

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 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	up	274% to	29,305
Loss from ordinary activities after tax attributable to the owners of SportsHero Limited	up	3% to	774,696
Loss for the half-year attributable to the owners of SportsHero Limited	up	3% to	774,696

Dividends

	Amount per security US cents	Franked amount per security US cents
Final dividend for the half year ended 31 December 2021	Nil	Nil

Comments

The loss for the consolidated entity after income tax amounted to US\$774,696 (31 December 2020: US\$752,911).

In the current half year the Company generated interest income of US\$9.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary share	0.50	0.05

4. Control gained over entities

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

5. Loss of control over entities

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

Pinnacle Listed Comprehensive Interim Limited
Appendix 4D
Half-year report

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 securing access to a Sports Bookmaking Licence (Licence).

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

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%	-	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)	-	-	-	-
Profit/(loss) from ordinary activities before income tax	-	-	-	-

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 2021 is attached.

9. Signed



Michael Higginson
Director
Twin Waters, Queensland

Date: 28 February 2022



SPORTSHERO LIMITED

ACN 123 423 987

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2021**

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SPORTSHERO LIMITED

ACN 123 423 987

CORPORATE DIRECTORY

DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Tom Lapping

COMPANY SECRETARY

Michael Higginson

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

36 Prestwick Drive
Twin Waters, QLD 4564
Telephone: +61 7 5457 0557

Website: <http://Sportshero.live/>

AUDITORS

RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands WA 6009

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

STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
ASX Code: SHO

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 2021.

DIRECTORS

The following Directors held office from the beginning of the half year until the date of this report:

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

PRINCIPAL ACTIVITIES

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

RESULTS

The net loss of the Group for the half year ended 31 December 2021 was US\$774,696 (2020: US\$752,911).

Included within the loss of the Group for the half year was **non-cash** share based payments totalling US\$176,798 (2020: US\$173,470).

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 2021 to 31 December 2021. It is recommended that this half yearly report be read in conjunction with the 30 June 2021 Annual Report and any public announcements made by the Company 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 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.

On 11 October 2021, the Company announced that it was developing a world first proprietary esports prediction tournament platform, providing the Company with direct access to the rapidly expanding global esports market that encompasses hundreds of millions of fans globally. The Company's platform is expected to deliver access and coverage to some of the world's most popular esports games, including League of Legends and FIFA.

On 30 November 2021, the Company announced the Indonesian launch on OlahBola of the world leading Ellevate Football talent scouting app.

On 1 December 2021, the Company announced the appointment of Mr Scott Russell as the Company's Chief Commercial Officer.

On 8 December 2021, the Company announced that it had secured the services of one of China's most regarded revered esports personalities, Ms Sherry Chen to head the Company's Chinese esports activities and development.

On 13 December 2021, the Company announced that it was partnering with leading Chinese virtual reality software and hardware developer (Nanchang Virtual Reality Detection Technology Co Ltd) to co-develop a world first virtual reality esports prediction platform.

DIRECTORS' REPORT

SIGNIFICANT CHANGES

On 29 November 2021, the Company announced that it had entered into a mandate with Novus Capital Limited (Novus) pursuant to which Novus agreed to unconditionally raise AU\$2,800,000 in working capital for the Company pursuant to the issue of 80,000,000 shares at an issue price of AU\$0.035 per share and 40,000,000 free attaching options each exercisable at AU\$0.05 and expiring 16 December 2022 (Attaching Options).

On 3 December 2021, the Company completed the raising of AU\$2,800,000 (US\$1,981,2800) (before costs).

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

On 27 January 2022, the Company announced the Australian launch of the eSportsHero platform and prediction tournaments in partnership with established esports tournament organiser EGN Gaming.

The esports prediction tournaments launched on esportshero.com.au are co-branded with EGN and feature the entire season 1 of EGN's PS5 AVPL Super League FIFA tournaments (being EGN's biggest annual tournament).

Intrinsically, the platform will showcase SportsHero's world first proprietary artificial intelligence esports predictor, that will be promoted to EGN's captive and active 40,000+ (Source: EGN Gaming media kit) Australian esports audience.

SportsHero expects that these initial esports prediction tournaments will serve as a marquee definitive user case that will assist and support SportsHero in scaling our offerings and user growth ambitions prior to engaging with esports tournament organisers globally.

On 27 January 2022, the Company also announced its first affiliate agreement with Australian owned and operated Palmerbet. The affiliate agreement (for which no consideration was paid) entitles SportsHero to receive \$50 for each referral to Palmerbet and 25% of the ongoing Palmerbet winnings from that referral.

Following the receipt of shareholder approval on 31 January 2022, on 3 February 2022 the Company issued the following securities:

- 6,000,000 options each exercisable at AU\$0.05 and expiring 16 December 2022 to the nominees of Novus Capital Limited in part consideration for Novus Capital Limited acting as Lead Manager for the Company's AU\$2,800,000 capital raising completed on 3 December 2021;
- 1,000,000 Class A Options (being options each exercisable at AU\$0.05 and expiring 31 October 2023), 1,000,000 Class B Options (being options each exercisable at AU\$0.10 and expiring 30 November 2023) and 1,000,000 Class C Options (being options each exercisable at AU\$0.20 and expiring 31 December 2023) to AiDriven Pty Ltd in part consideration for the development of a dedicated esports prediction hub; and
- 2,500,000 performance rights (convertible into 2,500,000 fully paid ordinary shares if the volume weighted average price of the Company's shares on ASX exceeds AU\$0.10 over 7 consecutive trading days on or before 31 December 2022) and 2,500,000 options (being options each exercisable at AU\$0.05 and expiring 31 December 2023) to Mr Scott Russell in accordance with Mr Russell's Executive Services Agreement.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing. 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 the relaxation of measures imposed by the Australian Government, the Indonesian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

DIRECTORS' REPORT

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 6.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001:

A handwritten signature in black ink, appearing to read 'Michael Higginson', is written over a faint circular stamp. The stamp contains the text 'SPORTSHERO LIMITED' and '28 FEBRUARY 2022'.

Michael Higginson
Director
Date: 28 February 2022
Twin Waters, Queensland

RSM Australia Partners

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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 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 review; and
- (ii) Any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

ALW

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 February 2022

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AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

SPORTSHERO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 December 2021 USD	30 June 2021 USD
Current assets			
Cash and cash equivalents		2,637,889	1,377,257
Trade and other receivables		3,785	1,942
Total current assets		<u>2,641,674</u>	<u>1,379,199</u>
Non-current assets			
Right of Use Assets		-	-
Plant and equipment		1,090	2,130
Total non-current assets		<u>1,090</u>	<u>2,130</u>
Total assets		<u>2,642,764</u>	<u>1,381,329</u>
Current liabilities			
Trade and other payables		123,205	137,340
Total Current liabilities		<u>123,205</u>	<u>137,340</u>
Total Liabilities		<u>123,205</u>	<u>137,340</u>
Net Assets		<u>2,519,559</u>	<u>1,243,989</u>
Equity			
Issued capital	3	16,253,275	14,161,989
Share based payments reserve	4	1,043,716	1,083,076
Foreign currency translation reserve		(233,863)	(232,203)
Accumulated losses		(14,543,569)	(13,768,873)
Total Equity		<u>2,519,559</u>	<u>1,243,989</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 2021

	Note	31 December 2021 USD	31 December 2020 USD
Income			
Sales income		-	7,757
Other revenue		29,305	75
Expenses			
Administration expenses		(397,401)	(406,425)
Employee and consulting expenses		(228,772)	(159,334)
Share based payments		(176,798)	(173,470)
Depreciation and Amortisation expense		(1,030)	(18,583)
Finance costs		-	(2,931)
Loss before income tax expense		(774,696)	(752,911)
Income tax expense		-	-
Loss after income tax expense for the year		(774,696)	(752,911)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation		(1,660)	(21,818)
Total comprehensive loss for the year		(776,356)	(774,729)
Basic loss per share (cents per share)		(0.16)	(0.21)
Diluted loss per share (cents per share)		(0.16)	(0.21)

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 2021

	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 2020	11,784,318	(12,289,654)	474,168	(149,623)	(180,791)
Total comprehensive loss	-	(752,911)	-	(21,818)	(774,729)
Share based payments	126,239	-	47,231	-	173,470
Shares issued during the period -					
Conversion of performance rights	35,215	-	(35,215)	-	-
Conversion of Convertible Notes	30,327	-	-	-	30,327
Share issues	1,026,129	-	-	-	1,026,129
Transaction costs from share issues	(68,813)	-	-	-	(68,813)
As at 31 December 2020	12,933,415	(13,042,565)	486,184	(171,441)	205,593
As at 1 July 2021	14,161,989	(13,768,873)	1,083,076	(232,203)	1,243,989
Total comprehensive loss	-	(774,696)	-	(1,660)	(776,356)
Share based payments for settlement of liability	36,435	-	-	-	36,435
Share based payments	120,593	-	56,205	-	176,798
Shares issued during the period -					
Conversion of performance rights	95,565	-	(95,565)	-	-
Share issues	1,981,280	-	-	-	1,981,280
Transaction costs for share issues	(142,587)	-	-	-	(142,587)
As at 31 December 2021	16,253,275	(14,543,569)	1,043,716	(233,863)	2,519,559

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Notes	31 December 2021 USD	31 December 2020 USD
Cash flows from operating activities			
Receipts from customers		27,462	7,757
Payments to suppliers		(377,549)	(275,868)
Payment to employees		(228,772)	(159,333)
Interest received		9	75
Net cash flows used in operating activities		(578,850)	(427,369)
Cash flows relating to investing activities			
Payments for plant and equipment		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Issued of new share capital		1,981,280	1,026,129
Share transactions cost		(142,587)	(68,813)
Lease Liability		-	(17,307)
Net cash provided from financing activities		1,838,693	940,009
Net increase (decrease) in cash and cash equivalents		1,259,843	512,640
Effects of exchange rate on cash and cash equivalents		789	16,726
Cash and cash equivalents at the beginning of the year		1,377,257	154,589
Cash and cash equivalents at the end of the year		2,637,889	683,955

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 2021

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 2021 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 2021, together with any public announcements made during the following half year.

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.

New or Amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised 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.

2. DIVIDENDS

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

3. CONTRIBUTED EQUITY

Issued capital:

Ordinary shares fully paid

	USD
569,544,373 (30 June 2021: 478,965,505)	16,253,275

Movement in share capital:	Issue Price USD	Number of Shares	USD
Opening balance 1 July 2021	-	478,965,505	14,161,989
Shares issued 2 July 2021 (a)	0.024	4,000,000	95,565
Shares issued 2 July 2021 (b)	0.020	3,000,000	60,475
Shares issued 12 November 2021 (c)	0.034	1,078,868	36,435
Shares issued 12 November 2021 (d)	0.033	500,000	12,024
Shares issued 12 November 2021 (e)	0.033	2,000,000	48,094
Shares issued 3 December 2021 (f)	0.025	80,000,000	1,981,280
Share issue costs			(142,587)
Balance 31 December 2021		569,544,373	16,253,275

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

- (a) The Company issued 4,000,000 ordinary shares to the Directors following the conversion of 4,000,000 Performance Rights at a deemed issue price of AU\$0.032 translated to US\$0.024 at issue date.
- (b) The Company issued 3,000,000 ordinary shares to executives of the Company as an incentive for their future involvement and commitment at a deemed issue price of AU\$0.027 translated to US\$0.020 at issue date.
- (c) The Company issued 1,078,868 ordinary shares to Mr John Dougall at an issue price of AU\$0.04635 per share in lieu of the payment of AU\$50,000 in fees. Issue price of AU\$0.04635 translated to US\$0.034 at issue date.
- (d) The Company issued 500,000 ordinary shares to Mr Scott Russell in consideration for the provision of consulting fees at a deemed issue price of AU\$0.033 translated to US\$0.024 at issue date.
- (e) The Company issued 2,000,000 ordinary shares to AiDriven Pty Ltd in part consideration for the development of a proprietary esports predictor at a deemed issue price of AU\$0.033 translated to US\$0.024 at issue date.
- (f) The Company issued 80,000,000 ordinary shares at an issue price of AU\$0.035 per share to raise AU\$2,800,000 in working capital (before costs). Issue price of AU\$0.035 translated to US\$0.025 at issue date.

4. SHARE BASED PAYMENT RESERVE

	31 December 2021 USD	30 June 2021 USD
Opening balance	1,083,076	474,168
Share based payments	56,205	242,278
Performance rights converted to shares during the period	(95,565)	(35,215)
Share based payments for transaction costs for share issue	-	401,845
Closing balance	<u>1,043,716</u>	<u>1,083,076</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) 6,000,000 incentive options (each exercisable at AU\$0.05 and expiring on 1 July 2023) were issued on 2 July 2021 to key management personnel in accordance with the Company's Employee Securities Incentive Plan that was approved by shareholders on 15 January 2021 (see valuation below).
- (b) 3,000,000 Class D Performance Rights were issued on 2 July 2021 to key management personnel in accordance with the Company's Employee Securities Incentive Plan that was approved by shareholders on 15 January 2021. The Class D Performance Rights vest upon the volume weighted average price for the Company's Shares as traded on ASX over 7 consecutive trading days on or before 30 April 2022 exceeds AU\$0.08.
- (c) 3,000,000 Class E Performance Rights were issued on 2 July 2021 to key management personnel in accordance with the Company's Employee Securities Incentive Plan that was approved by shareholders on 15 January 2021. The Class E Performance Rights vest upon the Company and its subsidiaries achieving (during any 6 month period up to and including 30 June 2023) a consolidated positive EBITDA (with share-based payments being excluded from the EBITDA calculation) and such EBITDA is confirmed by the signed attestation of a registered company auditor or property included in the Company's audited financial statements.
- (d) 3,000,000 options were issued on 12 November 2021 to Ai-Driven Pty Ltd in part consideration for the development of an artificial intelligence live esports predictor. Of the 3,000,000 options issued, 1,000,000 are exercisable at AU\$0.05 and expire on 30

SPORTSHERO LIMITED

CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

April 2023, 1,000,000 are exercisable at AU\$0.10 and expire on 31 May 2023 and 1,000,000 are exercisable at AU\$0.20 and expire 30 June 2023 (see valuation below).

- (e) 40,000,000 free attaching options each exercisable at AU\$0.05 and expiring 16 December 2022 were issued on 3 December 2021 (on a 1 for 2 basis) to the subscribers of the 80,000,000 fully paid shares that were also issued on 3 December 2021.

Valuation of the 6,000,000 incentive options (each exercisable at AU\$0.05 and expiring on 1 July 2023) that were issued on 2 July 2021 to key management personnel:

Grant date	2 Jul 2021
Dividend yield (%)	-
Expected price volatility	100%
Risk-free interest rate (%)	0.05%
Expected life of options (years)	2.00
Option exercise price (AU\$)	0.05
Option exercise price in AU\$ translated to US\$ at grant date	0.037
Share price at grant date AU\$	0.027
Share price in AU\$ translated to US\$ at grant date	0.0202
Number of options issued	6,000,000
FV at grant date (AU\$)	55,800
FV at grant date (US\$)	41,660

Valuation of the 3,000,000 options that were issued on 3 December 2021 to Ai-Driven Pty Ltd:

Grant date	10 Nov 2021	10 Nov 2021	10 Nov 2021
Dividend yield (%)	-	-	-
Expected price volatility	100%	100%	100%
Risk-free interest rate (%)	0.52%	0.52%	0.52%
Expected life of options (years)	1.47	1.55	1.64
Option exercise price (AU\$)	0.05	0.10	0.20
Option exercise price in AU\$ translated to US\$ at grant date	0.036	0.073	0.146
Share price at grant date AU\$	0.033	0.033	0.033
Share price in AU\$ translated to US\$ at grant date	0.024	0.024	0.024
Number of options issued	1,000,000	1,000,000	1,000,000
FV at grant date (AU\$)	10,800	6,300	3,200
FV at grant date (US\$)	7,870	4,591	2,332

5. 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 potential claims 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 31 December 2021 (2020: Nil).

The Group does not have any contingent assets as at 31 December 2021 (2020: Nil).

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

6. COMMITMENTS

There were no outstanding commitments which are not disclosed in the financial statements as at 31 December 2021.

7. SEGMENT REPORTING

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

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

	Australia USD	Singapore USD	Indonesia USD	Total USD
Half year ended 31 December 2020				
Revenue from external customers	-	7,832		7,832
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	(461,162)	(291,749)	-	(752,911)
	Australia	Singapore	Indonesia	Total
Half year ended 31 December 2021				
Revenue from external customers	-	(13,285)	(16,020)	(29,305)
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	(459,185)	(277,484)	(38,027)	(774,696)
Reportable segments assets at 30 June 2021	1,304,665	66,898	9,766	1,381,329
Reportable segments assets at 31 December 2021	1,679,722	780,624	182,418	2,642,764

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 27 January 2022, the Company announced the Australian launch of the eSportsHero platform and prediction tournaments in partnership with established esports tournament organiser EGN Gaming.

The esports prediction tournaments launched on esportshero.com.au are co-branded with EGN and feature the entire season 1 of EGN's PS5 AVPL Super League FIFA tournaments (being EGN's biggest annual tournament).

Intrinsically, the platform will showcase SportsHero's world first proprietary artificial intelligence esports predictor, that will be promoted to EGN's captive and active 40,000+ (Source: EGN Gaming media kit) Australian esports audience.

SportsHero expects that these initial esports prediction tournaments will serve as a marquee definitive user case that will assist and support SportsHero in scaling our offerings and user growth ambitions prior to engaging with esports tournament organisers globally.

On 27 January 2022, the Company also announced its first affiliate agreement with Australian owned and operated Palmerbet. The affiliate agreement (for which no consideration was paid) entitles SportsHero to receive \$50 for each referral to Palmerbet and 25% of the ongoing Palmerbet winnings from that referral.

Following the receipt of shareholder approval on 31 January 2022, on 3 February 2022 the Company issued the following securities:

- 6,000,000 options each exercisable at AU\$0.05 and expiring 16 December 2022 to the nominees of Novus Capital Limited in part consideration for Novus Capital Limited acting as Lead Manager for the Company's AU\$2,800,000 capital raising completed on 3 December 2021;
- 1,000,000 Class A Options (being options each exercisable at AU\$0.05 and expiring 31 October 2023), 1,000,000 Class B Options (being options each exercisable at AU\$0.10 and expiring 30 November 2023) and 1,000,000 Class C Options (being options each exercisable at AU\$0.20 and expiring 31 December 2023) to AiDriven Pty Ltd in part consideration for the development of a dedicated esports prediction hub; and
- 2,500,000 performance rights (convertible into 2,500,000 fully paid ordinary shares if the volume weighted average price of the Company's shares on ASX exceeds AU\$0.10 over 7 consecutive trading days on or before 31 December 2022) and 2,500,000 options (being options each exercisable at AU\$0.05 and expiring 31 December 2023) to Mr Scott Russell in accordance with Mr Russell's Executive Services Agreement.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing. 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 the relaxation of measures imposed by the Australian Government, the Indonesian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

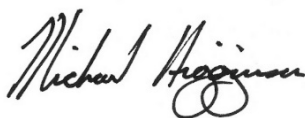
SPORTSHERO LIMITED
DIRECTORS' DECLARATION

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 2021 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 made in pursuant to section 303(5)(a) of the Corporations Act 2001.



Mike Higginson
Director

DATED: 28 February 2022
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 2021, 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 2021 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.

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 2021 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*.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 February 2022