



31 July 2019

Quarterly Report for the period ended 30 June 2019 and Appendix 4C

Highlights

- SportsHero successfully delivered the white label digital platform for the Football Association of Indonesia, with the 'Kita Garuda' mobile application now available for download from both Google Play and Apple's App Store.
- With the objective of driving downloads to establish a user base, PSSI have committed to an increased marketing spend, with the mobile app to be promoted via billboards, giant scoreboard screens at games, ads on Maxstream, press conferences, television advertisements to be played in merchandise stores, giveaways and also through social media.
- Once the mobile app's userbase is established, SportsHero will implement paid advertising as the first part the multitiered monetisation strategy.
- Subsequent to the end of the quarter, binding agreement executed with leading hyper-personalised video content provider Linus Technologies Limited, for the rights to use the Linus technology in the SportsHero app and other 'white label' solutions, including the 'Kita Garuda' mobile application developed for PSSI.

Operational Update

'Kita Garuda' mobile application developed for PSSI

During the June quarter the Company successfully delivered the white label digital platform for the Football Association of Indonesia ("**PSSI**"), with the 'Kita Garuda' mobile application now available for download from both Google Play and Apple's App Store.

As announced on 25 March 2019, the Company entered into an exclusive agreement (the "**Agreement**") with PSSI, one of the world's largest sports federations, boasting an engaged fan base of 80 million fans, over 4 leagues and 128 teams. PSSI is 100% owned and controlled by the Indonesian Government, and under the Agreement, SportsHero is the exclusive provider and partner to build PSSI's first official platform, including social media, merchandise/e-commerce, game highlights and player access.

Indonesia represents the largest 'digital' community in the Association of South East Asian Nations, with 130 million social media users, 177 million mobile users and 120 million mobile social users. The collaboration between SportsHero and PSSI will potentially transform the 80 million Indonesian football fans into engaged consumers of digital content.

SportsHero's strategy is to build its user base and then commence offering paid digital advertising through the app, which is the first step in the Company's monetisation strategy. As detailed in the PSSI Advertising Gross Revenue Model on

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Slide 12 of the Company's Investor Presentation released on 14 May 2019, the partnership with PSSI has the potential to deliver significant revenues to SportsHero.

As announced and in accordance with the Agreement, SportsHero is advising PSSI on marketing strategy and PSSI is responsible for the costs associated with the marketing of their mobile application. With the objective of driving downloads to establish a user base, PSSI has committed to an increased marketing spend and will implement its strategic marketing campaign with promotion of the mobile app via billboards, giant scoreboard screens at games, ads on Maxstream, press conferences, television advertisements to be played in merchandise stores, giveaways and also through social media.

This bespoke PSSI branded platform is SportsHero's first 'white-label' collaboration, but importantly, is an expansion of scope and range of services able to be developed on SportsHero's community based gamification platform.

On 29 July 2019, SportsHero announced that further functionality has been added to the 'Kita Garuda' white label mobile application, with the addition of video streaming and live scores, which are available in the most recent app update (please refer below to the section headed "Agreement with Linius Technologies Limited").

With the aim of driving significant downloads, the upcoming Grand Final of the Piala Indonesia Cup match between Persija Jakarta and PSM Makassar, will be live streamed through the Kita Garuda mobile app.

SportsHero's CEO, Mr Tom Lapping, commented: "The June reporting period has been a monumental period for SportsHero, with the 'white label' digital platform, recently developed for PSSI, going live on both Apple's App Store and Google Play."

"With the app now live, we have been working closely with the PSSI marketing team to implement a strategic marketing strategy aimed at onboarding a significant user base. Once we've established our user base, we'll be looking to implement paid advertising as the first part of our multi-tiered monetisation strategy."

"With over 80 million highly engaged PSSI football fans, this partnership represents an enormous opportunity for SportsHero. The Board genuinely looks forward to delivering increased shareholder value throughout the September quarter and beyond."

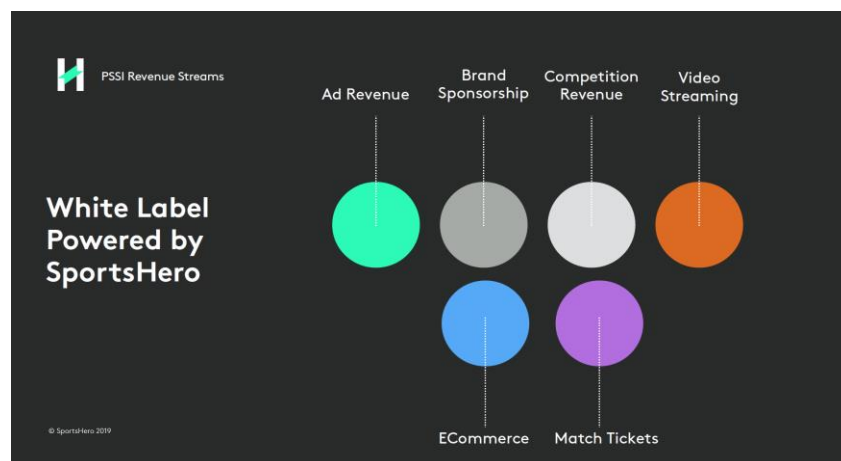


Figure 1 - SportsHero's monetisation strategy for the 'white label' digital platform developed for PSSI.



Agreement with Linius Technologies Limited

Subsequent to the end of the quarter, the Company announced that it had entered into a binding agreement ("**Linius Agreement**") with leading hyper-personalised video content provider, Linius Technologies Limited ("**Linius**") (ASX: LNU), via their respective wholly-owned subsidiaries.

Pursuant to the Linius Agreement, SportsHero has secured the rights to use the Linius technology in the SportsHero app and other 'white label' solutions, including the mobile application 'Kita Garuda', developed for PSSI.

The Linius technology allows a user to customise a video to show only content that is relevant to the individual requirements and viewing preferences of the user. For example, a user of the PSSI app will be able to search for and watch highlights of their favourite players, the best goals scored, or customise their viewing content based on virtually any criteria, such as shots on target, goalkeeper saves, injuries, substitutions, penalties, red cards and many more.

The integration of the Linius technology into the PSSI mobile app has the potential to significantly increase user engagement and viewer numbers for the 'Kita Garuda' mobile app, which in turn is expected to result in the generation of more substantive advertising revenue for both PSSI and SportsHero.

Sports Bookmaker Licence

During the March quarter, SportsHero executed binding agreements with Cross Bet Holdings Pty Ltd (**CBH**) for the purpose of enabling the granting of a Sports Bookmaker Licence (regulated by the Northern Territory Racing Commission) to facilitate the Australian launch of a SportsHero pay-to-play sports prediction platform.

Conditional approval for the granting of the Licence, from the Department of the Attorney General and Justice Licensing, has been received by CBH.

During the quarter, SportsHero established a \$200,000 term deposit for the purpose of providing security for a \$200,000 bank guarantee issued in favour of the Northern Territory Racing Commission.

Corporate Update

Capital Raising

On 24 July 2019, the Company announced the issue and allotment of 20,686,667 ordinary fully paid shares (**Shares**), comprising the following:

- 4,283,333 Shares issued at a price of \$0.10 per Share raising \$428,333 in working capital; and
- 16,403,334 Shares following the exercise of 16,403,334 options, each exercisable at \$0.05 and expiring 31 August 2019 (raising \$820,167 in working capital).

A further 51,059,760 options, each exercisable at \$0.05 and expiring 31 August 2019, are currently on issue and remain unexercised.

Join us! Game on!



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

SportsHero Limited

ABN

98 123 423 987

Quarter ended ("current quarter")

31 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(49)	(216)
(c) advertising and marketing	(8)	(369)
(d) leased assets	-	-
(e) staff costs	(38)	(357)
(f) administration and corporate costs	(352)	(1,549)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (payment of prior year contingent liability)	(131)	(131)
1.9 Net cash from / (used in) operating activities	(578)	(2,620)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(3)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(250)	(250)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(250)	(253)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	13	1,811
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	614	789
3.4	Transaction costs related to issues of shares, convertible notes or options	(15)	(97)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	612	2,503

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	283	437
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(578)	(2,620)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(250)	(253)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	612	2,503
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	67	67

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	67	283
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	67	283



6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

29

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Fees paid to directors for services rendered to the Company

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available
Add notes as necessary for an understanding of the position

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	75
9.3	Advertising and marketing	100
9.4	Leased assets	-
9.5	Staff costs	135
9.6	Administration and corporate costs	475
9.7	Other	
9.8	Total estimated cash outflows	785

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

1.1 Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Michael Higginson

 (Director/Company Secretary)

Date: 31 July 2019

Print name: Michael Higginson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.