



## ASX RELEASE

1 August 2019

# PSSI Enters Long Term Partnership Agreement Further Expanding Revenue Streams

### Highlights:

- PSSI has entered into an updated and expanded Partnership Agreement with SportsHero for an extended term of 3 + 3 + 3 years.
- The extended term of the updated and expanded Partnership Agreement allows SportsHero to develop and deliver additional functionalities, including a ticketing platform for live matches, in-app merchandise fan shop and an in-app live streaming.
- Linius hyper-personalised video technology will be integrated into the 'Kita Garuda' mobile application, allowing users to stream their personalised video content.
- The updated and expanded Partnership Agreement will facilitate ongoing collaboration between SportsHero and PSSI, providing the opportunity to further develop, introduce, integrate and enhance other functionalities for the 'Kita Garuda' mobile application.

SportsHero Limited ("**SportsHero**", the "**Company**") (ASX:SHO) is pleased to announce that it has today entered into an updated and expanded partnership agreement ("**Partnership Agreement**") with the Football Association of Indonesia ("**PSSI**"), which significantly extends the term and expands the scope of the previous partnership agreement in relation to the 'Kita Garuda' white label mobile application.

On 25 March 2019, the Company entered into an initial partnership 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. In June 2019, the 'Kita Garuda' mobile application went live on both Apple's App Store and Google Play. The updated and expanded Partnership Agreement supersedes and replaces the 25 March 2019 partnership agreement.

Significantly, the parties to the Partnership Agreement have agreed to extend the term to a period of 3 + 3 + 3 years (meaning at the end of the 3 year term, both parties have the option to extend the term for 2 further periods of 3 years). This extended term fosters and promotes a positive long term relationship between the parties and importantly allows SportsHero to develop, integrate and deliver additional long term revenue

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# SportsHero

generating functionalities, including a ticketing platform for live matches, in-app merchandise fan shop and in-app live streaming. It should be noted that the extended term of 3 + 3 + 3 years replaces the previous 1 + 1 year term.

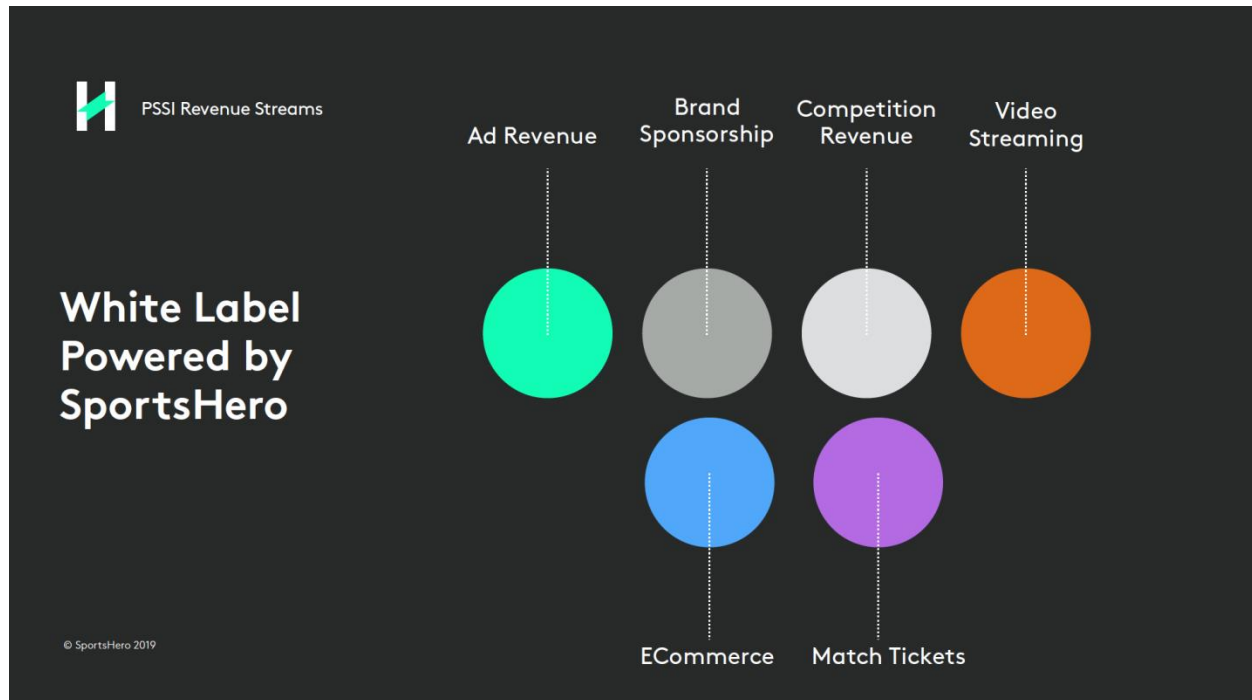


Image 1 – The 'Kita Garuda' mobile application developed for PSSI has multiple revenue streams

In accordance with the Company's earlier announcements, Linius' technology will be integrated into the 'Kita Garuda' mobile application, allowing users to stream hyper personalised video content. On 1 July 2019, SportsHero entered into an agreement with Linius Technologies Limited (ASX:LNU), whereby SportsHero will have the rights to use the Linius technology in the SportsHero app and '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, once integrated, 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.

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# SportsHero

**SportsHero's CEO, Mr Tom Lapping, commented:** "The extended term of the Partnership Agreement is a monumental development for the Company that will allow SportsHero to deploy further resources into the development and integration of additional functionality for the 'Kita Garuda' mobile application."

"With the app now live on both the App Store and Google Play and with the commencement of PSSI's marketing strategy, these additional features are an important step in ensuring that SportHero's multi revenue monetisation strategy comes to fruition. We certainly look forward to our long-term partnership with PSSI."

## Partnership overview

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 partnership between SportsHero and PSSI has been established with a goal of transforming the 80 million Indonesian football fans into engaged consumers of digital content.

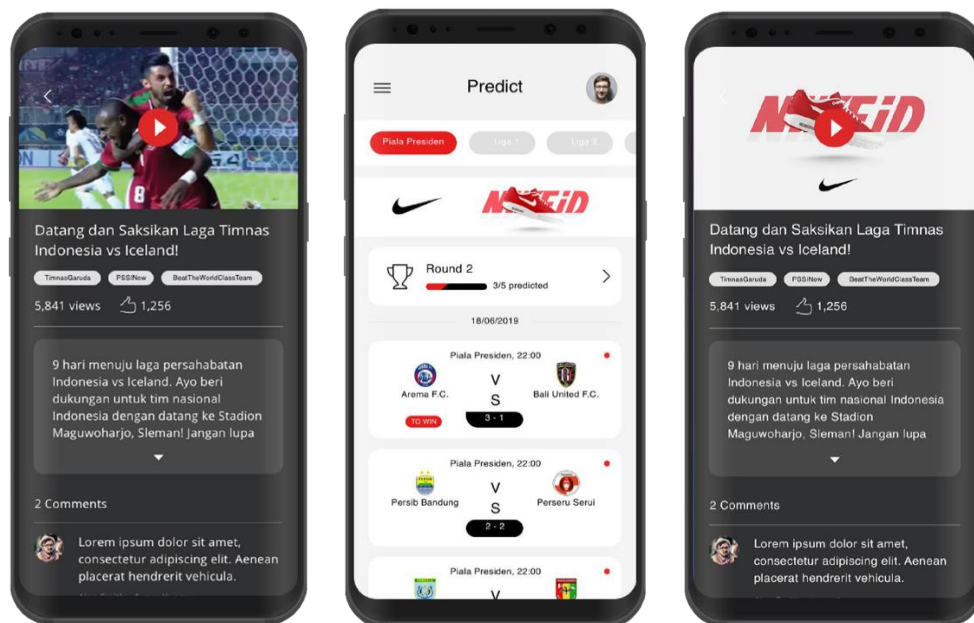


Image 2 – Advertising examples across the PSSI mobile application

In accordance with the Partnership Agreement, SportsHero has been appointed by PSSI as its **exclusive** provider and partner to build its first official platform, including apps that will incorporate SportsHero's gamified sports prediction platform, a ticketing platform, live streaming, social media, merchandise/e-commerce, game highlights and player access.

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The Kita Garuda mobile application is a bespoke PSSI branded platform, built and powered by SportsHero and represents SportsHero's first 'white-label' collaboration.

In accordance with the Partnership Agreement, the parties have agreed that net revenue will be split 70/30% in PSSI's favour. Included under the agreement is revenue generated from:

- Direct advertising
- Brand sponsorship
- Competition revenue
- Video streaming
- eCommerce
- Match ticketing
- Gamification-related ticket sales – which participate in weekly, monthly and season long prediction competitions and PSSI promotions

With respect to revenue generated from third party sponsorships, direct advertising and relevant competitions, the party who introduces the revenue source will receive 70% of the revenue, less all applicable taxes and deductions (the other party will receive 30%).

Throughout the term, PSSI will exclusively provide rich content, including access to video footage of games, events and features of the Indonesian national teams and its players.

In addition, PSSI intends to use the app, built by SportsHero, to stream live and recorded matches to their estimated 80 million fan base in Indonesia – thereby meaningfully expanding the potential advertising and sponsorship revenue base through a wider audience and an extended app user engagement time.

The parties further intend that users will be offered the right to subscribe to exclusive access to premium content, such as international match video highlights, live streaming of games and featured video stories and education.

It should be noted that there is no guarantee that the 'Kita Garuda' app will generate revenue.

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#### **About SportsHero**

SportsHero Limited (ASX: SHO) has developed an Australian intelligent, engaging sports prediction platform, designed to provide a dynamic immersive social experience, coupled with both monetary and other prizes. SportsHero has executed an exclusive multi-revenue stream digital partnership agreement with the Football Association of Indonesia ("PSSI"), with over 80 Million PSSI fans targeted for connection on a newly developed digital platform offering a broad range of revenue streams and powered by SportsHero. The Company also has a partnership with one of the world's most popular sporting leagues, Spain's LaLiga, as the exclusive Indonesian partner in the sports prediction category.

#### **About the Football Association of Indonesia (PSSI)**

The Football Association of Indonesia is 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 committed to elevating and improving the football experience in Indonesia by offering a state-of-the-art digital platform to unite the loyal and passionate fans in one community, with the aim of consuming the sport in a respectful and aspirational spirit.

#### **Piala Indonesia Cup**

The Piala Indonesia Cup is Indonesia's most watched football competition. In that regard, the Grand Final will facilitate an aggressive PSSI marketing campaign to engage its 80 million fan base.

#### **Football in Indonesia**

There are more than 700 languages spoken in Indonesia, however, the country is unified by the common language of football. Football is undoubtedly the most popular sport in Indonesia in terms of annual attendance, participation and revenue. It is played at all levels, with Piala Indonesia Cup and Liga 1 being the most popular domestic leagues. PSSI is also developing both youth and women's football programs and is targeting participation in the 2024 Olympics and co-hosting the 2034 football World Cup.

Throughout the 2019/20 Piala Indonesia Cup season, PSSI will host up to 1,200 matches, with an estimated average game attendance of between 20,000 to 30,000 fans from an estimated total supporter base of over 120 million Indonesians.

What makes football fans in Indonesia unique, in comparison to their neighbouring countries, is their high level of loyal support for both their National Team and their domestic football leagues. Unlike their regional neighbours, the level of local support exceeds the level of support for the world's two most followed leagues, being the English Premier league and Spain's LaLiga. Indonesia also boasts an impressive supporter base demographic, which is represented by 85% males between 17-34 years of age.

#### **Mobile, Social & Internet Penetration in Indonesia**

Indonesia has a population of 265 million people. According to Hootsuite's Digital in a 2018 report, 45% of the population are active mobile social users. That's a staggering 120 million individual users.

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