ASX ANNOUNCEMENT

31 July 2026

4QFY26 Quarterly Report and Business Update

SportsHero Limited ('SportsHero' or the 'Company'), an integrated digital gaming and e-Sports business focused in the South East Asia market, is pleased to provide the following update for the June 2026 quarter.

Highlights

- **Having established strong proof of product-market fit in Q3 FY2026, the Company used Q4 FY2026 to shift towards a pathway designed to deliver higher-margin subscriber acquisition and integrate expanded opportunities with our key telco partnerships.**
- **The June quarter saw a steady rate of subscriber sign-ups, reaching a 7-day average of 2,997/day as at 30 June 2026, in line with the 3,032 at 31 March 2026.**
- **As a result of our optimisation strategy, we experienced a significant improvement in the subscriber mix shifting toward higher value options, with weekly subscriptions increasing to 24.9% of signups in the June quarter versus ~2% in March quarter.**
- **Overall platform sessions totalled 2.1 million, up 17.1% on the March quarter, driven primarily by City Battle's football focused campaign, highlighting the success in consumer engagement and demonstrating the value this can bring to our partners.**
- **Cash receipts were $285k for the quarter. An additional $270k payment from the Philippines, due during the quarter but received this month, would have increased total receipts to approximately $555k, versus $269k in the March quarter.**
- **The Company finished the quarter with $3.45m of cash. With the $270k cash receipt mid-month and the exercise of options (underwritten as per the announcement on 28th July), the cash balance is circa ~$3.75m at the end of July.**
- **Advanced negotiations with new telco partners continued throughout the quarter and resulted in yesterday's announcement of the expanded agreement with XLSMART. Management are satisfied with the current progress of the other discussions.**
- **The appointment of Duane Mutu in July accelerates the next stage of product evolution into high velocity, high value branded content, turning HeroPlay into a broad-based gaming ecosystem and consumer engagement solution, with multiple new revenue streams expected to be launched in the coming quarters.**

SportsHero's CEO Tom Lapping said:

> *"The 4th quarter has been even more transformational for the Company. We've taken significant steps to strengthen and consolidate key partnerships, which has enabled us to turn subscriber traction and consumer engagement metrics into a far bigger integrated gaming ecosystem opportunity.*
>
> *The quality and depth of the discussions we are having with our partners give me great confidence that we are building a strong foundation for long-term value creation."*

Platform Engagement Performance the Key Focus

As outlined in the 3QFY26 quarterly report, the Company's focus for 4Q was the optimisation of product mix, channel effectiveness and subscriber engagement, through a series of initiatives.

- For the June quarter, platform sessions totalled 2.1 million, up 17.1% on the March quarter, driven primarily by City Battle's latest campaign. This metric is the clearest sign of how much traffic our marketing and campaigns are actually bringing to the product portal.
- The overall return visit rate for the June quarter was 19.44% (slightly down from 23.74% in the March quarter), reflecting the mix shift toward first-time visitors as City Battle scaled; this is distinct from City Battle's own 43.7% return rate among its engaged subscriber base noted below.
- User engagement remains a key element for SportsHero and our partners and has led to vastly improved opportunities for new product integration, platform expansion and potential revenue growth.

Q4 HeroPlay City Battle Campaign Results

City Battle, HeroPlay's city-versus-city gaming competition and key subscriber acquisition engine, launched the Q4 Football edition on 11 May 2026. The campaign demonstrated the platform's ability to rapidly scale traffic and engagement:

- City Battle sessions reached 86,713 in May alone, with engaged session quality improving measurably as the campaign progressed,
- In June, upgrade incentive mechanics designed to convert daily pass subscribers to higher-value weekly and monthly plans were introduced,
- Return visit rate was 43.7% in the June quarter compared to 28.2% in the March quarter.

Olahbola Gaming Pass: Football Funnel & Upgrade Pipeline

The Company launched the Olahbola Gaming Pass in May 2026, an entry-level subscription tier purpose-built for Indonesian football fans, giving subscribers access to 30+ football-specific game titles on the HeroPlay platform.

- The Gaming Pass represents a natural bridge between the two brands converting Olahbola's existing football audience into paying HeroPlay subscribers,

- The strategic value of the Olahbola Gaming Pass extends beyond the subscription revenue it generates directly, as each Gaming Pass subscriber enters an active upgrade pathway toward full HeroPlay Premium access, unlocking 1,000+ titles across all sports and gaming categories,
- Originally scheduled to conclude on 28 June, the campaign was extended through to 20 July 2026 aligning with the FIFA World Cup 2026 final,
- Supporting the campaign extension was a coordinated multi-channel activation program to drive sign-ups and brand presence.

Duane Mutu Appointed as Gaming & Product Strategy Advisor

Before joining SportsHero, Duane served as VP of Gaming at Mondia, leading the company's global gaming division across the Middle East, Europe and Africa, including commercial strategy for a global telco distribution network[1] driving gaming monetisation through in-app purchases, advertising, webshops, vouchers and subscriptions.

Prior to Mondia, he was Global Head of Esports & Gaming at Dentsu Sports International, where he led the agency's global esports and gaming strategy, building commercial partnerships that connected brands, publishers and fans, and positioning esports as a natural extension of Dentsu's core sports business.

Duane is the founder of LetsPlay.Live (LPL), a premier gaming and esports media company based in New Zealand, which he built from start-up through to its acquisition by Dynasty Gaming and Media in 2024. At LPL, Duane developed commercial pathways for players and fans and secured partnerships with Riot Games, EA, the NBA and the All Blacks, delivering measurable revenue and audience growth.

Since 2010, Duane has held senior commercial roles across the gaming and media industry, working with publishers including Activision, Bandai Namco, Disney Interactive, EA, Riot, SEGA and Warner Bros, and broadcasters including Twitch, Sky, TikTok and Facebook.

Duane also holds board, advisory and governance roles across the esports industry, including as a Founding Board Member of the NZ Esports Federation (NZESF), a board member of the Global Esports Federation (GEF), and Secretary General of the Oceania Esports Development Federation (OEDF). He has also worked with the Olympic Committee, High Performance Sport and government agencies on strategic projects positioning sport and gaming as commercially viable, high-growth sectors.

XLSMART Expands Agreement to Rollout HeroPlay With Full Marketing Support

Subsequent to the end of the quarter, on 30 July 2026, the Company announced the expansion to the existing agreement with XLSMART (previously XL Axiata), Indonesia's third largest telco, to include the HeroPlay mobile casual gaming subscription product.

[1] https://www.linkedin.com/in/duanemutu/

The addition of XLSMART to the distribution channel in Indonesia brings a major commercial opportunity for the Company, growing overall reach and expanding the marketing support of this product category.

- The new agreement includes full marketing support by XLSMART, targeting their fast-growing customer base of 73.0m, up 24.1% from 58.8m in 2024,[2]
- XLSMART will offer their customers the ability to subscribe to the full suite of over 1,000 mobile game titles offered in the SportsHero catalogue, using their existing phone account via Direct Carrier Billing (DCB),
- Consumers will have the flexibility to be able to select from daily, weekly or monthly subscription options,
- Integration work will commence immediately, and the platform is expected to be live with first revenue flowing in the September quarter.

Cash and Expenditure

Operating cash receipts of $285k was lower than expected due to the delayed payment of $270k from the Philippines, which was received in mid-July (which if received in June would have resulted in cash receipts of $555k for the quarter versus 3QFY26 receipts of $269k).

Product manufacturing and operating costs of -$287k versus -$248k in the 3QFY26. Approx -$80k is attributable to platform and game provider costs incurred in the quarter.

Advertising costs of -$189k versus -$201k in 3QFY26 were lower despite the consistent marketing activities to drive consumer engagement and HeroPlay sign-up traffic.

Net operating cash flow for 4QFY26 was -$611k, which included the following:

- Cash receipts $285k
- Staff costs including payments to related parties -$163k
- Product manufacturing and operating costs -$287k (see note above)
- Advertising and marketing -$189k (see note above)
- Corporate and admin costs -$41k
- Professional fees - $216k

Cash at bank as at 30 June 2026 was $3.45m, after repayment of debt of -$188k, the addition of $300k from the issue of shares (following approval of CEO Tom Lapping's participation in the February 2026 capital raising) and proceeds from the exercise of options during the quarter totalling $14k.

During 4QFY26 a total of $119k was paid to related parties of the Company as follows:

- $61k for the provision of full-time services by a Director
- $42k for salary, statutory superannuation to Exec Director; and
- $16k for Non-Exec Director fees

---

[2] https://static-cms-xlsmart.xlaxiata.my.id/production/2026/05/05/a8ac475c-dc88-4c6c-b253-d27ad35f2ed7.pdf

$1 million Undrawn Debt Facility

At the end of the 4QFY26, the existing $1 million loan facility had been paid off in full, but remains in place.

Questions : To ask a question or find out more about this announcement, go to this **link**

Authorised for release by the Board

Ross Pearson

Company Secretary

Stay Updated

Scan to sign up to SportsHero's InvestorHub

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity: Sportshero Ltd

ABN	Quarter ended ("current quarter")
98 123 423 987	30 June 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		285	1094
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(287)	(759)
	(c)	advertising and marketing	(189)	(413)
	(d)	leased assets	-	-
	(e)	staff costs	(163)	(724)
	(f)	administration and corporate costs	(257)	(986)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(611)**	**(1,788)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	300	5,951
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	14	679
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(426)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(188)	(920)
3.7	Transaction costs related to loans and borrowings	(19)	(92)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**99**	**5,192**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**3,961**	**118**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(611)	(1,788)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	99	5,192
4.5	Effect of movement in exchange rates on cash held	(3)	(76)
4.6	**Cash and cash equivalents at end of period**	**3,446**	**3,446**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,446	3,961
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,446**	**3,961**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	119
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,000	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	1,000	-

7.5	**Unused financing facilities available at quarter end**	1,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Colin Jee Fai Low	1,000	10% of the amount repaid	Unsecured	22/01/2027

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(611)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	3,446
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,000
8.4	Total available funding (Item 8.2 + Item 8.3)	4,446
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	7

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

31 July 2026

Date: ....

The Board of SportsHero Limited

Authorised by: ....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.