



ASX RELEASE

18 March 2024

Revised non-binding indicative proposal to acquire SCA and SCA Board renewal

Update on the Consortium's non-binding indicative proposal

Southern Cross Media Group Limited (ASX: SXL) (**SCA**) refers to the announcement on Friday 15 March 2024 by ARN Media Limited (ASX: A1N) (**ARN**) that ARN and Anchorage Capital Partners Pty Limited (**ACP**) (together, **Consortium**) are willing to revise their non-binding indicative proposal to acquire SCA by increasing the share exchange ratio such that the consideration comprises up to 0.87 shares in a reconstituted company following re-allocation of SCA and ARN assets (**ARN Newco**) and 29.6 cents cash per share by way of a recommended scheme of arrangement, subject to satisfactory completion of outstanding due diligence (**Revised Indicative Proposal**).

SCA has reviewed the Revised Indicative Proposal with the assistance of its advisers. SCA has also considered feedback from several of its shareholders. Based on the information currently available and SCA's due diligence to date, the SCA Board has unanimously determined that it is appropriate to now re-engage with the Consortium to provide the Consortium with the opportunity to finalise its proposal, on the basis that the terms reflect an exchange ratio of not less than 0.87 ARN Newco shares per fully diluted SCA share, together with the existing proposed 29.6 cents cash per share.

SCA Chair, Rob Murray said: "The Consortium's revised proposal will provide a significant increase in the consideration for SCA shareholders, and the SCA Board is willing to re-engage on the basis of the higher value now being put forward."

SCA has advised the Consortium of the intention to re-engage and outlined the basis on which this decision has been made. SCA will engage constructively with the Consortium to enable both SCA and the Consortium to finalise their outstanding due diligence, including a full and complete understanding of the implied financial profile and likely value of ARN NewCo. It is expected that SCA and the Consortium will concurrently progress transaction documentation as quickly as possible, with the objective of entering a mutually acceptable scheme implementation deed over the coming weeks. The ability for the SCA Board to ultimately support the transaction, including the proposed consideration, will depend on the satisfactory completion of outstanding due diligence, including as to the value of ARN NewCo.

The Revised Indicative Proposal remains subject to several conditions and there is no certainty that a binding transaction will eventuate.

SCA Board renewal

The SCA Board has maintained an ongoing plan to manage the renewal and succession of directors over time. This included the planned intention for Glen Boreham and Rob Murray to retire as directors during the 2024 calendar year, recognising both directors have served over nine years on the SCA Board. This plan was deferred upon receipt of the Indicative Proposal in October 2023, with both Glen Boreham and Rob Murray agreeing to remain as directors of SCA to ensure consistency during the Board's evaluation of the Indicative Proposal.

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Following receipt of the Consortium's Revised Indicative Proposal and the SCA Board's unanimous determination to proceed to re-engage on the basis of that proposal as outlined above, Glen Boreham has now advised the SCA Board of his intention to retire as a director of SCA with effect from 27 March 2024. The Board will not seek a replacement for him.

SCA's Chair, Rob Murray had previously advised the SCA Board of his intention to retire as a director no later than SCA's 2024 Annual General Meeting (**AGM**). Rob Murray has confirmed this intention, while offering to remain as Chair if at that time the outcome of discussions in relation to the Consortium's proposal and any agreed transaction has not been resolved.

Glen Boreham joined SCA as an independent non-executive director on 1 September 2014. During more than nine years as a director, he made valuable contributions to the decision-making of the Board and its committees, including for three years as Chair of the Board's Digital Transformation Committee.

Glen Boreham said: "I have enjoyed working with the SCA Board and executive team which has been innovative and forward-looking in building and growing the LiSTNR digital audio ecosystem to meet the needs of modern audiences and advertisers. "

SCA Chair, Rob Murray said: "Having joined SCA on the same day as Glen, I can attest to the significant contribution he has made over nearly 10 years. Our Board and executive team have benefited greatly from Glen's knowledge and insights, his experience in mergers and acquisitions and other corporate transactions, and his global networks in the technology and data industries.

"In the meantime, the Board is satisfied that its reduced size and its mix of skills and experience are appropriate for SCA's current needs. We will review this as SCA's business and operations, including the current corporate activity, continue to evolve."

Following the retirement of Glen Boreham, the composition of the Board's Committees will be as follows.

Board

Chair:	Rob Murray
Managing Director:	John Kelly
Non-executive directors:	Carole Campbell, Ido Leffler, Heith Mackay-Cruise, Helen Nash

Audit & Risk Committee

Chair:	Carole Campbell
Members:	Heith Mackay-Cruise, Helen Nash

People & Culture Committee

Chair:	Heith Mackay-Cruise
Members:	Ido Leffler, Helen Nash

Approved for release by the Board.

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About Southern Cross Austereo

Southern Cross Austereo (SCA) is one of Australia's leading media companies and the home of LiSTNR, the Hit and Triple M networks and regional television stations, reaching more than 95% of the Australian population. The LiSTNR digital audio app hosts a library of free and compelling digital audio content available anytime, anywhere. It houses SCA's 99 FM, AM, and DAB+ radio stations, including AFL, NRL and international cricket coverage, 27 music genre stations, and over 800 podcasts from leading Australian and global creators, plus local news and information. With more than one million signed-in users, LiSTNR has something to entertain, inform, and inspire all Australians and helps advertisers to connect with highly engaged and addressable audiences. The LiSTNR digital audio sales network reaches an estimated 8 million people each month. SCA owns 99 radio stations across FM, AM, and DAB+ under the Triple M and Hit network brands and provides national sales representation for 56 regional radio stations, with 6.131 million listeners across the Hit and Triple M networks. SCA broadcasts 96 free to air TV signals across regional Australia and represents or has a joint venture with 39 TV stations, reaching 3.6 million people a week. SCA broadcasts Network 10 programs in regional Queensland, southern NSW, and Victoria and provides national advertising sales representation for Network 10 programming in all Australian states and territories. SCA also broadcasts and provides sales representation for Seven Network programming in Tasmania, Darwin, and Remote Central and Eastern Australia and for Seven and Nine Network programming in Spencer Gulf and Broken Hill. SCA also features Sky News Regional in regional Queensland, southern NSW, and Victoria and sales representation in northern NSW, Griffith, and Mount Gambier. SCA provides Australian sales representation for global open audio platform SoundCloud and Sonos Radio. www.southerncrossaustereo.com.au.

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