  
For the three months ended March 31, 2024 and 2023

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (618,627)	\$ (812,084)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation	2,794	991
Fair value of warrants issued for services	46,480	72,480
Amortization of right of use assets	12,934	8,999
<b>Changes in operating assets and liabilities:</b>		
Prepaid expenses	(31,828)	20,602
Other current assets	-	(100,000)
Other assets	263	(12,347)
Accounts payable and accrued expenses	177,655	141,808
Related party payable	62,618	613
Operating lease liabilities	(12,921)	(8,829)
Net cash used by operating activities	(360,632)	(687,767)
<b>Cash flows from investing activities</b>		
Advances to supplier for software	-	(16,074)
Payments for property and equipment	(5,469)	(13,410)
Net cash used in investing activities	(5,469)	(29,484)
<b>Cash flows from financing activities</b>		
Repayment of note payable	(38,740)	(47,545)
Net cash provided by financing activities	(38,740)	(47,545)
Effect of exchange rate changes on cash and restricted cash	(242)	(405)
Net increase in cash and restricted cash	(405,083)	(765,201)
<b>Cash and restricted cash as of beginning of period</b>	<u>3,174,703</u>	<u>7,559,674</u>
<b>Cash and restricted cash as of end of period</b>	<u>\$ 2,769,620</u>	<u>\$ 6,794,473</u>
<b>Supplemental disclosure of cash flow information</b>		
Right of use assets obtained on operating lease commencement	\$ -	\$ 95,264

The accompanying footnotes are an integral part of these unaudited financial statements.

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**MOBILE GLOBAL ESPORTS INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

**Note 1 – Organization and Basis of Presentation**

Organization

Mobile Global Esports Inc. (“MOGO Inc”) was incorporated on March 11, 2021 under the laws of the State of Delaware. The Company was originally named Elite Esports, Inc. but changed its name to Mobile Global Esports Inc. on April 21, 2021. MOGO Inc has been assigned certain limited rights to commercialize university esports events for 92 universities in India. The unique advantage of esports is that the events can be virtual, and virtual events bypass any Covid-19 or other pandemic restrictions on in-person events.

During July 2022, MOGO Esports Private Limited (“MOGO Pvt Ltd”) was established and incorporated in India by certain shareholders of MOGO Inc. During November 2022, MOGO Inc acquired approximately 99% of MOGO Pvt Ltd. MOGO Pvt Ltd comprised approximately 4.7% and 5.4% of the Company’s total assets as of March 31, 2024 and December 31, 2023, and 18.7% and 10.2% of the Company’s net loss for the three months ended March 31, 2024 and 2023, respectively.

Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The consolidated financial statements include the accounts of MOGO Inc and MOGO Pvt Ltd (collectively, the “Company”). MOGO Inc owns a 99% controlling interest in MOGO Pvt Ltd. The value of the non-controlling interest in MOGO Pvt Ltd is immaterial.

The functional currency of MOGO Pvt Ltd is the Indian Rupee (“INR”). The assets and liabilities of MOGO Pvt Ltd are translated to United States Dollars (“USD”) at period end exchange rates, while statements of operations accounts are translated at the average exchange rate during the period. The effects of foreign currency translation adjustments are included in other comprehensive loss, which is a component of accumulated other comprehensive income (loss) in stockholders’ equity. All significant intercompany accounts and transactions have been eliminated in consolidation.

Interim financial statements

The unaudited condensed financial statements are prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). The information furnished herein reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management, are necessary to fairly state the Company’s financial position, the results of its operations, and cash flows for the periods presented. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America were omitted pursuant to such rules and regulations. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results expected for the year ending December 31, 2024.

**Liquidity and Going Concern**

The Company’s operations are subject to certain risks and uncertainties, including, among others, the Company’s need for additional financing, the ability to attract mobile esports users and viewers to the Company’s offerings, the challenges of establishing a business in India, and reliance on key members of management.

The accompanying financial statements have been prepared on the basis that assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has a limited operating history, has incurred operating losses to date, and expects to incur operating losses for the foreseeable future. In addition, the Company has had significant management turnover in the past year, which could negatively impact the Company’s ability to achieve its strategic direction. Furthermore, the Company may be unable to generate significant revenue within the next year or generate sufficient cash flows to continue its operations. The Company has a new Chief Executive Officer and is working with other consultants and its board of directors to operate the Company. Management believes the current team has the necessary experience to achieve its goals. The Company has \$2.8 million of cash and an accumulated deficit of \$ 8.9 million as of March 31, 2024. Management believes that the Company’s current cash on hand combined with the projected cash flows for the next 12 months will be sufficient to continue the Company’s operations for at least the 12 months. However, the failure of the Company to achieve its business objectives could have a material adverse effect on the Company’s results of operations and could require the Company to need additional equity or debt financing to continue its operations. These conditions, among other factors, raise substantial doubt about the Company’s ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

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**MOBILE GLOBAL ESPORTS INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

**Note 2 – Summary of Significant Accounting Policies**

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. Significant estimates in the accompanying consolidated financial statements include the valuation allowance on deferred tax assets and the

estimated value of warrants issued for services.

#### Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificate of deposits, amounts held in escrow and all highly-liquid debt instruments with original maturities of three months or less. At March 31, 2024 and December 31, 2023, the Company did not have any cash equivalents.

#### Property and Equipment

Property and equipment, net, is stated at cost and consists of furniture and fixtures and office and computer equipment. Depreciation is computed over the estimated useful lives of the assets, generally three to ten years, using the straight-line method. Expenditures for maintenance and repairs are charged to operations; major expenditures for renewals and betterments are capitalized and depreciated over their useful lives. Leasehold improvements are amortized over the lesser of the asset life or the life of the lease.

#### Leases

The Company leases office space in India under non-cancelable lease arrangements through MOGO Pvt Ltd. The Company applies the accounting guidance in Accounting Standards Codification ("ASC") 842, *Leases*. As such, the Company assesses all arrangements, that convey the right to control the use of property and equipment, at inception, to determine if it is, or contains, a lease based on the unique facts and circumstances present in that arrangement. For those leases identified, the Company determines the lease classification, recognition, and measurement at the lease commencement date.

Fixed lease payments on operating leases are recognized over the expected term of the lease on a straight-line basis. Variable lease expenses that are not considered fixed are expensed as incurred. Fixed and variable lease expense on operating leases is recognized within operating expenses within the accompanying consolidated statements of operations and comprehensive loss.

The interest rate implicit in the Company's lease contracts is typically not readily determinable and as such, the Company uses its incremental borrowing rate based on the information available at the lease commencement date, which represents an internally developed rate that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment.

### **MOBILE GLOBAL ESPORTS INC. NOTES TO FINANCIAL STATEMENTS For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

#### Long-Lived Assets

The Company reviews long-lived assets for realizability on an ongoing basis. Changes in depreciation and amortization, generally accelerated depreciation and variable amortization, are determined and recorded when estimates of the remaining useful lives or residual values of long-term assets change. The Company also reviews for impairment when conditions exist that indicate the carrying amount of the assets may not be fully recoverable. In those circumstances, the Company performs undiscounted operating cash flow analyses to determine if an impairment exists. When testing for asset impairment, the Company groups assets and liabilities at the lowest level for which cash flows are separately identifiable. Any impairment loss is calculated as the excess of the asset's carrying value over its estimated fair value. Fair value is estimated based on the discounted cash flows for the asset group over the remaining useful life or based on the expected cash proceeds for the asset less costs of disposal. Any impairment losses would be recorded in the consolidated statements of operations.

#### Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and accounts payable, the carrying amounts approximate their fair values due to their short maturities.

ASC Topic 820, *Fair Value Measurements and Disclosures*, requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, *Financial Instruments*, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in inactive markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology use one or more unobservable inputs which are significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under Accounting Standards Codification ("ASC") Topic 480, *Distinguishing Liabilities from Equity*, and ASC Topic 815, *Derivatives and Hedging*. The Company has determined that the warrants issued to date are freestanding financial instruments that are properly classified as equity.

At March 31, 2024 and December 31, 2023, the Company did not identify any assets or liabilities required to be presented on the balance sheet at fair value.

#### Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and restricted cash. The Company places its cash with high quality financial institutions and at times may exceed the Federal Deposit Insurance Corporation \$250,000 insurance limit. The Company has not and does not anticipate incurring any losses related to this credit risk.

**MOBILE GLOBAL ESPORTS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions for any of the reporting periods presented.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with ASC Topic 260, *Earnings Per Share*. Basic earnings per share ("EPS") is based on the weighted average number of common shares outstanding. Diluted EPS assumes that all dilutive securities are converted. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Segments

The Company has one reportable segment, which is the development of esports. At March 31, 2024 and December 31, 2023, 95.3% and 94.6% of the Company's consolidated total assets are located within the United States of America.

Recent Accounting Pronouncements

During 2023, the Company adopted Accounting Standards Update No. 2016-13 ("ASU 2016-13"), *Financial Instruments-Credit Losses*. ASU 2016-13 requires organizations to measure all expected credit losses for instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This guidance is applicable for the Company's note receivable. However, the adoption of ASU 2016-13 did not have a material impact to the Company's valuation of its note receivable.

**MOBILE GLOBAL ESPORTS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

**Note 3 – Property and Equipment**

Property and equipment consisted of the following as of:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Furniture and fixtures	14,090	13,967
Office and computer equipment	26,334	21,413
Accumulated depreciation	(8,494)	(5,748)
Property and equipment, net	<u>31,930</u>	<u>29,632</u>

Depreciation expense was approximately \$2,800 and \$1,000 for the three months ended March 31, 2024 and 2023.

**Note 4 – Leases**

The Company has office leases in India that are classified as operating leases. These leases commenced in October 2022 and have a term of three years. During January 2023, the Company leased a godown (which is a warehouse) in Borivali (East), Mumbai. This lease has a term of 33 months. The Company used its expected incremental borrowing rate of 10.0% in determining the value of the right-of-use asset and lease liability associated with these leases. The cash paid for operating leases for the three months ended March 31, 2024 and 2023 approximated \$15,400 and \$11,700 and the operating lease cost recorded in the Consolidated Statements of Operations and Comprehensive Loss approximated \$15,400 and \$12,300, respectively. At March 31, 2024, the weighted average remaining lease term for the operating leases was 1.7 years and the weighted average discount rate was 10.0%.

The maturities of the operating lease liabilities as of March 31, 2024 are as follows:

April 1, 2024 – December 31, 2024	\$ 46,638
2025	<u>54,002</u>
Total	100,640
Less imputed interest	<u>(8,167)</u>
Present value of operating lease liabilities	\$ 92,473

**MOBILE GLOBAL ESPORTS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

**Note 5 – Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following as of:

	March 31, 2024	December 31, 2023
Accounts payable	\$ 152,969	\$ 94,397
Accrued consulting and professional fees	101,500	-
Other accrued expenses	75,166	58,026
Total	<u>\$ 329,635</u>	<u>\$ 152,423</u>

**Note 6 – Related Party Transactions**

Included in related party payable as of March 31, 2024 was approximately \$ 62,000, which was loaned to the Company by the Company's Chief Executive Officer ("CEO") and another stockholder. This amount was repaid in May 2024.

During the three months ended March 31, 2024 and 2023, the Company incurred a total of \$ 30,000 and \$18,000 for the quarterly board stipend payable to the Board of Directors for services provided.

During the three months ended March 31, 2024, the Company paid a stockholder \$ 12,000 for consulting services.

During the three months ended March 31, 2023, the Company incurred sponsorship expenses of approximately \$ 24,000 with an entity that shares common ownership with Sports Industry of India, Inc., a stockholder of the Company.

**Note 7 – Note Payable**

During August 2023, the Company entered into an agreement with a financing institution for payment of certain of the Company's insurance policies. The financing agreement is payable over a ten-month period ending May 2024 with monthly payments of principal and interest (8.75%) totaling \$13,294 per month. At March 31, 2024, approximately \$26,000 of principal is outstanding under this agreement, and \$ 53,000 is included in prepaid expenses.

**Note 8 – Stockholders' Equity**

Preferred Stock

The Company has authorized the issuance of 10,000,000 shares of \$0.0001 par value preferred stock. At March 31, 2024 and December 31, 2023, there were nil shares issued and outstanding.

Common Stock

The Company has authorized the issuance of 100,000,000 shares of \$0.0001 par value common stock. At March 31, 2024 and December 31, 2023, there were 21,191,593 shares issued and outstanding.

Warrants

During the three months ended March 31, 2023, the Company issued warrants ("2023 Consultant Warrants") to purchase up to 170,000 shares of the Company's common stock in exchange for the provision of services. The 2023 Consultant Warrants have an exercise price of \$3.00 per share, expire 6 years from the date of issuance, with 25% vested in the first quarter of 2023 and the remaining shares vest quarterly through December 31, 2023.

**MOBILE GLOBAL ESPORTS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

The Company utilized the Black-Scholes option-pricing model to value the warrants issued and the estimated fair value of the 2023 Consultant Warrants was \$91,000, with \$26,000 recognized as expense for the three months ended March 31, 2023.

The following table summarizes the assumptions used for estimating the fair value of the 2023 Consultant Warrants issued:

Expected dividend yield	-
Risk-free interest rate	3.99%
Expected volatility	100%
Expected life (years)	6

At March 31, 2024, the Company had the following warrants outstanding:

	Outstanding	Ex Price	Exercisable	Ex Price
2021 Consultant Warrants	1,000,000	\$ 1.00	812,500	\$ 1.00
IPO Warrants	172,500	\$ 6.60	172,500	\$ 6.60
PIPE Warrants	1,886,793	\$ 2.90	1,886,793	\$ 2.90
Placement Agent Warrants	339,623	\$ 2.92	339,623	\$ 2.92
2023 Consultant Warrants	170,000	\$ 3.00	170,000	\$ 3.00
Total Warrants	<u>3,568,916</u>		<u>3,381,416</u>	

The 2021 Consultant Warrants were granted to three individuals ("Consultants") that are advising the Company on developing, establishing, operating, commercializing, marketing, promoting, and expanding the Company's esports business with an aim to commercialize esports tournaments, esports sponsorships, esports advertising revenues, esports merchandise revenues, esports broadcast revenues, esports video revenues, esports game development and marketing and distribution revenues, and all other manner of esports revenue streams for the benefit of the Company. The Consultant Warrants have an exercise price of \$1.00 share and expire in five years with 250,000 of these warrants vested immediately and the balance of 750,000 warrants having provisions making the vesting contingent on the Consultants' performance in meeting goals and milestones set quarterly by the Company. Specifically, the Company will consult with the Consultants and reach agreement on the Consultants' goals and milestones at the beginning of each calendar quarter. Out of the 750,000 unvested warrants, 62,500 warrants vest at the end of each quarter, beginning with the quarter ended March 31, 2022, provided in the Company's judgement the Consultants have made satisfactory progress over the course of the quarter in meeting set goals and milestones. At March 31, 2024, 812,500 of these warrants were vested. Any 2021 Consultant Warrants not vested on their designated end of quarter vesting date expire.

In conjunction with the Company's initial public offering ("IPO") in July 2022, the Company issued warrants ("IPO Warrants") to purchase up to 172,500 shares of common stock to the underwriters of the IPO. These IPO Warrants have an exercise price of \$6.60 per share, expire 5 years from the date of issuance, and are fully exercisable six months after their issuance. The estimated fair value of the IPO Warrants approximated \$474,000. The IPO Warrants are recorded as stock issuance costs but the net impact to the Company's equity from the issuance of these warrants is nil since these warrants are classified as equity.

In conjunction with a financing in September 2022, the Company issued 1,886,793 PIPE Warrants to investors with an exercise price of \$ 2.90 per share, which expire 5 years from the date of issuance, and are fully exercisable upon issuance. The estimated fair value of the PIPE Warrants approximated \$2,093,000. Additionally, 339,623 warrants ("Placement Agent Warrants") were issued to the placement agent as a part of their fee. The Placement Agent warrants have an exercise price of \$2.915 per share, expire 5 years from the date of issuance, and are fully exercisable upon issuance. The estimated fair value of the Placement Agent Warrants approximated \$516,000. The Placement Agent Warrants are recorded as stock issuance costs but the net impact to the Company's equity from the issuance of these warrants is nil since these warrants are classified as equity.

The PIPE Warrants and Placement Agent Warrants also include certain anti-dilution adjustments and potential adjustments upon the occurrence of certain change of control transactions.

**MOBILE GLOBAL ESPORTS INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Three Months Ended March 31, 2024 and 2023 (unaudited)**

The fair value of the 2023 Consultant Warrants and 2021 Consultant Warrants are being amortized to expense over their vesting period. The Company recorded total expense of approximately \$46,000 and \$72,000 during the three months ended March 31, 2024 and 2023, respectively. At March 31, 2024, the unamortized warrant expense was approximately \$139,000, which will be amortized into expense through a weighted-average period of 0.5 years.

**Note 9 – Commitments and Contingencies**

Legal

From time to time, the Company may be involved in various litigation matters, which arise in the ordinary course of business. There is currently no litigation that management believes will have a material impact on the financial position of the Company.

Other Commitments

In April 2024, the Company paid its former Chief of Staff \$ 67,500 for the balance owed on his employment contract. At March 31, 2024, this amount was included in accounts payable and accrued expenses.

**Note 10 – General and Administrative Expense**

General and administrative costs are expensed as incurred and primarily include personnel costs in the U.S. and India, public filing fees, travel expenses, contractor fees, and professional fees.

**Note 11 – Net Loss Per Share**

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the periods. Fully diluted net loss per common share is computed using the weighted-average number of common and dilutive common equivalent shares outstanding during the periods. Common equivalent shares consist of warrants that are computed using the treasury stock method.

At March 31, 2024 and December 31, 2023, there were 3,568,916 warrants outstanding. Due to the net loss incurred potentially dilutive instruments would be anti-dilutive. Accordingly, diluted net loss per share is the same as basic net loss per share for all periods presented.

**Note 12 – Subsequent Events**

On April 11, 2023, the Company received written notice (the "Notice") from the , the Nasdaq Listing Qualifications Staff (the "Staff") of the Nasdaq Stock Market, LLC ("Nasdaq") indicating that the bid price for the Company's common stock (the "Common Stock"), for the last 30 consecutive business days, had closed below the minimum \$1.00 per share and, as a result, the Company was not in compliance with the \$ 1.00 minimum bid price requirement for the continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Price Rule"). The Company was provided an initial period of 180 calendar days, or until October 9, 2023 to regain compliance with the Minimum Bid Price Rule. Subsequently, on October 10, 2023, the Company was provided an additional 180 calendar day compliance period, or until April 8, 2024 to regain compliance.

On April 9, 2024, the Staff notified the Company that it had not regained compliance with Listing Rule 5550(a)(2) (the "Delisting Determination"). On April 18, 2024, the Company's common stock was suspended from trading on the Nasdaq Capital Market. The Company's common stock currently trades on the Over The Counter ("OTC") Pink Sheets.

On April 4, 2024, the Company's Board Chairman resigned is position. However, the former Board Chairman is continuing to work with the Company as a consultant.

On May 1, 2024, the Company's Chief Financial Officer resigned from the Company.

Management has evaluated events that occurred subsequent to the end of the reporting period and there are no subsequent events to report.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*You should read the following discussion and analysis of our financial condition and results of operations together with our condensed financial statements and related notes appearing in this Quarterly Report on Form 10-Q. This discussion and other parts of this Quarterly Report contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Quarterly Report, our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.*

### Overview

Mobile Global Esports Inc. ("MOGO" or "Mogo," or the "Company") was organized in March of 2021 to carry on and expand an esports business (the "Business") started by Sports Industry of India ("SII"), in 2016. Through a series of contracts, the rights to the Business were assigned to MOGO by SII and its affiliates beginning in October of 2021. MOGO is now building out and expanding the business created by SII, which is focused on the rapidly-growing esports industry, with special emphasis on India and other South Asian markets. The Indian market for esports, and particularly university esports events in India, represent, in management's opinion, one of the largest and fastest growing esports markets in the world.

SII is an American branding, marketing and sports promotion company that, through subsidiaries and affiliates primarily in India and Pakistan, enters into exclusive long-term arrangements with universities for the purpose of promoting, expanding and commercializing university sports programs, creating professional opportunities for university athletes and alumni and developing and marketing university and event-branded merchandise. The SII esports business, which has now been transferred to and is operated by MOGO, is the only business in India to organize and sponsor an officially-sanctioned national championship for university esports. At March 31, 2024, SII holds a 12.5% minority common share interest in MOGO, and thus has no controlling interest in MOGO.

Esports are the competitive playing of video games by amateur and professional teams for cash and other prizes. Esports typically take the form of organized, multiplayer video games that include real-time strategy and competition, including virtual fights, first-person shooter and multiplayer online battle arena games. Esports are defined as competitive games of skill, timing, knowledge, experience, practice, attention and teamwork, but not games of chance or luck. Mobile esports are defined as esports that are streamed on an electronic esports platform and played by individuals or teams on mobile devices, usually smartphones. Competitors participate at large in-person events, small in-person events and virtually from home or computer cafes. Interest in esports is rapidly growing. In 2020, the global audience for gaming video content, including esports, grew to 1.2 billion viewers, an 18 percent increase from 2019, according to Statista, as gaming streams became a popular social activity and distraction during coronavirus-related lockdowns. A DataProt report in January 2023 placed the number of gamers at 1.7 billion.

MOGO's esports business began in 2016 when SII introduced esports to the Association of Indian Universities ("AIU"), an academic and sports body that represents 854 major universities. AIU sanctioned esports as a championship event in a unique and exclusive 10-year renewable agreement with SII. SII has assigned most of its esports rights under these and other agreements involving esports to MOGO under a series of contracts between the two companies. SII licensed to MOGO exclusive rights to develop, organize, promote and monetize mobile esports events in collaboration with AIU and with a second major university sports association, Elite University Sports Alliance of India Pvt. Ltd. ("EUSAI"), a for-profit subsidiary of SII. EUSAI itself has direct contracts with 92 leading Indian universities pursuant to which EUSAI is granted exclusive rights to organize and monetize a range of sports, including esports. Although any AIU or EUSAI members may choose to not participate in MOGO's esports business, the combination of AIU and EUSAI's member universities potentially gives MOGO access to students attending these 854 Indian universities.

The first SII esports championship was held at Lovely Professional University (LPU) in 2017, the second at Maharshi Dayanand University in 2018 and the third at SRM Institute of Science and Technology in 2019. The 2020 championships were cancelled during the covid lockdowns. MOGO sponsored the 2021-2022 championships at LPU in April 2022. During the period of May through December 2021, MOGO, with the help of SII and SII's subsidiaries pursuant to their mutual contracts, organized and commercialized a total of 27 virtual esports tournaments in India. These events included inter- and intra-university competitions that reached an aggregate audience of over 450,000 viewers (most of whom were added in the last quarter of calendar year 2021, reflecting recent momentum in interest in university esports), according to SII's YouTube channel analytics. During September 2023, MOGO produced the MOGO National Championship 2.0 event, which was held at Lovely Professional University ("LPU") in Phagwara, India. The event featured competitive play from 16 teams representing four geographic regions within India. MOGO produced the esports championship in cooperation with Elite Power Sports, which produced the national basketball, volleyball, and kabaddi university championships. Team MOGO Esports also secured victories in two competitions, held on October 28, 2023 and November 8, 2023, featuring teams from across India.

Management expects commercialization of these events will be similar to events in more developed esports markets, such as South Korea, China and the U.S. Revenue is expected to come from sponsorships, advertising, subscriptions, tickets to future events, branded merchandise and fees. In addition, monetization of the data collected through MOGO's game platform is expected to provide additional revenues. In the past events, the viewers' data was collected by third-party streaming services, such as YouTube and Facebook. Once the players and viewers are routed through MOGO's proprietary game and social media platform, MOGO anticipates collecting the data (names, phone numbers, email addresses, university affiliation, etc.), processing the data, combining the data with other commercially-available data sets and offering the data to the markets following strict government privacy guidelines, particularly since a subset of our users will likely be underage first-year university students. Management believes that the value of the data may become one of the dominant revenue elements in MOGO's business model.

### Recent Events

On April 11, 2023, we received written notice (the "Notice") from the , the Nasdaq Listing Qualifications Staff (the "Staff") of the Nasdaq Stock Market, LLC ("Nasdaq") indicating that the bid price for the Company's common stock (the "Common Stock"), for the last 30 consecutive business days, had closed below the minimum \$1.00 per share and, as a result, the Company was not in compliance with the \$1.00 minimum bid price requirement for the continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Price Rule"). We were provided an initial period of 180 calendar days, or until October 9, 2023 to regain compliance with the Minimum Bid Price Rule. Subsequently, on October 10, 2023, we were provided an additional 180 calendar day compliance period, or until April 8, 2024 to regain compliance.

On April 9, 2024, the Staff notified us that we had not regained compliance with Listing Rule 5550(a)(2) (the "Delisting Determination"). On April 18, 2024, our common stock was suspended from trading on the Nasdaq Capital Market. Our stock currently trades on the OTC Pink Sheets.

## Components of Statements of Operations

### Revenue and Cost of Revenue

We have not generated any significant revenue or cost of revenue to date.

### General and Administrative Expenses

General and administrative expenses consist principally of personnel costs, public filing fees, travel expenses, operating expenses for the office in Mumbai, and other professional fees for consulting, legal, auditing and tax services.

### Critical Accounting Estimates

We discussed our accounting policies and significant assumptions used in our estimates in Note 2 of our audited financial statements included in our 2023 Form 10K, and that disclosure should be read in conjunction with the Quarterly Report on Form 10-Q. There have been no material changes during the three months ended March 31, 2024 to our critical accounting policies, significant judgments and estimates disclosed in our Form 10K.

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## Results of Operations

### Three months Ended March 31, 2024 compared with the Three months Ended March 31, 2023

The following table summarizes the results of our operations for the three month period ended March 31, 2024 and 2023, together with the changes in those items in dollars and as a percentage:

	Three Months Ended		\$	%
	March 31,			
	2024	2023	Change	Change
Revenue	\$ —	\$ —	\$ —	*
Costs and expenses:				
Cost of revenue	—	—	—	*
General and administrative	617,374	815,731	(198,357)	**
Total costs and expenses	617,374	815,731	(198,357)	**
Loss from operations	(617,374)	(815,731)	198,357	**
Interest income	129	3,647	(3,518)	**
Interest expense	(1,382)	-	(1,382)	*
Net loss	\$ (618,627)	\$ (812,084)	\$ 193,457	**

\* Not meaningful

\*\* Change is significantly more than 100%

### General and Administrative Expenses

General and administrative expenses were approximately \$617,000 for the three months ended March 31, 2024, compared with \$816,000 for the three months ended March 31, 2023. The decrease in general and administrative expenses was primarily driven by an increase of approximately \$272,000 in professional and consulting fees, \$203,000 in compensation to U.S. personnel, \$289,000 in travel, and \$100,000 in expenses incurred by MOGO Pvt Ltd.

General and administrative expenses were approximately \$2,976,000 for the nine months ended September 30, 2023, compared with \$547,000 for the nine months ended September 30, 2022. The increase in general and administrative expenses was primarily driven by a decrease of approximately \$68,000 in accounting, legal and consulting fees and \$127,000 in compensation to U.S. personnel.

### Liquidity and Capital Resources

As of March 31, 2024 and December 31, 2023, we had cash of approximately \$2,770,000 and \$3,175,000, respectively.

We have financed our operations through the issuance of common stock and common stock with warrants. In July 2022, we issued 1,725,000 shares of common stock for total gross proceeds of \$6,900,000 through an initial public offering ("IPO"). We received net proceeds after commissions, fees and expenses of approximately \$5,465,000. In September 2022, we issued 1,886,793 shares of common stock along with 1,886,793 warrants, for total gross proceeds of \$5,000,001 through a private equity placement ("PIPE"). We received net proceeds after commissions, fees and expenses of approximately \$4,422,000.

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## Funding Requirements

We believe we may need to raise additional funding to meet our cash, operational and liquidity requirements for at least 12 months after the date of this quarterly report.

We cannot specify with certainty all of the particular uses for the net proceeds to us from the IPO and the PIPE. Accordingly, our management will have broad discretion in the application of these proceeds.

We intend to use the net proceeds from the IPO and the PIPE for operating expenses, marketing, event expenses, streaming, retention of additional staff in the United States and India, working capital and general corporate purposes, including perhaps acquisitions of game licenses, technology platform agreements, data development and strategic partnerships. Investors are cautioned, however, that expenditures may vary substantially from these uses.

Investors will be relying on the judgment of our management, who will have broad discretion regarding the application of the proceeds of the IPO and the PIPE. The amounts and timing of our actual expenditures will depend upon numerous factors, including the amount of cash generated by our operations and the amount of competition we face and other operational factors. We may find it necessary or advisable to use portions of the proceeds from the IPO and the PIPE for other purposes.

Because of the numerous risks and uncertainties associated with establishing a new business in India, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on many factors, including:

- Failure of future market acceptance of our mobile esports products and services;
- Increased levels of competition;
- Changes in political, economic or regulatory conditions generally and in the markets in which we operate;
- Our ability to retain and attract senior management and other key employees;
- Our ability to protect our trade secrets or other proprietary rights, operate without infringing upon the proprietary rights of others and prevent others from infringing on the proprietary rights of the Company; and
- Other risks, including those described in the "Risk Factors" discussion.

See "Risk Factors" for additional risks associated with our substantial capital requirements.

### **Cash Flows**

The following table summarizes our sources and uses of cash:

	<b>Three months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net cash provided by (used in):		
Operating activities	\$ (360,632)	\$ (687,767)
Investing activities	(5,469)	(29,484)
Financing activities	(38,740)	(47,545)
Effect of exchange rate changes on cash and restricted cash	(242)	(405)
Net increase (decrease) in cash	<u>\$ (405,083)</u>	<u>\$ (765,201)</u>

### **Operating Activities**

Net cash used in operating activities decreased by approximately \$327,000 for the three months ended March 31, 2024 compared with the three months ended March 31, 2023. The decrease was primarily due to a decrease in net loss of approximately \$193,000 and a decrease in the change in other current assets of \$100,000.

### **Investing Activities**

Net cash used in investing activities decreased by approximately \$24,000 for the three months ended March 31, 2024 compared with the three months ended March 31, 2023. The decrease was due to a decrease in the amount of payments for property, equipment and software.

### **Financing activities**

Net cash used in financing activities changed by approximately \$9,000 for the three months ended March 31, 2024 compared with the three months ended March 31, 2023. The change was due to a decrease in payments on the note payable for the three months ended March 31, 2024 compared to the three months ended March 31, 2023.

### **JOBS Act**

As an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act, we can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards when they are required to be adopted by public companies that are not emerging growth companies.

Subject to certain conditions, as an emerging growth company, we rely on certain of these exemptions, including without limitation:

- reduced disclosure about our executive compensation arrangements;
- no advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the date that is the earliest of (i) the last day of the fiscal year in which we have total annual gross revenue of \$1.07 billion or more; (ii) the last day of 2027; (iii) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We may choose to take advantage of

some but not all of these exemptions. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock.

#### Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

#### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

#### Item 4. Controls and Procedures.

##### Evaluation of Disclosure Controls and Procedures

As of March 31, 2024, management has not completed an effective assessment of the Company's internal controls over financial reporting based on the 2013 Committee of Sponsoring Organizations (COSO) framework. Management has concluded that, during the period covered by this quarterly report, our internal controls and procedures were not effective to detect the inappropriate application of U.S. GAAP. Management identified the following material weaknesses set forth below in our internal control over financial reporting.

1. We lack the necessary corporate accounting resources to maintain adequate segregation of duties.
2. We did not perform an effective risk assessment or monitor internal controls over financial reporting or our cyber security environment.

##### Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION.

#### Item 1. Legal Proceedings.

We are not currently subject to any legal proceedings or claims, however, we may become subject to legal proceedings and claims arising in connection with the normal course of our business.

#### Item 1A. Risk Factors.

##### RISK FACTORS

You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition or future results set forth under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. There have been no material changes from the risk factors previously disclosed therein, except as set forth below;

***We will require additional financing in order to implement and execute our business plan, and we cannot be certain that such additional financing will be available on reasonable terms when required, or at all.***

As of March 31, 2024, we had a cash balance of approximately \$2,770,000. We believe we may need to raise additional funding to meet our cash, operational and liquidity requirements to continue operating for at least 12 months after the date of this quarterly report.

We currently do not have any contracts or commitments for additional financing. Any future equity financing may involve substantial dilution to existing shareholders. There can be no assurance that such additional capital will be available on a timely basis, or on terms acceptable to the Company. If adequate funds are not available or are not available on acceptable terms when needed, the Company may not be able to fund its business or its expansion, take advantage of strategic acquisitions or investment opportunities or respond to competitive pressures. Such inability to obtain additional financing when needed could have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and prospects.

If we raise additional funds by issuing equity or convertible debt securities, we will reduce the percentage ownership of our then-existing stockholders, and the holders of those newly-issued equity or convertible debt securities may have rights, preferences, or privileges senior to those possessed by our then-existing stockholders and/or note holders. Additionally, future sales of a substantial number of shares of our Common Stock or other equity-related securities could depress the market price of our Common Stock in the public market, and could impair our current or future ability to raise capital through the sale of additional equity or equity-linked securities or the sale of debt. We cannot predict the effect that future sales of our Common Stock or other equity-related securities would have on the market price of our Common Stock.

#### Item 6. Exhibits

The exhibits listed on the Exhibit Index hereto are filed or furnished (as stated therein) as part of this Quarterly Report on Form 10-Q.

##### EXHIBIT INDEX

Exhibit No.	Document
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.</a>

31.2*	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.</a>
32.1**	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
32.2**	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
101*	The following materials from Mobile Global Esports Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Extensible Business Reporting Language (iXBRL): (i) Balance Sheets as of March 31, 2024 (unaudited) and December 31, 2023, (ii) Statements of Operations (unaudited) for the three months ended March 31, 2024 and 2023, (iii) Statements of Cash Flows (unaudited) for the three months ended March 31, 2024 and 2023 and (iv) Notes to Financial Statements (unaudited).
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith.

### SIGNATURES

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 thereunto duly authorized.

DATE: May 20, 2024

**MOBILE GLOBAL ESPORTS INC.**

By: /s/ Sunny Bhandarkar  
Sunny Bhandarkar  
Chief Executive Officer

DATE: May 20, 2024

**MOBILE GLOBAL ESPORTS INC.**

By: /s/ Mansi Solanki  
Mansi Solanki  
Interim Vice-President of Finance

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sunny Bhandarkar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobile Global Esports Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 20, 2024

By: /s/ Sunny Bhandarkar

Name: Sunny Bhandarkar

Title: Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mansi Solanki, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobile Global Esports Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 20, 2024

By: /s/ Mansi Solanki

Mansi Solanki  
Interim Vice-President Finance  
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Mobile Global Esports Inc., a Delaware corporation (the "Company"), on Form 10-Q for the three months ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sunny Bhandarkar, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Sunny Bhandarkar

Sunny Bhandarkar  
Chief Executive Officer  
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Mobile Global Esports Inc., a Delaware corporation (the "Company"), on Form 10-Q for the three months ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mansi Solanki, Interim Vice-President of Finance of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Mansi Solanki

Mansi Solanki  
Interim Vice-President of Finance

A signed original of this written statement required by Section 906 has been provided to the Company and will be furnished to the Securities and Exchange Commission or its staff upon request.