

SportsHero Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	SportsHero Limited
ABN:	98 123 423 987
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

US\$			
Revenues from ordinary activities	down	323% to	1,151
Loss from ordinary activities after tax attributable to the owners of SportsHero Limited	down	10.57% to	842,103
Loss for the half-year attributable to the owners of SportsHero Limited	down	10.57% to	842,103

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the half year ended 31 December 2019	Nil	Nil

Comments

The loss for the consolidated entity after income tax amounted to US\$842,103 (31 December 2018: US\$941,653).

In the current half year the Company generated interest income of US\$1,151.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary share	<u>0.03</u>	<u>(0.36)</u>

4. Control gained over entities

During the half year the Company did not gain control over any entity.

5. Loss of control over entities

During the half year the Company did not lose control over any entity.

6. Details of associates and joint venture entities

On 10 January 2019, the Company announced that it had entered into a non-binding Heads of Agreement with Cross Bet Holdings Pty Ltd for the purpose of enabling SportsHero to launch its existing pay-to-play sports prediction platform in Australia.

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period US\$	Previous period US\$
Pay-to-Play Australia Pty Ltd	50.00%	50.00%	(103,563)	(10,654)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(103,563)	(10,654)

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

8. Attachments

Details of attachments (if any):

The Interim Financial Report of SportsHero Limited for the half-year ended 31 December 2019 is attached.

9. Signed



Michael Higginson
Director
Brisbane, Queensland

Date: 26 February 2020



SPORTSHERO LIMITED

ACN 123 423 987

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2019

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SPORTSHERO LIMITED

ACN 123 423 987

CORPORATE DIRECTORY

DIRECTORS

John Dougall (Non-Executive Chairman) (appointed 30 October 2019)
Tom Lapping (Executive Director)
Michael Higginson (Non-Executive Director)
Wayne Johnson (Non-Executive Director) (resigned 29 October 2019)

CHIEF EXECUTIVE OFFICER

Tom Lapping

COMPANY SECRETARY

Michael Higginson

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

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AUDITORS

RSM Australia Partners
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SHARE REGISTRY

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Nedlands WA 6009

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STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
ASX Code: SHO

SPORTSHERO LIMITED

DIRECTORS' REPORT

The Directors present their report together with the financial statements of SportsHero Limited ("SportsHero" or "the Company" or "the Group") for the half year ended 31 December 2019.

DIRECTORS

The following persons held office as a Director of SportsHero at the end of the half year:

- John Dougall (Non-Executive Chairman) (appointed 30 October 2019)
- Michael Higginson (Non-Executive Director)
- Tom Lapping (Executive Director)

The following Directors were in office from the beginning of the half year until the date of this report;

- Michael Higginson
- Tom Lapping

On 29 October 2019, Mr Wayne Johnson resigned as a Director and on 30 October 2019 Mr John Dougall was appointed as a Director.

RESULTS

Following discussions with the Company's advisors, it was determined that a conservative accounting stance will continue to be taken with regard to the capitalisation of development expenditure and the carrying value of the Group's intangible assets. Accordingly, all development expenditure incurred during the half year has been expensed and the Group's intangible assets were fully impaired in a prior reporting period.

The results of loss on fixed assets, depreciation and issuing incentive based securities are that during the half year the Group recorded **non-cash** expenses totaling US\$12,883 (2018 US\$222,761).

The net loss of the Group for the half year ended 31 December 2019 was US\$842,103(2018:US\$941,653).

No dividends were paid or declared by the Company during the half year.

REVIEW OF OPERATIONS

The following is a summary of the activities of SportsHero during the period 1 July 2019 to 31 December 2019. It is recommended that this half yearly report be read in conjunction with the 30 June 2019 Annual Report and any public announcements made by the Group during the half year. In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

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

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

On 21 August 2019, the Group announced that full exclusivity for Indonesia's FIFA World Cup qualifying match ticket sales, merchandise and other exclusive World Cup content had been secured for the Kita Garuda mobile application.

SPORTSHERO LIMITED

DIRECTORS' REPORT

SIGNIFICANT CHANGES

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

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

On 30 October 2019, the Company announced a re-structure of the Board, which included the appointment of Mr John Dougall as Chairman and the resignation on 29 October 2019 of Mr Wayne Johnson as a Director.

There have been no other changes in the state of affairs of the Group that occurred during the half year under review not otherwise disclosed in this report.

SUBSEQUENT EVENTS

There are no events subsequent to the reporting date.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the Board of Directors:



Michael Higginson
Director
Date: 26 February 2020
Brisbane, Queensland

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of SportsHero Limited for the half-year ended 31 December 2019, 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 review; and
- (ii) Any applicable code of professional conduct in relation to the review.



David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 28 February 2020

SPORTSHERO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 December 2019 USD	30 June 2019 USD
Current assets			
Cash and cash equivalents		517,269	49,781
Trade and other receivables		27,687	44,246
Total current assets		<u>544,956</u>	<u>94,027</u>
Non-current assets			
Right of Use Assets	3	43,701	-
Plant and equipment		5,927	1,507
Investment accounted for using the equity method		-	24,623
Other assets		140,120	140,260
Total non-current assets		<u>189,748</u>	<u>166,390</u>
Total assets		<u>734,704</u>	<u>260,417</u>
Current liabilities			
Trade and other payables		534,348	1,257,017
Current lease liability	4	44,211	-
Total Current liabilities		<u>578,559</u>	<u>1,257,017</u>
Total Liabilities		<u>578,559</u>	<u>1,257,017</u>
Net Assets		<u>156,145</u>	<u>(996,600)</u>
Equity			
Issued capital	5	11,784,318	10,097,370
Share based payments reserve	6	474,168	92,515
Foreign currency translation reserve		(230,143)	(156,390)
Accumulated losses		(11,872,198)	(11,030,095)
Total Equity/(Deficit)		<u>156,145</u>	<u>(996,600)</u>

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 USD	31 December 2018 USD
Income			
Sales income		-	372,545
Other revenue		1,151	1,063
Expenses			
Commission expenses		-	(214,214)
Administration expenses		(422,038)	(389,819)
Employee and consulting expenses		(276,493)	(477,044)
Share based payments		(12,883)	(222,531)
Depreciation and Amortisation expense		(26,906)	(230)
Interest expense		(1,371)	-
Impairment loss		-	(11,423)
Share of net loss of joint venture accounted for using equity method		(103,563)	-
Loss before income tax expense		(842,103)	(941,653)
Income tax expense		-	-
Loss after income tax expense for the year		(842,103)	(941,653)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation		(73,753)	16,173
Total comprehensive loss for the year		(915,856)	(925,480)
Basic loss per share (cents per share)		(0.31)	(0.39)
Diluted loss per share (cents per share)		(0.31)	(0.39)

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed Equity	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total Equity/ (deficit)
Notes	USD	USD	USD	USD	USD
As at 1 July 2018	8,559,488	(8,753,470)	97,751	(117,415)	(213,646)
Total comprehensive loss		(941,653)		16,173	(925,480)
Share based payments	81,224	-	141,307	-	222,531
Shares issued during the period - Conversion of performance rights	117,035	-	(117,035)	-	-
Share issue	508,213	-	-	-	508,213
Transaction cost from share issue	(28,218)	-	-	-	(28,218)
As at 31 December 2018	9,237,742	(9,695,123)	122,024	(101,242)	(436,600)
As at 1 July 2019	10,097,370	(11,030,095)	92,515	(156,390)	(996,600)
Total comprehensive loss	-	(842,103)	-	(73,753)	(915,856)
Share based payments	-	-	12,883	-	12,883
Shares issued during the period - Conversion of options	1,854,473	-	-	-	1,854,473
Share issue	299,191	-	-	-	299,191
Transaction cost for share issue	(466,716)	-	368,770	-	(97,946)
As at 31 December 2019	11,784,318	(11,872,198)	474,168	(230,143)	156,145

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 USD	31 December 2018 USD
Cash flows from operating activities			
Receipts from customers		16,560	154
Payments to suppliers		(1,285,116)	(250,240)
Payment to employees		(268,937)	(543,464)
Interest received		1,151	910
Net cash flows used in operating activities		(1,536,342)	(792,640)
Cash flows relating to investing activities			
Payments for plant and equipment		(5,518)	(2,066)
Net cash flows used in investing activities		(5,518)	(2,066)
Cash flows from financing activities			
Issued of new share capital		2,153,663	523,740
Share transactions cost		(90,590)	(28,218)
Net cash provided from financing activities		2,063,073	495,522
Net increase (decrease) in cash and cash equivalents		521,213	(299,184)
Effects of exchange rate on cash and cash equivalents		(53,725)	19,784
Cash and cash equivalents at the beginning of the year		49,781	323,333
Cash and cash equivalents at the end of the year		517,269	43,933

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

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS

Basis of preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of SportsHero Limited and its controlled entities (Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the following half year.

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 Group incurred a loss of US\$842,103 and net cash outflow from operating activities of US\$1,536,342 for the half year ended 31 Dec 2019. As at that date, the Group had net current liabilities and net assets of US\$33,603 and US\$156,145 respectively. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to generate sales income from its activities in Indonesia and Australia, secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group 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 report after consideration of following factors:

- As per the budget, the Group is expected to generate sales income from its operating activities;
- The Directors expect to maintain continued support from shareholders and other financiers that have supported the Company's previous capital raisings to assist with meeting future funding needs;
- The Group has the ability to curtail corporate and administration expenses and overhead cash outflows as and when required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 – Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	72,270
Operating lease commitments discounted based on the weighted average incremental borrowing rate of 4.8% (AASB 16)	<u>(2,349)</u>
Right-of-use assets (AASB 16)	<u>69,921</u>
Lease liabilities – current (AASB 16)	(52,029)
Lease liabilities – non-current (AASB 16)	<u>(17,892)</u>
Impact on opening accumulated losses as at 1 July 2019	<u><u>-</u></u>

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Right-of-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 Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases 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, Company'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 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.

2. DIVIDENDS

No dividends were paid or declared by the Company during the half year.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

3. RIGHT TO USE ASSET

	31 Dec 2019 USD	30 Jun 2019 USD
Office space – right-of-use	69,921	-
Office space – accumulated depreciation	(26,220)	-
	<u>43,701</u>	<u>-</u>

4. LEASE LIABILITY

Current lease liability	44,211	-
Non-current lease liability	-	-
	<u>44,211</u>	<u>-</u>

5. CONTRIBUTED EQUITY

Issued capital:

Ordinary shares fully paid

328,206,064 (30 June 2019: 270,269,397)

USD
11,784,318

Movement in share capital:	Issue Price USD	Number of Shares	USD
Opening balance 1 July 2019	-	270,269,397	10,097,370
Shares issued 24 July 2019 (a)	0.070	4,283,333	299,191
Shares issued 24 July 2019 (b)	0.035	16,403,334	572,886
Shares issued 12 September 2019 (c)	0.034	37,250,000	1,281,587
Share issue cost		-	(466,716)
Balance 31 December 2019		<u>328,206,064</u>	<u>11,784,318</u>

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

- (a) The Company issued 4,283,333 ordinary shares at an issue price of AU\$0.10 per share to raise AU\$428,333 in working capital. Issue price of AU\$0.10 translated to US\$0.07 at issue date.
- (b) The Company issued 16,403,334 ordinary shares at an issue price of AU\$0.05 per share to raise AU\$820,167 in working capital following the exercise of 16,403,334 options each exercisable at AU\$0.05 and expiring 31 August 2019. Issue price of AU\$0.05 translated to US\$0.035 at issue date.
- (c) The Company issued 37,250,000 ordinary shares at an issue price of AU\$0.05 per share to raise AU\$1,862,500 (before costs of issue) in working capital following the exercise of 37,250,000 options each exercisable at AU\$0.05 and expiring 31 August 2019. Issue price of AU\$0.05 translated to US\$0.034 at issue date.

6. SHARE BASED PAYMENT RESERVE

	31 December 2019 USD	30 June 2019 USD
Opening balance	92,515	97,751
Share based payments	12,883	111,799
Performance rights converted to shares during the period	-	(117,035)
Share based payments for transaction costs for share issue	368,770	-
Closing balance	<u>474,168</u>	<u>92,515</u>

The share based payment reserve records items recognised as expenses on valuation of options issued and/or performance rights issued to employees/consultants. The current year expense is as follows.

- (a) 20,000,000 options, each exercisable at AU\$0.10 and expiring 30 September 2021, were issued on 12 September 2019 in consideration for capital raising services;
- (b) Performance rights and options granted in the prior year and vesting over multiple periods totaling US\$12,883.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

7. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any contingent liabilities or any contingent assets.

8. COMMITMENTS

There were no outstanding commitments which are not disclosed in the financial statements as at 31 December 2019 other than:

a) Pursuant to the Group's Sponsorship Agreement with LaLiga (as amended), whereby SportsHero was appointed as the Official Sports Predictions App Partner of LaLiga in Thailand, Indonesia and Malaysia, SportsHero has agreed to pay LaLiga €200,000 (US\$224,540) as follows:

- €100,000 on or before 1 January 2020; and
- €100,000 on or before 1 March 2020.

As at the date of this report, the above €200,000 has not been paid. Payment extensions have been granted by LaLiga.

9. SEGMENT REPORTING

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

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

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

The operating segment analysis presented in these 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 profit 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.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Australia USD	Singapore USD	Total USD
Half year ended 31 December 2018			
Revenue from external customers	372,545	-	372,545
Inter-segment revenue	-	-	-
Reportable segment loss before tax	(741,600)	(200,053)	(941,653)
	<hr/>	<hr/>	<hr/>
	Australia	Singapore	Total
Half year ended 31 December 2019			
Revenue from external customers	-	-	-
Inter-segment revenue	-	-	-
Reportable segment loss before tax	(378,373)	(463,730)	(842,103)
	<hr/>	<hr/>	<hr/>
Reportable segments assets at 30 June 2019	224,583	35,834	260,417
Reportable segments assets at 31 December 2019	626,528	108,176	734,704

10. EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date.

SPORTSHERO LIMITED
DIRECTORS' DECLARATION

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

In the opinion of the Directors:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the Group as at 31 December 2019 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date.
2. 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 is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Michael Higginson', with a stylized flourish at the end.

Mike Higginson
Director

DATED: 26 February 2020
Brisbane, Queensland

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Independent Auditor's Review Report To the Members of Sportshero Limited

We have reviewed the accompanying half-year financial report of SportsHero Limited (**company**), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SportsHero Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of SportsHero Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of US\$842,103 and had net cash outflows from operating activities of US\$1,536,342 for the half-year ended 31 December 2019. As of that date, the consolidated entity's current liabilities exceeded its current assets by US\$33,603. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report SportsHero Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'David Wall'.

David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 28 February 2020