

SportsHero

ASX RELEASE

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SportsHero launches esports prediction platform on Wechat China and executes a Memorandum of Co-operation with China's second largest esports association



SportsHero launches an initial esports prediction platform on Wechat, allowing Wechat users to access, engage and compete in Chinese prediction competitions.



SportsHero to operate and co-brand an initial esports tournament platform in partnership with Wuhan Esports Association (WEA) the 2nd largest esports association in China.



Tripartite Memorandum of Co-operation executed between SportsHero's local Chinese entity, WEA and Wuhan Monster Technology Co Ltd (WMT).



WEA is the official governing body of esports in the region and is funded and supported by the Chinese government.



As part of the Memorandum of Co-operation, both WEA and WMT will actively promote and drive user growth through SportsHero's platform, whilst also introducing and delivering advertising and sponsorship opportunities to SportsHero.



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.

SportsHero is very pleased to announce the Chinese launch of its initial esports prediction offering on Wechat and the execution of an exclusive 1 year Memorandum of Co-operation with the 2nd largest gaming association in China, the Wuhan Esports Association.

SportsHero's Chinese esports platform will allow users to interact and engage within their communities by competing in prediction competitions in both amateur and professional tournaments.

Being embedded within the Wechat ecosystem allows SportsHero to rapidly scale user growth as it removes the need to download an additional app.

Wechat is amongst the world's most popular apps with over 1 billion monthly active users¹ and it is expected that scaling will be efficiently and quickly achieved as users are able to share links to all their contacts to participate in tournaments.

¹<https://www.statista.com/statistics/255778/number-of-active-wechat-messenger-accounts/>

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As a result of the Chinese launch of SportsHero's initial platform, WEA are looking to partner with SportsHero to develop an esports tournament management platform for all participant registration and community engagement for the esports leagues within their association.

SportsHero's proprietary artificial intelligence prediction platform is proving itself to be an attractive offering for partnerships as it gives potential partners an immediate ability to activate, engage and monetise the digital communities they have created.

Wuhan Esports Association

Wuhan Esports Association is one of the largest and most developed gaming associations in China and is only second to the national body, the Chinese Esports Association. WEA hosts multiple official esports tournaments and events annually across multiple gaming titles and over the years has developed significant resources, capacity and capability. WEA owns and operates the official Wuhan Universities Esports Games, an annual competitive esports event that hosts semi-professional teams from 64 universities with in excess of 2,000 teams and over 10,000 players competing in ~5,000 matches a year that are broadcast live to millions of viewers². Over the years, WEA has developed significant omnichannel media exposure that encompasses traditional media as well including news and articles, television, outdoor advertising as well as livestreaming across all the major gaming platforms being Douyu, Huya and Bilibili, with a total audience reach estimated at over 30 million viewers³.

² & ³ Taken from Wuhan Esports Association presentation deck, 11 April 2022



WEA's wholly owned media channels include the official Wechat account, the official Douyin account (Tik Tok), the official Kuai Shou account as well as all the official social media pages account.

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SportsHero's initial launch is expected to generate revenue through advertising, sponsorship as well as monthly subscriptions. Wuhan Monster Technology is the commercial arm of WEA.

SportsHero's CEO Tom Lapping said:

"I am delighted to report significant progress with our China strategy in the biggest esports market in the world. It is a huge credit to our recently appointed Head of esports China, Chen Fang Hui (Sherry), that she has been able to secure SportsHero's first gaming agreement with the second largest esports association in China. This initial agreement is expected to fast track the onboarding of esports gamers and potential commercial partners."

Memorandum of Co-operation

In accordance with the 1 year Memorandum of Co-operation, WMT have agreed to:

- conduct the prediction competitions and promote them throughout Wuhan; and
- use reasonable endeavours to introduce and deliver advertising and sponsorship opportunities for the prediction competitions.

All other terms and conditions of the Memorandum of Co-operation are considered standard for an agreement of this nature.

China Market Update

SportsHero is positioning itself to benefit from the current gaming market in China, which continues to rapidly grow with recent studies showing that China now accounts for a third of global esports revenue⁴.

Significant contributing factors, such as the upcoming hosting of the Asian esports games in China and the recent crowning of a Chinese esports team as the world League of Legends champions has continued to fuel mass adoption and interest in gaming and esports in China.

The continued Chinese COVID lockdowns has created a very conducive ecosystem for SportsHero's China strategy.

⁴ <https://asiasponsorshipnews.com/china-third-of-esports-revenue/>

Authorised for release by the Board

**Michael Higginson
Company Secretary**