

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

SportsHero Limited and its controlled entities

ABN 98 123 423 987

Reporting period – For the year ended 30 June 2023

Previous period – For the year ended 30 June 2022

Results for Announcement to the Market

	30 June 2023	30 June 2022	Change	Change
	US\$	US \$	US\$	%
Revenue	16,726	42,034	(25,308)	Down 60%
Loss for the year after tax from continuing operations	(2,155,027)	(1,714,648)	(440,379)	Up 26%
Loss attributable to members of the parent entity	(2,220,751)	(1,798,565)	(422,186)	Up 23%

Dividends

No Dividends have been declared or paid during the financial year ended 30 June 2023.

Other significant information

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

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

In the largest esports market in the world, SportsHero Limited (**SportsHero**) has continued to build and deliver its China strategy.

On 30 March 2023, the Company announced the execution of a 3 year legally binding terms sheet with Shanghai Fumin Sports and Culture Co. Ltd, the esports tournament and events provider of Netease Games – one of China's largest esports game publishers. Netease Games is listed on NASDAQ: NTESE and HKEX: 9999.

On 27 April 2023, the Company announced an expansion into 6 new Aisa Pacific markets through an exclusive partnership with TALON Esports. SportsHero and TALON Esports have executed a 3 year intellectual property license in consideration for SportsHero receiving 50% of all revenue generated from SportsHero's proprietary esports prediction and tournament management platform.

SportsHero is positioning itself to be a world leader in the rapidly expanding esports market by introducing our artificial intelligence predictor and delivering unique esports prediction competitions.

Review of operations

The following is a summary of the activities of SportsHero during the year ended 30 June 2023. It is recommended that this report be read in conjunction any public announcements made by the Company during year. In accordance with continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

On 6 July 2022, the Company announced that it had entered into a mutually beneficial marketing and sponsorship agreement with Indonesia's premier junior football leagues, Liga Top Skor. In consideration for SportsHero agreeing to sponsor the 2022-23 Liga Top Skor youth football leagues.

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

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Review of operations (continued)

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

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

On 21 September 2022, the Company announced that it had entered into a two year (with a two year automatic renewal) Australian Gift Card Supplier Agreement with digital gift card giant Prezzee Pty Ltd. Prezzee operates a leading global gifting platform with operations in North America, United Kingdom, Australia and New Zealand.

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 provided target three of the largest esports titles globally and include League of Legends (LoL), Defense of the Ancients 2 (Dota 2) and Counter Strike Global Offensive (CS:GO).

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

On 30 March 2023, the Company announced the execution of a 3 year agreement with Shanghai Fumin Sports and Culture Co. Ltd, the esports tournament and event provider of Netease Games.

On 27 April 2023, the Company announced an expansion into 6 new Asia Pacific markets through an exclusive partnership with TALON Esports. SportsHero and TALON Esports have executed a 3 year intellectual property license in consideration for SportsHero receiving 50% of all revenue generated from our proprietary esports prediction and tournament management platform (**App**). TALON Esports will white label, market and scale the App while promoting it to its 20 million plus fan base.

Since the 27 April 2023 announcement, the Company has been working closely with TALON's founders to customise our existing platform with additional features and functions to produce a completely unique product for the Southeast Asia esports market. TALON believes that this will greatly appeal to brand partners, game publishers, tournament organisers and the esports user audience. TALON, which has a proven record of revenue generation, will launch and market this product in Q2 FY 2024 to their current network of sponsors and advertisers in all their existing markets throughout Southeast Asia.

Subsequent events

No matter or circumstance has arisen since 30 June 2023 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.

Control gained over entities and loss of control over entities

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

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

Net Tangible Assets

	30 June 2023	30 June 2022
Net tangible assets/(liabilities) per share (US cents/share)	(0.08)	0.28

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Audit Status

This report is based on accounts which are in the process of being audited. The audited financial statements to be included in the Company's 2023 Annual Report are expected to be released by 30 September 2023.

Attachments forming part of the Appendix 4E:

The Preliminary Financial Report of SportsHero Limited for the year ended 30 June 2023 is attached.

Signed By

31 August 2023

Michael Higginson
Director/Company Secretary
Queensland

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SportsHero Limited

**Preliminary Statement of Comprehensive Income
for the year ended as at 30 June 2023**

	Consolidated	
	30 June 2023 US\$	30 June 2022 US\$
Income		
Revenue	16,643	16,783
Other income	84	25,251
Expenses		
Administration expenses	(1,093,450)	(851,714)
Employee and consulting expenses	(922,879)	(635,751)
Depreciation and Amortisation expense	(1,037)	(2,259)
Interest expense	(736)	-
Share based payments	(153,652)	(266,958)
Loss before income tax from continuing operations	(2,155,027)	(1,714,648)
Income tax expense	-	-
Loss after income tax from continuing operations	(2,155,027)	(1,714,648)
Loss after income tax expense for the year	(2,155,027)	(1,714,648)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	(65,724)	(83,917)
Total comprehensive loss for the year	(2,220,751)	(1,798,565)
Loss attributable to:		
Owners of the entity	(2,220,751)	(1,798,565)
	Cents	Cents
Basic and diluted loss per share for continued operations (cents per share)	0.40	0.32
Basic and diluted loss per share (cents per share)	0.40	0.32

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

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**Preliminary Statement of Financial Position
as at 30 June 2023**

Consolidated

	30 June 2023 US\$	30 June 2022 US\$
Current assets		
Cash and cash equivalents	135,461	1,761,612
Other receivables	43,076	3,076
Total current assets	<u>178,537</u>	<u>1,764,688</u>
Non-current assets		
Right of use assets	17,476	-
Plant and equipment	7,669	2,122
Total non-current assets	<u>25,145</u>	<u>2,122</u>
Total assets	<u>203,682</u>	<u>1,766,810</u>
Current liabilities		
Trade payables	304,111	-
Borrowings	331,500	-
Lease liability – current	4,200	182,179
Total current liabilities	<u>639,811</u>	<u>182,179</u>
Non-current liabilities		
Lease liability - non-current	13,679	-
Total non-current liabilities	<u>13,679</u>	<u>-</u>
Total liabilities	<u>653,490</u>	<u>182,179</u>
Net assets/(liabilities)	<u>(449,808)</u>	<u>1,584,631</u>
Equity		
Issued capital	16,299,946	16,207,345
Share based payments reserve	342,004	1,176,926
Foreign currency translation reserve	(381,844)	(316,120)
Accumulated losses	(16,709,914)	(15,483,521)
Total equity	<u>(449,808)</u>	<u>1,584,631</u>

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

**Preliminary Statement of Changes in Equity
for the year ended 30 June 2023**

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
<u>Consolidated</u>					
Balance at 1 July 2022	16,207,345	1,176,927	(316,120)	(15,483,521)	1,584,631
Total comprehensive loss for the year	-	-	(65,724)	(2,155,027)	(2,220,751)
Performance rights issued during the year	-	-	-	-	-
Share based payments	59,941	(834,923)	-	928,634	153,652
Share based payments for settlement of liability	33,530	-	-	-	33,530
Shares issued during the year	-	-	-	-	-
Share issue costs	(870)	-	-	-	(870)
Balance at 30 June 2023	16,299,946	342,004	(381,844)	(16,709,914)	(449,808)
Balance at 1 July 2021	14,161,989	1,083,076	(232,203)	(13,768,873)	1,243,989
Total comprehensive loss for the year	-	-	(83,917)	(1,714,648)	(1,798,565)
Performance rights issued during the year	95,565	(95,565)	-	-	-
Share based payments	126,877	140,081	-	-	266,958
Share based payments for settlement of liability	36,435	-	-	-	36,435
Shares issued during the year	1,981,277	-	-	-	1,981,277
Share issue costs	(194,798)	49,335	-	-	(145,463)
Balance at 30 June 2022	16,207,345	1,176,927	(316,120)	(15,483,521)	1,584,631

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

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Preliminary Statement of Cash Flows
for the year ended 30 June 2023

	Consolidated	
	30 June 2023 US\$	30 June 2022 US\$
Cash flows from operating activities		
Receipts from customers	16,643	40,768
Payments to suppliers and employees	(2,015,011)	(1,413,057)
Interest received	84	12
Net cash used in operating activities	(1,998,284)	(1,372,277)
Cash flows from investing activities		
Payments for plant and equipment	(8,068)	(2,013)
Net cash used in investing activities	(8,068)	(2,013)
Cash flows from financing activities		
Proceeds from issues of shares	-	1,981,277
Share issue transaction costs	(870)	(145,463)
Borrowings	331,500	-
Lease liability	(14,012)	-
Net cash provided by financing activities	316,618	1,835,814
Net increase in cash and cash equivalents held	(1,689,734)	461,524
Cash and cash equivalents at the beginning of the financial year	1,761,612	1,377,257
Effect of exchange rate changes on cash and cash equivalents	63,583	(77,169)
Cash and cash equivalents at the end of the financial year	135,461	1,71,612

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

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**Notes to the preliminary financial statements
for the financial year ended 30 June 2023**

Note 1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by SportsHero Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements of SportsHero Limited and its controlled entities (the **Group**), comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New and Revised Accounting Standards and Interpretations

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Consolidated Entity's accounting policies.

Functional and presentation currency

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

Note 2. Segment reporting

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

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

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

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

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

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Note 2. Segment reporting (continued)

	Australia US\$	Singapore US\$	Indonesia US\$	China US\$	Total US\$
Year ended 30 June 2022					
Revenue from external customers	2,140	23,099	16,795	-	42,034
Inter-segment revenue	-	-	-	-	-
Reportable segment loss before tax					
Continuing operations	(987,435)	(513,964)	(101,112)	(112,137)	(1,714,648)
	(987,435)	(513,694)	(101,112)	(112,137)	(1,714,648)
Year ended 30 June 2023					
Revenue from external customers	75	490	16,162	-	16,727
Inter-segment revenue	-	-	-	-	-
Reportable segment loss before tax					
Continuing operations	(1,253,592)	(457,251)	(105,293)	(338,891)	(2,155,027)
	(1,253,592)	(457,251)	(105,293)	(338,891)	(2,155,027)
Reportable segments assets at 30 June 2022					
Continuing operations	1,719,194	43,364	4,252	-	1,766,810
	1,719,194	43,364	4,252	-	1,766,810
Reportable segments assets at 30 June 2023					
Continuing operations	69,113	48,736	9,391	76,442	203,682
	69,113	48,736	9,391	76,442	203,682

Note 3. Contingent assets and liabilities

The Group does not have any contingent assets or contingent liabilities at the date of this report.

Note 4. Controlled entities

	Date control gained	Country of Incorporation	Principal Activities	Ownership %
Parent entity				
SportsHero Limited		Australia	Parent	
Name of Controlled Entity				
Sportz Hero Pty Ltd	7 February 2017	Australia	Investment holding	100%
SportsHero Enterprise Pte Ltd	7 February 2017	Singapore	Technology development	100%
PT Sport Hero Indonesia	4 November 2020	Indonesia	Operations	100%
EsportsHero Pty Ltd	17 November 2021	Australia	Operations	100%
(Zongheng (Shanghai) Esports Information Technologies Co Limited)	16 February 2022	China	Technology development	100%