



31 July 2020

Quarterly Report for the quarter ended 30 June 2020

Highlights

- SportsHero's fully localised Indonesian app 'Olahbola', that was designed, created and developed in house, was delivered during the quarter and launched on 7 July 2020.
- As the major international football leagues recommenced, 'Olahbola', generated 256,366 new unique users in the first 3 weeks.
- Operating expenses dramatically reduced, \$1 million in annualised cost savings were implemented.
- Exclusive agreement with Dugout, a unique media company co-owned by 10 of the world's biggest football clubs with 40 million video views per month in Indonesia, to provide sports video content to enhance the SportsHero offering for fans.
- \$300,000 in working capital raised from the issue of Convertible Notes.
- Subsequent to end of the quarter, announced a binding financing facility of up to \$5,000,000 which we can access at our discretion.
- All technology, assets, partnerships and people in place to generate material revenues in 2020.

Quote from CEO Tom Lapping

"While COVID-19 disrupted football leagues globally, we worked hard to deliver three strategic milestones. We signed an unparalleled agreement with Dugout to access its rich sports video content. We successfully launched the fully localised Olahbola app, generating strong interest amongst local fans, and we signed a new \$5m financing facility to fund growth."

"We have crafted our own social media campaigns, developed our own content to enrich our offering, and streamlined our cost base. We operate in a large attractive market targeting passionate football fans aged 18-35 years with middle-income demographics. With no obvious competition, everything is in place for us to now grow quickly. We expect to generate material revenues in 2020 as football resumes. Our technology is highly scalable, our variable costs are minimal and the fixed cost base can support significant revenues."

COVID-19

As a consequence of the COVID-19 pandemic:

1. On 17 March 2020, PSSI announced the suspension of all Indonesian football competitions, with no date being set for its resumption.
2. Spanish football fixtures re-commenced on 11 June 2020, having been suspended since 12 March 2020.

The suspension of football by both the Indonesian and the Spanish football leagues has had a temporary, although material impact on the Company's ability to generate revenues from its prediction platforms, sponsor and partner advertising and ticketing.

Olahbola launch and Dugout content

On 7 July 2020, SportsHero successfully launched in Indonesia its first locally branded and fully localised football app 'Olahbola'. **The launch generating 256,366 new unique users in the first 3 weeks** and

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coincided with the resumption of major football leagues, including the English Premier League and Spain's La Liga.

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 Spain's La Liga.

Olahbola showcases Dugout's unparalleled video content. This being the first time SportsHero has been able to utilise Dugout's international football content since the Company's partnership with Dugout was announced in early May.

Dugout is a unique media company co-owned by 10 of the world's biggest football clubs that attracts approximately 40 million video views per month in Indonesia.

Additionally, and as detailed in the Company's announcements of 5 and 6 May 2020, Dugout has guaranteed that an Olahbola promotional video clip will be viewed in Indonesia 750,000 times per month. The Olahbola promotional video is available on the Company's website (asx.sportshero.live/).

The Olahbola app provides dynamic video content from the biggest and most popular football leagues, providing a platform for advertisers and, in turn, revenue opportunities for the Company.

Olahbola provides the significant number of football fans in Indonesia with the opportunity to predict outcomes, compete with other users and climb the leaderboard and win prizes, including 'money can't buy' experiences, merchandise and entertainment products.

\$5 million financing facility secured

On 21 July 2022, the Company entered into a Binding Term Sheet with US based Mint Capital Advisors (**Mint**) to provide up to \$5m in equity funding over three years (**Facility**).

The Company's entry into the Facility is part of its broader strategy in relation to the resumption of global football competitions, including the English Premier League and Spain's La Liga.

The equity funding provided by Mint, which SportsHero can access on a discretionary basis as and when it is required, will be used to fund working capital requirements.

The discretionary nature of the Facility will allow the Company to access funds only when they are needed. Whilst SportsHero may not require the full \$5m over the next three years, having the Facility provides flexibility and a financial backstop during a period of uncertainty surrounding global football competitions.

PSSI/SportsHero partnership – commercialisation

SportsHero has an exclusive three-year agreement (with two further three-year options) with PSSI. Under the agreement with PSSI, SportsHero and PSSI will share revenues from football fan subscriptions and advertising campaigns on both the Kita Garuda app and web browser. PSSI is responsible for all marketing costs, while SportsHero advises on strategy and execution.

Importantly, the web browser enables the capture of all smart phone users and there are over 130 million avid social media users in Indonesia, with 65 million people aged between 18 and 35.

The planned Kita Garuda e-store upgrades were completed during the quarter.

Cash and expenses

Operational cash expended in Q4 FY19/20 totaled \$280 thousand, of which some \$113 thousand related to the payment of expenses incurred during the March 2020 quarter.

Cash at Bank as at 30 June 2020 totaled \$225 thousand.



During Q4 FY19/20 a total of \$42,862 was paid to related parties of the Company as follows:

- \$22,500 for the provision of full-time services by a director
- \$12,500¹ for director fees paid to non-executive directors
- \$6,862 for the provision of services by a non-executive director
- \$1,000¹ paid to a director for office rent

¹These fees were accrued in Q3 FY19/20 and paid in Q4 FY19/20. No such fees for Q4 FY19/20 have been accrued.

Convertible Note issue

During the quarter, the Company completed the raising of \$300,000 pursuant to the issue of 300 10% Convertible Notes, each with a face value of \$1,000.

Sports Bookmaker Licence

During the March 2019 quarter, SportsHero executed binding agreements with Cross Bet Holdings Pty Ltd for the purpose of establishing a 50/50 joint venture and enabling the granting of a Sports Bookmaker Licence (regulated by the Northern Territory Racing Commission (**NTRC**)) to facilitate the Australian launch of a pay-to-play sports prediction platform.

The Licence has not yet been granted/transferred by the NTRC to the Joint Venture.

Authorised for release by the Board

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About SportsHero

SportsHero's strategy is to build a large user base of active sports fans utilising our premium technologies and official associations with the sport's governing bodies. We will then monetise these strategic assets with recurring revenue generated from complementary advertising income, brand sponsorship, subscriptions, competition revenue, video streaming, ecommerce and match and gamification ticket sales.

SportsHero has developed an intelligent, engaging sports prediction platform, designed to provide a dynamic immersive social experience, coupled with both monetary and other prizes.

It has an exclusive digital partnership with PSSI as well as with Spain's LaLiga, one of the world's most popular sporting leagues.

Having developed a white label digital solution, SportsHero is now able to offer that digital solution across multiple sports to sporting groups and other partners globally.