

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 2022

Previous period – For the year ended 30 June 2021

Results for Announcement to the Market

	30 June 2022	30 June 2021	Change	Change
	US\$	US \$	US\$	%
Revenue	42,034	40,570	1,464	4%
Loss for the year after tax from continuing operations	(1,714,648) ¹	(1,479,219)	(230,022)	(16%)
Loss attributable to members of the parent entity	(1,798,565) ¹	(1,561,799)	(231,473)	(15%)
¹ Includes share based payment expenses totalling US\$266,958 as a result of the issue of the following securities:				
<ul style="list-style-type: none"> • 5,750,000 fully paid ordinary shares (US\$126,877); • 14,500,000 options issued (US\$107,382); and • 10,000,000 performance rights (US\$32,699). 				

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2022.

Other significant information

The Company's goal is to become one of world's most dynamic, engaging and largest sporting communities.

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

On 21 April 2021, SportsHero announced its intention to develop a world first proprietary esports prediction platform utilising the latest advancements in deep learning to predict the outcomes of esports competitions prior to the match, as well as during live competition.

Over one year of research, development and endeavour culminated in the launch in Australia on 23 August 2022 of SportsHero's first ever tier 1 professional esports prediction tournament (**mobile site: esportshero.com**).

The launch of this Australian tournament showcases, for the first time, SportsHero's world first proprietary esports artificial intelligence predictor, that will add value to our users and help drive user engagement and usage to our platforms.

Importantly, we have also significantly progressed our Chinese strategy in the largest esports market in the world. In that regard, on 31 August 2022 SportsHero soft launched its co-branded initial esports tournament in partnership with Wuhan Esports Association (the 2nd largest esports association in China).

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

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Review of operations

On 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 dedicated esports prediction hub, with League of Legends, FIFA, CS:GO and Dota2 to be included in SportsHero's game portfolio.

On 14 October 2021, the Company announced that it would test launch in Australia its unique esports prediction competitions in partnership with established Australia esports tournament organiser EGN.

On 29 November 2021, the Company announced that it had entered into a mandate with Novus Capital Limited, pursuant to which Company had received binding commitments to raise \$2,800,000 pursuant to the issue of 80,000,000 fully paid ordinary shares at an issue price of \$0.035 per share and 40,000,000 free attaching options each exercisable at \$0.05 and expiring 16 December 2022.

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

On 1 December 2021, the Company announced that Mr Scott Russell was appointed as the Company's Chief Commercial Officer.

On 8 December 2021, the Company announced that Chinese esports media personality, Sherry Chen, was appointed to head the Company's Chinese esports activities.

On 13 December 2021, the Company announced its intention to co-develop with leading Chinese virtual reality software and hardware developer, Nanchang Virtual Reality Detections Technology Co Ltd, a world first virtual reality prediction platform.

On 27 January 2022, the Company announced the Australian launch of the EsportsHero platform and prediction competitions in partnership with EGN Gaming. The platform being promoted to EGN's 40,000+ Australian esports audience. In addition, the Company also announced its first affiliate agreement with Australian owned and operated Palmerbet (owned and operated by Palmer Bookmaking Pty Ltd).

On 15 March 2022, the Company announced the appointment of Sam Stevens as the Company's esports business development specialist.

On 23 March 2022, the Company announced a two year partnership with Australian gaming marketing leader, Livewire Group International Pty Ltd as our media, marketing, loyalty and sponsorship advisor.

On 16 May 2022, the Company announced that it had entered into a Memorandum of Co-operation with China's second largest esports association (the Wuhan Esports Association) and the launch of an initial esports prediction platform on Wechat, allowing Wechat users to access, engage and compete in Chinese prediction competitions.

On 30 May 2022, the Company announced the establishment of its first Chinese commercial agreement with Wuhan Monster Technology Co Ltd (WMT), the commercial and operating arm of the Wuhan Esports Association. In accordance with the agreement, WMT will promote SportsHero's Chinese app to all of WMT's leagues, teams, registered gamers and WMT's existing and potential corporate and commercial partners within the city of Wuhan and the greater Hubei region.

On 7 June 2022, the Company announced the establishment of a 5 year Australian Distribution Partnership Agreement with Blackhawk Network (Australia) Pty Ltd (Blackhawk). Blackhawk is the Australian arm of the very successful Californian based global leader of ecommerce solutions, Blackhawk Network Holdings Inc. Pursuant to the agreement with Blackhawk, the Company will earn commissions from the sale of a curated range of digital gaming gift cards (e-gift cards), including but not limited to Sony PlayStation digital gaming products.

SportsHero Limited

Subsequent events

On 6 July 2022, the Company announced that it had entered into a mutually beneficial marketing and sponsorship agreement with Indonesia's premier junior football leagues, Liga Top Skor. In consideration for SportsHero agreeing to sponsor the 2022-23 Liga Top Skor youth football leagues, Top Skor have agreed to actively promote "OlahBola Ellevate" to their youth football players, clubs and leagues across Indonesia. OlahBola Ellevate is the Company's Indonesia football talent scouting app.

On 7 July 2022, the Company announced that Logitech (China) Technology Co Ltd (a wholly owned subsidiary of Swiss multinational Logitech International SA) had agreed to be the first commercial sponsor for the Company's recently launched Chinese app on Wechat.

On 18 August 2022, the Company announced the launch of its first ever tier 1 professional esports prediction tournament in Australia, which was launched on 23 August 2022.

On 31 August 2022 SportsHero soft launched its co-branded initial esports tournament in partnership with Wuhan Esports Association (the 2nd largest esports association in China)

Control gained over entities and loss of control over entities

During the financial year the Company gained control of the Chinese incorporated company, Zongheng (Shanghai) Esports Information Technologies Co Ltd.

In addition, following the termination on 23 August 2021 of the Pay-to-Play Australia Pty Ltd joint venture, on 24 August 2021 the Company acquired from Cross Bet Holdings Pty Ltd its 50% interest in Pay-to-Play Australia Pty Ltd. On 16 November 2021, Pay-to-Play Australia Pty Ltd changed its name to EsportsHero Pty Ltd.

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

Details of associates and joint venture entities

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

Net Tangible Assets

	30 June 2022	30 June 2021
Net tangible assets per share (US cents/share)	0.28	0.26

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 2022.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of SportsHero Limited for the year ended 30 June 2022 is attached.



Signed By

31 August 2022

Michael Higginson
Director/Company Secretary
Queensland

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SportsHero Limited

**Preliminary Statement of Comprehensive Income
for the year ended as at 30 June 2022**

	Consolidated	
	30 June 2022 US\$	30 June 2021 US\$
Income		
Revenue	16,783	22,664
Other income	25,251	17,906
Expenses		
Administration expenses	(851,714)	(747,684)
Employee and consulting expenses	(635,751)	(366,737)
Depreciation and Amortisation expense	(2,259)	(20,045)
Interest expense	-	(16,287)
Share based payments	(266,958)	(369,036)
Loss before income tax from continuing operations	(1,714,648)	(1,479,219)
Income tax expense	-	-
Loss after income tax from continuing operations	(1,714,648)	(1,479,219)
Loss after income tax expense for the year	(1,714,648)	(1,479,219)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	(83,917)	(82,580)
Total comprehensive loss for the year	(1,798,565)	(1,561,799)
Loss attributable to:		
Owners of the entity	(1,798,565)	(1,561,799)
	Cents	Cents
Basic and diluted loss per share for continued operations (cents per share)	0.32	0.37
Basic and diluted loss per share (cents per share)	0.32	0.37

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

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SportsHero Limited
Preliminary Statement of Financial Position
as at 30 June 2022

	Consolidated	
	30 June	30 June
	2022	2021
	US\$	US\$
Current assets		
Cash and cash equivalents	1,761,612	1,377,257
Other receivables	3,076	1,942
Total current assets	<u>1,764,688</u>	<u>1,379,199</u>
Non-current assets		
Plant and equipment	2,122	2,130
Total non-current assets	<u>2,122</u>	<u>2,130</u>
Total assets	<u>1,766,810</u>	<u>1,381,329</u>
Current liabilities		
Trade payables	182,179	137,340
Total current liabilities	<u>182,179</u>	<u>137,340</u>
Total liabilities	<u>182,179</u>	<u>137,340</u>
Net assets	<u>1,584,631</u>	<u>1,243,989</u>
Equity		
Issued capital	16,207,345	14,161,989
Share based payments reserve	1,176,927	1,083,076
Foreign currency translation reserve	(316,120)	(232,203)
Accumulated losses	(15,483,521)	(13,768,873)
Total equity	<u>1,584,631</u>	<u>1,243,989</u>

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

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SportsHero Limited
Preliminary Statement of Changes in Equity
for the year ended 30 June 2022

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
Consolidated					
Balance at 1 July 2021	14,161,989	1,083,076	(232,203)	(13,768,873)	1,243,989
Total comprehensive loss for the year	-	-	(83,917)	(1,714,648)	(1,798,565)
Performance rights issued during the year	95,565	(95,565)	-	-	-
Share based payments	126,877	140,081	-	-	266,958
Share based payments for settlement of liability	36,435	-	-	-	36,435
Shares issued during the year	1,981,277	-	-	-	1,981,277
Share issue costs	(194,798)	49,335	-	-	(145,463)
Balance at 30 June 2022	16,207,345	1,176,927	(316,120)	(15,483,521)	1,584,631
Balance at 1 July 2020	11,784,318	474,168	(149,623)	(12,289,654)	(180,791)
Total comprehensive loss for the year	-	-	(82,580)	(1,479,219)	(1,561,799)
Performance rights issued during the year	35,215	(35,215)	-	-	-
Share based payments	126,758	242,278	-	-	369,036
Share based payments for settlement of liability	25,815	-	-	-	25,815
Convertible notes	246,575	-	-	-	246,575
Shares issued during the year	2,533,747	-	-	-	2,533,747
Share issue costs	(590,439)	401,845	-	-	(188,594)
Balance at 30 June 2021	14,161,989	1,083,076	(232,203)	(13,768,873)	1,243,989

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

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SportsHero Limited
Preliminary Statement of Cash Flows
for the year ended 30 June 2022

	Consolidated	
	30 June	30 June
	2022	2021
	US\$	US\$
Cash flows from operating activities		
Receipts from customers	40,768	40,484
Payments to suppliers and employees	(1,413,057)	(1,136,904)
Interest received	12	86
Net cash used in operating activities	(1,372,277)	(1,096,334)
Cash flows from investing activities		
Payments for plant and equipment	(2,013)	-
Net cash used in investing activities	(2,013)	-
Cash flows from financing activities		
Proceeds from issues of shares	1,981,277	2,533,747
Share issue transaction costs	(145,463)	(188,594)
Lease liability	-	(17,307)
Net cash provided by financing activities	1,835,814	2,327,846
Net increase in cash and cash equivalents held	461,524	1,231,512
Cash and cash equivalents at the beginning of the financial year	1,377,257	154,589
Effect of exchange rate changes on cash and cash equivalents	(77,169)	(8,844)
Cash and cash equivalents at the end of the financial year	1,761,612	1,377,257

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

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SportsHero Limited
Notes to the preliminary financial statements
for the financial year ended 30 June 2022

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 (the **Group**), 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 Group 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 Group's accounting policies.

Functional and presentation currency

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

Note 2. Segment reporting

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

- Corporate head office in Australia
- Technology development based in Singapore – operations
- Operations based in Indonesia 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 2022

Note 2. Segment reporting (continued)

	Australia US\$	Singapore US\$	Indonesia US\$	China US\$	Total US\$
Year ended 30 June 2021					
Revenue from external customers	1,828	16,078	22,664	-	40,570
Inter-segment revenue	-	-	-	-	-
Reportable segment loss before tax					
Continuing operations	(854,615)	(573,897)	(50,707)	-	(1,479,219)
	(854,615)	(573,897)	(50,707)	-	(1,477,219)
Year ended 30 June 2022					
Revenue from external customers	2,140	23,099	16,795	-	42,034
Inter-segment revenue	-	-	-	-	-
Reportable segment loss before tax					
Continuing operations	(987,435)	(513,964)	(101,112)	(112,137)	(1,714,648)
	(987,435)	(513,964)	(101,112)	(112,137)	(1,714,648)
Reportable segments assets at 30 June 2021					
Continuing operations	1,304,665	66,898	9,766	-	1,381,329
	1,304,665	66,898	9,766	-	1,381,329
Reportable segments assets at 30 June 2022					
Continuing operations	1,719,194	43,364	4,252	-	1,766,810
	1,719,194	43,364	4,252	-	1,766,810

Note 3. Contingent assets and liabilities

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

Note 4. Controlled entities

	Date control gained	Country of Incorporation	Principal Activities	Ownership %
Parent entity				
SportsHero Limited		Australia	Parent	
Name of controlled entity				
Sportz Hero Pty Ltd	7 Feb 2017	Australia	Investment holding	100%
SportsHero Enterprise Pte Ltd	7 Feb 2017	Singapore	Technology development	100%
PT Sport Hero Indonesia	4 Nov 2020	Indonesia	Operations	100%
EsportsHero Pty Ltd	24 Aug 2021	Australia	Operations	100%
Zongheng (Shanghai) Esports Information Technologies Co Limited	16 Feb 2022	China	Technology development	100%