

# SportsHero

22 August 2018

Mr Dale Allen  
Listings Compliance (Perth)  
ASX Limited

Dear Dale

## **RESPONSE TO ASX LETTER**

SportsHero Limited (**SHO** or the **Company**) refers to your letter dated 17 August 2018 and responds to the 3 questions and provides the 2 confirmations as set out below:

### **Question #1**

*Does SHO expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

Answer: For the "time being", yes. The Company does, however, expect that revenues will escalate as a result of the recent successful launch of the Company's localised Indonesian app, the generation of early revenues from the Company's World Cup Campaign, the launch of Version 3 of the Company's app in advance of the opening of the 2018/2019 English Premier League and the Spanish La Liga seasons.

### **Question #2**

*Has SHO taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

Answer: SHO is taking steps to fund its ongoing operations and to raise further cash to fund those operations. The Company intends to undertake further equity raisings and considers it very likely that it will be successful.

### **Question #3**

*Does SHO expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Answer: SHO does expect to continue its operations and to meet its business objectives. The Company refers ASX to its June Quarterly Report which stated:

"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."

# SportsHero

"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."

"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."

"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."

## **Confirmation #4**

*Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?*

Response: The Company is currently in a trading halt pending the release of announcement concerning a strategic partnership. Aside from this pending announcement, the Company is in compliance with Listing Rule 3.1 and there is no other information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

## **Confirmation #5**

*Please confirm that SHO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.*

Response: The Company's response to the questions have been authorised and approved by an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully

Michael Higginson  
Company Secretary