SportsHero Limited

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

SportsHero Limited and its controlled entities
ABN 98 123 423 987

Reporting period – For the year ended 30 June 2020
Previous period – For the year ended 30 June 2019

Results for Announcement to the Market

	30 June 2020	30 June 2019	Change	Change
	US$	US $	US$	%
Revenue	3,434	463,791	(460,357)	(99%)
Loss for the year after tax from continuing operations	(1,565,168)	(2,276,625)	711,457	31%
Loss attributable to members of the parent entity	(1,558,401)	(2,315,600)	757,199	33%

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2020.

Other significant information

SportsHero's strategy is to build a large user base of active sports fans utilising our premium technologies and official associations with the sport's governing bodies. We will then monetise these strategic assets with recurring revenue generated from complementary advertising income, brand sponsorship, subscriptions, competition revenue, video streaming, ecommerce and match and gamification ticket sales.

SportsHero has developed an intelligent, engaging sports prediction platform, designed to provide a dynamic immersive social experience, coupled with both monetary and other prizes.

It has an exclusive digital partnership with PSSI (Football Association of Indonesia) as well as with Spain's LaLiga, one of the world's most popular sporting leagues.

Having developed a white label digital solution, SportsHero is able to offer that digital solution across multiple sports to sporting groups and other partners globally.

On 7 July 2020, SportsHero announced the launch of its first ever fully localised Indonesian app 'Olahbola', that was designed, created and developed in house.

SportsHero operates in Indonesia, which is a very large attractive market in which we are targeting passionate football fans aged 18-35 years with middle-income demographics. With no obvious competition, everything is in place for us to grow quickly.

Review of operations

On 1 July 2019, the Group announced a licensing agreement with Linius Technologies Limited whereby SportsHero secured the rights to use the Linius video customisation technology.

On 24 July 2019, the Group issued 4,283,333 shares at an issue price of AU$0.10 per share raising AU$428,333 in working capital. In addition, the Group raised a further AU$820,217 (before costs) following the exercise of 16,404,334 options each exercisable at AU$0.05 and expiring 31 August 2019.

On 1 August 2019, the Group announced an extension of the partnership with PSSI for a term of 3 years, plus the right to further extend for 2 further periods of 3 years (ie a total of 9 years).

On 12 September 2019, the Group completed the raising of AU$1,862,500 (before costs) pursuant to the issue of 37,250,000 shares following the exercise of 37,250,000 options each exercisable at AU$0.05 and expiring 31 August 2019 and issued 20,000,000 options each exercisable at AU$0.10 and expiring 30 September 2021.

On 30 October 2019, Mr John Dougall was appointed as a Director of the Company following the resignation of Mr Wayne Johnson on 29 October 2019.

On 16 April 2020, the Company announced that commitments for the raising of $300,000, pursuant to the issue of 300 10% convertible notes, had been received. The Company also announced the implementation of cost savings of over $1,000,000 per annum.

On 5 May 2020 the Company announced that a 2 year sporting content deal, accessing content covering the biggest and most popular sporting leagues globally, had been secured. The 2 year deal with Dugout, a unique media company co-owned by 10 of the world's biggest football clubs with 40 million video views per month in Indonesia, will provide SportsHero with compelling and comprehensive content

Subsequent events

On 7 July 2020, the Company announced the launch of Olahbola. Olahbola being SportsHero's first ever locally branded and fully localised football app covering international football for the Indonesian market.

On 21 July 2020, the Company announced the signing of a Binding Term Sheet for a financing facility of up to $5m with US based Mint Capital Advisors. SportsHero has agreed to pay Mint a 2% fee on the total funding limit. The fee will be paid by the issue of 5 million shares at an issue price of $0.02 per share, with half of the shares to be issued upon execution of a definitive agreement and the remaining half to be issued on or prior to the first drawdown.

On 28 July 2020, the Company announced that 256,336 new unique users had been generated since the 7 July 2020 launch of Olahbola.

On 26 August 2020, the Company announced that 517,992 new unique users have been generated since the 7 July 2020 launch of Olahbola. In addition, the Company advised of the engagement of Mr Rob Davies as the Company's Indonesian Director of Operations and the issue to Mr Davies of 3,000,000 fully paid shares and 4,000,000 performance rights.

Control gained over entities and loss of control over entities

During the financial year the Company did not gain or lose control over any entity.

Details of associates and joint venture entities

On 10 January 2019, the Company announced that it had entered into a non-binding Heads of Agreement with Cross Bet Holdings Pty Ltd (**CBH**) for the purpose of securing access to a Sports Bookmaker Licence (**Licence**).

On 8 March 2019, the Company announced the formation of a joint venture with CBH for the purpose of enabling the granting of a Licence to a newly incorporated joint venture vehicle named Pay-to-Play Australia Pty Ltd (**P-to-P**).

Subject to the granting of a Licence to P-to-P by the Northern Territory Racing Commission (**NTRC**) the joint venture parties intended to operate a pay-to-play sports prediction platform in Australia.

To facilitate the granting of the Licence to P-to-P, SportsHero loaned P-to-P $200,000 to enable P-to-P to pay a $200,000 refundable bond to the NTRC.

The NTRC have not approved either the issue of a Licence to P-to-P or the transfer of a Licence to P-to-P. As a consequence, the NTRC has cancelled the bond and P-to-P has repaid the $200,000 loan to SportsHero.

The NTRC has previously either granted or approved the grant of a Licence to Cross Bet Pty Ltd (a wholly owned subsidiary of CBH) and has recently approved the acquisition by SportsHero of a 50% equity interest in Cross Bet Pty Ltd (effectively enabling SportsHero to acquire a 50% interest in a Licence). SportsHero is aware that CBH is intending to use the Licence to undertake gambling operations in Australia. As the proposed gambling operations would indirectly result in a change in the nature of SportsHero's activities, SportsHero has resolved not to acquire a 50% interest in Cross Bet Pty Ltd.

The Board is considering its options with regard to the P-to-P joint venture.

SportsHero Limited

COVID-19

As a consequence of the COVID-19 pandemic:

1. On 17 March 2020, PSSI announced the suspension of all Indonesian football competitions, with no date being set for its resumption.

2. Spanish football fixtures re-commenced on 11 June 2020, having been suspended since 12 March 2020.

The suspension of football by both the Indonesian and the Spanish football leagues has had a temporary, although material impact on the Company's ability to generate revenues from its prediction platforms, sponsor and partner advertising.

As a response to COVID-19, the Company implemented substantial cost saving measures, whilst at the same time retaining key talent and personnel in order to retain the ability to rapidly scale up in the future.

Total annual cash savings of in excess of $1,000,000 were implemented. These cost saving measures included the following:

- ✓ the standing down all contracted team members, whilst retaining the ability to scale up immediately following the COVID-19 crisis.

- ✓ Chairman and Directors to forego remuneration for the period commencing 1 March 2020 to 30 June 2020 (inclusive).

- ✓ CEO and senior staff to take a 50% salary cut.

- ✓ renegotiation of all retainers, subscription services and reduction of leased office space.

Net Tangible Assets

	30 June 2020	**30 June 2019**
Net tangible (liabilities)/ assets per share (cents/share)	(0.15)	(0.36)

Audit Status

This report is based on accounts which are in the process of being audited. The Audited Annual Report is expected to be released by 30 September 2020.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of SportsHero Limited for the year ended 30 June 2020 is attached.

Signed By 31 August 2020

Michael Higginson
Director/Company Secretary
Queensland

SportsHero Limited

Preliminary Statement of Comprehensive Income
for the year ended at 30 June 2020

	Consolidated	
	30 June 2020 US$	**30 June 2019 US$**
Income		
Revenue	-	423,242
Other income	3,434	40,549
Expenses		
Administration expenses	(962,978)	(1,259,352)
Commission expense	-	(243,364)
Employee and consulting expenses	(435,634)	(844,977)
Depreciation and Amortisation expense	(53,434)	(575)
Interest expense	(2,120)	-
Share based payments	(12,883)	(223,333)
Share of net loss of joint venture accounted for using equity method	(101,553)	(10,654)
Impairment expense	-	(158,161)
Loss before income tax from continuing operations	(1,565,168)	(2,276,625)
Income tax expense	-	-
Loss after income tax from continuing operations	(1,565,168)	(2,276,625)
Loss after income tax from discontinued operations	-	-
Loss after income tax expense for the year	**(1,565,168)**	**(2,276,625)**
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	6,767	(38,975)
Total comprehensive loss for the year	**(1,558,401)**	**(2,315,600)**
Loss attributable to:		
Owners of the entity	**(1,558,401)**	**(2,315,600)**
	Cents	**Cents**
Basic and diluted loss per share for continued operations (cents per share)	0.53	0.93
Basic and diluted loss per share (cents per share)	0.53	0.93

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

SportsHero Limited
Preliminary Statement of Financial Position
as at 30 June 2020

	Note	Consolidated 30 June 2020 US$	Consolidated 30 June 2019 US$
Current assets			
Cash and cash equivalents		154,589	49,781
Other receivables		147,655	44,246
Total current assets		302,244	94,027
Non-current assets			
Right of use assets		16,909	-
Plant and equipment		4,508	1,507
Investment accounted for using the equity method		-	24,623
Other assets		-	140,260
Total non-current assets		21,417	166,390
Total assets		323,661	260,417
Current liabilities			
Trade payables		201,554	1,257,017
Borrowings – Convertible Notes		206,045	-
Other payables	5	385,154	-
Lease liability		17,308	-
Total current liabilities		810,061	1,257,017
Total liabilities		810,061	1,257,017
Net (liabilities)/assets		(486,400)	(996,600)
Equity			
Issued capital		11,784,318	10,097,370
Share based payments reserve		474,168	92,515
Foreign currency translation reserve		(149,623)	(156,390)
Accumulated losses		(12,595,263)	(11,030,095)
Total equity		(486,400)	(996,600)

The above consolidated statement of financial position
should be read in conjunction with the accompanying notes.

SportsHero Limited
Preliminary Statement of Changes in Equity
for the year ended 30 June 2020

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US$	US$	US$	US$	US$
Consolidated					
Balance at 1 July 2018	8,559,488	97,751	(117,415)	(8,753,470)	(213,646)
Total comprehensive loss for the year	-	-	(38,975)	(2,276,625)	(2,315,600)
Performance rights issued during the year	117,035	(117,035)	-	-	-
Share based payments	111,534	111,799	-	-	223,333
Shares issued during the year	1,397,136	-	-	-	1,397,136
Share issue costs	(87,823)	-	-	-	(87,823)
Balance at 30 June 2019	10,097,370	92,515	(156,390)	(11,030,095)	(996,600)
Balance at 1 July 2019	10,097,370	92,515	(156,390)	(11,030,095)	(996,600)
Total comprehensive loss for the year	-	-	6,767	(1,565,168)	(1,558,401)
Exercise of options	1,854,473	-	-	-	1,854,473
Performance rights issued during the year	-	-	-	-	-
Share based payments	-	12,883	-	-	12,883
Shares issued during the year	299,191	-	-	-	299,191
Share issue costs	(466,716)	368,770	-	-	(97,946)
Balance at 30 June 2020	11,784,318	474,168	(149,623)	(12,595,263)	(486,400)

The above consolidated statement of changes in equity
should be read in conjunction with the accompanying notes

SportsHero Limited
Preliminary Statement of Cash Flows
for the year ended 30 June 2020

	Consolidated	
	30 June 2020 US$	**30 June 2019 US$**
Cash flows from operating activities		
Receipts from customers	22,052	54,469
Payments to suppliers and employees	(1,902,621)	(1,910,731)
Interest received	3,434	2,042
Net cash used in operating activities	**(1,877,135)**	**(1,854,220)**
Cash flows from investing activities		
Payments for plant and equipment	(5,270)	(2,086)
Cash received as part of acquisition	-	(35,277)
Net cash used in investing activities	**(5,270)**	**(37,363)**
Cash flows from financing activities		
Proceeds from issues of shares	2,153,664	1,744,829
Share issue transaction costs	(97,946)	(87,823)
Lease liability payments	(73,080)	-
Net cash provided by financing activities	**1,982,638**	**1,657,006**
Net (decrease)/increase in cash and cash equivalents held	100,233	(234,577)
Cash and cash equivalents at the beginning of the financial year	49,781	323,333
Effect of exchange rate changes on cash and cash equivalents	4,575	(38,975)
Cash and cash equivalents at the end of the financial year	**154,589**	**49,781**

The above consolidated statement of cash flows
should be read in conjunction with the accompanying notes.

SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2020

Note 1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by SportsHero Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements of SportsHero Limited and its controlled entities, comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New and Revised Accounting Standards and Interpretations

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Consolidated Entity's accounting policies.

Functional and presentation currency

The preliminary financial report is presented in US dollars, which is the Group's functional currency.

Note 2. Segment reporting

For management purposes the group is organised into two strategic units:

- Corporate head office in Australia
- Technology development based in Singapore

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the Group reports its primary segment information to the Board.

The operating segment analysis presented in these preliminary financial statements reflects operations analysis by business. It best describes the way the group is managed and provides a meaningful insight into the business activities of the Group.

The following table presents details of revenue and operating loss by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the preliminary financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

Note 2. Segment reporting (continued)

	Australia US$	Singapore US$	Total US$
Year ended 30 June 2019			
Revenue from external customers	463,168	623	463,791
Inter-segment revenue	-	-	-
Reportable segment loss before tax			
Continuing operations	(1,845,380)	(431,245)	(2,276,625)
	(1,845,380)	(431,245)	(2,276,625)
Year ended 30 June 2020			
Revenue from external customers	1,318	2,116	3,434
Inter-segment revenue	-	-	-
Reportable segment loss before tax			
Continuing operations	(727,427)	(837,741)	(1,565,168)
	(727,427)	(837,741)	(1,565,168)
Reportable segments assets at 30 June 2019			
Continuing operations	224,583	35,834	260,417
	224,583	35,834	260,417
Reportable segments assets at 30 June 2020			
Continuing operations	290,107	33,554	323,661
	290,107	33,554	323,661

Note 3. Contingent assets and liabilities

There are no contingent assets and or liabilities at the date of this report.

Note 4. Controlled entities

	Date control gained	Country of Incorporation	Principal Activities	Ownership %
Parent entity				
SportsHero Limited		Australia	Parent	
Name of Controlled Entity				
Sportz Hero Pty Ltd	7 February 2017	Australia	Investment holding	100%
SportsHero Enterprise Pte Ltd	7 February 2017	Singapore	Technology development	100%

Note 5. Other payables

Included as other payables is an amount of US$325,953. This amount relates to unsubstantiated claims that arose in the 2018 financial year in relation to a former overseas subsidiary of the Company. The Company confirms that it has received no claims (or otherwise) in relation to this matter. The Company further confirms that no claims are currently pending against the former overseas subsidiary.