



SPORTSHERO LIMITED

ACN 123 423 987

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2024**

CONTENTS	PAGE
CORPORATE DIRECTORY	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	22
INDEPENDENT AUDITOR'S REVIEW REPORT	23

SPORTSHERO LIMITED

ACN 123 423 987

CORPORATE DIRECTORY

DIRECTORS

Stratos Karousos (Non-Executive Chairman)

Tom Lapping (Executive Director)

Adele Sim (Executive Director)

CHIEF EXECUTIVE OFFICER

Tom Lapping

COMPANY SECRETARY

Ross Pearson FCPA

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

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

AUDITORS

RSM Australia Partners

Level 32 Exchange Tower

2 The Esplanade

Perth WA 6000

SHARE REGISTRY

Automic

Level 5, 126 Phillip Street

Sydney NSW 2000

Telephone: 1300 288 664

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 2024.

DIRECTORS

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

- Tom Lapping (Executive Director)
- Stratos Karousos (Non-Executive Chairman)
- Adele Sim (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 2024 was US\$491,855 (2023: US\$411,114).

Included within the loss of the Group for the half-year was **non-cash** share-based payments totaling US\$22,930 (2023: US\$ Nil).

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 2024 to 31 December 2024. It is recommended that this half-yearly report be read in conjunction with the 30 June 2024 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.

SportsHero and iGV.Com Family Game Room Product Launch

On 12 September 2024, SportsHero and IGV.com, a leading innovator in the esports gaming industry, announced the launch of its groundbreaking gaming pass into the Indonesian market (and planned for Thailand in the future). This revolutionary cloud-based product is expected to transform the way PC gamers experience and access their favourite titles in the Indonesian market, including Call of Duty, Counter Strike 2, Elden Ring, PUBG, Grand Theft Auto 5 and Black Myth:Wukong.

The launch in Indonesia is particularly significant, as the country boasts 149.28 million gamers, with 8.3 million dedicated PC based gamers.

Key Features of the IGV Family Game Room Pass:

- Full access to all games available on current catalogue (over 200 games)
- Cloud based, auto updates, family sharing across multiple users
- Introductory monthly subscription offers start at US\$9.90 (increasing to US\$20)
- Available in North America, Europe, and Indonesia
- Compatible with desktop computers and PCs

SportsHero and iGV.Com have integrated two established local payment methods for Indonesia (OVO and Link Aja), meaning the Family Game Room service is easily accessible, with 110 million Indonesians using OVO and 89 million Indonesians using Aja. Revenue generated from monthly subscription payments are to be split 70% to SportsHero and 30% to IGV as per the agreement signed in November 2023, and management believe this new product has the potential to become a significant contributor to revenue growth in the near term.

DIRECTORS' REPORT

Successful Completion of A\$500,000 Private Placement

On 8th October 2024, the Company completed an equity raise of A\$500,000 through the issue of 50 million new fully paid ordinary shares in the Company at A\$0.01 per share via a Share Placement.

The funds were to be allocated to accelerate the commercialisation of existing partnerships with iGV.Com and PSSI in Indonesia (and Thailand in future) and to expand the sales & marketing efforts and for ongoing admin & working capital requirements.

Activ8 Capital Advisors acted as Lead Manager for the Placement and subsequently a corporate advisory mandate was signed. Activ8 is a boutique corporate advisory firm headquartered in Melbourne, with expertise in providing investment capital, professional services, equity research, investor relations, management consulting, and real-world venture expertise to private and publicly listed startups and micro-cap growth companies.

Activ8's management has extensive experience in financial markets across investment banking, funds management and hedge fund investing, together with real world entrepreneurial start-up expertise across global consumer product marketing, distribution, manufacturing and brand licensing.

Signed 5-year deal with Indosat Ooredoo Hutchison (Indosat)

On the 9th December 2024, SportsHero announced a strategic partnership with Indosat Ooredoo Hutchison (Indosat) the 2nd largest Telco in Indonesia, to market the iGV Family Game Room product in Indonesia. This collaboration will leverage Indosat's digital platforms, myIM3 and bima+, which have reached 37.7 million monthly active users in 2025.

It was initially agreed that the partnership would kick off with a three-month proof of concept marketing campaign in January 2025. Subsequently Indosat agreed to waive the proof of concept phase and move directly to commercialisation.

This campaign aims to develop targeted messaging for Indosat's audience, enhancing customer engagement and adoption of the iGV Family Game Room product. SportsHero will provide all Indosat customers with an exclusive 14-day free trial of the iGV Family Game Room, followed by a special monthly subscription rate of IDR 65,000 (A\$6.30), reduced from the usual rate of IDR 160,000 (A\$15.60).

This partnership represents a strategic move for both companies to leverage their strengths in digital innovation and customer engagement. For Indosat, it enhances its service portfolio by integrating a popular gaming platform into its digital ecosystem, thereby increasing user engagement and retention. For SportsHero, partnering with a major telco like Indosat provides access to a vast customer base and will facilitate rapid market penetration.

First cash receipts from digital advertising partnership with PSSI Indonesia

In July 2024, the company announced that Whisper Media (a leading third-party digital advertising agency jointly appointed by PSSI and SHO) had successfully commenced selling all digital assets on the KitaGaruda app, generating the first advertising revenues for PSSI (Football Association of Indonesia). At the time, it was stated net digital revenue to SHO to date was IDR 991,000,000 (approximately AUD 90,000).

In the December quarter, the first cash receipts from this agreement in the order of A\$33,000 were received into the company's bank account, with further receipts expected to be received in the coming quarters, as the partnership continues to commercialise the advertising agreements with sponsors.

Whilst this amount is still relatively low, it shows some commercial traction and confidence from the PSSI relationship, which the company hopes can expand over the coming quarters.

SPORTSHERO LIMITED

DIRECTORS' REPORT

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

Company secures A\$1 million loan facility subsequent to the end of the period

Following the end of the period, SportsHero announced the signing of a A\$1 million unsecured loan facility from a shareholder on the following terms:

Facility Amount	A\$1 million
Term	12 months (unless repaid as contemplated below)
Drawdown	During the Term, the Company, at its sole election, may drawdown an amount (or amounts) under the Facility not exceeding A\$200,000 per month, up to the Facility Amount.
Interest rate	Interest shall accrue on the total amount drawn down from the Facility at a 10% per annum fixed rate.
Repayment	All funds drawn down from the Facility, along with any accrued interest, is repayable on the first to occur off: <ul style="list-style-type: none">• the date that is 14 days following the completion of a capital raise that is undertaken for the specific purpose of repaying the amounts owed under this Facility; and• 22 January 2026.
Security	Unsecured
Lender	Colin Jee Fai Low

The Company intends to utilise the funds drawn down from the Facility to fund the Company's working capital requirements.

Signed 2-year partnership with XL Axiata

On 5 February 2025, the Company announced the signing of a significant Direct Carrier Billing payment and marketing partnership with XL Axiata (XL), Indonesia's third largest telecommunications company. This strategic alliance positions SportsHero to capitalize on the rapidly growing esports market in Southeast Asia with Indonesia boasting the largest gaming market.

XL will offer Direct Carrier Billing services, allowing its customers to seamlessly pay for the iGV Family Game Pass product using their existing XL billing accounts. This integration simplifies the payment process and enhances customer convenience. The partnership includes a revenue-sharing agreement, of a type usual in agreements of this nature ensuring benefits for all parties involved over the two-year duration of the agreement.

Crispin Tristram appointed as Chief Commercial Officer

On 10 February 2025, SportsHero announced the appointment of Mr Crispin Tristram to the full-time executive position of Chief Commercial Officer (CCO). Crispin brings extensive expertise in the Mobile Gaming eSports industry and has been instrumental in re-shaping the Company's eSports Gaming strategy during his advisory tenure announced on 11th September 2024. With the original agreement due to expire in February, this permanent appointment provides a seamless transition, enabling us to capitalise on the significant pipeline of opportunities generated in recent months.

His deep industry knowledge, proven track record and regional market expertise position him as the ideal leader to drive our growth in this rapidly expanding sector. He has already shown his ability to secure partnerships with some of the largest potential partners in the region through the signing of the Indosat and XL Axiata agreements announced recently. Crispin will continue to provide strategic oversight to scale eSports Gaming operations, drive ongoing product innovation and develop new partnerships to accelerate commercial success across the entire South East Asian region.

SPORTSHERO LIMITED

DIRECTORS' REPORT

Issuance of 18 million performance rights

On 11 February 2025, SportsHero issued 18 million performance rights to the Chief Commercial Officer (CCO) in accordance with the employment contract.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future 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 7.

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 'Stratos Karousos', with a stylized flourish at the end.

Stratos Karousos

Director
Date: 27 February 2025
New South Wales

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 2024, 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.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA

A handwritten signature in blue ink, appearing to read 'Matthew Beevers'.

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 27 February 2025

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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 2024

	Note	31 December 2024 USD	30 June 2024 USD
Current assets			
Cash and cash equivalents		52,215	26,721
Trade and other receivables		12,308	4,915
Total current assets		64,523	31,636
Non-current assets			
Plant and equipment		1,771	2,416
Total non-current assets		1,771	2,416
Total assets		66,294	34,052
Current liabilities			
Trade and other payables	3	195,685	322,286
Borrowings	4	176,232	273,571
Total Current liabilities		371,917	595,857
Total Liabilities		371,917	595,857
Net Liabilities		(305,623)	(561,805)
Equity			
Issued capital	5	17,561,519	16,866,986
Share based payments reserve	6	217,111	219,756
Foreign currency translation reserve		(379,052)	(411,606)
Accumulated losses		(17,705,201)	(17,236,941)
Total Equity/(Deficit)		(305,623)	(561,805)

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 USD	Restated* 31 December 2023 USD
Revenue from continue operations			
Sales income		30,117	5,987
Other revenue		3,317	109,608
Expenses			
Administration expenses		(154,278)	(267,553)
Employee and consulting expenses		(267,100)	(233,836)
Share based payments	7	(22,930)	-
Finance cost		(28,861)	-
Fair value loss on FVTPL		(51,342)	-
Depreciation and Amortisation expense		(778)	(499)
Loss before income tax expense from continue operations		(491,855)	(386,293)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(491,855)	(386,293)
Loss after income tax expense from discontinued operations	12	-	(24,821)
Loss after income tax expense for the half-year		(491,855)	(411,114)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation		32,554	(37,450)
Total comprehensive loss for the half-year		(459,301)	(448,564)
Total comprehensive loss for the half-year is attributable to:			
Continuing operations		(459,301)	(424,439)
Discontinued operations	12	-	(24,125)
		(459,301)	(448,564)
Basic and diluted loss per share (cents per share)			
Continuing operations		(0.08)	(0.07)
Discontinued operations		(0.00)	(0.00)
Basic and diluted loss per share attributable to the owners of SHO		(0.08)	(0.07)

*Restated for discontinued operations – refer note 12

The above consolidated statement of profit or loss and other 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 2024

		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 2024		16,866,986	(17,236,941)	219,756	(411,606)	(561,805)
Total comprehensive loss		-	(491,855)	-	32,554	(459,301)
Shares issued during the period		711,445	-	-	-	711,445
Options expired during the period	6	-	23,595	(23,595)	-	-
Share based payments	6	-	-	22,930	-	22,930
Shares issued during the period - conversion of performance rights	6	21,760	-	(21,760)	-	-
Transaction costs from share issues	5, 6	(38,672)	-	19,780	-	(18,892)
As at 31 December 2024		17,561,519	(17,705,201)	217,111	(379,052)	(305,623)
As at 1 July 2023		16,299,945	(16,737,781)	342,006	(381,325)	(477,155)
Total comprehensive loss		-	(411,114)	-	(37,450)	(448,564)
Shares issued during the period		551,992	-	-	-	551,992
Share based payments		-	109,222	(109,222)	-	-
Shares based payments for settlement of liability		18,596	-	-	-	18,596
Transaction costs from share issues		(3,547)	-	-	-	(3,547)
As at 31 December 2023		16,866,986	(17,039,673)	232,784	(418,775)	(358,678)

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 2024

	31 December 2024 USD	31 December 2023 USD
Notes		
Cash flows from operating activities		
Receipts from customers	28,576	13,972
Payments to suppliers	(228,282)	(269,062)
Payment to employees	(264,450)	(243,038)
Receipt of Research and Development	-	109,485
Net cash flows used in operating activities	(464,156)	(388,643)
Cash flows from investing activities		
Payments for plant and equipment	(141)	-
Net cash used in financing activities	(141)	-
Cash flows from financing activities		
Issued of new share capital	336,954	551,992
Capital raising cost	(18,891)	(3,547)
Proceeds from borrowing	248,268	68,400
Finance cost	(12,936)	-
Repayment of borrowings	(67,390)	(253,080)
Lease Liability	-	(11,070)
Net cash provided from financing activities	486,005	352,695
Net increase/(decrease) in cash and cash equivalents	21,708	(35,958)
Effects of exchange rate on cash and cash equivalents	3,786	(3,578)
Cash and cash equivalents at the beginning of the half-year	26,721	135,461
Cash and cash equivalents at the end of the half-year	52,215	95,925

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 2024

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 2024 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 2024, 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, unless otherwise stated.

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.

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\$491,855 and had net cash outflows from operating activities of US\$464,156 for the period ended 31 December 2024. As at that date, the Group had net current liabilities of US\$307,394 and net liabilities of US\$305,623.

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

The Directors believe that there are reasonable grounds to expect that the Group will continue as a going concern, after consideration of the following factors:

- The execution of a two-year agreement with Indonesia's 3rd largest Telco XL Axiata ("XL") to market the iGV Family Game Room Pass. XL has a 12.4% market share with approximately 57.5 million customers. The Company anticipates a gross margin on subscription value (net of XL and iGV partner costs) of at least 38%;
- Securing a further A\$1 million loan facility provided by a major shareholder. The loan has a 12 month term, and is repayable on the earlier of either the completion of a capital raise that is undertaken for the specific purpose of repaying the loan, or 22 January 2026.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

- The execution of a five-year agreement with Indonesia's 2nd largest Telco Indosat Ooredoo Hutchison ("Indosat") to market the iGV Family Game Room Pass via their myIM3 and bima+ apps. Indosat has a 19.9% market share with approximately 98.8 million customers. Indosat's digital applications myIM3 and bima+ apps reached 37.7 million active users in 2023. The Company anticipates a gross margin on subscription value (net of XL and iGV partner costs of at least 38%;
- The Company's historic ability to raise equity capital as evidenced by a capital raising of A\$500,000 in September 2024;
- 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; and
- 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.

Borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received, net of transaction cost. They are subsequently measured at amortised cost using the effective interest method.

Compound instruments

The component parts of convertible notes issued by the consolidated entity are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

Where the conversion option will not be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments, the conversion option is bifurcated from the host liability, measured on an amortised cost basis and recorded as embedded derivative.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with hosts that are financial liabilities are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVPL. The embedded derivative is measured at fair value through the profit and loss and is remeasured at each reporting date and at exercise date.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

2. DIVIDENDS

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

3. TRADE AND OTHER PAYABLES

	31 December 2024 USD	30 June 2024 USD
Current Payables		
Trade payables	86,093	130,696
Accrued expenses	109,593	191,590
	<u>195,686</u>	<u>322,286</u>

- i. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.
- ii. Trade payables are non-interest bearing.

4. BORROWINGS

	31 December 2024 USD	30 June 2024 USD
At amortised cost:		
- Loans from Shareholders	-	192,096
- Drawdown Facility (a)	62,170	81,475
- Convertible loan - host liabilities (b)	66,191	-
	<u>128,361</u>	<u>273,571</u>
At fair value through profit or loss:		
- Convertible loan - embedded derivative (b)	47,871	-
	<u>47,871</u>	<u>-</u>
Total current borrowings	<u>176,232</u>	<u>273,571</u>

(a) Drawdown Facility

During the 6 months ending 31 December 2024 following Drawdown Facility was obtained from a major shareholder.

- AU\$500,000 unsecured drawdown facility attracting a 10% interest charge based on total drawdown amounts payable with 12 months of borrowing or with 14 days of the Group successfully completing an equity capital raising, whichever event occurs earlier.

(b) On 29 July 2024, the Group obtained a convertible loan from a major shareholder with the following terms and conditions:

- AU\$100,000 unsecured loan attracting a 10% fee payable with 3 months of borrowing or with 7 days of the Group successfully completing an equity capital raising, whichever event occurs earlier. In addition, the lender may opt to convert the total amount drawdown and relevant fee into shares on the same terms as the equity capital raise.
- The loan arrangement was renewed on 1 November 2024 with same terms and conditions.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

At inception, the convertible loan have been accounted for as follows:

	USD
Convertible loan - host liabilities	62,170
Convertible loan - embedded derivative	-
	<u>62,170</u>

The valuation inputs at inception, modification date and at 31 December 2024 are as follow:

Valuation date	30 Jul 2024	1 Nov 2024	31 Dec 2024
Face value	A\$110,000	A\$110,000	A\$110,000
Underlying share price	A\$0.005	A\$0.005	A\$0.017
Conversion price	A\$0.020	A\$0.010	A\$0.010
Maturity date	29 Oct 2024	31 Jan 2025	31 Jan 2025
Expected future volatility	100%	100%	100%
Risk free rate	4.05%	4.06%	3.84%
Value per conversion right	-	-	A\$0.007
Number of shares on conversion	5,500,000	11,000,000	11,000,000
Fair value of embedded derivative (AUD)	-	-	A\$77,000
Fair value of host liabilities (AUD)	A\$110,000	N/A	N/A
Fair value of convertible notes (AUD)	A\$110,000	N/A	N/A
Fair value of embedded derivative (USD)	-	-	US\$47,871
Fair value of host liabilities (USD)	US\$62,170	N/A	N/A
Fair value of convertible notes (USD)	US\$62,170	N/A	N/A

5. CONTRIBUTED EQUITY

Issued Capital:

	31 December 2024 USD	30 June 2024 USD
Ordinary shares fully paid		
731,446,066 (30 June 2024: 617,832,837)	17,561,519	16,866,986

Movement in share capital:	Issue Price USD	Number of Shares	USD
Opening balance 1 July 2024	-	617,832,837	16,866,986
Shares issued 8 October 2024 (a)	0.0067	50,000,000	336,950
Shares issued 13 December 2024 (b)	0.0064	53,900,000	343,181
Shares issued 17 December 2024 (c)	0.0080	3,158,457	25,424
Shares issued 17 December 2024 (d)	0.0038	1,554,772	5,890
Shares issued 18 December 2024 (e)	-	5,000,000	21,760
Share issue costs		-	(38,672)
Balance 31 December 2024		<u>731,446,066</u>	<u>17,561,519</u>

(a) The Company issued 50,000,000 fully paid ordinary shares at an issue price of AU\$0.01, which raised AU\$500,000. Issue price of AU\$0.01 translated to US\$0.0067 at issue date.

(b) The Company issued 53,900,000 ordinary shares to various major shareholders for repayment of funds borrowed at an issue price of AU\$0.01 repaying a total of A\$539,000 in shares. Issue price of AU\$0.01 translated to US\$0.0064 at issue date.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

- (c) The Company issued 3,158,457 ordinary shares to Mr Stratos Karousos at an issue price of AU\$0.0126 per share in lieu of the payment of AU\$40,000 in fees, which was accrued as a liability as at 30 June 2024. Issue price of AU\$0.0126, translated to US\$0.0080 at issue date.
- (d) The Company issued 1,554,772 ordinary shares to Ms Adele Sim at an issue price of AU\$0.0059 per share in lieu of the payment of AUD\$9,267 in fees, which was accrued as a liability as at 30 June 2024. Issue price of AU\$0.0059, translated to US\$0.0038 at issue date.
- (e) The Company issued 5,000,000 ordinary shares on conversion of performance rights to Crispin Tristan at nil issue price upon vesting of condition. The fair value of performance right transferred to share capital was AU\$35,000, translated to US\$21,760 at grant date.

6. SHARE BASED PAYMENT RESERVE

	31 December 2024 USD	30 June 2024 USD
Share based payment reserve	217,111	219,756
	31 December 2024 USD	
Opening balance	219,756	
Share based payments	22,930	
Conversion of Performance rights	(21,760)	
Expiry of Options and Performance rights	(23,595)	
Options issued to lead manager	19,780	
Closing balance	217,111	

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

7. SHARE BASED PAYMENTS

		31 December 2024 USD	31 December 2023 USD
Performance rights issued to contractor	(a)	22,930	-
Recognised as share-based payment expenses		22,930	-
Options issued to lead manager	(b)	19,780	-
Recognised as share issue costs		19,780	-

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

(a) Performance rights issued to contractor

During the half-year, the Company has granted 18,000,000 performance right to contractor. The vesting conditions for each tranche of performance rights is as follows:

Tranche A - 1,000,000 Upon achieving 10,000 monthly subscribers to the IGV Family PassProduct
Tranche B - 2,000,000 Upon achieving 30,000 monthly subscribers to the IGV Family PassProduct
Tranche C - 2,000,000 Upon achieving 50,000 monthly subscribers to the IGV Family PassProduct
Tranche D - 5,000,000 Upon achieving 100,000 monthly subscribers to the IGV Family PassProduct
Tranche E - 5,000,000 Upon securing a partnership with one of the major telecommunications services providers in indonesia (including, but not limited to Telkom, Telkomsel, XL or Indosat) for any of the Company's digital products
Tranche F - 3,000,000 Upon security on esports commercial partnership with PSSI. Indonesia's Football Association, with any of the Company's esports digital products.

The assessed fair value of these performance right was determined using the following inputs:

Input	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Number of performance rights	1,000,000	2,000,000	2,000,000	5,000,000	5,000,000	3,000,000
Value per performance right	AU\$0.007	AU\$0.007	AU\$0.007	AU\$0.007	AU\$0.007	AU\$0.007
Grant date	30/8/2024	30/8/2024	30/8/2024	30/8/2024	30/8/2024	30/8/2024
Vesting date	28/2/2025	28/2/2025	28/2/2025	28/2/2025	31/12/2025	28/2/2025

(b) Options issued to lead manager

During the half-year, the Company has granted 7,500,000 options to lead manager as capital raising fee.

The assessed fair value of these options was determined using Trinomial Lattice Option Pricing Model with following inputs:

	Options A	Options B
Number of options	5,000,000	2,500,000
Grant date	8/10/2024	8/10/2024
Grant date share price	AU\$0.01	AU\$0.01
Exercise price	AU\$0.02	AU\$0.04
Vesting date	8/10/2024	8/10/2024
Expiry date	21/10/2027	21/10/2027
Risk free rate	3.73%	3.73%
Expected future volatility	100%	100%
Value per option	AU\$0.0043	AU\$0.0032
Total value of options (AUD)	AU\$21,500	AU\$8,000
Total value of options (USD)	US\$14,416	US\$5,364

8. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any contingent liabilities as at 31 December 2024 (2023: Nil).

The Group does not have any contingent assets as at 31 December 2024 (2023: Nil).

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

9. COMMITMENTS

There were no outstanding commitments which are not disclosed in the financial statements as at 31 December 2024.

10. 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 Australia and 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	China USD	Total USD
Half-year ended 31 December 2024					
Revenue from external customers	-	2,620	30,814	-	33,434
Inter-segment revenue	-	-	-	-	-
Total segment income	-	2,620	30,814	-	33,434
Intersegment eliminations	-	-	-	-	-
Total revenue					33,434
EBITDA/(Loss)	(183,263)	(173,791)	(19,348)	-	(376,402)
Loss before income tax expense	(297,939)	(174,445)	(19,471)	-	(491,855)
Income tax expense	-	-	-	-	-
Loss after income tax expense	(297,939)	(174,445)	(19,471)	-	(491,855)
Assets					
Segment assets	5,375,014	258,258	177,607	-	5,810,879
Intersegment eliminations					(5,744,585)
Total assets					66,294
Liabilities					
Segment liabilities	367,021	5,675,087	353,765	-	6,395,873
Intersegment eliminations					(6,023,956)
Total liabilities					371,917

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Australia USD	Singapore USD	Indonesia USD	China USD	Total USD
Half-year ended 31 December 2023					
Revenue from external customers	109,485	1,123	4,987	-	115,595
Inter-segment revenue	-	-	-	-	-
Total segment income	109,485	1,123	4,987	-	115,595
Intersegment eliminations	-	-	-	-	-
Total revenue					115,595
EBITDA(Loss)	(102,349)	(241,468)	(41,976)	(9,193)	(394,986)
Loss before income tax expense	(102,349)	(241,818)	(42,126)	(24,821)	(411,114)
Income tax expense	-	-	-	-	-
Loss after income tax expense	(102,349)	(241,818)	(42,126)	(24,821)	(411,114)

11. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated – 31 Dec 2024	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<i>Liabilities</i>				
Financial liabilities (derivative)	-	47,871	-	47,871
Total liabilities	-	47,871	-	47,871

There were no transfer between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurement categorised within level 2

Valuation of embedded derivatives are based on fair value calculated using the Black Scholes valuation model.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

12. DISCONTINUED OPERATIONS

On 1 June 2024 the Group discontinued its China operations. Financial information in relation to the discontinued operations is detailed below.

Financial performance information

	31 December 2024 USD	31 December 2023 USD
Income		
Sales income	-	-
Other revenue	-	-
Expenses		
Administration expenses	-	(346)
Employee and consulting expense	-	(8,846)
Depreciation and Amortisation expense	-	(15,274)
Interest expense	-	(355)
Loss before income tax	-	(24,821)
Income tax expense	-	-
Loss after income tax expense for the period from discontinued operations	-	(24,821)

Cash flow information

	31 December 2024 USD	31 December 2023 USD
Net cash used operating activities	-	(10,401)
Net decrease in cash and cash equivalents from discontinued operations	-	(10,401)

13. EVENTS SUBSEQUENT TO REPORTING DATE

Company secures A\$1 million loan facility subsequent to the end of the quarter

Following the end of the quarter, SportsHero announced the signing of a A\$1 million unsecured loan facility from a shareholder on the following terms:

Facility Amount	A\$1 million
Term	12 months (unless repaid as contemplated below)
Drawdown	During the Term, the Company, at its sole election, may drawdown an amount (or amounts) under the Facility not exceeding A\$200,000 per month, up to the Facility Amount.
Interest rate	Interest shall accrue on the total amount drawn down from the Facility at a 10% per annum fixed rate.
Repayment	All funds drawn down from the Facility, along with any accrued interest, is repayable on the first to occur off: <ul style="list-style-type: none"> the date that is 14 days following the completion of a capital raise that is undertaken for the specific purpose of repaying the amounts owed under this Facility; and 22 January 2026.
Security	Unsecured
Lender	Colin Jee Fai Low

The Company intends to utilise the funds drawn down from the Facility to fund the Company's working

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

capital requirements.

Signed 2-year partnership with XL Axiata

On 5 February 2025, the Company announced the signing of a significant Direct Carrier Billing payment and marketing partnership with XL Axiata (XL), Indonesia's third largest telecommunications company. This strategic alliance positions SportsHero to capitalize on the rapidly growing esports market in Southeast Asia with Indonesia boasting the largest gaming market.

XL will offer Direct Carrier Billing services, allowing its customers to seamlessly pay for the iGV Family Game Pass product using their existing XL billing accounts. This integration simplifies the payment process and enhances customer convenience. The partnership includes a revenue-sharing agreement, of a type usual in agreements of this nature ensuring benefits for all parties involved over the two-year duration of the agreement.

Crispin Tristram appointed as Chief Commercial Officer

On 10 February 2025, SportsHero announced the appointment of Mr Crispin Tristram to the full time executive position of Chief Commercial Officer (CCO). Crispin brings extensive expertise in the Mobile Gaming eSports industry and has been instrumental in re-shaping the Company's eSports Gaming strategy during his advisory tenure announced on 11th September 2024. With the original agreement due to expire in February, this permanent appointment provides a seamless transition, enabling us to capitalise on the significant pipeline of opportunities generated in recent months.

His deep industry knowledge, proven track record and regional market expertise position him as the ideal leader to drive our growth in this rapidly expanding sector. He has already shown his ability to secure partnerships with some of the largest potential partners in the region through the signing of the Indosat and XL Axiata agreements announced recently. Crispin will continue to provide strategic oversight to scale eSports Gaming operations, drive ongoing product innovation and develop new partnerships to accelerate commercial success across the entire South East Asian region.

Issuance of 18 million performance rights

On 11 February 2025, SportsHero issued 18 million performance rights to the Chief Commercial Officer (CCO) in accordance with the employment contract.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 other mandatory professional reporting requirements;
 - (b) give a true and fair view of the financial position of the Group as at 31 December 2024 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.



Stratos Karousos
Director

DATED: 27 February 2025
New South Wales

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SPORTSHERO LIMITED

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of SportsHero Limited, which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 report.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a net loss of US\$491,855 and had net cash outflows from operating activities of US\$464,156 for the half-year ended 31 December 2024 and as of that date, the Group's current liabilities exceeded its current assets by US\$307,394. 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 Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility of the Interim Financial Report

The directors of the SportsHero Limited are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 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*.

A review of an interim financial report consists of making inquiries, 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.

A handwritten signature in blue ink that reads "RSM".

RSM AUSTRALIA

A handwritten signature in blue ink, appearing to read "Matthew Beevers".

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 27 February 2025

