SportsHero Limited

ACN 123 423 987

Annual Report

for the year ended

30 June 2025

CORPORATE DIRECTORY

Directors

Stratos Karousos (Non-Executive Chair)
Tom Lapping (Director and CEO)
Adele Sim (Executive Director)

Company Secretary

Ross Pearson

Registered Office and Principal Place of Business

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Mt Ku-ring-gai NSW 2050

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Auditor

Hall Chadwick (NSW)
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Share Registry

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Telephone: 1300 288 664

Stock Exchange Listing

Australian Securities Exchange
ASX Code: SHO

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General information

The financial statements cover SportsHero Limited (also referred to as 'Company' or 'SportsHero') as a consolidated entity consisting of SportsHero Limited and its subsidiaries. The financial statements are presented in AUD[1], which is SportsHero Limited's functional and presentation currency.

[1] Refer to Note 1 section Functional and presentation currency page 24

SportsHero Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

22 Glenview Road
Mt Ku-ring-gai NSW 2050

Telephone: +61 (2) 9457 8276

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2025. The Directors have the power to amend and reissue the financial statements.

OPERATIONS REPORT

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

The Company has achieved significant progress over the course of the year, positioning it strongly for continued growth and future opportunities. The following is a summary of the key achievements of SportsHero during the period 1 July 2024 to 30 June 2025:

- **First cash receipts from digital advertising partnership with PSSI Indonesia**
- **SportsHero and iGV.Com Family Game Room Product Launch**
- **Successful Completion of A$500,000 Private Placement**
- **Signed 5-year deal with Indosat Ooredoo Hutchison (Indosat)**
- **Appointment of Crispin Tristram as Chief Commercial Officer (CCO)**
- **Agreement with XL Axiata (XL), 3rd largest Telco in Indonesia, to market iGV Family Game Pass**
- **Indosat Skips Trial Phase and Moves to Full Commercial Launch of iGV Family Game Pass**
- **Expands Southeast Asia Partnership with iGV.Com to Include the Philippines**
- **Expands PSSI Relationship - Named e-Sports Digital Partner/Launch KitaGaruda Gaming Hub**
- **Go Live via XL for the iGV Family Game Pass**
- **Go Live via Indosat for the iGV Family Game Pass**

It is recommended that this report be read in conjunction with the 30 June 2025 Annual Report and any public announcements made by the Company during the 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.

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).

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 as the partnership continues to commercialise the advertising agreements with sponsors.

Whilst this amount was relatively low value, it showed some commercial traction and confidence from the PSSI relationship, which the company hopes can expand over the coming years.

SportsHero and iGV.Com Family Game Room Product Launch

On 12 September 2024, the Company announced the launch of the SportsHero and iGV.Com Family Game Room Product. iGV.com is a leading innovator in the esports gaming industry, 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 185.2 million gamers, with 8.3 million dedicated PC based gamers.[1]

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
- Available in North America, Europe, and Indonesia
- Compatible with desktop computers and PCs

[1] NewZoo https://allcorrectgames.com/insights/the-gaming-market-in-indonesia/

OPERATIONS REPORT

Successful Completion of A$500,000 Private Placement

On 8 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 raised to accelerate the commercialisation of existing partnerships with iGV.Com and PSSI in Indonesia 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.

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

On 9 December 2024, SportsHero announced a strategic partnership with Indosat Ooredoo Hutchison (Indosat) the 2nd largest Telco in Indonesia[2] to market the IGV Family Game Room product in Indonesia. This collaboration will leverage Indosat's digital platforms, myIM3 and bima+, which have reached 50.9 million monthly active users (MAU) in 2024 (based on Indosat's 2024 annual report).[3]

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.

Appointment of Crispin Tristram as Chief Commercial Officer (CCO)

In February 2025, the Company announced the appointment of Mr Crispin Tristram to the full-time executive position of Chief Commercial Officer (CCO), after a 6-month consultancy period. Crispin brings extensive expertise in the eSports video games industry and was instrumental in re-shaping the Company's eSports strategy during his advisory tenure.

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 operations, drive ongoing product innovation and develop new partnerships to accelerate commercial success across the entire South East Asian region.

Agreement with XL Axiata (XL), 3rd largest Telco in Indonesia, to market iGV Family Game Pass

In February 2025, the Company signed a significant DCB payment and marketing partnership with XL Axiata (XL), Indonesia's third largest telecommunications company[4] to market the iGV Family Game Pass. This strategic alliance positions SportsHero to capitalise on the rapidly growing esports market in Southeast Asia with Indonesia boasting the largest gaming market.

[2] Telkom.co.id, XL Axiata & Indosat Annual Reports 2024, https://telconews.asia/story/indosat-sees-robust-growth-in-all-sectors-during-2023

[3] Indosat Annual Report 2024 (pp91): https://ioh.co.id/portal/en/ioh-investor-document-detail/laporan-tahunan-indosat-2024?_id=10014744

[4] https://www.xlaxiata.co.id/en/news/xl-axiata-successfully-achieved-solid-performance-in-2024

OPERATIONS REPORT

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.

Indosat Skips Trial Phase and Moves to Full Commercial Launch of iGV Family Game Pass

In February 2025, the Company announced that further to the previous announcement on the Indosat partnership dated 9 December 2024, it had advanced to Full Commercial Launch of iGV Family Game Pass with Indosat, skipping Proof of Concept Stage. Initially planning a 3-month proof of concept period, Indosat's confidence in the Family Game Pass offering had led them to proceed directly to a commercial launch early June quarter. Indosat agreed to expand the commercial partnership to offer Direct Carrier Billing (DCB) and comprehensive ongoing marketing support for the iGV Family Game Pass.

Expands Southeast Asia Partnership with iGV.Com to Include the Philippines

In March 2025, the Company announced the expansion of its partnership with iGV to include the Philippines as part of its Southeast Asia (SEA) market strategy, in addition to the Indonesia and Thailand market, as announced in November 2023. This development builds on the successful collaboration between SHO and iGV, and underscores the growing demand for iGV's innovative gaming solutions in the region.

The Philippines represents a significant opportunity for the iGV Family Game Pass, which was launched in September 2024. With a large and rapidly growing population of tech-savvy consumers and a robust gaming culture, the Philippines offers a substantial addressable market that aligns well with the product's family-oriented entertainment value.

Expands PSSI Relationship - Named e-Sports Digital Partner/Launch KitaGaruda Gaming Hub

In April 2025, SportsHero announced the relationship with the Indonesian Football Association (PSSI) has been expanded, being appointed as their e-Sports gaming partner. The Company plans to launch the KitaGaruda Gaming Hub in the coming September quarter, which will provide Indonesia's large football fan base access to exclusive e-Sports content, tournaments, gaming platforms, and rewards opportunities. It is estimated that 80% of the Indonesian population or 223m people, are football/soccer fans and 65% of those are following football via the internet.[5]

Go Live via XL Axiata for iGV.Com Family Game Pass in Indonesia
In April 2025, the Company announced that the iGV.Com Family Game Pass product has been integrated with XL Axiata, and had officially "gone live". This meant that XL's customers now had the ability to subscribe to the Family Game Pass product using XL's Direct Carrier Billing (DCB) infrastructure, which provides customers the opportunity to purchase certain products directly via their existing phone billing accounts.

Go Live via Indosat for the iGV Family Game Pass

On 27 June 2025, the Company announced that the iGV Family Game Pass product was successfully integrated and launched with Indosat. This means that both Indosat and XL customers had now gone live and users can subscribe to the iGV Family Game Pass product using the Direct Carrier Billing (DCB) infrastructure, which provides them with the opportunity to purchase certain products directly via their existing phone billing accounts.

Key risks and uncertainties

The Directors acknowledge that the Group operates in a dynamic and evolving digital technology and gaming environment. The Group's future performance is subject to a range of risks and uncertainties which may have a material impact on the financial position and operating results. Key risks include:

[5] https://tgmresearch.com/euro-2024-insights-in-indonesia.html (Est ~279m population x 80% = ~223m)

OPERATIONS REPORT

Technology Risk
The Group's products and services rely on emerging digital platforms and third-party partnerships. Rapid technological change, platform integration challenges, cyber-security threats, and reliance on partners' digital infrastructure could affect the continuity, scalability, and security of our offerings. Ongoing investment in product development and information security remains critical to managing this risk.

Funding and Liquidity Risk
As disclosed in the financial statements, the Group has reported operating losses and net current liabilities at balance date. The Company remains dependent on securing ongoing funding through capital raisings and strategic commercial agreements to support working capital and growth initiatives. While recent partnerships and placements have strengthened cash flow, there is a risk that future financing may not be available on terms favourable to the Group or within required timeframes.

The Board and management are actively monitoring these risks and have implemented strategies to mitigate them, including diversifying revenue channels, securing long-term partnerships with leading regional Telcos, and maintaining engagement with capital providers. Notwithstanding these measures, there remains inherent uncertainty which may impact the Group's ability to achieve its strategic objectives.

DIRECTORS REPORT

The Directors present their report together with the consolidated financial report for SportsHero Limited ("SportsHero" or the "Company") and its controlled entities (collectively the "Group"), for the year ended 30 June 2025.

Directors

(i) Names, qualifications and experience

The names and details of the Group's Directors in office at any time during the financial period and until the date of this report are as follows:

Stratos Karousos	Non-Executive Chair
Tom Lapping	Director and CEO
Adele Sim	Executive Director

Stratos Karousos - **Non-Executive Director and Chair**

Mr Karousos is the holder of a Bachelor of Law (University of Technology, Sydney) and Master of Commerce (University of New South Wales).

Mr Karousos is an experienced director and senior executive with deep corporate and legal experience gained mostly in Australia, Asia, Europe and the United States.

Stratos is currently the Chief Commercial Officer of productivity tool and workflow group espresso Displays and the Chief Strategy Officer of aquaculture and agriculture biotechnology group Genics.

He has previously held positions as non-executive director of ASX listed technology companies, CEO and director of an ASX listed compnay and has held senior roles in global organisations including Wise Tech Global Limited (ASX: WTC) and Baker McKenzie.

Tom Lapping – Director and CEO

Mr Lapping is highly experienced across the securities and media sectors. Since 2016, he has played an integral role within SportsHero and was a key member of the team during the transition of the SportsHero business from a Singaporean unlisted entity to an ASX listed public company in February 2017.

Tom is a successful entrepreneur who has accumulated extensive experience leading both established and early-stage ventures in the Asia-Pacific region. Tom has a keen understanding of consumer behaviour and was recognised as a 40under40 business entrepreneur award winner in Western Australia in 2003.

Adele Sim – Executive Director and COO
Qualification: GAICD and Executive MBA

Adele Sim is an accomplished Chief Operating Officer with extensive experience in operations and business development, currently leading SportsHero. across multiple regions. With over 15 years of experience in various leadership roles, she has demonstrated expertise in strategic planning, project management, and team leadership. Adele is known for her ability to align business strategies with operational goals and fostering a culture of transparency and accountability within her teams. A graduate of the Australian Institute of Company Directors, she is also bilingual in English and Mandarin, enhancing her ability to navigate diverse business environments

DIRECTORS REPORT

(ii) Interests in the Shares and Options of the Group

As at the date of this report, the interest of the Directors in the shares, options and performance rights of the Group are:

	Number of shares	Number of options	Number of performance rights
Stratos Karousos	4,637,121	-	-
Tom Lapping	13,782,143	-	-
Adele Sim	2,654,772	-	-
TOTAL	**21,074,036**	**-**	**-**

Company Secretary

Ross Pearson
Qualification: BA Accounting FCPA

Directors' meetings

The number of meetings attended by each of the Directors of the Group during the financial year was:

	Directors' Meetings	
	(a)	(b)
Stratos Karousos	7	7
Tom Lapping	7	7
Adele Sim	7	7

(a) Number of meetings held and entitled to attend
(b) Number of meetings attended

Given the size of the Group and current level of activities, the Board has assumed the duties and responsibilities typically delegated to an audit committee, risk committee, remuneration committee and nomination committee.

Corporate structure

SportsHero Limited is a company limited by shares that is incorporated and domiciled in Australia.

For details of the Company's controlled entities, please refer to note 26.

Nature of operations and principal activities

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

Results of operations

The operating loss after income tax of the Group for the year ended 30 June 2025 was AU$1,995,919 (2024: AU$947,671).

As set out in the Statement of Comprehensive Income, the two most significant expense categories for the financial year from continuing operations were:

- Administration expenses, totaling AU$718,923 and
- Employee and consulting expenses, totaling AU$818,179

The Group's basic loss per share for the year from continuing operation was 0.29 AU cents (2024: 0.17 AU cents).

DIRECTORS REPORT

Dividends

No dividend has been paid during or is recommended for the financial year ended 30 June 2025 (2024: nil).

Review of operations

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

An overview of the Group's operations during the financial year is set out in the Operations Report.

Significant changes in state of affairs

SportsHero Limited is an integrated digital gaming and e-Sports business, bringing together world class game publishers & distributors, regional South East Asian Telco leaders, gamers and e-Sports fans across South East Asia.

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

The SE Asian gaming market is significant in terms of participants, with the majority of gamers in SE Asia playing on their mobile devices (estimated 268m mobile gamers or 62.2% of total 432m gamers – see table below). It's estimated that "SE Asia's mobile player base is only second to the big Asian sub-regions (China, South Asia incl. India, and East Asia incl. Japan/Korea) and is comparable to, or larger than, Europe and/or North America in sheer player count."[6]

Table 1: SE Asian Gaming Market (Green Highlight Denotes SportsHero's Existing Channel Agreements)

		Gaming Rev US$m – 2024*		Gamers**		PC Gamers#	
Southeast Asia - Gamer Market	**Population**	**US$m**	**%**	**People (m)**	**%**	**People (m)**	**%**
Philippines	**119,106,224**	**$1,390.0**	**45.3%**	**83.4**	**19.3%**	**43.0**	**32.8%**
Thailand	71,801,279	$630.0	20.6%	52.7	12.2%	14.1	10.7%
Vietnam	99,497,680	$215.7	7.0%	73.1	17.0%	36.0	27.4%
Indonesia	**275,501,339**	**$316.8**	**10.3%**	**185.2**	**42.9%**	**8.3**	**6.3%**
Singapore	6,014,723	$71.4	2.3%	4.5	1.0%	3.8	2.9%
Malaysia	34,308,525	$313.4	10.2%	14.0	3.2%	9.6	7.3%
Myanmar	54,577,997	$128.2	4.2%	19.1	4.4%	16.5	12.6%
Total	**660,807,767**	**$3,065.5**	**100.0%**	**432.0**	**100.0%**	**131.3**	**100.0%**

** Gaming revenue is total revenue from all sources of gaming (mobile, cloud, PC, etc) ** Gamers constitutes the sum of mobile, console, PC and cloud gamers (can include the same users multiple times for each platform)*
 # PC gamers for Malaysia and Myanmar are management estimates based on % share vs those countries where data is available (no data available)

Source: Follow link to SportsHero's 2 July 2025 Investor Presentation for full table and source information

Future developments

Likely future developments in the operations of the Group are referred to in the Operations Report. Other than as referred to in this report, further information as to likely developments in the operations of the Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Group and its shareholders.

Matters subsequent to the end of the financial year

US$1 million agreement with PLDT Inc, the Largest Fully Integrated Telco in the Philippines

On 1 July 2025 the Company signed a 2 year agreement (renewable for a further year by mutual agreement) to distribute the iGV Family Game Pass product throughout the Philippines, including offering Direct Carrier Billing (DCB) and comprehensive ongoing marketing support.

[6] GlobeNewswirebest-of-gaming.be

The agreement includes a first year minimum contract payment to SportsHero relating to a "premium broadband customer" model, providing SportsHero with cashflow post integration (expected in the September quarter 2025).

The signing of this agreement with PLDT shows there is market interest in the iGV Family Game Pass product across the region, reinforcing our belief in the strategic plan to roll out iGV and other products in partnership with major Telcos.

PLDT will include a 12-month iGV Game Pass subscription for its premium home broadband customers. Those wishing to renew their subscription for a second year will be offered an exclusive extension option. In parallel, PLDT will directly market the iGV Game Pass to its non-premium home broadband customers and the wider gaming community, who will be able to subscribe at a mutually agreed price. PLDT will provide ongoing direct marketing and DCB support for the duration of this Agreement.

With an estimated 43 million people classified as PC gamers[7], the overall esports video game market in the Philippines was estimated to be US$1.8 billion in 2025 and is projected to reach US$6.7 billion by 2031 growing at a CAGR of 24.1% during the forecast period.[8] The e-Sports market in the Philippines, which includes PC gaming, is projected to reach US$27.7m in 2025.[9]

$1.65m in Firm Commitments Received for Private Placement

On 30 July 2025, the Company announced that it had received firm commitments to raise $1.65m through the issuance of 71.8 million new fully paid ordinary shares in the Company ('Shares) at $0.023 per Share, together with a 1:2 free attaching options to acquire Shares ('Options') ('Placement Options'), via a Share placement ('Placement') to sophisticated and professional investors.

The Shares were issued at a A$0.023/share price, which was an 18% discount to the last close price of $0.028 and 15% discount to the 15 day VWAP. If exercised, the Options would raise an additional A$1.08m for the Company on or before 31 July 2026.

The Company intends to utilise the funds to partially pay down the existing debt facility, expand the sales & marketing activities to broaden the product offering and distribution channels and to fund the Company's working capital requirements.

Activ8 Capital Advisors (Activ8) acted as lead manager for the raise and was paid a cash fee of 6% commission on the capital raised. As part of an ongoing advisory agreement, Activ8 was issued 7.5m options with a A$0.02 exercise price and 3.5m options with a A$0.04 exercise price, both with a 31 October 2027 expiry. The Wallabi Group assisted with the raise and were issued ~12.667m Options with a A$0.03 exercise price and 31 October 2028 expiry.

Mobile gaming product added with web games distribution agreement signed with Yes2Games

On 15th August 2025, the Company entered into an exclusive content distribution agreement with Singapore-based gaming company Yes2Games, which has the global exclusive license to the web versions of Halfbrick Studios' game library.

Under the agreement, SportsHero has secured exclusive rights to distribute Yes2Games' portfolio of popular mobile game titles via SportsHero's telecommunications partner channels across four territories: Indonesia, the Philippines, Thailand and Malaysia.

The addition of the Yes2Games and Halfbrick "mobile gaming" product enables the company to target a significantly larger consumer base, in both existing and future potential distribution channels.

The portfolio includes several global hit titles from Halfbrick Studios, including Fruit Ninja, Jetpack Joyride, Dan The Man and Monster Dash, plus a recently launched original IP from Yes2Games "NSR Street Car Racing", which garnered 1M users in its first week of launching on the web.

[7] https://vibox.co.uk/blog/how-many-pc-gamers-are-there-in-the-world ; https://ycp.com/insights/whitepaper/the-next-level-the-rise-of-esports-in-the-philippines
[8] https://mobilityforesights.com/product/philippines-esports-market
[9] https://www.statista.com/outlook/amo/esports/philippines

Fruit Ninja, first released in 2010 was Halfbrick's breakout global phenomenon, reaching 1 billion + downloads and appearing on 1/3 of all iPhones in the US by 2012.[10] Fruit Ninja 2 has over 14+ million downloads on Google Play and 62,000+ reviews averaging 4.2 stars as of 2025.[11]

Since its debut, Jetpack Joyride has achieved over 750 million downloads worldwide[12], placing it among the most-played mobile titles of all time, while Dan the Man has surpassed 110 million downloads on both Google Play and the Apple App Store, establishing itself as a staple in the arcade platformer genre.[13]

Financial position

The Group's working capital, being current assets, less current liabilities, was negative AU$1,369,803 as at 30 June 2025 (2024: negative AU$851,783).

In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2025 are summarised below:

	2025 AU$	2024 AU$	2023 AU$	2022 AU$	2021 AU$
Income	45,894	608,408	24,840	57,912	54,328
EBITDA	(1,940,436)	(992,049)	(3,223,289)	(2,359,213)	(1,932,203)
EBIT	(1,942,317)	(993,850)	(3,240,400)	(2,362,325)	(1,959,046)
Loss after income tax	(1,942,317)	(993,850)	(3,241,943)	(2,362,325)	(1,980,856)

The factors that are considered to affect total shareholders return are summarised below:

	2025 AU	2024 AU	2023 AU	2022 AU	2021 AU
Share price at financial year end (AU cents)	2.5	3.0	2.6	2.4	2.1
Total dividends declared (AU cents per share)	-	-	-	-	-
Basic loss per share (AU cents per share)	(0.29)	(0.17)	(0.57)	(0.46)	(0.49)

[10] https://en.wikipedia.org/wiki/Halfbrick_Studios?utm_source=chatgpt.com
[11] https://www.androidrank.org/application/fruit_ninja_2_fun_action_games/com.halfbrick.fruitninjax?utm_source=chatgpt.com
[12] https://www.prnewswire.com/news-releases/with-over-1-8-billion-downloads-storms-and-halfbrick-studios-bring-instantly-playable-fruit-ninja-and-jetpack-joyride-games-to-the-emerging-markets-301243426.html?utm_source=chatgpt.com
[13] https://www.androidrank.org/application/dan_the_man_action_platformer/com.halfbrick.dantheman

DIRECTORS REPORT

Remuneration report (Audited)

Details of Remuneration for the Year Ended 30 June 2025

Details of the remuneration for each Director and the key management personnel of the Group during the year are set out in the following tables.

The Board's policy for determining the nature and amount of remuneration for Directors and senior executives of the Group is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience).
- The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.
- All remuneration paid to Directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.
- Remuneration of non-executive Directors at market rates for time, commitment and responsibilities.

The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought if required.

During the financial year ended 30 June 2025, the consolidated entity did not engage any external parties for a review of remuneration practices.

On 24 November 2024 Annual General Meeting, 97.8% of the eligible votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Group did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

The key management personnel of the Group include the Directors. There were no other persons considered key management personnel as defined in AASB 124 Related Party Disclosures.

The tables below show the 2025 and 2024 remuneration of the Directors:

2025	***Short-term***	***Post-employment***	***Share-based payments***	***Long-term Benefits***		
	Salary & fees AU$	**Superannuation AU$**	**Shares AU$**	**Annual/Long service leave AU$**	**Total AU$**	***Value of share-based payments as a %***
Chair						
Stratos Karousos	100,000	-	-	-	100,000	0%
Directors						
Tom Lapping	256,153	-	-	-	256,153	0%
Adele Sim	205,000	20,700	-	13,846	239,546	0%
Total key management personnel compensation	**561,153**	**20,700**	**-**	**13,846**	**595,699**	**0%**

DIRECTORS REPORT

2024	*Short-term*	*Post-employment*	*Share-based payments*	*Long- term Benefits*		
	Salary & fees AU$	**Superannuation AU$**	**Shares AU$**	**Annual/Long service leave AU$**	**Total AU$**	***Value of share-based payments as a %***
Chair						
Stratos Karousos	100,000	-	-	-	100,000	0%
Directors						
Tom Lapping	248,889	-	-	-	248,889	0%
Michael Higginson[(i)]	42,212	-	-	-	42,212	0%
Adele Sim[(ii)]	76,747	7,425	-	5,192	89,364	0%
Total key management personnel compensation	**467,848**	**7,425**	**-**	**5,192**	**480,465**	**0%**

(i) Amount included remunerations from 1 July 2023 to 16 February 2024.
(ii) *Amount included remunerations from 16 February 2024 to 30 June 2024.*

Related party transactions and balances

Payables to key management personnel

	Consolidated	
	2025 AU$	**2024 AU$**
Amounts payable to Directors and Director related entities at the end of the financial year, included in current liabilities	92,500	70,501

Other transactions with key management personnel

During the year the Group paid rent of nil (2024:AU$3,750) and nil (2024: AU$16,966) to Mr Higginson and Solehouse (Tom Lapping related company), being for the provision of the Group's registered and principal office and office space in Singapore respectively.

There were no other sale or purchase related transactions between the Group and key management personnel during the year ended 30 June 2025 (2024: nil).

Other transactions with related parties

Following the receipt of shareholder approval on 29 November 2024, on 4 December 2024 the Company issued 3,158,457 shares to Mr Karousos in lieu of cash fees for the 2024 financial year totaling AU$40,000 and 1,554,772 shares to Adele Sim in lieu of cash fees for the 2024 financial year totaling AU$9,267.24.

There were no other transactions with related parties throughout the year.

DIRECTORS REPORT

Performance Rights as a Proportion of Total Remuneration

No performance rights were issued during the year ended 30 June 2025 and included as a proportion of total remuneration (2024: nil).

Ordinary Shares held by Directors

2025 Directors	*Balance at beginning of year*	Allotted during the year	Purchased during the year	Sold during the year	As appointment (resignation)	*Balance at end of year*
S Karousos	1,478,664	3,158,457	-	-	-	4,637,121
T Lapping	13,782,143	-	-	-	-	13,782,143
A Sim	1,100,000	1,554,772	-	-	-	2,654,772
	16,360,807	**4,713,229**	**-**	**-**	**-**	**21,074,036**

2024 Directors	*Balance at beginning of year*	Allotted during the year	Purchased during the year	Sold during the year	As appointment (resignation)	*Balance at end of year*
S Karousos	146,911	1,331,753	-	-	-	1,478,664
M Higginson	1,020,834	-	-	-	(1,020,834)	-
T Lapping	13,782,143	-	-	-	-	13,782,143
A Sim	-	-	-	-	1,100,000	1,100,000
	14,949,888	**1,331,753**	**-**	**-**	**79,166**	**16,360,807**

Group Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The achievement of this aim has been through the issue of options or performance rights to Directors and executives to encourage the alignment of personal and shareholder interests.

Executive and non-executive Directors and other key management personnel may be granted options or performance rights over ordinary shares.

The recipients of options or performance rights are responsible for growing the Group and increasing shareholder value. If they achieve this goal the value of the options or performance rights granted to them will also increase. Therefore, the options or performance provide an incentive to the recipients to remain with the Group and to continue to work to enhance the Group's value.

Options granted for the Year Ended 30 June 2025

During the year there were no options granted, converted, expired or lapsed to key management personnel (2024: Nil).

Performance rights granted for the Year Ended 30 June 2025

During the year ended 30 June 2025 there were no performance rights granted or converted, expired or lapsed to key management personnel (2024: Nil).

Performance rights as a proportion of total remuneration

The value of performance options issued during the year to key management personnel as a percentage of the total remuneration paid to key management personnel was 0% (2024: 0%).

DIRECTORS REPORT

Employment Contracts of Directors and Senior Executives

On 7 October 2022, the Company entered into an agreement with Mr Karousos that set out the terms and conditions of his appointment as a Non-Executive Director and Chair of the Company.

In consideration for the appointment of Mr Karousos, the Company agreed to pay Mr Karousos the following:

- cash fee of AU$5,000 per month; and
- share fee of AU$40,000 per annum (at an issue price equal to the VWAP of the Company's Shares for the year).

If following any financial year end shareholders do not approve the issue of the shares the subject of the share fee, then the Company will pay Mr Karousos the share fee in cash.

Mr Lapping is paid fees at the rate of SG$18,333 per month. Total fees paid to Mr Lapping during the year was SG$219,996.

On 16 February 2024, the Company entered into an agreement with Ms A Sim to pay director fees at the rate of AU$25,000 per annum. On 24 January 2022, the Company entered into an agreement with Ms A Sim as Chief Operating Officer. On 12 July 2022, Board of Directors has agreed to revise the salary to AU$180,000 plus super per annum. Total salary fees paid or payable to Ms Sim during the year AU$225,700 including superannuation.

As of 30 June 2025, there were no other formal contracts for Non-Executive Directors.

Share-based compensation

The issue of options and/or performance rights to Directors and executives is to encourage the alignment of personal and shareholder returns. The intention is to align the objectives of Directors and executives with that of the business and shareholders. In addition, all Directors and executives are encouraged to hold shares in the Group.

Loans to key management personnel and their related parties

There are no loans to Directors or executives at reporting date (30 June 2024: nil).

End of remuneration report

Share options

At the date of this report, the unissued ordinary shares of the Group under option are as follows:

Grant date	Date of Expiry	Exercise Price	Number Under Option
27 April 2023	30 April 2026	AU$0.05	2,500,000
27 April 2023	30 April 2026	AU$0.10	2,500,000
27 April 2023	30 April 2026	AU$0.15	5,000,000
21 October 2024	21 October 2027	AU$0.02	5,000,000
21 October 2024	21 October 2027	AU$0.04	2,500,000
			17,500,000

During the financial year ended 30 June 2025, 1,000,000 listed options each exercisable at AU$0.03 expired on 31 December 2024, 1,000,000 options each exercisable at AU$0.05 expired on 31 December 2024, 1,000,000 options each exercisable at AU$0.10 expired on 31 December 2024, 1,000,000 options each exercisable at AU$0.20 expired on 31 December 2024, 5,000,000 options each exercisable at AU$0.50 expiry 31 December 2024, 5,000,000 options each exercisable at AU$1.00 expiry 31 December 2024. No SportsHero shares were issued following the exercise of options.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

DIRECTORS REPORT

Performance rights

During the year the Company granted 36,000,000 performance rights and 5,000,000 performance rights were converted to ordinary shares (2024: nil).

Indemnification

During the financial year, the Group did not pay premiums to insure the Directors and Company Secretary of the Group.

Non-audit services

No fees for non-audit services were paid/payable to the Group's auditors during the year (2024: nil).

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2025 has been received and immediately follows the Directors' Report.

Officers of the Group who are former partners of Hall Chadwick

There are no officers of the Group who are former partners of Hall Chadwick.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Group support and have adhered to the principles of sound corporate governance. The Board recognises the recent recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that SportsHero is in compliance with those guidelines which are of importance to the commercial operation of a small cap company. The Group's corporate governance statement and disclosures are contained on the Group's website at: http://sportshero.live/

This report is made in accordance with a resolution of the Directors.



Stratos Karousos
Chair

HALL CHADWICK

SPORTSHERO LIMITED
ABN 98 123 423 987

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of SportsHero Limited

As the lead audit partner for the audit of the financial report of SportsHero Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

STEWART THOMPSON
Partner
Dated: 29 September 2025

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 30 June 2025 AU$	Consolidated 30 June 2024 AU$ re-presented [1]
Current assets			
Cash and cash equivalents	9	118,144	40,340
Trade and other receivables	10	4,645	5,760
Prepayments		2,248	1,660
Total current assets		125,037	47,760
Non-current assets			
Plant and equipment	11	2,107	3,647
Total non-current assets		2,107	3,647
Total assets		127,144	51,407
Current liabilities			
Trade payables	12	530,343	453,244
Borrowings	13	920,000	413,000
Employee benefits		44,497	33,300
Total current liabilities		1,494,840	899,543
Non-current liabilities		-	-
Total non-current liabilities		-	-
Total Liabilities		1,494,840	899,543
Net (liabilities)		(1,367,696)	(848,136)
Equity			
Issued capital	14	23,078,839	22,013,791
Share based payments reserve	15	623,555	301,030
Foreign currency translation reserve	15	2,913,092	2,859,490
Accumulated losses		(27,983,182)	(26,022,447)
Total equity		(1,367,696)	(848,136)

[1] *Refer to Note 1 section Functional and presentation currency page 24*

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

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Note	Consolidated 2025 AU$	Consolidated 2024 AU$ re-presented [1]
Continuing operations			
Income			
Revenue	3	37,666	13,024
Other revenue	3	8,228	595,384
Expenses			
Administration expenses	4	(718,923)	(770,849)
Employee and consulting expenses	5	(818,179)	(770,139)
Depreciation expense	11 & 12	(1,881)	(1,801)
Finance cost		(139,700)	(51,300)
Impairment loss- GST receivables			(25,348)
Share based payments	19	(363,130)	-
Loss before income tax expense from continuing operations		**(1,995,919)**	**(1,011,029)**
Income tax expense	7	-	-
Loss after tax expense for continuing operations		(1,995,919)	(1,011,029)
Profit/(loss) after income tax expense from discontinued operations	8	-	63,359
Loss after income tax expense for the year attributable to the owners of SHO		**(1,995,919)**	**(947,671)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		53,602	(46,179)
Total other comprehensive loss for the year		**(53,602)**	**(46,179)**
Total comprehensive loss for the year attributable to the owners of SHO		**(1,942,317)**	**(993,850)**
Total comprehensive income for the year attributed to:			
Continuing operations		(1,942,317)	(1,061,522)
Discontinued operations		-	67,672
Total comprehensive loss for the year		**(1,942,317)**	**(993,850)**
Basic and Diluted loss per share from continuing operations	6	(0.29)	(0.18)
Basic and Diluted earnings/(loss) per share from discontinued operations	6	-	0.01
Basic and Diluted loss per share attributable to the owners of SHO	6	(0.29)	(0.17)

[1] *Refer to Note 1 section Functional and presentation currency page 24*

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	AU$	AU$	AU$	AU$	AU$
Consolidated					
Balance at 1 July 2024	22,013,791	301,030	2,859,490	(26,022,448)	(848,136)
Total comprehensive loss for the year	-	-	53,602	(1,995,919)	(1,942,317)
Performance rights issued during the year	35,000	(35,000)	-	-	-
Share based payments	-	363,130	-	-	363,130
Share based payments for settlement of director fees	49,267	-	-	-	49,267
Expired options	-	(35,185)	-	35,185	-
Shares issued during the year	1,039,000	-	-	-	1,039,000
Share issue costs	(58,220)	29,580	-	-	(28,640)
Balance at 30 June 2025	23,078,838	623,555	2,913,092	(27,983,183)	(1,367,696)
Balance at 1 July 2023 re-presented [1]	21,160,645	471,774	2,905,669	(25,245,522)	(707,433)
Total comprehensive loss for the year	-	-	(46,179)	(947,671)	(993,849)
Performance rights issued during the year	-	-	-	-	-
Share based payments	-	(170,744)	-	170,744	-
Share based payments for settlement of director fees	28,333	-	-	-	28,333
Shares issued during the year	830,000	-	-	-	830,000
Share issue costs	(5,187)	-	-	-	(5,187)
Balance at 30 June 2024	22,013,791	301,030	2,859,490	(26,022,448)	(848,136)

[1] *Refer to Note 1 section Functional and presentation currency page 24*

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note	Consolidated 2025 AU$	Consolidated 2024 AU$ re-presented [1]
Cash Flows from Operating Activities			
Receipts from customers		43,630	11,286
Payments to suppliers		(681,327)	(724,312)
Payments to employees		(729,392)	(697,820)
Receipt of R&D tax offset		-	(589,159)
Interest received		1,737	-
Net cash flows (used in) operating activities	16	**(1,365,352)**	**(821,687)**
Cash Flows from Investing Activities			
Payments for plant and equipment		(340)	(2,296)
Net cash flows (used in) investing activities		**(340)**	**(2,296)**
Cash Flows from Financing Activities			
Issue of new share capital		500,000	830,000
Share issue transaction costs		(28,640)	(5,187)
Proceeds from borrowings		1,097,000	513,000
Repayment of borrowings		(100,000)	(600,000)
Finance cost paid		(40,000)	(60,000)
Lease liability payments		-	(16,659)
Net cash provided by financing activities		**1,428,360**	**661,154**
Net increase (decrease) in cash and cash equivalents		62,668	(162,829)
Effects of exchange rate changes on cash and cash equivalents		15,137	(1,332)
Cash and cash equivalents at the beginning of the year		40,339	204,500
Cash and cash equivalents at the end of the year	9	**118,144**	**40,339**

[1] *Refer to Note 1 section Functional and presentation currency page 24*

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

1. CORPORATE INFORMATION

The financial report of SportsHero Limited and its controlled entities (the “Group” or “consolidated entity”) for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Director’s on 30 September 2025.

SportsHero Limited (“SportsHero” or the “Company”) is a company limited by shares, incorporated in Australia, and whose securities are publicly traded on the Australia Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Director’s Report.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended 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.

The directors of the Group do not anticipate that the application of the new or amended Accounting Standards and Interpretations in the future will have an impact on the Group’s financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(u).

Functional and presentation currency

Change in Presentation Currency

The Company has changed its presentation currency from United States dollars (USD) to Australian dollars (AUD) with effect from 1 July 2024. The change has been made to better reflect the economic environment of the Group's operations and to enhance comparability with industry peers.

In accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates, the consolidated financial statements for the year ended 30 June 2025, including the comparative year ended 30 June 2024, have been presented in AUD.

The translation process applied was as follows:

- Assets and liabilities were translated at the closing exchange rate at each reporting date.
- Income and expenses were translated at average exchange rates for the reporting period.
- Share capital was translated at historical rates on the date of issue.
- Retained earnings were translated at the translated opening balance plus profit or loss for the year (translated at average rates).
- Exchange differences arising on translation have been recognised in the Foreign Currency Translation Reserve within equity.

The translation of the opening financial position at 1 July 2023 was undertaken to establish comparative balances. Periods prior to 1 July 2023 have not been restated.

Key Exchange Rates Applied

Date /Period	USD/AUD
1 July 2023 (opening)	1.5082
Average financial year 2024	1.5250
Closing 30 June 2024	1.5097
Average financial year 2025	1.5427
Closing 30 June 2025	1.5267

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 17.

(b) 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 net loss of AU$1,995,919 and had net cash outflows from operating activities of AU$1,365,352 for the year ended 30 June 2025. As at that date the Group had net current liabilities of AU$1,369,803 and net liabilities of AU$1,367,696.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Since year end, the Group has continued to incur losses and requires immediate fund raising in order to meet current liabilities and fund working capital needs.

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

The Directors believe that the Group's prospects have significantly improved and that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- **Revenue to be derived from milestone agreement**
  On 1 July 2025 the Company announced it has secured a two-year agreement with PLDT Inc. providing a contracted payment of US$1.0 million (A$1.55 million) in the first twelve months, together with a 65% share of all future revenues generated under the arrangement. This contracted cash inflow and ongoing revenue sharing provide support for the Company's cash flow forecasts.

- **Firm Commitments to raise $1.65m through issuance of shares**
  On 30 July 2025, the Company announced that it had received firm commitments to raise $1.65m through the issuance of 71.8 million new fully paid ordinary shares in the Company ('Shares) at $0.023 per Share, which represents a 18% discount to the last close price of $0.028 and 15% discount to the 15 day VWAP.

- **Potential to raise a further A$1.08m - contingent on the exercise of options**
  The firm commitments mentioned above came with 1:2 free attaching options to acquire Shares ('Options') ('Placement Options'), via a Share placement ('Placement') to sophisticated and professional investors. If exercised, the Options would raise an additional A$1.08m for the Company on or before 31 July 2026.

- **Recent capital raise indicate continued support from shareholders**
  The Directors expect to retain the support from shareholders and other financiers that have supported the Company's previous capital raising to assist with meeting future funding needs.

SportsHero's team has prepared cash flow projections that support the Group's ability to continue as a going concern. The Directors consider that these projections are achievable, and in the short to medium term significant revenue will be generated from the commercialisation of its business model. The Company has, and will continue, to engage with its stakeholder to ensure it retains its capital flexibility to execute on its strategy. Accordingly, the Directors believe that the Company 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.

Should the above measures and events not generate the expected cash flows, the Company and the Group may not be able to pay its debts as and when they become due and payable and it may be required to realise assets and extinguish liabilities other than in the ordinary course of business and at amounts different from those stated in the consolidated financial statements. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company and the Group not continue as going concerns.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SportsHero as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, It derecognizes the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognized in equity. The consolidated entity recognizes the fair value of any investment retained together with any gain or loss in profit or loss.

(d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of any operating segments.

(f) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises

revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Advertising revenue

Advertising revenue is recognised over the term of the advertising contract as services are rendered over time.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. The Group does not have any bank overdraft facilities.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 90 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Trade and other payables

Trade payables and other payables are carried at the transaction price minus principal repayments. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(k) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(l) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(m) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Tax consolidation

SportsHero Limited and its wholly-owned subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

(n) Equity based payments

The Group provides benefits to its Directors and employees in the form of share-based payments, whereby Directors and employees render services in exchange for share, options to acquire shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value to the Group of the equity instruments at the date at which they were granted. The fair value of options is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant Directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

a. the grant date fair value of the options;
b. the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of vesting conditions being met, based on best available information at balance date; and
c. the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

(p) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Foreign currency transactions and balances

The financial statements are presented in AU dollars, which is SportsHero's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into AU dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into AU dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into AU dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(t) Borrowings

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

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability until extinguished on conversion or redemption as the maturity date is within 12 months. The corresponding interest on convertible notes is expensed to profit or loss.

(u) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management take judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. Probabilities have been assigned to non-market vesting conditions for the performance rights issued. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

3. Revenue

	Consolidated	
	2025 AU$	2024 AU$
Revenue from customers		
Advertising revenue	37,666	13,024
	37,666	13,024
Other revenue		
Interest revenue	(1,737)	41
Other income	(6,491)	186
Government grants Research and Development tax offset	-	595,157
	(8,228)	595,384

Commission on advertising revenue is recognized at point of invoicing based on confirmation of sales completed by third party.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

4. Administration expenses

	Consolidated 2025 AU$	Consolidated 2024 AU$
Administration expenses include the following:		
Advertising and marketing	7,554	104,458
Professional fees	648,819	516,063
Sports subscription services	-	12,607
Legal	43,780	3,651
Research and development	18,770	134,070
	718,923	770,849

5. Employee and consulting expenses

	Consolidated 2025 AU$	Consolidated 2024 AU$
Salary and wages	679,635	626,619
Others	138,544	143,520
	818,179	770,139

6. Loss per share

The following reflects the loss used in the basic and diluted loss per share computations.

	Consolidated 2025 Cents AU$	Consolidated 2024 Cents AU$
Basic and diluted loss per share for continuing operations (cents)	(0.29)	(0.16)
Loss used in calculating loss per share for continuing operations		
For basic and diluted earnings per share:		
Loss for year attributed to continued operations	(1,995,919)	(1,011,029)
Loss for the year attributable to ordinary shareholders	(1,995,919)	(1,011,029)
Basic and diluted earning/(loss) per share for discontinued operations (cents)	(0.00)	(0.01)
Profit/(loss) used in calculating earnings/loss per share for discontinuing operations		
For basic and diluted earnings per share:		
Profit/(loss) for year attributed to continued operations	-	63,359
Profit/(loss) for the year attributable to ordinary shareholders	-	63,539
Basic and diluted loss per share for continuing operations (cents)	(0.00)	(0.01)

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Loss used in calculating loss per share for continuing operations		
For basic and diluted earnings per share:		
Loss for year attributed to continued operations	(1,995,919)	(947,671)
Loss for the year attributable to ordinary shareholders	(1,995,919)	(947,671)

	2025 No. of shares	2024 No. of shares
Weighted average number of ordinary shares for basic and diluted loss per share	688,696,343	578,160,803

(i) Anti-dilutive options on issue are excluded from the dilutive earnings per share calculation.

(ii) Other than the issue of the securities disclosed in note 14, there has been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

7. Income taxes

	Consolidated 2025 AU$	2024 AU$
Income tax recognised in profit or loss		
Prima facie tax benefit on operating loss from continuing operations before income tax at 25% (2024: 25%)	(498,980)	(252,757)
Tax effect on different tax rate	(71,816)	60,098
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-deductible items	-	95
Unrecognised deferred tax asset attributable to tax losses and temporary differences	570,796	192,564
Income tax attributable to operating loss	-	-

The Group's unrecognised tax losses and unutilised capital allowance in Australia of $14,882,513 (tax effect of $3,720,628) and Singapore of $3,256,159 (tax effect of $553,547) are available for offset against future profits subject to continuing to meet the relevant statutory tests.

Unrecognised tax losses in the Indonesia of $235,692 (tax effect of $51,852) can be used for up to 5 years.

The potential deferred tax asset of $4,737,046 (2024: $4,109,192), arising from tax losses and temporary differences (as disclosed above), has not been recognised as an asset because recovery of tax losses and temporary differences is not considered probable given the development stage of the Company's apps.

The potential deferred tax asset will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the related deduction for the losses.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

8. Discontinued operations

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

Financial performance information

	2025 AU$	2024 AU$
Income		
Sales income	-	-
Other revenue	-	-
Expenses		
Commission expense	-	-
Administration expenses	-	(530)
Employee and consulting expense	-	(13,490)
Depreciation and Amortisation expense	-	(17,533)
Interest expense	-	(442)
Derecognition of net payables	-	102,917
Write off property plant and equipment	-	(7,563)
Profit / (Loss) before income tax	-	63,359
Income tax expense	-	-
Profit / (Loss) after income tax expense for the year from discontinued operations	-	63,359
Other comprehensive income for the year from discontinued operations	-	4,313
Total comprehensive income/(loss) for the year from discontinued operations	**-**	**67,672**

Cash flow information

	2025 AU$	2024 AU$
Net cash used operating activities	-	(35,542)
Net cash used in investing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	**-**	**(35,542)**

9. Cash and cash equivalents

	Consolidated 2025 AU$	2024 AU$
Cash at bank	118,144	40,340
	118,144	40,340

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

10. Trade and other receivables

	Consolidated 2025 AU$	2024 AU$
Trade receivables	1,662	3,184
Less: allowance for expected credit losses	-	-
Other receivables	2,983	2,576
	4,645	5,760

Allowance for expected credit losses
The consolidated entity has recognised a loss of nil (2024: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

Credit Risk

The maximum exposure to credit risk at balance date is the carrying amount (net of allowance for expected credit losses) of those assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties.

11. Property, plant and equipment

	Consolidated 2025 AU$	2024 AU$
Equipment – at cost	30,876	29,351
Less: Accumulated depreciation	(28,769)	(25,704)
Foreign exchange differences	-	
	2,108	3,647

Consolidated	Equipment AU$
Balance as at 1 July 2023	11,576
Additions	2,298
Depreciation expense	(1,783)
Foreign exchange differences	(957)
Balance as 30 June 2024	3,647
Balance at 1 July 2024	3,647
Additions	121
Depreciation expense	(1,881)
Foreign exchange differences	220
Balance as 30 June 2025	2,107

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

12. Trade and other payables

	Consolidated	
	2025	2024
Current Payables	AU$	AU$
Trade payables	249,317	197,307
Accrued expenses	281,026	255,936
	530,343	453,243

(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.

13. Borrowings

	Consolidated	
	2025	2024
	AU$	AU$
Loans from shareholders	100,000	290,000
Drawdown facilities	820,000	123,000
Total current borrowings	920,000	413,000

	2025	2024
	AU$	AU$
Total Facilities		
Drawdown facilities	1,500,000	1,000,000
	1,500,000	1,000,000
Used at the reporting date		
Drawdown Facilities	820,000	123,000
	820,000	123,000
Unused at the reporting date		
Drawdown Facilities	680,000	877,000
	680,000	877,000

Loan from Shareholders
During the year the following unsecured loans were obtained from major shareholders:

- AU$100,000 charging a flat fee of AU$10,000 payable within 3 months of borrowing or within 7 days of the Group successfully completing an equity capital raising, whichever event occurs first. In addition, the lender may opt to convert $110,000 into shares on the same terms as the equity capital raise.

Drawdown Facility
During the year the following unsecured Drawdown Facilities were obtained from major shareholders.

- AU$500,000 unsecured drawdown facility attracting a 10% interest charge based on total drawdown amounts payable within 12 months of borrowing or with 14 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 interest changed into shares on the same terms as the equity capital raise. Under the facility the drawdown facility must not exceed AU$100,000 per month.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

- AU$1,000,000 unsecured drawdown facility attracting a 10% interest charge based on total drawdown amounts payable within 12 months of borrowing or with 14 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 interest changed into shares on the same terms as the equity capital raise. Under the facility the drawdown facility must not exceed AU$200,000 per month.

14. Contributed Equity	2025 Number	2025 AU$	2024 Number	2024 AU$
(a) Share capital				
Ordinary fully paid shares	731,446,066	23,078,838	617,832,837	22,013,791
(b) Movements in ordinary shares				
Opening balance	617,832,837	22,013,791	575,001,084	21,160,645
Shares issued at AU$0.02 per share[1]			41,500,000	830,000
Shares issued at AU$0.021 per share[2]			1,331,753	28,333
Transaction cost on share issue				(5,187)
Share issued at AU$0.01 per share[3]	50,000,000	500,000	-	
Shares issued in lieu of payment AU$0.01 per share (loan conversion)[4]	53,900,000	539,000	-	
Shares issued at AU$0.01266 per share[5]	3,158,457	40,000	-	
Shares issued at AU$0.0059 per share[6]	1,554,772	9,267	-	
Performance rights converted shares issued at AU$0.007[7]	5,000,000	35,000	-	
Transaction cost	-	(58,220)	-	
	731,446,066	23,078,838	617,832,837	22,013,791

1. On 4 December 2023. The Company issued 41,500,000 shares at an issue price of AU$0.02 per share to raise AU$830,000 working capital
2. On 4 December 2023, the Company issued 1,331,753 shares to Mr Stratos Karousos at an issue price of AU$0.021275 per share in relation to AU$28,333 in Director fees.
3. On 8 October 2024. The Company issued 50,000,000 shares at an issue price of AU$0.01 per share to raise AU$500,000 working capital
4. On 13 December 2024. The Company issued 53,900,000 shares at an issue price of AU$0.01 per share in lieu of payments AU$593,000 (loan converson).
5. On 17 December 2024. The Company issued 3,158,457 shares to Mr Stratos Karousos at an issue price of AU$0.012664 per share in relation to AU$40,000 in Director fees.
6. On 17 December 2024. The Company issued 1,554,772 shares to Ms Adele Sim at an issue price of AU$0.005961 per share in relation to AU$9,267 in Director fees.
7. On 18 December 2024. The Company issued 5,000,000 being for the conversion of performance rights met at an issue price of AU$0.007 per share for the total value of $35,000.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2025 (2024: nil) and no dividends are expected to be paid in 2025.

There is no current intention to incur debt funding on behalf of the Group

The Group is not subject to any externally imposed capital requirements.

15. Reserves	Consolidated 2025 AU$	Consolidated 2024 AU$
Reserves		
Share-based payments reserve		
As at 1 July	301,030	471,775
Share based payments	357,710	-
Expiry of Options and Performance rights	(35,185)	(170,744)
As at 30 June	623,555	301,030
Foreign currency reserve		
As at 1 July	2,859,490	2,905,669
Foreign currency translation	53,602	(46,179)
As at 30 June	2,913,092	2,859,490

Nature and purpose of reserves

Share-based payment reserve

The share-based payments reserve records the value of share options and performance rights issued by the Group.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of international operations to AUD dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

16. Notes to Statement of Cash Flows

(a) Reconciliation of net cash used in operating activities to operating loss after income tax

	Consolidated	
	2025	**2024**
	AU$	**AU$**
Operating loss after tax	(1,995,919)	(947,671)
Add non-cash items:		
Depreciation and amortisation	1,881	1,801
Share-based payments expense	363,130	28,074
Finance cost	139,700	51,300
Interest expense on lease liability	-	438
Derecognition of net payables	-	88,822
Changes in net assets and liabilities:		
Movement in receivables	(1,115)	(50,876)
Movement in payables	126,972	6,425
Lease liabilities	-	-
Net cash flow used in operating activities	(1,365,352)	(821,686)

(b) Non-cash financing and investing activities

	Consolidated	
	2025	**2024**
	AU$	**AU$**
Shares issued for provision of services	49,267	28,333
	49,267	28,333

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

17. Parent Information	Parent 2025 AU$	2024 AU$
Current assets	38,677	1,658
Non-current assets	-	-
TOTAL ASSETS	38,677	1,658
LIABILITIES		
Current liabilities	(1,300,641)	(669,441)
TOTAL LIABILITIES	(1,300,641)	(669,441)
NET (LIABILITIES)/ASSETS	(1,261,964)	671,099
EQUITY		
Contributed equity	20,578,839	22,919,467
Reserves	(623,555)	(301,030)
Accumulated losses	(21,217,248)	(21,947,338)
TOTAL EQUITY	(1,261,964)	(671,099)
Loss for the year	730,090	(608,755)
Total comprehensive loss	730,090	(608,755)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2025 (2024: nil)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2025 and 30 June 2024.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investment in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indictor of impairment of the investment.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

18. Related Party Transactions

(a) Directors and Specified Executives

The names and positions held by key management personnel in office at any time during the year are:

S Karousos	Non-Executive Director and Chair
T Lapping	Director and CEO
A Sim	Executive Director

All of the above persons were key management personnel during the year ended 30 June 2025.

	Consolidated	
	2025	**2024**
(b) Key management personnel remuneration	**AU$**	**AU$**
Short-term employee benefits	561,084	467,848
Post employment benefit (superannuation guarantee)	20,700	-
	581,784	467,848

(c) Payables to key management personnel

Amounts payable to Directors and Director related entities at the end of the financial year, included in current liabilities	92,500	70,501

(d) Other transactions with key management personnel

During the year the Group paid rent of nil (2024:AU$3,750) and nil (2024: AU$16,966) to Mr Higginson and Solehouse (Tom Lapping related company), being for the provision of the Group's registered and principal office and office space in Singapore respectively.

There were no other sale or purchase related transactions between the Group and key management personnel during the year ended 30 June 2025 (2024: nil).

(e) Other transactions with related parties

There were no other transactions with related parties throughout the year.

(f) Other Entities

There were no other transaction with other entities.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

19. Share based payments

	Consolidated	
	2025 AU$	2024 AU$
Recognised share-based payment expenses		
Shares issued for services rendered	-	-
Performance rights vesting over period	363,130	-
Options issued for services rendered	-	-
	361,130	**-**

During the year ended 30 June 2025, 14,000,000 options expired and have been reversed and recognised through accumulated losses (refer to the statement of changes in equity on page 20).

Employee Securities Incentive Plan

On 15 January 2021, the Group established an Employee Securities Incentive Plan that allows for securities to be granted to eligible employees and officers of the Group. The number of securities that can be issued under the plan cannot exceed 19,833,383. The terms and conditions of the securities issued under the plan are at the discretion of the Board.

(a) Performance rights issued to contractor

The company granted 36,000,000 performance rights during the 12 months ending 30 June 2025 (2024:nil).

A summary of the movements of all unlisted performance rights granted is as follows:

	Number	AU$
Opening 1 July 2024	-	-
Performance rights issued	36,000,000	363,128
Converted to shares	(5,000,000)	(35,000)
	31,000,000	**328,128**

On the 11 September 2024 the Company granted 18,000,000 performance rights to contractor. The following 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 Indosol) for any of the Company's digital products[1]
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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

The assessed fair value of these performance rights were 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 rights	0.007	0.007	0.007	0.007	0.007	0.007
Grant date	30/8/2024	30/8/2024	30/8/2024	30/8/2024	30/8/2024	30/8/2024
Vesting date	28/8/2025	28/8/2025	28/8/2025	28/8/2025	31/12/2024	28/8/2025

[1] On the 18 December 2024 5,000,000 performance rights were converted to ordinary to share post vesting conditions being met.

On 12 February 2025 the Company granted 18,000,000 performance rights to contractor. The following 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 - 3,000,000 Upon security on esports commercial partnership with PSSI. Indonesia's Football Association, with any of the Company's esports digital products.
Tranche F - 5,000,000 Upon securing a partnership with one of the major telecommunications services providers in Southeast Asia (excluding Indonesia) for any of the Company's digital products

The assessed fair value of these performance rights were 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	3,000,000	5,000,000
Value per performance rights	0.027	0.027	0.027	0.027	0.027	0.027
Grant date	10/2/2025	10/2/2025	10/2/2025	10/2/2025	10/2/2025	10/2/2025
Vesting date	11/2/2027	11/2/2027	11/2/2027	11/2/2027	28/4/2025	01/7/2025

(b) Options

During the year a total 7,500,000 options were issued as follows:

Grant date	Date of Expiry	Exercise Price	Number Under Option
21/10/2024	21/10/2027	0.02	5,000,000
21/10/2024	21/10/2027	0.04	2,500,000

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

(c) Underwriter Options

The following options were granted in the 12 months ending 30 June 2025.

Grant date	8/10/2024	8/10/2024
Exercise price	0.02	0.04
Expected volatility	100%	100%
Expiry date (years)	3	3
Expected dividends	0	0
Risk free rate	3.73%	3.73%
Share price at grant date	$0.010	$0.010
Number of options granted	5,000,000	2,500,000
FV at grant date	**$21,500**	**$8,000**

The following table sets out the movements in the number of options throughout the year:

Grant date	Expiry date	Balance at start of year	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
29-Nov-22	31-Dec-24	14,000,000	-	-	(14,000,000)	-	-
27-Apr-23	30-Apr-26	10,000,000	-	-	-	10,000,000	10,000,000
21-Oct-24	21-Oct-27	-	7,500,000	-	-	7,500,000	7,500,000
Total		**24,000,000**	**7,500,000**	**-**	**(14,000,000)**	**17,500,000**	**17,500,000**

	Consolidated			
	2025		2024	
	Number of Options	Weighted Average Exercise Price AU$	Number of Options	Weighted Average Exercise Price AU$
At beginning of reporting year	24,000,000		39,500,000	
Granted during the year	7,500,000	0.008	-	-
- Lapsed	-14,000,000	0.002	-15,500,000	0.009
- Exercised	-	-	-	-
Balance the end of reporting year	**17,500,000**		**24,000,000**	
Exercisable at end of reporting year	**17,500,000**		**24,000,000**	

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

(d) Shares issued for services rendered

On 17 December 2024, the following shares were issued:

- 3,158,457 shares were issued to Stratos Karousos in connection with financial year 2024 Director fees of AU$40,000.
- 1,554,772 shares were issued to Adele Sim in connection with financial year 2024 Director fees of AU$9,267.

20. Auditors' Remuneration

	Consolidated	
	2025 AU$	2024 AU$
Audit of the financial statements		
Audit or review of financial reports - RSM Australia Partners	23,683	75,477
Audit or review of financial reports – Hall Chadwick (NSW)	86,000	-
	109,683	75,477
Audit services - Network firms		
Audit or review of the financial statements - RSM SG Assurance LLP	-	17,988
	-	17,988
	109,683	**93,465**

21. Commitments

There are no outstanding commitments as at 30 June 2025 (2024: Nil).

22. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are either summarised below or disclosed at note 9 in the case of credit risk and note 14 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

Cash Flow Interest Rate Risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. The Group's borrowings which are fixed rate convertible notes expose the Group to fair value risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Consolidated	Notes	Interest Rate	1 year or less AU$	Over 1-5 years AU$	Total AU$
2025					
Financial assets					
Cash and cash equivalents	9	0%	118,114	-	118,114
Trade and other receivables	10	0%	4,645	-	4,645
Total financial assets			122,759	-	122,759
Financial liabilities					
Trade and other payables	12	0%	530,343	-	530,343
Borrowings (interest bearing)	13	10%	920,000	-	920,000
Total financial liabilities			1,450,343	-	1,450,343
Net financial (liabilities)			(1,327,544)	**-**	(1,327,554)

Consolidated	Notes	Interest Rate	1 year or less US$	Over 1-5 years US$	Total US$
2024					
Financial assets					
Cash and cash equivalents	9	0%	40,340	-	40,340
Trade and other receivables	10	0%	5,760		5,760
Total financial assets			46,100	-	46,100
Financial liabilities					
Trade and other payables	12	0%	453,243	-	453,243
Borrowings	13	10%	413,000	-	413,000
Total financial liabilities			866,243	-	866,243
Net financial assets			(820,143)	**-**	(820,143)

Interest rate sensitivity

The Group has considered its exposure to interest rate risk. All borrowings are subject to fixed interest rates over the term of the loans. As a result, the Group is not exposed to changes in market interest rates, and no sensitivity analysis has been presented.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

	Note	Consolidated Weighted average interest rate	Consolidated 2025 AU$	Consolidated Weighted average interest rate	Consolidated 2024 AU$
Contracted maturities of payables at 30 June					
Borrowings	14	10%	920,000	10%	413,000
Trade and other payables -less than 6 months	13	-	530,343	-	453,243
			1,450,343		680,836

Foreign exchange risk

The Group has cash and cash equivalents denominated in SG$ of AU$79,468 (2024: $38,362). At 30 June 2025, if AUD/SGD rates had changed by 15% with all other variables held constant, loss for the year and equity would have been AU$8,293 lower/higher (30 June 2024: $4,690), as a result of with change in fair value of cash and cash equivalents.

A sensitivity of 15% (15%: 2024) has been selected as this is considered reasonable given the current level of volatility in the AUD/SGD rate.

Net fair values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The consolidated entity has no financial assets where carrying amount exceeds net fair values at balance date.

23. Segment Information

For management purposes the Group is organised into the following units:

- corporate head office in **Australia**
- technology development, operations and marketing based in **Singapore**
- operations in **Indonesia**

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

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the Group is managed and provides a meaningful insight into the business activities of the Group.

The following table presents details of revenue and operating loss 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

Consolidated - 2025	Australia AU$	Singapore AU$	Indonesia AU$	Total AU$
Revenue				
Intersegment sales	-	-	-	-
Income	4	6,562	39,328	45,894
Total segment income	4	6,562	39,328	45,894
Intersegment eliminations	-	-	-	-
Total revenue				**45,894**
EBITDA	(1,201,565)	(605,250)	(181,389)	(1,988,204)
Loss before income tax expense	(1,207,399)	(606,758)	(181,762)	(1,995,919)
Income tax expense	-	-	-	-
Loss after income tax expense				**(1,995,919)**
Assets				
Segment assets	9,533,434	504,141	281,041	10,318,616
Intersegment eliminations				(10,191,472)
Total assets				**127,144**
Liabilities				
Segment liabilities	1,435,727	9,706,688	597,926	11,740,341
Intersegment eliminations				(10,245,501)
Total liabilities				**1,494,840**

Consolidated - 2024	Australia AU$	Singapore AU$	Indonesia AU$	*Discontinued China AU$	Total AU$
Revenue					
Intersegment sales	-	-	-	-	-
Income	595,193	1,986	11,228	-	608,408
Total segment income	595,193	1,986	11,228	-	608,408
Intersegment eliminations	-	-	-	-	-
Total revenue					608,408
EBITDA	(42,977)	(753,638)	(143,780)	45,826	(894,569)
Loss before income tax expense	(111,811)	(755,085)	(144,134)	63,359	(947,671)
Income tax expense	-	-	-	-	-
Loss after income tax expense	(111,811)	(755,085)	(144,134)	63,359	(947,671)
Assets					
Segment assets	8,212,785	328,063	261,954	-	8,802,802
Intersegment eliminations					(8,751,395)
Total assets					51,407
Liabilities					
Segment liabilities	801,611	8,272,813	493,033	-	9,567,456
Intersegment eliminations					(8,667,914)
Total liabilities					899,543

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2025

24. Matters subsequent to the end of the financial year

$1.65m in Firm Commitments Received for Private Placement

On 30 July 2025, the Company announced that it had received firm commitments to raise $1.65m through the issuance of 71.8 million new fully paid ordinary shares in the Company ('Shares) at $0.023 per Share, together with a 1:2 free attaching options to acquire Shares ('Options') ('Placement Options'), via a Share placement ('Placement') to sophisticated and professional investors.

The Shares were issued at a A$0.023/share price, which was a ~18% discount to the last close price of $0.028 and 15% discount to the 15 day VWAP. If exercised, the Options would raise an additional A$1.08m for the Company on or before 31 July 2026.

The Company intends to utilise the funds to partially pay down the existing debt facility, expand the sales & marketing activities to broaden the product offering and distribution channels and to fund the Company's working capital requirements.

Activ8 Capital Advisors (Activ8) acted as lead manager for the raise and was paid a cash fee of 6% commission on the capital raised.

25. Contingent Liabilities and Contingent Assets

The Group does not have any contingent liabilities or contingent assets as at 30 June 2025 (2024: Nil).

26. Investment in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in note 2:

	Country of Incorporation	Principal Activities	Functional Currency	Ownership 2025	Ownership 2024
Parent entity					
SportsHero Limited	Australia	Parent	Australian Dollars (AUD)		
Name of Controlled Entity					
Sportz Hero Pty Limited	Australia	Investment holding	Australian Dollars (AUD)	100%	100%
SportsHero Enterprise Pte Ltd	Singapore	Technology development, marketing and Operations	Singapore Dollars (SGD)	100%	100%
PT Sport Hero Indonesia	Indonesia	Operations	Indonesian Rupiah (IDR)	99%	99%
EsportsHero Pty Ltd	Australia	Operations	Australian Dollars (AUD)	100%	100%

27. Company Details

The registered office and principal place of business of the Group is:

22 Glenview Road
Mt Ku-ring-gai NSW 2080

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity name	Entity type	Place formed/ Country of incorporation	Ownership Interest %	Tax residency
SportsHero Limited	Body Corporate	Australia	100%	Australia
Sportz Hero Pty Limited	Body Corporate	Australia	100%	Australia
SportsHero Enterprise Pte Ltd	Body Corporate	Singapore	100%	Singapore
PT Sport Hero Indonesia	Body Corporate	Indonesia	99%	Indonesia
EsportsHero Pty Ltd	Body Corporate	Australia	100%	Australia

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

  (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

  (iii) the information disclosed in the attached consolidated entity disclosure statements is true and correct; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(c) 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 has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board



Stratos Karousos
Chair

Dated this 29th day of September 2025

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTSHERO LIMITED (ABN 98 123 423 987)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SportsHero Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to **Note 2 (b)** in the financial report, which indicates that the Group incurred a net loss of $1,995,919 during the year ended 30 June 2025, and as of that date, the Group's current liabilities exceeded its current assets by $1,369,803. As stated in **Note 2 (b)**, these events or conditions, along with other matters as set forth in **Note 2 (b)** 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.

INDEPENDENT AUDITOR'S REPORT (page 2)
TO THE MEMBERS OF
SPORTSHERO LIMITED (ABN 98 123 423 987)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2025. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Share Based Payments During the year ended 30 June 2025, the Company issued performance rights to employees as well as share options to advisors and suppliers, which were accounted for as share based payments under AASB 2: Share Based Payments. Share-based payments are a complex accounting area including assumptions utilised in the fair value calculations and judgements regarding options and performance rights issued during the year. There is a risk in the financial report that amounts are incorrectly recognised and/or inappropriately disclosed. Refer to Note 2 (n) of the financial report for the description of the accounting policy and to Note 2 (u) for the significant estimates and judgements applied to these transactions.	Our audit procedures included but were not limited to: • Obtaining an understanding of the key terms and conditions of the performance rights and options by holding discussions with management and inspecting relevant agreements. • Evaluating management's assessment of the valuation and recognition of the options and performance rights. • By utilising Hall Chadwick's valuation specialists, recalculating the estimated fair value of the performance rights and options using the valuation methodology selected, including assessing the reasonableness of the methodology used and key inputs used in the Company's valuation model. • Reviewing the adequacy of the Company's disclosures in respect of the accounting treatment of share-based payments in the financial statements, including the significant judgements involved, and the accounting policy adopted.

INDEPENDENT AUDITOR'S REPORT (page 3)
TO THE MEMBERS OF
SPORTSHERO LIMITED (ABN 98 123 423 987)

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (page 4)
TO THE MEMBERS OF
SPORTSHERO LIMITED (ABN 98 123 423 987)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and these are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HALL CHADWICK (NSW)

INDEPENDENT AUDITOR'S REPORT (page 5)
TO THE MEMBERS OF
SPORTSHERO LIMITED (ABN 98 123 423 987)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of SportsHero Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

STEWART THOMPSON
Partner
Dated: 29 September 2025

SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is made up to 12 September 2025.

Distribution schedules of security holders

	Fully Paid Shares	AU$0.05 AU$0.10 AU$0.15 Options Expiring 30/4/26	AU$0.02 AU$0.04 Options Expiring 21/10/27	Performance Rights
1 -1,000	155	-	-	-
1,001 - 5,000	164	-	-	-
5,001 - 10,000	99	-	-	-
10,001 - 100,000	393	-	-	-
100,001 and over	390	1	1	1
Number of Holders	**1,111**	**1**	**1**	**1**

Holders of non-marketable parcels

There are 440 fully paid ordinary shareholders who hold less than a marketable parcel of shares.

Twenty largest holders

The names of the twenty largest shareholders are:

		Number of shares	% Held
1	THITIRAT CHOTPONGNAN LOW	47,898,000	5.96%
2	MR COLIN JEE FAI LOW <NO 2 A/C>	42,728,709	5.32%
3	SUNSHORE HOLDINGS PTY LTD	41,682,694	5.19%
4	MR ADRIAN STEPHEN PAUL & MRS NOELENE FAYE PAUL <ZME SUPERANNUATION FUND A/C>	40,544,767	5.05%
5	MR AHMAD FUAD BIN MD ALI	33,526,344	4.17%
6	J & TW DEKKER PTY LTD <J & TW DEKKER FAMILY A/C>	26,619,955	3.31%
7	MR JOHN DEKKER & MRS TANYA WILMA DEKKER <REZELICO SUPER FUND A/C>	20,055,140	2.50%
8	BNP PARIBAS NOMS PTY LTD	19,758,964	2.46%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,109,549	2.25%
10	MR COLIN JEE FAI LOW <NO 2 A/C>	17,908,837	2.23%
11	LEO BARRY PTY LTD	17,552,580	2.19%
12	TIMRIKI PTY LTD <TIMRIKI A/C>	16,000,000	1.99%
13	MR JOHN LEONARD WOODWARD <THE WOODWARD INVESTMENT A/C>	14,323,204	1.78%
14	MR JOHN LEONARD WOODWARD	14,287,655	1.78%

SHAREHOLDER INFORMATION

15	MR COLIN JEE FAI LOW	11,400,000	1.42%
16	MR PAOLO D'ANGELO	11,330,425	1.41%
17	REZELICO PTY LIMITED	11,000,000	1.37%
18	MR ZENON DEKKER	10,537,785	1.31%
19	MR COLIN JEE FAI LOW	10,000,000	1.25%
20	MRS NADZLEY BTE NOORDIN	8,968,252	1.12%
	Total	**434,232,860**	**54.06%**

Restricted securities

The Group has no Restricted Securities on issue.

Unquoted equity securities

	Number on issue	Number of holders
Options exercisable at AU$0.05 and expiring 30 April 2026	2,500,000	1
Options exercisable at AU$0.10 and expiring 30 April 2026	2,500,000	1
Options exercisable at AU$0.15 and expiring 30 April 2026	5,000,000	1
Options exercisable at AU$0.02 and expiring 21 October 2027	5,000,000	1
Options exercisable at AU$0.04 and expiring 21 October 2027	2,500,000	1
Performance rights	31,000,000	1

Names of persons holding more than 20% of a given class of unquoted securities (other than incentive securities)

Ativ8 Capital Advisors holds 100% of the 2 classes of options expiring 21 October 2027.

Talon Esports Ltd holds 100% of the 3 classes of options expiring 30 April 2026.

Substantial shareholder

	No. of Shares Held	% of Shares Held
Thitirat Chotpongnan Low	47,898,000	5.96%

On-market buy-back

There is no current on-market buy-back.

Acquisition of voting shares

No issues of securities have been approved for the purposes of Item 7 of section 611 of the Corporations Act 2001.

Voting Rights

Ordinary fully paid shares – on a show of hands, every member present in person or by proxy shall have one vote and upon a poll, each member shall have one vote per share.

SHAREHOLDER INFORMATION

Tax status

The Group is treated as a public company for taxation purposes.

Franking credits

The Group has nil franking credits.