

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

SportsHero Limited and its controlled entities
ABN 98 123 423 987

Reporting period – For the year ended 30 June 2018

Previous period – For the year ended 30 June 2017

Results for Announcement to the Market

	30 June 2018	30 June 2017	Change	Change
	US\$	US \$	US\$	%
Revenue	16,841 ⁽¹⁾	9,113	7,728	85%
Loss for the year after tax from continuing operations	3,662,159	3,852,890	(190,731)	(5%)
Loss for the year after tax from discontinued operations	691,361	413,754	277,637	67%
Loss attributable to members of the parent entity	4,503,529	4,234,050	269,479	6%

(1) Reported income of A\$50,180 from the Company's June 2018 World Cup campaign will be recorded in the 2019 financial year upon satisfaction of the relevant performance obligation.

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2018.

Other significant information

The Company is the owner of a world leading sports prediction, gamification and marketing platform that was developed to create a robust user-base of sports fans globally who can come together to play sports games, consume content and interact with ambassadors and personalities.

SportsHero is a data driven game that offers fans the chance to compete against family, friends and colleagues and to win money can't buy prizes and experiences by predicting the outcome of sporting events.

Throughout the year, the Company undertook and delivered significant technical achievements. These achievements culminating in the development of a fully localised Indonesian version of the SportsHero platform to cater for the millions of fanatical Indonesian football fans and the subsequent securing, in August 2018, of a landmark sponsorship deal with Spain's top football division LaLiga.

On 23 August 2018, the Company announced the placement of 5,000,000 fully paid shares, at an issue price of A\$0.20 per share, to raise a total of A\$1,000,000 in working capital.

Review of operations

On 4 September 2017, the Company announced the appointment of Mr Tom Lapping as CEO.

On 31 October 2017, the Company announced that global investor, IPV Capital had unconditionally agreed to subscribe for 12,500,000 shares at an issue price of A\$0.08 per share.

On 2 November 2017, 3,500,000 shares were issued to Mr Randhawa following the conversion of 1,000,000 performance rights and the cancellation of 2,500,000 performance rights.

On 12 December 2017, Mr Chris Flintoft is appointed as the Company's Technical Strategy Advisor.

On 22 December 2017, Mr Tony Wee is appointed as the Company's Corporate Advisor.

SportsHero Limited
Supplementary Appendix 4E information
For the year ended 30 June 2018

On 10 January 2018, the Company issued the following shares:

- 12,500,000 shares to IPV Capital at an issue price of A\$0.08 per share
- 1,500,000 shares to Mr Flintoft (500,000 shares in consideration for the engagement of Mr Flintoft and 1,000,000 shares following the conversion of 1,000,000 performance rights)
- 3,000,000 shares in consideration for the engagement of Mr Tony Wee.

On 7 February 2018, the Company issued the following shares:

- 214,286 shares following the exercise of 214,286 options each exercisable at A\$0.05 and expiring 31 August 2019
- 2,000,000 shares to Mr Tony Wee following the conversion of 2,000,000 performance rights.

On 2 March 2018, the Company issued the following shares:

- 1,000,000 shares to Mr Chris Flintoft following the conversion of performance rights
- 700,000 shares following the exercise of 700,000 options each exercisable at A\$0.05 and expiring 31 August 2019
- 2,000,000 shares to Mr Tony Wee following the conversion of 2,000,000 performance rights.

On 6 March 2018, the Company announced the establishment of a strategic partnership in Indonesia with Mr Tri Putra Permadi.

On 12 March 2018, the Company announced a partnership in Indonesia with Walletku.

On 9 May 2018, the Company announced the intended launch into Indonesia with a localised Indonesian app with SportsHero tickets being sold through Walletku's payment platform.

On 28 May 2018, the Company issued 114,286 shares following the exercise of 114,286 options each exercisable at A\$0.05 and expiring 31 August 2019.

On 15 June 2018, the Company announces the launch of its 2018 World Cup challenge in Indonesia.

Net Tangible Assets

	30 June 2018	30 June 2017
Net tangible (liabilities)/ assets per share (cents/share)	0.07	0.57

Control gained over entities and loss of control over entities

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

Details of associates and joint venture entities

The company has no associates or joint venture entities

Audit Status

This report is based on accounts which are in the process of being audited. The Audited Annual Report is expected to be released by 30 September 2018.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of SportsHero Limited for the year ended 30 June 2018 is attached.

Signed By

31 August 2018

Michael Higginson
Chairman
Queensland

SportsHero Limited
Preliminary Statement of Comprehensive Income
For the year ended 30 June 2018

	Consolidated	
	30 June 2018 US\$	30 June 2017 US\$
Income		
Other income	16,841	9,113
Expenses		
Administration expenses	(926,767)	(704,565)
Employee and consulting expenses	(477,875)	(234,325)
Depreciation and Amortisation expense	(504,602)	(440,276)
Interest expense	-	(2,443)
Share based payments	(705,867)	(549,170)
Restructuring expense	-	(1,931,224)
Impairment of intangible assets	(1,063,889)	-
Loss before income tax from continuing operations	(3,662,159)	(3,852,890)
Income tax expense	-	-
Loss after income tax from continuing operations	(3,662,159)	(3,852,890)
Loss after income tax from discontinued operations	(691,361)	(413,754)
Loss after income tax expense for the year	(4,353,520)	(4,266,644)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	(150,009)	32,594
Total comprehensive loss for the year	4,503,529	4,234,050
Loss attributable to:		
Owners of the entity	4,503,529	4,234,050
	Cents	Cents
Basic and diluted loss per share for continued operations (cents per share)	1.55	3.48
Basic and diluted loss per share for discontinued operations (cents per share)	0.30	0.37
Basic and diluted loss per share (cents per share)	1.85	3.85

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

SportsHero Limited
Preliminary Statement of Financial Position
as at 30 June 2018

	Consolidated	
	30 June	30 June
	2018	2017
	US\$	US\$
Current assets		
Cash and cash equivalents	323,333	1,489,666
Other receivables	1,411	12,226
	324,744	-
Assets associated with discontinued operations	11,423	-
Total current assets	336,167	1,501,892
Non-current assets		
Plant and equipment	5,007	9,609
Intangible asset	-	1,563,889
Total non-current assets	5,007	1,573,498
Total assets	341,174	3,075,390
Current liabilities		
Trade and other payables	491,247	234,676
Total current liabilities	491,247	234,676
Total liabilities	491,247	234,676
Net (liabilities)/assets	(150,073)	2,840,714
Equity		
Issued capital	8,559,488	7,209,342
Share based payments reserve	179,278	16,682
Foreign currency translation reserve	(117,415)	32,594
Accumulated losses	(8,771,424)	(4,417,904)
Total equity	(150,073)	2,840,714

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

SportsHero Limited
Preliminary Statement of Changes in Equity
for the year ended 30 June 2018

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
<u>Consolidated</u>					
Balance at 1 July 2016	2,500,000	-	-	(151,260)	2,348,740
Total comprehensive loss for the year	-	-	32,594	(4,266,644)	(4,234,050)
Share issue for acquisition of subsidiary	1,852,605	-	-	-	1,852,605
Performance rights issued during the year	-	16,682	-	-	16,682
Share based payments	539,417	-	-	-	539,417
Shares issued during the year	2,456,255	-	-	-	2,456,255
Share issue costs	(138,935)	-	-	-	(138,935)
Balance at 30 June 2017	7,209,342	16,682	32,594	(4,417,904)	2,840,714
Balance at 1 July 2017	7,209,342	16,682	32,594	(4,417,904)	2,840,714
Total comprehensive loss for the year	-	-	(150,009)	(4,353,520)	(4,503,529)
Exercise of options	39,922	-	-	-	39,922
Performance rights issued during the year	-	127,324	-	-	127,324
Share based payments	544,940	-	-	-	544,940
Shares issued during the year	782,800	35,272	-	-	818,072
Share issue costs	(17,516)	-	-	-	(17,516)
Balance at 30 June 2018	8,559,488	179,278	(117,415)	(8,771,424)	(150,073)

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

SportsHero Limited
Preliminary Statement of Cash Flows
for the year ended 30 June 2018

	Consolidated	
	30 June	30 June
	2018	2017
	US\$	US\$
Cash flows from operating activities		
Receipts from customers	5,542	612
Payments to suppliers and employees	(1,839,431)	(1,463,406)
Interest received	10,757	8,501
Net cash used in operating activities	(1,823,132)	(1,437,293)
Cash flows from investing activities		
Payments for plant and equipment	-	(12,665)
Cash received as part of acquisition	-	78,629
Net cash from investing activities	-	65,694
Cash flows from financing activities		
Proceeds from issues of shares	822,361	2,456,254
Share issue transaction costs	(17,156)	(82,957)
Net cash provided by financing activities	805,255	2,373,297
Net (decrease)/increase in cash and cash equivalents held	(1,017,927)	984,968
Cash and cash equivalents at the beginning of the financial year	1,489,666	436,666
Effect of exchange rate changes on cash and cash equivalents	(148,340)	68,032
Cash and cash equivalents at the end of the financial year	323,399	1,489,666

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

SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2018

Note 1. Basis of Preparation

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

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

New and Revised Accounting Standards and Interpretations

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

Functional and presentation currency

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

Note 2. Segment reporting

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

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

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

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

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

SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2018

Note 2. Segment reporting (continued)

	Australia US\$	Singapore US\$	China US\$	Total US\$
Year ended 30 June 2017				
Revenue from external customers	8,764	349	-	9,113
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax				
Continuing operations	(2,648,353)	(1,204,537)	-	(3,852,890)
Discontinued operations	-	-	(413,754)	(413,754)
	<u>(2,648,353)</u>	<u>(1,204,537)</u>	<u>(413,754)</u>	<u>(4,266,644)</u>
Year ended 30 June 2018				
Revenue from external customers	10,757	6,084	-	16,841
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax				
Continuing operations	(1,642,210)	(2,019,949)	-	(3,662,916)
Discontinued operations	-	-	(691,361)	(691,361)
	<u>(1,642,210)</u>	<u>(2,019,949)</u>	<u>(691,361)</u>	<u>(4,353,520)</u>
 Reportable segments assets at 30 June 2017	 1,320,262	 1,743,668	 11,460	 3,075,390
Reportable segments assets at 30 June 2018				
Continuing operations	284,123	40,621	-	324,744
Discontinued operations	-	-	11,423	11,423
	<u>284,123</u>	<u>40,621</u>	<u>11,423</u>	<u>336,167</u>

Note 3. Contingent Assets and Liabilities

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

Note 4. Controlled entities

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