

**SportsHero Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

|                   |  |
|-------------------|--|
| Name of entity:   | SportsHero Limited                       |
| ABN:              | 98 123 423 987                           |
| Reporting period: | For the half-year ended 31 December 2022 |
| Previous period:  | For the half-year ended 31 December 2021 |

**2. Results for announcement to the market**

|  |      |        | <b>US\$</b> |
|--|------|--------|-------------|
| Revenues from ordinary activities  | down | 59% to | 12,146      |
| Loss from ordinary activities after tax attributable to the owners of SportsHero Limited | up   | 55% to | 1,197,712   |
| Loss for the half-year attributable to the owners of SportsHero Limited                  | up   | 55% to | 1,197,712   |

*Dividends*

|   | <b>Amount per security US cents</b> | <b>Franked amount per security US cents</b> |
|---|-------------------------------------|---|
| Final dividend for the half year ended 31 December 2022 | Nil                                 | Nil   |

*Comments*

The loss for the consolidated entity after income tax amounted to US\$1,197,712 (31 December 2021: US\$774,696).

In the current half year the Company generated interest income of US\$5.

**3. Net tangible assets**

|  | <b>Reporting period Cents</b> | <b>Previous period Cents</b> |
|--|-------------------------------|------------------------------|
| Net tangible assets per ordinary share | <u>0.08</u>                   | <u>0.50</u>                  |

**4. Control gained over entities**

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

**5. Loss of control over entities**

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

**6. Details of associates and joint venture entities**

During the half year the Company did not have any associates or joint venture entities.

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**7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

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**8. Attachments**

*Details of attachments (if any):*

The Interim Financial Report of SportsHero Limited for the half-year ended 31 December 2022 is attached.

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**9. Signed**



Michael Higginson  
Director  
Twin Waters, Queensland

Date: 28 February 2023

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**SPORTSHERO LIMITED**

ACN 123 423 987

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2022**

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**SPORTSHERO LIMITED**

**ACN 123 423 987**

**CORPORATE DIRECTORY**

**DIRECTORS**

Stratos Karousos (Non-Executive Chairman) – appointed 13 October 2022  
Tom Lapping (Executive Director)  
Michael Higginson (Non-Executive Director)  
John Dougall (Non-Executive Chairman) – retired 13 October 2022

**CHIEF EXECUTIVE OFFICER**

Tom Lapping

**COMPANY SECRETARY**

Michael Higginson

**REGISTERED OFFICE AND  
PRINCIPAL PLACE OF BUSINESS**

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

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

**AUDITORS**

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

**SHARE REGISTRY**

Advanced Share Registry Services Ltd  
110 Stirling Highway  
Nedlands WA 6009

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**STOCK EXCHANGE LISTING**

Australian Securities Exchange Ltd  
ASX Code: SHO

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# SPORTSHERO LIMITED

## DIRECTORS' REPORT

The Directors present their report together with the financial statements of SportsHero Limited ("SportsHero" or "the Company" or "the Group") for the half year ended 31 December 2022.

### DIRECTORS

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

- Michael Higginson (Non-Executive Director)
- Tom Lapping (Executive Director)

The following Directors held office for the following periods:

- John Dougall (Non-Executive Chairman) – held office from the beginning of the half year until 13 October 2022
- Stratos Karousos (Non-Executive Chairman) – held office from 13 October 2022 until the date of this report

### PRINCIPAL ACTIVITIES

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

### RESULTS

The net loss of the Group for the half year ended 31 December 2022 was US\$1,197,712 (2021: US\$774,696).

Included within the loss of the Group for the half year was **non-cash** share based payments totaling US\$107,726 (2021: US\$176,798).

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

### REVIEW OF OPERATIONS

The following is a summary of the activities of SportsHero during the period 1 July 2022 to 31 December 2022. It is recommended that this half yearly report be read in conjunction with the 30 June 2022 Annual Report and any public announcements made by the Company during the half year. In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

On 7 July 2022, the Company announced the securing of Logitech (China) Technology Co Ltd as the Company's first commercial sponsor.

On 18 August 2022, the Company announced that its first professional prediction tournament will go live in Australia on 23 August 2022.

On 21 September 2022, the Company announced the establishment of a 2 year Australian supplier agreement with digital gift card giant Prezzee.

On 13 October 2022, Mr Stratos Karousos was appointed as the Company's Non-executive Chairman following the decision by John Dougall not to seek re-election at the Company's 2022 Annual General Meeting.

On 24 November 2022, the Company announced the delivery of Aim, Assist, Analysis (**AAA**), a subscription based app that has been specifically designed (using SportsHero's proprietary artificial intelligence technology) to provide esports bettors with up to five of the highest betting recommendations per day.

AAA is a dedicated esports betting guide app that leverages an enhanced betting algorithm to generate daily esports tips and analysis exclusively for esports betting.

The daily betting recommendations to be provided will target three of the largest esports titles globally and will include, but not limited to, League of Legends (LoL), Defense of the Ancients 2 (Dota 2) and Counter Strike Global Offensive (CS:GO).

Following the receipt of shareholder on 29 November 2022, on 29 December 2022 the Company issued the

## SPORTSHERO LIMITED

### DIRECTORS' REPORT

following securities:

- 250,000 fully paid ordinary shares (**Shares**) to Livewire Group International Pty Ltd;
- 1,000,000 Shares, 2,000,000 options each exercisable at AU\$0.05 and expiring 30 June 2024, 1,000,000 options each exercisable at AU\$0.10 and expiring 30 June 2024, 1,000,000 options each exercisable at AU\$0.20 and expiring 30 June 2024 to AiDriven Pty Ltd;
- 2,500,000 Shares, 1,000,000 options each exercisable at AU\$0.03 and expiring 31 December 2024, 1,000,000 options each exercisable at AU\$0.05 and expiring 31 December 2024, 1,000,000 options each exercisable at AU\$0.10 and expiring 31 December 2024, 1,000,000 options each exercisable at AU\$0.20 and expiring 31 December 2024, 5,000,000 options each exercisable at AU\$0.50 and expiring 31 December 2024 and 5,000,000 options each exercisable at AU\$1.00 and expiring 31 December 2024 to Sherry Chen; and
- 1,456,711 Shares to Mr John Dougall.

### SIGNIFICANT CHANGES

There have been no changes in the state of affairs of the Group that occurred during the half year under review not otherwise disclosed in this report.

### SUBSEQUENT EVENTS

On 31 January 2023, the Company announced a AU\$100,000 one year sponsorship agreement with high profile esports betting and entertainment company Rivalry Australia Pty Ltd.

On 14 February 2023, the Company announced that the AAA app has been approved and is available for download at both Apple's App Store and Google's Play Store.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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



Michael Higginson  
Director  
Date: 28 February 2023  
Twin Waters, Queensland

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of SportsHero Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS  
Partner

Perth, WA  
Dated: 28 February 2023

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

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RSM Australia Partners ABN 36 965 185 036

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## SPORTSHERO LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

|                                      | Note | 31 December<br>2022<br>USD | 30 June<br>2022<br>USD |
|--------------------------------------|------|----------------------------|------------------------|
| <b>Current assets</b>                |      |                            |                        |
| Cash and cash equivalents            |      | 590,979                    | 1,761,612              |
| Trade and other receivables          |      | 4,371                      | 3,076                  |
| <b>Total current assets</b>          |      | <u>595,350</u>             | <u>1,764,688</u>       |
| <b>Non-current assets</b>            |      |                            |                        |
| Plant and equipment                  |      | 1,634                      | 2,122                  |
| <b>Total non-current assets</b>      |      | <u>1,634</u>               | <u>2,122</u>           |
| <b>Total assets</b>                  |      | <u>596,984</u>             | <u>1,766,810</u>       |
| <b>Current liabilities</b>           |      |                            |                        |
| Trade and other payables             |      | 115,369                    | 182,179                |
| <b>Total Current liabilities</b>     |      | <u>115,369</u>             | <u>182,179</u>         |
| <b>Total Liabilities</b>             |      | <u>115,369</u>             | <u>182,179</u>         |
| <b>Net Assets</b>                    |      | <u>481,615</u>             | <u>1,584,631</u>       |
| <b>Equity</b>                        |      |                            |                        |
| Issued capital                       | 3    | 16,300,796                 | 16,207,345             |
| Share based payments reserve         | 4    | 1,223,843                  | 1,176,927              |
| Foreign currency translation reserve |      | (361,791)                  | (316,120)              |
| Accumulated losses                   |      | (16,681,233)               | (15,483,521)           |
| <b>Total Equity</b>                  |      | <u>481,615</u>             | <u>1,584,631</u>       |

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

**SPORTSHERO LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

|  | Note | 31 December<br>2022<br>USD | 31 December<br>2021<br>USD |
|--|------|----------------------------|----------------------------|
| <b>Income</b>  |      |                            |                            |
| Sales income   |      | 12,104                     | 16,011                     |
| Other revenue  |      | 42                         | 13,294                     |
| <b>Expenses</b>  |      |                            |                            |
| Administration expenses  |      | (654,597)                  | (397,401)                  |
| Employee and consulting expenses                               |      | (446,990)                  | (228,772)                  |
| Share based payments   |      | (107,726)                  | (176,798)                  |
| Depreciation and Amortisation expense                          |      | (545)                      | (1,030)                    |
|  |      | <hr/>                      | <hr/>                      |
| <b>Loss before income tax expense</b>                          |      | (1,197,712)                | (774,696)                  |
| Income tax expense   |      | -                          | -                          |
|  |      | <hr/>                      | <hr/>                      |
| <b>Loss after income tax expense for the half-year</b>         |      | (1,197,712)                | (774,696)                  |
| <b>Other comprehensive income</b>                              |      |                            |                            |
| Items that may be reclassified subsequently to profit and loss |      |                            |                            |
| Foreign currency translation                                   |      | (45,671)                   | (1,660)                    |
|  |      | <hr/>                      | <hr/>                      |
| <b>Total comprehensive loss for the half-year</b>              |      | (1,243,383)                | (776,356)                  |
| <br>   |      |                            |                            |
| Basic loss per share (cents per share)                         |      | (0.21)                     | (0.16)                     |
| Diluted loss per share (cents per share)                       |      | (0.21)                     | (0.16)                     |

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

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**SPORTSHERO LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

|  | Contributed<br>Equity | Accumulated<br>Losses | Share<br>Based<br>Payments<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Total<br>Equity/<br>(deficit) |
|--|-----------------------|-----------------------|---------------------------------------|---|-------------------------------|
| Notes  | USD                   | USD                   | USD                                   | USD   | USD                           |
| As at 1 July 2022  | 16,207,345            | (15,483,521)          | 1,176,927                             | (316,120)                                     | 1,584,631                     |
| Total comprehensive loss   | -                     | (1,197,712)           | -                                     | (45,671)                                      | (1,243,383)                   |
| Share based payments   | 60,810                | -                     | 46,916                                | -   | 107,726                       |
| Shares based payments for settlement of liability                  | 33,530                | -                     | -                                     | -   | 33,530                        |
| Transaction costs from share issues                                | (889)                 | -                     | -                                     | -   | (889)                         |
| As at 31 December 2022   | <u>16,300,796</u>     | <u>(16,681,233)</u>   | <u>1,223,843</u>                      | <u>(361,791)</u>                              | <u>481,615</u>                |
| As at 1 July 2021  | 14,161,989            | (13,768,873)          | 1,083,076                             | (232,203)                                     | 1,243,989                     |
| Total comprehensive loss   | -                     | (774,696)             | -                                     | (1,660)                                       | (776,356)                     |
| Share based payments for settlement of liability                   | 36,435                | -                     | -                                     | -   | 36,435                        |
| Share based payments   | 120,593               | -                     | 56,205                                | -   | 176,798                       |
| Shares issued during the period - Conversion of performance rights | 95,565                | -                     | (95,565)                              | -   | -                             |
| Shares issued during the period                                    | 1,981,280             | -                     | -                                     | -   | 1,981,280                     |
| Transaction costs for share issues                                 | (142,587)             | -                     | -                                     | -   | (142,587)                     |
| As at 31 December 2021   | <u>16,253,275</u>     | <u>(14,543,569)</u>   | <u>1,043,716</u>                      | <u>(233,863)</u>                              | <u>2,519,559</u>              |

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

**SPORTSHERO LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

|  | Notes | 31 December<br>2022<br>USD | 31 December<br>2021<br>USD |
|--|-------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                  |       |                            |                            |
| Receipts from customers                                      |       | 10,957                     | 27,462                     |
| Payments to suppliers  |       | (688,989)                  | (377,549)                  |
| Payment to employees   |       | (446,992)                  | (228,772)                  |
| Interest received  |       | 5                          | 9                          |
| <b>Net cash flows used in operating activities</b>           |       | <b>(1,125,019)</b>         | <b>(578,850)</b>           |
| <b>Cash flows from financing activities</b>                  |       |                            |                            |
| Issued of new share capital                                  |       | -                          | 1,981,280                  |
| Share transactions cost                                      |       | -                          | (142,587)                  |
| <b>Net cash provided by financing activities</b>             |       | <b>-</b>                   | <b>1,838,693</b>           |
| <b>Net (decrease) increase in cash and cash equivalents</b>  |       | <b>(1,125,019)</b>         | <b>1,259,843</b>           |
| Effects of exchange rate on cash and cash equivalents        |       | (45,614)                   | 789                        |
| Cash and cash equivalents at the beginning of the half-year  |       | 1,761,612                  | 1,377,257                  |
| <b>Cash and cash equivalents at the end of the half-year</b> |       | <b>590,979</b>             | <b>2,637,889</b>           |

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

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**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS**

**Basis of preparation**

These general purpose interim financial statements for the half year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of SportsHero Limited and its controlled entities (Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

**New or Amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going Concern**

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

As disclosed in the financial statements, the Group incurred a loss of US\$1,197,712 and had net cash outflows from operating activities of US\$1,125,019 for the period ended 31 December 2022.

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

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

- following the recent launch of the Company's AAA app and the progress being made in China, in accordance with the Group's budget the Group is expected to generate meaningful sales income from its operating activities;
- the Directors expect to maintain continued support from shareholders and other financiers that have supported the Company's previous capital raisings to assist with meeting future funding needs; and
- the Group has the ability to curtail corporate and administration expenses and overhead cash outflows as and when required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

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**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

**2. DIVIDENDS**

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

**3. CONTRIBUTED EQUITY**

**Issued Capital:**

| <i>Ordinary shares fully paid</i>       | <b>USD</b> |
|---|------------|
| 575,001,084 (30 June 2022: 569,794,373) | 16,300,796 |

| <b>Movement in share capital:</b>  | <b>Issue Price<br/>USD</b> | <b>Number<br/>of Shares</b> | <b>USD</b> |
|------------------------------------|----------------------------|-----------------------------|------------|
| <b>Opening balance 1 July 2022</b> | -                          | 569,794,373                 | 16,207,345 |
| Shares issued 29 December 2022 (a) | 0.016                      | 2,500,000                   | 40,236     |
| Shares issued 29 December 2022 (b) | 0.016                      | 250,000                     | 4,480      |
| Shares issued 29 December 2022 (c) | 0.023                      | 1,456,711                   | 33,530     |
| Shares issued 29 December 2022 (d) | 0.016                      | 1,000,000                   | 16,094     |
| Share issue costs                  |                            | -                           | (889)      |
| <b>Balance 31 December 2022</b>    |                            | 575,001,084                 | 16,300,796 |

- (a) The Company issued 2,500,000 ordinary shares to Sherry Chen in part consideration for securing Sherry Chen's services as the Company's Head of Esports in China at a deemed issue price of AU\$0.024, translated to US\$0.016 at issue date.
- (b) The Company issued 250,000 ordinary shares to Livewire Group International Pty Ltd in part consideration for their appointment as EsportsHero's Australian media, marketing, loyalty and sponsorship advisor at a deemed issue price of AU\$0.024, translated to US\$0.016 at issue date.
- (c) The Company issued 1,456,711 ordinary shares to Mr John Dougall at an issue price of AU\$0.034 per share in lieu of the payment of AU\$50,000 in fees, which was accrued as a liability as at 30 June 2022. Issue price of AU\$0.034, translated to US\$0.023 at issue date.
- (d) The Company issued 1,000,000 ordinary shares to AiDriven Pty Ltd in part consideration for the development of an esports social community Chinese app driven by artificial technology at a deemed issue price of AU\$0.024, translated to US\$0.016 at issue date.

**4. SHARE BASED PAYMENT RESERVE**

|  | <b>31 December<br/>2022<br/>USD</b> | <b>30 June<br/>2022<br/>USD</b> |
|--|-------------------------------------|---------------------------------|
| Opening balance  | 1,176,927                           | 1,083,076                       |
| Share based payments                                     | 46,916                              | 140,081                         |
| Performance rights converted to shares during the period | -                                   | (95,565)                        |
| Underwriter options - transaction costs for share issue  | -                                   | 49,335                          |
| Closing balance  | 1,223,843                           | 1,176,927                       |

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**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

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

- (a) 4,000,000 options were issued on 29 December 2022 to Ai-Driven Pty Ltd in part consideration for the development of an artificial intelligence live esports predictor. Of the 4,000,000 options issued, 2,000,000 are exercisable at AU\$0.05 and expire on 30 June 2024, 1,000,000 are exercisable at AU\$0.10 and expire on 30 June 2024 and 1,000,000 are exercisable at AU\$0.20 and expire 30 June 2024 (see valuation below).
- (b) 14,000,000 options were issued on 29 December 2022 to Sherry Chen in part consideration for securing services as the Company's Head of Esports in China, 1,000,000 options each exercisable at AU\$0.03 and expiring 31 December 2024, 1,000,000 options each exercisable at AU\$0.05 and expiring 31 December 2024, 1,000,000 options each exercisable at AU\$0.10 and expiring 31 December 2024, 1,000,000 options each exercisable at AU\$0.20 and expiring 31 December 2024, 5,000,000 options each exercisable at AU\$0.50 and expiring 31 December 2024 and 5,000,000 options each exercisable at AU\$1.00 and expiring 31 December (see valuation below).
- (c) The expensing of performance rights issued in the prior year for the six-month period ended 31 December 2022.

Valuation of the 4,000,000 options that were issued on 29 December 2022 to Ai-Driven Pty Ltd: Note that valuation is calculated based on grant date being 29 November 2022 (which was the date of shareholder approval).

| Grant date   | 29 Nov<br>2022 | 29 Nov<br>2022 | 29 Nov<br>2022 |
|--|----------------|----------------|----------------|
| Dividend yield (%)   | -              | -              | -              |
| Expected price volatility                                      | 100%           | 100%           | 100%           |
| Risk-free interest rate (%)                                    | 3.18%          | 3.18%          | 3.18%          |
| Expected life of options (years)                               | 1.58           | 1.58           | 1.58           |
| Option exercise price (AU\$)                                   | 0.05           | 0.10           | 0.20           |
| Option exercise price in AU\$ translated to US\$ at grant date | 0.03           | 0.07           | 0.13           |
| Share price at grant date AU\$                                 | 0.024          | 0.024          | 0.024          |
| Share price in AU\$ translated to US\$ at grant date           | 0.016          | 0.016          | 0.016          |
| Number of options issued                                       | 2,000,000      | 1,000,000      | 1,000,000      |
| FV at grant date (AU\$)  | 14,206         | 3,680          | 1,540          |
| FV at grant date (US\$)  | 9,527          | 2,468          | 1,033          |

Valuation of the 14,000,000 incentive options that were issued to Sherry Chen on 29 December 2022. Note that valuation is calculated based on grant date being 29 November 2022 (which was the date of shareholder approval):

| Grant date                       | 29 Nov<br>2022 | 29 Nov<br>2022 | 29 Nov<br>2022 |
|----------------------------------|----------------|----------------|----------------|
| Dividend yield (%)               | -              | -              | -              |
| Expected price volatility        | 100%           | 100%           | 100%           |
| Risk-free interest rate (%)      | 3.18%          | 3.18%          | 3.18%          |
| Expected life of options (years) | 2.09           | 2.09           | 2.09           |
| Option exercise price (AU\$)     | 0.03           | 0.05           | 0.10           |

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**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

|  |             |             |             |
|--|-------------|-------------|-------------|
| Option exercise price in AU\$ translated to US\$ at grant date | 0.020       | 0.034       | 0.067       |
| Share price at grant date AU\$                                 | 0.024       | 0.024       | 0.024       |
| Share price in AU\$ translated to US\$ at grant date           | 0.016       | 0.016       | 0.016       |
| Number of options issued                                       | 1,000,000   | 1,000,000   | 1,000,000   |
| FV at grant date (AU\$)  | 11,838      | 8,948       | 5,430       |
| FV at grant date (US\$)  | 7,938       | 6,000       | 3,642       |
| <br>   |             |             |             |
| Grant date   | 29 Nov 2022 | 29 Nov 2022 | 29 Nov 2022 |
| Dividend yield (%)   | -           | -           | -           |
| Expected price volatility                                      | 100%        | 100%        | 100%        |
| Risk-free interest rate (%)                                    | 3.18%       | 3.18%       | 3.18%       |
| Expected life of options (years)                               | 2.09        | 2.09        | 2.09        |
| Option exercise price (AU\$)                                   | 0.20        | 0.50        | 1.00        |
| Option exercise price in AU\$ translated to US\$ at grant date | 0.134       | 0.335       | 0.671       |
| Share price at grant date AU\$                                 | 0.024       | 0.024       | 0.024       |
| Share price in AU\$ translated to US\$ at grant date           | 0.016       | 0.016       | 0.016       |
| Number of options issued                                       | 1,000,000   | 5,000,000   | 5,000,000   |
| FV at grant date (AU\$)  | 2,823       | 4,571       | 1,572       |
| FV at grant date (US\$)  | 1,893       | 3,065       | 1,054       |

**5. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Group does not have any contingent liabilities as at 31 December 2022 (2021: Nil).

The Group does not have any contingent assets as at 31 December 2022 (2021: Nil).

**6. COMMITMENTS**

There were no outstanding commitments which are not disclosed in the financial statements as at 31 December 2022.

**7. SEGMENT REPORTING**

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

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

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

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

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**SPORTSHERO LIMITED**  
**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

The following table presents details of revenue and operating profit by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately

|   | Australia<br>USD | Singapore<br>USD | Indonesia<br>USD | China<br>USD | Total<br>USD |
|---|------------------|------------------|------------------|--------------|--------------|
| <b>Half year ended 31 December 2022</b> |                  |                  |                  |              |              |
| Revenue from external customers         | 36               | -                | 12,110           | -            | 12,146       |
| Inter-segment revenue                   | -                | -                | -                | -            | -            |
| Total segment income                    | 36               | -                | 12,110           | -            | 12,146       |
| Intersegment eliminations               | -                | -                | -                | -            | -            |
| <b>Total revenue</b>                    |                  |                  |                  |              | 12,146       |
| <b>EBITDA</b>                           | (742,527)        | (228,501)        | (43,170)         | (182,969)    | (1,197,167)  |
| <b>Loss before income tax expense</b>   | (742,527)        | (229,046)        | (43,170)         | (182,969)    | (1,197,712)  |
| Income tax expense                      | -                | -                | -                | -            | -            |
| <b>Loss after income tax expense</b>    | (742,527)        | (229,046)        | (43,170)         | (182,969)    | (1,197,712)  |
| <b>Assets</b>                           |                  |                  |                  |              |              |
| Segment assets                          | 530,999          | 60,904           | 5,081            | -            | 596,984      |
| <b>Total assets</b>                     | 530,999          | 60,904           | 5,081            | -            | 596,984      |
| <b>Liabilities</b>                      |                  |                  |                  |              |              |
| Segment liabilities                     | 317,180          | 4,815,835        | 296,913          | 189,986      | 5,619,914    |
| Intersegment eliminations               | (258,106)        | (4,759,903)      | (296,913)        | (189,623)    | (5,504,545)  |
| <b>Total liabilities</b>                | 59,074           | 55,932           |                  | 363          | 115,369      |
|   | Australia<br>USD | Singapore<br>USD | Indonesia<br>USD | China<br>USD | Total<br>USD |
| <b>Half year ended 31 December 2021</b> |                  |                  |                  |              |              |
| Revenue from external customers         | -                | 13,285           | 16,020           | -            | 29,305       |
| Inter-segment revenue                   | -                | -                | -                | -            | -            |
| Total segment income                    | -                | 13,285           | 16,020           | -            | 29,305       |
| Intersegment eliminations               | -                | -                | -                | -            | -            |
| <b>Total revenue</b>                    |                  |                  |                  |              | 29,305       |
| <b>EBITDA</b>                           | (459,185)        | (276,089)        | (38,027)         | -            | (773,301)    |
| <b>Loss before income tax expense</b>   | (459,185)        | (277,484)        | (38,027)         | -            | (774,696)    |
| Income tax expense                      | -                | -                | -                | -            | -            |
| <b>Loss after income tax expense</b>    | (459,185)        | (277,484)        | (38,027)         | -            | (774,696)    |

**8. EVENTS SUBSEQUENT TO REPORTING DATE**

On 31 January 2023, the Company announced a AU\$100,000 one year sponsorship agreement with high profile esports betting and entertainment company Rivalry Australia Pty Ltd.

On 14 February 2023, the Company announced that the AAA app has been approved and is available for download at both Apple's App Store and Google's Play Store.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

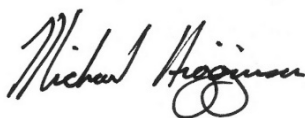
**SPORTSHERO LIMITED**  
**DIRECTORS' DECLARATION**

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

In the opinion of the Directors:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001, and:
  - (a) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made in pursuant to section 303(5)(a) of the Corporations Act 2001.



Mike Higginson  
Director

DATED: 28 February 2023  
Twin Waters, Queensland

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

**Report on the Interim Financial Report**

*Conclusion*

We have reviewed the accompanying interim financial report of Sportshero Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Basis for Conclusion*

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sportshero Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1, which indicates that the Group incurred a net loss of US\$1,197,712 and had net cash outflows from operating activities of US\$1,125,019 for the half-year ended 31 December 2022. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Directors' Responsibility of the Interim Financial Report*

The directors of the Sportshero Limited are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'MATTHEW BEEVERS'.

MATTHEW BEEVERS  
Partner

Perth, WA  
Dated: 28 February 2023

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