

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 2021

Previous period – For the year ended 30 June 2020

Results for Announcement to the Market

	30 June 2021	30 June 2020	Change	Change
	US\$	US \$	US\$	%
Revenue	40,570	3,434	37,136	1,181%
Loss for the year after tax from continuing operations	(1,472,382) ¹	(1,259,559)	(212,823)	(17%)
Loss attributable to members of the parent entity	(1,561,799) ¹	(1,252,792)	(309,007)	(24.7%)
1. Includes share based payment expenses totalling US\$369,036 as a result of the issue of the following securities: <ul style="list-style-type: none"> • 8,000,000 fully paid ordinary shares (US\$126,758); • 5,900,000 options each exercisable at AU\$0.05 and expiring 16 December 2022 (US\$56,166); and • 18,000,000 performance rights (US\$186,112). 				

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2021.

Other significant information

The Company's goal is to accelerate and capitalise on Olahbola's rapid user growth to become one of Asia's most dynamic, engaging and largest sporting communities.

Our vision is to deploy our white label digital solutions across multiple sports to sporting groups and other partners globally.

Since the 7 July 2020 Indonesian launch of the Company's engaging football platform 'OlahBola', more than 5,000,000 new unique users have been generated. In order to capitalise on this very rapid user growth, SportsHero has partnered with the UK's Ellevote Football to launch in Indonesia next month a market first subscription based football scouting app.

On 8 April 2021 SportsHero and Icon Esports kicked off the OlahBola Esports Series tournament in Indonesia with a practice match and 6 tournaments. The objective of this trial tournament was to understand the magnitude and preferences of the very substantial Indonesian esports market. The tournament results clearly identifying that the Indonesian market is keen to consume alternative sporting codes, especially during lockdown restrictions and the absence of Indonesian football (which has been suspended since 17 March 2020).

As part of the Company's vision, SportsHero is preparing to launch a world first proprietary esports predictor that will add value to our users and help drive user engagement and usage to our platforms. The predictor will utilise the latest advancements in deep learning to predict the outcomes of esports competitions prior to the match, as well as live during the competition.

SportsHero is looking to be a world leader in the rapidly expanding esports market by introducing its artificial intelligence esports predictor and delivering to that market unique esports prediction competitions. Furthermore, SportsHero is planning to apply its proprietary deep learning-based predictor across multiple sports and/or sporting events globally.

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Review of operations

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 26 August 2020, the Company announced the appointment of Mr Rob Davies as the Company's Indonesian Director of Operations. In order to secure the services of Mr Davies, the Company issued Mr Davies 3,000,000 shares and 4,000,000 performance rights.

On 10 September 2020, the Company announced the signing of a definitive Standby Placement Agreement with Mint Capital Advisors (Mint) for a financing facility of up to AU\$5,000,000 (Facility) and the issue of 5,000,000 shares to the nominee of Mint. The Standby Placement Agreement has a term of 36 months and the Company is entitled to drawdown of up to AU\$140,000 per month provided the issue price (calculated in accordance with the terms of the Standby Placement Agreement) is above a floor price of AU\$0.02 per share. As at the date of this report, AU\$3,360,000 is available for drawdown under the Facility.

On 21 September 2020, the Company announced that it had successfully secured a wholly owned Indonesian operating entity. The securing of this entity is a key component for the Company as it will facilitate the building of SportsHero's Indonesian presence by enabling such things as the hiring of Indonesian staff, the opening of an Indonesian bank account, the securing of offices in Indonesia and the collection of revenue.

On 20 October 2020, the Company announced the generation of over 1,000,000 new unique OlahBola users and the first commercial brand collaboration with Germany's Nivea and Indonesia's largest e-commerce platform Tokopedia.

On 4 November 2020, the Company announced that it had successfully completed a AU\$1,337,500 placement pursuant to the issue of 53,500,000 shares at an issue price of AU\$0.025 per share and subject to the receipt of shareholder approval the grant of 26,750,000 free attaching options each exercisable at AU\$0.05 and expiring 16 December 2022 (**Options**). In addition and subject to the receipt of shareholder approval, a further AU\$450,000 is to be raised pursuant to the issue of 18,000,000 shares, at an issue price of AU\$0.025 per share, and the granting of 9,000,000 free attaching Options.

On 11 November 2020, the Company announced the signing of a 3 year revenue sharing partnership with MolaTV, Indonesia's exclusive licensed broadcaster of the EPL and Bundesliga. Pursuant to the partnership, Mola TV will pay SportsHero 10% of all MolaTV subscription revenue generated from SportsHero's OlahBola app.

On 22 January 2021, the Company completed the raising of AU\$450,000 announced on 4 November 2020.

On 5 February 2021, the Company announced the receipt of binding commitments to raise an additional \$1,500,000 pursuant to the issue of 50,000,000 shares at an issue price of AU\$0.03 per shares and the granting of 25,000,000 free attaching Options.

On 17 February 2021, the Company announced the signing of an exclusive 3 year Indonesian revenue sharing partnership with ICON Esports Pty Ltd, owner of the Chief Esports Club. Pursuant to the partnership, the parties will jointly operate and co brand an esports focused prediction network on SportsHero's OlahBola app.

On 18 February 2021, the Company announced the generation of in excess of 3 million new unique OlahBola users.

On 22 February 2021, the Company announced the signing of an exclusive 3 year partnership with the Footie Group Limited, owner of Ellevate Football, a world leading football talent scouting platform that allows aspiring amateur footballers to showcase their skills to scouts from leading football clubs worldwide.

On 21 April 2021, the Company announced that it was developing a world first artificial intelligence live esports predictor. The predictor will utilise the latest advancements in deep learning to predict the outcomes of esports competitions prior to the match, as well as during the competition.

On 23 April 2021, the Company announced the generation of in excess of 4 million new unique OlahBola users and the launch of the first OlahBola esports tournament in Indonesia.

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On 6 May 2021, the Company announced the signing of a new 3 year revenue sharing partnership with UK based Sportclips Limited, who have an exclusive subscriber agreement with Indosat Ooredoo (Indonesia's second largest Telco with 60+ million paid subscribers).

Subsequent events

Other than the continuing effects of COVID-19, there has not been any matters or circumstances, that have arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Control gained over entities and loss of control over entities

During the financial year the Company gained control of the Indonesian incorporated company, PT Sport Hero Indonesia.

During the financial year the Company did not gain control of any other entity 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 did not approve 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 cancelled the bond and on 20 August 2020 P-to-P 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 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 either using or intending to use the Licence to undertake gambling operations in Australia. As gambling operations would indirectly result in a change in the nature of SportsHero's activities, SportsHero resolved not to acquire a 50% interest in Cross Bet Pty Ltd.

On 23 August 2021, the Company and CBH terminated the P-to-P joint venture.

COVID-19

As a consequence of the COVID-19 pandemic, curfews and lockdowns have been imposed in Indonesia which are impacting internal demand and economic activity. In addition, all Indonesian football competitions have been suspended since 17 March 2020.

The suspension of football in Indonesia has impacted on the Company's ability to generate revenues from its Kita Garuda platform. In addition, the implementation of curfews, lockdowns and restrictions are impacting both the Indonesian economy and the Company's ability to routinely conduct its Indonesian business activities.

Despite the COVID-19 disruptions and restrictions, we are extremely pleased that our Indonesian team has been able to adapt and operate effectively and produce excellent content that has driven Olahbola's user engagement, retention and importantly user number growth. Notwithstanding the prevailing market conditions, SportsHero has reported the receipt of initial revenues and remains optimistic about its continued growth.

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Net Tangible Assets

	30 June 2021	30 June 2020
Net tangible assets/(liabilities) per share (cents/share)	0.26	(0.06)

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 2021.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of SportsHero Limited for the year ended 30 June 2021 is attached.

Signed By

31 August 2021

Michael Higginson
Director/Company Secretary
Queensland

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**Preliminary Statement of Comprehensive Income
for the year ended at 30 June 2021**

	Consolidated	
	30 June 2021 US\$	30 June 2020 US\$
Income		
Revenue	22,664	-
Other income	17,906	3,434
Expenses		
Administration expenses	(740,847)	(657,369)
Employee and consulting expenses	(366,737)	(435,634)
Depreciation and Amortisation expense	(20,045)	(53,434)
Interest expense	(16,287)	(2,120)
Share based payments	(369,036)	(12,883)
Share of net loss of joint venture accounted for using equity method	-	(101,553)
Loss before income tax from continuing operations	(1,472,382)	(1,259,559)
Income tax expense	-	-
Loss after income tax from continuing operations	(1,472,382)	(1,259,559)
Loss after income tax expense for the year	(1,472,382)	(1,259,559)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	(89,417)	6,767
Total comprehensive loss for the year	(1,561,799)	(1,252,792)
Loss attributable to:		
Owners of the entity	(1,561,799)	(1,252,792)
	Cents	Cents
Basic and diluted loss per share for continued operations (cents per share)	0.36	0.39
Basic and diluted loss per share (cents per share)	0.36	0.39

The above consolidated 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 2021

	Consolidated	
	30 June 2021 US\$	30 June 2020 US\$
Current assets		
Cash and cash equivalents	1,377,257	154,589
Other receivables	1,942	147,655
Total current assets	<u>1,379,199</u>	<u>302,244</u>
Non-current assets		
Right of use assets	-	16,909
Plant and equipment	2,130	4,508
Total non-current assets	<u>2,130</u>	<u>21,417</u>
Total assets	<u>1,381,329</u>	<u>323,661</u>
Current liabilities		
Trade payables	137,340	281,099
Borrowings – Convertible Notes	-	206,045
Lease liability	-	17,308
Total current liabilities	<u>137,340</u>	<u>504,452</u>
Total liabilities	<u>137,340</u>	<u>504,452</u>
Net assets/(liabilities)	<u>1,243,989</u>	<u>(180,791)</u>
Equity		
Issued capital	14,161,989	11,784,318
Share based payments reserve	1,083,076	474,168
Foreign currency translation reserve	(239,040)	(149,623)
Accumulated losses	(13,762,036)	(12,289,654)
Total equity	<u>1,243,989</u>	<u>(180,791)</u>

*The above consolidated 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 2021

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
Consolidated					
Balance at 1 July 2020	11,784,318	474,168	(149,623)	(12,289,654)	(180,791)
Total comprehensive loss for the year	-	-	(89,417)	(1,472,382)	(1,561,799)
Performance rights issued during the year	35,215	(35,215)	-	-	-
Share based payments	126,758	242,278	-	-	369,036
Share based payments for settlement of liability	25,815	-	-	-	25,815
Convertible notes	246,573	-	-	-	246,573
Shares issued during the year	2,533,749	-	-	-	2,533,749
Share issue costs	(590,439)	401,845	-	-	(188,594)
Balance at 30 June 2021	14,161,989	1,083,076	(239,040)	(13,762,036)	1,243,989
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	(1,259,559)	(1,252,792)
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)	(12,289,654)	(180,791)

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 2021

	Consolidated	
	30 June	30 June
	2021	2020
	US\$	US\$
Cash flows from operating activities		
Receipts from customers	40,484	-
Payments to suppliers and employees	(1,136,904)	(2,107,732)
Interest received	86	3,434
Net cash used in operating activities	(1,096,334)	(2,104,298)
Cash flows from investing activities		
Payments for plant and equipment	-	(5,270)
Net cash used in investing activities	-	(5,270)
Cash flows from financing activities		
Proceeds from issues of shares	2,533,749	2,153,664
Proceeds from issue of convertible notes	-	205,890
Share issue transaction costs	(188,594)	(97,946)
Lease liability	(17,307)	(52,848)
Net cash provided by financing activities	2,327,848	2,208,760
Net increase in cash and cash equivalents held	1,231,514	99,192
Cash and cash equivalents at the beginning of the financial year	154,589	49,781
Effect of exchange rate changes on cash and cash equivalents	(8,846)	5,616
Cash and cash equivalents at the end of the financial year	1,377,257	154,589

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

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Notes to the preliminary financial statements
for the financial year ended 30 June 2021

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 three strategic units:

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

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.

SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2021

Note 2. Segment reporting (continued)

	Australia US\$	Singapore US\$	Indonesia US\$	Total US\$
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	(421,818)	(837,741)	-	(1,259,559)
	(421,818)	(837,741)	-	(1,259,559)
Year ended 30 June 2021				
Revenue from external customers	1,828	16,078	22,664	40,570
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax				
Continuing operations	(854,615)	(566,788)	(50,979)	(1,472,382)
	(854,615)	(566,788)	(50,979)	(1,472,382)
Reportable segments assets at 30 June 2020				
Continuing operations	290,107	33,554	-	323,661
	290,107	33,554	-	323,661
Reportable segments assets at 30 June 2021				
Continuing operations	1,304,665	68,616	8,048	1,381,329
	1,304,665	68,616	8,048	1,381,329

Note 3. Contingent assets and liabilities

In the 2018 financial year the Group recognised in its financial statements a current liability of US\$324,338 in relation to claims that arose in relation to a former overseas subsidiary of the Group. The Group confirms that it has received no claims (or otherwise) in relation to this matter and no claims are currently pending against the former overseas subsidiary. The directors are of the view that the possibility of any reimbursement is remote.

There are no contingent assets and no other contingent 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%
PT Sport Hero Indonesia	4 November 2020	Indonesia	Operations	100%