



SPORTS ENTERTAINMENT GROUP.

ANNUAL REPORT 2022

Corporate Directory

SPORTS ENTERTAINMENT GROUP LIMITED
ABN 20 009 221 630

Directors

Craig Coleman (Chairman)
Colm O'Brien
Andrew Moffat
Craig Hutchison
Chris Giannopoulos
Jodie Simm
Ronald Hall (alternate)

Company Secretary

Jodie Simm

Registered Office & Principal Place of Business

Level 5, 111 Coventry Street
SOUTHBANK VIC 3006
Telephone: (03) 8825 6600
Email: info@sportsentertainmentgroup.com.au
Website: www.sportsentertainmentnetwork.com.au

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnson Street
ABBOTSFORD VIC 3067
Telephone: 1300 137 328
Facsimile: 1300 134 341

Stock Exchange Listing

Sports Entertainment Group Limited ordinary shares are quoted on the Australian Securities Exchange (ASX code: SEG)

Annual General Meeting

Annual General Meeting will be held on Wednesday 9 November at 3.00pm.

Chairman’s and CEO’s Report

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Sports Entertainment Group Limited (**SEG**) 2022 Annual Report.

Overview

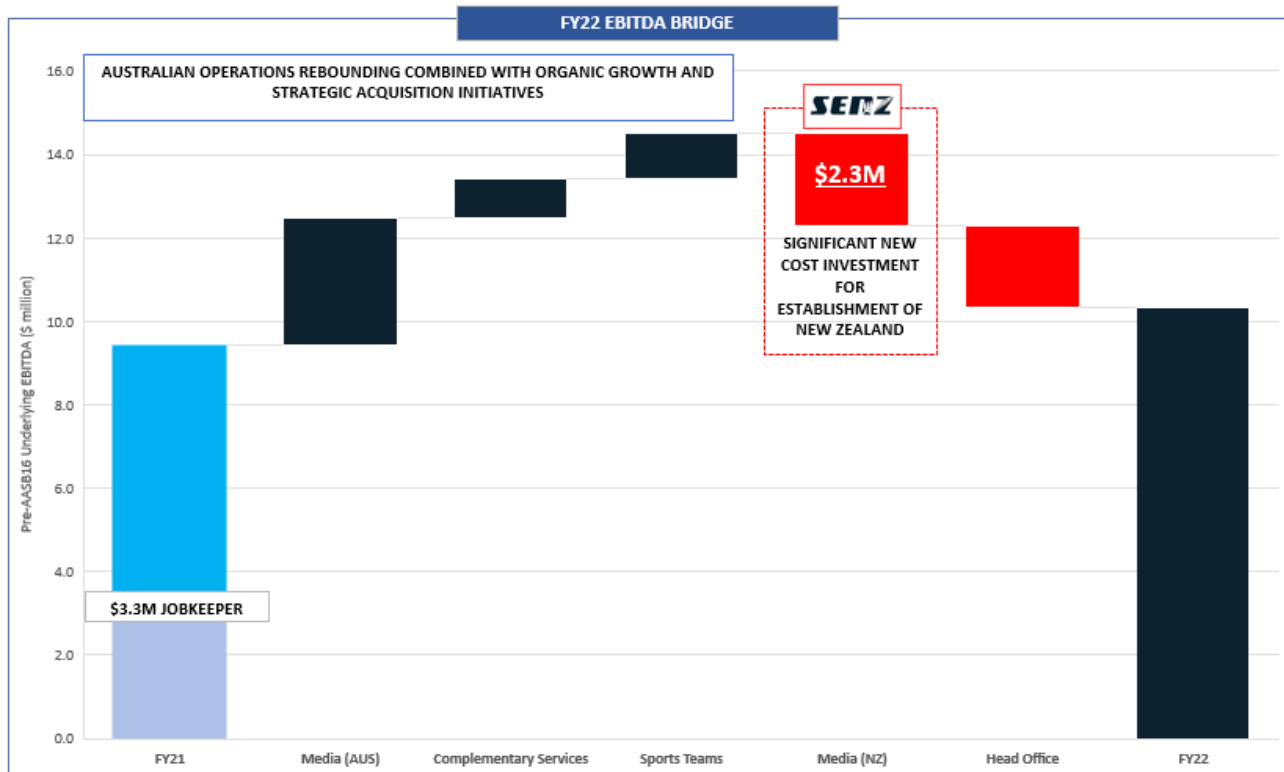
FY22 remained challenging at times during the year with ongoing impacts of the COVID-19 pandemic continuing to be felt across Australia and New Zealand. However, the acceleration of our owned station footprint rollout during the COVID-19 pandemic over the last two years has positioned us well as Australian and New Zealand advertising markets continue to recover.

Revenue for the Group of \$109.0 million was up 47.8% on the prior corresponding period, with double digit revenue growth being achieved across all business segments, notably positive Australian operations driven by organic growth and the expanded owned radio station network. Incremental revenue of \$4.1 million from the launch of New Zealand and \$12.3 million from the Perth Wildcats also contributed to this strong result.

Underlying EBITDA of \$10.3 million was up 9.6% on the prior corresponding period which includes the impact of the significant start-up costs relating to the establishment of the New Zealand station network (net \$2.3 million).

Additionally, no JobKeeper was received during the period, with the prior period benefiting by \$3.3 million.

ATTRACTIVE RETURNS ON CAPITAL REALISED BY LEVERAGING NATIONAL SALES TEAMS, BROADCAST RIGHTS, CONTENT PORTFOLIO AND TALENT



We are now connecting brands with fans across our owned station network in Australia and New Zealand by engaging them with over 200 radio shows and podcasts being produced each week. We continue to grow and attract audiences in the new markets outside of Melbourne while SEN 1116 has just become the number 1 commercial AM network for under 50’s for the first time in its history.

We also continue to see strong growth in our digital assets with August 2022 breaking records for the business:

- New record for live streaming, with 2,106,000 streams throughout August, up 11% YoY;
- Live streaming growth was significant in NSW and Queensland, increasing 47% and 42% YoY;
- New record for news article views with 15,164,000 throughout August, up 65% YoY;
- New record for unique podcast listeners with 592,000 throughout August, up 64% YoY resulting in 4.8M podcast downloads throughout August;
- 10 SEN produced podcasts ranked within the top 100 of the All Australian Podcast Ranker with **SEN Breakfast** and **Whateley** at 6th and 7th respectively;

Chairman's and CEO's Report

- New record for unique website users, with over 1.8M throughout August, up 6% YoY;
- New record for minutes streamed, with over 83M minutes streamed throughout August, up 19% MoM and 15% YoY; and
- 11.6M video views across the SEN website, app and social media platforms throughout August.

Strategic Initiatives, Acquisitions and Divestments

Expansion of Australian Network

We are pleased to have established a national network of owned stations with the latest addition in July 2022 of **SENQ 693AM** in Brisbane, which completes a key part of the owned commercial licence station network on the east coast of Australia in the AFL and NRL heartlands of Melbourne, Sydney and Brisbane.

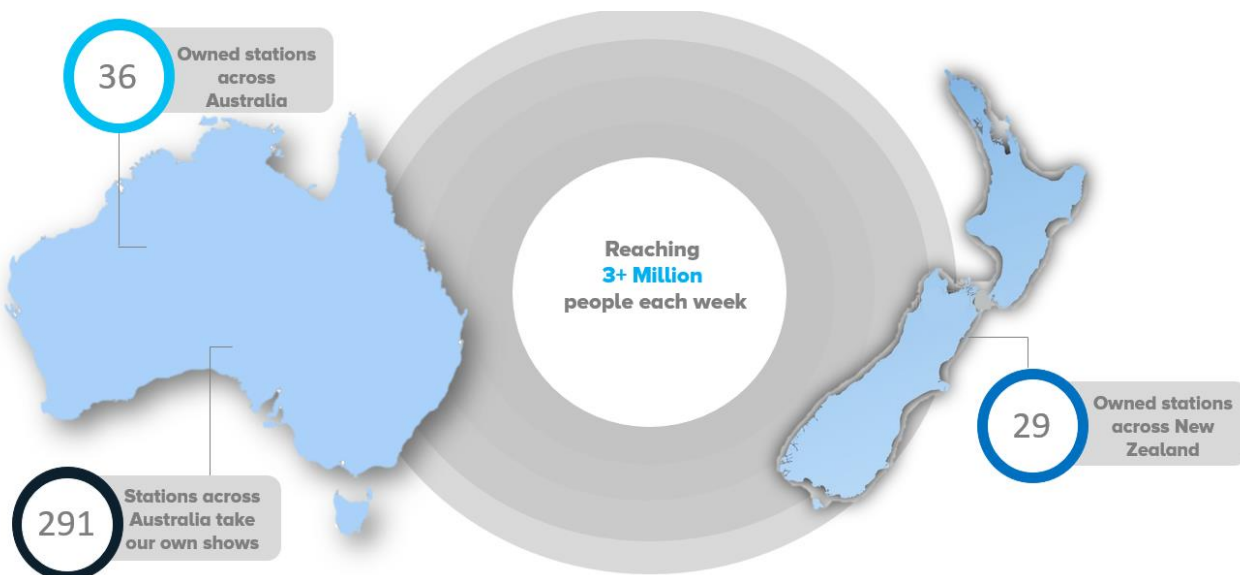
Our strategy for growth has sought to not acquire more traditional media assets that have reached maturity, where there is no immediate operational opportunity beyond their existing earnings stream alone.

Focus has been placed on low costs organic initiatives (for example *SENTrack*) and acquisitions underpinned by infrastructure or licence value. This provides opportunity for SEG to generate attractive returns on capital by leveraging:

- national sales teams with offices in each state and territory in Australia and across both North and South islands in New Zealand;
- portfolio of broadcast rights for all major sporting codes in Australia and New Zealand as well as one off marquee events like the Olympics, Commonwealth Games, international cricket fixtures;
- extensive content portfolio consisting of 205+ radio shows and podcasts being produced a week.

SEG's owned station network covering all Australian states and territories and New Zealand has now grown to 60+ consisting of:

- 14 **SEN** branded stations – Sports/Talk
- 17 **SENTrack** branded stations – Racing, Chasing and Pacing
- 4 **SEN** branded app channels
- **SEN Spirit** – Sports/Music/Talk
- 29 **SENZ** branded stations – Sports/Talk



Sports Team Ownership

In August 2021, SEG acquired 100% of the Perth Wildcats basketball team. The Perth Wildcats are the most successful team in the history of the National Basketball League and one of the world's most successful sporting franchises. The acquisition provides significant strategic value to our operations, particularly in Western Australia where it will support other investments which have been made in the last 24 months.

In addition, we acquired licences for the following men's and women's basketball teams during the year:

- the **Bendigo Spirit** that competes in the Women's National Basketball League which is an extension of SEG's strong connection with regional Australia through its radio network;

Chairman’s and CEO’s Report

- the **Otago Nuggets** that competes in the New Zealand National Basketball League who won the 2022 Championship in our inaugural year after previously winning in 2020;
- the **Southern Hoiho** which was a brand new franchise that competed in the newly launched Tauhi Basketball Aotearoa (New Zealand Women’s National Basketball League)



We have seen the benefits of our involvement via our minor shareholding with Melbourne United over the last three years, and the opportunity to be a key stakeholder in the continued growth of basketball in Australia aligned strongly with our “Whole of Sport” strategy.

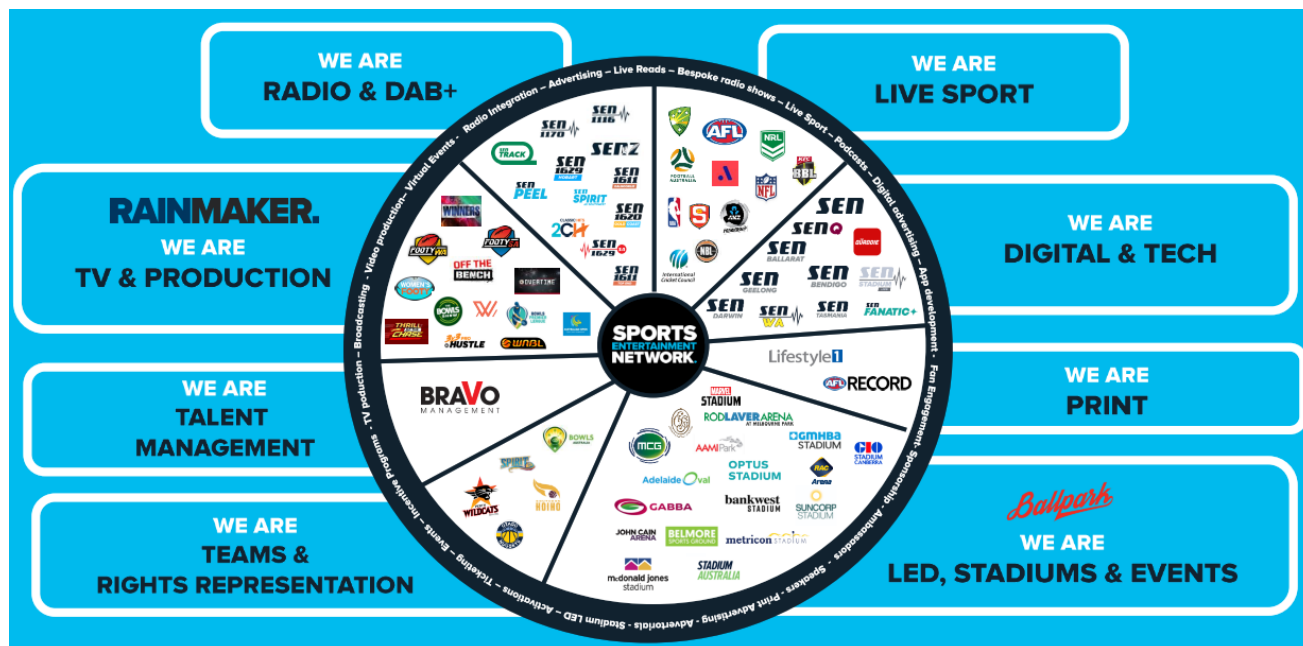
We fully divested our original 25% shareholding in Melbourne United with 20% divested for \$2.6 million (September 2021) and the remaining 5% for \$1.5 million (June 2022).

Our Strategy Journey and Payoff

Over the last four years, SEG has invested \$53.3 million in strategic acquisitions and \$17.2 million in capital expenditure, largely funded by operating cashflow and divestment of non-core assets of \$6.9 million creating a suite of operating assets with long-term growth in strategic value. We will continue to identify opportunities to build a unique multi-national sports media and entertainment business across multi-faceted media platforms (radio, TV, print, digital), sports team ownership and complementary services.

We are confident we have created a suite of assets with long-term growth and in strategic value. Our significant investment to establish multiple media platforms – radio, TV, digital, print, teams – supported by broadcast rights, talent and extensive content is unique and hard to replicate.

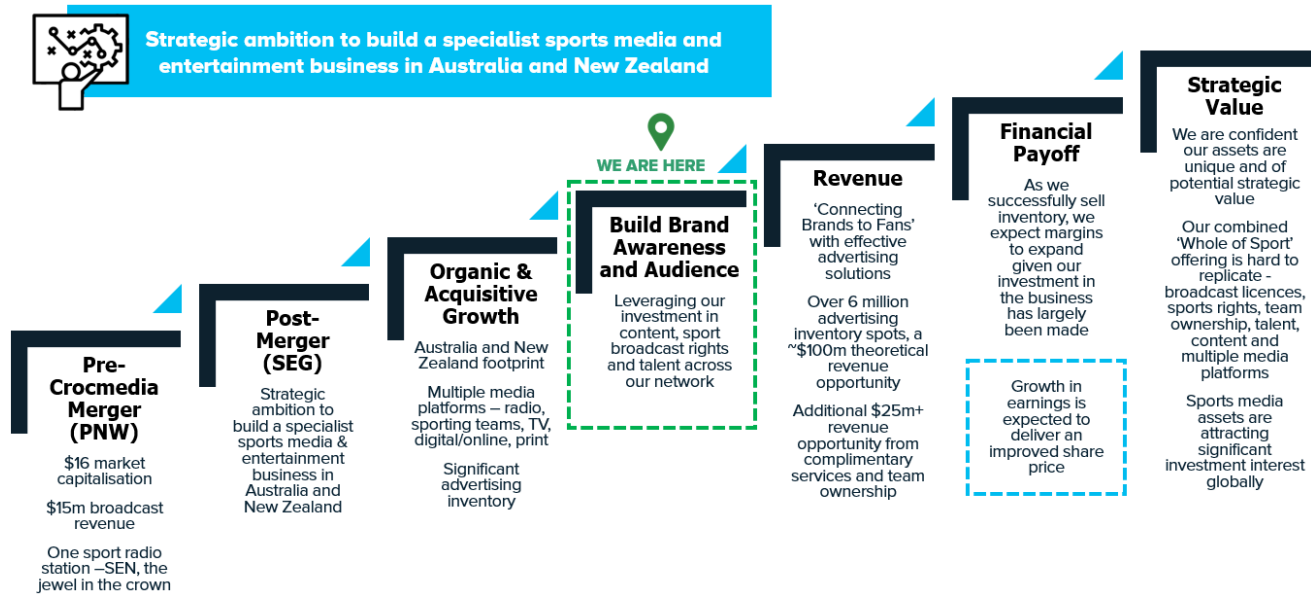
We also believe we are operating in an attractive media segment, with sports media assets attracting significant investment globally.



Chairman's and CEO's Report



Strategic ambition to build a specialist sports media and entertainment business in Australia and New Zealand



Pre-Crocmedia Merger (PNW)

\$16 market capitalisation
\$15m broadcast revenue

One sport radio station – SEN, the jewel in the crown

Post-Merger (SEG)

Strategic ambition to build a specialist sports media & entertainment business in Australia and New Zealand

Organic & Acquisitive Growth

Australia and New Zealand footprint
Multiple media platforms – radio, sporting teams, TV, digital/online, print

Significant advertising inventory

WE ARE HERE

Build Brand Awareness and Audience

Leveraging our investment in content, sport broadcast rights and talent across our network

Revenue

'Connecting Brands to Fans' with effective advertising solutions

Over 6 million advertising inventory spots, a ~\$100m theoretical revenue opportunity

Additional \$25m+ revenue opportunity from complimentary services and team ownership

Financial Payoff

As we successfully sell inventory, we expect margins to expand given our investment in the business has largely been made

Growth in earnings is expected to deliver an improved share price

Strategic Value

We are confident our assets are unique and of potential strategic value

Our combined 'Whole of Sport' offering is hard to replicate - broadcast licences, sports rights, team ownership, talent, content and multiple media platforms

Sports media assets are attracting significant investment interest globally

Outlook

Revenue opportunities are continuing to grow as the profile of the expanded owned network matures and builds audiences, with July and August 2022 up 17% and 37% on the pcp respectively.

SEG is budgeting to continue double digit revenue and underlying EBITDA growth in FY23 subject to no material changes in the broader economic conditions in both Australia and New Zealand.

Finally, I would like to thank and congratulate SEG's management team, employees and talent for delivering this year's result. Our innovation, creativity and passion for connecting brands to fans drives us to make a sports fan's day by engaging them through our unique content across our multi-faceted media platforms.

Craig Coleman
Chairman

Melbourne, 6 October 2022

Craig Hutchison
Chief Executive Officer

Melbourne, 6 October 2022

Table of Contents

Directors' Report	7
Remuneration Report	12
Auditor's Independence Declaration	22
Independent Auditor's Report	23
Directors' Declaration	28
Consolidated Statement of Profit or Loss and Other Comprehensive Income	29
Consolidated Statement of Financial Position	30
Consolidated Statement of Changes in Equity	31
Consolidated Statement of Cash Flows	32
Notes to the Consolidated Financial Statements	33
Additional Securities Exchange Information	70

Directors' Report

The directors of Sports Entertainment Group Limited ("SEG"), the consolidated entity, submit herewith the annual report for the year ended 30 June 2022.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the Company at any time during or since the end of the financial year are:

Name	Particulars
Craig Coleman	Appointed Non-Executive Director and Chairman on 15 November 2017
Colm O'Brien	Appointed Non-Executive Director on 8 September 2015
Andrew Moffat	Appointed Non-Executive Director on 15 November 2017
Craig Hutchison	Appointed Chief Executive Officer & Managing Director on 29 March 2018
Chris Giannopoulos	Appointed Executive Director on 29 March 2018
Jodie Simm	Appointed Executive Director on 4 October 2021
Ronald Hall	Appointed as an alternative Non-Executive Director on 18 November 2017 (alternative to Andrew Moffat)

Current Directors

The biographies for current directors are detailed below:

Mr Craig Coleman

Chairman and Non-Executive Director (BComm)

Mr Coleman is co-founder and Managing Partner of Viburnum Funds Pty Ltd, a private and public equities fund manager. Previously, he was Managing Director and a Non-Executive Director of Home Building Society Limited. Prior to joining Home Building Society, Mr Coleman held a number of senior executive positions and directorships with ANZ, including Managing Director - Banking Products, Managing Director - Wealth Management and Non-Executive Director of Etrade Australia Limited.

Mr Coleman is also currently a Director of Universal Biosensors Inc.

Mr Colm O'Brien

Non-Executive Director (BCL (Hons), UCC, AICD)

Mr O'Brien has over 20 years' experience at executive level, including ten years as CEO with ASX-listed media company Aspermont Limited, where he developed a digitally led global resources media business. In addition to his media industry experience, Mr O'Brien has worked in international financial services, tier one management consultancy at Andersen Consulting (Accenture) and Barclays Bank Plc.

Mr O'Brien is a founding director of Carrington Partners, a specialised management consultancy business focused on Board and Executive level practical advice across a broad range of industries.

Mr Andrew Moffat

Non-Executive Director

Mr Moffat has in excess of 25 years of corporate and investment banking experience, including serving as a director of Equity Capital markets and Advisory for BNP Paribas Equities (Australia) Limited.

Mr Moffat is the sole principal of Cowoso Capital Pty Ltd, a company providing corporate advisory services and is also a non-executive Director of 360 Capital Group Limited, ICP Funding Pty Ltd, IPD Group Limited, and was previously Chairman of SEG.

Mr Ronald Hall

Non-Executive Director

Mr Hall is the founder and promoter of a number of successful Melbourne-based retail businesses. Mr Hall has been a long-time supporter of radio for marketing his products.

Directors' Report

Current Directors (continued)

Mr Craig Hutchison

Chief Executive Officer & Managing Director

Mr Hutchison started out with the Herald Sun newspaper in 1994. After a successful career in papers, he moved to radio. Mr Hutchison transitioned into television in 1997, reporting for Channel 10, then Channel 7, establishing himself as one of the AFL's greatest news-breakers. He has co-hosted Nine's popular Footy Classified for the past 15 seasons.

During his previous journalism career, Mr Hutchison won many awards, including journalism's highest honour, the prestigious Walkley Award, and a Quill Award. He has also won the Australian Football Media Association Award for Best Electronic Reporter 11 times.

Mr Hutchison co-founded Sports Entertainment Network in 2006, which has grown to become a key player in the AFL landscape under his leadership.

Mr Chris Giannopoulos

Executive Director

Mr Giannopoulos was Director of Client Management and New Business Development at IMG for 14 years before he joined Sports Entertainment Network in March 2011. He has extensive media contacts and strong negotiation skills and is focusing on live sports rights acquisitions, building Sports Entertainment Group's distribution partnerships and syndication business along with overseeing Bravo Talent Management and its expansion.

Ms Jodie Simm (CA)

Executive Director & Company Secretary

Ms Simm has had 10 years' experience working with Deloitte Growth Solutions as a Client Director consulting to SME's regarding all tax, business and accounting issues before working with Sports Entertainment Network since 2007.

Ms Simm was previously a member of the Institute of Chartered Accountants and has a Bachelor of Economics.

Directorship of other Listed Companies

Directorships of other listed companies held by directors in the three years preceding the end of the financial year are as follows:

Craig Coleman:	Universal Biosensors Inc – Chairman Bell Financial Group Limited – Non-Executive Director (resigned 17 February 2021)
Colm O'Brien:	Schrole Limited – Non-Executive Director (appointed 20 October 2021) icetana Limited - Non-Executive Director (appointed 8 February 2022) K-TIG Limited – Non-Executive Director (resigned 23 June 2020)
Andrew Moffat:	360 Capital Group Limited – Non-Executive Director IPD Group Limited – Non-Executive Director

Principal Activities

Sports Entertainment Group Limited is a sports media content and entertainment business, which through its other complementary business units, has capabilities to deliver brand stories to national, metropolitan and regional audiences with unique and exclusive content via multiple platforms including radio, print, television, online, in-stadium and events.

Directors' Report

Review of Operations

Review of financial results

- For the year ended 30 June 2022, the Group delivered a pleasing financial result in light of the continued impact the COVID-19 global pandemic had on local sporting seasons, restrictions on event gatherings and ongoing impact on advertisers, and the global economy. Total revenue from continuing operations of \$108.982 million up by 48% and underlying EBITDA at \$14.059 million up by 26% on the comparative period.

Further highlighting the Group's strong result for the year ended 30 June 2022, the comparative period result included \$3.301 million in temporary funding received from the Federal Government JobKeeper subsidy scheme. The Group did not meet the eligibility criteria for the final funding round of that scheme.

An adjusted comparative period result excluding the JobKeeper funding would have resulted in a 55% year on year increase to revenues from continuing operations and an 80% increase in underlying EBITDA.

The current year underlying result excludes once-off significant items of a \$1.800 million gain on disposal of the Group's 20% shareholding in the Melbourne United Basketball Club recorded in August 2021, and \$1.164 million of significant costs, which includes \$0.451 million transaction costs on the acquisitions of Perth Wildcats, and \$0.713 million other restructuring and M&A costs. Similarly, the underlying result for the comparative 2021 period excludes once-off significant positive items of \$0.677 million associated with discounts from suppliers and commercial partners for contracted technical costs unable to be serviced; the loss on the disposal of property plant and equipment not used for ordinary business operations; and significant transaction costs on the acquisitions of 2CH and the narrowband radio licences

- The Group's underlying EBITDA for the year pre application of AASB16 was \$10.344 million, up by 10% on the comparative period (or up by 69% after normalising the impact of JobKeeper funding in the comparative period).
- The Australian operations (excluding the Perth Wildcats) has outperformed expectations for the period resulting from the expansion of the national radio distribution footprint, continued evolution of digital platforms and capitalising on opportunities by our complementary services divisions in the heavily COVID-19 disrupted landscape in which they operate.
- On 8 August 2021, the Group completed the acquisition of 100% of the Perth Wildcats basketball team for a purchase consideration of \$8.500 million less working capital adjustments of \$0.854 million for a net cash consideration of \$7.646 million which was paid upon completion. The Group has acquired almost all assets and liabilities of the existing operations of the Perth Wildcats.

The Perth Wildcats are the most successful team in the history of the NBL with 10 championships and one of the world's most successful sporting franchises with a record 35-year run of consecutive NBL finals appearances.

Aligning with our "Whole of Sport" strategy, the Perth Wildcats will enhance the Group's ability to enrich the lives of sports fans and connect brands to those fans, while providing significant strategic value to the Group's operations, particularly in Western Australia where it will support other investments which have been made in the last 18 months.

- On 28 September 2021, the Group divested 20% of its shareholding in the Melbourne United Basketball Club for a cash consideration of \$2.600 million. Subsequently, on 15 June 2022, the Group divested its remaining 5% shareholding in the Melbourne United Basketball Club for a cash consideration of \$1.500 million. The disposal of the Group's entire 25% shareholding has resulted in the Group recording a total gain on the disposal of the investment of \$3.100 million, with \$1.300 million of this gain being recognised directly through Other Comprehensive Income.

Significant Changes in the State of Affairs

Other than the matters referred to in the Review of Operations, in the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2022.

Dividends

After careful consideration, the directors have taken the decision to not pay a final dividend in order to retain earnings to fund continued growth, reduce debt and strengthen working capital following the financial impact caused by the COVID-19 pandemic.

Directors' Report

Events since the end of the Financial Year

Acquisition of 4KQ 693AM Brisbane

On 1 July 2022, the Group completed the acquisition of 100% of the business and assets relating to the 4KQ commercial radio broadcasting licence ("4KQ") from ARN Communications Pty Ltd (ARN), a subsidiary of HT&E Limited (ASX:HT1). The sale of 4KQ was required by the Australian Communications and Media Authority (ACMA) following HT&E's acquisition of the licence from Grant Broadcasters in January 2022.

The acquisition of 4KQ expands SEG's owned radio platform and audience reach into Brisbane, and now completes the key components of our national footprint strategy with 36 stations now in operation in all capital cities and states. 4KQ strengthens SEG's eastern seaboard reach with commercial licences in the key AFL and NRL markets of Melbourne, Sydney and Brisbane.

The addition of SENQ – Queensland's Home of Sport enhances SEG's existing owned platforms in Queensland making it the flagship station to complement the existing *SEN Gold Coast 1620AM*, *SENTrack Brisbane 1053AM*, *SENTrack Atherton 99.1FM*, *SENTrack Ingham 96.9FM*, *SENTrack Kingaroy 96.3FM*, and *SENTrack Darling Downs 91.5FM*.

The acquisition is a continuation of SEG's strategy for growth, investing in assets that are underpinned by infrastructure or licence value. The owned station network provides opportunities for SEG to generate attractive returns on capital by leveraging existing investments in national sales teams, broadcast rights, unique content portfolio and high-profile talent.

4KQ is expected to deliver an incrementally positive contribution to earnings in its first 12 months.

Likely Developments and Expected Results of Operations

Certain information regarding likely developments in the operations of the Group in future financial years is set out above or elsewhere in the Financial Report. The disclosure of information, other than elsewhere in the financial report regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group or any entity that is part of the Group. Accordingly, the directors have chosen not to disclose this information in this report.

Auditors

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Compliance with National Greenhouse & Energy Reporting (NGER) Act

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnification of Officers and Auditors

During the financial year, premiums were paid to insure Directors and Officers against liabilities and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as an officer, other than conduct involving a wilful breach of duty in relation to the Company.

The amount of the premium is not disclosed under the terms and conditions of the policy.

As at the date of this report, no amounts have been claimed or paid in respect of this indemnity, other than the premium referred to above. During or since the financial period, the Company has not indemnified or made a relevant agreement to indemnify the auditor against a liability incurred as auditor.

Shares and Options granted to Executives and Employees

Shares under option

Key Management Personnel (KMP) have been granted options over ordinary shares that can be exercised at future dates. If all performance conditions were met during the term, up to 9,696,145 options could be exercised as long-term incentives (LTI) for nil consideration.

Directors' Report

Shares and Options granted to Executives and Employees (continued)

Shares under option (continued)

Unissued ordinary shares of Sports Entertainment Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
25 Jun 2020	28 Jan 2024 ¹	Nil	333,333
24 Mar 2022	30 Sep 2022 ¹	Nil	3,232,004
24 Mar 2022	30 Sep 2023 ¹	Nil	3,232,013
24 Mar 2022	30 Sep 2024 ¹	Nil	3,232,028
			10,029,378

¹ The expiry date of these options is as per the vesting conditions outlined on page 14.

Shares and Options granted to Executives and Employees

Shares issued on the exercise of options

During the period, 5,010,972 ordinary shares were issued on the exercise of 5,010,972 options for nil consideration. For further information about options issued to KMP refer to page 17 of the Remuneration Report.

The relevant interests of current directors in shares in the Company or a related body corporate as at the date of this report are as follows:

Directors	No. of Fully Paid Ordinary Shares
Andrew Moffat	3,002,700
Chris Giannopoulos	9,812,899
Colm O'Brien	310,337
Craig Coleman ¹	55,881,621
Craig Hutchison	51,454,094
Jodie Simm	4,548,785
Ronald Hall ²	20,109,998
Total	145,120,434

¹ Includes 55,211,924 shares held by Viburnum Funds Pty Ltd.

² R Hall's interest in ordinary shares is held through Tosca Boxer Pty Ltd ATF The Hall Family Trust.

Meetings of Directors

The table below sets out the number of board meetings held during the year and the number of meetings attended by each director. For the reporting period, 9 board meetings were held.

Directors	Board of Directors		Remuneration Committee		Audit and Risk Management Committee	
	Held	Attended	Held	Attended	Held	Attended
Craig Coleman	9	8	1	1	-	-
Colm O'Brien	9	9	1	1	3	3
Andrew Moffat	9	9	1	1	3	3
Craig Hutchison	9	8	-	-	-	-
Chris Giannopoulos	9	8	-	-	-	-
Jodie Simm	7	7	1	1	3	3
Ron Hall ¹	-	-	-	-	-	-

¹ As an alternate non-executive director, Ron is only required to attend Meetings of Directors where Andrew Moffat is unavailable.

Directors' Report

Remuneration Report (Audited)

This Remuneration Report, which has been audited, outlines director and executive remuneration arrangements in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the business, directly or indirectly, as an executive.

Key Management Personnel disclosed in this report

Directors	Position	Period
Craig Coleman	Non-Executive Director and Chairman	Full year
Colm O'Brien	Non-Executive Director	Full year
Andrew Moffat	Non-Executive Director	Full year
Ronald Hall	Non-Executive Director / Alternative Director	Full Year
Craig Hutchison	Chief Executive Officer and Executive Director	Full year
Chris Giannopoulos	Executive Director	Full year
Jodie Simm	Chief Operating Officer, Executive Director, & Company Secretary	From 4 October 2021

Other KMPs	Position	Period
Richard Simkiss	Group Business Director	Full year

Principles used to determine the nature and amount of remuneration

The principal objective is to ensure that rewards paid for performance are competitive and are commensurate with the results achieved.

The guiding principles for developing executive remuneration are:

- Remuneration should include an appropriate mix of fixed and performance-based variable pay components;
- The various components of remuneration should be understandable, transparent and easy to communicate; and
- Remuneration practices should be acceptable to internal and external stakeholders.

In approving budgets, the Board sets out to link remuneration policies with financial performance.

This Remuneration Report, which has been audited, outlines director and executive remuneration arrangements in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the business, directly or indirectly, as an executive.

Use of remuneration consultants

Directors have not engaged the services of remuneration consultants during the reporting period.

Relationship between remuneration and the Company's financial performance

Financial Performance - \$'000's	2022	2021	2020	2019	2018
Profit/(loss) for year before tax attributable to owners	4,130	3,085	(5,293)	5,375	(2,528)
Profit/(loss) for year after tax attributable to owners	3,172	2,043	(4,360)	3,452	(2,919)
Basic earnings/(loss) per share (cents)	1.35	0.89	(2.13)	1.70	(2.80)
Dividends per share (cents)	-	-	-	-	-
Dividend payments (\$'000s)	-	-	-	-	-
Dividend payout ratio – underlying earnings (%)	-	-	-	-	-
Share price at year end (A\$)	0.24	0.25	0.28	0.31	0.33
KMP incentives as % of profit/(loss) after tax for the year ¹	32%	5%	2%	23%	5%

¹ KMP incentives are short / long-term incentives per the Remuneration Report.

Directors' Report

Remuneration Report (Audited)

Relationship between remuneration and the Company's financial performance (continued)

In accordance with best practice corporate governance, the structure of non-executive Director and other KMP remuneration is separate and distinct.

Non-executive directors are remunerated with fees within the aggregate limit approved by shareholders. Each non-executive director receives a fixed fee for being a director.

Directors' remuneration for the period ending 30 June 2022 is detailed on pages 15 and 16.

Non-executive directors are remunerated for providing additional services based on market rates and the range of skills and experience they bring to the Company.

The Company rewards executives with a mix of remuneration commensurate with their position and responsibilities, and remuneration structures are reviewed regularly to ensure that:

- remuneration is competitive by market standards;
- rewards are linked to strategic goals and performance; and
- accountabilities and deliverables are clearly defined to minimise potential conflicts of interest and promote effective decision-making.

Total remuneration is made up of the following elements:

- fixed remuneration;
- short-term incentives (STIs); and
- long-term incentives (LTIs).

Fixed remuneration is determined to provide a base level of remuneration appropriate to the position that is competitive and takes account of each individual's experience, qualifications, capabilities and responsibilities. It is benchmarked to ensure that remuneration is competitive with the market.

KMP receive fixed remuneration in cash. This remuneration is detailed on pages 15 and 16.

STIs are based on achieving Key Performance Indicators (KPIs) that focus participants on achieving personal and business goals that create sustainable shareholder value. STI payments are bonuses linked to actual performance in a financial year. Current service agreements with KMPs are detailed on pages 19 and 20.

STIs are dependent on achieving KPIs linked to key business drivers. STIs include financial incentives to employees for achieving or exceeding monthly, quarterly and annual targets.

The senior management team is responsible for assessing the performance of individuals against KPIs on a periodic basis, and they have the discretion to recommend other STIs over and above target amounts. The senior management team presents recommendations to the full board for approval.

No options lapsed during the year when the performance hurdles were not met.

Options are exercisable into an equivalent number of escrowed ordinary shares. A condition of exercising options is that the recipient is restricted from dealing in those shares during the escrow period. Details of options granted are disclosed on page 17. The table below summarises the performance and vesting conditions for options that may be exercised under the LTI plan, as at the date of this report.

The performance conditions required to be achieved by KMP vary depending on the responsibilities and accountabilities of each individual KMP

Directors' Report

Remuneration Report (Audited)

Relationship between remuneration and the Company's financial performance (continued)

Series	Issued	Vesting timing	Vesting conditions
Issue 19	25 Jun 20	Subject to achieving employment service conditions, options vest on the completion of the employment service agreement.	Successful completion of the employment service period of three years expiring on 28 January 2023.
Issue 26	24 Mar 22	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2022	Tranche 1 – Performance Hurdle LTM Underlying EBITDA of \$11.006 million subject to certain adjustments as approved by the Board. If vesting conditions are not met, 50% of Tranche 1 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 2 and 50% of Tranche 1 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3.
Issue 27	24 Mar 22	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2023	Tranche 2 – Performance Hurdle LTM Underlying EBITDA of \$12.750 million for the year ending 30 June 2023 and subject to certain adjustments as approved by the Board. If vesting conditions are not met, 50% of Tranche 2 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3 excluding those rolled from Tranche 1 and 50% of Tranche 2 eligible rights will be rolled into the future and tested on 30 June 2024 but will have a Performance Hurdle of LTM Underlying EBITDA of \$15.700 million, and subject to certain adjustments as approved by the Board.
Issue 28	24 Mar 22	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2024	Tranche 3 – Performance Hurdle LTM Underlying EBITDA of \$14.200 million for the year ending 30 June 2024 and subject to certain adjustments as approved by the Board.

With respect to LTIs, the primary objective is to reward staff and KMP in a way that aligns payment of remuneration with generating long-term shareholder value.

LTI option grants are made using a premium or an at-market price of the shares under option as a component of the performance hurdle, and in addition KMP and staff are required to meet certain length-of-service obligations.

As the fixed or variable component of remuneration is not dependent on share price or dividends, there is no discussion of the relationship between the board's remuneration policy and financial performance, included in this report.

Directors invite individuals to participate in the Employee and Executive Incentive Plan (EEIP) whereby they are granted options that can only be exercised subject to achieving service and vesting conditions at the end of specific periods.

Voting and comments at the Company's 2021 Annual General Meeting (AGM)

At the last Annual General Meeting, the Company received a 'yes' vote of 99.99% on its Remuneration Report for the 2021 financial year. The Company did not receive any specific feedback from shareholders at the meeting relating to the nature of its remuneration practices.

Directors' Report

Remuneration Report (Audited)

Details of Remuneration – Key Management Personnel

Remuneration arrangements are formalised in employment or consultancy agreements. Remuneration packages contain cash salary, commissions, other short-term incentives, annual leave and long service leave provision movements, superannuation and the cost of share-based payments expensed for LTI's.

Remuneration for each member of KMP for the year ended 30 June 2022 is shown below:

2022	Short Term Employee Benefits	Short Term Incentives	Short Term Benefits Total	Post-Employment Benefits	Share Based Payment	Long Term Employee Benefits	Termination Benefits	Total
Non-Executive Directors of Sports Entertainment Group Limited								
C Coleman	67,500	-	67,500	-	-	-	-	67,500
A Moffat	45,000	-	45,000	4,500	-	-	-	49,500
C O'Brien	49,275	-	49,275	-	-	-	-	49,275
R Hall	-	-	-	-	-	-	-	-
Sub-total	161,775	-	161,775	4,500	-	-	-	166,275
Other Key Management Personnel of the Group								
C Hutchison ^{1,3}	449,590	120,000	569,590	23,568	318,308 ² 36%	17,435	-	928,901
C Giannopoulos ⁴	420,151	48,697	468,848	23,568	147,171 ² 23%	16,494	-	656,081
J Simm ⁵	337,127	42,500	379,627	23,568	140,122 ² 25%	17,547	-	560,864
R Simkiss ⁶	396,455	70,000	466,455	23,568	122,728 ² 20%	8,355	-	621,106
Sub-total	1,603,323	281,197 10%	1,884,520	94,272	728,329 ² 27%	59,831	-	2,766,952
Total	1,765,098	281,197 10%	2,046,295	98,772	728,329 ² 25%	59,831	-	2,933,227

¹ In addition to the remuneration for C Hutchison, the Group has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling \$550,000. The total remuneration for C Hutchison for the reporting period inclusive of the talent services fee was \$1,478,901.

² Some share-based expenses calculated under the Binomial model in respect of the value of share options issued.

³ C.Hutchison achieved 100% of their contracted bonus entitlement.

⁴ C.Giannopoulos achieved 97% of their contracted bonus entitlement and forfeited 3%.

⁵ J.Simm achieved 85% of their contracted bonus entitlement and forfeited 15%.

⁶ R.Simkiss achieved 100% of their contracted bonus entitlement.

Directors' Report

Remuneration Report (Audited)

Details of Remuneration – Key Management Personnel (continued)

2021	Short Term Employee Benefits	Short Term Incentives	Short Term Benefits Total	Post-Employment Benefits	Share Based Payment	Long Term Employee Benefits	Termination Benefits	Total
Non-Executive Directors of Sports Entertainment Group Limited								
C Coleman ⁴	65,000	-	65,000	-	-	-	-	65,000
A Moffat ⁴	43,333	-	43,333	4,117	-	-	-	47,450
C O'Brien ⁴	47,450	-	47,450	-	-	-	-	47,450
R Hall	-	-	-	-	-	-	-	-
Sub-total	155,783	-	155,783	4,117	-	-	-	159,900
Other Key Management Personnel of the Group								
C Hutchison ^{5,6}	432,341	-	432,341	21,694	24,770 ² 6%	(33,042)	-	445,763
C Giannopoulos ⁵	370,005	-	370,005	21,694	12,385 ² 3%	200	-	404,284
J Simm ⁵	337,701	-	337,701	21,694	12,385 ² 3%	3,077	-	374,857
R Simkiss ⁵	371,821	-	371,821	21,694	18,491 ² 4%	3,898	-	415,904
P Moloughney ^{3,5}	211,173	40,894 ¹ 9%	252,067	26,196	-	-	192,505	470,768
Sub-total	1,723,041	40,894 ¹ 2%	1,763,935	112,972	68,031 ² 3%	(25,867)	192,505	2,111,576
Total	1,878,824	40,894 ¹ 2%	1,919,718	117,089	68,031 ² 3%	(25,867)	192,505	2,271,476

¹ Included a quarterly discretionary cash payment for commission based on Group revenue targets met during the first quarter of the financial year.

² Some share-based expenses calculated under the Binomial model in respect of the value of share options issued.

³ P Moloughney's employment ceased on 16 February 2021. All amounts disclosed for P Moloughney are for the period that he was employed.

⁴ It was mutually agreed by the Board of Directors, that Director fees were reduced by 20% from April 2020 through to 31 October 2020 as a result of the significant financial and operational impact the COVID-19 pandemic and subsequent government restrictions have had on the Group. It was also agreed that the Directors' fee were permanently reduced by 10% from 1 November 2020.

⁵ The mutual agreement with Executives of 20% reduction in salaries, along with variable reduced hours as a result of the significant financial and operational impact the COVID-19 pandemic and subsequent government restrictions have had on the Group remained in place until 31 October 2020, with November 2020 and December 2020 having a reduction of 10% in salaries. Furthermore, effective 1 November 2020 remunerations were re-negotiated with individual Executives.

⁶ In addition to the remuneration for C Hutchison, the Group has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling \$550,000. The total remuneration for C Hutchison for the reporting period inclusive of the talent services fee was \$945,763.

Directors' Report

Remuneration Report (Audited)

Details of Share Based Compensation – Exercised during the year

Issued to	Grant date	Vesting date	Exercise date	Exercised during the year	Value of options exercised during the year	Fair value of options at grant date
				Number	\$	\$
C Hutchison	29 Mar 2018	30 Sep 2021	21 Mar 2022	1,712,542	402,447	33 cents
C Giannopoulos	29 Mar 2018	30 Sep 2021	21 Mar 2022	856,271	201,224	33 cents
J Simm	29 Mar 2018	30 Sep 2021	21 Mar 2022	856,271	201,224	33 cents
R Simkiss	29 Mar 2018	30 Sep 2021	21 Mar 2022	685,017	160,979	33 cents
Total				4,110,101	965,874	n/a

Details of Share Based Compensation – Granted during the year

Issued to	Grant date	Vesting date	Expiry date	Granted during the year	Value of options granted during the year	Fair value of options at grant date
				Number	\$	\$
C Hutchison ¹	24 Mar 22	30 Sep 2022	30 Sep 2023	790,022	185,655	23.5 cents
C Hutchison ¹	24 Mar 22	30 Sep 2023	30 Sep 2024	790,023	185,655	23.5 cents
C Hutchison ¹	24 Mar 22	30 Sep 2024	30 Sep 2025	790,023	185,655	23.5 cents
C Giannopoulos ¹	24 Mar 22	30 Sep 2022	30 Sep 2023	323,664	76,061	23.5 cents
C Giannopoulos ¹	24 Mar 22	30 Sep 2023	30 Sep 2024	323,664	76,061	23.5 cents
C Giannopoulos ¹	24 Mar 22	30 Sep 2024	30 Sep 2025	323,665	76,061	23.5 cents
J Simm ¹	24 Mar 22	30 Sep 2022	30 Sep 2023	281,697	66,199	23.5 cents
J Simm ¹	24 Mar 22	30 Sep 2023	30 Sep 2024	281,697	66,199	23.5 cents
J Simm ¹	24 Mar 22	30 Sep 2024	30 Sep 2025	281,697	66,199	23.5 cents
R Simkiss ¹	24 Mar 22	30 Sep 2022	30 Sep 2023	323,664	76,061	23.5 cents
R Simkiss ¹	24 Mar 22	30 Sep 2023	30 Sep 2024	323,664	76,061	23.5 cents
R Simkiss ¹	24 Mar 22	30 Sep 2024	30 Sep 2025	323,665	76,061	23.5 cents
Total				5,157,145	1,211,928	n/a

¹ The expiry date of these options is as per the vesting conditions outlined on page 14.

Directors' Report

Remuneration Report (Audited)

Share Based Payments

Details of options over shares provided as remuneration is set out below.

- At 30 June 2022, 5,157,145 options can be exercised by KMP's in the future subject to achieving KPI's.
- When exercisable, each option is convertible into one ordinary share.

Details of options over shares provided as remuneration is set out below.

Key Management Personnel	Balance as at 1 Jul 21	Granted during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance as at 30 Jun 22	Expiry Date	Estimate grant value \$
C Hutchison	1,712,542	2,370,068	(1,712,542)	-	2,370,068	30 Sep 24 ¹	556,965
C Giannopoulos	856,271	970,993	(856,271)	-	970,993	30 Sep 24 ¹	228,183
J Simm	856,271	845,091	(856,271)	-	845,091	30 Sep 24 ¹	198,597
R Simkiss	685,017	970,993	(685,017)	-	970,993	30 Sep 24 ¹	228,183
Total	4,110,101	5,157,145	(4,110,101)	-	5,157,145	n/a	1,211,928

¹ The expiry date of these options is as per the vesting conditions outlined on page 14.

Assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date and amounts included in the remuneration tables above.

Fair values at grant date are independently determined using the 30-day weighted average share price at grant date.

Movement in Equity Instruments held by Key Management Personnel

The number of ordinary shares and options held directly or beneficially during the financial year by each director and KMP, including their personally related parties, is set out below.

Ordinary Shares	Balance at beginning of the year	EEIP / EESP Shares Issued	Dividend Reinvestment Plan	Ordinary Shares Acquired	Ordinary Shares Sold	Balance at end of year
	Number	Number	Number	Number	Number	Number
C Coleman ¹	55,881,621	-	-	-	-	55,881,621
A Moffat	3,002,700	-	-	-	-	3,002,700
C O'Brien	310,337	-	-	-	-	310,337
R Hall ²	20,109,998	-	-	-	-	20,109,998
C Hutchison	49,587,250	1,712,542	-	154,302	-	51,454,094
C Giannopoulos	8,956,628	856,271	-	-	-	9,812,899
J Simm	5,126,354	856,271	-	-	(1,433,840)	4,548,785
R Simkiss	626,833	685,017	-	-	-	1,311,850
	143,601,721	4,110,101	-	154,302	(1,433,840)	146,432,284

¹ Includes 55,211,924 shares held by Viburnum Funds Pty Ltd.

² R Hall's interest in ordinary shares is held through Tosca Boxer Pty Ltd ATF The Hall Family Trust.

Directors' Report

Remuneration Report (Audited)

Movement in Equity Instruments held by Key Management Personnel (continued)

Share Options	Balance at beginning of the year	Exercised during the year	Options granted as compensation	Expired / Forfeited / Other	Balance at end of year
	Number	Number	Number	Number	Number
C Giannopoulos	856,271	(856,277)	970,993	-	970,993
C Hutchison	1,712,542	(1,712,542)	2,370,068	-	2,370,068
J Simm	856,271	(856,271)	845,091	-	845,091
R Simkiss	685,017	(685,017)	970,993	-	970,993
Total	4,110,101	(4,110,101)	5,157,145	-	5,157,145

None of the 5,157,145 options at reporting date had vested at 30 June 2022.

There are no other options on issue to Key Management Personnel.

Transactions with Key Management Personnel

- (i) The Company has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling \$550,000 per annum. This agreement is made on normal commercial terms and conditions.
- (ii) The profit / (loss) before income tax includes the following expense resulting from transactions with directors or director-related entities:

	Consolidated	
	2022	2021
	\$	\$
Talent & Consulting services	550,000	500,000
Total	550,000	500,000

Service Agreements – Key Management Personnel

Remuneration and other terms of employment for the management team are formalised in employee agreements.

Key Management Personnel	Details
Craig Hutchison Executive Director and Chief Executive Officer	<ul style="list-style-type: none"> • Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2022 was \$456,074 p.a. • An annual bonus of up to \$120,000 is payable for achievement of the following performance criteria: <ul style="list-style-type: none"> ○ 50% payable based on the satisfactory liquidity event ○ 50% payable based on the satisfactory year on year increase to the SEG share price • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 12 months' base salary. Employee can terminate with 12 months' notice
Chris Giannopoulos Executive Director – Stakeholder Management and Acquisitions Managing Director – Bravo Talent Management	<ul style="list-style-type: none"> • Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2022 was \$430,000 p.a. • An annual bonus equal to the lesser of \$50,000 and 5% of the actual net profit before tax of the Talent Management division of the Group • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 6 months' base salary. Employee can terminate with 6 months' notice

Directors' Report

Remuneration Report (Audited)

Service Agreements – Key Management Personnel (continued)

Key Management Personnel	Details
<p>Jodie Simm Executive Director, Chief Operating Officer, and Company Secretary</p>	<ul style="list-style-type: none"> • Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2022 was \$393,568 p.a. • An annual bonus of up to \$50,000 is payable for the achievement of the following performance criteria: <ul style="list-style-type: none"> ○ 25% payable based on satisfactory management of the Group's Human Resources activities ○ 25% payable based on the satisfactory management of Group's operating and capital costs ○ 25% payable based on the satisfactory management of the Group's IT / Engineering activities ○ 25% payable based on the satisfactory management of the Group's Merger & Acquisition / Legal and Risk activities • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 6 months' base salary. Employee can terminate with 6 months' notice
<p>Richard Simkiss Group Business Director</p>	<ul style="list-style-type: none"> • Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2022 was \$420,000 p.a. • An annual bonus of up to \$50,000 is payable for the achievement of the following performance criteria: <ul style="list-style-type: none"> ○ 25% payable based on achieving the board approved Rainmaker TV Content division EBITDA Budget ○ 25% payable based on achieving the board approved Perth Wildcats EBITDA Budget ○ 15% payable based on achieving the board approved AFL Record EBITDA Budget ○ 15% payable based on achieving the board approved Ballpark Ticketing & Activations division EBITDA Budget ○ 20% payable based on the satisfactory achievement of staff retention targets • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 6 months' base salary. Employee can terminate with 6 months' notice

End of Audited Remuneration Report

Directors' Report

Non-Audit Services

The Company may decide to employ BDO on assignments additional to their statutory audit duties where the auditors' expertise and experience is considered important.

The value of non-audit services performed by the auditor during the year was \$6,000 (2021: \$36,068) and related to the provision of taxation services. Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, for the following reasons:

- (i) all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- (ii) none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethics Standards Board including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity, or acting as advocate, or jointly sharing economic risk and rewards.

Details of fees paid (including for non-audit services) to the auditor are disclosed in Note 25.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 as required under Section 307(c) of the Corporations Act 2001 has been received and is located on page 22.

Corporate Governance Statement

The 2021 Corporate Governance Statement has been released as a separate document and can be located on our website at www.sportsentertainmentnetwork.com.au/investors.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Directors' Interests in Contracts

Directors' interests in contracts are disclosed on page 19 and in Note 24 of this report.

Rounding of Amounts

In accordance with ASIC Legislative Instrument 2016/191, amounts shown in the Directors' Report and the financial report have been rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors,



Craig Coleman

Chairman

Melbourne, 29 September 2022



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DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF SPORTS ENTERTAINMENT GROUP LIMITED

As lead auditor of Sports Entertainment Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sports Entertainment Group Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'David Garvey', with a long horizontal flourish extending to the right.

David Garvey
Director

BDO Audit Pty Ltd

Melbourne, 29 September 2022



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INDEPENDENT AUDITOR'S REPORT

To the members of Sports Entertainment Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sports Entertainment Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
<p>The Group generates revenue from various streams including media advertising, complementary services, sponsorship, membership & ticketing, and merchandise revenue.</p> <p>A number of these revenue streams are also new to the Group following the acquisition of Perth Wildcats during the financial year.</p> <p>Revenue recognition is a key audit matter due to the significance of revenue to the financial report and the diversity of revenue streams. This includes transactions where the Group has determined that it is the principal and not an agent.</p> <p><i>Refer to Note 2(a) "Revenue from Continuing Operations" of the accompanying financial report</i></p>	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Assessing management's revenue recognition policy in line with the requirements of AASB15 <i>Revenue from Contracts with Customers</i>. • Assessing management's revenue recognition policies in relation to the Perth Wildcats. • Performing test of controls over media advertising and complementary services revenue streams. • Substantively testing sponsorship, membership & ticketing, and merchandise revenue to invoices and receipt of funds in bank. • Performing a movement analysis over revenue recognised by revenue stream comparing current and prior year figures and investigating variances over our defined threshold, including obtaining explanations for significant variances. • Performing audit procedures to ensure correct year-end cut-off of revenue streams. • Ensuring the existence of revenue by performing testing over credit notes that had been issued post year end. • Testing deferred revenue on a sample basis to ensure revenue is complete and appropriate deferred at year end. • Evaluating the adequacy of the disclosures relating to revenue within the financial report.

Impairment asset of indefinite intangible assets

Key audit matter	How the matter was addressed in our audit
<p>The Group has material indefinite life intangible assets including goodwill, radio licenses, sports team licences and trademarks, and brand and distribution rights.</p> <p>Indefinite life intangibles are required to be tested at least annually for impairment in accordance with Australian Accounting Standards.</p> <p>This is a key audit matter because the impairment assessment process is complex and is required to be carried out at the level of the lowest identifiable cash generating unit (“CGU”). The assessment requires significant judgements and includes assumptions that are based on future operating results, discount rates and the broader market conditions in which the Group operates.</p> <p><i>Refer to Note 15 “Intangible Assets” of the accompanying financial report</i></p>	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> Assessing management’s CGU allocations to ensure that they reflect the requirements of AASB 136 <i>Impairment of Assets</i>. For each CGU assessed using value in use calculations, we assessed cash flow forecasts including consideration of the discount rates, growth rates, and terminal value assumptions used. Testing the integrity and mathematical accuracy of the value in use discounted cash flow models. Engaging our BDO valuation experts to assist in assessing the discount rate, revenue growth rate and the terminal growth rate applied, and assessing the underlying cash flow forecasts. For each CGU assessed using fair value less costs of disposal methodology we have assessed the Group’s key estimates and our BDO Valuation experts have also cross-checked impairment assessment by management against a value in use methodology. Performing a sensitivity analysis to identify whether a reasonable variation in the assumptions could cause the carrying amount of the cash generating units to exceed their recoverable amount and therefore indicate an impairment. Evaluating the Group’s ability to accurately forecast future cash flows by comparing historically budgeted cash flows with actual performance. Comparing the market capitalisation of the Group at year end to the carrying value of the assets. Evaluating the adequacy of the disclosures relating to intangible assets in the financial report, including those made with respect to judgments and estimates.

Acquisition accounting

Key audit matter	How the matter was addressed in our audit
<p>The Group completed the Perth Wildcats business combination during the year ended 30 June 2022.</p> <p>Accounting for this business combination is a key audit matter due to the significance of the acquisition to the Group and the complexities associated with the transaction.</p> <p>This included determining in accordance with AASB 3 <i>Business Combinations</i> whether the acquisition was a business combination or asset acquisition, determining the acquisition date, determining the fair value of the assets and liabilities acquired including the potential identification and recognition of identifiable intangible assets.</p> <p><i>Refer to Note 29 “Business Combinations” of the accompanying financial report.</i></p>	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> Reviewing the sale and purchase agreement to understand the terms and obligations associated with this transaction. Evaluating management’s assessment of the accounting treatment of the acquisition for compliance with AASB 3 <i>Business Combinations</i>. Reviewing management’s assessment of the fair value of assets and liabilities acquired at acquisition date, including the recognition of separately identifiable intangible assets. Engaging our BDO valuation experts to review management’s assessment of the fair value of assets and liabilities acquired at acquisition date. Evaluating the adequacy of the disclosures relating to the business combination within the financial report.



Other information

The directors are responsible for the other information. The other information comprises the information contained in Directors' report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 16 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Sports Entertainment Group Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'David Garvey'. Above the signature is a small, stylized logo consisting of the letters 'BDO' in a cursive font.

David Garvey
Director

Melbourne, 29 September 2022

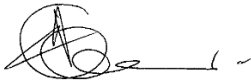
Directors' Declaration

In the opinion of the Directors of Sports Entertainment Group Limited

- a) the financial statements and notes set out on pages 29 to 69 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (iii) As stated in note 1, the consolidated financial statements also comply with International Financial Reporting Standards.
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- c) the Directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022; and
- d) the remuneration disclosures included at pages 12 to 20 of the Directors' Report (Audited Remuneration Report) for the year ended 30 June 2022 comply with section 300A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001

On behalf of the Directors,



Craig Coleman

Chairman

Melbourne, 29 September 2022

**Consolidated Statement of Profit or Loss and
Other Comprehensive Income
for the Financial Year Ended 30 June 2022**

	Notes	30 June 2022 \$'000s	30 June 2021 \$'000s
Revenue	2(a)	108,982	73,720
Sales and marketing expenses		(43,947)	(26,868)
Occupancy expenses		(1,239)	(697)
Administration expenses		(12,224)	(6,340)
Technical expenses		(24,051)	(18,513)
Production / creative expenses		(13,153)	(7,759)
Corporate expenses		(1,456)	(1,845)
Gain/(Loss) on disposal of property, plant, and equipment	3	63	(148)
Loss on disposal of radio licences	3	-	(542)
Gain/(Loss) on disposal of investments accounted for using the equity method	3	1,800	(72)
Depreciation and amortisation	2(b)	(8,881)	(6,842)
Finance costs		(1,747)	(1,186)
Share of (loss) / gain on investments accounted for using the equity method	12	(17)	177
Expenses		(104,852)	(70,635)
Profit for the year before income tax		4,130	3,085
Income tax expense	5	(958)	(1,042)
Profit for the year after income tax		3,172	2,043
Other Comprehensive Income			
<i>Items that will not subsequently be reclassified to profit or loss</i>			
Equity investments at FVOCI – change in fair value	12	1,300	-
<i>Items that will be subsequently reclassified to profit or loss</i>			
Foreign operations – foreign currency translation differences		(235)	(11)
Other comprehensive income net of tax		1,065	(11)
Total Comprehensive income for the year		4,237	2,032
Earnings per share for profit attributable to the owners			
Basic (cents per share)	20	1.35	0.89
Diluted (cents per share)	20	1.32	0.86

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2022

	Notes	30 June 2022 \$'000s	30 June 2021 \$'000s
Current Assets			
Cash and cash equivalents	26	12,627	5,324
Trade and other receivables	8	20,669	14,951
Prepayments		3,886	3,034
Inventory		251	-
Income tax receivable		-	189
Total Current Assets		37,433	23,498
Non-Current Assets			
Property, plant and equipment	9	16,841	15,278
Right-of-use assets	11	22,637	19,549
Deferred tax assets	10	3,120	2,065
Investments accounted for using the equity method	12	78	1,057
Intangibles	13	68,800	59,564
Other non-current assets		-	500
Total Non-Current Assets		111,476	98,013
Total Assets		148,909	121,511
Current Liabilities			
Trade and other payables	14	21,306	18,687
Borrowings	16	328	15,929
Lease liabilities	11	2,970	1,735
Deferred revenue		2,324	1,481
Income tax payable		485	-
Provisions	15	2,929	1,817
Total Current Liabilities		30,342	39,649
Non-Current Liabilities			
Trade and other payables	14	-	1,495
Borrowings	16	23,867	624
Lease liabilities	11	21,250	18,890
Deferred tax liability	10	12,441	9,747
Deferred revenue		1,232	1,644
Provisions	15	896	776
Total Non-Current Liabilities		59,686	33,176
Total Liabilities		90,028	72,825
Net Assets		58,881	48,686
Equity			
Issued capital	17	67,986	61,473
Reserves	19	355	1,145
Accumulated losses	18	(9,460)	(13,932)
Total Equity		58,881	48,686

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Financial Year Ended 30 June 2022

	Notes	Issued Capital \$'000s	Share Based Payment Reserve \$'000s	Foreign Currency Translation Reserve \$'000s	Fair Value Reserve \$'000s	Accumulated Losses \$'000s	Total \$'000s
Total Equity at 1 July 2021		61,473	1,156	(11)	-	(13,932)	48,686
Profit after income tax		-	-	-	-	3,172	3,172
Equity investments at FVOCI - change in fair value ¹		-	-	-	1,300	-	1,300
Transfer of Fair Value Reserve to Retained Earnings	18	-	-	-	(1,300)	1,300	-
Exchange difference on translation of foreign operations		-	-	(235)	-	-	(235)
Total comprehensive income		-	-	(235)	-	4,472	4,237
Transactions with owners in their capacity as owners							
Issue of share capital	17	6,536	(1,536)	-	-	-	5,000
Share issue costs	17	(23)	-	-	-	-	(23)
Share Based Payments	2(b)	-	981	-	-	-	981
Total Equity at 30 June 2022		67,986	601	(246)	-	(9,460)	58,881
Total Equity at 1 July 2020		57,209	992	-	-	(15,975)	42,226
Profit after income tax		-	-	-	-	2,043	2,043
Exchange difference on translation of foreign operations		-	-	(11)	-	-	(11)
Total comprehensive income		-	-	(11)	-	2,043	2,032
Transactions with owners in their capacity as owners							
Issue of share capital	17	4,499	(70)	-	-	-	4,429
Share issue costs	17	(235)	-	-	-	-	(235)
Share Based Payments	2(b)	-	234	-	-	-	234
Total Equity at 30 June 2021		61,473	1,156	(11)	-	(13,932)	48,686

¹ The changes in fair value recorded on equity investments during the year have not been tax effected as the Group will be utilising available capital losses.

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Financial Year Ended 30 June 2022

	Notes	30 June 2022 \$'000s	30 June 2021 \$'000s
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		114,824	63,671
Payments to suppliers and employees (inclusive of GST)		(102,186)	(58,088)
JobKeeper program funding received		-	3,852
Interest received		-	3
Interest and other costs of finance paid		(867)	(777)
Interest on lease liabilities	11	(826)	(412)
Income taxes paid		(999)	(1,668)
Net operating cash flows provided by operating activities	26	9,946	6,581
Cash flows from investing activities			
Proceeds from sale of intangible assets – radio licences		-	4,478
Proceeds from sale of shares in Melbourne United Basketball Club	12	4,100	-
Proceeds from sale of property, plant and equipment		152	174
Payment for property, plant and equipment		(5,669)	(5,290)
Payment for intangible assets – radio licences		(2,695)	(4,450)
Payment for intangible assets – computer software		(96)	(97)
Payment of deposit for the acquisition of 4KQ		(65)	-
Payment for the acquisition of 2CH		-	(4,772)
Payment for the acquisition of Perth Wildcats Basketball Club	29	(7,146)	(500)
Net cash used in investing activities		(11,419)	(10,457)
Cash flows from financing activities			
Proceeds from issue of shares	17	5,000	1,526
Payment of share issue costs	17	(23)	(235)
Proceeds from borrowings		8,000	2,000
Repayment of borrowings		(311)	(295)
Repayment of lease liabilities	11	(3,714)	(1,448)
Net cash provided by financing activities		8,952	1,548
Net increase / (decrease) in cash and cash equivalents		7,479	(2,328)
Cash and cash equivalents at the beginning of the year	26	5,324	7,652
Effects of exchange rate changes on cash and cash equivalents		(176)	-
Cash and cash equivalents at the end of the year	26	12,627	5,324

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. In addition, significant and other accounting policies that summarise the measurement basis used and that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

The financial statements are for the consolidated entity consisting of Sports Entertainment Group Limited (“the Company”) and its subsidiaries (“the Group”).

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 29 September 2022 by the directors of the Company.

All amounts are presented in Australian dollars, unless otherwise stated.

The consolidated financial statements include the information contained in the financial statements of Sports Entertainment Group Limited and each of its controlled entities as from the date the parent entity obtains control until such time as control ceases.

Separate financial statements for Sports Entertainment Group Limited as an individual entity are not presented as permitted by the Corporations Act 2001. However, limited financial information for this individual entity is included in Note 27 of the financial statements.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Sports Entertainment Group Limited is a company limited by shares and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

Statement of Compliance with IFRS

Australian Accounting Standards include International Financial Reporting Standards (IFRS) as adopted in Australia. The financial statements and notes of Sports Entertainment Group Limited comply with International Financial Reporting Standards (IFRS).

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period, with no material impacts to be noted.

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

The consolidated entity has adopted the following accounting policies during the year ended 30 June 2022 following the acquisition of the Perth Wildcats:

Sponsorship revenue

Sponsorship revenue is recognised in accordance with the principles of AASB 15 and recorded over the life of the sponsorship agreement as the consolidated entity fulfils its obligations and where control of the sponsorship services have been transferred to the client.

Membership and Ticketing revenue

Membership revenue comprises Perth Wildcats membership income and is recognised in accordance with the principles of AASB 15, whereby membership income is recognised over time across the duration of the NBL season. Match ticket sales are recognised at the conclusion of each Wildcats home game.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

New, revised or amending Accounting Standards and Interpretations adopted (continued)

Merchandise revenue

Merchandise income relates to revenue from the sale of Perth Wildcats branded merchandise and apparel. This revenue is recognised in accordance with the principles of AASB 15 with recognition occurring when control of the merchandise is transferred to the customer.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost basis.

Other investments – Equity securities at Fair Value through Other Comprehensive Income (“FVOCI”)

In accordance with AASB 9 Financial Instruments, the consolidated entity has made an irrevocable election during the year, to present subsequent changes in the fair value of its investment in Melbourne United in other comprehensive income (component of equity), because of the derecognition of this investment as an equity accounted investment following an initial part disposal. The Group’s intention was to hold the investment long-term as such is not a held for trading asset and thus met the requirements of AASB 9 in electing for this measurement method for any subsequent fair value re-measurements to the investment in Melbourne United. Subsequent to this irrevocable election, the company disposed of the remaining investment before year end.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the 30-day weighted average share price at grant. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives. Technically obsolete or non-strategic assets that are abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 13. The recoverable amounts of Broadcasting & Media, and Publications cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. The Sports Teams cash-generating unit has been assessed on the basis of Fair Value Less Cost of Disposal (“FVLCD”). The regional radio licences, which are not yet activated and therefore are not currently generating their own cash flows, have also been assessed on a FVLCD basis.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

In the application of accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sports Entertainment Group Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. The company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the consolidated entity are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the consolidated entity.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

1. Summary of Significant Accounting Policies (continued)

Principles of Consolidation (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

A list of controlled entities appears in Note 22 of this report.

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to “rounding off” of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise indicated.

Foreign Currency Translation

Functional and presentation currency

Items included in the financial statement of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Australian dollars, which is Sports Entertainment Group Limited’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in foreign operation.

Group companies

The results and financial position of foreign operations (none of which has currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

2. Profit from Continuing Operations

a) Revenue from Continuing Activities

	Consolidated	
	2022 \$'000s	2021 \$'000s
Revenue from contracts with customers		
Media advertising revenue	86,907	64,464
Complementary services revenue	9,927	5,567
Sponsorship revenue	4,836	-
Membership and ticketing revenue	5,194	-
Merchandise revenue	1,225	-
	108,089	70,031
Other revenue		
Interest revenue	-	3
Other revenue	893	385
Government grants (JobKeeper payments)	-	3,301
	893	3,689
Revenue from continuing operations	108,982	73,720

Revenue Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the GST payable to the Australian Taxation Office (ATO).

Sales Revenue

(i) Media Advertising Revenue

Media revenue is derived from the sale of advertising time or placement of advertising amongst radio, print, television, digital, and in stadium platforms for local and national advertisers. Revenue is recognised when a client's advertisements have been broadcast on the agreed platform or published in a magazine.

Publishing revenue represents sales of magazines. Revenue is recognised when a customer makes a purchase, and it is delivered to the customer.

Other regular sources of revenue are derived from commercial production for advertisers and the sale of programming. Revenue from commercial production and programming sale is recognised at the time of completion of the commercial or sale.

(ii) Complementary Services Revenue

Complementary services revenue is derived from the sale of tickets, hospitality, talent management commissions and creative agency services. Revenue from complementary services is recognised at the time the service is provided.

(iii) Sponsorship revenue

Sponsorship revenue is recognised in accordance with the principles of AASB 15 and recorded over the life of the sponsorship agreement as the consolidated entity fulfils its obligations and where control of the sponsorship services have been transferred to the client.

(iv) Membership and Ticketing revenue

Membership revenue comprises Perth Wildcats membership income and is recognised in accordance with the principles of AASB 15, whereby membership income is recognised over time across the duration of the NBL season. Match ticket sales are recognised at the conclusion of each Wildcats home game.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

2. Profit from Continuing Operations (continued)

a) Revenue from Continuing Activities (continued)

(v) Merchandise revenue

Merchandise income relates to revenue from the sale of Perth Wildcats branded merchandise and apparel. This revenue is recognised in accordance with the principles of AASB 15 with recognition occurring when control of the merchandise is transferred to the customer.

(vi) Interest Income

Interest is recognised as it accrues, taking account of the yield on the financial asset.

(vii) JobKeeper payments

The JobKeeper payments are a wage subsidy whereby employers who qualify for the stimulus receive \$1,500 per fortnight for each eligible employee who was employed by the Group during the period April 2020 to September 2020. JobKeeper payments are government grants and are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Grants of Government Assistance*.

The Group has recognised JobKeeper payments received from the Australian Federal Government as other revenue over the period necessary to match them with the salaries and wages costs that they are intended to subsidise.

b) Expenses

	Consolidated	
	2022 \$'000s	2021 \$'000s
Credit Loss Allowance – trade receivables	504	774
Employee benefits expense	39,856	25,245
Defined contribution superannuation expense	3,218	2,014
Share-based payments - EEIP	981	357
Amounts of inventories recognised as expenses	305	-
Depreciation / amortisation of non-current assets:		
• Property, plant and equipment	3,006	2,469
• Low value assets	183	168
• Borrowing costs	4	57
• Intangible assets	2,183	2,146
• Right-of-use-assets	3,505	2,002
Total Depreciation and amortisation of non-current assets	8,881	6,842

Superannuation benefits

Employees receive defined contribution superannuation entitlements, for which the employer pays the fixed superannuation guarantee contribution (10% of the employee's average ordinary salary) to the employee's nominated superannuation fund of choice.

All contributions in respect of employees' contribution entitlements are recognised as an expense when they become payable. The Company's obligation in respect of employee's contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

3. Significant costs

Net profit / (loss) after tax includes the following items whose disclosure is relevant in explaining the financial performance of the Group. Significant items are those items of such a size or nature that separate disclosure will enhance a user's understanding of the financial statements.

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Gain on disposal of Melbourne United Basketball Club investment	(1,800)	-
Loss on disposal of 1377AM licence	-	542
(Gain) / Loss on disposal of property, plant and equipment	(63)	148
Loss on disposal of the joint venture investment	-	72
Restructure and transaction costs	1,164	654
Total significant items included in net profit / (loss) after tax	(699)	1,416

4. Financial Risk Management

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the Company commits to either the purchase / sale of the asset. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case, costs are expensed to the income statement immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost when this approximates fair value. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortised cost. Gains / losses are recognised in the income statement through the amortisation process and when the financial asset is derecognised.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in the income statement through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the receivables or a group of receivables are experiencing significant financial difficulty, default in payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the profit or loss if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms had not been renegotiated so that the loss events that have occurred are duly considered.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

4. Financial Risk Management (continued)

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Financial Instruments

Financial instruments consist mainly of cash and short-term deposits with banks, accounts receivable, payables and third-party loans. There were no derivative instruments at reporting date.

The Board reviews and agrees policies for each of the risks associated with these instruments as summarised on the next page.

Risk Exposures and Responses

The primary risk exposure is to interest rate, credit and liquidity risk.

a) Interest Rate Risk

Interest rate risk arises from loans. A 1% increase / decrease in loan rates would change trading results by +/- \$234,091 (2021: +/- \$156,737).

Risk is managed by taking account of the interest rate environment, movements in variable / fixed-rate interest rates, availability of alternative products, the cash flow position and advice from bankers.

At reporting date, the Company had a mix of financial assets and liabilities exposed to Australian and New Zealand variable interest rate risk.

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Financial Assets			
Cash and cash equivalents	26	12,627	5,324
		12,627	5,324
Financial Liabilities			
Bank loans	16	24,195	16,553
		24,195	16,553
Net exposure		(11,568)	(11,229)

Consideration is given to interest rate exposure, alternative financing and the mix of fixed and variable interest rates.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Credit risk arises from financial assets such as cash and cash equivalents, trade and other receivables. At reporting date, the maximum exposure to credit risk on recognised financial assets is the carrying amount, net of any loss allowance for those assets as disclosed in the ageing analysis in Note 8(b).

Exposure at reporting date where applicable is addressed in each applicable note.

It is trading policy to transact only with recognised and creditworthy third parties. The Company manages cash balances through Commonwealth Bank of Australia, National Australia Bank and ASB Bank.

Collateral is not requested nor is it policy to securitise trade and other receivables.

Trade receivables are monitored on an ongoing basis to minimise potential exposure and consequently bad debts as a percentage of sales are not considered material.

The business does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the business.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

4. Financial Risk Management (continued)

b) Credit Risk (continued)

Capital Risk Management

The objective in managing capital is to safeguard the Company's ability to continue as a going concern, to generate returns for shareholders and to maintain a capital structure that minimises costs of capital.

The capital structure of the Group consists of debt, which includes the borrowings listed in Note 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The net debt to equity gearing ratio at reporting date was 19% (2021: 23%).

c) Liquidity Risk

Liquidity risk is managed by forecasting and monitoring cash flows on an ongoing basis. The primary objective is to maintain flexibility whilst having access to continuity of funding.

The business has \$24.195 million of loans owing at reporting date. \$23.618 million of this balance is the Group's debt facility with the Commonwealth Bank of Australia which is not due to expire until 31 August 2024. The details on the debt facility extension are included in Note 16.

The contractual maturity of other financial liabilities of \$21.306 million (2021: \$20.182 million) is predominantly less than six months.

The maturity analysis for financial assets and liabilities is based on contractual obligations.

The risks implied from the values disclosed in the table reflect a balanced view of cash inflows, outflows, payables, loans and other financial liabilities that originate from the financing of assets used in ongoing operations such as property, equipment and investments in working capital such as receivables. These assets are fully considered in assessing liquidity risk.

	≤ 6 months	6-12 months	1-5 years	> 5 years	Total
2022	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Financial Assets					
Cash & cash equivalents	12,627	-	-	-	12,627
Trade, other receivables and prepayments	24,555	-	-	-	24,555
	37,182	-	-	-	37,182
Financial Liabilities – Non-Interest Bearing					
Trade & other payables	(21,306)	-	-	-	(21,306)
Financial Liabilities – Interest Bearing					
Loans – contractual	(164)	(164)	(23,867)	-	(24,195)
Lease liabilities	(1,422)	(1,548)	(11,481)	(9,769)	(24,220)
	(22,892)	(1,712)	(35,348)	(9,769)	(69,721)
Net maturity	14,290	(1,712)	(35,348)	(9,769)	(32,539)

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

4. Financial Risk Management (continued)

c) Liquidity Risk (continued)

2021	≤ 6 months \$'000s	6-12 months \$'000s	1-5 years \$'000s	> 5 years \$'000s	Total \$'000s
Financial Assets					
Cash & cash equivalents	5,324	-	-	-	5,324
Trade, other receivables and prepayments	17,985	-	-	-	17,985
	23,309	-	-	-	23,309
Financial Liabilities – Non-Interest Bearing					
Trade & other payables	(17,214)	(1,473)	(1,495)	-	(20,182)
Financial Liabilities – Interest Bearing					
Loans – contractual	(15,772)	(157)	(624)	-	(16,553)
Lease liabilities	(778)	(957)	(8,295)	(10,595)	(20,625)
	(33,764)	(2,587)	(10,414)	(10,595)	(57,360)
Net maturity	(10,455)	(2,587)	(10,414)	(10,595)	(34,051)

d) Fair value of financial instruments

The Group does not have any financial assets or financial liabilities carried at fair value in the current financial year.

The carrying amount of all other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

5. Income Tax

a) Reconciliation of Income tax expense

Income tax expense for the financial year differs from the amount calculated in the net result from continuing operations. The differences are reconciled as follows:

	Consolidated	
	2022 \$'000s	2021 \$'000s
Profit / (Loss) before income tax expense	4,130	3,085
Income tax expense calculated at 30%	1,239	926
Utilisation of capital losses on capital gain from disposal of investments	(930)	-
Other Non-allowable expenses / assessable income	680	299
	989	1,225
Prior year adjustments: over provision for income tax	(84)	(183)
Effect of different tax rates of subsidiaries operating in other jurisdictions	53	-
Income tax expense	958	1,042

b) Weighted average effective income tax rate

	Consolidated	
	2022	2021
The applicable weighted average effective income tax rates are as follows	23%	34%

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

5. Income Tax (continued)

c) Income tax expense components

	Notes	Consolidated	
		2022 \$'000s	2021 \$'000s
Current year tax		842	1,161
Current year temporary differences:			
movement in deferred tax asset	10	(173)	(660)
movement in deferred tax liability	10	373	724
Prior year adjustments: over provision for income tax		(84)	(183)
		958	1,042

d) Franking Credits

Franking credits

Consolidated	
2022	2021
8,875	7,710

e) Recognition and Measurement

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and, where applicable, any adjustment recognised for prior periods.

Deferred Taxes

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- (i) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- (ii) When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered.

Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there will be future taxable profits available to recover the asset.

Tax Consolidation

Sports Entertainment Group Limited (the "Company") and its wholly owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. The entities have also entered into a tax funding agreement under which each wholly owned entity compensates the parent entity for any current tax payable assumed and is compensated for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the parent entity.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

5. Income Tax (continued)

e) Recognition and Measurement (continued)

Utilisation of capital losses

The gain on disposal of the investment in Melbourne United has been assessed as a capital gain. At 1 July 2021, the Group had capital losses of \$12.571 million (at 30%) available to offset a capital gain. This had not been recorded as a deferred tax asset at 30 June 2021 as the use of these capital losses was considered remote. In the current period, the Group has used capital losses of \$0.930 million (at 30%) to offset against the capital gain recorded on the disposal of Melbourne United which has been recorded as an accounting gain in the statement of profit and loss of \$1.8 million and a fair value gain in other comprehensive income of \$1.3 million

6. Key Management Personnel Compensation

a) Details of Key Management Personnel (KMP)

Detailed remuneration disclosures are included in the Directors' Report in accordance with section 300A of the *Corporations Act 2001*.

b) Compensation of Key Management Personnel

	Short Term Employee Benefits	Short Term Employee Incentives	Short Term Benefits Total	Post-Employment Benefits	Share Based Payment	Long Term Employee Benefits	Termination Benefits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2022	1,765,098	281,197	2,046,295	98,772	728,329	59,831	-	2,933,227
2021	1,878,824	40,894	1,919,718	117,089	68,031	(25,867)	192,505	2,271,476

7. Share Based Payments

a) Employee and Executive Incentive Plan (EEIP)

The Company operates an Employee and Executive Incentive Plan.

The Plan is designed to provide short and long-term incentives for employees, by allowing them to participate in the future growth of the business and generate improved shareholder returns. Under the Plan, directors may in their absolute discretion offer to grant options to eligible recipients. The options can be granted for nil consideration and carry rights in favour of the option holder to subscribe for one ordinary share for each option issued. Employees joining after commencement of the plan are eligible recipients and all shares issued on exercise of options rank equally with issued shares.

Initial Recognition and Measurement

The cost of these equity settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted. The cost of such transactions is recognised as an expense, together with a corresponding increase in equity, over the period in which the performance conditions (where applicable) are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award ('vesting date').

Options are issued pursuant to the EEIP and have expiry dates of up to 36 months from their date of grant. The option pricing model values each vesting portion and accordingly the amortised share-based compensation disclosed in the Remuneration Report includes the apportioned value of any options held by the KMPs.

The charge or credit for a period represents the difference in the cumulative expense recognised at the beginning and end of that period and is reflected in Note 2(b).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors, will ultimately vest.

The Company has established a Share-Based Payment Reserve (SBPR). This reserve reflects the cumulative expense recognised from inception to the reporting date for all equity settled transactions.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

7. Share Based Payments (continued)

a) Employee and Executive Incentive Plan (EEIP) (continued)

Fair value of options granted

Fair values at grant date are independently determined using the 30-day weighted average share price at grant date

Details of share options issued under the EEIP are as follows:

2022								
Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Issued during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
		Number	Number	Number	Number	Number	Number	Number
29 Mar 2018 Issue 12, 13 & 14	30 Sep 2022 ¹	Nil Cents	3,881,762	-	(3,881,762)	-	-	-
6 Aug 2018 Issue 15	30 Sep 2022 ¹	Nil Cents	342,509	-	(342,509)	-	-	-
4 Nov 2018 Issue 16, 17 & 18	30 Sep 2022 ¹	Nil Cents	228,339	-	(228,339)	-	-	-
25 Jun 20 Issue 22	28 Jan 2024 ¹	Nil Cents	100	-	-	-	100	-
8 Nov 20	30 Sep 2022 ¹	Nil Cents	297,232	-	(297,232)	-	-	-
13 Nov 20	30 Sep 2022 ¹	Nil Cents	130,565	-	(130,565)	-	-	-
18 Nov 20	30 Sep 2022 ¹	Nil Cents	130,565	-	(130,565)	-	-	-
24 Mar 22 Issue 26, 27, & 28	30 Sep 2024 ¹	Nil Cents	-	9,696,045	-	-	9,696,045	-
			5,011,072	9,696,045	(5,010,972)	-	9,696,145	-
Weighted Average Exercise Price			Nil	Nil	Nil	Nil	Nil	Nil

¹ The expiry date of these options is as per the vesting conditions outlined on page 14.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

7. Share Based Payments (continued)

a) Employee and Executive Incentive Plan (EEIP) (continued)

Fair value of options granted (continued)

2021								
Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Issued during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
		Number	Number	Number	Number	Number	Number	Number
29 Mar 2018 Issue 12, 13 & 14	30 Sep 2022 ¹	Nil Cents	4,795,117	-	-	(913,356)	3,881,761	-
6 Aug 2018 Issue 15	30 Sep 2022 ¹	Nil Cents	513,763	-	-	(171,254)	342,509	-
4 Nov 2018 Issue 16, 17 & 18	30 Sep 2022 ¹	Nil Cents	342,508	-	-	(114,169)	228,339	-
4 Apr 2019 Issue 20	28 Jan 2021 ¹	Nil Cents	200,000	-	(200,000)	-	-	-
17 Jul 19 Issue 21	17 Jul 2022 ¹	Nil Cents	600,000	-	-	(600,000)	-	-
25 Jun 20 Issue 22	28 Jan 2024 ¹	Nil Cents	-	100	-	-	100	-
Nov 20	30 Sep 2022 ¹	Nil Cents	-	297,232	-	-	297,232	-
13 Nov 20	30 Sep 2022 ¹	Nil Cents	-	130,565	-	-	130,565	-
18 Nov 20	30 Sep 2022 ¹	Nil Cents	-	130,565	-	-	130,565	-
			6,451,388	558,462	(200,000)	(1,798,779)	5,011,071	-
Weighted Average Exercise Price			Nil	Nil	Nil	Nil	Nil	Nil

¹ The expiry date of these options is as per the vesting conditions outlined on page 14.

The weighted average remaining contractual life for all outstanding options at the end of the financial year is 3.25 years (2021: 1.25 years).

There were no other options on issue during the financial year.

b) Payments for Services

There were no options issued for services during this or the previous financial year.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

8. Trade and Other Receivables

	Consolidated	
	2022 \$'000s	2021 \$'000s
a) Current Receivables		
Trade receivables	21,086	15,807
Less expected credit loss	(1,283)	(1,363)
	19,803	14,444
Other receivables	866	507
	20,669	14,951

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any loss allowance. Trade receivables are generally due for settlement within a range of 30 - 120 days.

b) Provision for expected credit loss

Balance at 1 July	1,363	611
Charge for the year	504	774
Receivables balances written off	(584)	(22)
Balance at 30 June	1,283	1,363

The loss allowance is based on a simplified model of recognising lifetime expected credit loss immediately upon recognition. These provisions are considered representative across all customers based on recent sales experience, historical collection rates and forward-looking information that is available. The amount of the loss allowance is recognised in profit or loss. Where a debt is known to be uncollectable, it is considered a bad debt and is written off.

An adjustment to the provision of \$503,778 (2021: \$774,749) was recognised as an expense during the financial year.

At reporting date, the ageing analysis of past due but not impaired trade receivables was as follows:

	Expected credit loss rate	Carrying amount	Allowances for expected credit losses
	%	\$'000s	\$'000s
Provision for expected credit loss			
Not overdue	0.13%	12,543	17
0 to 60 days overdue	0.10%	2,895	3
60 to 90 days overdue	0.15%	1,493	2
Over 90 days overdue	30.34%	4,155	1,261
Balance at 30 June 2022		21,086	1,283

Other balances within trade and other receivables do not contain impaired assets, are not considered past due and it is assumed these balances will be settled in full.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

9. Property, Plant and Equipment

30 June 2022	2022 \$'000s			
	Studio	Equipment	Improvements	Total
Carrying Amount (Cost)				
Balance at start of the year	11,678	5,366	4,764	21,808
Acquired on business combination	-	62	6	68
Additions	2,538	1,020	1,013	4,571
Disposals	(39)	(37)	(1)	(77)
Exchange differences	(32)	(2)	-	(34)
Balance at end of the year	14,145	6,409	5,782	26,336
Accumulated Depreciation				
Balance at start of the year	2,767	2,493	1,270	6,530
Disposals	(31)	(8)	(2)	(41)
Depreciation expense for the year	1,336	912	758	3,006
Exchange differences	-	-	-	-
Balance at end of the year	4,072	3,397	2,026	9,495
Net Book Value				
Balance at start of the year	8,911	2,873	3,494	15,278
Balance at end of the year	10,073	3,012	3,756	16,841

30 June 2021	2021 \$'000s			
	Studio	Equipment	Improvements	Total
Carrying Amount (Cost)				
Balance at start of the year	6,532	4,548	3,889	14,969
Acquired on business combination	1,048	92	-	1,140
Additions	4,362	1,448	1,281	7,091
Disposals	(264)	(722)	(406)	(1,392)
Balance at end of the year	11,678	5,366	4,764	21,808
Accumulated Depreciation				
Balance at start of the year	2,013	2,089	1,029	5,131
Disposals	(205)	(475)	(390)	(1,070)
Depreciation expense for the year	959	879	631	2,469
Balance at end of the year	2,767	2,493	1,270	6,530
Net Book Value				
Balance at start of the year	4,519	2,459	2,860	9,838
Balance at end of the year	8,911	2,873	3,494	15,278

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

9. Property, Plant and Equipment (continued)

Recognition and Measurement

Property, Plant and Equipment

Property, plant and equipment is recorded at cost less accumulated depreciation. The carrying value of property, plant and equipment is reviewed for impairment at each reporting date. An asset's carrying value is written down immediately to its recoverable value, if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items.

Depreciation is provided both on a straight-line basis so as to write down the cost of assets in use, net of residual values over their expected useful life, as well as diminishing value basis for a small amount of assets, whereby a depreciation rate is charged over their expected useful life.

The expected useful life (straight-line basis) and depreciation rates (diminishing value basis) of property, plant and equipment are as follows:

	Expected Useful life	Depreciation rate
Studio, broadcasting, and transmitter equipment	5 – 10 years	12% - 40%
Equipment	3 – 20 years	10% - 50%
Leasehold improvements	5 – 10 years	Nil

10. Deferred Tax Assets and Liabilities

a) Deferred tax assets

Deferred tax asset comprises temporary differences attributable to:

Amount recognised in profit or loss

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Expected credit loss allowance	385	409
Employment provisions	985	607
Lease liabilities	482	341
Provision for make good	160	153
Accrued / other expenses	376	555
Tax losses ¹	732	-
Deferred tax asset	3,120	2,065

¹ Tax losses have been recognised only to the extent that they are recoverable.

b) Deferred tax liabilities

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Prepayments	293	30
Intangible assets	10,172	8,270
Other deductions	1,976	1,447
	12,441	9,747

Information on the accounting policy for income and other taxes is disclosed in Note 5 of the financial statements.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

11. Right-of-use assets and lease liabilities

The Group leases various property across Australia. The non-cancellable period for these leases is generally between 1 – 10 years.

Extension options are included in a number of the Group's lease agreements, which are used to maximise operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group does not have any options to purchase leased assets. Increases clauses are in line with market practices and include inflation-linked, fixed rates, resets to market rents and hybrids of these.

The carrying value of the right-of-use assets and lease liabilities is presented below:

a) Right-of-use assets

	Consolidated	
	2022 \$'000s	2021 \$'000s
Cost	28,907	22,636
Accumulated depreciation	(6,270)	(3,087)
Carrying Value	22,637	19,549

Reconciliation of net book values

	Premises \$'000s	Transmitter sites \$'000s	Total \$'000s
Balance at 1 July 2021	13,763	5,786	19,549
Additions, modifications and other reassessments of leases	2,177	4,777	6,954
Disposals	(179)	-	(179)
Reclassifications between Premises and Transmitter Sites	2,194	(2,194)	-
Depreciation	(2,105)	(1,400)	(3,505)
Foreign exchange translation	(55)	(127)	(182)
Balance at 30 June 2022	15,795	6,842	22,637
	Premises \$'000s	Transmitter sites \$'000s	Total \$'000s
Balance at 1 July 2020	11,325	1,941	13,266
Additions, modifications and other reassessments of leases	3,813	2,650	6,463
Acquired through business combinations	-	1,822	1,822
Depreciation	(1,375)	(627)	(2,002)
Balance at 30 June 2021	13,763	5,786	19,549

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

11. Right-of-use assets and lease liabilities (continued)

b) Lease liabilities

	Consolidated	
	2022 \$'000s	2021 \$'000s
Current	2,970	1,735
Non-current	21,250	18,890
Total	24,220	20,625

Reconciliation of movement in lease liabilities

	Premises \$'000s	Transmitter sites \$'000s	Total \$'000s
Balance at 1 July 2021	14,591	6,034	20,625
New and modified leases	2,436	4,414	6,850
Disposals	(184)	-	(184)
Reclassifications between Premises and Transmitter Sites	2,020	(2,020)	-
Cash payments	(2,093)	(1,621)	(3,714)
Interest expense	582	244	826
Foreign exchange translation	(57)	(126)	(183)
Balance at 30 June 2022	17,295	6,925	24,220

	Premises \$'000s	Transmitter sites \$'000s	Total \$'000s
Balance at 1 July 2020	11,588	1,961	13,549
New and modified leases	5,440	2,897	8,337
Acquired through business combinations	-	1,863	1,863
Disposals	(1,863)	(225)	(2,088)
Cash payments	(817)	(631)	(1,448)
Interest expense	243	169	412
Balance at 30 June 2021	14,591	6,034	20,625

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

12. Investments accounted using the equity method

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Digital Radio Broadcasting Melbourne Pty Ltd	78	95
Melbourne United Basketball Club Pty Ltd	-	962
	78	1,057

Recognition and Measurement

Investments in associates are accounted for in the financial statements by applying the equity method of accounting. The equity method of accounting reflects the treatment of equity investments in associate companies. An investor's proportional share of the associate company's net income increases the investment (and a net loss decreases the investment), and proportional payments of dividends decrease it. In the investor's income statement, the proportional share of the investee's net income or net loss is reported as a single-line item. Accordingly, investments in associates are carried in the Statement of Financial Position at cost plus any post-acquisition changes in the share of net assets of the associate less any impairment in value. When the business has significant influence over an entity that is not jointly controlled, it is deemed an associate.

Investments in Controlled Entities and Associates

Digital Radio Broadcasting Melbourne Pty Limited

The shareholding in Digital Radio Broadcasting Melbourne Pty Limited ("DRBM") is accounted for using the equity method of accounting and the current shareholding is 9.09% (2021: 9.09%). The Company is considered to have significant influence due to its voting rights. For the reporting period, the company recorded a decrease in the value of the investment of \$0.018 million (2021: increase of \$0.023 million) attributable to its share of profits.

Information relating to the associate is set out below:

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Associate gross assets and liabilities		
Current assets	459	655
Non-current assets	16	522
Total assets	475	1,177
Current liabilities	-	113
Non-current liabilities	22	71
Total liabilities	22	184
Net assets	453	993
Associate gross revenue, expenses and results		
Revenues	903	1,560
Expenses	(1,096)	(1,307)
(Loss) / Profit for the year before tax	(193)	253
Share of (Loss) / Profit for the year	(17)	23

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

12. Investments accounted using the equity method (continued)

Investments in Controlled Entities and Associates (continued)

Melbourne United Basketball Club Pty Limited

The shareholding in Melbourne United Basketball Club Pty Limited ("Melbourne United") was accounted for using the equity method of accounting until the Group lost significant influence in the entity when the Group disposed 20% of its shareholding on 28 September 2021. The remaining 5% investment in the entity was then accounted for at Fair Value through Other Comprehensive Income ("FVOCI") as the Group's intention was to hold the investment long-term. On 15 June 2022, the Group disposed the remaining 5% shareholding.

Information relating to the associate is set out below.

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Associate gross assets and liabilities		
Current assets	-	2,469
Non-current assets	-	710
Total assets	-	3,179
Current liabilities	-	3,186
Non-current liabilities	-	162
Total liabilities	-	3,348
Net assets	-	(169)
Associate gross revenue, expenses and results		
Revenues ¹	-	8,955
Expenses ¹	-	(8,338)
Profit for the year before tax ¹	-	617
Share of Profit for the year ¹	-	154

¹ The contribution to the Group's net profit is not determinable for the period between 1 July 2022 and 28 September and the estimated contribution is not material to the Group's result.

Divestment of the investment in Melbourne United

On 28 September 2021, the Group divested 20% of its shareholding in the Melbourne United for a cash consideration of \$2.600 million. The divestment resulted in a \$1.800 million gain on disposal which was recognised in the Consolidated Statement of Profit or loss for the financial year ended 30 June 2022.

	\$'000s
Gain on Disposal recognised in the Statement of Profit or Loss	
Proceeds from the disposal of 20% shareholding	2,600
Carrying Value of 20% of the investment on 28 September 2022	(800)
	1,800

The remaining 5% investment in Melbourne United was revalued to \$0.450 million on 28 September 2021, with the revaluation recognised through Other Comprehensive Income.

Subsequently, on 15 June 2022, the Group divested its remaining 5% shareholding in the Melbourne United for a cash consideration of \$1.500 million. The divestment of the Group's remaining 5% shareholding resulted in a fair value revaluation of \$0.850 million which was recognised directly through Other Comprehensive Income.

	\$'000s
Fair value revaluation recognised in the Other Comprehensive Income	
Proceeds from the disposal of 5% shareholding	1,500
Carrying Value of 5% of the investment on 15 June 2022	(650)
	850

The \$1.300 million recognised in the fair valuation reserve was transferred to Retained Earning upon disposal of the final 5% shareholding on 15 June 2022.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

13. Intangible Assets

	2022 \$'000s	2021 \$'000s
Broadcasting & Media Australia		
Goodwill – indefinite useful life	8,771	8,771
Radio licences - indefinite useful life	25,742	23,355
Patents and trademarks – indefinite useful life	157	150
Broadcast rights – finite useful life	8,242	8,242
Broadcast rights – amortisation	(3,503)	(2,679)
	4,739	5,563
Supplier relationships – finite useful life	6,467	6,467
Supplier relationships – amortisation	(2,749)	(2,102)
	3,718	4,365
Customer relationships – finite useful life	146	146
Customer relationships – amortisation	(66)	(37)
	80	109
Website and computer software – finite useful life	2,461	1,923
Website and computer software – amortisation	(1,279)	(834)
	1,182	1,089
Total Broadcasting & Media Australia	44,389	43,402
Broadcasting & Media New Zealand		
Radio licences - indefinite useful life	2,191	2,191
Patents and trademarks – indefinite useful life	2	2
Total Broadcasting & Media New Zealand	2,193	2,193
Regional Radio Licences		
Radio licences - indefinite useful life	503	2,570
Total Regional Radio Licences	503	2,570
AFL Record		
Goodwill – indefinite useful life	2,468	2,468
Brand and distribution rights – indefinite useful life	7,958	7,958
Total AFL Record	10,426	10,426
Sports Teams		
Goodwill – indefinite useful life	2,476	-
Sports team licences and trademarks – indefinite useful life	8,078	-
Total Sports Teams	10,554	-
Complimentary Services		
Talent contracts – finite useful life	1,429	1,429
Talent contracts – amortisation	(694)	(456)
Total Complimentary Services	735	973
Total Intangible Assets	68,800	59,564

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

13. Intangible Assets (continued)

a) Reconciliation of net book value

	Goodwill	Brand and distribution rights	Radio licences	Broadcast rights	Supplier relationships	Talent Contracts	Sports Team Licences and Trademarks	Patents and Trademarks	Customer relationships	Websites and Computer software	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Net Book Value											
Balance at 1 July 2021	11,239	7,958	28,116	5,563	4,365	973	-	152	109	1,089	59,564
Acquired on business combination ¹	2,476	-	-	-	-	-	8,078	-	-	13	10,567
Additions	-	-	320	-	-	-	-	7	-	525	852
Amortisation	-	-	-	(824)	(647)	(238)	-	-	(29)	(445)	(2,183)
Balance at 30 June 2022	13,715	7,958	28,436	4,739	3,718	735	8,078	159	80	1,182	68,800

	Goodwill	Brand and distribution rights	Radio licences	Broadcast rights	Supplier relationships	Talent Contracts	Sports Team Licences and Trademarks	Patents and Trademarks	Customer relationships	Websites and Computer software	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Net Book Value											
Balance at 1 July 2020	9,077	7,958	12,710	6,388	5,012	1,211	-	138	146	1,084	43,724
Acquired on business combination ²	2,162	-	6,354	-	-	-	-	-	-	-	8,516
Additions	-	-	9,052	-	-	-	-	14	-	404	9,470
Amortisation	-	-	-	(825)	(647)	(238)	-	-	(37)	(399)	(2,146)
Balance at 30 June 2021	11,239	7,958	28,116	5,563	4,365	973	-	152	109	1,089	59,564

¹ On 8 August 2021, the Group completed the acquisition of the Perth Wildcats Basketball Club business for a purchase price of \$8.500 million. The Group have acquired identified intangible assets being a National Basketball League ("NBL") licence allowing the club to compete in the NBL competition, and the use of the Perth Wildcats trademark. Refer to Note 29 for the fair value of the identified intangible assets acquired.

² Additions includes the acquisition of the 3 narrowband radio licences (1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin) on 1 July 2020 for \$6.180 million, and the acquisition of the 29 AM/FM radio licences in New Zealand on 4 June 2021 for \$2.191 million.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

13. Intangible Assets (continued)

b) Recognition and Measurement

Intangible assets with an indefinite useful life

Radio licences

Radio licences are stated at cost. In Australia, analogue licences are renewed for a minimal cost every five years under the provisions of the *Broadcasting Services Act 1992*. In New Zealand, the Group holds two types of licences under the *Radiocommunications Act 1989* and its regulations: spectrum licences for broadcasting, which are renewed every 10 years for a minimal cost, and radio licences for fixed radio links, which are renewed annually at minimal cost.

Licences are a tradeable commodity and have an underlying value, which is ultimately determined by agreement between vendor and purchaser. Directors understand that the revocation of a radio licence has never occurred in Australia and have no reason to believe the licences have a finite life. These licences are not amortised since in the opinion of the Directors the licences have an indefinite useful life.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses.

Patents and trademarks

Patents and trademarks are not amortised as they are determined to relate to the indefinite useful life of the radio licences.

Sports team licences and trademarks

Sports team licences and trademarks are carried at cost. These licences and trademarks provide the Group with the right to compete in the relevant sports competitions, as well as provide the Group with access to usage of the branding of the sports team for the sale of merchandise, ticketing, memberships, and hospitality packages to events held by the Sports team. The sports team licences and trademarks have been determined to have an indefinite useful life and management's intention is to continue to utilise these intangible assets into the foreseeable future.

Brand and distribution rights

Brand and distribution rights is carried at cost. The rights provide the Group access to the usage of the AFL brand for the publication of AFL Record, and access to all stadia where AFL fixtures are held for the sale of the publications. Brand and distribution rights acquired through the purchase of the AFL Publications business have been assessed as having indefinite useful lives. This assessment reflects the purchase agreement which stipulates that the rights to branding and distribution will be ongoing whilst the publication continues to be in circulation. Management's intention is to continue to utilise these rights into the foreseeable future.

Intangible assets with an indefinite useful life are tested for impairment annually and at each reporting date to assess whether there is an indication that the carrying value may be impaired.

Intangible assets with a finite useful life

Intangible assets with a finite life such as websites, computer software, supplier relationships, customer relationships, talent contracts, and broadcast rights are amortised on a systematic basis over their expected useful life.

The following estimated useful life is used in determining the amortisation cost for tangible assets with a finite life:

- Websites – 5 years
- Computer software – 5 years
- Supplier relationships – 10 years
- Talent contracts – 6 years
- Broadcast rights – 10 years

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the line item 'Depreciation and amortisation'.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

13. Intangible Assets (continued)

c) Intangible Asset Impairment

Goodwill and intangible assets with an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other intangible assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or groups of assets (cash generating units).

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis and an assessment of the recoverable amount of the intangible is made each reporting period to ensure this is not less than its carrying amount.

Both indefinite life intangibles and finite life intangibles are tested annually for impairment at CGU level. Indefinite life intangibles have been allocated to five CGUs for impairment testing as follows:

	Radio Licences	Goodwill	Patents and Trademarks	Brand and distribution rights	Sports Team Licences and Trademarks	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2022						
Broadcasting & Media Australia	25,742	8,771	157	-	-	34,670
Broadcasting & Media New Zealand	2,191	-	2	-	-	2,193
Regional Radio Licences	503	-	-	-	-	503
Publications	-	2,468	-	7,958	-	10,426
Sporting Teams	-	2,476	-	-	8,078	10,554
	28,436	13,715	159	7,958	8,078	58,346

	Radio Licences	Goodwill	Patents and Trademarks	Brand and distribution rights	Sports Team Licences and Trademarks	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2021						
Broadcasting & Media Australia	23,355	8,771	150	-	-	32,276
Broadcasting & Media New Zealand	2,191	-	2	-	-	2,193
Regional Radio Licences	2,570	-	-	-	-	2,570
Publications	-	2,468	-	7,958	-	10,426
	28,116	11,239	152	7,958	-	47,465

Intangibles allocated to the complimentary services CGU are finite life intangibles and have been assessed for indicators of impairment. No impairment indicators exist at reporting date.

Indefinite life intangibles are tested annually for impairment at CGU level and the recoverable amount of the Broadcasting and Media for Australia and New Zealand, and the Publications CGUs have been determined based on the value in use method. The recoverable amount of Regional Radio Licences and Sports Teams have been determined based on fair value less cost of disposal ("FVLCD"). The recoverable amount of the Broadcasting & Media CGUs for Australia and New Zealand have been determined based on value in use calculations, using a discounted cash flow methodology which requires the use of assumptions. The calculations use cash flow projections based on the annual budget and adjusted cash flow forecasts for up to five years. Cash flows beyond the forecast period are extrapolated using the estimated growth rates stated below.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

13. Intangible Assets (continued)

c) Intangible Asset Impairment (continued)

The Group considered the following three scenarios, each carrying a probability weighting to determine a recoverable amount:

- Base case – The Group's budgeted Underlying EBITDA for the year ending 30 June 2022
- Lower case – A % reduction applied against the Base case revenue budgeted
- Worst case - A further % reduction applied against the Base case revenue budgeted

The key assumptions under each scenario are as follows:

Broadcasting & Media Australia CGU

Key assumption	Worst Case	Lower Case	Base Case
Approach	Base case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 10% reduction to revenue in Year 5.	Base case less a reduction in revenue of 20% in Year 1, improving over Years 2, 3, and 4 before a 5% reduction to revenue in Year 5.	Based on the Group's budget for the Media & Content Australia CGU on management's forecasts and using assumptions around the impact of COVID-19, market growth, market share, and adjusting for past performances and market trends.
Long term growth rate	5.00%	5.00%	5.00%
Terminal growth rate	2.50%	2.50%	2.50%
Discount rate (post-tax)	10.57%	10.57%	10.57%
Probability weighting	5%	15%	80%
Headroom / (Deficit)	\$(29.384) million	\$30.333 million	\$87.226 million
Probability weighted headroom			\$65.658 million

The Group concluded the recoverable amount resulting from the value in use methodology is appropriate in supporting the carrying value of the Broadcasting & Media Australia CGU and no impairment was recognised for the year ended 30 June 2022.

Broadcasting & Media New Zealand CGU

The Broadcasting & Media New Zealand CGU had its first full year of operation in the 30 June 2022 financial year. Increased growth rates and worst case and lower-case cash flow assumptions reflect risk of cash flows.

Key assumption	Worst Case	Lower Case	Base Case
Approach	Base case less a reduction in revenue of 40% in Year 1, improving over Years 2, 3, and 4 before a 10% reduction to revenue in Year 5.	Base case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 5% reduction to revenue in Year 5.	Based on the Group's budget for the Media & Content New Zealand CGU on management's forecasts and using assumptions around market growth, market share, and adjusting for expected performances in a new market for the Group.
Long term growth rate	10.00%	10.00%	10.00%
Terminal growth rate	2.50%	2.50%	2.50%
Discount rate (post-tax)	10.57%	10.57%	10.57%
Probability weighting	10%	30%	60%
Headroom	\$(7.026) million	\$(1.042) million	\$6.681 million
Probability weighted headroom			\$2.993 million

The Group concluded the recoverable amount resulting from the value in use methodology is appropriate in supporting the carrying value of the Broadcasting & Media New Zealand CGU and no impairment was recognised for the year ended 30 June 2022.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

13. Intangible Assets (continued)

c) Intangible Asset Impairment (continued)

Publications CGU

Key assumption	Worst Case	Lower Case	Base Case
Approach	Lower case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 10% reduction to revenue in Year 5.	Base case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 5% reduction to revenue in Year 5.	Based on the Group's budget for the Publications CGU on management's forecasts and using assumptions around the impact of COVID-19, market growth, market share, and adjusting for past performances and market trends.
Long term growth rate	2.00%	2.00%	2.00%
Terminal growth rate	1.50%	1.50%	1.50%
Discount rate (post-tax)	10.57%	10.57%	10.57%
Probability weighting	5%	15%	80%
Headroom / (Deficit)	\$(6.976) million	\$(1.393) million	\$6.581 million
Probability weighted headroom			\$4.707 million

The Group concluded the recoverable amount resulting from the value in use methodology is appropriate in supporting the carrying value of the Publications CGU and no impairment was recognised for the year ended 30 June 2022.

Sporting Teams CGU

The recoverable amount for the Sporting Teams CGU has been determined based on the FVLCD method. The Group divested its 25% ownership in Melbourne United Basketball Club during the financial year for a consideration of \$4.100 million. The Group has determined that given both basketball clubs share significant similarities, including competing in the same sporting competition (National Basketball League), both in capital city markets, and both teams have had sustained success, that the recent divestment of ownership in the Melbourne United Basketball Club will be used as the FVLCD as the appropriate method of valuation until the recently acquired Sport Team have been fully integrated into the Group's operations and synergies and indirect commercialisation opportunities have been initiated and generate cash flows into the Sporting Teams CGU.

The Group concluded the recoverable amount resulting from the FVLCD methodology is appropriate in supporting the carrying value of the Sporting Teams CGU and no impairment was recognised for the year ended 30 June 2022.

Regional Radio Licences

The recoverable amount for the Regional Radio Licences CGU has been determined based on the Fair Value Less Cost of Disposal method. As the licences are not currently generating their own cash flows, management have determined that FVLCD as the appropriate method of valuation until the licences are activated and generating cash flows.

The Group determined and concluded the recoverable amount resulting from the FVLCD methodology is appropriate in supporting the carrying value of the Regional Radio Licence CGU and no impairment was recognised for the year ended 30 June 2022.

In future periods, it is the intention to use these regional radio licences to generate revenue and accordingly they will be transferred to the Broadcasting & Media Australia CGU when operational.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

14. Trade and Other Payables

	Consolidated	
	2022 \$'000s	2021 \$'000s
Trade payables - current	11,361	7,435
PAYG payable - current	962	633
GST payable - current	1,625	601
Other creditors and accruals – current	5,863	6,702
Deferred consideration on radio licences and equipment – current	1,495	3,316
Total current	21,306	18,687
Deferred consideration on radio licences and equipment – non-current	-	1,495
Total non-current	-	1,495
	21,306	20,182

Recognition and Measurement

Trade and Other Payables

Trade payables and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially measured at fair value, and subsequently amortised at cost.

15. Provisions

	Consolidated	
	2022 \$'000s	2021 \$'000s
Employee provisions - current	2,929	1,817
Total current	2,929	1,817
Employee provisions – non-current	359	335
Lease make good provisions – non-current	537	441
Total non-current	896	776
	3,825	2,593

Recognition and Measurement

Employee benefits provisions

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

15. Provisions (continued)

Lease make good provisions

The lease make good provision includes the Group's best estimate of the amount required to return the Group's leased premises to their original condition.

	Consolidated	
	2022 \$'000s	2021 \$'000s
Carrying amount at the start of the year	441	267
Additional provisions recognised	107	174
Amounts used	(11)	-
Carrying amount at the end of the year	537	441

16. Borrowings

	Consolidated	
	2022 \$'000s	2021 \$'000s
Bank loan – current	328	15,929
Bank loan – non-current	23,867	624
	24,195	16,553

Debt Maturity and Extension

The Group's debt facility with the Commonwealth Bank of Australia was successfully renewed for another 3 years in July 2021. The total of the new facility will be \$28.700 million (previously \$28.600 million) and has a maturity date of 31 August 2024.

At 30 June 2021, the Group has utilised \$24.265 million of the facility, with \$4.435 million still available for future use.

Debt Covenants

The Group continues to remain fully compliant with banking covenants for all four quarters of the year ended 30 June 2022.

Debt Security

CBA have first ranking security over all assets of the Company and its subsidiaries.

Debt Facility - Financial Undertakings

The agreement under which the Commonwealth Bank of Australia facilities have been made available contains financial undertakings typical for facilities of this nature.

The undertakings include financial undertakings that are to be tested at financial year end and financial half-year end based on the preceding 12-month period.

The financial undertakings relate to both leverage and interest coverage and include:

- Annual financial statements to be provided by 30 November of each calendar year;
- Group management accounts to be provided within 45 days of end of the quarter;
- Compliance certificate to be provided within 45 days of each calendar quarter;
- Budgets for next financial year to be provided by 31 July each year; and
- ASX notices are to be advised within seven days of release to the market.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

17. Issued Capital

Contributed Equity

	2022 No.	2021 No.
Number of shares on issue	261,112,028	231,101,056

	\$'000s	\$'000s
Total amount paid on these shares	67,986	61,473

	2022		2021	
	No. '000s	\$'000s	No. '000s	\$'000s
Fully Paid Ordinary Share Capital				
Balance at beginning of financial year	231,101	61,473	213,605	57,209
Issue of shares – EEIP	5,011	1,536	714	193
Issue of shares – Business Combination	-	-	10,000	2,780
Issue of shares – Placement	25,000	5,000	-	-
Issue of shares – Non-renounceable rights offer	-	-	6,782	1,526
Share issue costs	-	(23)	-	(235)
Total issued shares during the year	30,011	6,513	17,496	4,264
Balance at the end of the year	261,112	67,986	231,101	61,473

Recognition and Measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity.

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up in proportion to the number of and amounts paid on shares held.

The fully paid ordinary shares have no par value.

Terms and Conditions of Issued Capital Ordinary Shares

Ordinary shareholders have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts of paid-up shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy at a meeting of shareholders.

Details of share options on issue are disclosed in Note 7.

18. Accumulated losses

	Consolidated	
	2022 \$'000s	2021 \$'000s
Balance at 1 July	(13,932)	(15,975)
Net profit	3,172	2,043
Transfer of Fair Value Reserve to Retained Earnings	1,300	-
Balance at 30 June	(9,460)	(13,932)

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

19. Reserves

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Share based payments reserve	601	1,156
Foreign currency translation reserve	(246)	(11)
	355	1,145

Share based payments reserve

The Share based payments reserve arises on the grant of performance rights to executives and non-executive management under the Company's performance rights plan. Further information about share based payments is in Note 7 of the financial statements.

Foreign currency translation reserve

Exchange differences relating to the translation of the Group's foreign controlled entities from their functional currencies into Australian dollars are brought to account directly to the foreign currency translation reserve, as described in Note 1 of the financial statements.

20. Earnings per Share

Basic and diluted earnings per Share

The profit and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Consolidated	
	2022	2021
	No.	No.
	'000s	'000s
Weighted average number of ordinary shares on issued for calculation of:		
Basic ordinary shares	234,625	230,458
Diluted ordinary shares	240,865	236,415
	\$'000s	\$'000s
Profit for the year	3,172	2,043
Basic earnings (cents per share)	1.35	0.89
Diluted earnings (cents per share)	1.32	0.86

Recognition and Measurement

(i) Basic earnings per Share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary share issues during the year.

(ii) Diluted earnings per Share

Diluted earnings per share adjusts the amounts used in determining basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shareholders and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

21. Contingent Assets and Liabilities

The Company and its subsidiaries are not engaged in any litigation proceedings, which could have a material impact on the result for future reporting periods.

22. Controlled Entities

Entity – Investment in ordinary shares	Country of Incorporation	Ownership Interest	
		2022 %	2021 %
Parent Entity			
Sports Entertainment Group Limited	Australia	100.00	100.00
Controlled Entities			
Victorian Radio Network Pty Ltd	Australia	100.00	100.00
Malbend Pty Ltd	Australia	100.00	100.00
Sports Entertainment Network International Pty Ltd	Australia	100.00	100.00
Inside Football Pty Ltd	Australia	100.00	100.00
Sports Entertainment Network Pty Ltd	Australia	100.00	100.00
Thread Communications Pty Ltd	Australia	100.00	100.00
Ballpark Entertainment Pty Ltd	Australia	100.00	100.00
Bravo Management Pty Ltd	Australia	100.00	100.00
AFL Nation Pty Ltd	Australia	100.00	100.00
Rapid TV Pty Ltd	Australia	100.00	100.00
Rapid Broadcast Pty Ltd	Australia	100.00	100.00
EON 2CH Pty Ltd	Australia	100.00	100.00
Radio 2CH Pty Ltd	Australia	100.00	100.00
Sports Entertainment Network NZ Limited	New Zealand	100.00	100.00
Otago NBL Franchise Limited	New Zealand	100.00	-
Associate			
Digital Radio Broadcasting Melbourne Pty Ltd	Australia	9.09	9.09
Digital Radio Broadcasting Sydney Pty Ltd	Australia	0.19	-
Melbourne United Basketball Club Pty Ltd	Australia	-	25.00

23. Segment Information

The company operates in the Media industry in Australia and New Zealand. There are four operating segments – Media Australia, Media New Zealand, Complementary Services, and Sports Teams.

AASB 8 requires operating segments to be disclosed in a manner that reflects the management information reviewed by the Chief Operating Decision Makers (“CODM”). The financial performance of each segment is reviewed by CODM at the level of earnings before interest, tax, depreciation and amortisation (EBITDA), pre AASB 16 Leases adjustments.

The Company also incurs head office costs that are reviewed by the CODM separate from the four operating segments.

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Accordingly, reporting segments have been determined based on reporting to the CODM at reporting date, as this forms the basis of reporting to the Board (CODM).

Unallocated items

Income tax expense is not allocated to operating segments as it is not considered part of the core operations of any segment.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

23. Segment Information (continued)

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board, being the CODM with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Company.

Intersegment transactions

Internally determined management fees are set for intersegment activities and all such transactions are eliminated on consolidation of the financial statements.

	Media Australia	Media New Zealand	Comple- mentary	Sports Teams	Head Office	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
30 June 2022						
Segment Revenue	82,159	4,244	9,941	12,455	183	108,982
Underlying EBITDA pre AASB 16	15,630	(1,013)	1,277	1,097	(6,647)	10,344
Rent expense adjustment from AASB 16	712	1,012	-	63	1,928	3,715
Depreciation & Amortisation	(2,102)	(1,999)	(1,084)	(77)	(3,619)	(8,881)
Earnings before interest, tax & significant items	14,240	(2,000)	193	1,083	(8,338)	5,178
Net finance cost	-	-	-	-	(1,747)	(1,747)
Gain on disposal of intangibles & property plant and equipment	63	-	-	-	-	63
Gain on disposal of investments	-	-	-	-	1,800	1,800
M&A related and restructuring costs	(167)	(7)	(35)	(86)	(869)	(1,164)
Segment profit / (loss) before tax	14,136	(2,007)	158	997	(9,154)	4,130
Other segment information						
Segment Assets	87,789	8,722	3,963	14,731	33,704	148,909
Segment Liabilities	25,142	6,758	1,619	2,575	53,934	90,028
	Media Australia	Media New Zealand	Comple- mentary	Sports Teams	Head Office	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
30 June 2021						
Segment Revenue	66,948	-	5,718	-	1,054	73,720
Underlying EBITDA pre AASB 16	13,877	(72)	341	-	(4,713)	9,433
Rent expense adjustment from AASB 16	415	-	-	-	1,274	1,689
Depreciation & Amortisation	(3,331)	-	(371)	-	(3,140)	(6,842)
Earnings before interest, tax & significant items	10,961	(72)	(30)	-	(6,579)	4,280
Net finance cost	-	-	-	-	(1,183)	(1,183)
Loss on disposal of intangibles & property plant and equipment	(617)	-	-	-	(73)	(690)
Loss on disposal of investment in joint venture	(72)	-	-	-	-	(72)
Significant costs and M&A related costs	1,092	(28)	28	-	(342)	750
Segment profit / (loss) before tax	11,364	(100)	(2)	-	(8,177)	3,085
Other segment information						
Segment Assets	86,964	3,411	2,796	500	27,840	121,511
Segment Liabilities	26,230	1,668	1,276	-	43,651	72,825

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

24. Related Party Disclosures

a) Equity Interests in Related Parties

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 22 of this report. Details of interests in associates and loans due from associates are disclosed in Note 12.

b) Remuneration and Retirement Benefits

Details of Key Management Personnel remuneration is disclosed in the Directors' Report and Note 6.

c) Transactions with Key Management Personnel

The Company has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling \$550,000 per annum. This agreement is made on normal commercial terms and conditions.

Profit before income tax includes the following expense resulting from transactions with directors or their director-related entities:

	Consolidated	
	2022	2021
	\$	\$
Talent & Consulting services	550,000	500,000
Total	550,000	500,000

d) Parent Entity

The parent entity in the consolidated entity is Sports Entertainment Group Limited.

The parent entity in the wholly-owned group is Sports Entertainment Group Limited.

The ultimate Australian parent entity is Sports Entertainment Group Limited.

25. Remuneration of Auditors – BDO and related network firms

	Consolidated	
	2022	2021
	\$	\$
Audit and assurance services:		
Audit and review of financial statements	232,000	216,000
Other assurance services	4,800	2,400
Total audit and assurance services	236,800	218,400
Other services:		
Taxation services	3,500	27,218
Taxation services – acquisition related	2,500	8,850
Total other services	6,000	36,068
Total	242,800	254,468

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

26. Note to The Statement of Cash Flows

a) Reconciliation of Cash

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Cash assets	12,627	5,324

b) Reconciliation of Profit/(Loss) after Income Tax to Net Cash Flows from Operating Activities

	Consolidated	
	2022	2021
	\$'000s	\$'000s
Net profit after income tax	3,170	2,043
Depreciation and amortisation of non-current assets	8,881	6,842
Loss on disposal of intangible assets	-	542
(Gain) / Loss on disposal of investments	(1,800)	72
Share based payments – EEIP	981	357
Prepaid advertising revenue from AFL Publications acquisition	(400)	(400)
(Gain) / Loss on disposal of non-current assets	(63)	148
Loss/(Profit) on investment in associates	17	(177)
Exchange differences on subsidiary foreign currency operations	129	-
Change in operating assets and liabilities (net of effects from acquisition of businesses):		
- (increase) / decrease in receivables and prepayments	(6,512)	(7,935)
- increase in inventory	(60)	-
- increase in deferred tax assets	(956)	(829)
- increase in payables	4,435	4,457
- increase in provisions	901	786
- increase in deferred revenue	279	528
- increase / (decrease) in current tax liabilities	674	(735)
- increase in deferred tax liabilities	270	882
Net cash inflows from operating activities	9,946	6,581

c) Recognition and Measurement

Cash and Cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

27. Parent Entity Disclosures

	Parent Entity	
	2022	2021
	\$'000s	\$'000s
Result of the Parent Entity		
Loss for the year after tax	(1,110)	(1,493)
Total comprehensive loss for the year	(1,110)	(1,493)
Summarised Statement of Financial Position		
Current Assets	6,579	111
Total Assets	36,613	57,932
Current Liabilities	1,439	18,338
Total Liabilities	1,927	28,094
Net Assets	34,686	29,838
Share Capital	67,986	61,473
Share Based Payment Reserve	601	1,156
Accumulated Losses	(33,901)	(32,791)
Total Equity	34,686	29,838

The Company has not provided any guarantees at reporting date (2021: Nil). There were also no contingent liabilities or capital commitments at reporting date (2021: Nil).

28. Events subsequent to reporting date

Acquisition of 4KQ 693AM Brisbane

On 1 July 2022, the Group completed the acquisition of 100% of the business and assets relating to the 4KQ commercial radio broadcasting licence ("4KQ") from ARN Communications Pty Ltd (ARN), a subsidiary of HT&E Limited (ASX:HT1). The sale of 4KQ was required by the Australian Communications and Media Authority (ACMA) following HT&E's acquisition of the licence from Grant Broadcasters in January 2022.

The acquisition of 4KQ expands SEG's owned radio platform and audience reach into Brisbane, and now completes the key components of our national footprint strategy with 36 stations now in operation in all capital cities and states. 4KQ strengthens SEG's eastern seaboard reach with commercial licences in the key AFL and NRL markets of Melbourne, Sydney and Brisbane.

The addition of SENQ – Queensland's Home of Sport enhances SEG's existing owned platforms in Queensland making it the flagship station to complement the existing *SEN Gold Coast 1620AM*, *SENTrack Brisbane 1053AM*, *SENTrack Atherton 99.1FM*, *SENTrack Ingham 96.9FM*, *SENTrack Kingaroy 96.3FM*, and *SENTrack Darling Downs 91.5FM*.

The acquisition is a continuation of SEG's strategy for growth, investing in assets that are underpinned by infrastructure or licence value. The owned station network provides opportunities for SEG to generate attractive returns on capital by leveraging existing investments in national sales teams, broadcast rights, unique content portfolio and high-profile talent.

4KQ is expected to deliver an incrementally positive contribution to earnings in its first 12 months.

Due to the proximity of the acquisition to the release of the financial statements, the Group has not yet completed the purchase price allocation for the acquisition. The Group is still performing its purchase price allocation for the acquisition and will include a provisional fair value assessment for the acquisition in the financial statements of the Group for the half year ending 31 December 2022.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2022

29. Business Combinations

Perth Wildcats Basketball Club

On 8 August 2021, the Group completed the acquisition of 100% of the Perth Wildcats Basketball Club ("Wildcats") for a purchase consideration of \$8.500 million less working capital adjustments of \$0.854 million for a net cash consideration of \$7.646 million which was paid upon completion. The Group has acquired all assets and liabilities of the existing operations of the Wildcats.

Aligning with its "Whole of Sport" strategy, the Wildcats will enhance the Group's ability to enrich the lives of sports fans and connect brands to those fans, while providing significant strategic value to the Group's operations, particularly in Western Australia where it will support other investments which have been made in the last 12 months.

Details of the purchase consideration, fair values of the net assets acquired and goodwill at the date of acquisition are as follows:

	Fair Value
	\$'000s
Fair Values of assets and liabilities assumed at the date of acquisition	
Prepaid expenses	8
Inventories	191
Trade and other receivables	50
Property, plant and equipment	68
Intangible assets – computer software	13
Intangible assets – Sports team licence and trademark	8,078
Deferred tax assets – on employee liabilities	99
Trade and other payables	(255)
Provision for employee benefits	(331)
Deferred revenue	(327)
Deferred tax liabilities	(2,424)
Net Identifiable Assets Acquired	5,170
Settlement of purchase consideration	
	\$'000s
Cash paid	8,500
Purchase price adjustments	(854)
Purchase consideration	7,646
Goodwill at date of acquisition	
	\$'000s
Purchase consideration	7,646
Less: value of net identifiable assets acquired	(5,170)
Goodwill arising on acquisition	2,476

An amount of \$0.451 million was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in the administration and corporation expense lines and related to once-off legal, due diligence, corporate advisory and stamp duty costs incurred in completing the acquisition.

The acquired business contributed revenues of \$12.295 million and net profit after tax of \$ 0.662 million for the 11 months to 30 June 2022. Had the business combination occurred as of the beginning of the reporting period, the business would have contributed approximately \$12.500 million in revenues and net profit after tax of \$0.750 million.

Additional Securities Exchange Information as at 30 August 2022

Number of Holders of Equity Securities

Ordinary Share Capital

261,112,028 fully paid ordinary shares held by 787 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

6,696,145 share options are held by 29 individual option holders.

Share options do not carry the right to vote.

Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares	Share Options
1 - 1,000	147	1
1,001 - 5,000	340	-
5,001 - 10,000	102	-
10,001 - 100,000	126	9
100,001 - and over	72	19
Total Holders	787	29
Holdings with less than a marketable parcel	268	-

Substantial Shareholders

The following substantial holding notices have been provided to the Company

Ordinary Shareholders	Fully Paid Ordinary Shares	% of Issued Capital
Viburnum Funds Pty Ltd	55,881,621	21.40
Craig Hutchison	51,454,094	19.71
Oceania Capital Partners Limited	35,303,031	13.52
Chase Properties & Development Pty Ltd	27,122,151	10.39
Tosca Boxer Pty Ltd	20,109,998	7.70
Total	189,870,895	72.72

Additional Securities Exchange Information as at 30 August 2022

Twenty Largest Holders of Quoted Equity Securities

Rank	Name	Units	% of Units
1.	CRAIG HUTCHISON MEDIA PTY LTD	48,434,736	18.55
2.	OCEANIA CAPITAL PARTNERS LIMITED	35,303,031	13.52
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,877,602	11.83
4.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	27,937,102	10.70
5.	CHASE PROPERTIES & DEVELOPMENT PTY LTD	26,424,217	10.12
6.	TOSCA BOXER PTY LTD <THE HALL FAMILY TRUST>	20,109,998	7.70
7.	RADIO 3AW MELBOURNE PTY LIMITED	7,932,357	3.04
8.	LEISA GIANNOPOULOS	7,914,638	3.03
9.	YARRAGENE PTY LTD <YENZIK NO 1 A/C>	5,283,003	2.02
10.	KARAPHONE PTY LTD	3,977,133	1.52
11.	COWOSO CAPITAL PTY LTD <THE COWOSO S/F A/C>	3,000,000	1.15
12.	QUATTROVEST PTY LTD	2,868,596	1.10
13.	MRS JODIE ANNE SIMM	2,492,514	0.95
14.	CRAIG HUTCHISON	1,712,542	0.66
15.	TREVISM PTY LTD <TREVISM FAMILY A/C>	1,656,271	0.63
16.	MRS AMANDA ELISE HENDERSON	1,502,410	0.58
17.	LORDS FURNITURE PTY LTD <BILL GUEST FAMILY S/F A/C>	1,442,425	0.55
18.	KEMBLA NO 20 PTY LTD	1,343,750	0.51
19.	CHILLIMIA PTY LTD <PICKERING FAMILY A/C>	1,339,287	0.51
20.	HILLARITY SMSF PTY LTD <HILL SUPER FUND A/C>	1,333,333	0.51
Top 20 holders of Ordinary Fully Paid Shares (Total)		232,884,945	89.19
Total Remaining Holders Balance		28,227,083	10.81

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SPORTS
ENTERTAINMENT
GROUP.

SPORTS ENTERTAINMENT NETWORK.

SEN

 **RECORD**

 **SEN
TRACK**

Ballpark

**SEN
SPIRIT**

BRAVO
MANAGEMENT

SENZ

RAINMAKER.

