



ASX RELEASE

2 July 2021

SportsHero Limited (**SportsHero** or the **Company**) advises that the following securities have today been issued.

EMPLOYEE SECURITIES INCENTIVE PLAN (INCENTIVE PLAN)

In order to reward, motivate and retain the Company's three key employees, whilst providing the opportunity for those three key employees to participate in the future growth of the Company, SportsHero is pleased to advise that (in accordance with its Incentive Plan) it has today issued to each of the three key employees the following securities:

- ✓ 1,000,000 fully paid ordinary shares to be held in escrow for 1 year
- ✓ 2,000,000 options each exercisable at \$0.05 and expiring 1 July 2023 (refer Annexure A)
- ✓ 1,000,000 Class D Performance Rights (refer Annexure B)
- ✓ 1,000,000 Class E Performance Rights (refer Annexure B)

Shareholder approval for the Incentive Plan was obtained at the Company's AGM held on 15 January 2021.

CONVERSION OF 62 CONVERTIBLE NOTES

In accordance with their terms of issue, 62 Convertible Notes (each with a Face Value of \$1,000) and the payment of interest of \$7,028.49 have today been converted into 3,996,862 fully paid ordinary shares at an issue price of \$0.017271 per share.

Shareholder ratification for the issue of the Convertible Notes was obtained at the Company's AGM held on 15 January 2021.

CONVERSION OF 4,000,000 PERFORMANCE RIGHTS

In accordance with their terms of issue, 4,000,000 Class B Performance Rights have been converted into 4,000,000 fully paid ordinary shares following the attainment on or before 31 December 2021 of an aggregate of in excess of 3,000,000 new unique users on the Company's OlahBola app.

Shareholder approval for the issue of the 4,000,000 Class B Performance Rights to the Company's Directors was obtained at the Company's AGM held on 15 January 2021.

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GRANT OF 5,900,000 OPTIONS

In consideration for Veritas Securities Limited waiving its 12 month first right of refusal to advise on, act as Lead Manager for and/or underwrite any future capital raisings, the Company agreed to issue Veritas 5,900,000 listed options each exercisable at \$0.05 and expiring 16 December 2022.

For further details, please refer to the 2 Appendix 2A's, 2 Appendix 3B's and 3 Appendix 3G's of today's date.

Authorised for release by the Board

Michael Higginson
Company Secretary



Annexure A

The following is a summary of the terms and conditions of the 6,000,000 Options issued pursuant to the Incentive Plan:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) two years from their date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge

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with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

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Annexure B

The following is a summary of the key terms and conditions of the Performance Rights to be issued to the **Holder**:

- (a) **(Milestones)** The Performance Rights shall have the following milestones attached to them:
 - (i) **Class D Performance Rights:** the volume weighted average price for the Company's Shares as traded on ASX over 7 consecutive trading days on or before 30 April 2022 exceeds \$0.08 (eight cents); and
 - (ii) **Class E Performance Rights:** During any 6 (six) month period up to and including 30 June 2023, the Company and its subsidiaries (ie the Group) achieves a consolidated positive EBITDA (with all share based payments being excluded from the EBITDA calculation) and such EBITDA is confirmed by the signed attestation of a registered company auditor or is properly included in the Company's audited financial statements.

(each referred to as a **Milestone**).
- (b) **(Expiry Date)** To the extent that a Class D Performance Right has not been converted into a Share within 10 months of the date of grant of the Class D Performance Right, it shall lapse in accordance with paragraph (o) **(Expiry Date)**; and

To the extent that a Class E Performance Right has not been converted into a Share within 24 months of the date of grant of the Class E Performance Right, it shall lapse in accordance with paragraph (o) **(Expiry Date)**.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.

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- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(Application to ASX) The Performance Rights will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Rights into fully paid ordinary shares (**Shares**), the Company must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX. Any amendment to the terms of these Performance Rights as required by ASX will be deemed to be incorporated in these terms.

- (i) **(Participation in entitlements and bonus issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(No other rights)** A Performance Rights gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (k) **(Conversion on achievement of Milestone)** Subject to paragraph (m), a Performance Right in the relevant class will convert into one Share upon achievement of the applicable Milestone under paragraph (a).
- (l) **(Conversion on change of control)** Subject to paragraph 1.1(m) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:
- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each Holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (m) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of Performance Rights under paragraph 1.1(k) or 1.1(m) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that

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Performance Rights shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Rights will not result in any person being in contravention of the General Prohibition.
- (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph 1.1 (m) (i) within seven days if the Company considers that the conversion of a Performance Rights may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Rights will not result in any person being in contravention of the General Prohibition.
- (n) **(Lapse of Performance Right)** Each Performance Right shall expire on the date set out in paragraph (b). If the relevant Milestone attached to a Performance Right has not been achieved by the Expiry Date, the Company will redeem the relevant Performance Rights in accordance with paragraph (o) and 1.1(q) below. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph 1.1(m) above.
- (o) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the relevant Expiry Date, then each Performance Right in the relevant class will be automatically redeemed by the Company for the sum of \$0.00001 within 10 Business Days of that Expiry Date.
- (p) **(Redemption if Holder is no longer engaged by the Company)** If any Performance Right in a relevant class is not converted and in the reasonable opinion of the directors of the Company the Holder is no longer engaged by the Company then each Performance Right in the relevant class will be automatically redeemed by the Company for the sum of \$0.00001 within 10 Business Days of the directors of the Company so determining.
- (q) **(Conversion procedure)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 Business Days following the conversion.
- (r) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

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- (s) **(ASX approval)** The terms of these Performance Rights are subject to ASX approval. In the event that ASX does not approve the terms of these Performance Rights, the Milestones will be varied to the extent required to obtain the necessary ASX approval.

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