

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 2019

Previous period – For the year ended 30 June 2018

Results for Announcement to the Market

	30 June 2019	30 June 2018	Change	Change
	US\$	US \$	US\$	%
Revenue	423,242	16,841	406,401	2413%
Loss for the year after tax from continuing operations	2,265,892 ¹	3,644,205	(1,378,313)	(38%)
Loss for the year after tax from discontinued operations	-	691,361	691,361	(100%)
Loss attributable to members of the parent entity	2,305,081 ¹	4,485,575	2,673,774	(49%)

¹ All development expenditure incurred during the financial year has been expensed by the Company.

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2019.

Other significant information

SportsHero Limited has developed an intelligent, engaging sports prediction platform, designed to provide a dynamic immersive social experience, coupled with both monetary and other prizes. On 25 March 2019, SportsHero has executed an exclusive multi-revenue stream digital partnership agreement with the Football Association of Indonesia (**PSSI**), with over 80 Million PSSI fans targeted for connection on a newly developed digital platform offering a broad range of revenue streams and powered by SportsHero.

The Company also has a partnership with one of the world's most popular sporting leagues, Spain's LaLiga, as the exclusive Indonesian partner in the sports prediction category.

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

Review of operations

Kita Garuda and PSSI

Throughout the year, the Company undertook and delivered significant technical achievements, culminating in the development of the white label mobile application "Kita Garuda" for PSSI.

In accordance with a partnership agreement with PSSI, SportsHero has been appointed for a term of 3 years (with the option to extend for 2 further periods of 3 years) as PSSI's exclusive provider and partner to build PSSI's first official platform, including apps that incorporate SportsHero's gamified sports prediction platform, a ticketing platform, live streaming, social media, merchandise/e-commerce, game highlights and player access.

Pursuant to the partnership agreement, the parties have agreed that net revenue from direct advertising will be split 70/30% in favour of the party that introduces the advertiser. Included under the agreement is revenue generated from:

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SportsHero Limited
Supplementary Appendix 4E Information
as at 30 June 2019

- Direct advertising
- Brand sponsorship
- Competition revenue
- Video streaming
- eCommerce
- Match ticketing
- Gamification-related ticket sales – which are required to participate in weekly, monthly and season long prediction competitions and PSSI promotions.

With respect to revenue generated from third party sponsorships, direct advertising and relevant competitions, the party who introduces the revenue source will receive 70% of the revenue, less all applicable taxes and deductions (the other party will receive 30%).

Throughout the term of the partnership agreement, PSSI will exclusively provide rich content, including access to video footage of games, events and features of the Indonesian national teams and its players.

In addition, PSSI intends to use the app, built by SportsHero, to stream live and recorded matches to their estimated 80 million fan base in Indonesia – thereby meaningfully expanding the potential advertising and sponsorship revenue base through a wider audience and an extended app user engagement time.

The parties further intend that users will be offered the right to subscribe to exclusive access to premium content, such as international match video highlights, live streaming of games and featured video stories and education.

Sports Bookmaker Licence

During the March quarter, SportsHero executed binding agreements with Cross Bet Holdings Pty Ltd (**CBH**) for the purpose of enabling the granting of a Sports Bookmaker Licence (regulated by the Northern Territory Racing Commission) to facilitate the Australian launch of a SportsHero pay-to-play sports prediction platform.

Conditional approval for the granting of the Licence, from the Department of the Attorney General and Justice Licencing, has been received by CBH.

Net Tangible Assets

	30 June 2019	30 June 2018
Net tangible (liabilities)/ assets per share (cents/share)	(0.36)	(0.07)

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 for the purpose of enabling SportsHero to launch its existing pay-to-play sports prediction platform in Australia.

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Supplementary Appendix 4E Information
as at 30 June 2019

Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	%	%	\$	\$
Pay-2-Play Australia Pty Ltd	50.00%	-	(10,654)	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(10,654)	-
Income tax on operating activities			-	-

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 2019.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of SportsHero Limited for the year ended 30 June 2019 is attached.

Signed By

30 August 2019

Michael Higginson
 Chairman
 Queensland

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SportsHero Limited
Preliminary Statement of Comprehensive Income
as at 30 June 2019

	Consolidated	
	30 June	30 June
	2019	2018
	US\$	US\$
Income		
Revenue	423,242	-
Other income	40,549	16,841
Expenses		
Administration expenses	(1,259,354)	(990,340)
Commission expense	(243,364)	-
Employee and consulting expenses	(834,243)	(477,875)
Depreciation and Amortisation expense	(575)	(504,602)
Interest expense	-	-
Share based payments	(223,333)	(624,340)
Impairment of intangible assets	-	(1,063,889)
Impairment expense	(158,161)	-
Share of net loss of joint venture accounted for using equity method	(10,654)	-
	<hr/>	<hr/>
Loss before income tax from continuing operations	(2,265,893)	(3,644,205)
	<hr/>	<hr/>
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax from continuing operations	(2,265,893)	(3,644,205)
Loss after income tax from discontinued operations	-	(691,361)
Loss after income tax expense for the year	(2,265,893)	(4,335,566)
	<hr/>	<hr/>
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	(39,188)	(150,009)
	<hr/>	<hr/>
Total comprehensive loss for the year	(2,305,081)	(4,485,575)
	<hr/>	<hr/>
Loss attributable to:		
Owners of the entity	(2,305,081)	(4,485,575)
	<hr/>	<hr/>
	Cents	Cents
Basic and diluted loss per share for continued operations (cents per share)	0.92	1.55
Basic and diluted loss per share for discontinued operations (cents per share)	-	0.29
Basic and diluted loss per share (cents per share)	<u>0.92</u>	<u>1.84</u>

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

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SportsHero Limited
Preliminary Statement of Financial Position
as at 30 June 2019

	Consolidated	
	30 June	30 June
	2019	2018
	US\$	US\$
Current assets		
Cash and cash equivalents	27,346	323,333
Other receivables	66,681	1,411
	<u>94,027</u>	<u>324,744</u>
Assets associated with discontinued operations	-	11,423
Total current assets	<u>94,027</u>	<u>336,167</u>
Non-current assets		
Plant and equipment	1,507	5,007
Investment accounted for using the equity method	24,623	-
Loan to Pay-to-Play	140,260	-
Total non-current assets	<u>166,390</u>	<u>5,007</u>
Total assets	<u>260,417</u>	<u>341,174</u>
Current liabilities		
Trade and other payables	1,246,498 ¹	554,820
Total current liabilities	<u>1,246,498¹</u>	<u>554,820</u>
Total liabilities	<u>1,246,498</u>	<u>554,820</u>
Net liabilities	<u>(986,081)</u>	<u>(213,646)</u>
Equity		
Issued capital	10,097,370	8,559,488
Share based payments reserve	92,515	97,751
Foreign currency translation reserve	(156,603)	(117,415)
Accumulated losses	(11,019,363)	(8,753,470)
Total equity	<u>(986,081)</u>	<u>(213,646)</u>

¹ Includes share subscription proceeds of A\$627,000 received prior to year-end. On 24 July 2019, the relevant shares were allotted by the Company.

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

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SportsHero Limited
Preliminary Statement of Changes in Equity
for the year ended 30 June 2019

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
<u>Consolidated</u>					
Balance at 1 July 2017	7,209,342	16,682	32,594	(4,417,904)	2,840,714
Total comprehensive loss for the year	-	-	(150,009)	(4,335,566)	(4,485,575)
Exercise of options	39,922	-	-	-	39,922
Performance rights issued during the year	-	445,235	-	-	445,235
Share based payments	544,940	-	-	-	544,940
Shares issued during the year	782,800	(364,166)	-	-	418,634
Share issue costs	(17,516)	-	-	-	(17,516)
Balance at 30 June 2018	8,559,488	97,751	(117,415)	(8,753,470)	(213,646)
Balance at 1 July 2018	8,559,488	97,751	(117,415)	(8,753,470)	(213,646)
Total comprehensive loss for the year	-	-	(39,188)	(2,265,893)	(2,305,081)
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 2018	10,097,370	92,515	(156,603)	(11,019,363)	(986,081)

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

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SportsHero Limited
Preliminary Statement of Cash Flows
for the year ended 30 June 2019

	Consolidated	
	30 June	30 June
	2019	2018
	US\$	US\$
Cash flows from operating activities		
Receipts from customers	32,030	5,541
Payments to suppliers and employees	(1,910,519)	(1,839,497)
Interest received	2,042	10,757
Net cash used in operating activities	(1,876,447)	(1,823,199)
Cash flows from investing activities		
Payments for plant and equipment	(2,086)	-
Investment in joint venture	(35,277)	-
Net cash used in investing activities	(37,363)	-
Cash flows from financing activities		
Proceeds from issues of shares	1,744,829	822,722
Share issue transaction costs	(87,823)	(17,516)
Net cash provided by financing activities	1,657,006	805,206
Net decrease in cash and cash equivalents held	(256,804)	(1,017,993)
Cash and cash equivalents at the beginning of the financial year	323,333	1,489,666
Effect of exchange rate changes on cash and cash equivalents	(39,183)	(148,340)
Cash and cash equivalents at the end of the financial year	27,346	323,333

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

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SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2019

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 presentation 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 and China

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.

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SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2019

Note 2. Segment reporting (continued)

	Australia US\$	Singapore US\$	China US\$	Total US\$
Year ended 30 June 2018				
Revenue from external customers	10,757	6,084	-	16,841
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	(1,560,684)	(2,083,521)	(691,361)	(4,335,566)
	(1,560,684)	(2,083,521)	(691,361)	(4,335,566)
Year ended 30 June 2019				
Revenue from external customers	463,168	623	-	463,791
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	(1,834,648)	(431,245)	-	(2,729,684)
	(1,834,648)	(431,245)	-	(2,265,893)
Reportable segments assets at 30 June 2018				
Continuing operations	284,189	45,562	-	329,751
Discontinued operations	-	-	11,423	11,423
	284,189	45,562	11,423	341,174
Reportable segments assets at 30 June 2019				
Continuing operations	223,108	37,309	-	260,417
	223,108	37,309	-	260,417

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%