



29 April 2021

Quarterly Report for the quarter ended 31 March 2021

Highlights

- **SportsHero's fully localised Indonesian app 'OlahBola' generates over 4 million new unique users in first 9 months**
- **Capital raisings of \$1,950,000 completed**
- **Partnership with ICON Esports (owner of the Chiefs Esports Club) and OlahBola esports series launched**
- **Ellevote Football partnership established**
- **Official quotation of SportsHero's Options granted – ASX code 'SHOO'**
- **SportsHero to develop a world first artificial intelligence live esports predictor**

SportsHero's Goal

The Company's goal is to become the leading dedicated social network for sports prediction in South East Asia. Our strategy is to build a large user base of active sports fans utilising our premium proprietary technologies and official associations with the sport's governing bodies.

Our vision is to deploy our white label digital solutions across multiple sports to sporting groups and other partners globally.

OlahBola

On 7 July 2020, SportsHero successfully launched in Indonesia its first locally branded and fully localised football app 'OlahBola'. The launch generating over 4 million new unique users in the first 9 months.

The Indonesian version of SportsHero's platform is dedicated to international football and caters to the millions of fanatical Indonesian football fans who follow and support international football leagues, such as the English Premier League and Spain's La Liga. The OlahBola app provides dynamic video content from these football leagues, providing a platform for advertisers and, in turn, revenue opportunities for the Company.

\$1,950,000 capital raisings completed

Following the receipt of shareholder approval on 15 January 2021, the Company raised \$450,000 from strategic institutional investor First Growth Funds Limited pursuant to the issue of 18,000,000 Shares at an issue price of \$0.025 per Share and the granting of 9,000,000 free attaching options each exercisable at \$0.05 and expiring 16 December 2022 (**Options**).

On 5 February 2021, the Company announced that it had received binding commitments to raise an additional \$1,500,000. First Growth Advisory Pty Ltd was appointed as Lead Manager for the placement of 50,000,000 shares at an issue price of \$0.03 per share and 25,000,000 free attaching Options (**Placement**). On 9 February 2021, the Placement was completed and the securities issued to sophisticated and professional investors.

ICON Esports partnership

On 17 February 2021, the Company entered into a binding terms sheet with ICON Esports Pty Ltd (**ICON**) whereby SportsHero and ICON will jointly operate and co-brand on SportsHero's OlahBola platform an esports focused prediction network throughout Indonesia.

SportsHero Limited

ABN 98 123 423 987

Principal and Registered Office: 29 Brookside Place, Lota, Queensland 4179

Tel/Fax: +61 7 3901 0751



ICON is the owner of Australia's leading esports brand "The Chiefs Esports Club" and the parent company of the largest esports organisation in the Oceania region. ICON generates revenue by running marketing campaigns for global brands such as Intel, Red Bull, Marvel, Singtel (OPTUS) and L'Oréal. These brands follow The Chiefs Esports Club into specific events and competitions where they get access to a large and highly engaged fan base.

In accordance with the binding terms sheet, the parties have agreed to a new 3 year partnership, with all revenue generated and operating costs incurred from the OlahBola esports activities being shared equally.

On 22 April 2021, SportsHero announced the successful launch of the OlahBola Esports Series with a practice match on 8 April 2021 and 6 tournaments that will run until 17 June 2021.

Ellevate Football partnership

On 22 February 2021, SportsHero announced an exclusive 3 year partnership with the UK based Footie Group Limited, owner of Ellevate Football.

Since commencing in 2017, Ellevate Football has developed into a world leading football talent scouting platform. Parents of aspiring young footballers subscribe to the Ellevate Football platform to showcase their child's talent directly to the scouts engaged by professional football clubs worldwide.

In accordance with a binding terms sheet, SportsHero will have exclusive access to Ellevate Football's technology and intellectual property for use in the Indonesian market.

SportsHero will incorporate Ellevate Football's functionality into its rapidly growing OlahBola app. Once pricing is finalised, a recurring subscription revenue product for parents of talented young junior footballers will be launched to provide those players and their parents with access to Ellevate Football's exclusive scouting and football development programmes. Additionally, the new Ellevate Football offer is expected to appeal to new brand partners and advertisers targeting this younger Indonesian demographic.

Ellevate Football and SportsHero will share equally all subscription revenue, advertising and sponsorship revenue generated from the 3 year partnership. The parties have further agreed to include an option to extend the partnership for a further 3 year term.

Quotation of Options

On 17 March 2021, ASX granted Official Quotation to the Company's 97,750,000 Options.

The ASX code for the Options is 'SHOO' and the Options commenced trading on 18 March 2021.

Artificial intelligence live esports predictor

On 21 April 2021, the Company announced that it will develop a world first proprietary esports prediction platform (**Platform**).

The Platform will utilise the latest advancements in deep learning to predict the outcomes of esports competitions prior to the match, as well as live during the competition. This proprietary system will add a significant global software asset and capability to SportsHero's technical portfolio.

Given the large global audiences and significant fan interaction of esports tournaments, the Platform is expected to generate multiple revenue opportunities for SportsHero, including affiliate gaming revenue, subscription revenue, advertising/sponsorship revenue, exclusive streaming revenue and royalties.

By developing an artificial intelligence esports platform, SportsHero is looking to be a world leader in the rapidly expanding esports prediction market by not only being the first to market, but also by developing a proprietary deep learning-based prediction platform.

SportsHero Limited

ABN 98 123 423 987

Principal and Registered Office: 29 Brookside Place, Lota, Queensland 4179

Tel/Fax: +61 7 3901 0751



COVID-19

As a consequence of the COVID-19 pandemic:

1. On 17 March 2020, PSSI announced the suspension of all Indonesian football competitions, with no date being set for its resumption.
2. Both Spanish and English football, which were suspended due to COVID-19, commenced their 2020/21 football seasons on 12 September 2020.

The suspension of football in Indonesian has had a temporary impact on the Company's ability to generate revenues from its Kita Garuda platform.

Cash and expenditure (A\$'000)

Net cash used in operating activities for Q2 FY20/21 totaled \$442k, which included the following:

- OlahBola R & D, operating & development costs, staff costs and promotion \$184k
- OlahBola content and software services \$35k
- corporate costs, staff costs, administration, professional and legal expenses \$69k
- corporate promotion and marketing \$154k
- PSSI \$- (due to the cancellation of all Indonesian football as a result of COVID-19)

Cash at bank as at 31 March 2021 totaled \$2,260k.

The Company anticipates being cash flow positive by calendar end 2021.

During Q2 FY20/21 a total of \$84k was paid to related parties of the Company as follows:

- \$45k for the provision of full-time services by a director
- \$18.75k for director fees paid to non-executive directors
- \$18.75k for the provision of services by a non-executive director
- \$1.5k to a non-executive director for office rent

Authorised for release by the Board

John Dougall

Chairman

Telephone: +61 419 401 830

SportsHero Limited

ABN 98 123 423 987

Principal and Registered Office: 29 Brookside Place, Lota, Queensland 4179

Tel/Fax: +61 7 3901 0751