

# SportsHero

## Quarterly Activities Report for the quarter ended June 30, 2024

- **Whisper Media has commenced selling all digital assets on KitaGaruda, generating first advertising revenues for PSSI and SHO in June quarter**
- **PSSI has confirmed SHO wholly-owned KitaGaruda app is included in the major sponsorship renewal contracts, forming part of the digital inventory and rights**
- **PSSI has confirmed major sponsorship renewals with all 7 key brand partners, including Bank Mandiri and AQUA, Indosast, IndoMilk, FreePort, Sinarma and AstraFinance**
- **IGV has developed version 2 of the IGV platform with an innovative gaming service to be launched in Indonesia and Thailand in the September quarter**

### 1. Operational Activities

#### 1.1 Digital Advertising and Sponsorship Activities with PSSI, Indonesia

##### **Whisper Media Commences Digital Advertising Sales**

Whisper Media has successfully commenced selling all digital assets on the KitaGaruda app, generating the first advertising revenues for PSSI (Football Federation of Indonesia) and SHO in June 2024. This marks a significant inflection point in our digital revenue strategy, leveraging the growing popularity of the KitaGaruda platform.

Whisper Media is committed to maximizing sales over the next 6 to 12 months. This effort is supported by a substantial increase in app traffic, driven by the Indonesian National Team's recent performance and progress to the next round of the football World Cup Qualifiers. We anticipate continued growth in advertising revenues as we capitalize on this momentum.

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ABN 98 123 423 987

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## **KitaGaruda App Advertising Sales**

PSSI and SHO have confirmed a total of IDR 7.4 billion (approximately AUD 717,000) in advertising contracts in Indonesia. These contracts underscore the strong demand for advertising opportunities associated with PSSI, driven by the increasing engagement of football fans in the region. This quarter, we have secured advertising partnerships with several prominent brands, including Djarum, McDonald's, Mitsubishi, Pepsodent, SOHO, Tango, and Aqua. These partnerships highlight the attractiveness of our digital platforms to leading advertisers.

To date, the net digital revenue to SHO stands at IDR 991,000,000 (approximately AUD 90,000). This revenue reflects our effective monetization strategies and the successful execution of our digital advertising campaigns.

## **PSSI Major Sponsorship Renewals**

PSSI has confirmed major sponsorship renewals with all 7 key brand partners, including Bank Mandiri, AQUA, IndoSat, IndoMilk, FreePort, Sinarmas, and AstraFinance. SHO has confirmed that its wholly-owned KitaGaruda app is included as part of the digital inventory within the major sponsorship renewal contracts. This highlights the importance of our KitaGaruda App as the official digital platform for Indonesian Football, ensuring that our app remains a central component of PSSI sponsorship packages.

SHO will provide details on our sponsorship revenue share under the 70% PSSI/30% SHO partnership split as soon as the revenue allocation has been determined. We expect to receive the revenue within the current quarter.

## **1.2 IGV Gaming Product Development**

Over the past quarter, IGV has developed an innovative and proprietary service to be introduced on the IGV platform along with the current products. This innovative service allows gamers to enjoy over 200 of the most popular PC games, including renowned titles like Call of Duty, Among Us, Counter-Strike 2, Elden Ring, PUBG, Grand Theft Auto 5, and Rust.

The service operates on a subscription model with monthly subscription pricing. IGV believes this offers exceptional value for their current customer base of avid gamers. Currently, the product is in final testing in IGV's select core markets including North America and France. It is important to note that these passes are specifically designed for desktop computer and PC gaming, ensuring

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optimal performance for traditional gaming setups. This new offering from IGV represents a significant step forward in making a wide array of high-quality PC games more accessible and affordable to gamers across multiple regions.

The timing of this launch is particularly opportune, given the substantial growth in the gaming market. In Indonesia alone, there are 149.28 million gamers, with 8.31 million identified as PC gamers. This presents a considerable opportunity for IGV to capture a significant share of this expanding market.

This IGV subscription service is poised to disrupt the traditional gaming model by offering a cost-effective alternative to purchasing individual games. This model not only provides exceptional value for our customers but also encourages them to explore a diverse range of titles without the financial commitment of full-price purchases.

We believe this innovative service will offer a unique point of difference for the Indonesian and Thailand gaming markets. The service is targeted to go live in the September quarter and be rolled out as SHO expands IGV into other Southeast Asian markets.

## 1.3 Talon Partnership

As a result of the synergies with Talon and especially in the Thailand market, we have decided to pivot the Talon partnership strategy to include the launch of IGV Thailand. Talon has a comprehensive local team including top esports influencers, content creators, and a strong fan base. This provides SHO with an opportunity to fast-track the launch of IGV into the Thai market with an engaged audience.

TALON is Asia Pacific's fastest growing esports brand (with a 20m+ fan base) and a diverse range of revenue streams, including tournament winnings, sponsorship, player transfers, publisher fees and the sale of merchandise both physical and digital, as well as events and its own creative studio, TALON brings the discipline of traditional sport to competitive gaming.

## 1.4 China

Zongheng Esports (Shanghai), was established as an interim entity by way of a local company structure by a local Chinese National shareholder with the shares held in trust for and on behalf

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of SHO under a deed of trust (Deed) while SHO worked to set up a wholly-owned foreign enterprise (WOFE). As SHO's primary focus for China has now pivoted to expanding successful Chinese esports businesses into Southeast Asian markets similar to IGV, SHO has terminated the deed of trust and will conduct future business in China through a WOFE.

**Authorised for release by the Board**

**Ross Pearson  
Company Secretary**

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity: SportsHero Ltd

ABN

98 123 423 987

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2	8
1.2 Payments for		
(a) research and development	-	(38)
(b) product manufacturing and operating costs	(26)	(142)
(c) advertising and marketing	(51)	(211)
(d) leased assets	-	(2)
(e) staff costs	(119)	(489)
(f) administration and corporate costs	(127)	(603)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	595
1.8 Other (provide details if material)	-	18
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(311)</b>	<b>(864)</b>

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(3)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	830
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	173	513
3.6	Repayment of borrowings	-	(600)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.7	Transaction costs related to loans and borrowings	-	(20)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>173</b>	<b>723</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>183</b>	<b>183</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(311)	(861)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	173	723
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>42</b>	<b>42</b>

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	42	183
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>42</b>	<b>183</b>

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<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	78
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	1,000	123
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	1,000	123

7.5	<b>Unused financing facilities available at quarter end</b>	877
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Unsecured loan facility of up to \$1 million fees of 10% are payable upon repayment of the loan.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(311)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	42
8.3	Unused finance facilities available at quarter end (Item 7.5)	877
8.4	Total available funding (Item 8.2 + Item 8.3)	919
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	2.95

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity 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:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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.

Date: 31 July 2024

Authorised by: The Board of SportsHero Limited

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.

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4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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