



ASX RELEASE

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SPORTSHERO UPDATE - PSSI AND THE KITA GARUDA APP

HIGHLIGHTS

- **Successful soft launch of Kita Garuda App in Indonesia over the period 1 August – 30 October 2019, has demonstrated the apps appeal and growth potential.**
- **The App has received 55,000 downloads and over 4,600 Google Play reviews for an overall rating of 5/5 Stars, significantly exceeding the average of 1,800 reviews for an Android app¹.**
- **Engagement rate and engagement time exceeded industry standards relating to well established apps.**
- **Kita Garuda web version being developed to attract further users in the Indonesian market.**
- **Stage 2 of the marketing and development strategy to coincide with the start of the upcoming launch of the 2019-20 Indonesian football season**

SportsHero Limited ("**SportsHero**" or the "**Company**") is pleased to announce that the soft launch of its bespoke white label mobile application, 'Kita Garuda', developed for the Football Association of Indonesia ("**PSSI**"), achieved extremely encouraging initial user and engagement results.

Downloads and Reviews

Since launching on the Apple App Store and Google Play in June 2019, the Kita Garuda mobile app has received a total of 55,000 downloads, with over 4,600 Google Play reviews for an overall rating of 5/5 Stars, significantly exceeding the average of 1,800 reviews for an Android app².

Page Views and Events

Throughout the soft launch period (1 August – 30 October 2019), the Kita Garuda app achieved a total of 535,000 page views, an event count of 1.7 million and an average of 10.13 page views per session.

¹ Appentive Benchmark Report 2019

² Appentive Benchmark Report 2019

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Engagement Rate and Time

During the same period, the average engagement rate for the Kita Garuda app was 89.07%, with engagement time of 5m 22s, which is substantially higher than the industry standard engagement time of 4m 32s.³ Engagement time plays an important role in the success of a mobile app, as engagement is the process of actively building, nurturing, and managing relationships with users, ultimately driving customer loyalty and growing the lifetime value of each customer⁴.

SportsHero CEO, Tom Lapping, commented: “The initial data for the Kita Garuda mobile app during the soft launch period is extremely promising with the number of reviews, engagement time and engagement rate, all exceeding industry standards relating to well established apps.”

“The number of downloads achieved during the period is significant, especially considering that the results were attained in a dynamic environment that involved SportsHero refining the app by adding new features, including a merchandise store and live streaming. In addition, test marketing strategies were undertaken and refined by PSSI and significant digital strategy optimisation and refinement was also implemented.”

“The high level of engagement and page views per session will provide a significant number of advertising opportunities following implementation of Stage 2 of the Marketing and Development Strategy.”

“SportsHero is confident that by adding additional features, including live video streaming for the 2019/20 Piala Cup and the Linus hyper-personalised video technology, the app will maintain a high level of engagement and page views per session, whilst substantially increasing the Kita Garuda user base.”

“Having a large number of downloads isn’t the only factor that contributes to the success of an app, and of course monetisation through advertising revenue is dependent on not only engaged users, but also on the fact that they stay engaged.”

Stage 2: Marketing and Development Strategy

Following the successful soft launch, SportsHero and PSSI have commenced Stage 2 of their Marketing and Development Strategy.

Included within this strategy is the implementation of complete live video streaming and full-scale prediction competitions for the upcoming 2019/20 Piala Indonesia football leagues, which encompasses 128 teams from Liga 1, Liga 2 and Liga 3, plus the newly minted Liga 1 Putri (Women's Football League).

PSSI has established, for Stage 2, a dedicated content team to produce exclusive content for the app, with a focus on a digital strategy, including engaging players to act

³ <https://www.localytics.com/lp/cheat-sheet-overall-app-benchmarks/>

⁴ <https://blog.branch.io/the-ultimate-guide-to-mobile-app-engagement/>

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as social media influencers, thereby promoting the app to fans.

In addition, archived exclusive video content for all 2018/19 Piala Indonesia matches will be available to watch through the Kita Garuda mobile app. This library of exclusive video content will allow SportsHero to proceed with the integration of the Linus' hyper-personalised video technology which allows users to customise a video to show only content that is relevant to the individual requirements and viewing preferences of the user.

The integration of the Linus technology into the Kita Garuda mobile app has the potential to significantly increase user engagement time, page views and retention rate, which in turn is expected to result in the generation of more substantive advertising revenue for both PSSI and SportsHero.

The Kita Garuda app was previously promoted by PSSI during the FIFA 2022 World Cup Qualifying Matches, on high profile high traffic billboards across Jakarta and other major cities, including Surabaya, Bandung and Bali (see below image).



Web Version of Kita Garuda Mobile Application

SportsHero is currently developing a web version of the Kita Garuda mobile application with the aim of capturing additional users in the Indonesian market.

Indonesia has a population of 270 million⁵, and around 60% of this population are smart phone users⁶. As such, the development of a web version of the app has significant potential to harness internet users that are not owners of smart phones but are large consumers of web-based apps.

⁵ United Nations ; US Census Bureau

⁶ InternetWorldStats

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Background

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.

Significantly, on 1 August 2019, the parties to the Partnership Agreement 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 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. The updated and expanded Partnership Agreement supersedes and replaces the 25 March 2019 partnership agreement.

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.

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.

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

The Kita Garuda mobile application will generate revenue, in accordance with the Partnership Agreement the parties have agreed that net revenue from direct advertising will be split 70/30% in favour of the party that introduces the advertiser. Included under the agreement is revenue generated from:

- Direct advertising
- Brand sponsorship
- Competition revenue
- Video streaming
- eCommerce
- Match ticketing

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- Gamification-related ticket sales – which are required to 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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