

SportsHero

31 January 2019

Quarterly Report for the period ended 31 December 2018 and Appendix 4C

Highlights

- **Partnership with major Malaysian payment enabler “e-pay”**
- **Second LaLiga partnership, this time in Malaysia**
- **Launch of localised Malaysian platform**
- **Appointment of Wayne Johnson as a director**
- **Launch of Rugby Union, scheduled for 15 February 2019**
- **Launch of Cycling, scheduled for March 2019**
- **Sports Bookmaker Licence to be secured to enable SportsHero’s pay-to-play to be launched in Australia**
- **\$2.2m capital raising finalised**

The Company is delighted to outline the **SIGNIFICANT** achievements that occurred during the December quarter of 2018.

e-pay partnership

The December quarter kicked off with the signing of a partnership agreement with Malaysia’s largest retail payment network ‘epay” to launch SportsHero into Malaysia’s massive community of passionate sports fans.

The e-pay brand is Malaysia’s market leader in electronic payment services with over 36,000 e-pay merchants as well as a digital mobile payment platform, accounting for 20 million payment transactions nationwide per month with a monthly value of in excess of MYR 300 million¹ (approx. A\$100 million).

e-pay will integrate with SportsHero’s Malaysian app to facilitate the sale of SportsHero tickets to e-pay’s users wanting to participate in the app’s localised competitions. The partnership will enable SportsHero to immediately reach and access millions of consumers in Malaysia who are expected to substantially bolster SportsHero’s growing community of fanatical users in a country where 65% of the population is interested in football.² Malaysia being recently ranked 12th (65%) in a global Neilson Sports DNA 2018 report, ranking above countries such as Brazil, Germany, France and the UK.

Malaysian partnership with LaLiga

In a major coup for soccer fanatics in Malaysia, on 14 November 2019 the Company announced the establishment of a partnership with the world’s

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leading football league, LaLiga. This appointment sees SportsHero assume the title of LaLiga's exclusive regional partner in Malaysia in the sports prediction app category.

The LaLiga partnership in Malaysia represents another decisive transaction for SportsHero and follows the Company's recent partnership announcement with the Spanish soccer league in Indonesia, wherein LaLiga came on board as the exclusive Indonesian partner in the sports prediction app category for the 2018/19 season (with the option to extend into the 2019/2020 season).

SportsHero's exclusive LaLiga Malaysian partnership is for the remainder of the 2018/2019 LaLiga season and the 2019/20 season. The partnership is expected to generate rapid user base growth in the Malaysian market, where football is a leading sport with 4.4 million passionate LaLiga fans³.

Launch of fully localised Malaysian app

The fully localized Malaysian app is on target to be ready for launch in Q1 2019. This in tandem with our exclusive LaLiga partnership gives SportsHero's Malaysian users access to money-can't-buy products and experiences. The prizes and experiences are available at the SportsHero e-store exclusively for the apps' Malaysian users.

Indonesian operations

The first official "LaLiga Hero of the month competition" commenced in Indonesia on 1 September 2018. The LaLiga competitions offer users access to exclusive money-can't-buy prizes, merchandise and experiences, including VIP box tickets to the El Clasico FC Barcelona versus Real Madrid matches.

Ticket sales during the period 1 September 2018 to 31 December 2018 totaled 446,000, which equates to gross revenue of in excess of A\$425,000.

In accordance with our agreement with our Indonesian partners, SportsHero is to receive a cash payment of in excess of A\$185,000 by the end of March 2019.

Revenue of A\$154,000 was generated during the Company's Indonesian "**proof of concept**" 2018 World Cup campaign in June and July 2018. SportsHero is entitled to receive income of in excess of A\$65,000 and confirms that this sum will be received on or before 15 February 2019.

Wayne Johnson appointed as a Director

On 28 November 2018 the Company appointed Mr Johnson as a Director.

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The appointment of Mr Johnson represents a major achievement for the Company and is a very positive endorsement of the Company's recent development, direction and potential. Mr Johnson's impressive track record, extensive corporate contacts, reach and abilities will significantly add value and experience to the Company's Board, its activities and its market presence.

Subsequent Events

Launch of new sport, Rugby Union, scheduled for 15 February 2019

SportsHero has created an exciting new Rugby Union prediction game which will be available for players on Android and ios smartphones.

The first phase of this new product will be launched on 15 February 2019 and will target global fans of the popular annual Super Rugby competition, which is held across Australia, New Zealand, South Africa, Argentina and Japan. This will quickly be followed by additional exciting formats such as Rugby 7's and the Rugby World Cup across 2019. Players will have the chance to compete with each other across the season and/or on a weekly basis to be a Rugby Hero and show their skills and knowledge of the game they love.

Launch of new sport, Cycling, scheduled for launch in March 2019

SportsHero is very excited to be launching a world first Road Cycling prediction platform targeted for The Classics in March 2019 and leading into the major tours being The Italian Giro, Tour of Spain and Tour De France.

Road Cycling is a very high growth spectator and participant sport and Cycling boasts over 170 competitive races and tours in a calendar year with an audience over 400 million die-hard cycling fans. SportsHero Cycling will give these fans a new and engaging way to expand their interaction with the sport and other fanatics competing for the right to be seen by the community as a Cycling Hero.

Sportshero Rugby Union and Road Cycling join SportsHero Football as key parts of the strategy to rapidly build a highly engaged community of fanatical fans who see SportsHero as a key part of their sporting fandom.

Sports Bookmaker Licence

Subsequent to the end of the quarter, on 19 January 2019 the Company announced its intention to secure access to a Sports Bookmaker Licence regulated by the Northern Territory Racing Commission (**Licence**) to facilitate

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the Australian launch of its pay-to-play sports prediction platform.

Pursuant to a non-binding Heads of Agreement with Cross Bet Holdings Pty Ltd (**CBH**) and following the granting of the Licence, SportsHero and CBH intend (on a 50/50 basis) to launch SportsHero's pay-to-play social gaming platform in Australia.

Private Placement

On 23 January 2019, the Company announced that it had finalised an oversubscribed private placement raising \$1.65m (pursuant to the issue of fully paid shares at an issue price of \$0.10 per share) and had received commitments for the exercise of 31 August 2019 options, raising not less than an additional \$0.55m.

Global investor IPV Capital was again a cornerstone investor in the private placement, with a \$415,000 investment.

Join us! Game on!



¹ www.e-pay.com.my

² Nielsen Sports 2017/18 LaLiga fans

³ LaLiga Fan Demographics: Nielsen Sports 2018/19 LaLiga Fans



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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(51)	(122)
(c) advertising and marketing	(9)	(184)
(d) leased assets	-	-
(e) staff costs	(66)	(126)
(f) administration and corporate costs	(224)	(661)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
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	(350)	(1,092)

SportsHero Limited ABN 98 123 423 987

Principal and Registered Office: 29 Brookside Place, Lota, Queensland 4179

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(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)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	22	739
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(21)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	22	718

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	390	437
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(350)	(1,092)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	22	718
4.5	Effect of movement in exchange rates on cash held	-	2
4.6	Cash and cash equivalents at end of quarter	62	62

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	62	390
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)	62	390

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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	61
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	60
9.3	Advertising and marketing	25
9.4	Leased assets	-
9.5	Staff costs	95
9.6	Administration and corporate costs	480
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	660

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 January 2019

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.