



30 July 2021

Quarterly Report for the quarter ended 30 June 2021

Highlights

- **SportsHero's fully localised Indonesian app 'OlahBola' generates over 4.7 million new unique users in first 12 months**
- **On target to reach 10 million users within the next 12 months**
- **SportsHero to develop a world first artificial intelligence live esports predictor**
- **Revenue sharing partnership established with UK based Sportclips Limited**
- **Ellevote football talent scouting on track to be fully integrated with OlahBola, with a planned September 2021 launch**
- **Trial of OlahBola esports prediction tournaments significantly exceeds expectations**

SportsHero's Goal

The Company's goal is to accelerate and capitalise on our rapid user growth to become one of Asia's most dynamic, engaging and largest sporting communities.

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'. As at 30 June 2021, OlahBola generated in excess of 4.7 million new unique users.

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.

Recent partnership deals will enhance SportsHero's OlahBola web app by delivering new and engaging content, products and services. Partnerships are one of the key drivers that generate user growth.

Sportclips partnership

On 6 May 2021, the Company announced a 3 year revenue sharing partnership with UK based Sportclips Limited. Sportclips have an exclusive subscriber agreement with Indosat Ooredoo (**Indosat**), Indonesia's second largest Telco with 60+ million paid subscribers.

Pursuant to Sportclips agreement with Indosat, Sportclips provides Indosat with an exciting sport based mobile video subscription service. In return, Indosat markets the service directly to their customer base via direct messaging and other digital marketing resources at Indosat's disposal.

In consideration for the provision by SportsHero of fully localised Indonesian content, SportsHero is entitled to 50% of Sportclips 40% revenue share received from subscribers on Indosat.

As a result of the partnership, Indosat will promote and market SportsHero's OlahBola channel to their 60+ million subscribers.

SportsHero Limited

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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.

Ellevate Football has developed 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 is incorporating Ellevate Football's functionality into its rapidly growing OlahBola app, with a planned launch date in September 2021. 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.

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.

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.

On 22 April 2021, SportsHero announced the successful trial launch of the OlahBola Esports Series following a practice match on 8 April 2021 followed by 6 tournaments that will be run until mid-August 2021.

The Mobile Legends Bang Bang tournament, comprised 1,367 teams (target of 64 teams) and 4,508 players (target 320 players).

Artificial intelligence live esports predictor

On 21 April 2021, the Company announced that it will develop a world first proprietary esports predictor that will add value to our users and help drive user engagement and usage of our platform.

The predictor 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 predictor 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 predictor, 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 predictor that can be applied across multiple sports and/or sporting events.

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The development of the Company's artificial intelligence predictor is ahead of schedule and in the final stages of testing. The predictor is expected to be completed by the end of August 2021.

COVID-19

During the quarter, Indonesia witnessed a resurgence of the COVID-19 pandemic with daily new infections increasing from approximately 6,000 per day in early April to in excess of 56,000 per day in July. In addition, a total of 88,659 COVID-19 deaths have been reported.

As a consequence of the COVID-19 pandemic, nationwide curfews have been imposed which are significantly impacting internal demand and economic activity. In addition, all Indonesian football competitions remain suspended until October 2021.

The ongoing suspension of football in Indonesia is significantly impacting on the Company's ability to generate revenues from its Kita Garuda platform. In addition, the implementation of curfews, lockdowns and restrictions are significantly impacting both the Indonesian economy and the Company's ability to routinely conduct its Indonesian business activities.

Cash and expenditure (A\$'000)

Net cash used in operating activities for Q4 FY20/21 totaled \$428k, which included the following:

- OlahBola R & D, operating & development costs, staff costs and promotion & marketing \$166k
- OlahBola content and software services \$28k
- Esports predictor consultancy fees \$30k
- Ellevate promotion & marketing, staff costs and development costs \$38k
- Esports promotion & marketing and staff costs \$31k
- corporate costs, staff costs, administration, professional and legal expenses \$125k
- corporate promotion & marketing \$10k
- PSSI \$- (due to the cancellation of all Indonesian football as a result of COVID-19)

Cash at bank as at 31 March 2021 totaled \$1,832k.

During Q4 FY20/21 a total of \$76k 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
- \$10.75k 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

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Chairman

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