1H23 FINANCIAL RESULTS

Sports Entertainment Group Limited (**SEG**) today announced its financial results for the half-year ended 31 December 2022 (**1H23**).

1. 1H23 RESULTS COMMENTARY

The table below reconciles 1H23 underlying EBITDA[1] to the prior corresponding period (**pcp**).

($ million)	1H23	1H22	Variance ($)	Variance (%)
Total Revenue [1]	60.8	49.0	11.8	24.0%
Operating Expenses	56.8	41.9	15.0	35.8%
Statutory EBITDA	**3.9**	**7.2**	**-3.2**	**-44.9%**
+ Restructuring costs / abnormal items	0.7	0.6	0.1	12.9%
+ Gain on divestment of Melbourne United shareholding	0.0	-1.8	1.8	n/a
Underlying EBITDA (adjusted for abnormal/once off items)	**4.6**	**6.0**	**-1.3**	**-22.4%**
+ Impact of AASB16	-1.8	-1.7	-0.1	8.5%
Underlying EBITDA (pre AASB16) [2]	**2.8**	**4.3**	**-1.5**	**-34.8%**

The group continues to develop its strategic ambition of building a specialist sports media and entertainment business in Australia and New Zealand. Our focus to date has been building national scale and relevance (for fans and brands), growing revenue and increasing long-term equity value.

Today we have an owned radio network comprising 40 radio stations in Australia and 29 radio stations in New Zealand. We produce over 200+ radio shows and podcasts per week and broadcast live sport all year round. This specialised sports media network is complemented by other sports related assets – sporting team ownership, the AFL Record, television production, event experiences and talent management. We are confident our assets are unique, hard to replicate and of potential strategic value.

1H23 consolidated revenue[2] of $60.8 million was up 24.0% on the pcp with revenue growing across all segments:

- Media Australia up 9% to $41.3 million with strong growth from SENTrack and digital platforms in particular;
- Media New Zealand up 25% to $2.2 million as the network continues to ramp-up;
- Complementary Services was up 141% to $10.2 million reflecting normalising consumer behaviors post-COVID with strong appetite for events and experiences; and
- Sports Teams was up 39% to $6.9 million due mainly to timing with the NBL season returning to normal fixturing post-COVID and the addition of the Bendigo Spirit (acquired in April 2022).

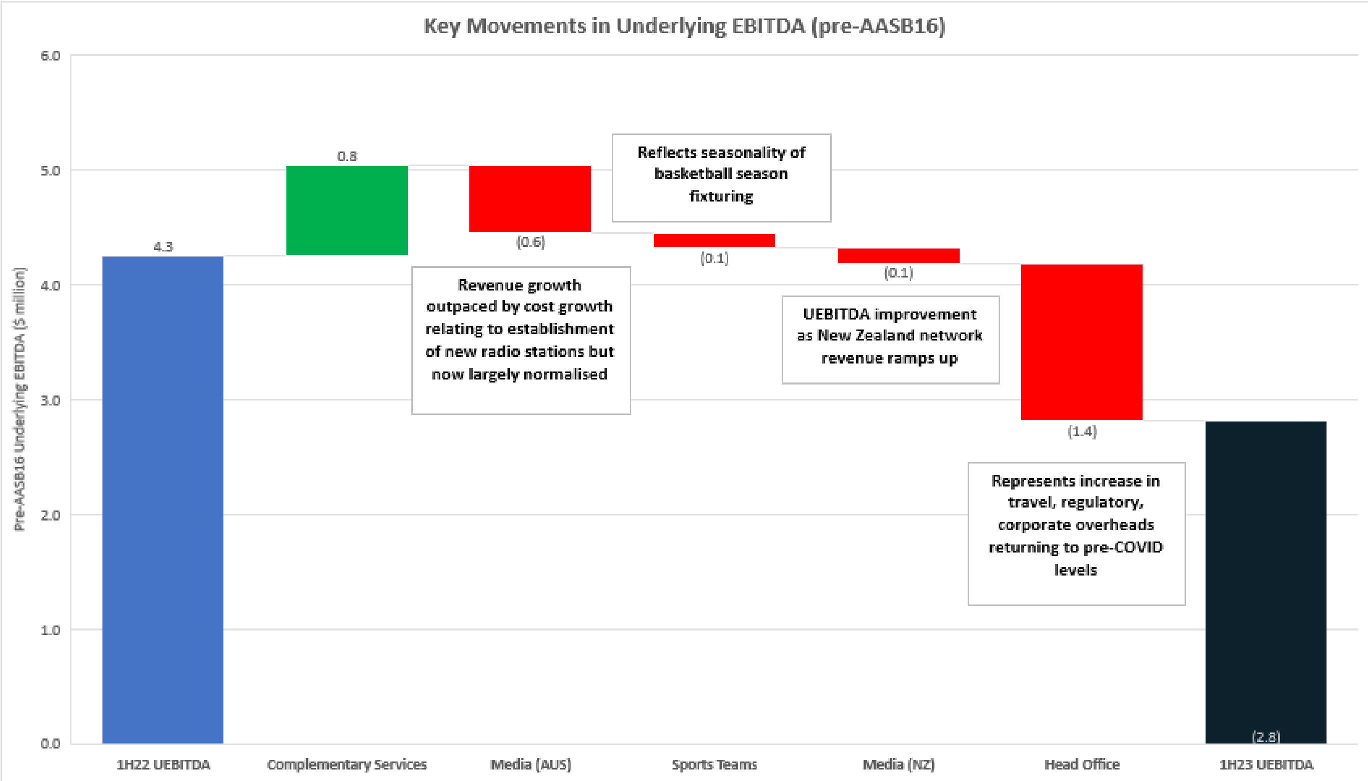
Revenue growth was more than offset by cost growth, with 1H23 underlying EBITDA down 34.8% to $2.8 million. Cost growth during the period partly reflected:

- establishment of new radio stations in Australia and New Zealand (talent, programming, sales, operating costs);
- increase in corporate overheads returning to pre-COVID levels; and
- incorporating Bendigo Spirit into the Group

We expect the operating cost base is now largely normalised, providing the opportunity for operating leverage as revenue grows.

[1] Excluding restructuring, transaction, and abnormal costs
[2] From continuing operations

The following chart reconciles the key movements in underlying EBITDA pre-AASB16 since to the pcp.



2. CAPITAL MANAGEMENT AND BALANCE SHEET

1H23 operating cash flow was $5.6 million, up 64% on the pcp. The strong cash flow represented effective working capital management including recovery of outstanding amounts from prior periods.

Net debt at 31 December 2022 was $21.7 million, up from $11.6 million at 30 June 2022. SEG remained in compliance with banking covenants during the period. $3.2 million of undrawn funds remained available as at 31 December 2022.

During the period, SEG recorded $14.1 million of net cash outflows from investing activities, mainly comprising:

- $12.0 million for the 4KQ Brisbane radio licence acquisition;
- $2.9 million of property, plant and equipment predominantly relating to owned station network expansion; and
- less $1.4 million proceeds from the divestment of land acquired with the 4KQ acquisition.

Management is focused on delivering positive returns on capital investments made to date. Cash flows from these returns will support the reduction of our debt. We will continue to explore opportunities to unlock strategic value and accelerate shareholder returns.

For more details please refer to the attached Appendix 4D.

3. TRADING UPDATE AND OUTLOOK COMMENTARY

January 2023 revenue was up 19% on the pcp.

SEG is forecasting FY23 single digit revenue growth. We expect 2H23 underlying EBITDA to be up on 1H23, subject to no material changes in the broader economic conditions in both Australia and New Zealand.

We are focused on improving margins in 2H23 and FY24, with a strict focus on cost management and operational efficiencies. This follows after a period of significant investment establishing unique and hard to replicate, owned network of multiple media platforms.

We also welcome back Sam Bingley who will take the newly created position of CEO – Sydney and New Zealand and will have an immediate impact in those key new markets.

Approved for release by the Board.

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