

1H24 FINANCIAL RESULTS

Sports Entertainment Group Limited (**SEG**) today announced its financial results for the half-year ended 31 December 2023 (**1H24**).

1. 1H24 RESULTS COMMENTARY

The table below reconciles 1H24 underlying EBITDA¹ for continuing operations to the prior corresponding period (**pcp**).

Continuing Operations

(\$ million)	1H24	1H23	Variance (\$)	Variance (%)
Total Revenue ¹	63.3	58.5	4.8	8.3%
Operating Expenses	57.7	53.5	4.2	7.9%
Statutory EBITDA	5.6	5.0	0.6	11.9%
+ Restructuring costs / abnormal items	0.8	0.7	0.1	14.2%
Underlying EBITDA (adjusted for abnormal/once off items)	6.4	5.7	0.7	12.2%
+ Impact of AASB16	-1.7	-1.8	0.1	-6.0%
Underlying adjusted EBITDA (pre AASB16) ²	4.7	3.8	0.8	20.9%

1H24 consolidated revenue² of \$63.3 million was up 8.3% on the pcp with revenue growing across all segments. Media Australia up 4% to \$42.9 million with continued growth from SENTrack and digital platforms in particular, complementary services was up 7% to \$10.7 million largely driven by experiential services and sports teams was up 19% to \$8.2 million.

Underlying adjusted EBITDA is up 20% to \$4.7 million as operating costs for the media and corporate segments matures with a 2% increase on the pcp and revenue related costs in the complementary services and sports teams segments increased by 15%.

30 June 2023 Audit Qualification

During the period management were able to rectify the matter relating to deferred revenue that was the basis of the qualification of the audit of the 30 June 2023 Financial Report and no adjustment was required to the deferred revenue balance or revenue reported in the consolidated income statement at 30 June 2023.

2. COMPLETION OF SALE OF SENZ DIGITAL & AUDIO BUSINESS

We are pleased to announce that the transaction for the sale of the SENZ digital and audio business to TAB NZ is expected to complete today. The multi-faceted deal will see SEG receive NZ\$4 million cash and is paired with a content supply partnership with SEG's Australian business making all SEN programming available on SENZ frequencies.

SEN NZ will remain the commercial arm for SENZ digital and audio and will earn commission income on advertising revenue it sources on behalf of the new ownership.

For further details of the transaction please refer to the ASX announcement on 23 November, 2023.

3. CAPITAL RAISING INITIATIVES

SEG has been exploring a number of capital raising initiatives and during the period raised \$1.5 million by selling 3.75% of its aggregated sports teams business. In February 2024, a further \$0.5 million was raised for a further 1.25%. This divestment values the SEN Teams business which includes the **Perth Wildcats, Bendigo Spirit, Melbourne Mavericks, Otago Nuggets and Southern Hoiho** at \$40.0 million.

In February 2024 SEG also raised \$2.2 million for 10,164,164 SEG ordinary shares at \$0.22 per share through a private placement.

¹ Excluding restructuring, transaction, and abnormal costs

² From continuing operations

4. RENEWAL AND EXTENSION OF DEBT FACILITY

1H24 operating cash flow was \$1.1 million.

Net debt at 31 December 2023 was \$22.93 million, up from \$22.88 million at 30 June 2023.

In February 2024 the Group reached agreement with Commonwealth Bank of Australia to renew and extend its facilities for a further three years. The Group will repay \$7.000 million in April 2024 and its new facility will be \$20.000 million plus a \$2.400 million working capital facility.

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

5. TRADING UPDATE AND OUTLOOK COMMENTARY

January 2023 revenue was up 6% on the pcp.

SEG is forecasting FY24 single digit revenue and underlying EBITDA growth. We expect 2H24 underlying EBITDA to be up on 1H24, subject to no material changes in the broader economic conditions in both Australia and New Zealand.

A strict focus on cost management and operational efficiencies continues, following a period of significant investment establishing unique and hard to replicate, owned network of multiple media platforms.

We also wish to advise of the resignation of Chief Financial Officer – Chris Tan – to pursue an opportunity to advance his career with a leading global live entertainment company.

Chris commenced with SEG in March 2018 when Crocmedia merged with Pacific Star Network (now Sports Entertainment Group) and has led the finance function during a period of significant transformation and the challenging years of the COVID-19 pandemic.

During his tenure, he has played a key role in supporting the expansion and growth of the business from two Melbourne radio stations to the multi-platform sports and entertainment business today.

Chris will finalise the renewal of the Group's banking facilities and support an effective transition of key responsibilities over the coming weeks to Trent Bond who recently appointed to the role of General Manager – Finance and will assume the role of Chief Financial Officer.

Approved for release by the Board.

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