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## OURGAME INTERNATIONAL HOLDINGS LIMITED

聯眾國際控股有限公司\*

*(a company incorporated under the laws of the Cayman Islands with limited liability)*

(Stock Code: 6899)

### FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2022 OF ALLIED ESPORTS ENTERTAINMENT, INC.

Allied Esports Entertainment, Inc. (“**AESE**”), an indirect non-wholly owned subsidiary of Ourgame International Holdings Limited (the “**Company**”), published its financial results for the three months ended March 31, 2022.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

On June 24, 2022 (U.S. time), AESE, an indirect non-wholly owned subsidiary of the Company, published its financial results for the three months ended March 31, 2022. AESE’s shares are listed on Nasdaq.

The following summary of major financial data of AESE for the three months ended March 31, 2022 and March 31, 2021 were prepared in accordance with the Generally Accepted Accounting Principles of the United States (“U.S. GAAP”):

	<b>For the Three Months</b>	
	<b>Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>U.S.\$</b>	<b>U.S.\$</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenues</b>		
In-person	<b>2,203,066</b>	501,028
Multiplatform content	<b>208,988</b>	—
<b>Total Revenues</b>	<b>2,412,054</b>	501,028
<b>Costs and Expenses</b>		
In-person (exclusive of depreciation and amortization)	<b>1,810,353</b>	537,867
Multiplatform content (exclusive of depreciation and amortization)	<b>21,133</b>	—
Selling and marketing expenses	<b>69,038</b>	43,934
General and administrative expenses	<b>3,451,870</b>	3,913,022
Depreciation and amortization	<b>808,612</b>	881,959
<b>Total Costs and Expenses</b>	<b>6,161,006</b>	5,376,782
<b>Loss From Operations</b>	<b>(3,748,952)</b>	(4,875,754)
<b>Other Expense</b>		
Other (expense) income, net	<b>(6,707)</b>	55,142
Interest income (expense), net	<b>4,462</b>	(153,106)
<b>Total Other Expense</b>	<b>(2,245)</b>	(97,964)
<b>Loss from continuing operations</b>	<b>(3,751,197)</b>	(4,973,718)
Income from discontinued operations, net of tax provision	<b>—</b>	1,637,042
<b>Net loss</b>	<b>(3,751,197)</b>	(3,336,676)

	As at <b>March 31,</b> <b>2022</b> <i>U.S.\$</i> <i>(unaudited)</i>	As at December 31, 2021 <i>U.S.\$</i> <i>(audited)</i>
<b>Total Assets</b>	<b><u>103,379,074</u></b>	<b><u>105,803,672</u></b>
<b>Total Liabilities</b>	<b><u>8,069,204</u></b>	<b><u>7,156,865</u></b>
<b>Total Stockholders' Equity</b>	<b><u>95,309,870</u></b>	<b><u>98,646,807</u></b>

## EXPLANATION ON THE OPERATING RESULTS

### Revenues

In-person experience revenues increased by approximately \$1.7 million, or 340%, to approximately \$2.2 million for the three months ended March 31, 2022 from approximately \$0.5 million for the three months ended March 31, 2021. The increase of in-person experience revenues was driven by (a) a \$1.1 million increase in sponsorship revenue from a new contract entered into in the first quarter of 2022, (b) a \$0.4 million increase in studio and truck rental revenue, and (c) a \$0.2 million increase in food and beverage and event revenue primarily attributable to the removal of COVID-19 pandemic-related capacity restrictions at the AESE's HyperX Esports Arena in Las Vegas.

Multiplatform revenue increased by approximately \$209 thousand for the three months ended March 31, 2022 from \$0 for the three months ended March 31, 2021. The increase in multiplatform revenues is the result of NFT sales, which were sold for the first time beginning in March of 2022.

### Costs and expenses

In-person costs (exclusive of depreciation and amortization) increased by approximately \$1.3 million, or 236%, to approximately \$1.8 million for the three months ended March 31, 2022 from approximately \$0.5 million for the three months ended March 31, 2021. In-person costs increased as the result of the increased revenues described above.

Multiplatform costs (exclusive of depreciation and amortization) increased by approximately \$21 thousand for the three months ended March 31, 2022 from \$0 for the three months ended March 31, 2021. The increase in multiplatform costs corresponds to the increase in revenue as discussed above.

Selling and marketing expenses increased by approximately \$25 thousand, or 57%, to approximately \$69 thousand for the three months ended March 31, 2022 from approximately \$44 thousand for the three months ended March 31, 2021. The increase in selling and marketing expenses was driven by the increase in events for the three months ended March 31, 2022.

General and administrative expenses decreased by approximately \$0.5 million, or 12%, to approximately \$3.4 million for the three months ended March 31, 2022, from approximately \$3.9 million for the three months ended March 31, 2021. The decrease in general and administrative expenses resulted from higher expenses during the first quarter of 2021 as follows: (i) \$0.7 million higher legal and professional fees during the first quarter of 2021 due to additional expenses related to the sale of World Poker Tour (“WPT”); (ii) \$0.2 million higher stock-based compensation in 2021 due to the issuance of director grants and restricted stock units issued to the former Chief Executive Officer (“CEO”) during the period, and (iii) \$0.4 million higher payroll costs during the first quarter of 2021, related to higher corporate payroll. These decreases were slightly offset by a \$0.8 million increase in payroll expenses resulting from severance costs incurred upon the termination of employment of our AESE’s former CEO.

Depreciation and amortization decreased by approximately \$73 thousand, or 8%, to approximately \$809 thousand for the three months ended March 31, 2022, from approximately \$882 thousand for the three months ended March 31, 2021.

#### **Other income (expense)**

AESE recognized other expense of approximately \$7 thousand during the three months ended March 31, 2022 compared to \$55 thousand of other income recorded for the three months ended March 31, 2021. Other income recognized in the first quarter of 2021 was related to an insurance payment received for a claim submitted for damaged equipment.

#### **Interest income (expense)**

Interest income was approximately \$4 thousand for the three months ended March 31, 2022 compared to \$153 thousand of interest expense for the three months ended March 31, 2021. The decrease in interest expense is a result of the decrease in the principal balance of notes payable and convertible notes outstanding during the period, since these debt instruments were repaid from the proceeds of the sale of WPT.

#### **Results of Discontinued Operations**

AESE recognized income from discontinued operations, net of tax, of \$0 and \$1.6 million during the three month ended March 31, 2022 and 2021, respectively, representing an decrease of \$1.6 million. The decrease is due to the sale of the WPT business on July 12, 2021.

Please refer to the Form 10-Q published by AESE on the website of the U.S. Securities and Exchange Commission (<https://www.sec.gov>) and the website of The Stock Exchange of Hong Kong Limited (<https://www.hkexnews.hk>) for further details.

The financial results of AESE contained in the Form 10-Q have been prepared in accordance with U.S. GAAP, which are different from the International Financial Reporting Standards that the Company uses to prepare and present its financial information. As such, the financial information in the Form 10-Q is not directly comparable to the financial results of AESE as reflected in the consolidated financial

results that the Company discloses. Consequently, the Company offers no assurance that the financial results of AESE for the three months ended March 31, 2022 or any period will be the same as that to be presented in the Company's own consolidated financial results.

By order of the Board  
**Ourgame International Holdings Limited**  
**Lu Jingsheng**  
*Chief Executive Officer  
and Executive Director*

June 27, 2022

*As at the date of this announcement, the Board comprises Mr. Lu Jingsheng as executive Director; Mr. Li Yangyang, Mr. Liu Jiang, Mr. Liu Xueming, Ms. Gao Liping and Mr. Hua Yuming as non-executive Directors, and Mr. Ma Shaohua, Mr. Zhang Li and Mr. Guo Yushi as independent non-executive Directors.*

*\* For identification purpose only*