SportsHero Limited

ACN 123 423 987

Annual Report

for the year ended

30 June 2021

CORPORATE DIRECTORY

Directors
John Dougall (Non-Executive Chairman)
Tom Lapping (Director and CEO)
Michael Higginson (Non-Executive Director)

Company Secretary

Michael Higginson

Registered Office and
Principal Place of Business

36 Prestwick Drive
Twin Waters, QLD 4564

Telephone: +61 (7) 5457 0557
Facsimile: +61 (7) 5457 0557

Website: http://sportshero.live/

Auditor

RSM Australia Partners
Level 32/2 The Esplanade
Perth WA 6000

Share Registry

Advanced Share Registry Services Limited
110 Stirling Highway
Nedlands WA 6009

Telephone: +61 (8) 9389 8033
Facsimile: +61 (8) 9262 3723

Stock Exchange Listing

Australian Securities Exchange
ASX Code: SHO

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General information

The financial statements cover SportsHero Limited as a consolidated entity consisting of SportsHero Limited and its subsidiaries. The financial statements are presented in US dollars, which is SportsHero Limited's functional and presentation currency.

SportsHero Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

36 Prestwick Drive
Twin Waters, QLD 4564

Telephone: +61 (7) 5457 0557
Facsimile: +61 (7) 5457 0557

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2021. The Directors have the power to amend and reissue the financial statements.

CHAIRMAN'S LETTER

Dear Shareholder

The 2020/21 financial year has been another exciting and tumultuous year that has resulted in the Company positioning itself to enter new markets, generate revenue at scale and leverage our existing products, data and market position to our advantage.

As innovators in the sport prediction markets, we have developed a state-of-the-art artificial intelligence Predictor that will enable the Company to generate new revenue opportunities, including licencing revenue, subscription revenue, exclusive streaming revenue and royalties, affiliate gaming revenue with gaming communities, betting companies and sporting news websites.

Our goal of deploying our premium white label solutions across multiple sports to sporting groups and other partners globally is generating substantial momentum.

Despite the fact that no football has been played in Indonesia since the start of COVID-19, our Indonesian focussed OlahBola football app has generated well in excess of 5 million new unique users since its 7 July 2020 launch. In that regard, I applaud and congratulate our dynamic, inventive and motivated technical team.

In addition, in February 2021 our Indonesian team secured an exclusive partnership for the Indonesian launch of a world leading football talent scouting platform, Ellevate Football. Ellevate Football, which is to be launched in (insert date), will be marketed to OlahBola's growing user base and is expected to generate recurring subscription revenue and new brand partners and advertisers who are targeting the younger Indonesian demographic.

Having secured access to live esports tournament data and developed a deep learning esports Predictor, SportsHero is further preparing to launch in Australia market-first esports prediction competitions.

In order to enrich our digital offerings for sports fans, sporting clubs, sporting associations, brand partners and advertisers, we have and will continue to deliver substantial enhancements to our exciting and innovative technologies. In so doing, SportsHero is looking to expand its offerings across multiple jurisdictions and/or sporting codes globally.

During the financial year, the Company successfully raised A$3,287,500 in working capital from existing and new Shareholders. As we continue to enhance and develop our innovative technologies and expand our footprint, we remain committed to delivering on the investment of all Shareholders.

It is an exciting time to be a SportsHero shareholder and I very much look forward to regularly updating the market as SportsHero commercialises its exclusive and unique platforms.

In closing, I wish to thank my fellow Directors and our dedicated and committed team for their hard work and inspiration over the past year. I also take this opportunity to thank you, our shareholders, for your encouragement and continuing support.

John Dougall
Chairman
SportsHero Limited

OPERATIONS REPORT

SportsHero's strategy is to build a large and engaged user base of active sports fans utilising our unique and proprietary technologies, our official associations with governing bodies and partnerships with technology innovators and prominent market participants. We will then monetise these strategic assets with recurring revenue generated from multiple sources, including complementary advertising income, brand sponsorship, subscriptions, competition revenue, video streaming, ecommerce, affiliate gaming revenue and match and gamification ticket sales.

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

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

Esports Predictor

On 9 September 2021, SportsHero announced that it was launching its state-of-the-art artificial intelligence esports Predictor to service new markets and the rapidly expanding esports gaming markets.

The Predictor utilises the latest advancements in deep learning technology to predict the outcomes of esports competitions prior to the match, as well as live during the competition.

Revenue Opportunities

The Predictor is expected to generate new revenue opportunities, including licensing revenue, subscription revenue, exclusive streaming revenue and royalties, affiliate gaming revenue with potential customers that operate gaming communities and betting companies, esports and sporting news websites and esports tournament organisers.

The Algorithm

To increase the accuracy of the Predictor, the prediction algorithm was built on one of the largest datasets available for 'League of Legends', which was compiled, developed and is fully owned by SportsHero. The dataset autonomously analyses new matches and the data generated from those matches in order to optimise the underlying algorithm and its accuracy. Expressed another way, the deep learning/machine learning Predictor will autonomously become more and more precise as more data is added to its ecosystem, delivering for SportsHero a unique esports value proposition that can be replicated across multiple sports and jurisdictions.

In addition to providing the algorithm, the development team also built a functioning website that packages the Predictor, the underlying players and teams library as well as an integrated live betting odds feed.

Performance Testing

Since the final stress tested version of the Predictor was complete on 13 August 2021, additional performance testing was undertaken. In total 189 matches were predicted and the Predictor correctly predicted the head-to-head outcome of 125 of those matches.

The total win percentage of 66.14% represents an extremely impressive result.

Analysis of the head-to-head results and the prevailing betting odds suggests that betting companies have mispriced their odds when compared to the underlying data and percentage win rate that the Predictor's algorithm suggests. In that regard, the performance testing achieved the following:

- the average winning odds (for a $1.00 outlay) for the matches the Predictor won was $1.78; and
- the highest predicted head-to-head winning odds (for a $1.00 outlay) achieved was $3.75.

Australian Launch

Having developed a deep learning esports Predictor and secured access to live data from esports tournaments, the Company is now looking to launch in Australia market first esports prediction competitions.

OPERATIONS REPORT

These social online competitions will include free esports "Beat the Predictor" competitions, whereby users can compete against the Predictor and other users to climb the SportsHero leader board ladder and win money can't buy prizes, such as sporting memorabilia and merchandise from tournament organisers and esports companies.

For a monthly fee, users will be able to expand their user experience by subscribing to the Company's live Predictor and securing monthly access to the Predictor's esports match predictions.

Ellevate Football partnership

On 22 February 2021, SportsHero announced an exclusive 3-year partnership with the UK based Footie Group Limited, owner of Ellevate Football.

Ellevate Football has developed a world leading football talent scouting platform. Parents of aspiring young footballers subscribe to the Ellevate Football platform to showcase their child's talent directly to the scouts engaged by professional football clubs worldwide.

In accordance with a binding terms sheet, SportsHero will have exclusive access to Ellevate Football's technology and intellectual property for use in the Indonesian market.

SportsHero is incorporating Ellevate Football's functionality into its rapidly growing OlahBola app, with a planned December quarter 2021 launch date. Once pricing is finalised, a recurring subscription revenue product for parents of talented young junior footballers will be launched to provide those players and their parents with access to Ellevate Football's exclusive scouting and football development programmes. Additionally, the new Ellevate Football offer is expected to appeal to new brand partners and advertisers targeting this younger Indonesian demographic.

Ellevate Football and SportsHero will share equally all subscription revenue, advertising and sponsorship revenue generated from the 3-year partnership. The parties have further agreed to include an option to extend the partnership for a further 3-year term.

OlahBola

On 7 July 2020, SportsHero successfully launched in Indonesia its first locally branded and fully localised football app 'OlahBola'. As at 30 June 2021, OlahBola generated in excess of 4.7 million new unique users.

Olahbola provides fans with the opportunity to predict outcomes, compete with other users and climb the leaderboard and win prizes, including 'money can't buy' experiences, merchandise and entertainment products.

OlahBola is dedicated to international football and caters to the millions of fanatical Indonesian football fans who follow and support international football leagues, such as the English Premier League and Spain's La Liga. The OlahBola app provides dynamic video content from these football leagues, providing a platform for advertisers and, in turn, revenue opportunities for the Company.

Sportclips partnership

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

Pursuant to Sportclips agreement with Indosat, Sportclips provides Indosat with an exciting sport based mobile video subscription service. In return, Indosat markets the service directly to their customer base via direct messaging and other digital marketing resources at Indosat's disposal.

In consideration for the provision by SportsHero of fully localised Indonesian content, SportsHero is entitled to 50% of Sportclips 40% revenue share received from subscribers on Indosat.

OPERATIONS REPORT

As a result of the partnership, Indosat will promote and market SportsHero's OlahBola channel to their 60+ million subscribers.

ICON Esports partnership

On 17 February 2021, the Company entered into a binding terms sheet with ICON Esports Pty Ltd (**ICON**) whereby SportsHero and ICON will jointly operate and co-brand on SportsHero's OlahBola platform an esports focused prediction network throughout Indonesia.

In accordance with the binding terms sheet, the parties will deliver advertising and sponsorship opportunities and share equally in all Indonesian esports revenues and operating costs.

ICON is the owner of Australia's leading esports brand "The Chiefs Esports Club" and the parent company of the largest esports organisation in the Oceania region. ICON generates revenue by running marketing campaigns for global brands such as Intel, Red Bull, Marvel, Singtel (Optus) and L'Oréal. These brands follow The Chiefs Esports Club into specific events and competitions where they get access to a large and highly engaged fan base.

On 22 April 2021, SportsHero announced the successful trial launch of the OlahBola Esports Series following a practice match on 8 April 2021 followed by 6 tournaments that ran until mid-August 2021.

The Mobile Legends Bang Bang tournament, comprised 1,367 teams (target of 64 teams) and 4,508 players (target 320 players).

MolaTV revenue sharing partnership

On 11 November 2020, the Company announced a 3-year deal with MolaTV that is expected to significantly increase SportsHero's user engagement, user numbers and value proposition to advertisers to accelerate revenue growth.

The MolaTV deal enables SportsHero to deliver the world's most sought after and dynamic football content, which can only be produced by a licensed broadcaster, that has transformed SportsHero's OlahBola platform.
Deal overview

MolaTV provides SportsHero with broadcast game highlights of the English Premier League (EPL), the German Football League (Bundesliga), the Dutch Football League (Eredivisie), Carabao Cup Football (formerly the English League Cup), Copa Libertadores Football (an annual international South American premier club competition) and any other leagues for which MolaTV are the licensed broadcaster. In that regard, MolaTV are aggressively pursuing football rights for other major leagues throughout the world and SportsHero's agreement extends to include those leagues.

In accordance with the partnership, MolaTV will pay SportsHero 10% of all MolaTV subscription revenues generated from SportsHero's OlahBola app.

No other consideration is paid by SportsHero for the MolaTV content broadcast on OlahBola.

Kita Garuda app and PSSI

In 2019, SportsHero established an exclusive partnership with the Football Association of Indonesia (**PSS**I). In accordance with the partnership, SportsHero developed the Kita Garuda app and agreed to share revenues from football fan subscriptions and advertising campaigns on both the Kita Garuda app and web browser. PSSI is responsible for all marketing costs, while SportsHero advises on strategy and execution.

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

As no football has been played in Indonesia since the start of the COVID-19 pandemic in March 2020 and concurrently the activities of PSSI effectively ceased, Kita Garuda has been unable to progress.

OPERATIONS REPORT

Linius Technologies - Licensing agreement

The Group has a binding agreement with leading hyper-personalised video content provider, Linius Technologies Limited (**Linius**) (ASX: LNU).

Pursuant to the agreement, SportsHero secured the rights to use the Linius technology across all of the Group's platforms.

The Linius technology allows a user to customise a video to show only content that is relevant to the individual requirements and viewing preferences of the user. For example, once integrated, a user of the PSSI app will be able to search for and watch highlights of their favourite players, the best goals scored, or customise their viewing content based on virtually any criteria, such as shots on target, goalkeeper saves, injuries, substitutions, penalties, red cards and many more.

The integration of the Linius technology has the potential to significantly increase user engagement and viewer numbers, which in turn is expected to result in the generation of more substantive advertising revenue.

Mint Capital Advisors - financing facility

On 10 September 2020, the Company entered into a definitive Standby Placement Agreement with Bahamas based Mint Capital Advisors (**Mint**) to provide up to AU$5m in equity funding over three years (**Facility**). As at 30 June 2021, the Company had made only one drawdown under the Facility of $68,934 in October 2020

Equity funding provided by Mint is accessed on a discretionary basis as and when it is required. As such, SportsHero simply needs to notify Mint that it wishes to make a drawdown (**Drawdown Notice**). Any shares issued to Mint pursuant to a Drawdown Notice will be issued at a price equal to 90% of the 15 trading day average VWAP of SportsHero shares traded on ASX for the 15 trading days following the date of issue of the Drawdown Notice. The number of shares issued to Mint will be that number of shares equal to 5 times the average daily traded volume of shares on ASX for the 15 previous trading days prior to the date of issue.

As at 30 June 2021, the Facility had a further 36 months before the expiry of its term. As such, as at 30 June 2021 the Company had available to it up to a maximum of AU$3,640,000 that could be drawn under the Facility.

Sports Bookmaker License

Following the inability of the joint venture company (Pay-to-Play Australia Pty Ltd) to secure a Sports Bookmaker Licence, on 23 August 2021 the joint venture parties agreed to terminate the Pay-to-Play Australia Pty Ltd joint venture.

COVID-19

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

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

DIRECTORS REPORT

The Directors present their report together with the consolidated financial report for SportsHero Limited ("SportsHero" or the "Company") and its controlled entities (collectively the "Group"), for the year ended 30 June 2021.

Directors

(i) Names, qualifications and experience

The names and details of the Group's Directors in office at any time during the financial period and until the date of this report are as follows:

John Dougall	Non-Executive Director and Chairman
Tom Lapping	Director and CEO
Michael Higginson	Non-Executive Director

John Dougall – Non-Executive Director and Chairman

Mr Dougall is the holder of Bachelor of Commerce Degree from the University of Melbourne.

Mr Dougall has worked at Chief Executive and board level in a number of technology companies based in Melbourne, New York, Sydney, London and San Francisco. He has also served as Managing Director of four ASX listed companies, successfully exporting Australian technology to China, India, Indonesia, The Philippines, Vietnam and Latin America.

Mr Dougall is currently the Non-Executive Chairman of Tinybeans Group Limited (ASX: TNY), a mobile and web-based technology company based in Sydney and New York, that connects parents with the most trusted tools and resources to assist, in particular, young families.

He has also served as President and CEO of an Australian company that ultimately listed on the NASDAQ, selling its software solutions to major retailers in the USA and Europe.

In addition, Mr Dougall previously served as a director to several industry associations, as chairman of the Australian Government's CSIRO Information Technology Advisory Board, as well as advising Government on industry strategy and trade.

Tom Lapping – Director and CEO

Mr Lapping is highly experienced across the securities and media sectors. Since 2016, he has played an integral role within SportsHero and was a key member of the team during the transition of the SportsHero business from a Singaporean unlisted entity to an ASX listed public company in February 2017.

Tom is a successful entrepreneur who has accumulated extensive experience leading both established and early-stage ventures in the Asia-Pacific region. Tom has a keen understanding of consumer behaviour and was recognised as a 40under40 business entrepreneur award winner in Western Australia in 2003.

Michael Higginson – Non-Executive Director
Qualification: B.Bus Fin & Admin

Mr Higginson is the holder of a Bachelor of Business Degree with majors in both Finance and Administration.

Mr Higginson is a professional director and company secretary with extensive experience in public company administration, ASX Listing Rules, the Corporations Act, capital raisings, corporate governance, financial reporting and due diligence.

Mr Higginson was formerly an executive officer with the Australian Securities Exchange and has, over the last 34 years, held numerous directorship and company secretarial roles with a number of public listed companies across a range of industry sectors.

Mr Higginson is a director of Cape Range Limited (ASX: CAG).

DIRECTORS REPORT

(ii) Interests in the Shares and Options of the Group

As at the date of this report, the interest of the Directors in the shares and performance rights of the Group are:

	Number of shares	Number of options	Number of performance rights
John Dougall	2,510,756	-	6,000,000
Tom Lapping	13,782,143	-	4,000,000
Michael Higginson	1,020,834	-	2,000,000
TOTAL	**17,313,733**	**-**	**12,000,000**

Company Secretary

Michael Higginson
Qualification: B.Bus Fin & Admin

Directors' meetings

The number of meetings attended by each of the Directors of the Group during the financial year was:

	Directors' Meetings (a)	(b)
John Dougall	8	8
Tom Lapping	8	8
Michael Higginson	8	8

(a) Number of meetings held and entitled to attend
(b) Number of meetings attended

Given the size of the Group and current level of activities, the Board has assumed the duties and responsibilities typically delegated to an audit committee, risk committee, remuneration committee and nomination committee.

Corporate structure

SportsHero Limited is a company limited by shares that is incorporated and domiciled in Australia.

For details of the Company's controlled entities, please refer to note 28.

Nature of operations and principal activities

The principal activity of the Group during the year was the development of the Group's sports gamification platforms.

Results of operations

The operating loss after income tax of the Group for the year ended 30 June 2021 was US$1,479,219 (2020: US$1,259,559).

As set out in the Statement of Comprehensive Income, the two most significant expense categories for the financial year were:

- Administration expenses, totaling US$747,684 and
- Employee and consulting expenses, totaling US$366,737.

The Group's basic loss per share for the year was 0.37 US cents (2020: 0.39 US cents).

DIRECTORS REPORT

Dividends

No dividend has been paid during or is recommended for the financial year ended 30 June 2021 (2020: nil).

Review of operations

The principal activity of the Group during the financial year was the development of the Group's sports gamification platforms.

An overview of the Group's operations during the financial year is set out in the Operations Report.

Significant changes in state of affairs

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 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.

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 or SportsHero's OlahBola app.

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

DIRECTORS REPORT

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.

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).

Future developments

Likely future developments in the operations of the Group are referred to in the Chairman's Letter and Operations Report. Other than as referred to in this report, further information as to likely developments in the operations of the Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Group and its shareholders.

Subsequent events

On 2 July 2021, 4,000,000 Director performance rights were converted into 4,000,000 shares following the attainment on or before 31 December 2021 of in excess of 3,000,000 new unique OlahBola users.

On 23 August 2021, the Pay-to-Play Australia Pty Ltd joint venture with Cross Bet Holdings Pty Ltd was terminated.

On 9 September 2021, the Company announced the launching of its state-of-the-art artificial intelligence esports predictor to service new markets and the rapidly expanding esports gaming market. The Company further announced the engagement of highly experienced esports consultant, Mr Scott Russell.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for SportsHero up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and Indonesian Governments and other countries, such as maintaining physical distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Financial position

The Group's working capital, being current assets less current liabilities, was US$1,241,859 as at 30 June 2021 (2020: negative US$202,208).

In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

DIRECTORS REPORT

Additional information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 US$	2020 US$	2019 US$	2018 US$	2017 US$
Income	40,570	3,434	463,791	16,841	9,113
EBITDA	(1,442,887)	(1,204,006)	(2,276,050)	(3,830,964)	(3,410,171)
EBIT	(1,462,932)	(1,257,439)	(2,276,625)	(4,335,566)	(3,850,447)
Loss after income tax	(1,479,219)	(1,259,559)	(2,276,625)	(4,335,566)	(4,266,614)

The factors that are considered to affect total shareholders return are summarised below:

	2021 US	2020 US	2019 US	2018 US	2017 US
Share price at financial year end (US cents)	1.5	1.3	4.5	5.91	3.1
Total dividends declared (US cents per share)	-	-	-	-	-
Basic and diluted loss per share for continued operations (US cents per share)	0.37	0.39	0.93	1.55	3.48
Basic diluted loss per share for discontinued operations (US cents per share)	-	-	-	0.29	0.37
Basic loss per share (US cents per share)	0.37	0.39	0.93	1.84	3.85

Remuneration report (Audited)

Details of Remuneration for the Year Ended 30 June 2021

Details of the remuneration for each Director and the key management personnel of the Group during the year are set out in the following tables.

The Board's policy for determining the nature and amount of remuneration for Directors and senior executives of the Group is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience).
- The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.
- All remuneration paid to Directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.
- Remuneration of non-executive Directors at market rates for time, commitment and responsibilities.

The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought if required.

During the financial year ended 30 June 2021, the consolidated entity did not engage any external parties for a review of remuneration practices.

At the 2020 Annual General Meeting, 99.996% of the eligible votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Group did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

The key management personnel of the Group include the Directors and Company Secretary. There were no other persons considered key management personnel as defined in AASB 124 Related Party Disclosures.

DIRECTORS REPORT

The tables below show the 2021 and 2020 remuneration of the Directors and other key management personnel:

2021	***Short-term***	***Post-employment***	***Share-based payments***		***Value of share-based payments as a %***
	Salary & fees US$	**Superannuation US$**	**Performance rights US$**	**Total US$**	
Chairman					
John Dougall[1]	59,125	-	46,137	105,262	44%
Directors					
Tom Lapping	105,847	-	69,340	175,187	40%
Michael Higginson	61,818	-	34,670	96,488	36%
Total key management personnel compensation	**226,790**	**-**	**150,147**	**376,937**	**40%**

2020	***Short-term***	***Post-employment***	***Share-based payments***		***Value of share-based payments as a %***
	Salary & fees US$	**Superannuation US$**	**Shares US$**	**Total US$**	
Chairman					
John Dougall*	36,366	-	-	36,366	0%
Directors					
Tom Lapping	112,343	-	-	112,343	0%
Michael Higginson	63,070			63,070	0%
Wayne Johnson**	23,497	-	-	23,497	0%
Total key management personnel compensation	**235,276**	**-**	**-**	**235,276**	**0%**

* Appointed on 30 October 2019
** Resigned on 29 October 2019

Related party transactions and balances

Payables to key management personnel

	Consolidated	
	2021 US$	**2020 US$**
Amounts payable to Directors and Director related entities at the end of the financial year, included in current liabilities	45,870	32,706

Other transactions with key management personnel

During the year the Group paid rent of US$2,613 (2020: US$3,021) to Mr Higginson for the provision of the Group's registered and principal office.

There were no other sale or purchase related transactions between the Group and key management personnel during the year ended 30 June 2021 (2020: nil).

DIRECTORS REPORT

Other transactions with related parties

Following the receipt of shareholder approval on 15 January 2021, on 22 January 2021 the Company issued the following securities:

- 1,510,756 shares to Mr Dougall in lieu of cash fees for the 2020 financial year totalling AU$33,333
- 4,000,000 performance rights to Mr Dougall
- 3,000,000 Director performance rights to Mr Dougall
- 6,000,000 Director performance rights to Mr Lapping;
- 3,000,000 Director performance rights to Mr Higginson

There were no other transactions with related parties throughout the year.

Performance Rights as a Proportion of Total Remuneration

12,000,000 Director performance rights and 4,000,000 performance rights were issued during the year ended 30 June 2021 and included as a proportion of total remuneration (2020: nil).

Ordinary Shares held by Directors

2021 **Directors**	***Balance at beginning of year***	**Allotted during the year**	**Purchased during the year**	**Sold during the year**	***Balance at end of year***
J Dougall	-	1,510,756	-	-	1,510,756
M Higginson	20,834	-	-	-	20,834
T Lapping	11,782,143	-	-	-	11,782,143
	11,802,977	**-**	**-**	**-**	**13,313,733**

2020 **Directors**	***Balance at beginning of year***	**Allotted during the year**	**Purchased during the year**	**Sold during the year**	***Balance at end of year***
J Dougall[1]	-	-	-	-	-
M Higginson	20,834	-	-	-	20,834
T Lapping	11,782,143	-	-	-	11,782,143
W Johnson[2]	-	-	-	-	-
	11,802,977	**-**	**-**	**-**	**11,802,977**

1. Opening balance represents shareholding upon appointment as a Director on 30 October 2019
2. Closing balance represents shareholding upon resignation as a Director on 29 October 2019

Group Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The achievement of this aim has been through the issue of options or performance rights to Directors and executives to encourage the alignment of personal and shareholder interests.

Executive and non-executive Directors and other key management personnel may be granted options or performance rights over ordinary shares.

The recipients of options or performance rights are responsible for growing the Group and increasing shareholder value. If they achieve this goal the value of the options or performance rights granted to them will also increase. Therefore, the options or performance provide an incentive to the recipients to remain with the Group and to continue to work to enhance the Group's value.

DIRECTORS REPORT

Options granted for the Year Ended 30 June 2021

			Option movements for the year				
2021 **Directors**	***Balance at beginning of year***	***Allotted***	***Granted as compensation***	***Exercised***	***Expired***	***Other changes***	***Balance at end of year***
J Dougall	-	-	-	-	-	-	-
T Lapping	-	-	-	-	-	-	-
M Higginson	-	-	-	-	-	-	-
Total	***-***	***-***	***-***	***-***	***-***	***-***	***-***

			Option movements for the year				
2020 **Directors**	***Balance at beginning of year***	***Allotted***	***Granted as compensation***	***Exercised***	***Expired***	***Other changes***	***Balance at end of year***
J Dougall[1]	-	-	-	-	-	-	-
T Lapping	16,714,286	-	-	-	(14,714,286)	(2,000,000)	-
M Higginson	-	-	-	-	-	-	-
W Johnson[2]	-	-	-	-	-	-	-
Total	***16,714,286***	***-***	***-***	***-***	***-***	***-***	***-***

1.Opening balance represents number of options held upon appointment as a Director on 30 October 2019.
2.Closing balance represents number of options held upon resignation as a Director on 29 October 2019.

Performance rights granted for the Year Ended 30 June 2021

			Performance rights movements for the year				
2021 **Directors**	***Balance at beginning of year***	***Allotted***	***Granted as compensation***	***Exercised***	***Expired***	***Other changes***	***Balance at end of year***
J Dougall	-	-	7,000,000	-	-	-	7,000,000
T Lapping	-	-	6,000,000	-	-	-	6,000,000
M Higginson	-	-	3,000,000	-	-	-	3,000,000
Total	***-***	***-***	***16,000,000***	***-***	***-***	***-***	***16,000,000***

No performance rights were granted in the prior year ended 30 June 2020.

Performance rights as a proportion of total remuneration

The value of performance options issued during the year to key management personnel as a percentage of the total remuneration paid to key management personnel was 40% (2020: 0%).

Employment Contracts of Directors and Senior Executives

On 18 October 2019, the Company entered into an agreement with Mr Dougall that set out the terms and conditions of his appointment as a Non-Executive Director and Chairman of the Company (**Agreement**).

In consideration for the appointment of Mr Dougall and subject to the receipt of Shareholder approval in accordance with the Corporations Act and the ASX Listing Rules (as required), the Company has agreed to pay Mr Dougall the following:

- Cash fee of AU$4,166.67 per month;

DIRECTORS REPORT

- Share fee of AU$50,000 per annum (at an issue price equal to the VWAP of the Company's Shares for the year); and
- Subject to shareholder approval; the granting of 4,000,000 Performance Rights, converting into 4,000,000 Shares on attainment of the Performance Hurdle set out below.

Performance Hurdle

The milestone required to trigger the conversion of the 4,000,000 Performance Rights into 4,000,000 Shares is upon the SportsHero Limited consolidated group of companies achieving breakeven operating cash flow (or better) for any six month period up to and including the six months ended 31 December 2022 as determined by the audited and/or audit reviewed financial statements lodged with ASX by SportsHero Limited in compliance with the Listing Rules of the ASX (**Performance Hurdle**). All Shares issued on conversion of Performance Rights (following the achievement of the Performance Hurdle) will be subject to a voluntary 12 month escrow from their date of issue.

Mr Lapping is paid fees at the rate of SG$15,000 per month.

Mr Higginson is paid fees at the rate of AU$2,083 per month. Total consulting and secretarial fees paid or payable to Mr Higginson for the year are AU$82,777

As of 30 June 2021, there were no other formal contracts for Non-Executive Directors.

Fees waived by Directors during the year

During the period commencing 1 July 2020 and ending 30 November 2020, the following fees were waived by each of the Directors as follows:

- Mr Dougall waived 100% of his cash fee of AU$4,167 per month (total waived being AU$20,833)
- Mr Lapping waived 50% of his cash fee of SG$15,000 per month (total waived being SG$37,500)
- Mr Higginson waived 100% of his cash fee of AU$2,083 per month (total waived being AU$10,415)

Share-based compensation

The issue of options and/or performance rights to Directors and executives is to encourage the alignment of personal and shareholder returns. The intention is to align the objectives of Directors and executives with that of the business and shareholders. In addition, all Directors and executives are encouraged to hold shares in the Group.

During the financial year, the Group has not paid bonuses to any Directors or executives.

Loans to key management personnel and their related parties

There are no loans to Directors or executives at reporting date (30 June 2020: nil).

End of remuneration report

Share options

At the date of this report, the unissued ordinary shares of the Group under option are as follows:

Grant date	Date of Expiry	Exercise Price	Number Under Option
12 September 2019	30 September 2021	AU$0.10	20,000,000
22 January 2021	16 December 2022	AU$0.05	47,750,000
9 February 2021	16 December 2022	AU$0.05	50,000,000
2 July 2021	16 December 2022	AU$0.05	5,900,000
2 July 2021	1 July 2023	AU$0.05	6,000,000

During the financial year ended 30 June 2021, 1,000,000 options each exercisable at $0.20 expired on 1 February 2021 and no SportsHero shares were issued following the exercise of options.

DIRECTORS REPORT

As indicated in the table above, since the end of the financial year 11,900,000 options have been issued and no options have lapsed.

Since the end of the financial year no shares have been issued following the exercise of options.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Performance rights

On 26 August 2020, 4,000,000 performance rights were issued on the appointment of Rob Davies as the Company's Indonesian Director of Operations.

On 20 October 2020, 2,000,000 shares were issued following the conversion of 2,000,000 performance rights held by Rob Davies.

On 22 January 2021, 16,000,000 performance rights were issued to Directors following the receipt of shareholder approval on 15 January 2021.

On 2 July 2021, 6,000,000 performance rights were issued in accordance with the Company's Employee Securities Incentive Plan.

On 2 July 2021, 4,000,000 shares were issued following the conversion of 4,000,000 performance rights issued to Directors. Since the end of the financial year no other shares have been issued following the conversion of performance rights.

Indemnification

During the financial year, the Group did not pay premiums to insure the Directors and Company Secretary of the Group.

Non-audit services

No fees for non-audit services were paid/payable to the Group's auditors during year (2020: nil).

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and immediately follows the Directors' Report.

Officers of the Group who are former partners of RSM Australia Partners

There are no officers of the Group who are former partners of RSM Australia Partners.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Group support and have adhered to the principles of sound corporate governance. The Board recognises the recent recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that SportsHero is in compliance with those guidelines which are of importance to the commercial operation of a small cap company. The Group's corporate governance statement and disclosures are contained on the Group's website at: http://sportshero.live/

DIRECTORS REPORT

This report is made in accordance with a resolution of the Directors.

John Dougall
Chairman

30 September 2021

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of SportsHero Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSM
RSM AUSTRALIA PARTNERS

AWhyte

Perth, WA
Dated: 30 September 2021

ALASDAIR WHYTE
Partner

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	Consolidated 30 June 2021 US$	Consolidated 30 June 2020 US$
Current assets			
Cash and cash equivalents	8	1,377,257	154,589
Trade and other receivables	9	1,942	147,655
Total current assets		1,379,199	302,244
Non-current assets			
Right of use assets	11	-	16,909
Plant and equipment	10	2,130	4,508
Total non-current assets		2,130	21,417
Total assets		1,381,329	323,661
Current liabilities			
Trade payables	13	137,340	281,099
Borrowings	14	-	206,045
Lease liability	12	-	17,308
Total current liabilities		137,340	504,452
Total liabilities		137,340	504,452
Net (liabilities)/assets		1,243,989	(180,791)
Equity			
Issued capital	15	14,161,989	11,784,318
Share based payments reserve	16	1,083,076	474,168
Foreign currency translation reserve	16	(232,203)	(149,623)
Accumulated losses		(13,768,873)	(12,289,654)
Total equity		1,243,989	(180,791)

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

		Consolidated	
		2021	**2020**
	Note	**US$**	**US$**
Continuing operations			
Income			
Revenue	3	22,664	-
Other revenue	3	17,906	3,434
Expenses			
Administration expenses	4	(747,684)	(657,369)
Employee and consulting expenses	5	(366,737)	(435,634)
Depreciation expense	10,11	(20,045)	(53,434)
Interest expense		(16,287)	(2,120)
Share based payments	21	(369,036)	(12,883)
Share of net loss of joint venture accounted for using equity method	19	-	(101,553)
Loss before income tax expense		(1,479,219)	(1,259,559)
Income tax expense	7	-	-
Loss after tax expense for continuing operations		(1,479,219)	(1,259,559)
Loss for the year		(1,479,219)	(1,259,559)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(82,580)	6,767
Total comprehensive loss for the year		(1,561,799)	(1,252,792)
Basic and Diluted loss per share (US cents per share)	6	0.37	0.39

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		US$	US$	US$	US$	US$
Consolidated						
Balance at 01/07/2020		11,784,318	474,168	(149,623)	(12,289,654)	(180,791)
Comprehensive loss for the year		-	-	(82,580)	(1,479,219)	(1,561,799)
Shares issued during the year - conversion of performance rights	15	35,215	(35,215)	-	-	-
Shares issued during the year	15	2,533,747	-	-	-	2,533,749
Share based payments	21	126,758	242,278	-	-	369,036
Share based payments for settlement of liability		25,815	-	-	-	25,815
Shares issued during the year - conversion of convertible notes		246,575	-	-	-	246,573
Transaction costs	15	(590,439)	401,845	-	-	(188,594)
Balance at 30/06/2021		14,161,989	1,083,076	(232,203)	(13,768,873)	1,243,989
Balance at 01/07/2019		10,097,370	92,515	(156,390)	(11,030,095)	(996,600)
Comprehensive loss for the year		-	-	6,767	(1,259,559)	(1,252,792)
Exercise of options	15,16	1,854,473	-	-	-	1,854,473
Shares issued during the year	15	299,191	-	-	-	299,191
Share based payments	21	-	12,883	-	-	12,883
Transaction costs	15	(466,716)	368,770	-	-	(97,946)
Balance at 30/06/2020		11,784,318	474,168	(149,623)	(12,289,654)	(180,791)

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

		Consolidated	
		2021	**2020**
	Note	**US$**	**US$**
Cash Flows from Operating Activities			
Receipts from customers		40,484	-
Payments to suppliers		(1,136,904)	(2,107,732)
Interest received		86	3,434
Net cash flows (used) in operating activities	17	(1,096,334)	(2,104,298)
Cash Flows from Investing Activities			
Payments for plant and equipment		-	(5,270)
Net cash flows (used) in investing activities		-	(5,270)
Cash Flows from Financing Activities			
Issue of new share capital		2,533,747	2,153,664
Proceeds from issue of convertible notes		-	205,890
Share issue transaction costs		(188,594)	(97,946)
Lease liability payments		(17,307)	(52,848)
Net cash provided by financing activities		2,327,846	2,208,760
Net increase in cash and cash equivalents		1,231,512	99,192
Effects of exchange rate changes on cash and cash equivalents		(8,844)	5,616
Cash and cash equivalents at the beginning of the year		154,589	49,781
Cash and cash equivalents at the end of the year	8	1,377,257	154,589

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of SportsHero Limited and its controlled entities (the "Group" or "consolidated entity") for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Director's on 30 September 2021.

SportsHero Limited ("SportsHero" or the "Company") is a company limited by shares, incorporated in Australia, and whose securities are publicly traded on the Australia Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Director's Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The directors of the Group do not anticipate that the application of the new or amended Accounting Standards and Interpretations in the future will have an impact on the Group's financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(z).

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 18.

The report is presented in US dollars, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a net loss of US$1,479,219 and had net cash outflows from operating activities of US$1,096,334 for the year ended 30 June 2021.

The ability of the consolidated entity to continue as a going concern is principally dependent upon the consolidated entity securing funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate for it to adopt the going concern basis in the preparation of the financial statements after consideration of following factors:

- The Directors expect to retain the continued support from shareholders and other financiers that have supported the Company's previous capital raisings to assist with meeting future funding needs;
- On 10 September 2020, the Company announced the signing of a definitive Standby Placement Agreement with Mint Capital Advisors for a financing facility of up to AU$5,000,000. The Standby Placement Agreement has a term of 36 months and the Company is entitled to drawdown 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 30 June 2021, the financing facility had a further 26 months before the expiry of its term. As such, the Company had available to it up to a maximum of a AU$3,640,000 that could be drawn under the financing facility; and
- The consolidated entity has the ability to curtail corporate and administration expenses and overhead cash outflows as and when required.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SportsHero as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Associates and joint venture entities are consolidated using the equity method. The initial recognition of the investment in the joint venture has been recognised at cost, with the carrying amount increased or decreased to recognise SportsHero's share of the profit or loss of the investee after the date of acquisition. The share of the investee's profit or loss is recognised in the investor's profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

(d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of any operating segments.

(f) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Advertising revenue

Advertising revenue is recognised over the term of the advertising contract as services are rendered over time.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

NOTES TO THE FINANCIAL STATEMENTS

Other revenue is recognised when it is received or when the right to receive payment is established.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. The Group does not have any bank overdraft facilities.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 90 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation and any accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives. The expected useful lives are.

- Equipment – 3 years

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(j) Joint venture

Joint ventures are entities over which the consolidated entity has joint control. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Dividends received or receivable from joint ventures reduce the carrying amount of the investment.

When the consolidated entity's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

The consolidated entity discontinues the use of the equity method upon the loss of joint control and significant influence over the joint venture and recognises any retained investment at its fair value. Any difference between the joint venture's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(k) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(m) Trade and other payables

Trade payables and other payables are carried at the transaction price minus principal repayments. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(o) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

NOTES TO THE FINANCIAL STATEMENTS

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(p) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(q) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous

NOTES TO THE FINANCIAL STATEMENTS

realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

SportsHero Limited and its wholly-owned subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

(r) Equity based payments

The Group provides benefits to its Directors and employees in the form of share-based payments, whereby Directors and employees render services in exchange for share, options to acquire shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value to the Group of the equity instruments at the date at which they were granted. The fair value of options is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant Directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

a. the grant date fair value of the options;
b. the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of vesting conditions being met, based on best available information at balance date; and
c. the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(s) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS

(t) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Foreign currency transactions and balances

The financial statements are presented in US dollars, which is SportsHero's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into US dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(x) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability until extinguished on conversion or redemption as the maturity date is within 12 months. The corresponding interest on convertible notes is expensed to profit or loss.

(y) Right to use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(z) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management take judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and

NOTES TO THE FINANCIAL STATEMENTS

on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. Probabilities have been assigned to non-market vesting conditions for the performance rights issued. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

3. Revenue

	Consolidated	
	2021 US$	**2020 US$**
Revenue from customers		
Advertising revenue	22,664	-
	22,664	-
Other revenue		
Interest revenue	86	3,434
Other income	17,820	-
	17,906	3,434

Advertising revenue is recognised over the term of advertising contract as services are rendered over time.

4. Administration expenses

	Consolidated	
	2021 US$	**2020 US$**
Administration expenses include the following:		
Advertising and marketing	228,850	321,047
Professional fees	222,515	144,935
Sports subscription services	1,414	2,150
Legal	62,619	169,828

NOTES TO THE FINANCIAL STATEMENTS

5. Employee and consulting expenses

	Consolidated 2021 US$	2020 US$
Salary and wages	366,737	435,634
	366,737	435,634

6. Loss per share

	Consolidated 2021 US$	2020 US$
The following reflects the loss used in the basic and diluted loss per share computations.		
Loss used in calculating earnings per share		
For basic and diluted earnings per share:		
Loss for year attributed to continued operations	1,479,219	1,259,559
Loss for the year attributable to ordinary shareholders	1,479,219	1,259,559

Weighted average number of shares

	2021 No. of shares	2020 No. of shares
Weighted average number of ordinary shares for basic and diluted loss per share	404,900,439	319,318,140
Loss per share		
Basic and diluted loss per share (US cents)	0.37	0.39

(i) Anti-dilutive options on issue are excluded from the dilutive earnings per share calculation.

(ii) Other than the issue of the securities disclosed in note 15, there has been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

7. Income taxes

Income tax recognised in profit or loss	Consolidated 2021 US$	2020 US$
Prima facie tax benefit on operating loss before income tax at 27.5% (2020: 27.5%)	(406,785)	(346,379)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-deductible items	(177,153)	(134,542)
Unrecognised deferred tax asset attributable to tax losses and temporary differences	583,938	480,921
Income tax attributable to operating loss	-	-

The consolidated entity has US$9,744,860 (2020: US$8,253,861) tax losses arising in Australia that are available indefinitely for offset against future profit of the Group in which the losses arose.

The potential deferred tax asset of US$2,708,870 (2020: US$1,690,487), arising from tax losses and temporary differences (as disclosed above), has not been recognised as an asset because recovery of tax losses and temporary differences is not considered probable given the development stage of the Company's apps.
The potential deferred tax asset will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the related deduction for the losses.

8. Cash and cash equivalents

	Consolidated 2021 US$	2020 US$
Cash at bank	1,377,257	154,589
	1,377,257	154,589

9. Trade and other receivables

	Consolidated 2021 US$	2020 US$
Trade receivables	-	158,161
Less: allowance for expected credit losses	-	(158,161)
Other receivables	1,942	147,655
	1,942	147,655

Allowance for expected credit losses
The consolidated entity has recognised a loss of nil (2020: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

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Movements in the allowance for expected credit losses are as follows:

	Consolidated 2021 US$	2020 US$
Opening balance	158,161	158,161
Written off in current year	(158,161)	-
Closing balance	-	158,161

Credit Risk

The maximum exposure to credit risk at balance date is the carrying amount (net of allowance for expected credit losses) of those assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties.

10. Property, plant and equipment

	Consolidated 2021 US$	2020 US$
Equipment – at cost	7,352	7,352
Less: Accumulated depreciation	(6,015)	(2,879)
Foreign exchange differences	793	35
	2,130	4,508

Consolidated	Equipment US$
Balance as at 1 July 2020	4,508
Additions	-
Disposals	-
Depreciation expense	(3,136)
Foreign exchange differences	758
Balance as 30 June 2021	2,130
Balance at 1 July 2019	1,507
Additions	5,270
Depreciation expense	(2,304)
Foreign exchange differences	35
Balance as 30 June 2020	4,508

11. Right-of-use assets

	Consolidated 2021 US$	2020 US$
Land and buildings – right-of-use	16,909	68,039
Less: Accumulated depreciation	(16,909)	(51,130)
	-	16,909

NOTES TO THE FINANCIAL STATEMENTS

12. Lease liabilities

	Consolidated	
	2021	2020
	US$	US$
Lease liability - current	-	17,308

13. Trade and other payables

	Consolidated	
	2021	2020
Current Payables	US$	US$
Trade payables	65,428	221,898
Accrued expenses	71,912	59,201
	137,340	281,099

(i) Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.
(ii) Trade payables are non-interest bearing.
(iii) Other payables relate to discontinued operations.

14. Borrowings

	Consolidated	
	2021	2020
	US$	US$
Convertible notes	-	206,045

On 30 June 2020, 300 Convertible Notes were issued with a face value of AU$1,000 (US$686) and a maturity date of 1 year from the date of issue. The convertible notes accrue interest at 10% and are convertible into ordinary fully paid shares at lower of AU$0.03 or 80% of the volume weighted average price of shares trading on ASX over the 7 trading days prior to the conversion date. The note holder has the option to convert the convertible notes (and interest accrued) at any time commencing from 6 months from the issue date to the maturity date. On maturity date, all the remaining convertible notes that have not been converted, will be converted into shares. Effective as at 30 June 2021, all 300 Convertible Notes were converted into ordinary fully paid shares.

NOTES TO THE FINANCIAL STATEMENTS

15. Contributed Equity		**2021 Number**	**2021 US$**	**2020 Number**	**2020 US$**
(a) Share capital					
Ordinary fully paid shares		478,965,505	14,161,989	328,206,064	11,784,318
(b) Movements in ordinary shares					
Opening balance		328,206,064	11,784,318	270,269,397	10,097,370
Shares issued at US$0.070 per share [1]	(i)	-	-	4,283,333	299,191
Shares issued at US$0.035 per share [2]	(ii)	-	-	16,403,334	572,887
Shares issued at US$0.034 per share [3]	(iii)	-	-	37,250,000	1,281,586
Shares issued at US$0.018 per share [4]	(iv)	3,000,000	53,948	-	-
Shares issued at US$0.014 per share [5]	(v)	5,000,000	72,820	-	-
Shares issued at US$0.015 per share [6]	(vi)	3,100,933	48,538	-	-
Shares issued at US$0.176 per share [7]	(vii)	2,000,000	35,215	-	-
Shares issued at US$0.018 per share [8]	(viii)	53,500,000	977,579	-	-
Shares issued at US$0.016 per share [9]	(ix)	1,860,664	30,328	-	-
Shares issued at US$0.019 per share [10]	(x)	18,000,000	348,570	-	-
Shares issued at US$0.018 per share [11]	(xi)	7,720,303	143,524	-	-
Shares issued at US$0.017 per share [12]	(xii)	1,510,756	25,815	-	-
Shares issued at US$0.023 per share [13]	(xiii)	50,000,000	1,159,050	-	-
Shares issued at US$0.019 per share [14]	(xiv)	1,069,923	20,826	-	-
Shares issued at US$0.013 per share [15]	(xv)	3,996,862	51,897	-	-
Transaction cost on share issue		-	(590,439)	-	(466,716)
		478,965,505	14,161,989	328,206,064	11,784,318

[1] Issue price AU$0.10 translated to US$ at grant date
[2] Issue price AU$0.05 translated to US$ at grant date
[3] Issue price AU$$0.05 translated to US$ at grant date
[4] Issue price AU$0.025 translated to US$ at grant date
[5] Issue price AU$0.02 translated to US$ at grant date
[6] Issue price AU$0.02223 translated to US$ at grant date
[7] Issue price AU$0.025 translated to US$ at grant date
[8] Issue price AU$0.025 translated to US$ at grant date
[9] Issue price AU$0.0223 translated to US$ at grant date
[10] Issue price AU$0.025 translated to US$ at grant date
[11] Issue price AU$0.024 translated to US$ at grant date
[12] Issue price AU$0.022 translated to US$ at grant date
[13] Issue price AU$0.03 translated to US$ at grant date
[14] Issue price AU$0.0251 translated to US$ at grant date
[15] Issue price AU$0.0173 translated to US$ at grant date

(i) On 24 July 2019, the Group issued 4,283,333 shares to sophisticated investors at an issue price of AU$0.10 to raise working capital.
(ii) On 24 July 2019, the Group issued 16,403,334 shares following the exercise of 16,403,334 options each exercisable at AU$0.05 and expiring 31 August 2019.
(iii) On 12 September 2019, the Group issued 37,250,000 shares following the exercise of 37,250,000 options each exercisable at AU$0.05 and expiring 31 August 2019.
(iv) On 26 August 2020, the Group issued 3,000,000 shares to Rob Davies as a sign on fee at a deemed issue price of AU$0.025 per share (share based payment expense).
(v) On 11 September 2020, the Group issued 5,000,000 shares to Mint Capital Advisors at a deemed issue price of AU$0.020 per share in consideration for the establishment of a AU$5,000,000 Standby Placement Facility (share based payment expense).
(vi) On 20 October 2020, the Group issued 3,100,933 at an issue price of AU$0.02223 per share to raise AU$68,933 in working capital.
(vii) On 20 October 2020, the Group issued 2,000,000 shares to Rob Davies following the conversion of 2,000,000 Performance Rights.

NOTES TO THE FINANCIAL STATEMENTS

(viii) On 11 November 2020, the Group issued 53,500,000 shares to sophisticated investors at an issue price of AU$0.025 per share to raise AU$1,337,500 in working capital.
(ix) On 11 November 2020, the Group issued 1,860,664 shares at an issue price of AU$0.0223 per share following the conversion of 38 convertible notes, each with a face value of AU$1,000, and the payment to the noteholders of AU$2019.73 in interest.
(x) On 22 January 2021, the Group issued 18,000,000 to sophisticated investors at an issue price of AU$0.025 per share to raise AU$450,000 in working capital.
(xi) On 22 January 2021, the Group issued 7,720,303 shares at an issue price of AU$0.024 per share following the conversion of 175 convertible notes, each with a face value of AU$1,000, and the payment to the noteholders of AU$10,258.90 in interest.
(xii) On 22 January 2021, the Group issued 1,510,756 shares at an issue price of AU$0.02206 per share to Mr John Dougall in lieu of the payment of fees to the value of AU$33,333.33.
(xiii) On 9 February 2021, the Group issued 50,000,000 shares to sophisticated investors at an issue price of AU$0.03 per share to raise AU$1,500,000 in working capital.
(xiv) On 9 February 2021, the Group issued 1,069,923 shares at an issue price of AU$0.025191 per share following the conversion of 25 convertible notes, each with a face value of AU$1,000, and the payment to the noteholders of AU$1,952.05 in interest.
(xv) Effective as of 30 June 2021, the Group issued 3,996,862 shares at an issue price of AU$0.0173 per share following the conversion of 62 convertible notes, each with a face value of AU$1,000, and the payment to the noteholders of AU$7,028.49 in interest.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

When managing capital, management’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2021 (2020: nil) and no dividends are expected to be paid in 2021.

There is no current intention to incur debt funding on behalf of the Group

The Group is not subject to any externally imposed capital requirements.

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16. Reserves

	Consolidated 2021 US$	Consolidated 2020 US$
Reserves		
Share-based payments reserve		
As at 1 July 2020	474,168	92,515
Share based payments	242,278	12,883
Conversion of rights	(35,215)	-
Underwriter options – transaction costs on share issue	401,845	368,770
As at 30 June 2021	1,083,076	474,168
Foreign currency reserve		
As at 1 July 2020	(149,623)	(156,390)
Foreign currency translation	(82,580)	6,767
As at 30 June 2021	(232,203)	(149,623)

Nature and purpose of reserves

Share-based payment reserve

The share-based payments reserve records the value of share options and performance rights issued by the Group.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of international operations to US dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

17. Notes to Statement of Cash Flows

(a) Reconciliation of net cash used in operating activities to operating loss after income tax

	Consolidated 2021 US$	Consolidated 2020 US$
Operating loss after tax	(1,479,219)	(1,259,559)
Add non-cash items:		
Depreciation and amortisation	20,045	53,434
Share-based payments expense	369,036	12,883
Interest expense on lease liability	412	2,120
Changes in net assets and liabilities:		
Movement in receivables	13,430	34,958
Movement in payables	(20,038)	(1,049,687)
Share of loss on joint venture	-	101,553
Net cash flow used in operating activities	(1,096,334)	(2,104,298)

NOTES TO THE FINANCIAL STATEMENTS

(b) Non-cash financing and investing activities

	Consolidated	
	2021	**2020**
	US$	**US$**
Shares issued for provision of services	434,361	-
	434,361	-

18. Parent Information

	Parent	
	2021	**2020**
	US$	**US$**
ASSETS		
Current assets	1,304,665	227,977
Non-current assets	-	-
TOTAL ASSETS	1,304,665	227,977
LIABILITIES		
Current liabilities	60,979	408,768
TOTAL LIABILITIES	60,979	408,768
NET (LIABILITIES)/ASSETS	1,243,686	(180,791)
EQUITY		
Contributed equity	11,661,989	9,284,318
Reserves	833,683	224,775
Accumulated losses	(11,251,986)	(9,689,884)
TOTAL EQUITY	1,243,686	(180,791)
Loss for the year	(1,562,102)	(1,120,351)
Total comprehensive loss	(1,562,102)	(1,120,351)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 (2020: nil)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS

19. Details of Associates and Joint Venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	2021	2020	2021	2020
Name of associate / joint venture	**%**	**%**	**US$**	**US$**
Pay-to-Play Australia Pty Ltd	50%	50%	-	(101,553)
Group's aggregate share of associates and joint venture entities' profit /(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			-	(101,553)
Income tax on operating activities			-	-

The above joint venture (which was terminated on 23 August 2021) is accounted for using the equity method in the consolidated financial statements.

20. Related Party Transactions

(a) Directors and Specified Executives

The names and positions held by key management personnel in office at any time during the year are:

J Dougall	Non-Executive Director and Chair
T Lapping	Director and CEO
M Higginson	Non-Executive Director

All of the above persons were key management personnel during the year ended 30 June 2021.

	Consolidated	
	2021	**2020**
(b) Key management personnel remuneration	**US$**	**US$**
Short-term employee benefits	376,937	235,276
	376,937	235,276

(c) Payables to key management personnel

Amounts payable to Directors and Director related entities at the end of the financial year, included in current liabilities	45,870	32,706

(d) Other transactions with key management personnel

During the year the Group paid rent of US$2,613 (2020: US$3,021) to Mr Higginson for the provision of the Group's registered and principal office.

There were no other sale or purchase related transactions between the Group and key management personnel during the year ended 30 June 2021 (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

(e) Other transactions with related parties

Following the receipt of shareholder approval on 15 January 2021, on 22 January 2021 the Company issued the following securities:

- 1,510,756 shares to Mr Dougall in lieu of cash fees for the 2020 financial year totalling AU$33,333
- 4,000,000 performance rights to Mr Dougall
- 3,000,000 Director performance rights to Mr Dougall
- 6,000,000 Director performance rights to Mr Lapping;
- 3,000,000 Director performance rights to Mr Higginson.

There were no other transactions with related parties throughout the year.

(f) Other Entities

There were no other transaction with other entities.

21. Share based payments

	Consolidated 2021 US$	Consolidated 2020 US$
Recognised share-based payment expenses		
Shares issued for services rendered	126,758	-
Performance rights vesting over period – issued in prior year	-	12,883
Forfeiture of performance options issued in prior year	-	-
Forfeiture of performance rights issued in prior year	-	-
Options issued for services rendered	56,166	-
Performance rights vesting over a period – issued in prior year	186,112	-
	369,036	12,883
Underwriter options – transaction costs on share issue	401,845	368,770

Employee Securities Incentive Plan

On 15 January 2021, the Group established an Employee Securities Incentive Plan that allows for securities to be granted to eligible employees and officers of the Group. The number of securities that can be issued under the plan cannot exceed 19,833,383. The terms and conditions of the securities issued under the plan are at the discretion of the Board.

(a) Performance rights

Performance rights granted during the 12 months ending 30 June 2021 were as follows:

i) 4,000,000 performance rights were granted on 26 August 2020 to Rob Davies, 2,000,000 converting on securing a Tier 1 partnership on or before 31 August 2021 and 2,000,000 converting on the attainment of 1,000,000 new unique users on the Company's OlahBola or Kita Garuda apps on or before 31 August 2021;
ii) following the receipt of shareholder approval on 15 January 2021, 4,000,000 performance rights were granted on 22 January 2021 to John Dougall, converting on the Company achieving breakeven operating cash flow for any 6 month period up to and including 31 December 2022; and
iii) following the receipt of shareholder approval on 15 January 2021, 12,000,000 performance rights were granted on 22 January 2021 as follows:

NOTES TO THE FINANCIAL STATEMENTS

- 4,000,0000 Class A performance rights, converting on the VWAP of the Company's shares trading on ASX exceeding AU$0.08 per share over 7 consecutive days on or before 31 December 2021;
- 4,000,0000 Class B performance rights, converting on attainment on or before 31 December 2021 of not less than 3,000,000 new unique OlahBola users; and
- 4,000,000 Class C performance rights, converting on the achievement of a positive EBITDA (with all share based payments being excluded from the EBITDA calculation) during any 6 month period up to and including 31 December 2022.

On 20 October 2020, 2,000,000 performance rights granted to Rob Davies were converted into 2,000,000 shares following the attainment of 1,000,000 new unique users on the Company's OlahBola app.

On 2 July 2021, 4,000,000 Class B performance rights were converted into shares following the attainment of 3,000,000 new unique users on the Company's OlahBola app

(b) Options

Following options were granted in the 12 months ending 30 June 2021 (2020: Nil).

Grant date	2 February 2021
Dividend yield (%)	-
Expected price volatility	100%
Risk-free interest rate (%)	0.09%
Expected life of options (years)	1.87
Option exercise price (AU$)	0.05
Option exercise price in AU$ translated to US$ at grant date	0.038
Share price at grant date AU$	0.032
Share price in AU$ translated to US$ at grant date	0.024
Number of options issued	5,900,000
FV at grant date (AU$)	74,708
FV at grant date (US$)	56,166

These 5,900,000 options were issued on 2 July 2021, however, the grant date is deemed to have been 2 February 2021.

(c) Underwriter options – transaction costs on share issue

Grant date	15 January 2021
Dividend yield (%)	-
Expected price volatility	100%
Risk-free interest rate (%)	0.08%
Expected life of options (years)	1.92
Option exercise price (AU$)	0.05
Option exercise price in AU$ translated to US$ at grant date	0.039
Share price at grant date AU$	0.032
Share price in AU$ translated to US$ at grant date	0.025
Number of options issued	12,000,000
FV at grant date (AU$)	154,495
FV at grant date (US$)	119,981

NOTES TO THE FINANCIAL STATEMENTS

Grant date	4 February 2021
Dividend yield (%)	-
Expected price volatility	100%
Risk-free interest rate (%)	0.08%
Expected life of options (years)	1.86
Option exercise price (AU$)	0.05
Option exercise price in AU$ translated to US$ at grant date	0.038
Share price at grant date AU$	0.035
Share price in AU$ translated to US$ at grant date	0.027
Number of options issued	25,000,000
FV at grant date (AU$)	364,778
FV at grant date (US$)	281,864

	2021		2020	
	Number of Options	**Weighted Average Exercise Price US$**	**Number of Options**	**Weighted Average Exercise Price US$**
At beginning of reporting year	21,000,000		68,463,094	
Granted during the year	97,750,000	0.050	20,000,000	0.010
- Lapsed	(1,000,000)	0.200	(9,526,427)	0.035
- Exercised	-	-	(57,936,667)	0.034
Balance the end of reporting year	**117,750,000**		**21,000,000**	
Exercisable at end of reporting year	**117,750,000**		**21,000,000**	

The following table sets out the movements in the number of options throughout the year:

Grant date	Expiry date	Balance at start of year	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
1 Feb 18	1 Feb 21	1,000,000	-	-	(1,000,000)	-	
12 Sept 19	30 Sept 21	20,000,000	-	-	-	20,000,000	20,000,000
15 Jan 21	16 Dec 22	-	47,750,000	-	-	47,750,000	47,750,000
4 Feb 21	16 Dec 22	-	50,000,000	-	-	50,000,000	50,000,000
Total		**21,000,000**	**97,750,000**	**-**	**(1,000,000)**	**117,750,000**	**117,750,000**

(d) Shares issued for services rendered

On 26 August 2020, the Group issued 3,000,000 shares to Rob Davies as a sign on fee at a deemed issue price of AU$0.025 per share (share based payment expense).

On 11 September 2020, the Group issued 5,000,000 shares to Mint Capital Advisors at a deemed issue price of AU$0.02 per share in consideration for the establishment of a AU$5,000,000 Standby Placement Facility (share based payment expense).

NOTES TO THE FINANCIAL STATEMENTS

22. Auditors' Remuneration

	Consolidated 2021 US$	2020 US$
Audit of the financial statements - RSM Australia Partners		
Audit or review of financial reports	35,321	30,884
	35,321	30,884
Audit services - Network firms		
Audit or review of the financial statements - RSM Chio Lim LLP	9,773	9,401
	9,773	9,401
	45,094	**40,285**

23. Commitments

There were no outstanding commitments which are not disclosed in the financial statements as at 30 June 2021 other than:

	Consolidated 2021 US$	2020 US$
Office rental commitments		
Within 1 year	-	-
After 1 year but not more than 5 years	-	-
	-	-

24. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are either summarised below or disclosed at note 9 in the case of credit risk and note 15 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

Cash Flow Interest Rate Risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. The Group's borrowings which are fixed rate convertible notes expose the Group to fair value risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

NOTES TO THE FINANCIAL STATEMENTS

Consolidated	Notes	Interest Rate	1 year or less US$	Over 1-5 years US$	Non-interest bearing US$	Total US$
2021						
Financial assets						
Cash and cash equivalents	8	0%	-	-	1,377,257	1,377,257
Trade and other receivables	9				1,942	1,942
Total financial assets			-	-	1,379,199	1,379,199
Financial liabilities						
Trade and other payables	13		-	-	137,340	137,399
Total financial liabilities			-	-	137,340	137,399
Net financial assets			-	-	1,241,859	1,241,859

Consolidated	Notes	Interest Rate	1 year or less US$	Over 1-5 years US$	Non-interest bearing US$	Total US$
2020						
Financial assets						
Cash and cash equivalents	8	0%	-	-	154,589	154,589
Trade and other receivables	9		-	-	147,655	147,655
Total financial assets for continuing operations			-	-	302,244	302,244
Financial liabilities						
Trade and other payables	13		-	-	281,099	281,099
Borrowings	14	10%			206,045	206,045
Total financial liabilities			-	-	487,144	487,144
Net financial assets			**-**	**-**	**(184,900)**	**(184,900)**

Interest rate sensitivity

At 30 June 2021, if interest rates had changed by 15% during the entire year with all other variables held constant, income for the year and equity would have been nil lower/higher (30 June 2020: Nil), as a result of lower/higher interest income from cash and cash equivalents.

At 30 June 2021, if interest rates had changed by 15% during the entire year with all other variables held constant, income for the year and equity would have been nil lower/higher (30 June 2020: US$3,091), as a result of lower/higher interest income from borrowings.

A sensitivity of 15% (15%: 2020) has been selected as this is considered reasonable given the current level of both short term and long term Australian interest rates. A 15% sensitivity would move short term interest rates at 30 June 2021 from around 0.25% to 0.21% representing a 0.0375 basis point decrease. Market expectations are that interest rates in Australia are more likely to move down than up in subsequent periods.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

NOTES TO THE FINANCIAL STATEMENTS

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows.

	Note	Weighted average interest rate	Consolidated 2021 US$	Consolidated 2020 US$
Contracted maturities of payables at 30 June				
Payable				
- less than 6 months	13	-	137,340	281,099
Borrowings – convertible notes				
- 1 year or less	14	10%	-	206,045
			137,340	487,144

Foreign exchange risk

The Group has cash and cash equivalents denominated in AU$ of US$1,304,665 (2020: US$122,675). At 30 June 2021, if USD/AUD rates had changed by 15% with all other variables held constant, loss for the year and equity would have been US$195,700 lower/higher (30 June 2020: US$18,401), as a result of with change in fair value of cash and cash equivalents.

A sensitivity of 15% (15%: 2020) has been selected as this is considered reasonable given the current level of volatility in the USD/AUD rate.

Net fair values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The consolidated entity has no financial assets where carrying amount exceeds net fair values at balance date.

25. Segment Information

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

- corporate head office in Australia
- technology development and marketing based in Singapore
- operations 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

Consolidated - 2021	Australia US$	Singapore US$	Indonesia US$	Total US$
Revenue				
Intersegment sales	-	-	-	-
Income	1,828	16,078	22,664	40,570
Total segment income	1,828	16,078	22,664	40,570
Intersegment eliminations	-	-	-	-
Total revenue				40,570
EBITDA	(838,739)	(546,604)	(50,707)	(1,436,050)
Profit before income tax expense	(854,615)	(573,897)	(50,707)	(1,479,219)
Income tax expense	-	-	-	-
Loss after income tax expense	**(854,615)**	**(573,897)**	**(50,707)**	**(1,479,219)**
Material items include:				
Share based payments	369,036	-	-	369,036
Depreciation	-	20,045	-	20,045
Assets				
Segment assets	1,304,665	66,898	9,766	1,381,329
Total assets	**1,304,665**	**66,898**	**9,766**	**1,381,329**
Liabilities				
Segment liabilities	60,979	3,057,737	58,101	3,176,817
Intersegment eliminations	-	(2,984,695)	(54,782)	(3,039,477)
Total liabilities	60,979	73,042	3,319	**137,340**

Consolidated - 2020	Australia US$	Singapore US$	Total US$
Revenue			
Intersegment sales	-	-	-
Other revenue	1,318	2,116	3,434
Total segment revenue	1,318	2,116	3,434
Intersegment eliminations	-	-	-
Total revenue	1,318	2,116	3,434
EBITDA	(366,265)	(837,741)	(1,204,006)
Profit before income tax expense	(421,818)	(837,741)	(1,259,559)
Income tax expense	-	-	-
Loss after income tax expense	**(421,818)**	**(837,741)**	**(1,259,559)**
Material items include:			
Share based payments	12,883	-	12,883
Depreciation	-	53,434	53,434
Assets			
Segment assets	259,893	63,768	323,661
Total assets	**259,893**	**63,768**	**323,661**
Liabilities			
Segment liabilities	408,768	3,001,439	3,410,207
Intersegment eliminations	(324,338)	(2,581,417)	(2,905,755)
Total liabilities	**84,430**	**420,022**	**504,452**

NOTES TO THE FINANCIAL STATEMENTS

26. Subsequent Events

On 2 July 2021, 4,000,000 Director performance rights were converted into 4,000,000 shares following the attainment on or before 31 December 2021 of in excess of 3,000,000 new unique OlahBola users.

On 23 August 2021, the Pay-to-Play Australia Pty Ltd joint venture with Cross Bet Holdings Pty Ltd was terminated.

On 9 September 2021, the Company announced the launching of its state-of-the-art artificial intelligence esports predictor to service new markets and the rapidly expanding esports gaming market. The Company further announced the engagement of highly experienced esports consultant, Mr Scott Russell.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for SportsHero up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining physical distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

27. Contingent Liabilities and Contingent Assets

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.

The Group does not have any other contingent liabilities as at 30 June 2021 (2020: Nil).

The Group does not have any contingent assets as at 30 June 2021 (2020: Nil).

28. Investment in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

	Country of Incorporation	Principal Activities	Functional Currency	Ownership %
Parent entity				
SportsHero Limited	Australia	Parent	Australian Dollars (AUD)	
Name of Controlled Entity				
Sportz Hero Pty Limited	Australia	Investment holding	Australian Dollars (AUD)	100%
SportsHero Enterprise Pte Ltd	Singapore	Technology development & marketing	Singapore Dollars (SGD)	100%
PT Sport Hero Indonesia	Indonesia	Operations	Indonesia Rupiah (IDR)	100%

29. Company Details

The registered office and principal place of business of the Group is:

36 Prestwick Drive
Twin Waters, QLD 4564

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of SportsHero Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

 (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board

John Dougall
Chairman

Dated this 30th day of September 2021

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of SportsHero Limited

Opinion

We have audited the financial report of SportsHero Ltd (**Company**) and its subsidiaries (**Group**), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (**Code**) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Share-based payment
Refer to Note 21 in the financial statements</td></tr>
<tr><td>During the financial year, the Group incurred capital raising costs of US$401,845 and share based payment expenses of US$56,166 for options issued and US$186,112 for performance rights issued in accordance with AASB 2 Share-based Payment from the issue of the following performance rights and options:
• 4,000,000 performance rights with market vesting conditions. Management used a valuation model to value these rights and estimated the length of the expected vesting period.
• 16,000,000 performance rights were granted with non-market based vesting conditions. Management was required to assess the probability of achieving the non-market performance conditions attached to the rights.
• 37,000,000 options were issued to lead managers (capital raising costs) and 5,900,000 options were issued as consideration for services rendered.
We determined this to be a key audit matter due to the material amount of the share-based payment and the significant judgement involved in assessing the fair value of the transactions in accordance with AASB 2 Share-based Payment.</td><td>Our audit procedures included:
• Reviewing the key terms and conditions of the performance rights and options issued;
• Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the performance rights and options;
• Reviewing management's assessment of the probability of achieving the non-market performance conditions attached to the performance rights;
• Checking the mathematical accuracy of the computation and the apportioned expense over the vesting period;
• Challenging the reasonableness of key assumptions used by management to value the options; and
• Reviewing the relevant disclosures in the financial statements to ensure compliance with Accounting Standards.</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of SportsHero Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM
RSM AUSTRALIA PARTNERS

AWhyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 30 September 2021

SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is made up to 10 September 2021.

Distribution schedules of security holders

	Fully Paid Shares	AU$0.05 Options Expiring 16/12/22	AU$0.10 Options Expiring 30/9/21	AU$0.05 Options Expiring 1/7/23	Performance Rights
1 -1,000	154	-	-	-	-
1,001 - 5,000	214	-	-	-	-
5,001 - 10,000	160	-	-	-	-
10,001 - 100,000	673	9	-	-	-
100,001 and over	332	58	1	3	6
Number of Holders	**1,533**	**67**	**1**	**3**	**6**

Holders of nonmarketable parcels

There are 642 fully paid ordinary shareholders who hold less than a marketable parcel of shares.

Twenty largest holders

The names of the twenty largest shareholders are:

		Number of shares	% Held
1	MYHERO LIMITED	60,000,000	12.35
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	17,568,322	3.62
3	IPV CAPITAL II HK LIMITED	16,650,000	3.43
4	SUNSHORE HOLDINGS PTY LTD	15,000,000	3.09
5	ADRIAN STEPHEN PAUL + NOELINE FAYE PAUL	14,742,857	3.03
6	BNP PARIBAS NOMS PTY LTD	12,024,399	2.47
7	J & TW DEKKER PTY LTD	11,555,511	2.38
8	COLIN JEE FAI LOW	10,000,000	2.06
9	HAPPINESS INVESTMENTS PTY LTD	9,639,653	1.98
10	JOHN LEONARD WOODWARD	9,510,873	1.96
11	CITICORP NOMINEES PTY LIMITED	8,648,124	1.78
12	TOBY LEI	8,399,392	1.73
13	THOMAS NAPONG LAPPING TONAVANIK	8,357,143	1.72
14	PARRY CAPITAL MANAGEMENT PTY LTD	7,217,902	1.49
15	RODNEY LAURENCE STAGGARD	6,500,000	1.34
16	ALLGREEN HOLDINGS PTY LTD	6.052,105	1.25
17	AHMAD FAUD BIN MD ALI	6,000,000	1.23
18	ROBERT DAVIES	6,000,000	1.23
19	COLIN JEE FAI LOW	5,148,642	1.06
20	JEANNE GO LIM	5,018,310	1.03
		244,033,233	**50.22**

SHAREHOLDER INFORMATION

The names of the twenty largest option holders are:

		Number of options	% Held
1	VERITAS SECURITIES LTD	11,900,000	11.48
2	BILAL AHMAD	10,150,000	9.79
3	FIRST GROWTH FUNDS LTD	7,666,667	7.40
4	RODNEY LAURENCE STAGGARD	6,100,000	5.89
5	CS THIRD NOMINEES PTY LTD	5,000,000	4.82
6	ALLGREEN HOLDINGS PTY LTD	5,000,000	4.82
7	ACTIV8 CAPITAL INVESTORS PTY LTD	4,346,080	4.19
8	PETER DARREN RUSSELL	3,000,000	2.89
9	CS1 NORTHWOOD FAMILY SUPER FUND PTY LTD	3,000,000	2.89
10	BLUE OLIVE CAPITAL PTY LTD	2,770,000	2.67
11	RED AND WHITE HOLDINGS PTY LTD	2,750,000	2.65
12	SUFIAN AHMAD	2,666,667	2.57
13	ANGELA MARGARET DAY	2,300,000	2.22
14	SHAPE CAPITAL PTY LTD	1,883,334	1.82
15	LJM CAPITAL CORPORATION PTY LTD	1,850,000	1.78
16	HAWERA PTY LTD	1,800,000	1.74
17	ACTIV8 CAPITAL VENTURES PTY LTD	1,500,000	1.45
18	NATHAN DANIAL YOUNG	1,500,000	1.45
19	DAWESVILLE NOMINEES PTY LTD	1,500,000	1.45
20	CINTRA HOLDINGS PTY LTD	1,450,000	1.40
		78,132,748	**75.38**

Restricted securities

The Group has no Restricted Securities on issue.

Unquoted equity securities

	Number on issue	Number of holders
Options to acquire fully paid shares at AU$0.10 per share and expiring 20 September 2021	20,000,000	1
Options to acquire fully paid shares at AU$0.05 per share and expiring 1 July 2023	6,000,000	3
Performance rights	20,000,000	6

Names of persons holding more than 20% of a given class of unquoted securities (other than incentive securities)

Options expiring 30 sep 2021 – Veritas Securities Limited holds 100%

Substantial shareholder

	No. of Shares Held	% of Shares Held
MyHero Limited	60,000,000	12.35%

SHAREHOLDER INFORMATION

On-market buy-back

There is no current on-market buy-back.

Acquisition of voting shares

No issues of securities have been approved for the purposes of Item 7 of section 611 of the Corporations Act 2001.

Voting Rights

Ordinary fully paid shares – on a show of hands, every member present in person or by proxy shall have one vote and upon a poll, each member shall have one vote per share.

Tax status

The Group is treated as a public company for taxation purposes.

Franking credits

The Group has nil franking credits.