

SportsHero

31 July 2018

Quarterly Report for period ended 30 June 2018 and Appendix 4C

Highlights

- **Initial revenue of A\$50,180 generated in June 2018**
- **Launch in Indonesia of fully localised platform**
- **Significant Revenue generation in Indonesia from World Cup campaign**
- **Version 3 set for launch in early August, ahead of the start of the English Premier League and the Spanish La Liga seasons**
- **Cycling platform now 75% completed**

The Company is delighted to outline the very considerable achievements that occurred during the June quarter of 2018.

Firstly, the Company finalised the extensive task of developing a fully localised Indonesian version of the SportsHero platform. The Indonesian version of the platform is dedicated to football and caters to the millions of fanatical Indonesian football fans who follow the country's most popular sport.

Following the development of the Indonesian localised platform, on 15 June 2018 the Company launched its World Cup campaign in Indonesia. The results of the campaign were immediately positive as they delivered not only proof of concept, but also very encouraging early revenue flows. These revenue flows validating management's decision to pivot operations to allow for the rapid build of the localised Indonesian platform and the design and build of the Indonesian World Cup campaign.

As reported to ASX on 2 July 2018, SportsHero's fully localised Indonesian user experience generated gross revenue of A\$50,180 in the first two weeks of the World Cup campaign. The Company is also delighted to report that the gross revenue for the World Cup campaign in July 2018 more than doubled, exceeding A\$107,000.

In accordance with the Company's strategic alliance with Indonesian based PT Walletku Indompot Indonesia (**Walletku**), Walletku is required to remit to SportsHero the gross revenue (less Walletku's 15% entitlement) on or prior to the end of the following quarter.

The Company is also excited to announce that it is on target to launch Version 3 of the Company's App in advance of the August opening of the 2018/2019 English Premier League and the Spanish La Liga seasons, which are the two most followed football leagues in the world. In Indonesia, these two leagues represent a key "pay to play" market for the Company and the millions of Indonesian football fans.

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From a technical perspective, the Company's ongoing research and development is now delivering very tangible results that will be incorporated in the new user experience of Version 3.

For further details of Version 3, please refer to the "Version 3 highlights" below.

As previously announced, cycling will be the third sport launched on the Company's platform. Whilst the introduction of cycling was intentionally postponed due to the Company focusing on the development of the fully localised Indonesian platform (which required a 6 week build process) and the World Cup campaign, the Company is very pleased to confirm that the cycling platform is now 75% built.

All in all, during the quarter the Company undertook and delivered significant technical achievements. Management is extremely pleased with the energy and results delivered by all the SportsHero team and the progress made during the quarter. As a result of these efforts, the new cycling platform will be delivered on budget and Version 3 will be delivered as scheduled and within budget.

As the Company's new technical projects are due for completion early in Q3, the Company expects that cash outflows in Q3 and beyond will revert back to approximately \$500k per quarter, unless new tech projects are introduced.

Version 3 highlights are:

1. A complete redesign of the User Interface with an open breathable modern design that will adapt and scale well when new modules are introduced. This will support the rapid on-boarding of new sports and commercial partner integration.
2. A redesigned competitions User Experience with highly visual In App promo modules placed within the Football Matches Feed to drive competition entry and with a much more visually engaging competitions overview page, which includes large format imagery and partner brand graphics.
3. An upgrade of the core platform to support the:
 - introduction of a new sports, such as cycling, AFL or rugby
 - management of multiple territory versions for local market customisation, which was achieved with our localised Indonesian version
 - integration of commercial partnerships with brands.

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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")

30 June 2018

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
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(94)	(371)
(c) advertising and marketing	(84)	(317)
(d) leased assets	-	-
(e) staff costs	(183)	(768)
(f) administration and corporate costs	(463)	(1,098)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(821)	(2,538)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	51
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(27)
3.10	Net cash from / (used in) financing activities	-	1,024

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	1,245	1,942
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(821)	(2,538)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,024
4.5	Effect of movement in exchange rates on cash held	13	9
4.6	Cash and cash equivalents at end of quarter	437	437

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	437	1,245
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)	437	1,245

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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	58
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 <i>Add notes as necessary for an understanding of the position</i>	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	66
9.3	Advertising and marketing	36
9.4	Leased assets	-
9.5	Staff costs	120
9.6	Administration and corporate costs	300
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	522

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 2018

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.



ABOUT SPORTSHERO

SportsHero Limited listed on the Australian Securities Exchange (ASX code: SHO) on 15 February 2017 and is the owner of a world leading sports prediction, gamification and marketing app. The Company has the high level strategic aim of capitalising on the potential of a notional amalgamated community of over 1 billion people by combining the communities of its Affiliates (social platforms, B2B and B2C brands and professional sports teams) to create a robust user-base of sports fans who come together to play sports games, consume content and interact with ambassadors and personalities.

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