

# **SPORTSHERO LIMITED**

**ACN 123 423 987**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED  
31 DECEMBER 2017**

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**SPORTSHERO LIMITED**

**ACN 123 423 987**

**CORPORATE DIRECTORY**

**DIRECTORS**

Michael Higginson (Chairman)  
Tom Lapping (Director)  
Christopher Green (Non-Executive Director)

**CHIEF EXECUTIVE OFFICER**

Tom Lapping (appointed 4 September 2017)

**COMPANY SECRETARY**

Michael Higginson

**REGISTERED OFFICE AND  
PRINCIPAL PLACE OF BUSINESS**

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Lota, QLD 4179  
Telephone: +617 3901 0751  
Facsimile: +617 3901 0751

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

**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

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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 2017.

### DIRECTORS

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

- Michael Higginson (Chairman)
- Tom Lapping (Executive Director)
- Christopher Green (Non-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
- Christopher Green

### RESULTS

Following discussions with the Company's advisors, it was determined that a conservative accounting stance 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 have been fully impaired.

In addition, the group has throughout the half year engaged and retained key consultants/advisors whereby these consultants/advisors have received **no cash** consideration. Their only remuneration coming in the form of incentive based equity issues.

The results of the impairment, amortisation, depreciation and issuing incentive based securities are that during the half year the group recorded **non-cash** expenses totalling US\$2,120,816 as follows:

- intangible asset impairment charge of US\$1,063,889;
- intangible asset amortisation and depreciation on plant and equipment charge of US\$502,301; and
- share based payment expense of US\$554,626.

As a consequence, the net loss of the group for the half year ended 31 December 2017 was US\$2,741,530 (2016: US\$387,080).

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 2017 to 31 December 2017. It is recommended that this half yearly report be read in conjunction with the 30 June 2017 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 4 September 2017, Mr Tom Lapping was appointed as the Company's CEO.

During the September quarter the Company undertook an extensive visual redesign of the platform, which focussed on high impact improvements to the product interface. The outcome was well received in the market and supported new user growth and industry recognition via formal awards such as SportsHero being listed as one of Wired UK's best iPhone apps of 2017.

Throughout the half year, the business also undertook a new phase of development during which it rapidly added new products to the SportsHero experience. These included the integration of multiple strategic partnerships and new competitions.

The following key partnerships were completed and on-boarded during the half year:

- a strategic marketing partnership with Singaporean social network YuuZoo which involved traffic generation and access to their digital football community;
- the introduction of an integrated daily fantasy sports experience with Australian daily fantasy sports platform PlayUp; and
- a strategic content and media deal with respected digital network 90 Minutes with the addition of a SportsHero news feed curated from their popular football feeds.

On 31 October 2017, the Company announced that global investor IPV Capital had unconditionally agreed to subscribe for 12,500,000 SportsHero shares at an issue price of A\$0.08 per share. IPV Capital is the global investment strategy of Infotech Capital Management, with over US\$3 billion in assets under management since its inception in 2001. IPV Capital is a China based venture capital firm dedicated to delivering exceptional investment performance by backing high growth technology firms.

On 2 November 2017, the Company issued 1,000,000 shares to Dharpan Randhawa following the conversion of 1,000,000 performance rights and 2,500,000 shares in consideration for the cancellation of 2,500,000 performance rights.

On 12 December 2017, Mr Chris Flintoft was appointed as the Company's Technical Strategy Advisor. Chris is a growth focused business leader and digital expert who has led transformation and revenue generation for major brands and built and sold new entrepreneurial ventures. He has worked in both blue-chip corporate and disruptive start-up environments locally and globally for more than 20 years with deep subject matter expertise on all aspects of digital entertainment and e-commerce.

On 19 December 2017, the Company announced a collaboration with global cryptocurrency platform Pundi X.

On 22 December 2017, Mr Tony Wee was appointed as the Company's Corporate Advisor. Mr Wee was engaged to add high quality institutional and high net worth professional and accredited investors to SportsHero's shareholder base and to promote SportsHero throughout South East Asia to investors, brokers, mutual funds, hedge funds, investment partnerships and potential affiliates/partners. Mr Wee is a citizen of Singapore who studied in the prestigious Pepperdine University of California and is the fourth generation of an established family in Singapore who have active investments in healthcare, hospitality and property in the Asia Pacific region. Mr Wee has been instrumental in recent logistic, technology and consumer related merger and acquisition transactions in the ASEAN region.

## **SIGNIFICANT CHANGES**

There have been no 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 10 January 2018, the Company issued the following securities:

- 12,500,000 fully paid ordinary shares to IPV Capital, at an issue price of A\$0.08 per share;
- 500,000 fully paid ordinary shares to the nominee of Mr Chris Flintoft, in consideration for the engagement of Mr Flintoft as the Company's Technical Strategy Advisor;
- 1,000,000 fully paid ordinary shares to the nominee of Mr Chris Flintoft, following the conversion of 1,000,000 performance rights;
- 3,000,000 fully paid ordinary shares to Mr Tony Wee, in consideration for the engagement of Mr Wee as the Company's Corporate Advisor;
- in accordance with the terms and conditions of his engagement agreement as the Company's Technical Strategy Advisor, 2,500,000 performance rights to the nominee of Mr Chris Flintoft; and
- in accordance with the terms and conditions of his engagement agreement as the Company's Corporate Advisor, 8,000,000 performance rights to Mr Tony Wee.

On 2 February 2018, Mr Chris Robb appointed as the Company's Official Cycling Partner. Chris is an accomplished author and a world renowned mass participation sports identity. In 1989 Chris founded Spectrum Worldwide in Australia. In 2002 he expanded the business to Singapore to help JPMorgan launch the JPMorgan Corporate Challenge in Asia and went on to deliver some of the region's largest mass participation sports events including the Standard Chartered Singapore Marathon (55,000) runners and the Cycle Asia network of events that attracted nearly 25,000 cyclists to events in Singapore, Malaysia, Philippines and Australia.

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

- 214,286 fully paid ordinary shares following the exercise of 214,286 options each exercisable at A\$0.05 and expiring 31 August 2019;
- 2,000,000 fully paid ordinary shares to Mr Tony Wee, following the conversion of 2,000,000 performance rights;
- 1,000,000 options each exercisable at A\$0.20 per share and expiring 1 February 2021, in consideration for the engagement of Mr Chris Robb as the Company's Official Cycling Partner.

There has been no other matter or circumstance that has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the group, the result of those operations, or the state of affairs of the group in subsequent financial years.

#### **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:

A handwritten signature in black ink that reads "Michael Higginson". The signature is written in a cursive style with a large, stylized initial 'M'.

Mike Higginson  
Chairman  
Date: 28 February 2018  
Brisbane, 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 2017, 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

*David Wall*

Perth, WA  
Dated: 28 February 2018

DAVID WALL  
Partner

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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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 2017**

	31 December 2017	30 June 2017
Note	USD	USD
<b>Current assets</b>		
Cash and cash equivalents	675,464	1,489,666
Prepayments and other receivables	16,181	12,226
<b>Total current assets</b>	<u>691,645</u>	<u>1,501,892</u>
<b>Non-current assets</b>		
Plant and equipment	7,308	9,609
Intangible assets	-	1,563,889
<b>Total non-current assets</b>	<u>7,308</u>	<u>1,573,498</u>
<b>Total assets</b>	<u>698,953</u>	<u>3,075,390</u>
<b>Current liabilities</b>		
Trade and other payables	250,840	234,676
<b>Total Current liabilities</b>	<u>250,840</u>	<u>234,676</u>
<b>Total liabilities</b>	<u>250,840</u>	<u>234,676</u>
<b>Net assets</b>	<u>448,113</u>	<u>2,840,714</u>
<b>Equity</b>		
Issued capital	7,317,352	7,209,342
Share based payments reserve	282,657	16,682
Foreign currency translation reserve	7,538	32,594
Accumulated losses	(7,159,434)	(4,417,904)
<b>Total equity</b>	<u>448,113</u>	<u>2,840,714</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 2017**

	<b>31 December 2017 USD</b>	<b>31 December 2016 USD</b>
<b>Income</b>		
Other revenue	6,385	83
<b>Expenses</b>		
Administration expenses	(343,896)	(281,592)
Employee and consulting expenses	(837,677)	(103,707)
Depreciation and Amortisation expense	(502,301)	(1,864)
Interest expense	(152)	-
Impairment of intangible assets	(1,063,889)	-
<b>Loss before income tax expense</b>	<b>(2,741,530)</b>	<b>(387,080)</b>
Income tax expense	-	-
<b>Loss after income tax expense for the period</b>	<b>(2,741,530)</b>	<b>(387,080)</b>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss		
-Foreign currency translation	(25,056)	-
<b>Total comprehensive loss for the period</b>	<b>(2,766,586)</b>	<b>(387,080)</b>
Basic loss per share (cents per share)	(1.24)	-
Diluted loss per share (cents per share)	(1.24)	-

*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 2017**

	Contributed equity	Accumulated losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total Equity
	USD	USD	USD	USD	USD
As at 1 July 2016	2,500,000	(151,260)	-	-	2,348,740
Total comprehensive loss	-	(387,080)	-	-	(387,080)
As at 31 December 2016	2,500,000	(538,340)			1,961,660
As at 1 July 2017	7,209,342	(4,417,904)	16,682	32,594	2,840,714
Total comprehensive loss	-	(2,741,530)	-	(25,056)	(2,766,586)
Equity based payments	108,010	-	265,975	-	373,985
As at 31 December 2017	7,317,352	(7,159,434)	282,657	7,538	448,113

*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 2017**

	<b>31 December</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	538	83
Payments to suppliers, contractors and employees	(795,069)	(376,302)
Interest received	5,847	-
	<hr/>	<hr/>
<b>Net cash flows used in operating activities</b>	<b>(788,684)</b>	<b>(376,219)</b>
	<hr/>	<hr/>
<b>Cash flows related to investing activities</b>		
Payments for plant & equipment	-	(12,665)
	<hr/>	<hr/>
<b>Net cash flows used in investing activities</b>	<b>-</b>	<b>(12,665)</b>
	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(788,684)</b>	<b>(388,884)</b>
Effects of exchange rates changes on cash	(25,518)	-
Cash and cash equivalents at beginning of the financial period	1,489,666	436,666
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the financial period</b>	<b>675,464</b>	<b>47,782</b>
	<hr/> <hr/>	<hr/> <hr/>

*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 2017**

**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 2017 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 (consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2017, 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, except in relation to the matters discussed below.

**New and Revised Accounting Standards**

In the current half year, SportsHero Limited 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 reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted by SportsHero Limited.

**Going Concern**

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

As disclosed in the financial statements, the consolidated entity incurred a loss of US\$2,741,530 and had net cash outflows from operating activities of US\$788,684 during the half year ended 31 December 2017. As at that date the consolidated entity had net current assets of US\$440,805.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- on 10 January 2018 the Company completed a US\$782,800 (A\$1,000,000) share placement;
- given the strong share price performance of the Company since listing on the ASX in February 2017, the Directors are confident that additional equity capital could be raised as and when required; and
- the impending launch of Version 3 of the Company's app is expected to deliver improved financial results and cash flows.

**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**2. DIVIDENDS**

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

**3. INTANGIBLE ASSETS**

	<b>31 December 2017 USD</b>	<b>30 June 2017 USD</b>
Software – at cost	2,000,000	2,000,000
Less: Accumulated amortisation	(936,111)	(436,111)
Less: Impairment	(1,063,889)	-
Closing balance	<u>-</u>	<u>1,563,889</u>

**4. CONTRIBUTED EQUITY**

<b>Issued capital:</b>	
<b>Ordinary shares fully paid</b>	<b>USD</b>
226,341,657 (30 June 2017: 222,841,657)	<u>7,317,352</u>

	<b>Issue Price USD</b>	<b>Number of Shares</b>	<b>USD</b>
<b>Movement in share capital:</b>			
<b>Opening balance 1 July 2017</b>	-	222,841,657	7,209,342
Shares issued 2 November 2017 (a)	0.03	3,500,000	108,010
<b>Balance 31 December 2017</b>		<u>226,341,657</u>	<u>7,317,352</u>

(a) The company issued 3,500,000 ordinary shares at A\$0.04 per share following the conversion of 3,500,000 performance rights. Issue price A\$0.04 translated to USD0.03 at grant date.

**5. SHARE BASED PAYMENT RESERVE**

	<b>31 December 2017 USD</b>	<b>30 June 2017 USD</b>
Opening balance	16,682	-
Performance rights issued during the period	277,397	16,682
Performance rights converted to shares during the period	(11,422)	-
Closing balance	<u>282,657</u>	<u>16,682</u>

The share based payment reserve records items recognised as expenses on valuation of performance rights issued to employees/consultants.

**6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**7. SEGMENT REPORTING**

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

- corporate head office in Australia
- technology development and marketing 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 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.

	<b>Australia</b>	<b>Singapore</b>	<b>China</b>	<b>Total</b>
	USD	USD	USD	USD
<b>Half year ended 31 December 2017</b>				
Revenue from external customers	-	538	-	538
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	(929,572)	(1,668,896)	(143,062)	(2,741,530)
<hr/>				
<b>Half year ended 31 December 2016</b>				
Revenue from external customers	-	83	-	83
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	-	(387,080)	-	(387,080)
<hr/>				
Reportable segments assets at 31 December 2017	587,986	99,180	11,787	698,953
Reportable segments assets at 30 June 2017	1,320,262	1,743,668	11,460	3,075,390
<hr/>				
<b>Reconciliation of reportable segment profit or loss</b>			<b>2017</b>	<b>2016</b>
Total loss for the reportable segments			(2,741,530)	(387,080)
Elimination of inter-segment loss			-	-
Loss before tax for the period			(2,741,530)	(387,080)
<hr/>				
<b>Reconciliation of reportable segment assets</b>				
Reportable segment assets			698,953	3,075,390
Total assets			698,953	3,075,390
<hr/>				

**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**8. EVENTS SUBSEQUENT TO REPORTING DATE**

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

- 12,500,000 fully paid ordinary shares to IPV Capital, at an issue price of A\$0.08 per share;
- 500,000 fully paid ordinary shares to the nominee of Mr Chris Flintoft, in consideration for the engagement of Mr Flintoft as the Company's Technical Strategy Advisor;
- 1,000,000 fully paid ordinary shares to the nominee of Mr Chris Flintoft, following the conversion of 1,000,000 performance rights;
- 3,000,000 fully paid ordinary shares to Mr Tony Wee, in consideration for the engagement of Mr Wee as the Company's Corporate Advisor;
- in accordance with the terms and conditions of his engagement agreement as the Company's Technical Strategy Advisor, 2,500,000 performance rights to the nominee of Mr Chris Flintoft; and
- in accordance with the terms and conditions of his engagement agreement as the Company's Corporate Advisor, 8,000,000 performance rights to Mr Tony Wee.

On 2 February 2018, Mr Chris Robb appointed as the Company's Official Cycling Partner. Chris is an accomplished author and a world renowned mass participation sports identity. In 1989 Chris founded Spectrum Worldwide in Australia. In 2002 he expanded the business to Singapore to help JPMorgan launch the JPMorgan Corporate Challenge in Asia and went on to deliver some of the region's largest mass participation sports events including the Standard Chartered Singapore Marathon (55,000) runners and the Cycle Asia network of events that attracted nearly 25,000 cyclists to events in Singapore, Malaysia, Philippines and Australia.

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

- 214,286 fully paid ordinary shares following the exercise of 214,286 options each exercisable at A\$0.05 and expiring 31 August 2019;
- 2,000,000 fully paid ordinary shares to Mr Tony Wee, following the conversion of 2,000,000 performance rights;
- 1,000,000 options each exercisable at A\$0.20 per share and expiring 1 February 2021, in consideration for the engagement of Mr Chris Robb as the Company's Official Cycling Partner.

There are no other 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 consolidated entity as at 31 December 2017 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 consolidated entity 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.



Mike Higginson  
Chairman

DATED: 28 February 2018  
Brisbane, Queensland





**RSM Australia Partners**

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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, which comprises the consolidated statement of financial position as at 31 December 2017, and 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 2017 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.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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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 of 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 2017 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

*David Wall*

DAVID WALL  
Partner

Perth, WA  
Dated: 28 February 2018