



ASX RELEASE

23 March 2022

Partnering with gaming marketing expert, Livewire Group International Pty Ltd

SportsHero Limited (**SportsHero**) is very pleased to announce that eSportsHero Pty Ltd (a wholly owned subsidiary of SportsHero) (**eSportsHero**) has entered into a partnership with Australian gaming marketing leader, Livewire Group International Pty Ltd (**Livewire**), as eSportsHero's media, marketing, loyalty and sponsorship advisor.

SportsHero's CEO Tom Lapping said:

"We are delighted to be partnering with and securing the services of Australian research and strategy first gaming marketing leader, Livewire."

"With a growing list of blue-chip brands, since its inception in March 2021, Livewire has expanded rapidly across APAC, Europe, the Middle East and Africa."

"eSportsHero's Australian esports strategy, driven by its world first artificial intelligence esports predictor and prediction tournaments, will be guided and promoted by Livewire within Australia for an initial two-year term."

Binding Terms Sheet

Pursuant to a binding Terms Sheet, eSportsHero is partnering with Livewire for an initial two-year term (**Initial Term**) as its Australian media, marketing, loyalty and sponsorship advisor.

Throughout the Initial Term, Livewire will:

- be eSportsHero's media, marketing, loyalty and sponsorship advisor in Australia under the brand "eSportsHero";
- will discuss and advise on strategic initiatives relating to media, marketing, loyalty, and sponsorship that will support the growth and expansion of eSportsHero's business in Australia during the Initial Term;
- use its best endeavours to provide eSportsHero the following services during the Initial Term:
 - i) provide recommendations on amplifying eSportsHero's owned, earned and paid media;
 - ii) conduct two market & consumer research pieces per year to support eSportsHero's growth and expansion;
 - iii) assist with reporting and data analytics for each tournament operator partnership and prediction competition implemented by eSportsHero in Australia;
 - iv) provide support with the development, design and pricing of eSportsHero's sponsorship packages, including but not limited to asset pricing, scheduling, share of voice allocation, end to end execution and creative conception;
 - v) facilitate introductions to potential eSportsHero sponsors and provide eSportsHero with recommendations and proposals to existing Livewire clients where relevant and not of a conflicting nature;
 - vi) provide recommendations to develop and grow eSportsHero's membership program including but not limited to loyalty programs, membership tiers, membership incentives

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ABN 98 123 423 987

Principal and Registered Office: 36 Prestwick Drive, Twin Waters, Queensland 4564

Tel/Fax: +61 7 5457 0557

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and structure, customer relationship management, promotion and marketing of the eSportsHero membership program;

- vii) provide support with the conception and implementation of eSportsHero's metaverse project including but not limited to development of the following property: in-game tokenisation and currency, non-fungible token (rewards and loyalty), digital amplification strategies, major prize pool development and funding; and
- viii) co-develop and design an engagement survey and strategy that allows eSportsHero to directly communicate with users to continue to optimise and develop eSportsHero's platform based on direct consumer feedback,

collectively the **Services**.

eSportsHero will provide such assistance as Livewire reasonably requires throughout the Initial Term (and any extension thereof), at eSportsHero's cost, to enable Livewire to undertake the Services.

In consideration for the provision of the Services, SportsHero has agreed to issue Livewire (or its nominee) the following securities:

- 250,000 fully paid ordinary shares in the capital of SportsHero (**Shares**) within five (5) days of the date of execution of the Terms Sheet;
- subject to the Terms Sheet not being terminated, SportsHero will issue a further 250,000 Shares within five (5) days of the date that is six (6) months from the date of execution of the Terms Sheet;
- 250,000 Class A Performance Rights;
- 250,000 Class B Performance Rights;
- 200,000 Class C Performance Rights;
- 200,000 Class D Performance Rights;
- 200,000 Class E Performance Rights;
- 200,000 Class F Performance Rights; and
- 200,000 Class G Performance Rights.

The terms and condition of the Class A, Class B, Class C, Class D, Class E, Class F and Class G Performance Rights are set out in Schedule A.

The parties agree that all Shares issued following the conversion of Class A and/or Class B Performance Rights will be held in voluntary escrow for a period of 12 months from their date of issue.

The Terms Sheet can be terminated by either party giving the other party not less than sixty (60) days written notice of their intention to terminate.

Other terms and conditions of the Terms Sheet are considered standard for an agreement of this nature.

Authorised for release by the Board

Michael Higginson
Company Secretary



SCHEDULE A

The following is a summary of the key terms and conditions of the Performance Rights to be issued by SportsHero Limited (**Company**) to Livewire (**Holder**):

- (a) (**Milestones**) The Performance Rights shall have the following milestones attached to them:
- (i) **Class A Performance Rights:** subject to the Terms Sheet not being terminated, the attainment by eSportsHero during the Initial Term of five (5) Sponsors sourced and secured by Livewire,

*(a **Sponsor** being a sponsor/advertiser that spends not less than A\$25,000 on sponsoring/advertising on eSportsHero's platform during any twelve (12) month period during the Initial Term);*
 - (ii) **Class B Performance Rights:** subject to the Terms Sheet not being terminated, the attainment by eSportsHero during the Initial Term of ten (10) Sponsors sourced and secured by Livewire;
 - (iii) **Class C Performance Rights:** subject to the Terms Sheet not being terminated, the attainment during the Initial Term of 200,000 Active Users on eSportsHero's platform,

*(an **Active User** is a user that returns to eSportsHero's platform at least once during any 28 day period);*
 - (iv) **Class D Performance Rights:** subject to the Terms Sheet not being terminated, the attainment during the Initial Term of 400,000 Active Users on eSportsHero's platform;
 - (v) **Class E Performance Rights:** subject to the Terms Sheet not being terminated, the attainment during the Initial Term of 600,000 Active Users on eSportsHero's platform;
 - (vi) **Class F Performance Rights:** subject to the Terms Sheet not being terminated, the attainment during the Initial Term of 800,000 Active Users on eSportsHero's platform; and
 - (vii) **Class G Performance Rights:** subject to the Terms Sheet not being terminated, the attainment during the Initial Term of 1,000,000 Active Users on eSportsHero's platform.
- (each referred to as a **Milestone**).
- (b) (**Expiry Date**) To the extent that a Performance Right has not been converted into a Share during the Initial Term, the relevant Performance Right shall lapse in accordance with paragraph (o) (**Expiry Date**).
- (c) (**No voting rights**) A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) (**No dividend rights**) A Performance Right does not entitle the Holder to any dividends.

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- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(Application to ASX) The Performance Rights will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Rights into fully paid ordinary shares (**Shares**), the Company must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX. Any amendment to the terms of these Performance Rights as required by ASX will be deemed to be incorporated in these terms.

- (i) **(Participation in entitlements and bonus issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(No other rights)** A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (k) **(Conversion on achievement of Milestone)** Subject to paragraph (m), a Performance Right in the relevant class will convert into one Share upon achievement of the applicable Milestone under paragraph (a).
- (l) **(Conversion on change of control)** Subject to paragraph 1.1(m) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:
 - (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
 - (ii) a court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of SportsHero or its amalgamation with any other company or companies,

The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each Holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the Holder on the same terms and conditions.

- (m) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of Performance Rights under paragraph 1.1(k) or 1.1(m) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of the Performance Rights shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing



whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph 1.1(m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (n) **(Lapse of Performance Right)** Each Performance Right shall expire on the date set out in paragraph (b). If the relevant Milestone attached to a Performance Right has not been achieved by the Expiry Date, the Company will redeem the relevant Performance Rights in accordance with paragraph 1.1(p) below. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph 1.1(m) above.
- (o) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the relevant Expiry Date, then each Performance Right in the relevant class will be automatically redeemed by the Company for the sum of \$0.00001 within 10 Business Days of that Expiry Date.
- (p) **(Conversion procedure)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 Business Days following the conversion.
- (q) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.
- (r) **(ASX approval)** The terms of these Performance Rights are subject to ASX approval. In the event that ASX does not approve the terms of these Performance Rights, the Milestones will be varied to the extent required to obtain the necessary ASX approval.

For the avoidance of doubt, the maximum number of Shares that can be issued pursuant to the conversion of the Performance Rights is 1,500,000 Shares.

On conversion, each Performance Right converts into one Share.