ASX RELEASE

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SPORTSHERO LAUNCHES ARTIFICIAL INTELLIGENCE ESPORTS PREDICTOR TO SERVICE NEW MARKETS AND DELIVER UNIQUE ESPORTS PREDICTION COMPETITIONS

Highlights

- ✓ SportsHero to launch its state-of-the-art esports Predictor (**Predictor**) to service new markets and the rapidly expanding esports gaming markets
- ✓ the Predictor's algorithm leverages one of the largest datasets available for 'League of Legends', which was compiled, developed and is owned by SportsHero
- ✓ the Predictor, 100% developed and owned by SportsHero, utilises the latest advancements in deep learning technology to predict the outcomes of esports competitions prior to the match, as well as live during the competition
- ✓ substantial performance testing of the Predictor, undertaken over 189 matches, correctly predicted the head-to-head outcome of 125 matches, representing a very impressive win percentage of 66.14%
- ✓ revenue opportunities include licensing, subscription revenue, exclusive streaming revenue and royalties and affiliate gaming revenue
- ✓ industry expert engaged to drive commercialisation activity
- ✓ Australian launch is on track for the delivery of market first esports prediction competitions

Further to the Company's announcement dated 21 April 2021, SportsHero (**ASX: SHO**) (**SportsHero** or the **Company**) is very pleased to announce that it has completed, ahead of schedule, its proprietary artificial intelligence esports Predictor. The Predictor utilises the latest advancements in deep learning technology to predict the outcomes of esports competitions prior to the match, as well as live during the competition.

The Company is also pleased to announce that it has engaged the services of a highly experienced esports consultant, Mr Scott Russell to develop a go to market strategy to enable a successful launch into the Australian and global esports markets. Scott is currently the Head of Gaming for Asia Pacific with a global pre-paid, gift card and payment provider.

Scott was intimately involved in the launch of the Gfinity Elite Series, which was the first professional city-based esports league in Australia. Scott also led the inception of a world first dedicated esports division within the Hoyts Group.

In 2019 Scott relocated to Singapore to set up Knew Land, an esports consultancy business with a well-established network of industry contacts and relationships within the esports and gaming industries across Asia.

As an indication of Scott's confidence in SportsHero's future, he has agreed to take the majority of his consultancy fees in SportsHero shares. In that regard and subject to the receipt of shareholder approval, 500,000 shares are to be issued to Mr Russell (or his nominee).

Revenue Opportunities

The Predictor is expected to generate new revenue opportunities, including licensing revenue, subscription revenue, exclusive streaming revenue and royalties, affiliate gaming revenue with potential customers that operate gaming communities and betting companies, esports and sporting news websites and esports tournament organisers.

Quote from CEO Tom Lapping

"We are innovators in the esports prediction market and are excited for the additional markets and verticals that the Predictor enables the Company to operate in. The impressive performance to date validates the accuracy of the deep learning algorithm and we believe that this asset will continue to grow in value as it continues to increase in accuracy through data optimisation."

"The Predictor has the potential to be a company making platform by allowing SportsHero to enter new markets, generate revenue at scale and leverage our existing products, data and market position to our advantage. We are excited by the opportunity to engage Scott Russell to assist SportsHero in taking the Predictor to market on a global scale."

The Algorithm

To increase the accuracy of the Predictor, the prediction algorithm was built on one of the largest datasets available for 'League of Legends', which was compiled, developed and is fully owned by SportsHero. The dataset autonomously analyses new matches and the data generated from those matches in order to optimise the underlying algorithm and its accuracy. Expressed another way, the deep learning/machine learning Predictor will autonomously become more and more precise as more data is added to its ecosystem, delivering for SportsHero a unique esports value proposition that can be replicated across multiple sports and jurisdictions.

In addition to providing the algorithm, the development team also built a functioning website that packages the Predictor, the underlying players and teams library as well as an integrated live betting odds feed.

Performance Testing

Since the final stress tested version of the Predictor was complete on 13 August 2021, additional performance testing was undertaken. In total 189 matches were predicted and the Predictor correctly predicted the head-to-head outcome of 125 of those matches.

The total win percentage of 66.14% represents an extremely impressive result.

Analysis of the head-to-head results and the prevailing betting odds suggests that betting companies have mispriced their odds when compared to the underlying data and percentage win rate that the Predictor's algorithm suggests. In that regard, the performance testing achieved the following:

- the average winning odds (for a $1.00 outlay) for the matches the Predictor won was $1.78; and

- the highest predicted head-to-head winning odds (for a $1.00 outlay) achieved was $3.75.

Australian Launch

Having developed a deep learning esports Predictor and secured access to live data from esports tournaments, the Company is now looking to launch in Australia market first esports prediction competitions.

These social online competitions will include free esports "Beat the Predictor" competitions, whereby users can compete against the Predictor and other users to climb the SportsHero leader board ladder and win money can't buy prizes, such as sporting memorabilia and merchandise from tournament organisers and esports companies.

For a monthly fee, users will be able to expand their user experience by subscribing to the Company's live Predictor and securing monthly access to the Predictor's esports match predictions.

Authorised for release by the Board

Michael Higginson
Company Secretary