ASX RELEASE 17 August 2023

APPENDIX 4E
FOR THE YEAR ENDED 30 JUNE 2023

Results for Announcement to the Market

Key Financial Information	**$'000**	**up/down**	**% movement**
Revenue from ordinary activities	504,294	Down	3.9%
Net profit from ordinary activities after tax (including significant items)	19,109	Up	112%
Net profit from ordinary activities after tax (excluding significant items)	21,882	Down	23.4%

Dividend Information	**Amount per share cents**	**Franked amount per share cents**	**Tax rate for franking credit**
Interim FY2023 dividend per share (paid 11 April 2023)	4.60	4.60	30%
Final FY2023 dividend per share (to be paid 4 October 2023)	2.20	2.20	30%

The dividend reinvestment plan has been suspended and will not apply in respect of the final FY2023 dividend.

Final FY2023 Dividend Dates	
Ex-dividend date	1 September 2023
Record date	4 September 2023
Payment date	4 October 2023

	30 Jun 23	**30 Jun 22**
Net Tangible Assets Per Security	$(0.75)	$(0.57)

Additional Appendix 4E disclosures are in the directors' report, financial statements, and notes to the financial statements in the Southern Cross Austereo Financial Report for the year ended 30 June 2023. This report is based on the consolidated Financial Report for the year ended 30 June 2023 which has been audited by PricewaterhouseCoopers whose Independent Auditor's Report is in the Financial Report.

Approved for release by the Board of directors.

For further information, please contact:
Southern Cross Media Group Limited

Investors:
Tim Young
Chief Financial Officer
Tel: 03 9252 2036

Media:
Rochelle Burbury
Head of Corporate Communications and Trade PR
Mob: 0408 774 577

SOUTHERN CROSS AUSTEREO

FULL YEAR REPORT

FOR YEAR ENDED 30 JUNE 2023

Southern Cross Austereo comprises Southern Cross Media Group Limited and its subsidiaries. Southern Cross Media Group Limited Is a company limited by shares and incorporated and domiciled in Australia. The registered office of Southern Cross Media Group Limited is Level 2, 101 Moray Street, South Melbourne, Victoria 3205 Australia. Tel: +61 3 9252 1019.

The financial statements were authorised for issue by the directors on 17 August 2023. The directors have the power to amend and re-issue the financial statements.

Corporate Governance Statement

The statement outlining Southern Cross Media Group Limited's corporate governance framework and practices in the form of a report against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition, will be available on the Southern Cross Austereo website, www.southerncrossaustereo.com.au, under the investor relations tab in accordance with listing rule 4.10.3 when the 2023 Annual Report is lodged.

Directors' Report

The directors of Southern Cross Media Group Limited ('the Company') submit the following report for Southern Cross Austereo, being Southern Cross Media Group Limited and its subsidiaries ('the Group') for the year ended 30 June 2023.

Directors

The following persons were directors of the Company during the whole of the year, unless otherwise stated, and up to the date of this report:

- Rob Murray (Chairman)
- John Kelly (Managing Director) (Appointed 1 July 2023)
- Grant Blackley (Managing Director) (Retired 30 June 2023)
- Glen Boreham
- Carole Campbell
- Ido Leffler
- Heith Mackay-Cruise
- Helen Nash
- Melanie Willis (Retired 31 August 2022)

Principal Activities

The principal activities of the Group during the course of the financial year were the creation of audio content for distribution on broadcast (AM, FM and DAB radio) and digital networks. The Group also broadcasts free-to-air television content in regional markets. All of these media assets are monetised via revenue generated from the development and sale of advertising solutions for clients.

There were no changes in the nature of the Group during the full year.

Review and Results of Operations

Operational Review

Group Results

The Group reported revenues of $504.3 million, a decrease of 3.9% on the prior year revenues of $524.8 million with digital audio growth (36.2%) and broadcast radio resilience (-1.2%) unable to offset softness in regional TV (-15.5%). Similarly, excluding significant items and income from the PING grant, tight cost control saw combined Non-revenue related (NRR) expenses decrease 1.3%, with Employee Expenses (+1.9%) partially offsetting higher savings on Other NRR Expenses (-6.8%).

Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') excluding significant items was $77.2m with reported EBITDA of $73.2 million. EBITDA excluding significant items in the prior year was $89.6 million – though this included government grants of $1.7m.

Net profit after tax was $19.1 million for the year ended 30 June 2023, up from a loss after tax of $153.7 million for the same period in the prior year. Prior year results included impairment charges against the audio intangible assets of

Review and Results of Operations (continued)

$250.9 million ($178.6 million net of tax) and impairment of investments of $0.8 million. Excluding these impairment charges, net profit after tax in FY2022 was $25.7 million.

EBITDA is a measure that, in the opinion of the directors, is a useful supplement to net profit in understanding the cash flow generated from operations and available for payment of income taxes, debt service and capital expenditure.

EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a widely recognised measure of operating performance. EBITDA disclosed within the Directors' Report is equivalent to 'Profit/(loss) before income tax expense for the year from continuing operations' included within the Consolidated Statement of Comprehensive Income after adding back depreciation, amortisation, impairments, and net interest.

Significant Items

There are $4.0 million of significant items relating principally to restructuring included in net profit before tax in the year ended 30 June 2023.

In the prior year, the Group recognised impairment charges against intangible assets of $250.9 million, which related to an impairment in the carrying value of radio licences, goodwill and brands in the Audio Cash Generating Unit ('CGU'). There was also a related derecognition of a deferred tax liability in respect of certain brands and licences for $72.3 million. There were also $0.8 million of impairment charges against investments and $4.0 million of other significant items relating to restructuring costs and expenses associated with terminated finance systems.

In FY 2023 there has been no impairment recognised.

Government Grants

As part of its response to COVID-19, in March 2020 the Australian Government announced various stimulus measures resulting from the economic fallout due to the coronavirus lockdown.
The Group applied and was found eligible for funding under the Commonwealth Government's Public Interest News Gathering (PING) program. During 2021 SCA received $10.3 million for the period September 2020 to August 2021 of which $1.7 million was recognised as income during the 2022 financial year.

Audio

The Audio business consists of two complementary radio networks operating across Australian capital cities and regional Australia along with the digital assets associated with the same. Each network's brands target different audience demographics with the Triple M network skewed towards males in the 25 to 54 age bracket and the Hit Network targeted towards females in the 25 to 54 age bracket. Group total audio revenues declined by 0.2% across the year in a broadcast market that declined 4.7%[1]. The Group's metro radio revenue increased by 0.6%, due to an increase in revenue market share to 27.2% following an improvement in audience ratings in a flat, competitive market.#

The Group's digital platform, LiSTNR, continued to grow significantly in FY2023, with strong adoption by users attracted to the compelling product and the increasing choice of content on the product. Total listenership of SCA and partner digital audio content measured across all digital platforms exceeded 8.1 million listeners on a monthly basis, and the number of listeners who have registered with LiSTNR has now exceeded 1.1 million active users. Digital audio advertising revenues continue to grow with an increase of 31.6% year on year. SCA anticipates strong digital audio growth will continue into FY2024.

EBITDA fell on prior year, due to high inflation and a return to normalised operations to support both listener and revenue share growth, including content, sales activations, increased promotions and outside broadcast activity.

Television

The Television business consists of 96 regional television licences. Each regional television licence receives programming from a metropolitan television network affiliate. During the financial year the Group received the majority of its programming from the Ten Network, whilst Tasmania, Darwin and Central licence areas received Seven Network programming. Total television revenues decreased by 15.5% -- ahead of a market that declined 10.6%[2] largely due to steep falls in affiliate network ratings and increased competitive pressure particularly in relation to integrated national sales. EBITDA fell on prior year predominantly due to a fall in income - with non-revenue related expenses rising at less than inflation.

Review and Results of Operations (continued)

Corporate

The Corporate function comprises the group wide centralised functions that cannot be clearly attributable to the audio or television CGU's. Corporate expenses decreased by $6.9 million, mainly due to savings in employment and insurance expenses.

[1] SMI FY2023 – Regional and metro radio markets combined
[2] SMI FY2023 – Regional and metro TV market combined (excluding production, subscription and community TV)

Segment Profit & Loss

Revenue	2023 $'m	2022 (Restated) $'m	Variance
Audio	397.2	397.9	(0.2)%
Television	106.7	126.2	(15.5)%
Corporate	0.4	0.7	(42.9)%
Total Revenue	**504.3**	**524.8**	**(3.9)%**
EBITDA			
Audio	80.3	87.6	(8.3)%
Television	18.7	30.7	(39.1)%
Corporate	(21.8)	(28.7)	24.0%
EBITDA excluding significant items[1]	**77.2**	**89.6**	**(13.8)%**
Reported EBITDA	73.2	85.6	(14.5)%
Group NPAT	**19.1**	**(153.7)**	**112.4%**

[1] Restructuring costs and other (refer to Note 4 'Significant Items' to the Financial Statements).

Group Financial position

Cashflow generation was consistent throughout the year. In the period to 30 June 2023 the Group executed its share buy-back purchasing a further $21.3 million in shares in addition to the $5.5 million bought back in 2022 funded from existing cash reserves and debt facilities.

The increase in interest rates since May 2022 resulted in higher net interest payable to banks of $4.7 million (2022: $3.5 million). The combination of the higher net interest payable and reduced EBITDA saw the Interest cover decrease to 15.09 times from 23.45 in June 2022 – though remaining well above the minimum Interest cover covenant of 3.0 times. Similarly, the Group's key leverage ratio increased to 1.48 times, up from 0.95 times in June 2022 – whilst higher, it remains manageable and well within the maximum covenant of 3.5x.

The Group's debt facilities were refinanced in January 2022 through to January 2026, and have been reduced in the year from $250 million to $160 million. However, with gross debt at $118 million, the Group has $42 million available to draw upon, providing security of financing into the medium term. Further, on 14 June 2023 the Group negotiated a short-term $25 million overdraft facility with the ANZ Banking Group, renewable on an annual basis.

Review and Results of Operations (continued)

Strategic update

The Group's mission is **'To entertain, inform and inspire Australians. Anytime. Anywhere.'** with a continued focus on being Australia's leading Audio company, and a particular emphasis on the growing Digital Audio sector, the Group will leverage its localism and audio ecosystem to maximise total shareholder returns for investors.

In FY21 the Group developed a new and refreshed Corporate Strategy. This strategy provides an overall strategic pathway for the company over the ensuing six years which stipulates specific objectives and targets whilst enabling the Group to remain agile. In FY22 the Group refined its four specific objectives to:

1. Entertain, inform and inspire our audiences
2. Evolve LiSTNR into a Unique World Class Audio Platform
3. Optimise & simplify our sales offering to grow revenue
4. Re-imagine & restructure SCA's operating model

2024 Outlook

SCA is now at the half-way point through that strategic horizon. The Group's focus will be on being the leader in Audio in Australia, for broadcast live and on-demand, and podcasting by continuing to grow Digital Audio as an increment to the widest reaching broadcast business in the country.

The Group maintains a highly competitive position in traditional radio (licences), which in combination with our in house production capability and market-leading representation agreements will provide a solid audience and understanding from which to drive Digital Audio. Whilst currently c.5% of audio revenues, the premium that Digital Audio attracts through the ability to target is expected to attract an improved valuation multiple and broader range of addressable markets thereby providing greater rates & potential for growth.

Overall, the Group is looking in FY24 to:

- reverse the overall decline in revenues in particular through digital audio continuing to outperform the market and becoming an increasing portion of the Audio segment
- prioritise earnings by focusing on the cost base to reflect scale, shape and phase of the Group and market
- Monetise long term investment, audience and our leading position with LiSTNR to get on the glide path to EBITDA breakeven in the course of last quarter of the financial year

Review and Results of Operations (continued)

Material Risks

Business and operational risks that could affect the achievement of the Group's financial prospects include the following risks:

Risk	Mitigation Strategies
LiSTNR product does not reach sustainable profitability at an appropriate level and pace	SCA has core expertise in the development of market leading content and constantly reviews the evolving distribution landscape to understand how it can continue to serve market leading content through new and innovative products. Consumption of digital audio continues to grow strongly, with 74% of Australians 12+ listening to online audio each week, up from 71% in 2021, which goes up to 78% for the age 35-54 demographic and to 89% in the under 35s[1]. This is expanding the range of audio content and diversifying the ways in which audio can be consumed. LiSTNR is a curated and personalised free app offering radio, podcasts, music and news and an important part of SCA's digital transformation, building on the success of PodcastOne Australia. LiSTNR features all of SCA's existing digital content plus a huge range of new and compelling premium content, all located in one free and easy to use app. Since launch in February 2021, approaching 1.5 million users have signed-up to LiSTNR with almost half of those in FY2023, resulting in significant audio consumption through the product and generating first-party data from our signed-in audience that gives SCA enhanced ability to offer our clients targeted, engaged audiences at scale. This targeted advertising is enabled by an Instream advertising product, which also delivers it across the digital inventory of SCA's partners such as SoundCloud. SCA believes that with continued investment it will be able to offer its listeners compelling content across the medium of their choice – being broadcast radio or digital audio. Further resources will be deployed towards the ongoing development of LiSTNR to ensure that SCA's digital audio offering is a market leader in terms of content depth and quality, product capability and digital sales expertise.
Revenues for Broadcast Radio grow more slowly than forecast	SCA is a member of Commercial Radio & Audio ('CRA'), which represents the interests of commercial radio broadcasters throughout Australia. CRA has improved the accuracy and trust in the survey measurements it commissions including the introduction of additional surveying methodologies. Further, SCA is developing attribution tools and self-serve platforms to provide enhanced comparability with global technology solutions, which have been attracting revenue away from traditional media. As described above, SCA has developed LiSTNR to take advantage of the increased consumption in digital audio. As well as offering live radio, catch-up radio podcasts are available – in combination this is the majority of listening hours on LiSTNR[1]. SCA believes that with continued investment it will be able to offer and target audiences ever more effectively with content across the medium of their choice – either broadcast radio or digital audio, which will mitigate the impact of any reduction in Broadcast Radio growth alone.

Risk	Mitigation Strategies
Global technology companies more aggressively enter the Audio market; make SCA's distribution less profitable; or increase subsidy from other business lines	SCA has a core expertise in content creation and is focused on providing localised content as a key differentiator to international operators to ensure it receives strong engagement and listening from its customer base across all of its platforms and environments. SCA launched LiSTNR in February 2021 and continues to develop the product so that it directly attracts and retains listeners and establishes itself as a destination for audio listening, providing a significant signed-in user base that enables SCA to compete effectively in providing digital advertising solutions. The Group's team of digital experts are integrated into the Group's day to day operations and analytical teams in order to leverage existing content and sales capabilities. SCA aims to continue to grow market share quickly with LiSTNR, so that it builds and retains a strong, engaged, loyal audience that can compete with both domestic and international competitors. LiSTNR's podcasting and streaming monthly audience has grown to around 9 million listeners in the first half of 2023, retaining its number 1 position as Australia's largest podcast network[2]. The Group invests in engaging digital audiences through the simulcast of its FM radio stations online and the creation of additional stations on DAB that extends its brands across broadcast and online platforms. This is coupled with a large range of digital only content that ensures the LiSTNR product has a deep and often exclusive content offering for users. SCA utilises its own media assets as well as paid media to drive both awareness and adoption of LiSTNR to build a strong market position.
Revenues from a declining regional TV market decrease faster than forecast	In FY23, the Group saw a decline in its television revenues of 15.5% year on year, in an overall market that declined 10.6%. Although FTA television continues to deliver scale audiences and retains a key place in media buying strategies, the economics of FTA television remains challenging due to ongoing audience declines. Key mitigation strategies are focused on improving the share of media spending directed towards regional markets (which have historically lagged metro market behaviour); focusing on the efficiency of our television operations; and accelerating the shift of the Groups sales emphasis towards audio. The Group's sales teams' Regional Development Program continues to drive incremental marketing in regional markets where there is an underinvestment in media spend on a per capita basis and is supported in this regard by the industry trade marketing Boomtown campaign. The Group is a diversified business covering television, radio and online, which provides a degree of protection against individual market weaknesses, with the television CGU representing less than 20% of the Group's EBITDA (prior to corporate costs) and declining. As a television affiliate the Group pays a percentage of revenue to program supply partners resulting in a more variable cost structure than our radio or online businesses, thereby reducing the profit impact of declines in FTA television revenue.

Risk	Mitigation Strategies
Operational impact of a cyber security breach	A security breach could result in loss of content playout; compromise of secondary supporting systems or the operational platform; or lead to a data breach. The Group is measuring and maturing its information security management system against the internationally recognised NIST (National Institute of Standards and Technology) cybersecurity framework. The Group has appointed Telstra Purple to provide an outsourced Chief Information Security Officer (**CISO**) service. Providing access to the collective knowledge, experience, and insights of Telstra Purple's expert team, this arrangement provides a depth of specialist resources and strengthened processes and controls to better protect the Group's systems and confidential data and assist in the management of any breach of the same. The Group has commissioned ongoing cyber vigilance for malware, spam and phishing attempts. Regular penetration and breach testing is conducted, and breach simulations are performed regularly with outcomes reported to management and directors. Continuous incident detection and response services including proactive threat hunting and break glass digital forensics in the event of a major incident have been engaged. User education on Cyber Security has been uplifted through friendly phishing campaigns, in person awareness sessions, and course-based compliance training. Multifactor authentication is applied based on the impact profile of the service. The Group maintains a Cyber Security insurance policy. The Group has outsourced its transmission to Broadcast Australia and TV playout to NPC Media, which have disaster recovery and business continuity plans in place, that are periodically tested to ensure continuity of their services in case of a security breach or other interruption. Systems security questionnaires are completed for all new and existing third parties that require access to data held by SCA or that host or manage data on SCA's behalf.

[1] The Infinite Dial Australia 2023 study
[2] Australian Podcast Ranker - Top Sales Representatives – June 2023

Distributions and Dividends

Type	Cents per share	Total Amount $'m	Date of Payment
Final 2022 Ordinary	4.75 cents	$12.3 million	4 October 2022
Interim 2023 Ordinary	4.6 cents	$11.0 million	11 April 2023

Since the end of the financial year the directors have declared the payment of a final 2023 ordinary dividend of $5.28 million (2.20 cents per fully paid share) out of 'Retained Profits – 2019 reserve'. This dividend will be paid on 4 October 2023.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the year under review.

Events Occurring After Balance Date

Events occurring after balance date are outlined in note 26 'Events Occurring after Balance Date' to the Financial Statements.

Likely Developments and Expected Results of Operations

Further information on likely developments relating to the operations of the Group in future years and the expected results of those operations have not been included in this report because the directors of the Company believe it would be likely to result in unreasonable prejudice to the commercial interests of the Group.

Indemnification and Insurance of Officers and Auditors

During the year the Company paid a premium of $1,452,657 to insure its officers. So long as the officers of the Company act in accordance with the Constitution and the law, the officers remain indemnified out of the assets of the Company and the Group against any losses incurred while acting on behalf of the Company and the Group. The auditors of the Group are in no way indemnified out of the assets of the Group.

Non-Audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers Australia) for audit and non-audit services provided during the year are set out in note 23.

The Board has considered the position and, in accordance with advice received from the Audit & Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Environmental Regulation

The operations of the Group are not subject to any significant environmental regulations under Australian Commonwealth, State or Territory law. The directors are not aware of any breaches of any environmental regulations.

Information on Directors

Chairman and Independent Director **Robert Murray**	Appointed: 1 September 2014 Most recently elected by shareholders: 21 October 2022 Board Committees: Nomination Committee[1] (Chair) Rob Murray became Chair of the Company on 19 August 2020. Rob had a successful career in sales, marketing and general management having served most recently as the CEO of Lion (formerly Lion Nathan), one of Australasia's leading food and beverage companies, including during its acquisition by Kirin Holdings in 2009. Before joining Lion Nathan in 2004, Rob worked for Procter & Gamble for 12 years, and then for eight years with Nestlé, first as MD of the UK Food business, and then as CEO of Nestlé Oceania. Rob brings valuable strategic and commercial insight to the Board, along with his in-depth understanding of consumer behaviour and global experience in mergers and acquisitions and other corporate transactions. Rob is a director the Bestest Foundation, and Advisory Chair of the Hawkes Brewing Company. He was previously a director of Metcash Ltd, Dick Smith Holdings, Super Retail Group, and Linfox Logistics.
Independent Director **Glen Boreham AM**	Appointed: 1 September 2014 Most recently elected by shareholders: 13 October 2021 Board Committees: Digital Transformation Committee, People & Culture Committee, Nomination Committee[1] Glen's executive career culminated in the role of CEO and Managing Director of IBM Australia and New Zealand in a period of rapid change and innovation from 2006 to 2010. He was the inaugural Chair of Screen Australia from 2008 to 2014, and chaired the Australian Government's Convergence Review of the media industry. The Board benefits from Glen's extensive knowledge, insights and networks in the technology and data industries. Having lived in Asia, Europe and Australia, Glen brings a global perspective. Glen is also a director of Cochlear and Link Group and was formerly Chair of the Advisory Board at IXUP where he remains a Strategic Adviser. He was previously Chair of the Industry Advisory Board at the University of Technology Sydney, Chair of Advance, representing the one million Australians living overseas, as well as Deputy Chair of the Australian Information Industry Association and a Director of the Australian Chamber Orchestra. In 2010, he became a founding member of Australia's Male Champions of Change group. Glen is a Member of the Order of Australia for services to business and the arts.
Independent Director **Carole Campbell**	Appointed: 1 September 2020 Most recently elected by shareholders: 30 October 2020 Board Committees: Audit & Risk Committee (Chair), Digital Transformation Committee Carole Campbell has over 30 years' financial executive experience in a diverse range of industries including professional services, financial services, media, mining, and industrial services. Carole started her career with KPMG and has held executive roles with Macquarie Group, Westpac Institutional Bank, Seven West Media, Bis Industries and Merivale. Carole transitioned to a non-executive career in 2018 and is a non-executive director of GUD Holdings Limited where she chairs the audit committee at both companies. She was previously a non-executive director of IVE Group Ltd and Humm Group. Carole is also Deputy Chair of Council of the Australian Film Television and Radio School. Carole is a Fellow of Chartered Accountants Australia and New Zealand and brings extensive experience in accounting, treasury, finance, and risk management to her role on the Board and as Chair of the Audit & Risk Committee.

Information on Directors (continued)

Independent Director

Ido Leffler

Appointed: 30 October 2020
Most recently elected by shareholders: 30 October 2020

Board Committees: Digital Transformation Committee, People & Culture Committee

Ido Leffler has long and successful experience in developing digital brands and extensive networks in the start-up communities of Silicon Valley and Australasia. Ido is the co-founder and Chief Executive Officer at Yoobi, a school supplies company that engages kids through bright colours, cool designs and, most importantly, cause. He is also a co-founder of Yes To Inc. – a leading global natural beauty brand; and of Beach House Group – a global consumer product house.

Ido is a non-executive director of Vestergaard and The Lux Group. He was a non-executive director of Spark New Zealand Limited for six years until November 2020. Ido also sits on other corporate and advisory boards, including as an emeritus member of the United Nations Foundation Global Entrepreneur Council.

Independent Director

Heith Mackay-Cruise

Appointed: 30 October 2020
Most recently elected by shareholders: 30 October 2020

Board Committees: People & Culture Committee (Chair), Audit & Risk Committee, Nomination Committee[1]

Heith Mackay-Cruise's executive career included senior roles in Marketing for Pepsi-Cola in Australia and Australian Consolidated Press and as CEO and Managing Director of PBL Media in New Zealand, Study Group and Sterling Early Education.

Since 2014, Heith has focused on non-executive roles including four years on the board of the ASX-listed Bailador Technology Investments Limited, and privately owned groups including Literacy Planet, Hipages Group, LifeHealthcare, and his ongoing role as Chair of Straker Translations Limited and on the Boards of Orro Group Holdings Pty Ltd, Codan Limited, and the Australian Institute of Company Directors.

Heith brings to the Board his executive leadership experience, as well as global platforms exposure, and marketing and digital knowledge.

Independent Director

Helen Nash

Appointed 23 April 2015

Most recently elected by shareholders: 21 October 2022

Board Committees: Audit & Risk Committee, People & Culture Committee

Helen Nash has more than 20 years' executive experience in consumer packaged goods, media and quick service restaurants. As Chief Operating Officer at McDonald's Australia, she oversaw restaurant operations, marketing, menu, insights and research, and information technology. This mix of strategic and operational experience allows Helen to bring broad commercial skills and acumen, as well as a consumer focus, to the Board. Helen also brings robust financial skills to her role having initially trained in the UK as a Certified Management Accountant.

Since transitioning to her non-executive career in 2013, Helen has served as a director of companies in a range of industries. She is Chair of Inghams Group Limited, a director of Metcash Ltd, and was formerly a director of Pacific Brands Ltd and Blackmores Ltd. Our Board benefits from Helen's governance experience and skills, including her membership of audit and remuneration committees at these other companies.

Information on Directors (continued)

Managing Director and CEO **John Kelly**	Appointed: 1 July 2023 John Kelly brings extensive strategic, operational, and financial leadership experience from 25 years working for Australian media and sporting organisations. John spent 16 years in executive roles at the Ten Network, including eight years as Group CFO, and then three years as Chief Operating Officer at Football Federation Australia, before joining SCA as Chief Operating Officer in 2016. In that current role, he oversaw SCA's general management teams, strategy, research and insights, and digital audio, as well as facilitating SCA's key sporting rights, television affiliations, and digital audio partnerships. As CEO, John leads development and execution of SCA's strategy with a view to increasing shareholder value, profitability, and the sustainability of the organisation in the long term.
Former Managing Director and CEO **Grant Blackley**	Appointed: 29 June 2015 Resigned: 30 June 2023 Grant Blackley joined the Board in June 2015 as Chief Executive Officer and Managing Director with responsibility for leading the strategic and operational performance of the company. Before joining SCA, Grant enjoyed a distinguished career with more than 30 years' experience in the media and entertainment sectors including as CEO at Network 10 from 2005 to 2010. Grant resigned as Managing Director and CEO of SCA on 30 June 2023.

Information on Company Secretary

General Counsel and Company Secretary **Tony Hudson**	Appointed 7 September 2015 Tony Hudson has over 25 years' experience in senior legal and governance roles. Tony was General Counsel and Company Secretary at ConnectEast from 2005 until 2015. Before that, Tony was a partner of Blake Dawson Waldron (now Ashurst Australia), working in the firm's Melbourne office and from 1993 until 2000 in its Jakarta associated office. Tony manages the Group's national legal and corporate affairs teams, including responsibility for regulatory affairs and board governance.

1. The Board disbanded its Nomination Committee in June 2023.

Meetings of Directors

The number of meetings of the Board of Directors and its committees held during the year and the number of meetings attended by each director are summarised in the table below.

The Nomination Committee did not meet during the year. As a result, the members of the Nomination Committee (Rob Murray, Glen Boreham, and Heith Mackay-Cruise) did not receive any fees in respect of their membership of the Nomination Committee during the year.

	Meetings of Committees							
	Board		**Audit & Risk**		**People & Culture**		**Digital Transformation**	
Director	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**
Rob Murray	14	14	3	*	4	*	2	*
Grant Blackley	14	14	3	*	3	*	3	*
Glen Boreham	14	14	2	*	4	4	3	3
Carole Campbell	14	14	4	4	4	*	3	1
Ido Leffler	14	14	-	*	4	4	3	3
Heith Mackay-Cruise	14	14	4	4	4	3	2	1
Helen Nash	13	14	3	4	4	4	-	*
Melanie Willis	1	2	1	1	-	1	-	*

[1] Held refers to the number of meetings held during the time the director held office or was a member of the relevant committee during the year.

* Not a member of the relevant committee during the year.

Remuneration Report

Letter from People & Culture Committee

Overview

On behalf of the Board, I am pleased to present SCA's remuneration report for the year ended 30 June 2023 (**FY23**). The People & Culture Committee (**PCC**) assists the Board in its oversight of management activities in developing and implementing strategies to improve SCA's financial performance, culture, and diversity, consistent with our values. The PCC also oversees the composition, performance, and remuneration of SCA's executive key management personnel (**KMP**) and the other members of SCA's Senior Leadership Team. An important part of the committee's role is to ensure SCA's remuneration policies align executive reward with creation of value for shareholders, having regard to applicable governance, legal and regulatory requirements, and industry standards.

SCA's executive remuneration includes fixed and variable components. SCA operates a combined Executive Incentive Plan (**EIP**), which provides a simple and direct way to link executive performance and reward to generation of sustainable positive returns for shareholders.

Executive Incentive Plan

Under the EIP, the performance of the executive KMP and other executives is assessed annually against a mix of financial and non-financial performance measures. The EIP uses a balanced scorecard to assess an executive's performance. Sixty percent of the annual award for SCA's Senior Leadership Team is based on performance against annual financial performance hurdles. Non-financial measures – accounting for 40% of the annual award – include execution of strategic projects designed to drive future financial performance, and cultural and behavioural influences. This balanced scorecard recognises the long-term benefits to the organisation of SCA's leaders committing to develop and maintain a strong culture and operational discipline. In all cases, executives' maximum EIP opportunity is capped at target.

The Board also maintains a corporate balanced scorecard to assess overall performance against agreed targets for radio audience survey performance, advertising market commercial share, growth in digital audio reach and monthly active users of LiSTNR, as well as financial performance measures. Several of the measures from the corporate scorecard are reflected in the scorecards of individual executives, and the Board also uses the scorecard to inform its exercise of discretion when considering the performance and incentive opportunities of individual executives.

The annual EIP award to each executive KMP is settled partly in cash and the remainder in equity performance rights. The cash component is 40% for the CEO and 50% for other executive KMP. These performance rights are eligible for vesting and conversion to ordinary shares at the end of year 3, subject to ongoing employment. Vesting of one-half of the performance rights will potentially be scaled back according to SCA's achieving satisfactory growth in earnings per share over this three-year performance period. A further restriction on disposal of vested shares applies until the end of year 5, two years after allocation of any vested shares.

Executive remuneration in FY23

The Board made no change to the base remuneration of the CEO and CFO for FY23, and approved increases of between 4.0% and 6.0% in the base remuneration of other Senior Leadership Team members. The Board considered these adjustments were reasonable to ensure SCA's executive remuneration remained competitive in a tightening labour market.

Under the FY23 EIP, the performance of each executive KMP was assessed against a mix of financial and non-financial performance measures. The profitability and financial performance measures under the EIP for FY23 were group EBITDA, earnings per share (**EPS**), and non-revenue related costs compared to budget. The EBITDA and EPS targets were not achieved. The Board acknowledged external economic factors had contributed to these outcomes and these were beyond the control of the executive team. The Board also acknowledged that management had been effective in controlling non-revenue related costs. Despite the inflationary environment, non-revenue related costs of $306.2M were 4% below the target of $317.5M. Based on this cost discipline, the Board approved achievement of one-third of each executive's profitability and financial performance incentive opportunity.

The non-financial goals of leadership executives targeted growth in SCA's broadcast radio and digital audio audiences, expansion of digital revenues, building digital audio capability, procuring, and rolling out improved systems to support that digital audio capability, and embedding understanding of SCA's digital transformation strategy.

The Board assessed that executive KMP and other leadership executives achieved between 29% and 59% of their respective EIP opportunities. However, considering that corporate revenue and earnings outcomes fell short of targets and the significant deterioration in SCA's share price during the year, the Board exercised discretion to reduce the awards of all leadership executives to between 20% and 50% of their respective EIP opportunities. The Board also directed that awards to other participants under the FY23 EIP be capped at a maximum of 50% of each participant's opportunity.

Half of each executive's award will be paid in cash and the remainder will be settled by grant of performance rights that will be eligible for vesting after 30 June 2025, strongly aligning executives' interests with those of other shareholders. Two of SCA's executive KMP – Grant Blackley and Brian Gallagher – who resigned during the year will receive the cash portion of their EIP award and will not receive any performance rights.

Details of the EIP outcome for each executive KMP are provided in the remuneration report.

FY21 LTI plan

SCA has suspended its LTI plan; however, performance rights granted to executives in FY21 were eligible for vesting after 30 June 2023. Shareholders will recall this bespoke LTI plan focused on increasing SCA's market capitalisation and resuming a reliable flow of dividends over the three-year performance period to 30 June 2023. The sole performance measure under the FY21 LTI plan was total shareholder return (**TSR**). While SCA has resumed payment of dividends and conducted an on-market buy-back during the year, the group's market capitalisation has deteriorated over the three-year performance period and, as a result, the threshold TSR was not achieved. The performance rights granted under the FY21 LTI plan did not vest. Details of the FY21 LTI plan are outlined in section 2.3.2 of the remuneration report.

There are no other entitlements outstanding under SCA's LTI plan.

Executive remuneration planning for FY24

There were several changes in SCA's senior executive ranks during the year. SCA's Chief Executive Officer, Chief Financial Officer, and Chief Sales Officer resigned during the year.

The Board appointed Tim Young as Chief Financial Officer in late January 2023, setting his remuneration with the assistance of external search consultants, Korn Ferry.

In considering the later appointments of John Kelly as Chief Executive Officer and Seb Rennie as Chief Commercial Officer, the Board engaged KPMG to benchmark the base and incentive remuneration of executives in similar roles. At the time of the benchmarking, SCA's market capitalisation ranked 429 in the ASX500. With the Board's endorsement, KPMG selected a comparator group comprising 34 companies in the Consumer Staples, Consumer Discretionary, Communication Services and Information Technology sectors with an average market capitalisation of between $200M and $420M along with certain other companies with similar market capitalisation. The Board approved total remuneration for these roles between the 60th and 80th percentile of the comparator group.

The first performance rights granted under SCA's EIP in FY22 will be eligible for vesting at the end of the applicable three-year service period on 30 June 2024. We look forward to reporting on vesting of those rights in next year's annual report.

Board remuneration

There were no changes to the remuneration of non-executive directors in FY23. The same remuneration framework for non-executive directors will continue in FY24.

Melanie Willis retired as a director during the year. The Board decided not to seek a replacement for her, being satisfied the Board's reduced size and its mix of skills and experience are appropriate for SCA's needs. The Board also adjusted the compositions of its committees to balance the responsibilities of directors and plan for future succession. This included my taking over from Helen Nash as Chair of the PCC, and Carole Campbell replacing me as a member of the Digital Transformation Committee. The Board also decided in June 2023 to disband its Nomination Committee with its former responsibilities being assumed by the full Board. These changes resulted in aggregate Board fees reducing from $1,280,600 in FY22 to $1,156,750 in FY23.

Further details of current Board remuneration arrangements are provided in the remuneration report.

The PCC continues to strive to ensure SCA's remuneration framework will drive behaviours to generate sustainable value for shareholders. I look forward to your feedback and to welcoming you to our 2023 Annual General Meeting.

Yours faithfully,

Heith Mackay-Cruise
Chair of the People & Culture Committee

1. OVERVIEW OF FY23 REMUNERATION

This section provides an overview of the remuneration received by executive KMP and non-executive directors in FY23.

1.1 Executive KMP

The principles for remuneration of executive KMP are set out in section 2. Details of remuneration paid during the year are provided in sections 3 (Remuneration of executive KMP and directors), 4 (Analysis of incentives) and 5 (Share-based incentives).

This table provides an overview of statutory remuneration received by executive KMP in FY22 and FY23.

		Total remuneration		Short-term incentive opportunity[1]		Long-term incentive eligible for vesting[2,3]	
Name	Fin Year	Amount $	Performance-related proportion %	Awarded %	Forfeited %	Vested[2] %	Forfeited %
Grant Blackley	**2023**	**2,432,688**	**12.7%**	**50.0**	**50.0**	**-**	**100.0**
Chief Executive Officer and Managing Director	2022	1,692,408	26.5%	39.0	61.0	-	-
Nick McKechnie[4]	**2023**	**92,749**	**(69.9%)**	**-**	**-**	**-**	**100.0**
Chief Financial Officer	2022	768,705	20.6%	38.0	62.0	-	-
Tim Young[5]	**2023**	**330,104**	**20.2%**	**50.0**	**50.0**	**-**	**-**
Chief Financial Officer	2022	-	-	-	-	-	-
John Kelly	**2023**	**926,587**	**25.7%**	**50.0**	**50.0**	**-**	**100.0**
Chief Operating Officer	2022	787,462	22.0%	41.0	59.0	-	-
Brian Gallagher[6]	**2023**	**596,629**	**8.0%**	**20.0**	**80.0**	**-**	**100.0**
Chief Sales Officer	2022	766,238	21.7%	40.0	60.0	-	-
Seb Rennie[7]	**2023**	**56,638**	**-**	**-**	**-**	**-**	**-**
Chief Commercial Officer	2022	-	-	-	-	-	-
Total executive KMP	**2023**	**4,435,394**	**13.5%**	**44.6**	**55.4**	**-**	**100.0%**
	2022	4,014,813	23.6%	39.0	61.0	-	-

1 The short-term incentive opportunity awarded or vested during FY23 is the cash component of awards made under the Executive Incentive Plan.

2 Entitlements under the FY21 LTI plan were eligible for vesting in FY23.

3 A portion of the awards made under the Executive Incentive Plan in FY23 will be satisfied by the grant of performance rights that will be eligible for vesting after expiry of the three-year performance period on 30 June 2025.

4 Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022.

5 Tim Young joined SCA as Chief Financial Officer on 30 January 2023.

6 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023.

7 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. He did not participate in the EIP during FY23 but was eligible for a cash short-term incentive in respect of his original role.

1.2 Non-executive directors

The aggregate remuneration of the Company's non-executive directors during FY23 was $1,156,750, compared to $1,280,600 in FY22. Changes are due principally to reduction in the number of non-executive directors from seven to six and changes in the compositions of the Board's Committees. The principles for remuneration of non-executive directors are set out in section 2. Details of the remuneration of non-executive directors during the year are provided in section 3.

2 REMUNERATION PRINCIPLES

2.1 Overview of executive remuneration

The Company aims to ensure remuneration is competitive and appropriate for the results delivered. Executive reward is aligned with the achievement of strategic objectives and the creation of value for shareholders and is informed by market practice for executive reward.

Executive remuneration packages include a mix of fixed and variable remuneration. More senior roles in the organisation have a greater weighting towards variable remuneration.

The table below shows the target remuneration mix for executive KMP in FY22 and FY23. The STI portion is shown at target levels and the LTI portion is based on the value granted or to be granted in the relevant year

	Target remuneration mix					
Executive KMP	**Fixed remuneration**		**Short-term[1]**		**Long-term[2]**	
	FY23	**FY22**	**FY23**	**FY22**	**FY23**	**FY22**
Grant Blackley	40%	40%	30%	30%	30%	30%
John Kelly	50%	50%	25%	25%	25%	25%
Nick McKechnie[3]	50%	50%	25%	25%	25%	25%
Tim Young[4]	50%	-	25%	-	25%	-
Brian Gallagher[5]	50%	50%	25%	25%	25%	25%
Seb Rennie[6]	50%	-	25%	-	25%	-

1. The EIP is a combined incentive plan under which awards are paid partly in cash and partly in equity performance rights that are eligible for vesting at the end of year 3. The percentages in this column are the cash component of the EIP awards in FY23.

2. The EIP is a combined incentive plan under which awards are paid partly in cash and partly in equity performance rights that are eligible for vesting at the end of year 3. The percentages in this column are the equity performance rights component of the EIP awards in FY23.

3 Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022.

4 Tim Young joined SCA as Chief Financial Officer on 30 January 2023.

5 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023.

6 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. The remuneration mix in the table above will apply from 1 July 2023.

2.2 Fixed remuneration for executive KMP

Fixed remuneration for executives is structured as a total employment package. Executives receive a combination of base pay, superannuation and prescribed non-financial benefits at the executive's discretion. SCA contributes superannuation on behalf of executives in accordance with the superannuation guarantee legislation.

Fixed remuneration is reviewed annually to ensure the executive's pay is competitive and appropriate for the results delivered. There are no guaranteed fixed remuneration increases included in any executive KMP contracts. The Board made no change to the base remuneration of the CEO and CFO for FY23, and approved increases of between 4.0% and 6.0% in the base remuneration of other Senior Leadership Team members. The Board considered these adjustments were reasonable to ensure SCA's executive remuneration remained competitive in a tightening labour market.

2.3 Variable remuneration for executive KMP

2.3.1 Executive incentive plan

The table below outlines details of the Company's executive incentive plan (**EIP**) in FY23. The EIP operated for the first time in FY22.

What is the incentive?	The EIP is an annual at-risk bonus designed to reward executives for meeting or exceeding financial and non-financial objectives.

How is each executive's entitlement determined?	Each executive is allocated a dollar value target (which may be a fixed percentage of the executive's total remuneration) representing the executive's maximum EIP opportunity for the one-year performance period.
How is the incentive delivered?	The EIP operates over five years as follows: • a one-year performance period commencing on 1 July in the first year of the EIP, after which individual and corporate performance is assessed and an EIP award may be made partly in cash and partly in grant of performance rights; • a two-year service period commencing on 1 July in the second year of the EIP, after which performance rights will be eligible for vesting and conversion to fully paid ordinary shares; and • a two-year retention period commencing on 1 July in the fourth year of the EIP, during which any shares allocated at the end of the service period are subject to a disposal restriction. To the extent the EIP performance conditions for an executive are satisfied during the performance period, SCA will make an EIP award to the executive. SCA will satisfy the dollar value of the EIP award by: • paying the executive the cash component of the EIP award; and • granting the executive performance rights with a face value equal to the equity component of the EIP award in two equal tranches. The number of performance rights granted to the executive is calculated by dividing the dollar value of the equity component of the EIP award by the face value of a performance right at the end of the applicable performance period. The face value of a performance right is: • the volume weighted average price of SCA's shares for the five trading days commencing seven days after SCA's results for the performance period are announced to the ASX; less • the amount of any final dividend per share declared as payable in respect of the performance period. These performance rights will be eligible for vesting at the end of year 3, two years after their grant to the executive. This two-year period is referred to as the service period.
What are the performance measures and hurdles?	The Board sets the annual goals for the CEO near the beginning of each financial year. The goals are allocated to three categories having regard to SCA's business strategy: financial performance (60%), strategic execution (30%) and culture and behaviour (10%). The CEO determines the annual goals for other Leadership Executives in the same three categories and having regard to their areas of responsibility. **Financial performance (60%)** The financial performance metrics that apply under the EIP in FY23 are summarised below. • **Group EBITDA compared to budget**: This is a core measure of operational profitability and, as such, is measured excluding significant items. This EBITDA measure is the one used throughout the Remuneration Report unless otherwise noted. This metric is relevant for all Leadership Executives. • **Earnings per share (EPS) compared to budget**: This uses net profit after tax (**NPAT**) as the core profitability driver while also taking account of any capital

management initiatives that increase or reduce the number of shares on issue. This metric is relevant for all Leadership Executives.

- **Revenue compared to budget**: Targets may be set for total revenue or for specific categories of revenue, such as digital audio revenue. This metric is relevant for several Leadership Executives including the Chief Sales Officer.
- **Non-revenue-related costs compared to budget**: These controllable costs exclude costs such as agency commissions and television affiliation fees that are variable with revenue. This metric is relevant for all Leadership Executives.

Achievements against financial metrics are based on SCA's audited annual financial report. The Board has discretion to adjust targets and outcomes to ensure executive reward is appropriately linked to corporate performance. For this purpose, the Board may consider matters including SCA's overall corporate performance and progress against strategic objectives; significant non-cash items (for example impairment losses); acquisitions, divestments, and one-off events; and abnormal or non-recurring items.

Strategic execution (30%)

Goals for strategic execution are tailored to the individual responsibilities of each executive. These goals focus on implementation of strategic initiatives, major projects, and material operational improvements designed to deliver growth, improved and sustainable business performance, and shareholder value.

Culture and behaviour (10%)

Goals for culture and behaviour are tailored to the individual responsibilities of each executive. These goals focus on maintaining a positive corporate culture, effective leadership, and development, retaining talent, and building effective external relationships to improve and sustain long-term business performance and shareholder value.

Is there a gateway?

The following minimum performance and vesting schedules apply for EIP awards based on financial metrics:

EBITDA – percentage of budget	Vesting percentage
Below 95%	Nil
95%	50%
Above 95% to 102.5%	Straight-line vesting between 50% and 100%
Above 102.5%	100%

EPS – percentage of budget	Vesting percentage
Below 90%	Nil
90%	50%
Above 90% to 105%	Straight-line vesting between 50% and 100%
Above 105%	100%

Revenue – percentage of budget	Vesting percentage
Below 97%	Nil
97%	50%
Above 97% to 100%	Straight-line vesting between 50% and 100%
Above 100%	100%

	<table><tr><th>Digital revenue – percentage of budget</th><th>Vesting percentage</th></tr><tr><td>Below 85%</td><td>Nil</td></tr><tr><td>85%</td><td>50%</td></tr><tr><td>Above 85% to 107.5%</td><td>Straight-line vesting between 50% and 100%</td></tr><tr><td>Above 107.5%</td><td>100%</td></tr></table> <table><tr><th>Non-revenue-related costs – percentage of budget</th><th>Vesting percentage</th></tr><tr><td>Above budget</td><td>Nil</td></tr><tr><td>On budget or below</td><td>100%</td></tr></table> None of the above financial measures operates as a gateway to an award being made under any other financial or non-financial measure.. Individual performance must be at a 'meets expectations' level before any EIP award will be made.
What is the maximum amount payable?	The maximum award under the FY23 EIP is 100% of an executive's EIP target opportunity if all vesting conditions are fully satisfied over the one-year performance period.
How is performance assessed?	The Board will calculate the financial measures under the EIP at the end of the performance period. SCA may engage an independent consultant to review or carry out these calculations. The Board has discretion to adjust targets and outcomes to ensure executive reward is appropriately linked to corporate performance. **CEO:** At the end of each financial year, with the assistance of the Board's People & Culture Committee, the Board assesses the performance of the CEO against the applicable non-financial measures and determines the extent to which the CEO has achieved applicable targets. In doing so, the Board may consider the CEO's achievements in the context of SCA's overall performance. **Other Leadership Executives**: At the end of the financial year the CEO assesses the performance of the other Leadership Executives against the applicable non-financial measures and determines the extent to which each Leadership Executive has achieved applicable targets. In doing so, the CEO may consider each Leadership Executive's achievements in the context of SCA's overall performance. The CEO provides these assessments to the People & Culture Committee for review.
Vesting of performance rights after service period	If the executive remains employed by SCA at the end of the service period: • Tranche 1 of the executive's EIP award will vest at that time; and. • Tranche 2 of the executive's EIP award will be eligible for vesting according to the following scale. <table><tr><th>3-year EPS CAGR</th><th>% of Tranche 2 that vests</th></tr><tr><td>1.5% or below</td><td>Nil</td></tr><tr><td>Above 1.5% - 8.0%</td><td>Straight-line vesting between 0% and 100%</td></tr><tr><td>Above 8.0%</td><td>100%</td></tr></table> SCA will allocate one fully paid ordinary share for each of the executive's performance rights that vests at the end of the two-year service period. An executive will receive an additional allocation of fully paid ordinary shares with a value equal to the dividends paid on vested rights in respect of the two-year the service period. The Board has discretion to settle vested awards in cash. Any performance rights that do not vest at the end of the service period will lapse.

	The Board has discretion to fulfil SCA's obligation to allocate shares on vesting by issuing new shares or acquiring shares on market. The Board has decided that any shares to be allocated on vesting of performance rights under the FY23 EIP grant will be acquired on market. Shares allocated under the EIP to Leadership Executives will be subject to disposal restrictions for two years (until the end of year 5) or cessation of the Leadership Executive's employment, whichever is earlier. These shares will be subject to further disposal restrictions under the Senior Executive Share Ownership Policy unless the Leadership Executive has accumulated the target shareholding required under that policy.
Cessation of employment	If an executive ceases employment with SCA during the five-year term of the FY23 EIP grant, the treatment of executive's rights under the EIP will be determined by the time and circumstances of the cessation of employment as explained below. **During performance period** Bad Leavers (who resign or are terminated for cause) during the year 1 performance period will not be eligible for an award under the FY23 EIP. For an executive who ceases employment for other reasons during the performance period, the Board has discretion to make an award to the executive under the EIP on a pro-rata basis considering time and the performance to date against the applicable performance measures, to hold the EIP award to be tested against the applicable performance measures at the end of the original performance period, or to treat the EIP award in any other manner it considers appropriate. **During service period** Bad Leavers (who resign or are terminated for cause) during the two-year service period will forfeit any unvested performance rights, unless otherwise determined by the Board. For executives who cease employment during the service period for other reasons, the Board has discretion to vest any unvested performance rights on a pro-rata basis considering time and the performance to date against the EPS performance hurdle, to hold all or a part of any unvested performance rights to be tested against the EPS performance hurdle at the end of the original service period, or to treat the award in any other manner it deems appropriate. **After service period** If an executive ceases employment with SCA after the service period, SCA will release the executive's shares from any remaining restrictions on disposal.
Change of control	If a change of control event in relation to SCA occurs before assessment of performance under an EIP award or before vesting of performance rights granted under an EIP award, the Board has discretion as to how to treat the unassessed award or unvested performance rights, including to forfeit or make an award in whole or in part and to determine performance rights will vest or lapse in whole or in part, or that performance rights will continue subject to the same or different conditions. In exercising its discretion, the Board may consider the proportion of the performance period and the service period that has passed at the time of the change of control, the performance to date of SCA and the executive against applicable performance conditions, and any other matters the Board considers to be relevant.
Clawback	The Board may reconsider the level of satisfaction of a performance hurdle and take steps to reduce the benefit of an EIP award to the extent its vesting was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to SCA.

Other features	**Treatment of dividends**: There are no dividends payable to executives on unvested performance rights. Once performance rights have vested to fully paid ordinary shares, the executive will be entitled to dividends on these shares. In addition, upon vesting of an executive's performance rights, the executive will receive an additional allocation of fully paid ordinary shares with a value equal to the dividends paid on vested rights in respect of the service period. **Sourcing of shares**: The Board has discretion to purchase shares on market or to issue new shares in respect of vested performance rights. The Board typically chooses to purchase shares on market for this purpose and will do so for any performance rights that vest under the FY23 EIP. **Retention of shares**: Participants must retain any shares allocated to them upon vesting of performance rights for two years or cessation of employment, whichever is earlier. SCA's Senior Executive Share Ownership Policy also applies to shares allocated to Leadership Executives on vesting of performance rights under the EIP.

2.3.2 Long-term incentive plan

The table below outlines details of the Company's LTI plan in FY21. The LTI plan has been suspended for subsequent financial years. Entitlements granted under the FY21 LTI plan were eligible for vesting after expiry of the three-year performance period on 30 June 2023. The sole performance measure under the FY21 LTI plan was total shareholder return (**TSR**). While SCA resumed payment of dividends and conducted an on-market buy-back during the year, the group's market capitalisation deteriorated over the three-year performance period and, as a result, the threshold TSR was not achieved. As explained in section 5.4, the performance rights granted under the FY21 LTI plan did not vest.

What is the incentive?	The LTI plan provides executive KMP and about 20 other executives with grants of performance rights over ordinary shares, for nil consideration. Performance rights granted under the LTI plan are subject to a three-year performance period.
How is each executive's entitlement determined?	Each executive is allocated a dollar value (which may be a fixed percentage of the executive's total remuneration) representing the executive's maximum LTI opportunity for the year. This dollar value is converted into a number of performance rights in the LTI plan based on the face value of performance rights at the applicable grant date. The face value of performance rights is calculated as: • the weighted average price of the Company's shares for the five trading days commencing seven days after the Company's results for the prior financial year are announced to ASX; less • the amount of any final dividend per share declared as payable in respect of the prior financial year. The face value of each performance right for the FY21 grant was determined to be \$0.1623. Following implementation on 2 November 2020 of a one for 10 consolidation of the Company's share capital, the face value of each performance right for the FY21 grant has been adjusted to \$1.6230. Because of the severe impacts of the COVID-19 pandemic on the Australian economy and the financial performance and market capitalisation of SCA, the dollar value of each executive's entitlement under the LTI plan in FY21 was discounted by 76%, subject to each participant receiving a minimum grant of 6,161 performance rights (which, after implementation on 2 November 2020 of the one for 10 consolidation of the Company's share capital, is the number of performance rights that has a total face value of \$10,000).

How is the incentive delivered?

To the extent the applicable vesting conditions are satisfied at the end of the applicable performance period, LTI awards are delivered by allocation to participants of one fully paid ordinary share for each performance right that vests. The Board has discretion to settle vested awards in cash.

Shares allocated under the LTI plan to executive KMP may be subject to restrictions on disposal under the Senior Executive Share Ownership Policy until the executive has accumulated the minimum shareholding required under that policy.

What are the performance measures and hurdles?

In FY21, each grant under the LTI plan had a single performance hurdle over a three-year performance period: Absolute Total Shareholder Return (**TSR**).

The absolute TSR performance hurdle considers share price appreciation plus reinvested dividends, expressed as a percentage of investment, and adjusted for changes in the Company's capital structure. The share price at the beginning and end of the performance period is the volume-weighted average price of the Company's shares on the ASX for the 10 trading days before and after the relevant date (and on the relevant date if the relevant date is a trading day). The starting share price, based on the volume-weighted average price on 30 June 2020, was $0.1819 per share. Following implementation on 2 November 2020 of the one for 10 consolidation of the Company's share capital, the starting share price has been adjusted to $1.819 per share.

Dividends paid during the performance period will be assumed to have been re-invested on the ex-dividend date. Tax and any franking credits (or equivalent) will be ignored.

The LTI plan for FY21 is designed to incentivise executives to increase the Company's market capitalisation following the substantial decline that occurred since a trading update released in October 2019 and onset of the COVID-19 pandemic in early 2020. In broad terms, an absolute TSR of 100% over the three-year performance period would restore the Company's market capitalisation to the average level experienced during the 2019 calendar year.

The LTI plan for FY21 considers the severe impact of COVID-19 on the Company's operations and market capitalisation and the ongoing uncertain economic environment. The Board wishes to provide a targeted incentive to executives focused on increasing the market capitalisation of the Company over the three year performance period. The number of performance rights to be granted to executives was 24% of their standard entitlement (**Base Amount**). (This is subject to each participant receiving a minimum grant of 6,161 performance rights with a total face value of $10,000). Dependent on the TSR of the Company's securities over the three year performance period, the maximum number of performance rights that could vest will be 2.5 times the Base Amount or 60% of the executive's standard entitlement under the LTI plan.

TSR performance rights granted in FY21 were eligible to vest according to the following schedule:

TSR performance to 30 June 2023	% of standard entitlement that vests
0% or below	Nil
Above 0% - 150%	Straight-line vesting between Base Amount (24% of standard entitlement) and 2.5 x Base Amount (60% of standard entitlement)
Above 150%	2.5 x Base Amount (60% of standard entitlement)

The above schedule illustrates that each executive's vesting opportunity commences at 24% of an executive's standard entitlement. The number of performance rights that

	vests will be subject to a multiplier according to the TSR performance of the Company over the three year performance period. For TSR performance of 100%, a multiplier of 2x applies so that the number of performance rights that vests will be double the Base Amount granted to the executive. The maximum multiplier is 2.5x for TSR performance of 150% over the three year performance period. In that case, the number of performance rights that vests will be 60% of an executive's standard entitlement.
Is there a gateway?	The Absolute TSR performance hurdle will be achieved only if the Company's TSR performance over the performance period is above zero.
What is the maximum amount payable?	The maximum award under the FY21 LTI plan is 150% of an executive's grant if all vesting conditions are fully satisfied over the performance period. Because the grant under the FY21 LTI plan to each executive in FY21 will be at a discount of 76% to the executive's standard entitlement, the maximum number of performance rights to be awarded under the FY21 LTI plan is 60% of the executive's standard entitlement.
How is performance assessed?	The Board will calculate the Company's TSR performance at the end of the performance period for each LTI grant. The Company will engage an independent party to report on the Company's TSR at the vesting date. There is no subsequent testing of performance hurdles under the LTI plan.
Cessation of employment	'Bad Leavers' (who resign or are terminated for cause) will forfeit any unvested performance rights, unless otherwise determined by the Board. For executives who cease employment for other reasons, the Board has discretion to vest any unvested performance rights on a pro-rata basis considering time and the current level of performance against the performance hurdle, or to hold the LTI award to be tested against performance hurdles at the end of the original vesting period.
Change of control	If a change of control occurs before vesting of an LTI award, the Board has discretion as to how to treat the unvested award, including to determine that the award will vest or lapse in whole or in part, or that it will continue subject to the same or different conditions.
Clawback	The Board may reconsider the level of satisfaction of a performance hurdle and take steps to reduce the benefit of an LTI award to the extent its vesting was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to the Company.
Other features	**Treatment of dividends**: There are no dividends payable to participants on unvested performance rights. Once performance rights have vested to fully paid ordinary shares, the participant will be entitled to dividends on these shares. **Sourcing of shares**: The Board has discretion to purchase shares on market or to issue new shares in respect of vested performance rights. The Board typically purchases shares on market for this purpose and will do so for any performance rights that vest under the FY21 LTI plan. **Retention of shares**: The rules of the LTI plan do not require participants to retain any shares allocated to them upon vesting of performance rights. However, the Company's Senior Executive Share Ownership Policy requires executive KMP to retain 25% of the shares allocated to them upon vesting of performance rights until they achieve the required minimum shareholding under that policy or cease to be employed by the Company.

2.4 Consequences of performance on shareholder value

In considering the Group's performance and the benefits for shareholder value, the Board has regard to the following indicators in the current financial year and the preceding four financial years.

	30 June 2023	**30 June 2022**	**30 June 2021**	**30 June 2020**	**30 June 2019**
	$'000	$'000	$'000	$'000	$'000
Revenue	504,294	519,682	528,649	540,152	660,088
EBITDA[1]	77,169	89,646	125,936	111,133	156,605
EBITDA %	*15.3%*	*17.3%*	*23.8%*	*20.0%*	*22.3%*
Net (loss)/profit before tax	27,253	(214,068)	71,282	38,294	(129,475)
Net (loss)/profit after tax (**NPAT**)	19,109	(153,722)	48,096	25,100	(91,395)
NPAT %	*3.8%*	*(29.6)%*	*9.1%*	*4.6%*	*(13.8)%*
Net profit after tax excluding significant items	21,882	28,554	48,096	34,193	73,879
NPAT % excluding significant items	*4.3%*	*5.5%*	*9.1%*	*6.3%*	*11.2%*
EPS (cents)[1]	8.85	10.82	24.1	17.69	65.11
TSR	(1.9)%	(49.5)%	8.2%	(79.7)%	1.4%
Opening share price[2,4]	$0.99	$2.09[3]	$1.75	$8.60	$8.48
Closing share price[2,4]	$0.865	$0.99	$2.09[3]	$1.75	$8.60
Dividend/Distribution[5]	9.35c	9.50c	0.00c	4.00c	7.75c

1 EBITDA and EPS are shown after adjustments to exclude the impact of significant or non-recurring items (both income and costs) as approved by the Board for the purposes of the Company's LTI plan and EIP.

2 On 4 May 2020, the Company completed a $169.6 million equity raising. The equity raising consisted of a pro-rata accelerated non-renounceable rights issue and placement, resulting in the issue of 1,873,092,080 shares.

3 On 30 October 2020, the Company's shareholders approved a one for 10 consolidation of the Company's share capital. The consolidation was implemented on 2 November 2020. As a result, the number of shares on issue reduced from 2,642,105,685 to 264,214,027.

4 Opening and closing share prices and dividends per share have been adjusted for the rights issue component of the equity raising referred to in note 2 and the consolidation of share capital referred to in note 3 (Source: Capital IQ)

5 Dividends paid during FY18, FY19, and FY20 represent amounts paid per share prior to the equity raising and prior to the share consolidation.

2.5 Executive service contracts

SCA has entered service contracts setting out the terms of employment of each executive KMP. All service contracts are for an indefinite term, subject to termination by either party on up to six months' notice. Each executive service contract provides for the payment of base salary and participation in SCA's incentive plans, along with other prescribed non-monetary benefits.

2.6 Services from remuneration consultants

KPMG was engaged during the year to advise on benchmarking of the remuneration of SCA's CEO and Chief Commercial Officer. KPMG did not make any remuneration recommendations (as defined in the Corporations Act). KPMG was paid $24,000 for these services.

Deloitte was engaged during the year to advise on valuation of outstanding entitlements granted under SCA's EIP and LTI plan. Deloitte also performed the TSR calculation for the FY21 LTI plan. Deloitte did not make any remuneration recommendations (as defined in the Corporations Act). Deloitte was paid $2,000 for these services.

2.7 Remuneration of non-executive directors

SCA enters a letter of appointment with each non-executive director. The letter sets out the Board's expectations for non-executive directors and the remuneration payable to non-executive directors.

The maximum annual aggregate fee pool for non-executive directors is $1,500,000. This was confirmed in amendments to the Constitution approved by shareholders at the 2020 AGM.

The Chair receives a fixed aggregate fee. Other non-executive directors receive a base fee for acting as a director and additional fees for participation as chair or as a member of the Board's committees. Non-executive directors do not receive performance-based fees and are not entitled to retirement benefits as part of their fees.

The table below sets out the scale of fees for non-executive directors that applied in FY22 and FY23 and those that will apply in FY24. The amounts shown for FY22 and FY23 do not take account of the temporary 10% reduction in fees between April 2020 and September 2020 in response to the impact of COVID-19. The Board disbanded the Nomination Committee in June 2023 and has resumed responsibility for the matters formerly delegated to the Nomination Committee.

	FY22[3]	FY23[3]	FY24
	$	$	$
Base fees – Annual			
Chair[1]	273,000	273,000	273,000
Deputy Chair[1]	-	-	-
Other non-executive directors	136,500	136,500	136,500
Committee fees – Annual			
Audit & Risk Committee – Chair	23,000	23,000	23,000
Audit & Risk Committee – member	15,500	15,500	15,500
People & Culture Committee – Chair[1]	23,000	23,000	23,000
People & Culture Committee – member	15,500	15,500	15,500
Digital Transformation Committee - Chair	23,000	23,000	23,000
Digital Transformation Committee - member	15,500	15,500	15,500
Nomination Committee - Chair[1]	16,500	16,500	-
Nomination Committee – member[2]	11,000	11,000	-

1. The Chair (and formerly the Deputy Chair) do not receive additional fees for committee work. Accordingly, the fees set out above for chair of the Nomination Committee have not been paid in any of the above years and will not be paid in FY23. The Board has not appointed a Deputy Chair since FY22.

2. Members of the Nomination Committee waived their fees in FY21, FY22 and FY23 because the Nomination Committee did not meet during that year. The Board disbanded the Nomination Committee in June 2023.

3. Because of the impact on SCA's business of the COVID-19 health crisis and the lockdown measures implemented by federal, state and territory governments in response to the crisis, the fees paid to non-executive directors for the period from 1 April 2020 to 30 September 2020 were reduced by 10%. The above fees relate to the Board approved amounts prior to the 10% reduction.

3 REMUNERATION OF EXECUTIVE KMP AND DIRECTORS DURING THE YEAR

3.1 Total remuneration received by executive KMP in FY23 (non-statutory disclosures)

The remuneration in the table below is aligned to the current performance period and provides an indication of alignment between the remuneration received in the current year and its alignment with long-term performance. The amounts in this table will not reconcile with those provided in the statutory disclosures in section 3.2. For example, the executive KMP table in section 3.2 discloses the value of performance rights granted under the LTI plan and the EIP which might or might not vest in future years, while the table below discloses the value of LTI grants from previous years which vested in the current year.

Executive KMP[2]	Year	Cash salary and fees $	EIP cash bonus[1] $	Non-monetary benefits $	Super-annuation benefits $	LTI vested in the year $	Total $
Grant Blackley	**2023**	**1,168,086**	**350,200**	**4,371**	**25,292**	**-**	**1,547,949**
Chief Executive Officer and Managing Director	2022	1,203,709	272,974	2,789	23,568	-	1,503,040
Nick McKechnie[2]	**2023**	**168,127**	**-**	**1,511**	**8,661**	**-**	**178,299**
Chief Financial Officer	2022	561,207	111,077	1,020	23,568	-	696,872
Tim Young3	**2023**	**246,777**	**55,729**	**-**	**12,646**	**-**	**315,152**
Chief Financial Officer	2022	-	-	-	-	-	-
John Kelly	**2023**	**595,166**	**159,250**	**4,588**	**25,292**	**-**	**784,297**
Chief Operating Officer	2022	576,512	122,916	3,698	23,568	-	726,694
Brian Gallagher[4]	**2023**	**488,300**	**60,900**	**3,699**	**22,105**	**-**	**575,003**
Chief Sales Officer	2022	561,632	117,648	3,718	23,568	-	706,566
Seb Rennie[5]	**2023**	**52,781**	**-**	**-**	**2,824**	**-**	**55,605**
Chief Commercial Officer	2022	-	-	-	-	-	-
Total executive KMP	**2023**	**2,719,236**	**626,079**	**14,169**	**96,821**	**-**	**3,456,305**
	2022	2,903,060	624,615	11,225	94,272	-	3,633,172

1 The EIP cash bonus is for performance during the year using the criteria set out in section 2.3.1. The amount was finally determined by the Board on 16 August 2023 after considering recommendations of the People & Culture Committee.

2 Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022.

3 Tim Young joined SCA as Chief Financial Officer on 30 January 2023 and received a $50,000 sign-on payment included in Salary and fees above.

4 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023.

5 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. The remuneration details in the table above applied from his appointment as Chief Commercial Officer on 15 May 2023. He did not participate in the EIP during FY23 but was eligible for a cash short-term incentive.

3.2 Total remuneration received by Executive KMP in FY23 (statutory disclosure)

The table below sets out the nature and amount of each major element of the remuneration of each executive KMP in FY23 and FY22.

		Short-term employee benefits				Post-e'ment	Long Service Leave[1]	Termination benefits	Share-based payments	Total	Performance-related proportion
Executive KMP[4]	**Year**	**Salary and fees $**	**EIP cash bonus[2] $**	**Non-monetary $**	**Total $**	**Super con-tribution $**	**$**	**$**	**Performance rights[3] $**	**$**	**%**
Grant Blackley[4]	**2023**	**1,168,086**	**350,200**	**4,371**	**1,522,657**	**25,292**	**60,446**	**864,582**	**(40,289)**	**2,432,688**	**12.7%**
CEO and Managing Director	2022	1,203,709	272,974	2,789	1,479,472	23,568	14,690	-	174,678	1,692,408	26.5%
Nick McKechnie[5]	**2023**	**168,127**	**-**	**1,511**	**169,638**	**8,661**	**(20,745)**	**-**	**(64,805)**	**92,749**	**(69.9%)**
Chief Financial Officer	2022	561,207	111,077	1,020	673,304	23,568	24,852	-	46,981	768,705	20.6%
Tim Young[6]	**2023**	**246,777**	**55,729**	**-**	**302,506**	**12,646**	**4,062**	**-**	**10,890**	**330,104**	**20.2%**
Chief Financial Officer	2022	-	-	-	-	-	-	-	-	-	-
John Kelly	**2023**	**595,166**	**159,250**	**4,588**	**759,004**	**25,292**	**63,523**	**-**	**78,767**	**926,586**	**25.7%**
Chief Operating Officer	2022	576,512	122,916	3,698	703,126	23,568	10,206	-	50,562	787,462	22.0%
Brian Gallagher[7]	**2023**	**488,299**	**60,900**	**3,699**	**552,898**	**22,105**	**34,843**	**-**	**(13,217)**	**596,629**	**8.0%**
Chief Sales Officer	2022	561,632	117,648	3,718	682,998	23,568	11,123	-	48,549	766,238	21.7%
Seb Rennie[8]	**2023**	**52,781**	**-**	**-**	**52,781**	**2,824**	**1,033**	**-**	**-**	**56,638**	**0.0%**
Chief Commercial Officer	2022	-	-	-	-	-	-	-	-	-	-
Total executive	**2023**	**2,719,236**	**626,079**	**14,169**	**3,359,484**	**96,820**	**143,162**	**864,582**	**(28,654)**	**4,435,394**	**13.5%**
KMP	2022	2,903,060	624,615	11,225	3,538,900	94,272	60,872	-	320,770	4,014,813	23.6%

1 Long service leave relates to amounts accrued during the year.

2 The EIP cash bonus is for performance during the year using the criteria set out in section 2.3.1. The amount was finally determined by the Board on 16 August 2023 after considering recommendations of the People & Culture Committee.

3 The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period.

4 Grant Blackley resigned as Chief Executive Officer with effect from 30 June 2023. The Board approved payment to him of the cash component of his award under the FY23 EIP based on his performance during FY23. However, the Board declined to grant performance rights to him under the FY23 EIP. The termination benefits relate to his 9 month restraint of trade period commencing on 1 July 2023.

5 Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022 and did not participate in the EIP during FY23. The Board approved payment to him of the cash component of his award under the FY22 EIP based on his performance during FY22. However, the Board declined to grant performance rights to him under the FY22 EIP.

6 Tim Young joined SCA as Chief Financial Officer on 30 January 2023 and received a $50,000 sign-on payment included in Salary and fees above.

7 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023. The Board approved payment to him of the cash component of his award under the FY23 EIP based on his performance during FY23. However, the Board declined to grant performance rights to him under the FY23 EIP.

8 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. The remuneration mix in the table above applied from his appointment as Chief Commercial Officer on 15 May 2023.

3.3 Non-executive directors

The table below sets out the nature and amount of each major element of the remuneration of each non-executive director in FY23 and FY22. A non-executive director's salary and fees are based on the scale set out in section 2.7 and membership of the Board's committees as set out in the Directors Report.

		Short-term employee benefits			Post-employment	Total
Non-executive Director	Year	Salary and fees $	Non-monetary $	Total $	Super contribution $	$
Rob Murray	**2023**	**248,708**	**-**	**248,708**	**25,292**	**274,000**
Chair	2022	273,000	-	273,000	-	273,000
Glen Boreham	**2023**	**175,000**	**-**	**175,000**	**-**	**175,000**
Non-executive Director	2022	175,000	-	175,000	-	175,000
Carole Campbell	**2023**	**153,695**	**-**	**153,695**	**16,138**	**169,833**
Non-executive Director	2022	143,295	-	143,295	14,330	157,625
Ido Leffler	**2023**	**151,584**	**-**	**151,584**	**15,916**	**167,500**
Non-executive Director	2022	150,273	-	150,273	15,027	165,300
Heith Mackay-Cruise	**2023**	**156,109**	**-**	**156,109**	**16,391**	**172,500**
Non-executive Director	2022	150,273	-	150,273	15,027	165,300
Helen Nash	**2023**	**153,846**	**-**	**153,846**	**16,154**	**170,000**
Non-executive Director	2022	167,045	-	167,045	7,955	175,000
Melanie Willis[1]	**2023**	**25,263**	**-**	**25,263**	**2,654**	**27,917**
Non-executive Director	2022	153,977	-	153,977	15,398	169,375
TOTAL	**2023**	**1,064,205**	**-**	**1,064,205**	**92,545**	**1,156,750**
	2022	1,212,863	-	1,212,863	67,737	1,280,600

1. Melanie Willis resigned as a director on 31 August 2022.

4 ANALYSIS OF INCENTIVES INCLUDED IN REMUNERATION

4.1 EIP performance outcomes

4.1.1 Selected EIP measures

The table below summarises SCA's performance against the financial and profitability measures and selected other corporate measures included in the KPIs for executive KMP under the EIP in FY23.

Group EBITDA

Target $'000	Actual% $'000	% Target	Vesting %	Executive KMP
$105,100	$77,169	73%	-	CEO, CFO, COO, CSO

EPS (excluding significant items)

Target Cps	Actual Cps	% Target	Vesting %	Executive KMP
16.3	8.85	54%	-	CEO, CFO, COO, CSO

Non-revenue related costs

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
$317,500	$306,200	96%	100%	CEO, CFO, COO, CSO

Group revenue

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
$548,100	$504,294	92%	-	CSO

Audio revenue

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
$420,400	$397,196	95%	-	CSO

Regional radio revenue

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
$180,000	$161,967	90%	-	CSO

Television revenue

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
$127,100	$106,742	84%	-	CSO

Digital audio revenue

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
$32,000	$26,047	81%	-	CSO

Digital audio EBITDA

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
($13,100)	($11,927)	91%	-	CEO, CFO, COO

Digital audio net cash investment

Target $'000	Actual $'000	% Target	Vesting %	Executive KMP
($19,600)	($20,133)	103%	-	CEO, CFO, COO

SCA radio audiences

Measure	Actual % growth	% Target	Vesting %	Executive KMP
Top 7 markets (15%)	17.7%	118%	100%	
2Day FM All People (20%)	30%	150%	100%	
2Day FM P25-54 (20%)	35%	175%	100%	CEO
2Day FM B'fast All People (20%)	52%	260%	100%	
2Day FM B'fast P25-54 (20%)	54%	270%	100%	

LiSTNR

Measure	Actual	% Target	Vesting %	Executive KMP
Sign-ups (1,250,000)	1,481,400	119%	100%	CEO

4.1.2 EIP outcomes for executive KMP

The table below summarises the key performance indicators (**KPIs**) applicable for each executive KMP under SCA's EIP for FY23.

The Board assessed that executive KMP and other leadership executives achieved between 29% and 59% of their respective EIP opportunities for FY23. However, considering that corporate revenue and earnings outcomes fell short of targets and the significant deterioration in SCA's share price during the year, the Board exercised discretion to reduce the awards of all leadership executives to between 20% and 50% of their respective EIP opportunities. The Board also directed that awards to other participants in the FY23 EIP be capped at a maximum of 50% of each participant's opportunity.

Half of each executive's award will be paid in cash and the remainder will be settled by grant of performance rights that will be eligible for vesting after 30 June 2025, strongly aligning executives' interests with those of other shareholders. Two of SCA's executive KMP – Grant Blackley and Brian Gallagher – who resigned during the year will receive the cash portion of their EIP award and will not receive any performance rights.

The table below shows the outcome for each executive KMP in each EIP component. Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022 and did not participate in the EIP during FY23. Seb Rennie was appointed as Chief Commercial Officer on 15 May 2023. Given the short time during FY23 for which he was an executive KMP, his incentive remuneration was assessed separately from other executive KMP and is not reported below.

Executive KMP	**Goals**	**Outcomes**	
Grant Blackley, CEO and Managing Director			
Profitability and financial performance (60%)	Group EBITDA, EPS, non-revenue related group operating expenses compared to budget	Refer to tables in section 4.1.1.	19.8%
Strategy execution (30%)	Embed Horizon 2 of corporate strategy within SCA and with key external stakeholders	Achieved	
	Achieve digital audio EBITDA loss less than $13.1M and net cash investment below $19.6M	Not achieved	
	Grow LiSTNR sign-ups and monthly active users above target	Achieved	
	Grow SCA radio audiences in top seven markets by 15%. Grow 2DayFM total and Breakfast All People and All People 25-54 by 20%	Achieved	22.5%
Cultural and behavioural influences (10%)	Improve diversity of leadership and executive teams. Improve employee perceptions of job security and job significance	Achieved	
	Achieve 70% agreement in employee pulse surveys to confirm employees understand SCA's corporate strategy and their and their team's roles in that strategy	Achieved	10%
		Total	**52.3%**
		After Board discretion	**50%**
Tim Young, Chief Financial Officer			
Profitability and financial performance (60%)	Group EBITDA, EPS, non-revenue related group operating expenses compared to budget	Refer to tables in section 4.1.1.	19.8%
Strategy execution (30%)	Broadcast radio costs below $214M, digital audio costs below $37M (excluding approved growth initiatives)	Achieved	
	Business case to uplift finance capability with links to improved earnings performance	Achieved	
	Improve SCA's budget setting process with links to increased earnings and shareholder value	Achieved	30%
Cultural and behavioural influences (10%)	Achieve 70% agreement in employee pulse surveys to confirm employees understand SCA's corporate strategy and their and their team's roles in that strategy	Achieved	
	All people within area of influence demonstrate achievement of digital development goal	Achieved	10%
		Total	**59.8%**
		After Board discretion	**50%**

Executive KMP	Goals	Outcomes	
John Kelly, Chief Operating Officer			
Profitability and financial performance (60%)	Group EBITDA, EPS, non-revenue related group operating expenses compared to budget	Refer to tables in section 4.1.1.	19.8%
Strategy execution (30%)	Grow LiSTNR monthly active users above target	Achieved	
	Grow LiSTNR podcast audience (owned) by 20%	Achieved	
	Achieve digital audio net loss below \$13M and net cash investment below \$19.6M	Achieved	
	Ensure at least 50% of employees have a digital audio component and driver in their role	Achieved	30%
Cultural and behavioural influences (10%)	Achieve 70% agreement in employee pulse surveys to confirm employees understand SCA's corporate strategy and their and their team's roles in that strategy	Achieved	
	All people within area of influence demonstrate achievement of digital development goal	Achieved	10%
		Total	**59.8%**
		After Board discretion	**50%**
Brian Gallagher, Chief Sales Officer			
Profitability and financial performance (60%)	Group EBITDA, EPS, non-revenue related group operating expenses compared to budget	Refer to tables in section 4.1.1.	19.8%
Strategy execution (30%)	Grow total revenues to \$548.1M (Audio \$420.4M, Television \$127.1M)	Not achieved	
	Grow digital audio revenues to \$32M, with satisfactory average annual revenue per active user	Not achieved	
	Achieve forecast revenues for all premium podcast partners	Not achieved	
	Grow regional radio revenues to \$180M	Not achieved	0%
Cultural and behavioural influences (10%)	Achieve 70% agreement in employee pulse surveys to confirm employees understand SCA's corporate strategy and their and their team's roles in that strategy	Achieved	
	All people within area of influence demonstrate achievement of digital development goal	Achieved	10%
		Total	**29.8%**
		After Board discretion	**20%**

4.2 EIP awards

The table below sets out details of the incentive awards granted as remuneration to executive KMP for the year. Considering that corporate revenue and earnings outcomes fell short of targets and the significant deterioration in SCA's share price during the year, the Board exercised discretion to reduce the awards of all leadership executives to between 20% and 50% of their respective EIP opportunities. This is shown in the adjusted total column in the table below.

	Executive incentive plan							
			% achieved in year					
KMP	**Cash award[1] \$**	**Performance rights to be granted[2] \$**	**Profitability and financial performance[4]**	**Strategy execution**	**Cultural and behavioural influences**	**Total**	**Adjusted total**	**Forfeited[3]**
Grant Blackley	350,200	-	19.8	22.5	10.0	52.3	50.0	50.0
Nick McKechnie[4]	-	-	-	-	-	-	-	-
Tim Young[5]	55,729	55,729	19.8	30.0	10.0	59.8	50.0	50.0
John Kelly	159,250	159,250	19.8	30.0	10.0	59.8	50.0	50.0
Brian Gallagher[6]	60,900	-	19.8	-	10.0	29.8	20.0	80.0
Seb Rennie[7]	-	-	-	-	-			-

1 Amounts included in remuneration for the year represent the cash component of EIP awards related to the year based on achievement of corporate and personal goals for each executive. These amounts were approved by the Board on 16 August 2023.

2. Performance rights will be granted during September 2023 based on the face value of performance rights to be determined as set out in section 2.3.1.

3 The amounts forfeited are due to corporate and personal goals not being achieved in the year.

4. Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022. He did not participate in the EIP during FY23.

5. Tim Young joined SCA as Chief Financial Officer on 30 January 2023.

6 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023.

7 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. His incentive remuneration was assessed according to his performance against goals relevant to his previous role as Head of LiSTNR Commercial and is not disclosed in this table.

5 SHARE-BASED INCENTIVE PAYMENTS

All references to rights in this section are to performance rights over fully paid ordinary shares in SCA issued under SCA's EIP or LTI plan. Rights are convertible into fully paid ordinary shares in SCA on a one-for-one basis upon vesting in accordance with SCA's EIP or LTI plan. There are no options on issue under SCA's EIP or LTI plan.

5.1 Rights granted as remuneration during the year

The tables below set out details of the rights over shares granted as remuneration during the year to SCA's executive KMP under SCA's FY22 EIP. As noted in section 4.2, these performance rights were granted under the EIP during September 2022 based on the face value of performance rights determined as set out in section 2.3.1.

Executive KMP	EIP	Vesting date	Perf rights granted	Face value
Grant Blackley[1]	FY22	30 Jun 2024	406,574	1.0071
John Kelly	FY22	30 Jun 2024	122,049	1.0071
Nick McKechnie[2]	FY22	30 Jun 2024	-	-
Tim Young[3]	FY22	30 Jun 2024	-	-
Brian Gallagher[4]	FY22	30 Jun 2024	116,819	1.0071
Seb Rennie[3]	FY22	30 Jun 2024	-	-

1 Grant Blackley resigned and his performance rights were forfeited with effect from 30 June 2023.

2 Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022. The Board approved payment to him of the cash component of his award under the FY22 EIP based on his performance during FY22. However, the Board declined to grant performance rights to him under the FY22 EIP.

3 Tim Young commenced as Chief Financial Officer on 30 January 2023 and Seb Rennie commenced as Chief Commercial Officer on 15 May 2023. Neither participated in the FY22 EIP.

4 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023 and his performance rights were forfeited with effect from 8 August 2023.

There were no rights over shares granted as remuneration to executive KMP during the year under SCA's LTI plan which has been suspended since FY21.

All performance rights expire on the earlier of their vesting date or termination of the executive's employment. When an executive ceases employment as a good leaver, the executive's rights will typically be forfeited on a pro-rata basis according to the executive's period of service. The rights vest at the end of the performance period specified at the time of their grant. This is 30 June 2024 for performance rights granted under the FY22 EIP. In addition to a continuing employment condition, vesting is conditional on SCA achieving specified performance hurdles. Details of the performance hurdles are included in the discussion of the EIP in section 2.3.1. As set out in section 2.3.1, each executive will also receive an additional allocation of fully paid ordinary shares with a value equal to the dividends paid on vested rights in respect of FY23 and FY24.

5.2 Details of equity incentives affecting current and future remuneration

The table below sets out the vesting profiles of rights held by each executive KMP on 30 June 2023 and details of rights that vested during the year. At the end of the year, there were no rights that had vested and had not been exercised by conversion to fully paid ordinary shares.

			At grant date		During FY23						At year end	
Executive KMP	Grant date[1]	Vesting date	Perf rights granted [2, 3]	Perf rights value[4] $	Perf rights vested and exercised	Perf rights vested and exercised %	Perf rights forfeited	Perf rights forfeited %[4]	Perf rights cancelled [4]	Perf rights cancelled[5] %	Perf rights not vested	Perf rights not vested value[2] $
Grant Blackley	FY23	1/7/24	406,574	416,738	-	-	406,574	100%	-	-	-	-
	FY22	01/7/23	125,989	201,582	-	-	125,989	100%	-	-	-	-
	Total		**532,563**	**618,320**	**-**	**-**	**532,563**	**100%**	**-**	**-**	**-**	**-**
Nick McKechnie[6]	FY23	-	-	-	-	-	-	-	-	-	-	-
	FY22	01/7/23	33,420	53,471	-	-	33,420	100%	-	-	-	-
	Total		**33,420**	**53,471**	**-**	**-**	**33,420**	**100%**	**-**	**-**	**-**	**-**
Tim Young[7]	FY23	1/7/24	-	-	-	-	-	-	-	-	-	-
	Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
John Kelly	FY23	1/7/24	122,049	125,100	-	-	-	-	-	-	122,049	125,100
	FY22	01/7/23	34,307	54,891	-	-	-	-	34,307	100%	-	-
	Total		**156,356**	**179,991**	-	-	-	-	**34,307**	**100%**	**122,049**	**125,100**
Brian Gallagher[8]	FY23	1/7/24	116,819	119,739	-	-	-	-	-	-	116,819	119,739
	FY22	01/7/23	33,124	52,998	-	-	-	-	33,124	100%	-	-
	Total		**149,943**	**172,737**	**-**	**-**	**-**	**-**	**33,124**	**52,998**	**116,819**	**119,739**
Seb Rennie[9]	FY23	-	-	-	-	-	-	-	-	-	-	-
	Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total		**872,282**	**1,024,519**	-	-	565,983	64.9%	67,431	7.7%	**238,868**	**244,839**

1 Performance rights granted during FY22 were granted under the FY21 LTI plan. The LTI plan has been suspended since that time. Performance rights granted during FY23 were granted under the FY22 EIP.

2 The number of performance rights granted under the FY21 LTI plan (**Base Amount**) is stated after adjustment for the one for 10 consolidation of the Company's share capital implemented on 2 November 2020. As explained in section 2.3.2, the number of performance rights eligible to vest was subject to a multiplier according to the TSR performance of the Company over the three-year performance period. For TSR performance of 100%, a multiplier of 2x applied so that the number of performance rights that vests would be double the Base Amount granted to the executive. The maximum multiplier was 2.5x for TSR performance of 150% over the three-year performance period.

3 As set out in section 2.3.1, upon vesting of performance rights granted under the FY22 EIP, each executive will receive an additional allocation of fully paid ordinary shares with a face value equal to the dividends paid on vested rights in respect of FY23 and FY24.

4 The value of rights granted is the fair value of rights calculated at the grant date adjusted, in the case of performance rights granted under the FY21 LTI plan, for the one for 10 consolidation of the Company's share

capital implemented on 2 November 2020. The total value of rights granted in the table is allocated to remuneration over the vesting period.

5 The number and percentage of rights forfeited during the year is the reduction from the maximum number of rights available to vest due to the performance criteria not being satisfied or to rights being cancelled by the Board.

6 Nick McKechnie resigned as Chief Financial Officer with effect from October 2022. Performance rights granted to him under the FY21 LTI plan were cancelled upon his resignation. The Board approved payment to him of the cash component of his award under the FY22 EIP based on his performance during FY22. However, the Board declined to grant performance rights to him under the FY22 EIP.

7 Tim Young joined SCA as Chief Financial Officer on 30 January 2023. He participated in the FY23 EIP.

8 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023 and his performance rights were forfeited with effect from 8 August 2023.

9 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. He did not participate in the EIP during FY23 but was eligible for a cash short-term incentive.

5.3 Vesting of rights during the year (based on performance to 30 June 2022)

There were no performance rights granted under the EIP or the LTI plan that were eligible for vesting during the year.

5.4 Grants and vesting of rights since 30 June 2023

Under the FY23 EIP, the Board has approved grant to executive KMP of performance rights with the total face values set out below. As explained in section 2.3.1, the face value of these performance rights will be calculated during September 2023 and the applicable number of performance rights will then be granted to each executive.

Executive KMP	EIP	Vesting date	Perf rights face value
Grant Blackley[1]	FY23	30 Jun 2025	-
John Kelly	FY23	30 Jun 2025	$159,250
Tim Young	FY23	30 Jun 2025	$159,250
Brian Gallagher[2]	FY23	30 Jun 2025	-
Seb Rennie[3]	FY23	30 Jun 2025	-

1 Grant Blackley resigned as Chief Executive Officer with effect from 30 June 2023. The Board approved payment to him of the cash component of his award under the FY23 EIP based on his performance during FY23. However, the Board declined to grant performance rights to him under the FY23 EIP.

2 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023. The Board approved payment to him of the cash component of his award under the FY23 EIP based on his performance during FY23. However, the Board declined to grant performance rights to him under the FY23 EIP.

3 Seb Rennie joined SCA as Head of LiSTNR Commercial on 20 March 2023. He was appointed Chief Commercial Officer and joined SCA's Senior Leadership Team on 15 May 2023. His incentive remuneration was assessed according to his performance against goals relevant to his previous role as Head of LiSTNR Commercial which was not reviewed by the Board.

No performance rights, whether granted under the former LTI plan or the EIP, have vested since 30 June 2023.

SCA has suspended its LTI plan; however, performance rights granted to executives under the FY21 LTI plan were eligible for vesting based on the total shareholder return on SCA shares over the three-year performance period ended on 30 June 2023.

These performance rights granted in FY21 were eligible to vest according to the following schedule:

TSR performance to 30 June 2023	% of standard entitlement that vests
0% or below	Nil
Above 0% - 150%	Straight-line vesting between Base Amount (24% of standard entitlement) and 2.5 x Base Amount (60% of standard entitlement)
Above 150%	2.5 x Base Amount (60% of standard entitlement)

SCA's TSR performance over the three-year performance period to 30 June 2023 was negative 46.45%. Accordingly, as shown in the table in section 5.2, none of these performance rights vested.

6 PAYMENTS TO EXECUTIVES BEFORE TAKING OFFICE

During the year, SCA paid Tim Young an amount of $50,000 as consideration for his taking office as Chief Financial Officer. There were no other payments made during the year to any person as part of the consideration for the person taking office.

7 TRANSACTIONS WITH KMP

7.1 Loans to KMP

There were no loans made to KMP or their related parties during the year.

7.2 Other transactions and balances with KMP

There were no other transactions with KMP or their related parties during the year.

8 KMP SHAREHOLDINGS

8.1 Balances and movements in KMP shareholdings

The table below sets out the movements in shares held directly or indirectly by KMP during the year.

	Share balance at start of year	Received during the year: Vesting of EIP rights	Received during the year: Vesting of LTI rights	Other changes during the year	Share balance at end of year[2]
Non-executive Directors					
Rob Murray	65,167	-	-	-	65,167
Glen Boreham	48,462	-	-	-	48,462
Carole Campbell	78,250	-	-		78,250
Ido Leffler	65,800	-	-	-	65,800
Heith Mackay-Cruise	74,570	-	-	25,430	100,000
Helen Nash	28,875	-	-	-	28,875
Melanie Willis	40,796	-	-	-	40,796
	401,920	-	-		386,554
Executives					
Grant Blackley[1]	219,519	-	-	-	219,519
Nick McKechnie	82,760	-	-	-	82,760
Tim Young	-	-	-	16,307	16,307
John Kelly	46,049	-	-	148,000	194,049
Brian Gallagher	75,907	-	-	8,690	84,597
Seb Rennie	-[3]	-	-	-	-
	424,235	-	-	172,997	429,875

1 Grant Blackley resigned from SCA with effect from 30 June 2023

2 Share balance at end of year, or for Melanie Willis, Nick McKechnie and Brian Gallagher on the date they ceased being a KMP. The totals consequently exclude their balances.

3 Seb Rennie did not own shares when he became a KMP on 15 May 2023

8.2 Board's target share ownership policies

The Board's non-executive director Share Ownership Policy requires non-executive directors to invest an amount not less than the base fee of a non-executive director in acquiring SCA shares. A non-executive director is required to do so within three years after appointment as a director. The proceeds of any sales of shares will be deducted from a non-executive director's invested amount. The current base fee for non-executive directors is $136,500. The table below shows the status under this policy of non-executive directors' shareholdings on 30 June 2023.

	Share balance at end of year	FY23 Base fee $	Invested amount $	Achieved target?	Due date to achieve target
Non-executive Director					
Rob Murray	65,167	136,500	245,286	Yes	-
Glen Boreham	48,462	136,500	199,884	Yes	-
Carole Campbell	78,250	136,500	137,011	Yes	-
Ido Leffler	65,800	136,500	114,608	No	Oct 2023
Heith Mackay-Cruise	100,000	136,500	163,075	Yes	-
Helen Nash	28,875	136,500	144,033	Yes	-
	386,554		1,003,897		

The Board's Senior Executive Share Ownership Policy requires executive KMP (and the CEO's other direct executive reports) to invest an amount not less than 50% of the executive's base salary (excluding superannuation) in acquiring SCA shares. The CEO must invest an amount not less than 100% of the CEO's base salary (excluding superannuation) in acquiring SCA shares. The market price at the time of allocation to an executive of shares under one of SCA's executive incentive plans is included in the executive's invested amount. The proceeds of any sales of shares will be deducted from an executive's invested amount. There is no due date by which an executive must acquire the target shareholding. The table below shows the status under this policy of the shareholding of each executive KMP on 30 June 2023.

	Balance at end of year	FY23 Base salary $	Invested amount $	Achieved target?
Executive KMP				
Grant Blackley[1]	219,519	1,143,709	1,044,293	No
Tim Young	16,307	535,000	15,001	No
John Kelly[2]	194,049	611,556	295,248	No
Brian Gallagher[3]	84,597	558,316	310,738	Yes
Seb Rennie	-	415,000	-	No
	514,472		1,665,280	

1 Grant Blackley resigned as Chief Executive Officer and Managing Director with effect from 30 June 2023. Restrictions on disposal of his SCA shares were removed from that date.

2 John Kelly was appointed as Chief Executive Officer and Managing Director with effect from 1 July 2023. From that date, the target amount for his investment in acquiring SCA shares has increased from 50% to 100% of his base salary (excluding superannuation).

3 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023. Restrictions on disposal of his SCA shares were removed from that date.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration, as required under s307C of the *Corporations Act 2001*, is set out on page 40.

This report is signed in accordance with resolutions of the directors of Southern Cross Media Group Limited.

Rob Murray
Chair
Southern Cross Media Group Limited
Sydney, Australia
17 August 2023

John Kelly
Managing Director
Southern Cross Media Group Limited
Sydney, Australia
17 August 2023

Auditor's Independence Declaration

As lead auditor for the audit of Southern Cross Media Group Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Southern Cross Media Group Limited and the entities it controlled during the period.

Trevor Johnston
Partner
PricewaterhouseCoopers

Melbourne
17 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Consolidated Statement of Comprehensive Income

	Note	2023 $'000	2022 (Restated) $'000
Revenue from continuing operations	3	**504,294**	524,838
Revenue related expenses		**(126,130)**	(130,850)
Employee expenses	6	**(203,091)**	(197,797)
Program and production		**(25,305)**	(24,130)
Technical expenses		**(42,481)**	(41,801)
Promotions and marketing		**(14,859)**	(21,667)
Administration costs		**(21,181)**	(23,790)
Other income	5	**1,264**	16
Share of net profit of investments accounted for using the equity method	19	**697**	761
Depreciation and amortisation expense		**(29,155)**	(31,851)
Impairment of intangibles and investments	4	**-**	(251,718)
Interest expense and other borrowing costs	17	**(17,920)**	(16,219)
Interest revenue		**1,120**	140
Profit/(Loss) before income tax expense for the year from continuing operations		**27,253**	**(214,068)**
Income tax (expense)/credit from continuing operations	7	**(8,144)**	60,346
Profit/(Loss) from continuing operations after income tax expense for the year		**19,109**	**(153,722)**
Other comprehensive income that may be reclassified to profit or loss:			
Changes to fair value of cash flow hedges, net of tax		**(38)**	1,658
Total comprehensive Profit/(Loss) for the year attributable to shareholders		**19,071**	**(152,064)**
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	15	**7.73**	(58.30)
Diluted earnings per share (cents)	15	**7.63**	(58.30)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	11	**12,963**	49,462
Receivables	12	**98,650**	100,947
Derivative financial instruments	18	-	787
Current tax asset	7	**1,295**	2,622
Total current assets		**112,908**	**153,818**
Non-current assets			
Receivables	12	**10,919**	11,932
Derivative financial instruments	18	**736**	-
Right-of-use assets	25	**109,723**	110,759
Investments	19	**6,326**	6,465
Property, plant and equipment	8	**76,813**	84,554
Intangible assets	9	**712,120**	703,796
Total non-current assets		**916,637**	**917,506**
Total assets		**1,029,545**	**1,071,324**
Current liabilities			
Payables	12	**43,739**	48,930
Deferred Income	12	**5,532**	6,742
Provisions	12	**20,333**	20,620
Lease liability	25	**7,105**	6,497
Total current liabilities		**76,709**	**82,789**
Non-current liabilities			
Deferred income	12	**86,269**	88,260
Provisions	12	**4,107**	4,854
Borrowings	17	**117,243**	126,943
Lease liability	25	**122,936**	120,322
Deferred tax liability	7	**187,132**	187,749
Total non-current liabilities		**517,687**	**528,128**
Total liabilities		**594,396**	**610,917**
Net assets		**435,149**	**460,407**
Equity			
Contributed equity	16	**1,516,105**	1,537,404
Reserves		**5,990**	5,749
Accumulated losses		**(1,086,946)**	(1,082,746)
Equity attributable to equity holders		**435,149**	**460,407**
Total equity		**435,149**	**460,407**

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

Consolidated Statement of Changes in Equity

2023

	Contributed equity	Share-based payment reserve	Hedge reserve	Other equity transactions	(Accumulated losses) /retained profits	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Total equity at 1 July 2022	**1,537,404**	**5,196**	**553**	**-**	**(1,082,746)**	**460,407**
Profit for the year	**-**	**-**	**-**	**-**	**19,109**	**19,109**
Other comprehensive income	**-**	**-**	**(38)**	**-**	**-**	**(38)**
Total comprehensive income	**-**	**-**	**(38)**	**-**	**19,109**	**19,071**
Transactions with equity holders in their capacity as equity holders:						
Buy back of ordinary shares	**(21,299)**	**-**	**-**	**-**	**-**	**(21,299)**
Employee share entitlements	**-**	**279**	**-**	**-**	**-**	**279**
Dividends Paid	**-**	**-**	**-**	**-**	**(23,309)**	**(23,309)**
	(21,299)	**279**	**-**	**-**	**(23,309)**	**(44,329)**
Total equity at 30 June 2023	**1,516,105**	**5,475**	**515**	**-**	**(1,086,946)**	**435,149**

2022

	Contributed equity	Share-based payment reserve	Hedge reserve	Other equity transactions	(Accumulated losses) /retained profits	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Total equity at 1 July 2021	1,542,884	4,664	(1,105)	(77,406)	(826,518)	642,519
Loss for the year	-	-	-	-	(153,722)	(153,722)
Other comprehensive income	-	-	1,658	-	-	1,658
Total comprehensive income	-	-	1,658	-	(153,722)	(152,064)
Transactions with equity holders in their capacity as equity holders:						
Buy back of ordinary shares	(5,480)	-	-	-	-	(5,480)
Transfer of reserves[1]	-	-	-	77,406	(77,406)	-
Employee share entitlements	-	532	-	-	-	532
Dividends Paid	-	-	-	-	(25,100)	(25,100)
	(5,480)	532	-	77,406	(102,506)	(30,048)
Total equity at 30 June 2022	**1,537,404**	**5,196**	**553**	**-**	**(1,082,746)**	**460,407**

[1]The Group transferred the reverse acquisition reserve of $77.406 million in connection with the IPO of the Group, into Accumulated losses effective 30 June 2022.

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

Consolidated Statement of Cash Flows

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		**550,304**	563,782
Payments to suppliers and employees		**(487,175)**	(488,932)
Interest received from external parties		**1,120**	140
Tax paid net of refunds received		**(7,419)**	(20,780)
Net cash inflows from operating activities	11	**56,830**	**54,210**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		**(11,745)**	(24,574)
Payments for purchase of intangibles		**(13,039)**	(5,321)
Proceeds from sale of property, plant and equipment		**3,490**	80
Payments for acquisitions of unlisted equity securities		**(214)**	(1,173)
Dividends received from equity accounted investments		**1,050**	640
Net cash flows used in investing activities		**(20,458)**	**(30,348)**
Cash flows from financing activities			
Dividends paid to security holders		**(23,309)**	(25,100)
Proceeds from borrowings		**15,000**	-
Repayment of borrowings from external parties		**(25,000)**	-
Refinancing costs paid to external parties		**-**	(1,235)
Buy back of ordinary shares		**(21,299)**	(5,480)
Interest paid to external parties		**(11,762)**	(10,018)
Principal elements of lease payments		**(6,501)**	(7,987)
Net cash flows used in financing activities		**(72,871)**	**(49,820)**
Net decrease in cash and cash equivalents		**(36,499)**	(25,958)
Cash assets at the beginning of the year		**49,462**	75,420
Cash assets at the end of the year		**12,963**	**49,462**

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

Notes to the Consolidated Financial Statements

Key Numbers	Capital Management	Group Structure	Other
1. Summary of Significant Accounting Policies	13. Capital Management Objectives	19. Non-Current Assets – Investments	22. Share-Based Payments
2. Segment Information	14. Dividends Paid and Proposed	20. Subsidiaries	23. Remuneration of Auditors
3. Revenue	15. Earnings per Share	21. Parent Entity Financial Information	24. Related Party Disclosures
4. Significant Items	16. Contributed Equity and Reserves		25. Leases and Other Commitments
5. Other Income	17. Borrowings		26. Events Occurring after Balance Date
6. Government Grants	18. Financial Risk Management		27. Other Accounting Policies
7. Income Tax Expense			
8. Non-Current Assets – Property, Plant and Equipment			
9. Non-Current Assets – Intangible Assets			
10. Impairment			
11. Cash flow Information			
12. Receivables, Payables, Deferred Income and Provisions			

Key Numbers

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. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Southern Cross Media Group Limited ('the Company') and its subsidiaries ('the Group').

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001 (where applicable). The Group is a for-profit entity for the purpose of preparing the financial statements.

These financial statements have been prepared on a going concern basis. The Group has performed an assessment of its ability to continue as a going concern. The assessment has considered the balance sheet position, including $13.0 million of cash and cash equivalents at 30 June 2023; forecast performance; and the expectations that the Group will comply with its debt facility covenants. Based on the assessment, the Group concluded that these financial statements should be prepared on a going concern basis.

Information in respect of the parent entity in this financial report relates to Southern Cross Media Group Limited.

i) *Compliance with IFRS*

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB.

ii) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss. All amounts are presented in Australian dollars, unless otherwise noted.

iii) *Comparative figures*

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

During the year the Group reviewed its contracts with customers and identified instances of contracts where the Group was the principal in the agreement but had been accounting for recoveries under those contracts net against expenses. In line with accounting standards the Group has restated the comparatives to gross up revenue and expenses which has resulted in an increase of $5.156 million to revenue, $3.553 million to revenue related expenses and $1.603 million to Promotions and marketing costs with no impact on profit before tax.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2023 and the results of all subsidiaries for the year then ended. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to 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 Group. The effects of all transactions between entities in the Group are eliminated in full.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group except as follows:

- At the time of Initial Public Offering ('IPO') Southern Cross Media Australia Holdings Pty Limited ('SCMAHL') was deemed to be the accounting acquirer of both Southern Cross Media Group Limited ('SCMGL') and Southern Cross Media Trust ('SCMT'), which was neither the legal parent nor legal acquirer; and

1. Summary of Significant Accounting Policies (continued)

- This reflects the requirements of AASB 3 that in situations where an existing entity (SCMAHL) arranges to be acquired by a smaller entity (SCMGL) for the purposes of a stock exchange listing, the existing entity SCMAHL should be deemed to be the acquirer, subject to consideration of other factors such as management of the entities involved in the transaction and relative fair values of the entities involved in the transaction. This is commonly referred to as a reverse acquisition.

At the time of IPO, in November 2005, the reverse acquisition guidance of AASB 3 was applied to the Group and the cost of the Business Combination was deemed to be paid by SCMAHL to acquire SCMGL and SCMT. The cost was determined by reference to the fair value of the net assets of SCMGL and SCMT immediately prior to the Business Combination. The investment made by the legal parent SCMGL in SCMAHL to legally acquire the existing radio assets is eliminated on consolidation. In applying the guidance of AASB 3, this elimination resulted in a debit of $77.4 million to other equity transactions. The Group transferred this reserve to Accumulated losses effective 30 June 2022. This does not affect the Group's distributable profits or ability to pay dividends.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts have been rounded off in accordance with the Instrument to the nearest thousand dollars, unless otherwise indicated.

Critical accounting estimates and judgement

The preparation of the financial report in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Management believes the estimates used in the preparation of the financial report are reasonable. Actual results in the future may differ from those reported. Judgements and estimates which are material to the financial report are found in the following notes:

Note 9	Non-Current Assets – Intangible Assets
Note 10	Impairment
Note 12	Receivables, Payables, Deferred Income and Provisions
Note 25	Leases

Environmental factors

Although the Group's operations have not been impacted by continuous COVID-19 lock-downs as in prior years, other external factors including natural disasters, the war in Ukraine and the possibility of recession have all contributed to the pace of recovery.

As a consequence, management has:

- Continued to evaluate areas of judgement or estimation uncertainty;
- Updated its economic outlook, principally for the purposes of input into its expected credit losses through the application of forward-looking information, but also for the input into the impairment analysis of financial and non-financial assets classes and disclosures such as fair value disclosures of financial assets and liabilities; and
- Reviewed public forecasts and experience from previous downturns for input into the impairment assessment of the Audio CGU.

Further judgements and estimates were required due to these external factors and are detailed further in the notes to the financial statements, in particular:

Note 10	Impairment
Note 12	Receivables, Payables, Deferred Income and Provisions

Note 13 Capital Management Objectives
Note 18 Financial Risk Management
Note 19 Non-Current Assets - Investments

Notes to the financial statements

Notes relating to individual line items in the financial statements now include accounting policy information where it is considered relevant to an understanding of these items, as well as information about critical accounting estimates and judgements. Details of the impact of new accounting policies and all other accounting policy information are disclosed at the end of the financial report in note 27.

2. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has determined operating segments are based on the information reported to the Group CEO and the Company Board of Directors. The Group has determined that it has two main operating segments being:

- Audio, comprising metro and regional radio, digital and other related businesses; and
- Television, comprising the regional television business

	Audio		**Television**		**Corporate**		**Consolidated**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment revenue	**397,196**	397,967	**106,742**	126,216	**356**	655	**504,294**	524,838
National revenue[1]	**211,401**	215,721	**61,932**	77,572	**-**	-	**273,333**	293,293
Local revenue[2]	**136,923**	139,358	**37,824**	41,382	**-**	-	**174,747**	180,740
Other	**48,872**	42,888	**6,986**	7,262	**356**	655	**56,214**	50,805
Total revenue	**397,196**	**397,967**	**106,742**	**126,216**	**356**	**655**	**504,294**	**524,838**
EBITDA before significant items[3]	**80,276**	**87,596**	**18,684**	**30,710**	**(21,791)**	**(28,660)**	**77,169**	**89,646**
Reported EBITDA	**78,246**	**85,824**	**18,668**	**30,010**	**(23,706)**	**(30,254)**	**73,208**	**85,580**
EBITDA % of Revenue	**19.7%**	21.6%	**17.5%**	23.8%	**N/A**	N/A	**14.5%**	16.3%
Impairment of intangibles and investments	-	(251,718)	-	-	-	-	-	(251,718)
Depreciation and amortisation	**-**	-	**-**	-	**-**	**-**	**(29,155)**	(31,851)
Statutory EBIT / Segment Result	**-**	-	**-**	-	**-**	-	**44,053**	**(197,989)**
Financing costs	**-**	-	**-**	-	**-**	-	**(16,800)**	(16,079)
Income tax (expense)/credit	**-**	-	**-**	-	**-**	-	**(8,144)**	60,346
Profit/(Loss) for the year attributable to shareholders	**-**	-	**-**	-	**-**	-	**19,109**	**(153,722)**

1 National revenue is sold by SCA's national sales team who are able to sell all SCA products across all markets.

2 Local revenue is sold directly by the SCA's local sales team who are only able to sell local products specific to the particular market.

3 Refer Note 4 'Significant items'

3. Revenue

The profit before income tax from continuing operations included the following specific items of revenue:

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Revenue from continuing operations		
Sales revenue	**503,951**	524,554
Rental revenue	**343**	284
Total revenue from continuing operations	**504,294**	**524,838**

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of GST payable to the relevant taxation authority.

Sales revenue

Under AASB 15 *Revenue from Contracts with Customers* revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. The Group recognises revenue at the point the underlying performance obligation has been completed and control of the services or goods passes to the customer.

Revenue represents revenue earned primarily from the sale of radio, digital and television advertising airtime and related activities, including sponsorship and promotions.

Based on the Group being considered the principal entity in the sale of radio, digital and advertising, revenue is recognised gross of rebates and agency commissions. For significant payment terms refer to note 12.

Advertising revenue is recognised at a point in time when the underlying performance obligation has been satisfied, being primarily when the advertisement is aired.

Sponsorship revenue is included within advertising revenue and the length of the sponsorship can vary in length of time. Revenue is recognised over the period to which the sponsorship relates.

Production services used to create advertising suitable for broadcast is treated as a separate performance obligation. Production revenue is recognised at a point in time when the Group has completed the production service, which is likely to be before the relevant advertising is broadcast.

Included within advertising revenue is the Australian Traffic Network (ATN) contract where revenue is recognised over time. The ATN contract has been deemed to contain a significant financing component. Revenue from this contract has been recalculated over the 30-year contract period and has been grossed up to account for interest expense (for further detail refer note 12).

Digital revenue is recognised at the point the underlying performance obligations of the contract have been delivered to the customer. SCA determines whether it is the principal or agent under AASB15. SCA is the principal in a transaction when it has primary responsibility for fulfilling the promise, the inventory risk and discretion in establishing price. Revenue is recognised as gross when SCA is principal, with a corresponding expense for any fees which could include agency commission. SCA is the agent in a transaction when it receives a commission/revenue share, has no inventory risk and little or no discretion in establishing price. Revenue is recognised as net when SCA is an agent, with no corresponding expense for any fees.

The Group derives other regular sources of operating revenue including commercial production for advertisers, facility sharing revenue and third-party agency commissions.

4. Significant Items

The net profit 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 nature or size that separate disclosure will assist users to understand the financial statements.

	2023 $'000	2022 $'000
Impairment of intangibles and investments (refer notes 9, 10 and 19)	-	(179,430)
Other (after tax)	**(2,773)**	(2,846)
Total significant items included in net profit after tax	**(2,773)**	**(182,276)**

5. Other Income

	Consolidated	
	2023 $'000	2022 $'000
Net gain from disposal of assets	**1,264**	16
Total other income	**1,264**	**16**

	2023 $'000	2022 $'000
Net assets disposed	**(2,226)**	(65)
Gross cash consideration	**3,490**	81
Net gain from disposal of assets before tax	**1,264**	**16**

6. Government Grants

PING

The Group applied and was found eligible for funding under the Commonwealth Government's Public Interest News Gathering (PING) program. During FY2021 SCA received $10.3 million for the period September 2020 to August 2021 of which $1.7 million was recognised as income in the FY2022 year. There were no PING payments in FY 2023.

PING payments are government grants and are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance.*

Government grants are recognised over the period of the grant at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. The impact on the Consolidated Statement of Comprehensive Income is shown below.

	Consolidated	
	2023 $'000	2022 $'000
PING Program	-	1,711
Employee Costs	**(203,091)**	(199,508)
Total employee costs after Government Assistance	**(203,091)**	**(197,797)**

7. Income Tax Expense

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

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Income tax expense		
Current tax		
Current tax on profits for the year	**8,957**	10,806
Adjustments for current tax of prior periods	**(212)**	1,510
Total current tax expense	**8,745**	**12,316**
Deferred income tax		
Decrease in net deferred tax liabilities	**(511)**	(71,065)
Adjustments for deferred tax of prior periods	**(90)**	(1,597)
Total deferred tax expense	**(601)**	**(72,662)**
Income tax (credit)/expense	**8,144**	**(60,346)**
Reconciliation of income tax expense to prima facie tax payable		
(Loss)/profit before income tax expense	**27,253**	(214,068)
Tax at the Australian tax rate of 30%	**8,176**	(64,220)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Impairment of intangibles and investments	**-**	3,227
Share of net profits of associates	**(209)**	(228)
Non-deductible entertainment expenses	**748**	797
Other (non-assessable income)/non-deductible expenses	**(269)**	165
Adjustments recognised in the current year in relation to prior years	**(302)**	(87)
Income tax (credit)/expense	**8,144**	**(60,346)**

7. Income Tax Expense (continued)

Deferred Taxes	Consolidated	
	2023 **$'000**	**2022** **$'000**
The balance comprises temporary differences attributable to:		
Licences and brands	**(206,561)**	(206,641)
Employee benefits	**6,920**	6,882
Provisions	**487**	865
Interest rate swaps	**(221)**	(236)
Right-of-use assets	**(32,917)**	(33,327)
Lease liabilities	**39,013**	38,145
Deferred revenue	**3,895**	3,459
Other	**2,252**	3,104
Net balance disclosed as deferred tax liability	**(187,132)**	**(187,749)**

For the year ended 30 June 2023, the Group did not have a deferred income tax expense (2022: $0.7 million of deferred income tax expense) recognised directly in equity in relation to cash flow hedges, with a corresponding reduction in deferred tax assets being recognised. There are $58.966 million available of unused tax losses on the capital account for which no deferred tax asset has been recognised (2022: $60.644 million).

There are no other unused tax losses for which no deferred tax asset has been recognised.

Recognition and Measurement

Income Tax

Income tax amounts recognised in the Group's financial statements relate to tax paying entities within the Group and have been recognised in accordance with Group policy.

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and adjusted by changes to unused tax losses.

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 which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

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.

In determining the extent of temporary differences of assets, the carrying amount of assets is assumed to be recovered through use.

Tax Consolidated Group

The Company is the head entity of the tax consolidated group. For further information, refer note 21.

8. Non-Current Assets – Property, Plant and Equipment

Consolidated	Land and Buildings	Leasehold Improvements	Plant and Equipment	Assets under construction	Total
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost	**22,137**	**66,596**	**259,849**	**5,195**	**353,777**
Accumulated depreciation expense	**(8,339)**	**(38,786)**	**(229,839)**	**-**	**(276,964)**
Net carrying amount	**13,798**	**27,810**	**30,010**	**5,195**	**76,813**
Movement					
Net carrying amount at beginning of year	**16,160**	**18,166**	**35,364**	**14,864**	**84,554**
Additions	**213**	**54**	**3,697**	**3,540**	**7,504**
Disposals	**(2,063)**	**-**	**(162)**	**-**	**(2,225)**
Depreciation expense	**(535)**	**(2,622)**	**(9,863)**	**-**	**(13,020)**
Transfers	**23**	**12,212**	**974**	**(13,209)**	**-**
Net carrying amount at end of year	**13,798**	**27,810**	**30,010**	**5,195**	**76,813**

Consolidated	Land and Buildings	Leasehold Improvements	Plant and Equipment	Assets under construction	Total
2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost	25,433	54,331	256,267	14,864	350,895
Accumulated depreciation expense	(9,273)	(36,165)	(220,903)	-	(266,341)
Net carrying amount	**16,160**	**18,166**	**35,364**	**14,864**	**84,554**
Movement					
Net carrying amount at beginning of year	16,790	18,053	46,881	5,475	87,199
Additions	101	2,877	2,998	14,584	20,560
Disposals	(67)	(20)	(60)	-	(147)
Depreciation expense	(664)	(4,470)	(13,893)	-	(19,027)
Transfers[1]	-	1,726	(562)	(5,195)	(4,031)
Net carrying amount at end of year	**16,160**	**18,166**	**35,364**	**14,864**	**84,554**

[1]The transfer of $4,031 million of net intangibles relate to the LiSTNR app, which was transferred from Property, plant and equipment following a review of the accounting treatment

Recognition and Measurement

Property, Plant and Equipment at Cost

Property, plant and equipment is recorded at cost less accumulated depreciation and cumulative impairment charges. Cost includes those costs directly attributable to bringing the assets into the location and working condition necessary for the asset to be capable of operating in the manner intended by management. The estimated cost of dismantling and removing infrastructure items and restoring the site on which the assets are located is only included in the cost of the asset to the extent that the Group has an obligation to restore the site and the cost of restoration is not recoverable from third parties. Additions, renewals and improvements are capitalised, while maintenance and repairs are expensed.

The carrying values of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

8. Non-Current Assets – Property, Plant and Equipment (continued)

Depreciation

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis to amortise the cost of the asset over its estimated useful life.

Estimates of remaining useful life are made on a regular basis for all assets, with annual reassessments for major items. The expected useful life of property, plant and equipment is as follows:

Buildings	25 – 50 years
Leasehold improvements	3 – 16 years
Network equipment	2 – 10 years
Communication equipment	3 – 5 years
Other plant and equipment	2 – 20 years
Leased plant and equipment	2 – 20 years

9. Non-Current Assets – Intangible Assets

Consolidated	Goodwill	Broadcasting Licences	Brands and Tradenames	Other	Total
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost	**362,088**	**1,502,031**	**90,409**	**25,712**	**1,980,240**
Accumulated impairment expense	**(362,088)**	**(854,478)**	**(41,662)**	**-**	**(1,258,228)**
Accumulated amortisation expense	**-**	**-**	**-**	**(9,892)**	**(9,892)**
Net carrying amount	**-**	**647,553**	**48,747**	**15,820**	**712,120**
Movement					
Net carrying amount at beginning of year	**-**	**647,553**	**48,576**	**7,667**	**703,796**
Additions	**-**	**-**	**171**	**12,868**	**13,039**
Amortisation expense	**-**	**-**	**-**	**(4,715)**	**(4,715)**
Net carrying amount at end of year	**-**	**647,553**	**48,747**	**15,820**	**712,120**

Consolidated	Goodwill	Broadcasting Licences	Brands and Tradenames	Other	Total
2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost	362,088	1,502,031	90,238	12,844	1,967,201
Accumulated impairment expense	(362,088)	(854,478)	(41,662)	-	(1,258,228)
Accumulated amortisation expense	-	-	-	(5,177)	(5,177)
Net carrying amount	**-**	**647,553**	**48,576**	**7,667**	**703,796**
Movement					
Net carrying amount at beginning of year	9,959	871,700	65,308	936	947,903
Additions	-	-	82	5,073	5,155
Transfers[1]	-	-	-	4,031	4,031
Impairment expense (note 10)	(9,959)	(224,147)	(16,814)	-	(250,920)
Amortisation expense	-	-	-	(2,373)	(2,373)
Net carrying amount at end of year	**-**	**647,553**	**48,576**	**7,667**	**703,796**

[1]The transfer of $4,031 million of net intangibles relate to the LiSTNR app, which was transferred from Property, plant and equipment following a review of the accounting treatment

9. Non-Current Assets – Intangible Assets (continued)

Goodwill and intangible assets with indefinite useful lives

The Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment, and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates. There are also judgements involved in determination of cash generating units ('CGUs').

Key Judgement

Useful Life

A summary of the useful lives of intangible assets is as follows:

Commercial Television/Radio Broadcasting Licences	Indefinite
Brands and Tradenames	Indefinite

Licences

Television and radio licences are initially recognised at cost. Analogue licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. Digital licences attach to the analogue licences and renew automatically. The directors understand that the revocation of a commercial television or radio licence has never occurred in Australia and have no reason to believe the licences have a finite life. During the year, the free-to-air commercial television and radio broadcasting licences have been assessed to have indefinite useful lives.

Brands

Brands are initially recognised at cost. The brands have been assessed to have indefinite useful lives. The Group's brands operate in established markets with limited restrictions and are expected to continue to complement the Group's media initiatives. On this basis, the directors have determined that brands have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows.

Other intangible assets

IT development and software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software is available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee and contractor costs.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

9. Non-Current Assets – Intangible Assets (continued)

The group amortises other intangible assets with a limited useful life using the straight-line method over the following periods:

IT development and software	3 - 5 years
Customer contracts	5 years

10. Impairment

a) Impairment tests for licences, tradenames, brands and goodwill

The value of licences, tradenames, brands and goodwill is allocated to the Group's cash generating units ('CGUs'), identified as being Audio and Television. As the indefinite lived intangible assets relating to the Television CGU were fully impaired in the year ended 30 June 2019, and no indicator of impairment has been identified for the remaining assets based on the Television CGU's performance for FY2023 relative to its remaining carrying value, no impairment test was performed on the Television CGU at 30 June 2023.

The recoverable amount of the Audio CGU at 30 June 2023 and 30 June 2022 was determined based on the fair value less costs of disposal ('FVLCD') discounted cash flow model utilising probability weighted scenarios, and approximates the carrying value.

Allocation of goodwill and other intangible assets

Consolidated	**Audio CGU**	**Television CGU**	**Total**
2023	**$'000**	**$'000**	**$'000**
Goodwill allocated to CGU	**-**	**-**	**-**
Indefinite lived intangible assets allocated to CGU	**696,300**	**-**	**696,300**
Finite lived intangible assets allocated to CGU	**15,820**	**-**	**15,820**
Total goodwill, finite and indefinite lived intangible assets	**712,120**	**-**	**712,120**

Consolidated	**Audio CGU**	**Television CGU**	**Total**
2022	**$'000**	**$'000**	**$'000**
Goodwill allocated to CGU	-	-	-
Indefinite lived intangible assets allocated to CGU	696,129	-	696,129
Finite lived intangible assets allocated to CGU	7,667	-	7,667
Total goodwill, finite and indefinite lived intangible assets	**703,796**	**-**	**703,796**

b) Key assumptions used

30 June 2023

The FVLCD calculations used cash flow projections based on the 2024 Board approved financial budgets extended over the subsequent four-year period ('Forecast Period') and applied a terminal value calculation using estimated growth rates approved by the Board for the business relevant to the Audio CGU. In determining appropriate growth rates to apply to the Forecast Period and to the terminal calculation, the Group considered forecast reports from independent media experts and publicly available broker reports as well as internal company data and assumptions. In respect of the Audio CGU the long-term growth rates did not exceed the average of the independent forecast reports. The discount rate used is based on a range provided by an independent expert and reflects specific risks relating to the Audio CGU in Australia.

10. Impairment (continued)

The Group considered three scenarios: the Base case; Lower case; and Upper case and applied a probability weighting to each scenario as outlined below to determine a recoverable amount. The key assumptions under each scenario are as follows:

	Lower case	**Base case**	**Upper case**
Extent and duration of audio market recovery	To 82% of CPI adjusted FY19 revenue base in FY25 declining to 76% by FY28	To 83% of CPI adjusted FY19 revenue base in FY25 declining to 82% in FY26 and flat thereafter	To 84% of CPI adjusted FY19 revenue base by FY25 and increasing to 88% by FY28
Long term growth rate	0.0%	1.5%	2.5%
Discount rate (post-tax)	10.0%	10.0%	10.0%
Growth in digital audio revenues – 5-year CAGR	17%	27%	31%
Metro market share – Year 5	26%	29%	30%
Probability weighting	40% - lower case considered more likely than upper case due to potential for worsening economic conditions	50% - base case considered most likely outcome	10% - upper case considered less likely than lower case due to potential for worsening economic conditions

The market capitalisation of the Group at 30 June 2023 was $208 million, which represented a $227 million deficiency against the net assets of $435 million. The Group considered reasons for this difference and concluded the recoverable amount resulting from the FVLCD methodology is appropriate in supporting the carrying value of the Audio CGU.

30 June 2022

The FVLCD calculations used cash flow projections based on the 2023 Board approved financial budgets extended over the subsequent four-year period ('Forecast Period') and applied a terminal value calculation using estimated growth rates approved by the Board for the business relevant to the Audio CGU. In determining appropriate growth rates to apply to the Forecast Period and to the terminal calculation, the Group considered forecast reports from independent media experts; publicly available broker reports; in addition to internal company data and assumptions. In respect of the Audio CGU the market growth rates did not exceed the independent forecast reports. The discount rate used is based on a range provided by an independent expert and reflects specific risks relating to the Audio CGU in Australia.

The Group considered three scenarios: the Base case; Lower case; and Upper case and applied a probability weighing to each scenario as outlined below to determine a recoverable amount. The key assumptions under each scenario are as follows:

10. Impairment (continued)

	Lower case	Base case	Upper case
Extent and duration of audio market recovery	To 82% of CPI adjusted FY19 revenue base in FY24 declining to 76% by FY27	To 83% of CPI adjusted FY19 revenue base in FY24 declining to 80% by FY27	To 90% of CPI adjusted FY19 revenue base by FY24 and flat thereafter
Long term growth rate	0.5%	1.5%	2.5%
Discount rate (post-tax)	9.75%	9.75%	9.75%
Growth in digital audio revenues – 5-year CAGR	17%	29%	41%
Metro market share – Year 5	26%	29%	30%
Probability weighting	40% - lower case considered more likely than upper case due to potential for worsening economic conditions	50% - base case considered most likely outcome	10% - upper case considered less likely than lower case due to potential for worsening economic conditions

c) Impact of a reasonably possible change in key assumptions

Audio CGU

Sensitivity

Any variation in the key assumptions used to determine the FVLCD would result in a change in the recoverable amount of the Audio CGU. The assumptions in the lower-case scenario for 30 June 2023 described above represent a reasonably possible change in assumptions, which together would lead to a pre-tax impairment of $375 million. The following reasonably possible changes in a key assumption would result in the following approximate impact on recoverable amount (as derived on a probability weighted basis) and carrying value for the Audio CGU:

Sensitivity	Reasonable Change in variable **%**	Impact of change on Audio CGU carrying value **$ million**
Increase in post-tax discount rate from 10.0% to 12.0%	2.0%	(84.9)
Reduction in long term growth rate by 2% in each scenario	(2.0)%	(60.5)
Reduction in digital growth in the base case from FY25 to FY28 to 5% p.a.	Between 5% and 25% p.a.	(60.5)

11. Cash flow information

a) Reconciliation of Profit after Income Tax to Net Cash Inflow from Operating Activities

	Consolidated	
	2023 **$'000**	**2022** **$'000**
Profit/(loss) after income tax	**19,109**	(153,722)
Impairment of intangibles and investments	**-**	251,718
Depreciation and amortisation	**29,155**	31,851
Net gain from disposal of assets	**(1,264)**	(16)
Share of associate profit	**(697)**	(761)
Interest expense and other borrowing costs included in financing activities	**17,920**	16,219
Share-based payments	**277**	532
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	**3,830**	(1,687)
(Decrease) in deferred taxes (net of tax movement in hedge reserve)	**(832)**	(72,662)
(Decrease) in payables (excluding interest expense classified as financing activities)	**(2,761)**	(3,824)
(Decrease) in deferred income	**(8,430)**	(7,777)
Increase/(decrease) in provision for income tax	**1,557**	(8,465)
(Decrease)/increase in provisions	**(1,034)**	2,804
Net cash inflows from operating activities	**56,830**	**54,210**

b) Net debt reconciliation

	Consolidated	
	2023 **$'000**	**2022** **$'000**
Cash and liquid investments	**12,963**	49,462
Borrowings – repayable within one year	**-**	-
Borrowings – repayable after one year	**(117,243)**	(126,943)
Lease Liabilities	**(130,041)**	(126,819)
Net debt	**(234,321)**	**(204,300)**

11. Cash flow information (continued)

	Consolidated			
	Cash $'000	Bank Loans $'000	Lease Liabilities $'000	Total $'000
Balance as at at 1 July 2021	**75,420**	**(127,225)**	**(112,969)**	**(164,774)**
Payment for leases	-	-	14,256	14,256
Other cashflows	(25,958)	-	-	(25,958)
Changes from financing activities	**(25,958)**	**-**	**14,256**	**(11,702)**
Other Changes				
Finance costs	-	1,235	(6,271)	(5,036)
Amortisation of borrowing costs	-	(953)	-	(953)
Addition of leases	-	-	(21,646)	(21,646)
Other remeasurements	-	-	(189)	(189)
Subtotal of other changes	**-**	**282**	**(28,106)**	**(27,824)**
Balance as at 30 June 2022	**49,462**	**(126,943)**	**(126,819)**	**(204,300)**
Payment for leases	**-**	**-**	**13,077**	**13,077**
Proceeds from borrowings	**15,000**	**(15,000)**	**-**	**-**
Repayment of borrowings	**(25,000)**	**25,000**	**-**	**-**
Other cashflows	**(26,499)**	**-**	**-**	**(26,499)**
Changes from financing activities	**(36,499)**	**10,000**	**13,077**	**(13,422)**
Other Changes				
Finance costs	**-**	**-**	**(6,576)**	**(6,576)**
Amortisation of borrowing costs	**-**	**(300)**	**-**	**(300)**
Addition of leases	**-**	**-**	**(8,231)**	**(8,231)**
Other remeasurements	**-**	**-**	**(1,492)**	**(1,492)**
Subtotal of other changes	**-**	**(300)**	**(16,299)**	**(16,599)**
Balance as at 30 June 2023	**12,963**	**(117,243)**	**(130,041)**	**(234,321)**

c) Cash and cash equivalents

	Consolidated	
	2023 $'000	**2022 $'000**
Current		
Cash at bank and at hand	**12,963**	49,462
	12,963	**49,462**

11. Cash flow information (continued)

Recognition and measurement

For the purpose of presentation in the statement of cash flows, 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

12. Receivables, Payables, Deferred Income and Provisions

a) Receivables

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Current		
Trade receivables	**83,554**	88,458
Prepayments	**13,122**	10,974
Other	**1,974**	1,515
	98,650	**100,947**

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Non-current		
Refundable deposits	**369**	334
Prepayments	**10,439**	11,468
Other	**111**	130
	10,919	**11,932**

The carrying amounts of the non-current receivables approximate their fair value.

Ageing analysis of trade receivables

The tables below summarise the ageing analysis of trade receivables as at 30 June.

Consolidated As at 30 June 2023	**Current - not past due $'000**	**Past due - up to 60 days $'000**	**Past due - 60 – 90 days $'000**	**Past due - >90 days $'000**	**Total $'000**
Expected loss rate	**0.15%**	**0.2%**	**2.0%**	**23.8%**	
Trade receivables	**77,389**	**4,967**	**903**	**576**	**83,835**
Expected credit losses ('ECL')	**(116)**	**(10)**	**(18)**	**(137)**	**(281)**
Trade receivables net of ECL	**77,273**	**4,957**	**885**	**439**	**83,554**

a) Receivables (continued)

Consolidated As at 30 June 2022	Current - not past due $'000	Past due - up to 60 days $'000	Past due - 60 – 90 days $'000	Past due - >90 days $'000	Total $'000
Expected loss rate	1.1%	2.2%	21.0%	35.0%	
Trade receivables	83,626	4,691	991	588	89,896
Expected credit losses ('ECL')	(921)	(103)	(208)	(206)	(1,438)
Trade receivables net of ECL	**82,705**	**4,588**	**783**	**382**	**88,458**

The Group has recognised bad debts during the year ended 30 June 2023 of $183,919 (2022: $140,536). The Group applies a simplified model of recognising lifetime expected credit losses immediately upon recognition. The expected loss rates are historically based on the payment profile of sales over a period of three years before the end of the current period. Historical loss rates have been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The amount of the loss allowance is recognised in profit or loss. Where a debt is known to be uncollectible, it is considered a bad debt and written off.

Recognition and Measurement

Trade Receivables

Trade receivables are recognised at fair value, being the original invoice amount and subsequently measured at amortised cost less ECL provision. Generally, credit terms are for 30 days from date of invoice or 45 days for an accredited agency.

12. Receivables, Payables, Deferred Income and Provisions (continued)

b) Prepayments

On 2 September 2019, the Group paid $15 million to Broadcast Australia for the outsourcing of the Group's transmission services which is being recognised as an expense over a 15-year period.

	2023 $'000	2022 $'000
Current		
Broadcast Australia transmitter services	**1,027**	1,027
Other	**12,095**	9,947
	13,122	**10,974**
Non-current		
Broadcast Australia transmitter services	**10,439**	11,468
	10,439	**11,468**

c) Payables

	Consolidated	
	2023 $'000	2022 $'000
Current		
Trade creditors	**16,994**	9,938
GST payable	**2,466**	2,658
Accruals and other payables	**24,279**	36,334
	43,739	**48,930**

Recognition and Measurement

Trade Creditors, Accruals and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

12. Receivables, Payables, Deferred Income and Provisions (continued)

d) Deferred income

	Consolidated	
	2023 **$'000**	**2022** **$'000**
Current		
Deferred income	**5,532**	6,742
	5,532	**6,742**

	Consolidated	
	2023 **$'000**	**2022** **$'000**
Non-current		
Deferred income	**86,269**	88,260
	86,269	**88,260**

Recognition and Measurement

Deferred Income

In 2016, the Group entered into a long-term contract with Australian Traffic Network (ATN) for it to provide traffic reports for broadcast on Southern Cross Austereo (SCA) radio stations. SCA received payment of $100 million from ATN in return for its stations broadcasting advertising tags provided by ATN attached to news and traffic reports. The contract has a term of 20 years, with an option for ATN to extend it by a further 10 years. The $100 million payment has been recorded on the balance sheet under 'Deferred Income' and will be released to the Income Statement over a 30-year period, unless the contract ends after 20 years at which point the remaining balance will be recognised as revenue in year 20. This treatment will match the receipt of future broadcasting services, airtime and traffic management services that the Group is required to provide over the life of the contract.

ATN revenue recognised that was included in the deferred income balance at the beginning of the period was $7.1 million. The ATN revenue recognised of $7.1 million (2022: $7.1 million) has been offset by the recognition of $5.2 million (2022: $5.4 million) in interest expense as the unwind of discounting.

In addition to the payment received from ATN, deferred income represents government grants received and income invoiced in advance. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are deferred and recognised in profit or loss on a straight-line basis over the expected useful lives of the related assets.

12. Receivables, Payables, Deferred Income and Provisions (continued)

e) Provisions

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Current		
Employee benefits	**20,253**	19,930
Lease provisions	**80**	690
	20,333	**20,620**

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Non-current		
Employee benefits	**2,813**	3,010
Lease provisions	**1,294**	1,844
	4,107	**4,854**

Movements in current and non-current provisions, other than provisions for employee benefits, are set out below:

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Balance at the beginning of the financial year	**2,534**	2,831
Additional provisions made in the period, including increases to existing provisions	**121**	-
Utilisation of provisions	**(691)**	-
Unused amounts reversed during the period	**(590)**	(297)
Balance at the end of the financial year	**1,374**	**2,534**

Recognition and Measurement

Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

12. Receivables, Payables, Deferred Income and Provisions (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market estimates of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Wages and salaries, leave and other entitlements

Liabilities for unpaid salaries, salary related costs and provisions for annual leave are recorded in the Consolidated Statement of Financial Position at the salary rates which are expected to be paid when the liability is settled. Provisions for long service leave and other long-term benefits are recognised at the present value of expected future payments to be made. In determining this amount, consideration is given to expected future salary levels and employee service histories. Expected future payments are discounted to their net present value using high quality corporate bond rates with terms that match as closely as possible to the expected future cash flows.

Onerous Contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the obligation under the contract. The provision is measured at the lower of the cost of fulfilling the contract and any compensation or penalties arising from the failure to fulfil it.

Lease Provisions

The provision comprises of the makegood provisions included in lease agreements for which the Group has a legal or constructive obligation. The present value of the estimated costs of dismantling and removing the asset and restoring the site is recognised as a provision. At each reporting date, the liability is remeasured in line with changes in discount rates, estimated cash flows and the timing of those cashflows.

Capital Management

13. Capital Management Objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide appropriate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, maintain a fully underwritten dividend reinvestment plan, return capital to shareholders, issue new shares, buy back existing shares or sell assets to reduce debt. The Group has taken measures to maintain net debt at a level consistent with a leverage ratio of below 1.5 times. The following outlines the capital management policies that are currently in place for the Group:

Dividend Policy

Dividend Payout Ratio

The Group has a policy to distribute between 65-85% of underlying financial year Net Profit After Tax

Dividend Reinvestment Plan ('DRP')

The Group operates a DRP whereby shareholders can elect to receive their dividends by way of receiving shares in the Company instead of cash. The Company can elect to either issue new shares, or to buy shares on market. The DRP has been suspended since the 2016 interim dividend.

Further details on the Group's dividends are outlined in note 14.

Share buy-back

On 24 March 2022 the Group announced its intention to conduct an on-market share buy-back of up to $40 million over the twelve-month period from 8 April 2022 to 7 April 2023. In the year to 30 June 2023, the Group completed its share buy-back programme, with 20,948,644 shares bought for $21.3 million (2022: 3,366,234 shares for $5.5 million).

Debt Facilities

Syndicated Debt Facility

At 30 June 2023 the Group had a $160 million (2022: $250 million) revolving four year (2022: four year) facility expiring on 10 January 2026. This facility is used as core debt for the Group and may be paid down and redrawn in accordance with the SFA.

Covenants

For the duration of the SFA the Banking Group, being Southern Cross Austereo Pty Ltd and its subsidiaries has a maximum leverage ratio covenant of 3.5 times and a minimum interest cover ratio of 3.0 times. As at 30 June 2023, the leverage ratio was 1.48 times, and the interest cover ratio was 15.09 times.

Further details on the Group's debt facilities are outlined in note 17.

Property, Plant and Equipment and Intangibles

The capital expenditure for 2023 was $7.5 million (2022: $20.6 million) with further additions to intangible assets of $13.0 million (2022: $5.1 million).

Further details on the Group's fixed assets are outlined in note 8 and on the Group's intangible assets in note 9.

14. Dividends Paid and Proposed

The dividends were paid as follows:

	Consolidated 2023 $'000	2022 $'000
The dividends were paid as follows:		
Interim dividend paid for the half year ended 31 December 2022/2021 – fully franked at the tax rate of 30%	11,043	11,890
Final dividend paid for the year ended 30 June 2022/2021 – fully franked at the tax rate of 30%	12,266	13,210
	23,309	**25,100**
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan were as follows:		
Paid in cash	23,309	25,100
	23,309	**25,100**
	Cents per share	**Cents per share**
Interim dividend paid for the half year ended 31 December 2022/2021	4.60	4.50
Final dividend paid for the year ended 30 June 2022/2021	4.75	5.00
	9.35	**9.50**

The Group has $180.9 million of franking credits at 30 June 2023 (2022: $183.0 million).

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the end of the reporting period.

Since the end of the financial year the directors have declared the payment of a final 2023 ordinary dividend of $5.28 million (2.20 cents per fully paid share) out of 'Retained Profits – 2019 reserve'. This dividend will be paid on 4 October 2023.

15. Earnings per Share

	Consolidated	
	2023 **$'000**	**2022** **$'000**
Continuing Operations		
Profit attributable to shareholders from continuing operations ($'000)	**19,109**	(153,722)
Profit attributable to shareholders from continuing operations excluding significant items ($'000)	**21,882**	28,554
Weighted average number of shares used as the denominator in calculating basic earnings per share (shares, '000)	**247,327**	263,681
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (shares, '000)	**250,483**	265,200
Basic earnings per share (cents per share)	**7.73**	(58.3)
Diluted earnings per share (cents per share)	**7.63**	(58.3)
Excluding significant items (refer note 4)		
Basic earnings per share excluding significant items (cents per share)	**8.85**	10.82
Diluted earnings per share excluding significant items (cents per share)	**8.74**	10.77
Dividends paid/proposed for the year as a % of NPAT	**74.6%**	**85.0%**

On 24 March 2022 the Group announced its intention to conduct an on-market share buy-back of up to $40 million over the twelve-month period from 8 April 2022 to 7 April 2023. In the year to 30 June 2023, the Group completed its share buy-back programme, with 20,948,644 shares bought for $21.3 million in the year (30 June 2022: 3,366,234 shares for $5.5 million).

Recognition and Measurement

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of shares outstanding during the financial year.

Diluted earnings per share

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

16. Contributed Equity and Reserves

	Consolidated 2023 $'000	Consolidated 2022 $'000
Ordinary shares	**1,516,105**	1,537,404
Contributed equity	**1,516,105**	**1,537,404**

	Consolidated 2023 $'000	Consolidated 2022 $'000	Consolidated 2023 Number of securities '000	Consolidated 2022 Number of securities '000
On issue at the beginning of the financial year	**1,537,404**	1,542,884	**260,848**	264,214
Buy back of ordinary shares	**(21,299)**	(5,480)	**(20,949)**	(3,366)
On issue at the end of the financial year	**1,516,105**	**1,537,404**	**239,899**	**260,848**

On the 24 March 2022, the Group announced its intention to conduct an on-market share buy-back of up to $40 million. For the period to 30 June 2023, the Group purchased $21.3 million (30 June 2022: $5.5 million) in shares. This was funded from existing cash reserves and debt facilities.

Ordinary shares in Southern Cross Media Group Limited

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

On a show of hands, each shareholder present in person and each other person present as a proxy has one vote and upon a poll, each share is entitled to one vote.

Ordinary shares have no par value, and the company does not have a limited amount of authorised capital.

Employee share entitlements

The Group operates an EIP for its senior executives. Information relating to the employee share entitlements, including details of shares issued under the scheme, is set out in the Remuneration Report.

16. Contributed Equity and Reserves (continued)

Nature and purpose of reserves

a) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of future potential shares to be issued to employees for no consideration in respect of performance rights offered under the Executive Incentive Plans and Long-term Incentive Plan. During the year no performance rights vested (2022: nil). In the current year $276,733 has been recognised as an expense (2022: $532,887 expense) in the Consolidated Statement of Comprehensive Income as the fair value of potential shares to be issued.

b) Hedge reserve

The hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in Other Comprehensive Income. Amounts are reclassified to the Consolidated Statement of Comprehensive Income when the associated hedged transaction affects profit or loss.

c) Reverse Acquisition Reserve

As described in note 1, the Group transferred the reverse acquisition reserve of $77.406 million in connection with the IPO of the Group, into Accumulated losses effective 30 June 2022.

17. Borrowings

a) Total interest-bearing liabilities

	Consolidated 2023 $'000	2022 $'000
Non-current secured borrowings		
Bank facilities	**118,000**	128,000
Borrowing costs	**(757)**	(1,057)
Total secured non-current interest bearing liabilities	**117,243**	**126,943**
Total current and non-current borrowings	**117,243**	**126,943**

For all non-current borrowings, the carrying amount approximates fair value in the Consolidated Statement of Financial Position. Of the $0.757 million of borrowing costs, $0.300 million (2022: $0.300 million) will unwind during the year ending 30 June 2024.

There are no current liabilities as at 30 June 2023.

b) Interest expense

	Consolidated 2023 $'000	2022 $'000
Interest expense and other borrowing costs		
External banks	**5,815**	3,664
AASB 15 – Revenue from customers with contracts interest expense	**5,228**	5,331
AASB 16 – Lease interest expense	**6,577**	6,271
Amortisation of borrowing costs	**300**	953
Total interest expense and other borrowing costs	**17,920**	**16,219**

c) Bank facilities and assets pledged as security

The $160 million debt facilities (2022: $250 million) of the Banking Group are secured by a fixed and floating charge over the assets and undertakings of the Banking Group and its wholly-owned subsidiaries and also by a mortgage over shares in Southern Cross Austereo Pty Ltd. The facility matures on 9 January 2026 and has an average variable interest rate of 5.10 % (2022: 3.31%). On 14 June 2023 the Group negotiated a short-term $25 million overdraft facility with the ANZ Banking Group, renewable on an annual basis. The Group's bank facilities are denominated in Australian dollars.

There are certain financial and non-financial covenants which are required to be met by subsidiaries in the Group. One of these covenants is an undertaking that the subsidiary is in compliance with the requirements of the facility before any amount may be distributed to the benefit of the ultimate parent entity, Southern Cross Media Group Limited. Covenant testing dates fall at 30 June and 31 December each year until the facility maturity date. At 30 June 2023, the Group complied with all the covenants.

17. Borrowings (continued)

c) Bank facilities and assets pledged as security (continued)

The carrying amounts of assets pledged as security by Southern Cross Austereo Pty Ltd for current and non-current borrowings are:

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Current assets		
Floating charge		
Cash and cash equivalents	**12,963**	49,352
Receivables	**97,114**	99,175
Total current assets pledged as security	**110,077**	148,527
Non-current assets		
Floating charge		
Receivables	**10,919**	11,932
Investments accounted for using the equity method	**4,734**	5,107
Property, plant and equipment	**76,805**	84,554
Intangible assets	**712,120**	703,796
Total non-current assets pledged as security	**804,578**	805,389
Total assets pledged as security	**914,655**	**953,916**

Recognition and Measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Transaction costs that have been paid or accrued for prior to the drawdown of debt are classified as prepayments. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are expensed over the life of the facility to which they relate.

18. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (the Group's main exposure to market risk is interest rate risk), liquidity risk and cash flow interest rate risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps to hedge certain risk exposures.

The Risk Management Policy is carried out by management under policies approved by the Board. Senior management of the Group identify, quantify and qualify financial risks as part of developing and implementing the risk management process. The Risk Management Policy is a written document approved by the Board that outlines the

18. Financial Risk Management (continued)

financial risk management process to be adopted by management. Specific financial risks that have been identified by the Group are interest rate risk and liquidity risk.

a) Interest rate risk

Nature of interest rate risk

Interest rate risk is the Group's exposure to the risk that interest rates move in a way that adversely affects the ability of the Group to pay its interest rate commitments. The Group's interest rate risk arises from long-term borrowings which are taken out at variable interest rates and therefore expose the Group to a cash flow risk.

Interest rate risk management

Whilst there is no formal policy in place mandating hedging levels, it is considered by the Board regularly and SCA has historically hedged the interest rate risk by taking out floating to fixed rate swaps against a portion of its drawn debt. Such interest rate swaps have the economic effect of converting borrowings from variable rates to fixed rates. Generally, the Group raises long-term borrowings at variable rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (quarterly), the difference between fixed contract rates and variable rate interest amounts calculated by reference to the agreed notional principal amounts.

Exposure and sensitivity to interest rate risk

External borrowings of the Group currently bear an average variable interest rate of 5.10% (2022: 3.31%). In 2020 the Group entered into $100 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in January 2021 at an average fixed rate of 1.04%. These interest rate swap contracts expired in January 2023. In 2023 the Group entered into $35 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in April 2023 at an average fixed rate of 3.6%. These interest rate swap contracts will expire in April 2026.

Details on how the Group accounts for the interest rate swap contracts as cashflow hedges is disclosed in note 27.

Derivative financial instruments

	Consolidated	
	2023 **$'000**	**2022** **$'000**
Interest rate swap contracts – current asset	**-**	787
Interest rate swap contracts – non-current asset	**736**	-
Total derivative financial instruments	**736**	**787**

Swaps currently in place cover 30% (2022 – 78%) of the variable loan principal outstanding. The fixed interest rates of the swaps is 3.6% (2022: 1.0%) and the variable rates on the loans are 1.40% (2022: 1.30%) above the 3 months bank bill rate, which at the end of the reporting period was 3.7% (2022: 2.0%).
The swap contracts require settlement of net interest receivable or payable every 3 months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

18. Financial Risk Management (continued)

a) Interest rate risk (continued)

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Carrying amount asset	**736**	787
Notional	**35,000**	100,000
Maturity date		
2023	**-**	100,000
2026	**35,000**	-
Hedge ratio	**1:1**	1:1
Change in fair value of outstanding hedging instruments since 1 July	**685**	1,168
Change in value of hedged item used to determine hedge effectiveness	**(685)**	(1,168)
Weighted average hedged rate for the year	**1.36%**	1.20%

Hedging reserve

The Group's hedging reserve disclosed in the Consolidated Statement of Changes in Equity relate to the following hedging instruments:

	Hedge Reserve for Interest rate swaps
	$'000
Opening balance 1 July 2021	**(1,105)**
Add: Change in fair value of hedging instrument recognised in OCI for the year	1,168
Less: reclassified from OCI to profit or loss	1,200
Less: Deferred tax	(710)
Closing balance 30 June 2022	**553**
Add: Change in fair value of hedging instrument recognised in OCI for the year	**685**
Less: reclassified from OCI to profit or loss	**(738)**
Less: Deferred tax	**15**
Closing balance 30 June 2023	**515**

18. Financial Risk Management (continued)

a) Interest rate risk (continued)

Interest rate swap contracts

The contracts require settlement of net interest receivable or payable and are timed to coincide with the approximate dates on which interest is payable on the underlying debt.

These interest rate swaps are cash flow hedges as they satisfy the requirements for hedge accounting. Any change in fair value of the interest rate swaps is taken to the hedge reserve in equity in the relevant period.

In assessing interest rate risk, management has assumed a +/- 100 basis points movement (2022: +/- 25 basis points) in the relevant interest rates at 30 June 2023 for financial assets and liabilities denominated in Australian Dollars ('AUD'). The following table illustrates the impact on profit or loss with no impact directly on equity for the Group.

	Carrying Value	Impact on post-tax profits Increase/(decrease)		Impact on reserves Increase/(decrease)	
Consolidated		**+/- 100 (25) basis points**		**+/- 100 (25) basis points**	
AUD exposures	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2023		**+100**	**-100**	**+100**	**-100**
Cash at bank	**12,963**	**91**	**(91)**	**-**	**-**
Interest rate swaps	**736**	**245**	**(245)**	**916**	**(914)**
Borrowings	**(118,000)**	**(826)**	**826**	**-**	**-**
2022		**+25**	**-25**	**+25**	**-25**
Cash at bank	49,462	87	(87)	-	-
Interest rate swaps	787	92	(92)	125	(125)
Borrowings	(128,000)	(224)	224	-	-

b) Liquidity risk

Nature of liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations associated with financial liabilities.

Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group and Company have a liquidity management policy which manages liquidity risk by monitoring the stability of funding, surplus cash or near cash assets, credit facility headroom, anticipated cash in and outflows and exposure to connected parties.

18. Financial Risk Management (continued)

b) Liquidity risk (continued)

Exposure and sensitivity

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

Consolidated	Bank facilities (non-current)	Bank facilities (current)	Working capital facility	Total facilities
As at 30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**
Line of credit value	**160,000**	**25,000**	**7,000**	**192,000**
Used at balance date	**(118,000)**	**-**	**(5,164)**	**(123,164)**
Unused at balance date	**42,000**	**25,000**	**1,836**	**68,836**

Consolidated	Bank facilities (non-current)	Bank facilities (current)	Working capital facility	Total facilities
As at 30 June 2022	**$'000**	**$'000**	**$'000**	**$'000**
Line of credit value	250,000	-	7,000	257,000
Used at balance date	(128,000)	-	(6,109)	(134,109)
Unused at balance date	**122,000**	**-**	**891**	**122,891**

The $160 million debt facility for the Group matures on 9 January 2026. On 14 June 2023 the Group negotiated a short-term $25 million overdraft facility with the ANZ Banking Group, renewable on an annual basis. In addition to the above, the Group has a $1.5 million credit card facility. The Group's bank facilities are denominated in Australian dollars as at 30 June 2023 and 30 June 2022.

Undiscounted future cash flows

The tables below summarise the maturity profile of the financial liabilities as at 30 June based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were given immediately.

Consolidated	Less than 1 year	1-2 years	2-3 years	3-5 years	Greater than 5 years	Total contractual cashflows	Carrying amount liabilities
As at 30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings – Principal	**-**	**-**	**118,000**	**-**	**-**	**118,000**	**118,000**
Interest cashflows[1]	**6,983**	**6,965**	**3,663**	**-**	**-**	**17,611**	**N/A**
Payables[2]	**39,863**	**-**	**-**	**-**	**-**	**39,863**	**43,739**
Lease liabilities	**12,606**	**12,711**	**12,209**	**26,351**	**114,902**	**178,779**	**130,041**
Total	**59,452**	**19,676**	**133,872**	**26,351**	**114,902**	**354,253**	**291,780**

18. Financial Risk Management (continued)

b) Liquidity risk (continued)

Consolidated As at 30 June 2022	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total contractual cashflow $'000	Carrying amount liabilities $'000
Borrowings – Principal	-	-	-	128,000	-	128,000	128,000
Interest cashflows[1]	3,312	4,519	4,507	2,371	-	14,709	N/A
Payables[2]	45,473	-	-	-	-	45,473	48,930
Lease liabilities	12,143	11,933	11,042	23,136	125,004	183,258	126,819
Total	**60,928**	**16,452**	**15,549**	**153,507**	**125,004**	**371,440**	**303,749**

1 Calculated using a weighted average variable interest rate. Interest cashflows includes interest on principal borrowings, swap interest and the commitment fee on the Syndicated Facility Agreement.

2 The payables balance excludes interest payable as the cashflows are included in 'Interest cashflows' above and excludes GST payable as this is not a financial liability.

Group Structure

19. Non-Current Assets – Investments

a) Investments accounted for using the Equity Method

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Carrying amount at the beginning of the financial year	**5,212**	5,091
Share of profit after income tax	**697**	761
Dividends	**(1,050)**	(640)
Total Investments accounted for using the Equity Method	**4,859**	**5,212**

b) Financial assets at fair value through profit or loss

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Carrying amount at the beginning of the financial year	**1,253**	878
Acquisition of unlisted equity securities	**214**	1,173
Impairment of unlisted equity securities	**-**	(798)
Total Financial assets at fair value through profit or loss	**1,467**	**1,253**
Total Investments	**6,326**	**6,465**

20. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of incorporation	Class of shares/units	Effective ownership interest 2023	Effective ownership interest 2022
Southern Cross Media No 1 Pty Limited (SCM1)	Australia	Ordinary	100%	100%
Southern Cross Media Australia Holdings Pty Limited (SCMAHL)	Australia	Ordinary	100%	100%
Southern Cross Media Group Investments Pty Ltd (SCMGI)	Australia	Ordinary	100%	100%
Southern Cross Austereo Pty Limited (SCAPL) and controlled entities	Australia	Ordinary	100%	100%

The proportion of ownership interest is equal to the proportion of voting power held unless otherwise indicated.

Recognition and Measurement

Subsidiaries

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Where control of an entity is obtained during a financial year, its results are included in the Consolidated Statement of Comprehensive Income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income and Consolidated Statements of Financial Position respectively.

21. Parent Entity Financial Information

a) Summary financial information

The following aggregate amounts are disclosed in respect of the parent entity, Southern Cross Media Group Limited:

	Southern Cross Media Group Limited	
Statement of Financial Position	**2023 $'000**	**2022 $'000**
Current assets	**1,536**	1,882
Non-current assets	**444,139**	460,258
Total assets	**445,675**	462,140
Current liabilities	**1,666**	1,733
Total liabilities	**1,666**	1,733
Net assets	**444,009**	**460,407**
Issued capital	**1,418,517**	1,439,815
Reserves	**5,475**	5,198
Accumulated losses – 2014 reserve	**(96,805)**	(96,805)
Accumulated losses – 2015 H2 reserve	**(323,833)**	(323,833)
Retained profits – 2019 reserve	**47,424**	59,690
Retained profits – 2020 reserve	**55,054**	55,054
Accumulated losses – 2021 reserve	**(355,442)**	(355,442)
Accumulated losses – 2022 reserve	**(323,270)**	(323,270)
Retained profits – 2023 reserve	**16,889**	-
Total equity	**444,009**	**460,407**
Profit/(loss) for the year	**27,932**	**(311,379)**
Total comprehensive income	**27,932**	**(311,379)**

In FY2022, the parent entity recorded an impairment of $355.8 million due to a reduction in the recoverable amount of the investment in a subsidiary determined using fair value less costs of disposal.

b) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees in respect of bank overdrafts and loans of subsidiaries as at 30 June 2023 (2022: nil). The parent entity has not given any unsecured guarantees at 30 June 2023 (2022: nil).

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2023 (30 June 2022: nil).

d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2023, the parent entity had no contractual commitments (30 June 2022: nil).

21. Parent Entity Financial Information (continued)

Recognition and Measurement

Parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out on the following page.

i) *Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries are accounted for at cost in the financial statements of the Company, less any impairment charges.

ii) *Tax consolidation legislation*

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 23 November 2005.

The Company is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly owned subsidiaries on a stand-alone basis. The tax sharing arrangement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The possibility of such a default is considered remote at the date of this report.

Members of the tax consolidated group have entered into a tax funding agreement. The group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group. The tax funding agreement provides for each member of the tax consolidated group to pay a tax equivalent amount to or from the parent in accordance with their notional current tax liability or current tax asset. Such amounts are reflected in amounts receivable from or payable to the parent company in their accounts and are settled as soon as practicable after lodgement of the consolidated return and payment of the tax liability.

Other Notes to the Consolidated Financial Statements

22. Share-Based Payments

The company operates a long-term incentive plan for Executive KMP and certain senior executives. The share-based payment expense for the year ended 30 June 2023 was $276,733 (2022: $532,887).

The following table reconciles the performance rights outstanding at the beginning and end of the year:

Number of performance rights	2023	2022
Balance at beginning of the year	**403,052**	427,861
Granted during the year	**1,131,948**	-
Exercised during the year	**-**	-
Forfeited during the year	**(589,046)**	(24,809)
Balance at end of year	**945,954**	**403,052**

Recognition and Measurement

Share-based compensation benefits are provided to employees via certain Employee Agreements. Information relating to these Agreements is set out in the Remuneration Report. The fair value of entitlements provided are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised as an expense over the period during which the employees become unconditionally entitled to the shares. To the extent the FY2023 Executive Incentive Plan ('EIP') performance conditions are satisfied during FY2023, the Company will award performance rights in FY2023, however the one-year performance period started on 1 July 2023 and the fair value of the related share-based compensation will be recognised as an expense over the three-year period from that date to the end of the service period on 30 June 2026 when the performance rights will be eligible for vesting and conversion to fully paid ordinary shares. The fair value and number of the performance rights relating to the FY2023 EIP will be remeasured on the grant date of the performance rights.

The fair value of the share-based compensation provided during FY2023 was determined using a Black-Scholes-Merton model for the Absolute Total Shareholder Return performance rights, with the following inputs:

Valuation date	30 June 2023
Valuation date share price	$0.865
Fair value at grant date	$0.865
Exercise price	Nil
Dividend yield	0.00%
Risk free interest rate	4.027%
Expected volatility	41.192%

The fair value at grant date of the securities granted is adjusted to reflect any market vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares that are expected to be issued. At each balance sheet date, the entity revises its estimate of the number of shares that are expected to be issued. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity. Where the terms of the share-based payment entitlement are modified in the favour of the employee, the changes are reflected when determining the impact on profit or loss.

23. Remuneration of Auditors

	Consolidated	
	2023	2022
	$	$
(a) Audit and other assurance services		
PricewaterhouseCoopers Australian firm:		
Statutory audit and review of financial reports	**792,111**	758,462
Other assurance services	-	-
Regulatory returns	**19,911**	18,200
Total remuneration for audit and other assurance services	**812,022**	776,662
(b) Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax services	-	-
Total remuneration for taxation services	-	-
(c) Other services		
PricewaterhouseCoopers Australian firm:		
Debt advisory	-	150,000
Total remuneration for other services	-	150,000
Total	**812,022**	**926,662**

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board has considered the position and, in accordance with the advice received from the Audit & Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics* for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

24. Related Party Disclosures

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a) KMP

During the year, no KMP of the Company or the Group has received or become entitled to receive any benefit because of a contract made by the Group with a KMP or with a firm of which a KMP is a member, or with an entity in which the KMP has a substantial interest except on terms set out in the governing documents of the Group or as disclosed in this financial report.

The aggregate compensation of KMP of the Group is set out below:

	Consolidated	
	2023	**2022**
	$	**$**
Short-term employee benefits	**4,423,689**	4,751,763
Post-employment benefits	**189,365**	162,009
Other long-term benefits	**143,162**	67,550
Termination benefits	**864,582**	-
Share-based payments	**(28,654)**	320,770
	5,592,144	**5,302,092**

Note: Changes to KMP during the year can be found in the Remuneration Report.

The number of ordinary shares in the Company held during the financial year by KMP of the Company and Group, including their personally related parties, are set out in the Remuneration Report in the Directors' Report. There were no loans made to or other transactions with KMP during the year (2022: nil).

b) Subsidiaries and Associates

Ownership interests in subsidiaries are set out in note 20. Details of interests in associates and distributions received from associates are disclosed in note 19.

25. Leases and Other Commitments

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	**1,556**	2,400
	1,556	**2,400**

Leases

From 1 July 2019, the Group recognised right-of-use assets for these leases, except for short-term and low value leases.

The Group leases various premises, IT equipment and vehicles. Premises typically have initial rental periods of 5 to 10 years, with options, exercisable by the Group, for periods extending the total lease period up to 30 years. Other leases are typically for less than 4 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Extension options are included in a number of property leases across the Group, which provide flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable by the Group, which applies judgement to determine whether these options are reasonably certain or not. Extension and termination options have been included in all property leases across the Group except those that are surplus to the Group's operational requirements.

The Group sub-leases buildings under an operating lease and rent revenue is recorded as income in the profit or loss on a straight-line basis.

Where the Group assumes that extension options in leases will be exercised these are included in the calculations for the lease liability and ROU asset. Thirty leases were renegotiated during the year resulting in a total net lease liability and ROU remeasurements of $1.5 million.

25. Leases and Other Commitments (continued)

a) Amounts Recognised in the Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive income shows the following amounts relating to leases:

	2023 $'000	2022 $'000
Depreciation charge of right-of-use assets		
Premises	**9,116**	7,978
IT equipment	**1,364**	1,509
Vehicles	**281**	363
	10,761	**9,850**
Interest expense on lease liabilities	**6,576**	**6,271**

b) Amounts Recognised in the Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position includes the following amounts relating to leases:

Lease liabilities as at 30 June 2023:

Lease Liabilities	**30 June 2023 '$000**	**30 June 2022 '$000**
Current	**7,105**	6,497
Non Current	**122,936**	120,322
Total lease liabilities	**130,041**	**126,819**

The associated right-of-use assets as at 30 June 2023 by asset class:

	30 June 2023 '$000	**30 June 2022 '$000**
Premises	**104,147**	107,034
IT Equipment	**4,872**	3,275
Vehicles	**704**	450
Total right-of-use asset	**109,723**	**110,759**

25. Leases and Other Commitments (continued)

At 30 June 2023, the total cash outflow for leases was $13.1 million (2022: $14.3 million) and additions to the right-of-use asset was $8.2 million (2022: $21.6 million), excluding acquisition leases.

Rental contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

26. Events Occurring after Balance Date

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

27. Other Accounting Policies

Defined contribution scheme

The Group operates a defined contribution scheme. The defined contribution scheme comprises fixed contributions made by the Group with the Group's legal or constructive obligation being limited to these contributions. Contributions to the defined contribution scheme are recognised as an expense as they become payable. Prepaid contributions are recognised in the Consolidated Statement of Financial Position as an asset to the extent that a cash refund or a reduction in the future payments is available. The defined contribution plan expense for the year was $16.8 million (2022: $15.6 million) and is included in employee expenses.

Derivative financial instruments

The Group enters into interest rate swap agreements to manage its financial risks. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. The Group may have derivative financial instruments which are economic hedges, but do not satisfy the requirements of hedge accounting. Gains or losses from changes in fair value of these economic hedges are taken through profit or loss.

If the derivative financial instrument meets the hedge accounting requirements, the Group designates the derivatives as either (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedge). The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the directors with assumptions that are based on market conditions existing at each balance sheet date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows.

Hedge accounting

The Group designated interest rates swaps as cash flow hedges and has applied hedge accounting from this date.

The Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transactions. The Group also documents its

27. Other Accounting Policies (continued)

assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of derivative financial instruments used for hedging purposes are presented within the balance sheet. Movements in the hedging reserve are shown within the Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Derivatives

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group hedges up to 100% of its loans, and the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during 2023 or 2022 in relation to the interest rate swaps.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Comprehensive Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within ‘interest expense and other borrowing costs’. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

27. Other Accounting Policies (continued)

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group has adopted AASB 7 *Financial Instruments*: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either

directly (as prices) or indirectly (derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market (for example, unlisted convertible notes) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

New accounting standards and interpretations

The year-end financial statements have been prepared on a basis of accounting policies consistent with those applied in the 30 June 2022 financial statements. The Group adopted certain accounting standards, amendments, and interpretations during the financial year, which did not result in changes in accounting policies nor an adjustment to the amounts recognised in the financial statements. They also do not significantly affect the disclosures in the Notes to the financial statements.

Directors' Declaration

The directors of the Company declare that:

1. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. in the directors' opinion, the financial statements and notes as set out on pages 41 to 90 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the consolidated entity; and
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001.
4. Note 1(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

On behalf of the directors

Rob Murray	John Kelly
Chairman	Managing Director
Sydney, Australia	Sydney, Australia
17 August 2023	17 August 2023

Independent auditor's report

To the members of Southern Cross Media Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Southern Cross Media Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

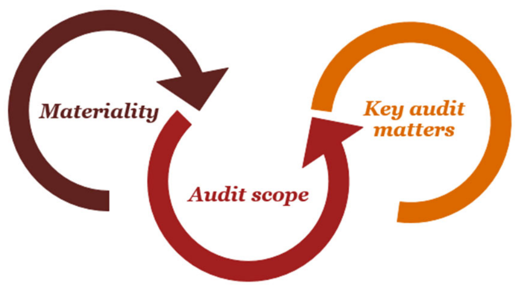
We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) 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.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $1.8 million, which represents approximately 2.5% of the Group's earnings before interest, tax, depreciation and amortisation (EBITDA).
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group EBITDA, because, in our view, it is the benchmark against which the performance of the Group is most commonly measured and is a generally accepted benchmark. We determined that a 2.5% threshold was appropriate based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Impairment tests for licences, tradenames, brands and goodwill *(Refer to note 10)* The Group continues to have significant indefinite lived intangible assets in the Audio cash generating unit (CGU), totalling $696.3 million as at 30 June 2023. These are subject to an annual impairment test by the Group using a fair value less costs of disposal discounted cash flow model ("the model"). This was a key audit matter due to the size of the indefinite lived intangible assets and on the basis that the impairment test involves judgemental estimates of future profits and cash flows. This involves making assumptions about internal and external factors including long-term growth rate, growth in digital audio revenues and the extent and duration of audio market recovery.	In performing our audit work we considered, amongst other things: • whether the Group's identification of CGUs remains appropriate • the market capitalisation of the Group in comparison to the carrying value of its net assets • the appropriateness of adopting a fair value less costs of disposal methodology for estimating the Audio CGU's recoverable amount. To evaluate the model used by the Group in its Audio CGU impairment assessment, with assistance from PwC valuation experts in aspects of our work, we performed the following procedures, amongst others: • tested the mathematical accuracy of the model's calculations • assessed the appropriateness of the discount rate incorporated in the model in consideration of the forecasted cash flows • assessed the appropriateness of the significant assumptions within the model compared to observable market information where available • evaluated the Group's historical ability to forecast future cash flows by comparing forecast cash flows with reported actual performance • considered whether the model's allocation of corporate costs between CGUs was appropriate and reflective of actual costs incurred • assessed the sensitivity of changes in significant assumptions incorporated in the model

Key audit matter	How our audit addressed the key audit matter
	• compared the Group's valuation to external data sources including broker reports. We evaluated the reasonableness of the disclosures in note 10 in light of the requirements of Australian Accounting Standards.
Indefinite lived classification of intangible assets *(Refer to note 9)* As at 30 June 2023, the Group has Audio intangible assets totalling $696.3 million, including Radio Broadcasting Licences, Brands and Tradenames classified as indefinite lived intangible assets. This was a key audit matter because determination of whether or not intangible assets are indefinite lived involves significant judgement by the Group. The determination has an impact on the financial report as it affects whether amortisation is recorded in the consolidated statement of comprehensive income.	In assessing the classification of indefinite useful lived intangible assets, we performed the following procedures, amongst others: • considered relevant regulatory developments in the year which could change the licence renewal process or use of the brands • assessed whether there had been any revocation of radio licences by Australian Communications and Media Authority (ACMA) in the year • considered the forecasted growth of the associated cash flows of the assets • evaluated the directors' strategic plans for the intended use of the assets • compared the Group's classification of indefinite lived intangible assets against a selection of similar assets held by other industry participants in the radio broadcasting market. We considered the reasonableness of the disclosures in note 9 with regard to Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor’s report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors’ report. We expect the remaining other information to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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 other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

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 have 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 the 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 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

Our opinion on the remuneration report

We have audited the remuneration report included in pages 14 to 39 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Southern Cross Media Group Limited for the year ended 30 June 2023 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.

PricewaterhouseCoopers

Trevor Johnston
Partner

Melbourne
17 August 2023