

SportsHero

ASX RELEASE

30 March 2023

Commercial agreement for China executed with Shanghai Fumin Sports and Culture Co. Ltd, the esports tournament and events provider of Netease Games

(NASDAQ: NTES and HKEX: 9999)



Shanghai Fumin Sports and Culture Co Ltd (FMWH) partners with SportsHero to utilise SportsHero's proprietary esports prediction and tournament management platform (app) to market and promote Netease's game titles.



FMWH will promote the app by immediately engaging its current user base as well as activating its entire suite of social media assets.



FMWH is the esports tournament and events provider of Netease Games, one of China's top leading esports games publisher.



Pursuant to a 3 year agreement, FMWH will actively promote and drive user growth through SportsHero's Chinese app, whilst also introducing and delivering advertising and sponsorship opportunities for SportsHero prediction competitions.



All revenue is to be shared equally between SportsHero and FMWH.



SportsHero is well positioned to benefit from the continued rapid revenue growth of the Chinese gaming sector, currently the largest esports gaming market in the world.

The Company is very pleased to announce the execution of a 3 year legally binding terms sheet (**Agreement**) with Shanghai Fumin Sports and Culture Co. Ltd (**FMWH**), the esports tournament and events provider of Netease Games – one of China's largest esports game publisher. Netease Games is listed on NASDAQ: NTES and HKEX: 9999.

Pursuant to the Agreement, SportsHero's app (including its artificial intelligence prediction competitions) will be promoted across the Netease game titles including OPL (Onmyoji Arena Pro League).

FMWH has amassed a significant following and audience viewership growth for Netease and their impressive portfolio of clients that include Tencent, Riot Games, Valve, EA Sports and Blizzard.

SportsHero Limited

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

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Figure 1. FMWH Global Partners and clients

The parties have agreed that all revenue generated from all sources, including memberships, subscriptions, advertising, sponsorship and ecommerce, will be share equally after deducting agreed costs and expenses.

Commercial obligations

Under the Agreement, SportsHero will:

- develop and operate its Chinese tournament management app and predictions competitions for FMWH;
- collaborate on the design, development, maintenance, upgrading and redevelopment of predictions competitions and the user facing product for use by FMWH; and
- provide relevant tournament and registration management technology, including artificial intelligence predictors for esports tournaments available on the FMWH mini program on WeChat.

Under the Agreement, FMWH will:

- promote, engage and activate all their leagues, teams, registered gamers and promote SportsHero's app amongst all existing and potential corporate and commercial partners; and
- use reasonable endeavours to introduce and deliver advertising and sponsorship opportunities for the prediction competitions.

Agreement Term

The Agreement has a term of 3 years, which will be automatically renewed for a further 3 years, unless terminated by one party giving no less than three months written notice.

Either party may terminate the Agreement immediately by written notice to the other party if:

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- the other Party becomes insolvent, or an order, petition, application, proceeding, meeting or resolution is made, presented, brought, called or passed for the purpose of winding up the party (and not stayed, withdrawn or dismissed within 30 days);
- an administrator is appointed to the other party;
- the other party ceases to carry on business;
- as reasonably determined by a party, the other party breaches the terms of the Agreement, or damages the reputation and/or brand of the other party;
- the other party breaches a material term of the Agreement which is capable of remedy and has failed to remedy that breach within 30 days of receiving written notice from that party of that breach; or
- the other party has committed a material breach of any provision of the Agreement, the breach is not (in the reasonable opinion of the party) capable of being remedied and the parties have not agreed in writing a basis upon which the Agreement can continue within thirty (30) days of the other party receiving notice of that breach occurring.

All other terms and conditions of the Agreement are considered standard for an agreement of this nature.

Shanghai Fumin Sports and Culture Co. Ltd

FMWH operates as FM Media with esports content, production and operations as its core activity. FMWH focuses on providing the esports industry and its partners with a full range of esports marketing solutions. For Netease Games, FMWH provides complete esports operations, brand planning, content production and esports commercialisation services. They are also the exclusive tournament operator for Netease's OPL title.



Figure 2. FMWH Business verticals

Authorised for release by the Board

Michael Higginson
Director/Company Secretary