



25 October 2022

CHINA ESPORTS UPDATE

In the largest esports market in the world, SportsHero Limited (**SportsHero**) has been systematically building and strategically progressing its China strategy. In that regard, on 31 August 2022 SportsHero soft launched its co-branded initial esports tournament in partnership with Wuhan Esports Association (the 2nd largest esports association in China).

SportsHero is positioning itself to be a world leader in the rapidly expanding esports market by introducing our artificial intelligence predictor and delivering unique esports prediction competitions. In addition, SportsHero is targeting tournament organisers, game publishers and other esports associations by expanding its esports offering to include tournament management and player registration.

SportsHero is further planning to apply its proprietary deep learning-based predictor across multiple sports and/or sporting events globally.

Accomplished highlights in China and related information

1. The Company's office, in Shanghai, has been established and key esports recruitments completed, including the following:
 - esports Tournament specialist, with in excess of 10 years experience in esports team management and development and tournament design;
 - Marketing Manager, who has worked closely with NetEase, Inc. (HKG:9999) and will manage our marketing and promotional activities throughout China; and
 - Social Media specialist who is responsible for the generation of content for our social media presence across Weibo, WeChat and Little Red Book.
2. Wuhan Esports Association (**WEA**) (the second largest Esports association in China) and Wuhan Monster Technology (**WMT**).
 - The parties have successfully completed and launched the WEA app on WeChat and we are awaiting the start of the first tournament, scheduled for the end of this calendar year;
 - This newly launched WEA app on WeChat is a complete esports tournament management and registration platform for WEA and its members;
 - Every esports player who wants to participate in a tournament hosted by WEA, must register and set up an account on SportsHero's platform;
 - As user registration and payment is mandatory for entry into all tournaments, the 12 tournaments WEA schedules every calendar year ensures user uptake and hence revenue for SportsHero;
 - Registration fees are yet to be determined and all revenue generated is to be split on a 50/50 basis between WEA and SportsHero; and
 - WMT (the commercial and operating arm of WEA) has facilitated a number of offline events to market and promote the upcoming WEA events and tournaments;

SportsHero Limited

ABN 98 123 423 987

Principal and Registered Office: 36 Prestwick Drive, Twin Waters, Queensland 4564

Tel/Fax: +61 7 5457 0557

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Screenshots of the WEA app on WeChat

3. Commencing on 10 November 2022, SportsHero China will launch FIFA World Cup Qatar 2022 prediction competitions on WeChat.
 - With a huge football following in China, SportsHero is preparing for a month long prediction competition throughout the 2022 FIFA World Cup in Qatar;
 - The World Cup commences on 20 November and culminates in the World Cup Final on 18 December 2022; and
 - SportsHero has received multiple expressions of interest from both government and commercial parties for the running of a Chinese national World Cup prediction tournament.
4. Launch of SportsHero's Esports fully localised mobile app for China scheduled for 21 November 2022.
 - As a result of the strong interest in the prediction competitions hosted on SportsHero Esports WeChat app, SportsHero is now developing a traditional mobile app that will include more features and functions that will expand our product and commercial opportunities to game publishers and tournament organisers;
 - The fully localised Esports mobile app has been in the development stage for in excess of three months and is scheduled to be launched on 21 November 2022;
 - The app will be available at both the Apple Store and Google Playstore; and
 - The Esports mobile app will include news, a match data centre, live broadcasts of esports events, social engagement modules, community forums and daily mini-games to accelerate user growth and encourage user engagement.

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Screenshots from the fully localised China app

5. SportsHero has completed the development of prediction competitions for a new game title in China (Honor of Kings) and will launch prediction competitions to cover the upcoming Tencent organised Honor of Kings World Championship Cup 2022.
 - Honor of Kings has been developed by Tencent and is ranked the top mobile game in China;¹
 - It is the App Store's top 10 most downloaded app in the world, with over 500 million registered users in China alone;¹
 - The average daily usage time is 2.23 hours;¹
 - Honor of Kings World Championship Cup is scheduled for 21 November 2022;
 - Honor of Kings generated about US\$1.24 billion, across the world, in the first seven months of 2022;¹ and
 - Honor of Kings World Championship Cup is an annual tournament with a total prize pool of 67.5 million RMB (~ AU \$14.7 million) in 2022.¹

The Board of SportsHero is certainly looking forward to the coming months, that we anticipate will deliver exciting developments and meaningful results for the Company and value for our shareholders.

Authorised for release by the Board

Michael Higginson
Company Secretary

1. <https://www.statista.com/statistics/1231125/tencent-global-mobile-game-revenue-of-honor-of-kings/>