



ASX RELEASE

29 AUGUST 2024

**APPENDIX 4E
FOR THE YEAR ENDED 30 JUNE 2024**

Results for Announcement to the Market

Key Financial Information	\$'000	up/down	% movement
Revenue from ordinary activities	499,405	Down	1.0%
Net profit from ordinary activities after tax (including significant items)	(224,604)	Down	1,275%
Net profit from ordinary activities after tax (excluding significant items)	11,152	Down	49.0%

Dividend Information	Amount per share cents	Franked amount per share cents	Tax rate for franking credit
Interim FY2024 dividend per share (paid 12 April 2024)	1.00	1.00	30%
Final FY2024 dividend per share	-	-	-

The dividend reinvestment plan has been suspended.

The Group confirmed there will be no final dividend paid for the year ended 30 June 2024.

	30 Jun 24	30 Jun 23
Net Tangible Assets Per Security	\$(0.78)	\$(0.75)

Additional Appendix 4E disclosure requirements can be found in the directors' report, financial statements and notes to the financial statements contained in the Southern Cross Austereo Financial Report for the year ended 30 June 2024. This report is based on the consolidated Financial Report for the year ended 30 June 2024 which has been audited by PricewaterhouseCoopers with the Independent Auditor's Report included in the Financial Report.

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Southern Cross Austereo comprises Southern Cross Media Group Limited and its subsidiaries.

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SOUTHERN CROSS AUSTEREO

FULL YEAR REPORT

FOR YEAR ENDED 30 JUNE 2024

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.

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The financial statements were authorised for issue by the directors on 29 August 2024. The directors have the power to amend and re-issue the financial statements.

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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 2024 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 2024.

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 until 27 March 2024)
- Heith Mackay-Cruise (Chairman from 27 March 2024)
- John Kelly (Managing Director)
- Glen Boreham (Retired 27 March 2024)
- Carole Campbell
- Ido Leffler
- Helen Nash

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

Operating and Financial Review

Group Results

The Group's results for the year ended 30 June 2024 are summarised in the table below:

	2024	2023	Variance	Variance
	\$'m	\$'m	\$'m	%
Total Revenue				
Broadcast radio	366.6	372.6	(6.0)	(1.6)%
Digital audio	35.0	24.6	10.4	42.2%
Television	97.5	106.7	(9.2)	(8.6)%
Corporate	0.3	0.4	(0.1)	(25.5)%
Total Revenue	499.4	504.3	(4.9)	(1.0)%
Total Expenses				
Broadcast radio	(279.4)	(274.7)	(4.7)	1.7%
Digital audio	(45.9)	(42.2)	(3.7)	8.8%
Television	(84.2)	(88.0)	3.8	(4.3)%
Corporate	(23.7)	(22.2)	(1.5)	6.8%
Total Expenses excluding significant items¹	(433.2)	(427.1)	(6.1)	1.4%
EBITDA				
Broadcast radio	87.2	97.9	(10.7)	(10.9)%
Digital audio	(10.9)	(17.6)	6.7	38.0%
Television	13.3	18.7	(5.4)	(28.9)%
Corporate	(23.4)	(21.8)	(1.6)	7.1%
EBITDA excluding significant items¹	66.2	77.2	(11.0)	(14.2)%
Reported Group NPAT	(224.6)	19.1	(243.7)	(1,275)%

¹EBITDA 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 and amortisation expense, significant items, and net interest expense. EBITDA is used by the directors as a widely recognised measure of operational performance.

Group revenues decreased by 1.0% on prior year with declines in broadcast radio and television partially offset by increased digital audio revenue. Total expenses increased by 1.4%. Revenue related expenses were flat despite the fall in revenue as additional costs were incurred to support listener and revenue share growth. Tight cost control saw non-revenue related (NRR) expenses excluding significant items increase by only 2.5%, below the level of inflation. The combination of lower revenues and increased expenses resulted in a 14.2% decline in EBITDA to \$66.2 million excluding significant items.

Review and Results of Operations (continued)

Significant Items

At 30 June 2024, the Group recognised an impairment of \$326.1 million in the carrying value of radio broadcast licences in the broadcast radio cash generating unit. There was also a related derecognition of a deferred tax liability in respect of those licences for \$97.8 million, giving a \$228.3 million impairment charge net of tax. The impairment reflects observed market pressures, independent estimates of radio broadcast growth rates showing declines over the forecast period, and a consequent reduction in the long-term growth rates.

Significant items also included \$2.9 million (\$2.0 million post tax) relating to the response to corporate activity proposals, \$4.5 million (\$3.1 million post tax) of restructuring costs relating to a significant cost-out programme and \$3.3 million (\$2.3 million post tax) of other items which included the write-off of certain development costs.

In the prior year, \$4.0 million of significant items relating principally to restructuring costs were included in net profit before tax (\$2.8 million post tax).

Broadcast radio

The Broadcast radio business consists of two complementary radio networks operating across Australian capital cities and regional Australia. 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.

	2024	2023	Variance	Variance
	\$'m	\$'m	\$	%
Broadcast Radio Profit & Loss				
Metro Radio Advertising Revenue	181.1	186.2	(5.1)	(2.7)%
Regional Radio Advertising Revenue	163.1	162.0	1.1	0.7%
Other Revenue	22.4	24.4	(2.0)	(8.2)%
Total Revenue	366.6	372.6	(6.0)	(1.6)%
Revenue Related Expenses	(71.2)	(68.5)	(2.7)	3.9%
Non-Revenue Related (NRR) Expenses	(208.2)	(206.2)	(2.0)	1.0%
Total Expenses	(279.4)	(274.7)	(4.7)	1.7%
EBITDA excluding significant items	87.2	97.9	(10.7)	(10.9)%

Total Broadcast radio revenues decreased by 1.6% to \$366.6 million. The Group's metro radio advertising revenue decreased by 2.7% largely as a result of a 3.1% decline in the overall market. SCA's average revenue metro market share increased to 27.2% in line with an improvement in audience ratings, which saw consecutive monthly improvements in revenue market share in the second half of the year to June 2024. The Group's regional advertising radio revenue increased by 0.7%, due to strong local sales which increased by 4.0%, highlighting the benefit of the Group's diverse customer base.

Revenue related costs increased from 18.4% of revenues in FY2023 to 19.4% in FY2024. This increase was due to additional costs to support revenue share growth, including content, sales activations, increased promotions and outside broadcast activity, together with additional sales incentives. NRR expenses increased by only 1.0% due to tight cost control largely offsetting the impact of high inflation and strategic investments in revenue-driving technology.

As a result of the decline in revenue and increase in costs Broadcast radio EBITDA fell 10.9% to \$87.2 million.

Review and Results of Operations (continued)

Digital Audio

The Digital Audio business consists of the Group's digital platform, LiSTNR and the digital assets associated with the Radio broadcasting business.

Digital Audio Profit & Loss	2024	2023	Variance	Variance
	\$'m	\$'m	\$	%
Total Revenue	35.0	24.6	10.4	42.2%
Revenue Related Expenses	(7.4)	(6.3)	(1.1)	17.5%
Non-Revenue Related (NRR) Expenses	(38.5)	(35.9)	(2.6)	7.2%
Total Expenses	(45.9)	(42.2)	(3.7)	8.8%
EBITDA excluding significant items	(10.9)	(17.6)	6.7	38.0%

Group digital audio revenues increased by 42.2% to \$35.0 million driven by strong performance in InStream and Podcast revenue. LiSTNR continued to grow strongly in FY2024, with strong adoption by users attracted to the compelling product and the increasing choice of content. Total listenership of SCA and partner digital audio content measured across all digital platforms exceeded 10 million listeners on a monthly basis, and the number of listeners who have signed-up with LiSTNR now exceeds 2 million users. SCA anticipates strong digital audio growth will continue into FY2025.

Revenue related expenses fell from 25.6% of revenue in FY2023 to 21.1% in FY2024 as a result of economies of scale. NRR expenses increased by 7.2% due to strategic investments in revenue-driving technology, notably the implementation of the LiSTNR Customer Data Platform. The combined impact of strong revenue growth with relatively modest expense increases resulted in a 38.0% reduction in the EBITDA loss to \$(10.9) million, with EBITDA breaking even in the last quarter of FY2024.

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 in the 3-AGG market, whilst Tasmania, Darwin and Central licence areas received Seven Network programming.

Television Profit & Loss	2024	2023	Variance	Variance
	\$'m	\$'m	\$	%
Total Revenue	97.5	106.7	(9.2)	(8.6)%
Revenue Related Expenses	(46.0)	(51.4)	5.4	(10.5)%
Non-Revenue Related (NRR) Expenses	(38.2)	(36.6)	(1.6)	4.4%
Total Expenses	(84.2)	(88.0)	3.8	(4.3)%
EBITDA excluding significant items	13.3	18.7	(5.4)	(28.9)%

Total television revenues decreased by 8.6% to \$97.5 million, with the advertising markets down 5.3% and SCA's market share in the 3-AGG market (comprising the Queensland, Southern New South Wales and Victoria television markets) declining largely due to continuing falls in affiliate network ratings and increased competitive pressure particularly in relation to integrated national sales. Revenue related costs decreased in line with the fall in revenue and non-revenue related expenses rose due to CPI-linked broadcast contract costs. As a result EBITDA fell by 28.9% to \$13.3 million.

Corporate

The Corporate function comprises the group wide centralised functions that cannot be clearly attributable to the broadcast radio, digital audio or television operating segments. Corporate expenses increased by 6.8%, mainly due to inflation linked contracts and further centralisation of functions for longer term efficiency.

Review and Results of Operations (continued)

Group Financial position

The Group has generated positive operating cashflows throughout the year.

The increase in interest rates since May 2022 resulted in higher net interest payable to banks of \$6.9 million (2023: \$4.7 million). The combination of the higher net interest payable and reduced EBITDA saw the Interest cover decrease to 8.30 times from 15.09 in June 2023 – though remaining well above the minimum Interest cover covenant of 3.0 times. Similarly, the Group's key leverage ratio increased to 1.87 times, up from 1.48 times in June 2023 – whilst higher, it remains well within the maximum covenant requirements of 3.5 times.

The Group's debt facilities mature in January 2026, with \$160 million of commitments. The Group has gross debt of \$118 million at 30 June 2024, with a further \$42 million available to draw upon, providing security of financing into the medium term. Additionally, the Group has access to a short-term \$25 million overdraft facility with the ANZ Banking Group, renewable annually on each 30 April.

Strategic update

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

In FY21 the Group developed a new and refreshed Corporate Strategy focused on our four key strategic pillars:

1. Diversify and grow monetisable audiences
2. Evolve and scale the LiSTNR ecosystem
3. Achieve audio market revenue leadership
4. Refine and evolve the Group's operating model

This strategy provides an overall strategic pathway for the Group until June 2026. The six-year strategy includes specific objectives and targets across three 2-year horizons. The Group is in the last of these 2-year horizons, where our focus will be on realising the inherent potential of our now enhanced audio assets to grow cash flows, in order that we can:

1. Effectively monetise the "audiences that matter" and improve earnings across all assets and all markets
2. Develop LiSTNR so that it provides a significant contribution to revenue, earnings and operating cashflows
3. Proactively evolve our operating model to be efficient, agile and drive improved performance across broadcast and digital

2025 Outlook

The Group continues to sharpen its focus on being the Audio leader in Australia, for broadcast – both live and on-demand -- and podcasting by continuing to grow Digital Audio with SCA's own and partner content as an increasingly material augmentation to the nation's widest-reaching and most engaging audio business.

The Group maintains a highly competitive position in traditional radio (licences), which in combination with our in-house production capability, high calibre representation agreements and market-leading data and insight capabilities will continue to provide an increasing audience and understanding from which to drive Digital Audio. Whilst currently almost 9% of audio revenues, the premium that Digital Audio attracts through the ability to target audiences on its platform is expected to continue to attract an improved valuation multiple and broader range of addressable markets thereby providing greater rates and on-going growth potential.

Review and Results of Operations (continued)

2025 Outlook (continued)

Overall, the Group is looking in FY25 to:

- Effectively monetise the “audiences that matter” in each segment to improve earnings across all assets and markets in which we participate
- Leverage long term investment; audiences built and growing; and our leading position with LiSTNR to build on the EBITDA profitability achieved, such that it meaningfully contributes to revenue and earnings, with LiSTNR expected to be cash flow positive in FY25
- Continue to evolve our operating model to be ever more efficient, agile and effective across both broadcast and digital thereby prioritising earnings and deliver FY25 Non-Revenue Related costs below FY24 costs, which were \$309 million excluding significant items
- Actively progress the divestment of its television assets
- Reduce capital expenditure to approximately \$10 million
- Pay dividends towards the lower end of the target payout range of between 65% to 85% of NPAT

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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
<p>LiSTNR product does not reach sustainable profitability at an appropriate level and pace</p>	<p>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.</p> <p>Consumption of digital audio continues to grow strongly, with 77% of Australians 12+ listening to online audio each week, up from 66% in 2021, which goes up to 84% for the age 35-54 demographic and to 93% in the under 35s¹. This is expanding the range of audio content and diversifying the ways in which audio can be consumed.</p> <p>LiSTNR is a curated and personalised app offering radio, podcasts, music and news that is a key element of SCA's digital transformation. LiSTNR features all of SCA's existing digital content plus a huge range of new and compelling premium content, all contained in one free and easy to use app.</p> <p>Since launch in February 2021, over 2 million users have signed-up to LiSTNR with 0.5 million of those in FY2024, resulting in significant, growing 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.</p> <p>In April, the Group launched the LiSTNR AdTech Hub to deliver increased personalisation and targeting, dynamic creative optimisation and an Australia-based Customer Data Platform with associated first party data clean room solutions and services. Together these innovative technology capabilities and services deliver exciting and effective advertising outcomes and sets LiSTNR apart as the most advanced, data led and privacy compliant digital audio platform for brands in 2024. This has been reflected in more than 20% of digital audio sales now being AdTech supported with increases in revenues.</p> <p>SCA believes it will be able to offer its listeners compelling content across the medium of their choice – being broadcast radio or digital audio. The bulk of the investment in digitisation is now complete with any further resources being deployed towards developments that will provide greater monetisation opportunities for LiSTNR and its market leadership in terms of content depth and quality, product capability and digital sales expertise.</p>
<p>Revenues for Broadcast Radio grow more slowly than forecast</p>	<p>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 has developed attribution tools to provide enhanced comparability with global technology solutions, which have been attracting revenue away from traditional media.</p> <p>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. SCA believes that as a result of its investment in the AdTech hub, 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.</p>

Risk	Mitigation Strategies
<p>Global technology companies participate more aggressively in the Audio market, making SCA's distribution less profitable or increasing subsidy from other business lines</p>	<p>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.</p> <p>SCA launched LiSTNR in February 2021 and though the major development investment is effectively complete, SCA 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.</p> <p>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.</p> <p>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 was above 8 million listeners in June 2024, retaining its number 1 position as Australia's largest podcast network².</p> <p>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.</p>
<p>Revenues from a declining regional TV market decrease faster than forecast</p>	<p>In FY24, the Group saw a decline in its television revenues of 8.6% year on year, due to market declines and competitive pressures. 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.</p> <p>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.</p> <p>The Group is a diversified business covering television, radio and online, which provides a degree of protection against individual market weaknesses, with television representing around 15% 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.</p> <p>SCA strategically is committed thematically to being "all about Audio" and accordingly will continue to look to reduce its exposure to the TV ad market through the sale of its licenses should economic opportunities to do so arise.</p>

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Risk	Mitigation Strategies
Operational impact of a cyber security breach	<p>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.</p> <p>The Group is measuring and maturing its information security management system against the internationally recognised NIST (National Institute of Standards and Technology) cybersecurity framework.</p> <p>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.</p> <p>The Group has engaged CyberCX for Digital Forensics and Incident Response (DFIR) services, including proactive threat hunting and break-glass digital forensics in the event of a major incident. Additionally, Telstra Purple provides Security Operations Centre (SOC) services, enhancing the group's monitoring and incident response capabilities. User education on Cyber Security has been uplifted through friendly phishing campaigns, in-person awareness sessions, and mandatory annual compliance training. Multifactor authentication is applied to all users, including executives and privileged user accounts. The Group maintains a Cyber Security insurance policy.</p> <p>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.</p> <p>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.</p>
Corporate activity that does not represent fair value to shareholders	<p>Investment markets undervalue the Group's business, especially as the Group transitions from its legacy broadcast operations to high growth digital audio operations. This risk is exacerbated by the concentration of ownership of the Group by shareholders with conflicting interests.</p> <p>The Group expects its completed investment in digital transformation and its ongoing cost-out program to deliver improved returns in FY25 and beyond. In addition, during FY25, the Group will launch a programme to improve the understanding of the Group's assets, operations, and strategy among current and potential investors.</p>

¹ The Infinite Dial Australia 2024 study

² CRA Australian Podcast Ranker - Top Sales Representatives – June 2024

Distributions and Dividends

Type	Cents per share	Total Amount \$'m	Date of Payment
Final 2023 Ordinary	2.2 cents	\$5.3 million	4 October 2023
Interim 2024 Ordinary	1.0 cent	\$2.4 million	12 April 2024

There will be no final dividend paid for the year ended 30 June 2024.

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 25 '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 \$1,194,523 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 22.

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

<p>Chair and Independent Director Heith Mackay-Cruise</p>	<p>Appointed: 30 October 2020 Most recently elected by shareholders: 27 October 2023</p> <p>Board Committees: People & Culture Committee (Chair)</p> <p>Heith Mackay-Cruise became Chair of the Company on 27 March 2024.</p> <p>Heith has been involved in the media, education, and technology sectors over the past 25 years. In Heith's executive career, he was the founding CEO of Sterling Early Education, the Global CEO and Managing Director of Study Group Limited, and CEO for PBL Media New Zealand. Heith also held senior executive positions with Australian Consolidated Press and worked in sales and marketing roles for PepsiCo around Australia.</p> <p>Heith is a non-executive director of Codan Limited (ASX:CDA) where he is a member of the Board's Remuneration & Nomination Committee. He is a non-executive national director of the Australian Institute of Company Directors where he chairs the Board's Digital Transformation Committee, and is non-executive Chair of private equity owned technology business, Orro Pty Ltd. Heith was previously non-executive Chair of Straker Limited (ASX:STG), LiteracyPlanet, hipages Limited (ASX:HPG), and the Vision Australia Foundation, and a non-executive director of LifeHealthcare and Bailador Technology Investments Limited (ASX:BTI).</p> <p>Heith is a mentor with Kilfinan Australia, a Fellow of the Australian Institute of Company Directors and has a Bachelor of Economics degree from the University of New England.</p>
<p>Independent Director Carole Campbell</p>	<p>Appointed: 1 September 2020 Most recently elected by shareholders: 27 October 2023</p> <p>Board Committees: Audit & Risk Committee (Chair), People & Culture Committee</p> <p>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.</p> <p>Carole transitioned to a non-executive career in 2018 and is a non-executive director of Amotiv Limited (ASX:AOV) where she chairs the audit committee. Carole is also a non-executive director of the Australian Brandenburg Orchestra. She was previously a non-executive director of IVE Group Ltd (ASX: IGL), Humm Group Limited (ASX:HUM) and Deputy Chair of Council of the Australian Film Television and Radio School. Carole is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of Australian Institute of Company Directors. She brings extensive experience in accounting, treasury, finance and risk management to her role on the Board and as Chair of the Audit & Risk Committee.</p>
<p>Independent Director Ido Leffler</p>	<p>Appointed: 30 October 2020 Most recently elected by shareholders: 27 October 2023</p> <p>Board Committees: Audit & Risk Committee, People & Culture Committee</p> <p>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 leading US-based school supplies company. He is also a co-founder of Yes To Inc. – a global natural beauty brand; and of Beach House Group – a consumer product house. Ido is a non-executive director of Vestergaard – one of the world's largest producers of malaria prevention bed nets - and The Lux Group (Luxury Escapes). 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.</p>

Information on Directors (continued)

Independent Director

Appointed 23 April 2015

Helen Nash

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.

Managing Director
and CEO

Appointed: 1 July 2023

John Kelly

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 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 the 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.

Information on Company Secretary

General Counsel and
Company Secretary

Appointed 7 September 2015

Tony Hudson

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.

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. During the year, the Board also established an ad hoc committee to consider the non-binding indicative proposal from the consortium comprising ARN Media and Anchorage Capital Partners (**Consortium Proposal**). That committee comprised Rob Murray, Carole Campbell, Heith Mackay-Cruise, and John Kelly. It met seven times between October 2023 and March 2024.

Between October 2023 and May 2024, the Board held 14 meetings dedicated to the Consortium Proposal. These meetings were often convened at short notice and it was not possible in some cases for all directors to attend because of pre-existing commitments.

Director	Meetings of Committees							
	Board		Audit & Risk		People & Culture		Digital Transformation ²	
	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹
Rob Murray	17	17	4	*	3	*	1	*
John Kelly	26	26	5	*	4	*	1	*
Glen Boreham	17	17	-	*	3	3	1	1
Carole Campbell	24	26	5	5	4	1	1	1
Ido Leffler	24	26	2	1	4	4	1	1
Heith Mackay-Cruise	26	26	5	5	4	3	1	*
Helen Nash	22	26	5	5	3	4	-	*

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.

² The Digital Transformation Committee was disbanded on 31 December 2023

* 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 2024 (**FY24**). 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 (**leadership executives**). An important part of the PCC'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 an executive's performance rights will potentially be scaled back according to whether SCA achieves satisfactory growth in earnings per share over this three-year 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 FY24

FY24 was the first full year of service for each of SCA's three executive KMP in their current roles. The Board set their respective remuneration with the assistance of external search consultants and independent benchmarking advice from KPMG. 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.

Under the FY24 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 FY24 EIP were group EBITDA, advertising revenue, and non-revenue related costs compared to budget. The EBITDA and advertising revenue targets were not achieved.

The non-financial goals of leadership executives targeted growth in SCA's broadcast radio and digital audio audiences, expansion of digital revenues, optimising the group's operating model, deploying a commercially effective diversity and inclusion strategy, and improving the understanding among media buyers and investors of SCA's digital transformation strategy.

The Board acknowledged external economic factors leading to a contraction in broadcast advertising markets had contributed to the significant shortfalls against revenue and earnings targets. The management team was also diverted during the year by corporate activity, most notably the unsolicited non-binding indicative offer received from ARN Media and Anchorage Capital Partners. The uncertainty caused by this proposal and the resources required to deal with it meant that some optimisation initiatives were deferred. Against this background, the Board acknowledged management's efforts and achievements during the year to grow broadcast audiences, improve metro radio commercial shares, bring LISTNR to EBITDA profitability, and control cost growth in an inflationary environment.

The Board assessed that executive KMP and other leadership executives achieved a portion of their EIP opportunities based on the measures in their respective balanced scorecards. However, considering that SCA's corporate revenue and earnings outcomes fell short of targets and the ongoing deterioration in SCA's share price during the year, the Board, in consultation with management, decided that no cash or performance rights should be awarded under the FY24 EIP.

In making this decision, the Board is conscious that the award of performance rights under the EIP is designed to provide ongoing performance and retention incentives for executives in subsequent years. Any performance rights granted under the FY24 EIP would have been eligible for vesting after 30 June 2026 and there will now be a gap in potential reward for executives and alignment with shareholders' interests at that time if SCA's financial performance improves in coming years.

Summary details of the EIP assessment and outcome for each executive KMP are provided in section 4.1.2 of the remuneration report.

FY22 EIP

Fifty percent of the first performance rights granted under SCA's EIP in FY22 will vest in September 2024. SCA will acquire shares on-market and allocate those shares to participating executives. Vesting of the remaining 50% was contingent on SCA achieving a cumulative annual growth rate in earnings per share of at least 1.5% over the three years ended on 30 June 2024. That threshold was not met.

The shares allocated to executives on partial vesting of their FY22 EIP performance rights will be subject to disposal restrictions until 30 June 2026 or earlier cessation of employment, aligning the interests of these executives with those of our shareholders.

Board remuneration


The Board reviewed its fees for non-executive directors during the year. For that purpose, the Board engaged KPMG to prepare a report benchmarking the Board's size, committee structure and remuneration. With the Board's approval, KPMG selected two comparator groups for benchmarking purposes: the bespoke group mentioned above used to benchmark the remuneration of the CEO and Chief Commercial Officer, and the companies in the ASX250-300 by market capitalisation (excluding materials). While SCA's current market capitalisation is lower than that of the companies in these comparator groups, the Board considers SCA's scale, complexity, and risk supports comparison with them. SCA's total assets, total revenue, and number of employees are in the top half of both comparator groups.

The Board also considered recent changes in its size and composition. The Board had seven non-executive directors in FY23 and six for most of FY24. Following the retirement of two directors in March 2024, the Board now has only four non-executive directors and intends to maintain this size in FY25.

After considering these matters, the Board has resolved to reduce its fees for FY25. Details are provided in section 2.7 of 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 2024 Annual General Meeting.

Yours faithfully,



Heith Mackay-Cruise
Chair of the People & Culture Committee

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1. OVERVIEW OF FY24 REMUNERATION

This section provides an overview of the remuneration received by executive KMP and non-executive directors in FY24.

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 FY23 and FY24.

Name	Fin Year	Total remuneration		Short-term incentive opportunity ¹		Long-term incentive eligible for vesting ^{2,3}	
		Amount \$	Performance-related proportion %	Awarded %	Forfeited %	Vested ² %	Forfeited %
John Kelly ⁴ <i>Chief Executive Officer and Managing Director</i>	2024	875,763	5.0%	-	100.0	-	100.0
	2023	926,587	25.7%	50.0	50.0	-	100.0
Tim Young ⁵ <i>Chief Financial Officer</i>	2024	588,357	1.9%	-	100.0	-	100.0
	2023	330,104	20.2%	50.0	50.0	-	-
Seb Rennie ⁶ <i>Chief Commercial Officer</i>	2024	528,155	0.0%	-	100.0	-	100.0
	2023	56,638	-	-	-	-	-
Grant Blackley ⁷ <i>Chief Executive Officer and Managing Director</i>	2024	-	-	-	-	-	-
	2023	2,432,688	12.7%	50.0	50.0	-	100.0
Nick McKechnie ⁸ <i>Chief Financial Officer</i>	2024	-	-	-	-	-	-
	2023	92,749	(69.9%)	-	-	-	100.0
Brian Gallagher ⁹ <i>Chief Sales Officer</i>	2024	-	-	-	-	-	-
	2023	596,629	8.0%	20.0	80.0	-	100.0
Total executive KMP	2024	1,992,275	2.8%	-	100.0	-	100.0
	2023	4,435,394	13.5%	44.6	55.4	-	100.0%

- The short-term incentive opportunity awarded or vested during FY24 is the cash component of awards made under the Executive Incentive Plan. The Board resolved that no awards will be granted under the FY24 EIP.
- There were no performance rights under SCA's EIP eligible for vesting in FY24.
- A portion of awards that may be made under SCA's FY24 EIP are satisfied by the grant of performance rights that will be eligible for vesting after expiry of the three-year period on 30 June 2026. The Board resolved that no awards will be granted under the FY24 EIP.
- John Kelly was appointed as Chief Executive Officer and Managing Director with effect from 1 July 2023. Before that, he had been Chief Operating Officer since February 2016. Mr Kelly's former responsibilities as Chief Operating Officer were allocated among other Leadership Executives including Tim Young (CFO) whose responsibilities now include corporate strategy and negotiation of sports rights and other major contracts, and Seb Rennie (Chief Commercial Officer) whose responsibilities now include research and insights and digital audio sales.
- Tim Young joined SCA as Chief Financial Officer on 30 January 2023.
- 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.
- Grant Blackley resigned as Chief Executive Officer and Managing Director with effect from 30 June 2023.
- Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022.
- Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023.

1.2 Non-executive directors

The aggregate remuneration of SCA's non-executive directors during FY24 was \$1,032,000, compared to \$1,156,750 in FY23 and \$1,280,600 in FY22. The aggregate remuneration of SCA's non-executive directors is expected to be about \$760,000 in FY25.

Changes are due principally to reduction since FY22 in the number of non-executive directors from seven to four and changes in the compositions of the Board's Committees. The principles for remuneration of non-executive directors are set out in section 2.7. Details of the remuneration of non-executive directors during the year are provided in section 3.3.

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 FY23 and FY24. 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

Executive KMP	Target remuneration mix					
	Fixed remuneration		Short-term ¹		Long-term ²	
	FY24	FY23	FY24	FY23	FY24	FY23
John Kelly ³	40%	50%	30%	25%	30%	25%
Tim Young	50%	50%	25%	25%	25%	25%
Seb Rennie	50%	50%	25%	25%	25%	25%

- 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 an executive's EIP opportunity in FY24.
- 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 an executive's EIP opportunity in FY24.
- John Kelly was Chief Operating Officer in FY23 and was appointed as Chief Executive Officer and Managing Director with effect 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 fixed base pay, at-risk incentive opportunities, 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.

FY24 was the first full year of service in their current role for each of SCA's three executive KMP. The Board set their respective remuneration with the assistance of external search consultants and independent benchmarking advice from KPMG. 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.

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2.3 Variable remuneration for executive KMP

The table below outlines details of the Company's executive incentive plan (EIP) in FY24. 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?	<p>The EIP operates over five years as follows:</p> <ul style="list-style-type: none"> • 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. <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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. The face value of a performance right is:</p> <ul style="list-style-type: none"> • 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. <p>These performance rights will be eligible for vesting after the end of year 3, two years after their grant to the executive. This two-year period is referred to as the service period.</p>
What are the performance measures and hurdles?	<p>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%).</p> <p>In consultation with the Board, the CEO determines the annual goals for other leadership executives in the same three categories and having regard to their areas of responsibility.</p>

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Financial performance (60%)

The financial performance metrics that applied under the EIP for all executive KMP in FY24 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.
- **Revenue compared to budget:** Targets may be set for total revenue or for specific categories of revenue, such as digital audio revenue.
- **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.

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 (such as impairment losses); acquisitions, divestments, one-off events; and abnormal or non-recurring items. The results of investments are typically excluded from executive incentive measurements.

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. These goals may include financially based targets for strategic or growth-oriented parts of the business for which SCA has long-term aspirations.

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%

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%

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Non-revenue-related costs – percentage of budget	Vesting percentage
---	--------------------

Above budget	Nil
On budget or below	100%

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 FY24 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 the 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 executive KMP and 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 two-year 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 of SCA's EPS growth during the first three years of the each EIP cycle (comprising the one-year performance period and the two-year service period).

3-year EPS CAGR	% of Tranche 2 that vests
1.5% or below	Nil
Above 1.5% - 8.0%	Straight-line vesting between 0% and 100%
Above 8.0%	100%

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.

Shares allocated under the EIP are subject to disposal restrictions for two years (until 1 July after the end of year 5) or cessation of the executive's employment, whichever is earlier. For leadership executives, these shares will be subject to further disposal

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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 an EIP cycle, 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 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, 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 two-year service period.

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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.

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.

2.4 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 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	499,405	504,294	519,682	528,649	540,152
EBITDA ¹	66,209	77,169	89,646	125,936	111,133
EBITDA %	13.3%	15.3%	17.3%	23.8%	20.0%
Net (loss)/profit before tax	(320,578)	27,253	(214,068)	71,282	38,294
Net (loss)/profit after tax (NPAT)	(224,604)	19,109	(153,722)	48,096	25,100
NPAT %	(45.0)%	3.8%	(29.6%)	9.1%	4.6%
Net profit after tax excluding significant items	11,152	21,882	28,554	48,096	34,193
NPAT % excluding significant items	2.2%	4.3%	5.5%	9.1%	6.3%
EPS (cents) ¹	4.65	8.85	10.82	24.1	17.69
Opening share price ^{2,4}	\$0.865	\$0.99	\$2.09 ³	\$1.75	\$8.60
Closing share price ^{2,4}	\$0.61	\$0.865	\$0.99	\$2.09 ³	\$1.75
Dividend/Distribution ⁵	1.0c	9.35c	9.50c	0.00c	4.00c

- 1 EBITDA and EPS are shown after adjustments to exclude the impact of significant or non-recurring items as approved by the Board for the purposes of SCA's 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 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

The Board engaged KPMG during the year to prepare a report benchmarking the Board's size, committee structure, and remuneration. The Board also engaged KPMG to advise on executive remuneration strategies relating to the additional work required of certain executives to respond to the non-binding indicative offer received from the consortium comprising ARN Media and Anchorage Capital Partners, and the change of control that would have occurred had that offer proceeded. KPMG did not make any remuneration recommendations (as defined in the Corporations Act). KPMG was paid a total of \$81,873 for these services.

Deloitte was engaged during the year to advise on valuation of outstanding entitlements granted under SCA's EIP. Deloitte did not make any remuneration recommendations (as defined in the Corporations Act). Deloitte was paid \$1,500 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 acting 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.

The table below sets out the scale of fees for non-executive directors that applied in FY23 and FY24 and those that will apply in FY25. The Board has decided to reduce its fees in FY25. This followed the Board's consideration of an independent benchmarking report from KPMG.

	FY23	FY24	FY25
	\$	\$	\$
Base fees – Annual			
Chair ¹	273,000	273,000	270,000
Other non-executive directors	136,500	136,500	135,000
Committee fees – Annual			
Audit & Risk Committee – Chair	23,000	23,000	20,000
Audit & Risk Committee – member	15,500	15,500	10,000
People & Culture Committee – Chair ¹	23,000	23,000	20,000
People & Culture Committee – member	15,500	15,500	10,000
Digital Transformation Committee ² - Chair	23,000	23,000	-
Digital Transformation Committee - member	15,500	15,500	-
Nomination Committee ² - Chair	16,500	-	-
Nomination Committee – member	11,000	-	-

1. The Chair does not receive additional fees for committee work. While Heith Mackay-Cruise serves as Chair of the People & Culture Committee, he will not receive an additional fee for acting as Chair of that Committee.
2. The Board disbanded the Nomination Committee in June 2023 and the Digital Transformation Committee in December 2023 and has resumed responsibility for the matters formerly delegated to those Committees. Members of the Nomination Committee waived their fees in FY23 because the Nomination Committee did not meet during that year.

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3 REMUNERATION OF EXECUTIVE KMP AND DIRECTORS DURING THE YEAR

3.1 Total remuneration received by executive KMP in FY24 (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 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 EIP which might or might not vest in future years, while the table below discloses the value of EIP 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	EIP rights vested in the year ²	Total
		\$	\$	\$	\$	\$	\$
John Kelly ³ <i>Chief Executive Officer and Managing Director</i>	2024	786,392	-	3,732	27,399	-	817,522
	2023	595,166	159,250	4,588	25,292	-	784,297
Tim Young ⁴ <i>Chief Financial Officer</i>	2024	537,786	-	2,311	27,399	-	567,496
	2023	246,777	55,729	-	12,646	-	315,152
Seb Rennie ⁵ <i>Chief Commercial Officer</i>	2024	488,876	-	3,749	27,399	-	520,024
	2023	52,781	-	-	2,824	-	55,605
Grant Blackley ⁶ <i>Chief Executive Officer and Managing Director</i>	2024	-	-	-	-	-	-
	2023	1,168,086	350,200	4,371	25,292	-	1,547,949
Nick McKechnie ⁷ <i>Chief Financial Officer</i>	2024	-	-	-	-	-	-
	2023	168,127	-	1,511	8,661	-	178,299
Brian Gallagher ⁸ <i>Chief Sales Officer</i>	2024	-	-	-	-	-	-
	2023	488,300	60,900	3,699	22,105	-	575,003
Total executive KMP	2024	1,813,054	-	9,791	82,196	-	1,905,042
	2023	2,719,236	626,079	14,169	96,821	-	3,456,305

- 1 The EIP cash bonus is for performance during the year using the criteria set out in section 2.3. The Board resolved not to make any awards under the FY24 EIP.
- 2 No performance rights under the EIP vested during the year. A portion of the performance rights granted under the FY22 EIP will vest during FY25 based on corporate performance during the three-year period ended on 30 June 2024 in accordance with the criteria set out in section 2.3.
- 3 John Kelly was appointed as Chief Executive Officer and Managing Director with effect from 1 July 2023. Before that, he had been Chief Operating Officer since February 2016.
- 4 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.
- 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. He did not participate in the EIP during FY23 but was eligible for a cash short-term incentive.
- 6 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. He also received termination benefits relating to his nine month restraint of trade period commencing on 1 July 2023.
- 7 Nick McKechnie resigned as Chief Financial Officer with effect from 14 October 2022.
- 8 Brian Gallagher resigned as Chief Sales Officer with effect from 15 May 2023. He continued in employment with SCA until 8 August 2023.

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3.2 Total remuneration received by Executive KMP in FY24 (statutory disclosure)

The table below sets out the nature and amount of each major element of the remuneration of each executive KMP in FY24 and FY23.

Executive KMP ⁴	Fin year	Short-term employee benefits			Post- e'ment	Long Service Leave ¹	Terminat ion benefits	Share- based payments	Total	Perf- related proporti on	
		Salary and fees \$	EIP cash bonus ² \$	Non- monetary \$						Total \$	Super con- tribution \$
John Kelly ⁴ <i>Chief Executive Officer and Managing Director</i>	2024	786,392	-	3,732	790,124	27,399	14,082	-	44,158	875,763	5.0%
	2023	595,166	159,250	4,588	759,004	25,292	63,523	-	78,767	926,586	25.7%
Tim Young ⁵ <i>Chief Financial Officer</i>	2024	537,786	-	2,311	540,097	27,399	9,837	-	11,024	588,357	1.9%
	2023	246,777	55,729	-	302,506	12,646	4,062	-	10,890	330,104	20.2%
Seb Rennie ⁶ <i>Chief Commercial Officer</i>	2024	488,876	-	3,749	492,625	27,399	8,132	-	-	528,155	-
	2023	52,781	-	-	52,781	2,824	1,033	-	-	56,638	0.0%
Grant Blackley ⁷ <i>CEO and Managing Director</i>	2024	-	-	-	-	-	-	-	-	-	-
	2023	1,168,086	350,200	4,371	1,522,657	25,292	60,446	864,582	(40,289)	2,432,688	12.7%
Nick McKechnie ⁸ <i>Chief Financial Officer</i>	2024	-	-	-	-	-	-	-	-	-	-
	2023	168,127	-	1,511	169,638	8,661	(20,745)	-	(64,805)	92,749	(69.9%)
Brian Gallagher ⁹ <i>Chief Sales Officer</i>	2024	-	-	-	-	-	-	-	-	-	-
	2023	488,299	60,900	3,699	552,898	22,105	34,843	-	(13,217)	596,629	8.0%
Total executive KMP	2024	1,813,054	-	9,791	1,822,845	82,196	32,050	-	55,183	1,992,275	2.8%
	2023	2,719,236	626,079	14,169	3,359,484	96,820	143,162	864,582	(28,654)	4,435,394	13.5%

- Long service leave relates to amounts accrued during the year.
- The EIP cash bonus is for performance during the year using the criteria set out in section 2.3. The Board resolved not to make any awards under the FY24 EIP.
- The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period.
- John Kelly was appointed as Chief Executive Officer and Managing Director with effect from 1 July 2023. Before that, he had been Chief Operating Officer since February 2016.
- 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.
- 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.
- 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 nine month restraint of trade period commencing on 1 July 2023.
- 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.
- 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.

3.3 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 FY24 and FY23. 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.

Non-executive Director	Year	Short-term employee benefits		Total	Post-employment	Total
		Salary and fees	Non-monetary		Super contribution	
		\$	\$	\$	\$	\$
Heith Mackay-Cruise ¹ <i>Chair</i>	2024	199,500	-	199,500	-	199,500
	2023	156,109	-	156,109	16,391	172,500
Carole Campbell <i>Non-executive Director</i>	2024	154,167	-	154,167	16,958	171,125
	2023	153,695	-	153,695	16,138	169,833
Ido Leffler <i>Non-executive Director</i>	2024	147,410	-	147,410	16,215	163,625
	2023	151,584	-	151,584	15,916	167,500
Helen Nash <i>Non-executive Director</i>	2024	159,200	-	159,200	8,300	167,500
	2023	153,846	-	153,846	16,154	170,000
Rob Murray ² <i>Chair</i>	2024	184,459	-	184,459	20,291	204,750
	2023	248,708	-	248,708	25,292	274,000
Glen Boreham ³ <i>Non-executive Director</i>	2024	125,500	-	125,500	-	125,500
	2023	175,000	-	175,000	-	175,000
Melanie Willis ⁴ <i>Non-executive Director</i>	2024	-	-	-	-	-
	2023	25,263	-	25,263	2,654	27,917
TOTAL	2024	970,236	-	970,236	61,764	1,032,000
	2023	1,064,205	-	1,064,205	92,545	1,156,750

1. Heith Mackay-Cruise was appointed as Chair of the Board on 27 March 2024. Before that date, he was Chair of the People & Culture Committee and a member of the Audit & Risk Committee.
2. Rob Murray resigned as a director on 27 March 2024.
3. Glen Boreham resigned as a director on 27 March 2024.
4. 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 FY24.

Group EBITDA

Target	Actual	% Target	Vesting	Executive KMP
\$'000	\$'000		%	
\$88,000	\$66,209	75%	-	CEO, CFO, CCO

Non-revenue related costs

Target	Actual	% Target	Vesting	Executive KMP
\$'000	\$'000		%	
\$331,900	\$308,446	93%	100%	CEO, CFO, CCO

Group advertising revenue

Target	Actual	% Target	Vesting	Executive KMP
\$'000	\$'000		%	
\$512,500	\$465,825	91%	-	CEO, CFO, CCO

Digital audio EBITDA

Target	Actual	% Target	Vesting	Executive KMP
\$'000	\$'000		%	
(\$9,100)	(\$10,909)	80%	-	CEO, CFO

Digital audio revenue

Target \$'000	Actual \$'000	% Target	Vesting %	Executive KMP
\$44,700	\$38,317	86%	52%	CCO

Annualised cost savings

Target \$'000	Actual \$'000	% Target	Vesting %	Executive KMP
\$15,000	\$31,100	207%	100%	CEO, CFO

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 FY24 and the outcome for each executive KMP in each EIP component.

The Board assessed that executive KMP and other leadership executives achieved a portion of their respective EIP opportunities. However, considering that SCA's corporate revenue and earnings outcomes fell short of targets and the ongoing deterioration in SCA's share price during the year, the Board accepted management's recommendation that no awards should be made under the FY24 EIP.

Executive KMP	Goals	Outcomes				
John Kelly, CEO and Managing Director						
Profitability and financial performance (60%)	Group EBITDA, non-revenue related costs, group advertising revenue compared to budget	Refer to tables in section 4.1.1.	18%			
			Strategy execution (30%)	Achieve digital audio EBITDA target	Achieved	
			Improve investment market perceptions of SCA	Not assessed		
	Deliver annualised costs savings greater than \$15 million	Achieved	10%			
Cultural and behavioural influences (10%)	Maintain organisational culture survey performance	Survey not conducted				
			Complete succession planning initiatives	Achieved	5%	
		Total	33%			
		After Board discretion	Nil			
Tim Young, Chief Financial Officer						
Profitability and financial performance (60%)	Group EBITDA, non-revenue related costs, group advertising revenue compared to budget	Refer to tables in section 4.1.1.	18%			
			Strategy execution (30%)	Achieve digital audio EBITDA target	Achieved	
			Improve investment market perceptions of SCA	Not assessed		
	Deliver annualised costs savings greater than \$15 million	Achieved	10%			
Cultural and behavioural influences (10%)	Maintain organisational culture survey performance	Survey not conducted				
			Complete succession planning initiatives	Achieved	5%	
		Total	33%			
		After Board discretion	Nil			
Seb Rennie, Chief Commercial Officer						
Profitability and financial performance (60%)	Group EBITDA, non-revenue related costs, group advertising revenue compared to budget	Refer to tables in section 4.1.1.	18%			
			Strategy execution (30%)	Grow digital audio revenues to \$44.7 million	Not achieved	
			Achieve target for LiSTNR average revenue per user	Not achieved		
	Implement improved commercial operating model to support revenue goals and diversity and inclusion goals	Achieved	15%			
Cultural and behavioural influences (10%)	Maintain organisational culture survey performance	Survey not conducted				
			Complete succession planning initiatives	Achieved	5%	
		Total	38%			
		After Board discretion	Nil			

4.2 EIP awards

The table below sets out details of the incentive awards granted as remuneration to executive KMP for the year. The Board assessed that executive KMP and other leadership executives achieved a portion of their respective EIP opportunities. However, considering that SCA's corporate revenue and earnings outcomes fell short of targets and the ongoing deterioration in SCA's share price during the year, the Board accepted management's recommendation that no awards should be made under the FY24 EIP.

KMP	Executive incentive plan								
	Cash award ¹	Performance rights to be granted ²	% achieved in year					Adjusted total	Forfeited ³
			Profitability and financial performance	Strategy execution	Cultural and behavioural influences	Total	Adjusted total		
\$	\$								
John Kelly	-	-	18%	10%	5%	33%	0%	100%	
Tim Young	-	-	18%	10%	5%	33%	0%	100%	
Seb Rennie	-	-	18%	15%	5%	38%	0%	100%	

- 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. The Board resolved not to make any awards under the FY24 EIP.
- Any performance rights would have been granted during September 2024 based on the face value of performance rights to be determined as set out in section 2.3. The Board resolved not to make any awards under the FY24 EIP.
- The amounts forfeited are due to corporate and personal goals not being achieved in the year.

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. Rights are convertible into fully paid ordinary shares in SCA on a one-for-one basis upon vesting in accordance with SCA's EIP. There are no options on issue under SCA's EIP.

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 FY23 EIP. As noted in section 4.2, these performance rights were granted under the EIP during September 2023 based on the face value of performance rights determined as set out in section 2.3.

Executive KMP	EIP	Vesting date	Perf rights granted	Face value
John Kelly	FY23	30 Jun 2025	216,637	\$0.7351
Tim Young ¹	FY23	30 Jun 2025	75,812	\$0.7351
Seb Rennie ²	FY23	-	-	-

- Tim Young joined SCA as Chief Financial Officer on 30 January 2023. His participation in the FY23 EIP was pro-rated according to his period of service.
- 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.

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 2025 for performance rights granted under the FY23 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. As set out in section 2.3, 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 FY24 and FY25.

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 2024 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.

Executive KMP	Grant date ¹	Vesting date	At grant date		During FY24						At year end	
			Perf rights granted ²	Perf rights value ³ \$	Perf rights vested and exercised	Perf rights vested and exercised %	Perf rights forfeited	Perf rights forfeited % ⁴	Perf rights cancelled ⁴	Perf rights cancelled ⁴ %	Perf rights not vested	Perf rights not vested value ² \$
John Kelly	FY24	1/7/25	216,637	159,228	-	-	-	-	-	-	216,637	159,228
	FY23	1/7/24	122,049	125,100	-	-	-	-	-	-	122,049	125,100
	Total		338,686	284,328	-	-	-	-	-	-	338,686	284,328
Tim Young	FY24	1/7/25	75,812	55,722	-	-	-	-	-	-	75,812	55,722
	Total		75,812	55,722	-	-	-	-	-	-	75,812	55,722
Seb Rennie	Total	-	-	-	-	-	-	-	-	-	-	-
	Total		414,498	340,050	-	-	-	-	-	-	414,498	340,050

- Performance rights granted during FY23 relate to the FY22 EIP. Performance rights granted during FY24 relate to the FY23 EIP.
- As set out in section 2.3, 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.
- The value of rights granted is the fair value of rights calculated at the grant date. The total value of rights granted in the table is allocated to remuneration over the vesting period.
- 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.

5.3 Vesting of rights during the year

There were no performance rights under the EIP that were eligible for vesting during FY24.

5.4 Grants of rights since 30 June 2024

Considering that SCA's corporate revenue and earnings outcomes fell short of targets and the ongoing deterioration in SCA's share price during the year, the Board accepted management's recommendation that no awards should be made under the FY24 EIP.

Executive KMP	EIP	Vesting date	Perf rights face value
John Kelly	FY24	Not applicable	-
Tim Young	FY24	Not applicable	-
Seb Rennie	FY24	Not applicable	-

5.5 Vesting of rights after 30 June 2024

Performance rights awarded under the FY22 EIP are eligible to vest based on continuity of employment and corporate financial performance during the three years ended on 30 June 2024 and dividends paid or payable in respect of FY23 and FY24.

Tranche 1 (50%) of these performance rights granted in September 2022 will vest based on continuity of employment. Tranche 2 (50%) was eligible to vest according to the following schedule:

3-year EPS CAGR	3-year EPS vesting range	% of Tranche 2 that vests
FY21 EPS	18.2 cps	
1.5% or below	19.0 cps or below	Nil
Above 1.5% - 8.0%	19.0 – 22.9 cps	Straight-line vesting between 0% and 100%
Above 8.0%	Above 22.9 cps	100%

Based on the FY24 earnings per share excluding significant items of 4.65 cps, SCA's EPS CAGR over the three-year period to 30 June 2024 was (36.6)%. Accordingly, Tranche 2 of the performance rights awarded under the FY22 EIP will not vest.

Vesting of Tranche 1 of the performance rights awarded under the FY22 EIP (including rights awarded for dividends paid or payable in respect of FY23 and FY24) will be reported in FY25.

6 PAYMENTS TO EXECUTIVES BEFORE TAKING OFFICE

There were no 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	Vesting of EIP rights	Other changes	Share balance at end of year¹
Non-executive Directors				
Heith Mackay-Cruise	100,000	-	20,000	120,000
Carole Campbell	78,250	-	50,000	128,250
Ido Leffler	65,800	-	-	65,800
Helen Nash	28,875	-	-	28,875
Rob Murray	65,167	-	-	65,167
Glen Boreham	48,462	-	-	48,462
Totals	386,554	-	70,000	456,554
Executives				
John Kelly	194,049	-	-	194,049
Tim Young	16,307	-	12,422	28,729
Seb Rennie	-	-	-	-
Totals	210,356	-	12,422	222,778

1 Share balance at end of year, or for Rob Murray and Glen Boreham on the date they retired as directors and ceased being KMP.

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

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non-executive director's invested amount. From 1 July 2024, the base fee for non-executive directors is \$135,000. The table below shows the status under this policy of non-executive directors' shareholdings on 30 June 2024.

	Share balance at end of year	FY24 Base fee \$	Invested amount \$	Achieved target?	Due date to achieve target ¹
Non-executive director					
Heith Mackay-Cruise	120,000	135,000	178,200	Yes	-
Carole Campbell	128,250	135,000	175,057	Yes	-
Ido Leffler	65,800	135,000	114,608	No	Oct 2023
Helen Nash	28,875	135,000	144,033	Yes	-
	342,925		611,898		

1 Because of corporate activity and the Board's consideration of related confidential proposals, SCA maintained a blackout on buying or selling SCA shares for much of FY24. This has affected the ability of some directors to acquire their target shareholding.

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 2024.

	Balance at end of year	FY24 Base salary \$	Invested amount \$	Achieved target? ¹
Executive KMP				
John Kelly	194,049	772,601	295,248	No
Tim Young	28,729	535,000	25,000	No
Seb Rennie	-	450,000	-	No
Totals	222,778		320,248	

1 Because of corporate activity and the Board's consideration of related confidential proposals, SCA maintained a blackout on buying or selling SCA shares for much of FY24. This has affected the ability of the executive KMP to acquire their target shareholding.

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 34.

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



Heith Mackay-Cruise
Chair
Southern Cross Media Group Limited
Sydney, Australia
29 August 2024



John Kelly
Managing Director
Southern Cross Media Group Limited
Sydney, Australia
29 August 2024



Auditor's Independence Declaration

As lead auditor for the audit of Southern Cross Media Group Limited for the year ended 30 June 2024, 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.

A handwritten signature in blue ink that reads 'Trevor Johnston'.

Trevor Johnston
Partner
PricewaterhouseCoopers

Melbourne
29 August 2024

Consolidated Statement of Comprehensive Income

	Note	2024 \$'000	2023 \$'000
Revenue from continuing operations	3	499,405	504,294
Revenue related expenses		(124,750)	(126,130)
Employee expenses		(213,111)	(203,091)
Program and production		(26,755)	(25,305)
Technical expenses		(46,401)	(42,481)
Promotions and marketing		(10,996)	(14,859)
Administration costs		(24,763)	(21,181)
Other income	5	2,542	1,264
Share of net profit of investments accounted for using the equity method	18	369	697
Depreciation and amortisation expense		(31,087)	(29,155)
Impairment of broadcast radio licences	4	(326,126)	-
Interest expense and other borrowing costs	16	(19,217)	(17,920)
Interest revenue		312	1,120
Profit/(Loss) before income tax expense for the year from continuing operations		(320,578)	27,253
Income tax (expense)/credit from continuing operations	6	95,974	(8,144)
Profit/(Loss) from continuing operations after income tax expense for the year		(224,604)	19,109
<i>Other comprehensive income that may be reclassified to profit or loss:</i>			
Changes to fair value of cash flow hedges, net of tax		(175)	(38)
Total comprehensive Profit/(Loss) for the year attributable to shareholders		(224,779)	19,071
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	14	(93.6)	7.73
Diluted earnings per share (cents)	14	(93.6)	7.63

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

Consolidated Statement of Financial Position

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	10	10,540	12,963
Receivables	11	105,388	98,650
Current tax asset	6	923	1,295
Total current assets		116,851	112,908
Non-current assets			
Receivables	11	9,721	10,919
Derivative financial instruments	17	485	736
Right-of-use assets	24	104,728	109,723
Investments	18	5,790	6,326
Property, plant and equipment	7	63,239	76,813
Intangible assets	8	391,503	712,120
Total non-current assets		575,466	916,637
Total assets		692,317	1,029,545
Current liabilities			
Payables	11	40,780	43,739
Deferred Income	11	4,926	5,532
Provisions	11	21,433	20,333
Lease liability	24	7,752	7,105
Total current liabilities		74,891	76,709
Non-current liabilities			
Deferred income	11	84,162	86,269
Provisions	11	3,918	4,107
Borrowings	16	117,543	117,243
Lease liability	24	120,523	122,936
Deferred tax liability	6	88,443	187,132
Total non-current liabilities		414,589	517,687
Total liabilities		489,480	594,396
Net assets		202,837	435,149
Equity			
Contributed equity	15	1,516,105	1,516,105
Reserves		5,959	5,990
Accumulated losses		(1,319,227)	(1,086,946)
Equity attributable to equity holders		202,837	435,149
Total equity		202,837	435,149

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

Consolidated Statement of Changes in Equity

	(Accumulated losses)				Total equity
	Contributed equity	Share-based payment reserve	Hedge reserve	/retained profits	
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Total equity at 1 July 2023	1,516,105	5,475	515	(1,086,946)	435,149
Profit for the year	-	-	-	(224,604)	(224,604)
Other comprehensive income	-	-	(175)	-	(175)
Total comprehensive income	-	-	(175)	(224,604)	(224,779)
Transactions with equity holders in their capacity as equity holders:					
Employee share entitlements	-	144	-	-	144
Dividends Paid	-	-	-	(7,677)	(7,677)
	-	144	-	(7,677)	(7,533)
Total equity at 30 June 2024	1,516,105	5,619	340	(1,319,227)	202,837
2023					
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

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

Consolidated Statement of Cash Flows

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers		534,143	550,304
Payments to suppliers and employees		(497,709)	(487,175)
Interest received from external parties		312	1,120
Tax paid net of refunds received		(2,268)	(7,419)
Net cash inflows from operating activities	10	34,478	56,830
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(2,783)	(11,745)
Payments for purchase of intangibles		(12,986)	(13,039)
Proceeds from sale of property, plant and equipment		6,044	3,490
Payments for acquisitions of unlisted equity securities		(138)	(214)
Proceeds from sale of unlisted equity securities		800	-
Dividends received from equity accounted investments		900	1,050
Net cash flows used in investing activities		(8,163)	(20,458)
Cash flows from financing activities			
Dividends paid to security holders		(7,677)	(23,309)
Proceeds from borrowings		20,000	15,000
Repayment of borrowings from external parties		(20,000)	(25,000)
Buy back of ordinary shares		-	(21,299)
Interest paid to external parties		(13,681)	(11,762)
Principal elements of lease payments		(7,380)	(6,501)
Net cash flows used in financing activities		(28,738)	(72,871)
Net decrease in cash and cash equivalents		(2,423)	(36,499)
Cash assets at the beginning of the year		12,963	49,462
Cash assets at the end of the year		10,540	12,963

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

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Key Numbers

1. Summary of Material 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 consolidated 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 \$10.5 million of cash and cash equivalents at 30 June 2024; 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.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2024 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.

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.

1. Summary of Material Accounting Policies (continued)

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 8	Non-Current Assets – Intangible Assets
Note 9	Impairment
Note 11	Receivables, Payables, Deferred Income and Provisions
Note 24	Leases and Other Commitments

Market conditions

The slow macroeconomic environment in Australia, with continued high interest rates, has contributed to challenging conditions in the traditional advertising markets in which the Group operates.

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 the impairment analysis of financial and non-financial assets classes, but also for input into its expected credit losses through the application of forward-looking information and disclosures such as fair value disclosures of financial assets and liabilities; and
- Reviewed public and industry forecasts for input into the impairment assessment of the Broadcast Radio and Digital Audio CGUs.

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

Note 9	Impairment
Note 11	Receivables, Payables, Deferred Income and Provisions
Note 12	Capital Management Objectives
Note 17	Financial Risk Management
Note 18	Non-Current Assets - Investments

Notes to the consolidated financial statements

Notes relating to individual line items in the consolidated 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 26.

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 Chief Operating Decision Maker ('CODM'). Towards the end of the second half of the reporting period, the financial performance of Digital Audio to the CODM significantly increased in prominence and is now considered a separate operating segment from Broadcast Radio. Consequently, the Group has determined that it has three main operating segments being:

- Broadcast radio, comprising metro and regional radio, and other related businesses;
- Digital audio; and
- Television, comprising the regional television business

	Broadcast Radio		Digital Audio		Television		Corporate		Consolidated	
	2024	2023 ⁴	2024	2023 ⁴	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	366,620	372,570	35,031	24,626	97,489	106,742	265	356	499,405	504,294
National revenue¹	202,963	211,401	-	-	54,782	61,932	-	-	257,745	273,333
Local revenue²	141,285	136,923	-	-	34,369	37,824	-	-	175,654	174,747
Other	22,372	24,246	35,031	24,626	8,338	6,986	265	356	66,006	56,214
Total revenue	366,620	372,570	35,031	24,626	97,489	106,742	265	356	499,405	504,294
EBITDA before significant items³	87,181	97,860	(10,909)	(17,584)	13,278	18,684	(23,341)	(21,791)	66,209	77,169
Reported EBITDA	84,437	95,830	(13,595)	(17,584)	12,985	18,668	(28,287)	(23,706)	55,540	73,208
EBITDA % of Revenue	23.0%	25.7%	(38.8)%	(71.4)%	13.3%	17.5%	N/A	N/A	11.1%	14.5%
Impairment of broadcast radio licences	(326,126)	-	-	-	-	-	-	-	(326,126)	-
Depreciation and amortisation	-	-	-	-	-	-	-	-	(31,087)	(29,155)
Statutory EBIT / Segment Result	-	-	-	-	-	-	-	-	(301,673)	44,053
Financing costs	-	-	-	-	-	-	-	-	(18,905)	(16,800)
Income tax (expense)/credit	-	-	-	-	-	-	-	-	95,974	(8,144)
Profit/(Loss) for the year attributable to shareholders	-	-	-	-	-	-	-	-	(224,604)	19,109

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'

⁴ To allow consistency comparisons, the prior year comparatives have been restated to reflect the change in reportable operating segments

⁵ The CODM reviews the balance sheet on a consolidated basis only

3. Revenue

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

	Consolidated	
	2024 \$'000	2023 \$'000
Revenue from continuing operations		
Sales revenue	499,115	503,951
Rental revenue	290	343
Total revenue from continuing operations	499,405	504,294

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 11.

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 11).

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.

	2024	2023
	\$'000	\$'000
Impairment of broadcast radio licences (after tax) - refer notes 8 and 9	(228,288)	-
Restructuring charges (after tax)	(3,148)	(2,300)
Response to corporate activity proposals (after tax)	(2,045)	-
Other (after tax)	(2,275)	(473)
Total significant items included in net profit after tax	(235,756)	(2,773)

5. Other Income

	Consolidated	
	2024	2023
	\$'000	\$'000
Net gain from disposal of assets	1,808	1,264
Revaluation of unlisted equity securities	734	-
Total other income	2,542	1,264

	2024	2023
	\$'000	\$'000
Net assets disposed	(5,036)	(2,226)
Gross cash consideration	6,844	3,490
Net gain from disposal of assets before tax	1,808	1,264

6. 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	
	2024	2023
	\$'000	\$'000
Income tax expense		
Current tax		
Current tax on profits for the year	5,218	8,957
Adjustments for current tax of prior periods	(2,578)	(212)
Total current tax expense	2,640	8,745
Deferred income tax		
Decrease in net deferred tax liabilities	(101,544)	(511)
Adjustments for deferred tax of prior periods	2,930	(90)
Total deferred tax expense	(98,614)	(601)
Income tax (credit)/expense	(95,974)	8,144

6. Income Tax Expense (continued)

	Consolidated	
	2024 \$'000	2023 \$'000
Reconciliation of income tax expense to prima facie tax payable		
(Loss)/profit before income tax expense	(320,578)	27,253
Tax at the Australian tax rate of 30%	(96,174)	8,176
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Share of net profits of associates	(111)	(209)
Non-deductible entertainment expenses	685	748
Other (non-assessable income)/non-deductible expenses	(726)	(269)
Adjustments recognised in the current year in relation to prior years	352	(302)
Income tax (credit)/expense	(95,974)	8,144
Deferred Taxes	Consolidated	
	2024	2023
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Licences and brands	(108,642)	(206,561)
Employee benefits	7,181	6,920
Provisions	427	487
Interest rate swaps	(145)	(221)
Right-of-use assets	(31,418)	(32,917)
Lease liabilities	38,482	39,013
Deferred revenue	4,297	3,895
Other	1,375	2,252
Net balance disclosed as deferred tax liability	(88,443)	(187,132)

For the year ended 30 June 2024 the Group had a \$0.075 million deferred income tax credit (2023: \$0.016 million deferred income tax credit) recognised directly in equity in relation to cash flow hedges, with a corresponding reduction in deferred tax liabilities being recognised. There are \$58.155 million available of unused tax losses on the capital account for which no deferred tax asset has been recognised (2023: \$58.966 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.

6. Income Tax Expense (continued)

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 20.

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

Consolidated	Land and Buildings	Leasehold Improvements	Plant and Equipment	Assets under construction	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	14,321	58,921	255,830	178	329,250
Accumulated depreciation expense	(5,039)	(31,548)	(229,424)	-	(266,011)
Net carrying amount	9,282	27,373	26,406	178	63,239

Movement

Net carrying amount at beginning of year	13,798	27,810	30,010	5,195	76,813
Additions	-	-	85	2,698	2,783
Disposals	(4,095)	(47)	(94)	-	(4,236)
Depreciation expense	(426)	(2,889)	(8,806)	-	(12,121)
Transfers	5	2,499	5,211	(7,715)	-
Net carrying amount at end of year	9,282	27,373	26,406	178	63,239

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

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

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.

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

8. Non-Current Assets – Intangible Assets

Consolidated	Goodwill	Broadcasting Licences	Brands and Tradenames	Other	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	362,088	1,502,031	90,498	38,611	1,993,228
Accumulated impairment expense	(362,088)	(1,180,604)	(41,662)	-	(1,584,354)
Accumulated amortisation expense	-	-	-	(17,371)	(17,371)
Net carrying amount	-	321,427	48,836	21,240	391,503
Movement					
Net carrying amount at beginning of year	-	647,553	48,747	15,820	712,120
Additions	-	-	89	12,899	12,988
Impairment expense	-	(326,126)	-	-	(326,126)
Amortisation expense	-	-	-	(7,479)	(7,479)
Net carrying amount at end of year	-	321,427	48,836	21,240	391,503

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

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

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.

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

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.

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

9. 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'). Towards the end of the second half of the reporting period, it was determined that Broadcast Radio and Digital Audio, formerly comprising the Audio CGU, had independent cash inflows for the first time and at 30 June 2024 the CGU's have been identified as being Broadcast Radio, Digital 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 FY2024 relative to its remaining carrying value, no impairment test was performed on the Television CGU at 30 June 2024.

The recoverable amounts of the Broadcast Radio and Digital Audio CGUs at 30 June 2024 and the Audio CGU at 30 June 2023 were determined based on the fair value less costs of disposal ('FVLCD') discounted cash flow model utilising probability weighted scenarios, and approximates the carrying value, except the recoverable amount of the Digital Audio CGU, which exceeds its carrying value. Shared assets and liabilities in the Audio CGU were allocated to Broadcast Radio and Digital Audio CGUs on the basis of revenues over the forecast period.

Allocation of goodwill and other intangible assets

Consolidated	Broadcast Radio CGU	Digital Audio CGU	Television CGU	Total
2024	\$'000	\$'000	\$'000	\$'000
Indefinite lived intangible assets allocated to CGU	362,938	7,325	-	370,263
Finite lived intangible assets allocated to CGU	7,611	13,629	-	21,240
Total finite and indefinite lived intangible assets	370,549	20,954	-	391,503

9. Impairment (continued)

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

Broadcast Radio CGU

Impairment

At 30 June 2024, an impairment loss of \$326.1 million was recorded against the Broadcasting Licences in the Broadcast Radio CGU, reflecting a recoverable amount of \$275.1 million. The carrying value of the other assets in the Broadcast Radio CGU, including the Brands and Tradenames, were considered equal to or less than their fair value. After the impairment loss, the estimated recoverable amount of the Broadcast Radio CGU, based on FVLCD, equals its carrying amount. The impairment reflects observed market pressures, independent estimates of radio broadcast growth rates showing declines over the forecast period and a consequent reduction in the long-term growth rates.

b) Key assumptions used

30 June 2024

The FVLCD calculations used cash flow projections based on the 2025 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 Broadcast Radio and Digital Audio CGUs. 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. The long-term growth rates in respect of the Broadcast Radio and Digital Audio CGUs are based on management's view after considering independent forecast reports. The discount rate used is based on a range provided by an independent expert and reflects specific risks relating to the Broadcast Radio and Digital Audio CGUs in Australia.

9. Impairment (continued)

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

Broadcast Radio	Lower case	Base case	Upper case
FY25 Budget achievement %	75%	100%	100%
Growth in Broadcast Radio advertising revenue – 5-year CAGR	(1.3)%	1.4%	3.9%
Long term growth rate	(1.0)%	0.0%	2.5%
Discount rate (post-tax)	10.25%	10.25%	10.25%
Metro market share – Year 5	26%	28.5%	30%
Cost out savings – FY26 onwards	\$6m savings from FY26, plus additional 1% in FY27 and FY28	\$6m savings from FY26	\$6m savings from FY26
Probability weighting	40% - lower case considered more likely than upper case due to potential for worsening market conditions	50% - base case considered most likely outcome	10% - upper case considered less likely than lower case due to potential for worsening market conditions

Digital Audio	Lower case	Base case	Upper case
FY25 Budget achievement %	100%	100%	100%
Long term growth rate	1.0%	2.0%	4.5%
Discount rate (post-tax)	12.25%	12.25%	12.25%
Growth in digital audio revenues – 5-year CAGR	11%	24%	26%
Probability weighting	40% - lower case considered more likely than upper case due to potential for worsening market conditions	50% - base case considered most likely outcome	10% - upper case considered less likely than lower case due to potential for worsening market conditions

The market capitalisation of the Group at 30 June 2024 was \$146 million, which represented a \$57 million deficiency against the net assets of \$203 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 Broadcast Radio and Digital Audio CGUs.

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.

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9. 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:

Audio	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

c) Impact of a reasonably possible change in key assumptions

Broadcast Radio CGU

Sensitivity

Any variation in the key assumptions used to determine the FVLCD would result in a change in the recoverable amount of the Broadcast Radio CGU. The assumptions in the lower-case scenario for 30 June 2024 described above represent a reasonably possible change in assumptions, which together would lead to a further pre-tax impairment of \$336 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 Broadcast Radio CGU:

Sensitivity	Reasonable Change in variable	Impact of change on Broadcast Radio CGU carrying value
	%	\$ million
Increase in post-tax discount rate from 10.25% to 12.25%	2.0%	(41.6)
Reduction in long term growth rate by 2% in each scenario	(2.0)%	(29.8)
FY25 Budget earnings reduced by 5% in each scenario	(5.0)%	(27.3)

10. Cash flow information

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

	Consolidated	
	2024 \$'000	2023 \$'000
Profit/(loss) after income tax	(224,604)	19,109
Impairment of broadcast radio licences	326,126	-
Revaluation of investments	(734)	-
Depreciation and amortisation	31,087	29,155
Net gain from disposal of assets	(1,808)	(1,264)
Share of associate profit	(369)	(697)
Interest expense and other borrowing costs included in financing activities	19,217	17,920
Share-based payments	144	277
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	(6,578)	3,830
(Decrease) in deferred taxes (net of tax movement in hedge reserve)	(98,614)	(832)
(Decrease) in payables (excluding interest expense classified as financing activities)	(2,841)	(2,761)
(Decrease) in deferred income	(7,831)	(8,430)
Increase in provision for income tax	372	1,557
Increase/(decrease) in provisions	911	(1,034)
Net cash inflows from operating activities	34,478	56,830

b) Net debt reconciliation

	Consolidated	
	2024 \$'000	2023 \$'000
Cash and liquid investments	10,540	12,963
Borrowings – repayable after one year	(117,543)	(117,243)
Lease Liabilities	(128,275)	(130,041)
Net debt	(235,278)	(234,321)

10. Cash flow information (continued)

	Consolidated			Total \$'000
	Cash \$'000	Bank Loans \$'000	Lease Liabilities \$'000	
Balance as at 1 July 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)
Payment for leases	-	-	13,944	13,944
Proceeds from borrowings	20,000	(20,000)	-	-
Repayment of borrowings	(20,000)	20,000	-	-
Other cashflows	(2,423)	-	-	(2,423)
Changes from financing activities	(2,423)	-	13,944	11,521
Other Changes				
Finance costs	-	-	(6,564)	(6,564)
Amortisation of borrowing costs	-	(300)	-	(300)
Addition of leases	-	-	(4,565)	(4,565)
Other remeasurements	-	-	(1,049)	(1,049)
Subtotal of other changes	-	(300)	(12,178)	(12,478)
Balance as at 30 June 2024	10,540	(117,543)	(128,275)	(235,278)

c) Cash and cash equivalents

	Consolidated	
	2024 \$'000	2023 \$'000
Current		
Cash at bank and at hand	10,540	12,963
	10,540	12,963

10. 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.

11. Receivables, Payables, Deferred Income and Provisions

a) Receivables

	Consolidated	
	2024 \$'000	2023 \$'000
Current		
Trade receivables	89,975	83,554
Prepayments	13,706	13,122
Other	1,707	1,974
	105,388	98,650

	Consolidated	
	2024 \$'000	2023 \$'000
Non-current		
Refundable deposits	194	369
Prepayments	9,415	10,439
Other	112	111
	9,721	10,919

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 2024	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%	45.1%	
Trade receivables	82,914	7,022	42	248	90,226
Expected credit losses ('ECL')	(124)	(14)	(1)	(112)	(251)
Trade receivables net of ECL	82,790	7,008	41	136	89,975

a) Receivables (continued)

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

The Group has recognised bad debts during the year ended 30 June 2024 of \$270,811 (2023: \$183,919). 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.

11. 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.

	2024	2023
	\$'000	\$'000
Current		
Broadcast Australia transmitter services	1,027	1,027
Other	12,679	12,095
	13,706	13,122
Non-current		
Broadcast Australia transmitter services	9,415	10,439
	9,415	10,439

c) Payables

	Consolidated	
	2024	2023
	\$'000	\$'000
Current		
Trade creditors	15,333	16,994
GST payable	3,519	2,466
Accruals and other payables	21,928	24,279
	40,780	43,739

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.

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

d) Deferred income

	Consolidated	
	2024 \$'000	2023 \$'000
Current		
Deferred income	4,926	5,532
	4,926	5,532

	Consolidated	
	2024 \$'000	2023 \$'000
Non-current		
Deferred income	84,162	86,269
	84,162	86,269

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 (2023: \$7.1 million) has been offset by the recognition of \$5.2 million (2023: \$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.

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

e) Provisions

	Consolidated	
	2024 \$'000	2023 \$'000
Current		
Employee benefits	21,287	20,253
Lease provisions	146	80
	21,433	20,333

	Consolidated	
	2024 \$'000	2023 \$'000
Non-current		
Employee benefits	2,651	2,813
Lease provisions	1,267	1,294
	3,918	4,107

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

	Consolidated	
	2024 \$'000	2023 \$'000
Balance at the beginning of the financial year	1,374	2,534
Additional provisions made in the period, including increases to existing provisions	159	121
Utilisation of provisions	-	(691)
Unused amounts reversed during the period	(120)	(590)
Balance at the end of the financial year	1,413	1,374

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.

11. 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. Any resultant 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.

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Capital Management

12. 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 2.0 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 13.

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.

Debt Facilities

Syndicated Debt Facility

At 30 June 2024 the Group had a \$160 million (2023: \$160 million) revolving 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 2024, the leverage ratio was 1.87 times, and the interest cover ratio was 8.30 times.

Further details on the Group's debt facilities are outlined in note 16.

Property, Plant and Equipment and Intangibles

The capital expenditure for 2024 was \$2.8 million (2023: \$7.5 million) with further additions to intangible assets of \$13.0 million (2023: \$13.0 million).

Further details on the Group's fixed assets are outlined in note 7 and on the Group's intangible assets in note 8.

13. Dividends Paid and Proposed

The dividends were paid as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
The dividends were paid as follows:		
Interim dividend paid for the half year ended 31 December 2023/2022 – fully franked at the tax rate of 30%	2,399	11,043
Final dividend paid for the year ended 30 June 2023/2022– fully franked at the tax rate of 30%	5,278	12,266
	7,677	23,309
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan were as follows:		
Paid in cash	7,677	23,309
	7,677	23,309
	Cents per share	Cents per share
Interim dividend paid for the half year ended 31 December 2023/2022	1.00	4.60
Final dividend paid for the year ended 30 June 2023/2022	2.20	4.75
	3.20	9.35

The Group has \$180.7 million of franking credits at 30 June 2024 (2023: \$182.1 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.

There will be no final dividend paid for the year ended 30 June 2024.

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14. Earnings per Share

	Consolidated	
	2024 \$'000	2023 \$'000
Continuing Operations		
Profit attributable to shareholders from continuing operations (\$'000)	(224,604)	19,109
Profit attributable to shareholders from continuing operations excluding significant items (\$'000)	11,152	21,882
Weighted average number of shares used as the denominator in calculating basic earnings per share (shares, '000)	239,899	247,327
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (shares, '000)	241,215	250,483
Basic earnings per share (cents per share)	(93.6)	7.73
Diluted earnings per share (cents per share)	(93.6)	7.63
Excluding significant items (refer note 4)		
Basic earnings per share excluding significant items (cents per share)	4.65	8.85
Diluted earnings per share excluding significant items (cents per share)	4.62	8.74
Dividends paid/proposed for the year as a % of NPAT (excluding impairments)	65.1%	85.4%

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 that year.

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.

15. Contributed Equity and Reserves

	Consolidated	
	2024 \$'000	2023 \$'000
Ordinary shares	1,516,105	1,516,105
Contributed equity	1,516,105	1,516,105

	Consolidated		Consolidated	
	2024 \$'000	2023 \$'000	2024 Number of securities '000	2023 Number of securities '000
On issue at the beginning of the financial year	1,516,105	1,537,404	239,899	260,848
Buy back of ordinary shares	-	(21,299)	-	(20,949)
On issue at the end of the financial year	1,516,105	1,516,105	239,899	239,899

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 2024, the Group purchased \$nil (30 June 2023: \$21.3 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.

15. 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 (2023: nil). In the current year \$144,111 has been recognised as an expense (2023: \$276,733 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.

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16. Borrowings

a) Total interest-bearing liabilities

	Consolidated	
	2024 \$'000	2023 \$'000
Non-current secured borrowings		
Bank facilities	118,000	118,000
Borrowing costs	(457)	(757)
Total secured non-current interest bearing liabilities	117,543	117,243
Total current and non-current borrowings	117,543	117,243

For all non-current borrowings, the carrying amount approximates fair value in the Consolidated Statement of Financial Position. Of the \$0.457 million of borrowing costs, \$0.300 million (2023: \$0.300 million) will unwind during the year ending 30 June 2025.

There are no current liabilities as at 30 June 2024.

b) Interest expense

	Consolidated	
	2024 \$'000	2023 \$'000
Interest expense and other borrowing costs		
External banks	7,234	5,815
AASB 15 – Revenue from customers with contracts interest expense	5,119	5,228
AASB 16 – Lease interest expense	6,564	6,577
Amortisation of borrowing costs	300	300
Total interest expense and other borrowing costs	19,217	17,920

c) Bank facilities and assets pledged as security

The \$160 million debt facilities (2023: \$160 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 5.9 % (2023: 5.1%). The Group also has a short-term \$25 million overdraft facility with the ANZ Banking Group, which is renewable on an annual basis each 30 April. 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 2024, the Group complied with all the covenants.

16. 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	
	2024	2023
	\$'000	\$'000
Current assets		
<i>Floating charge</i>		
Cash and cash equivalents	10,540	12,963
Receivables	104,184	97,114
Total current assets pledged as security	114,724	110,077
Non-current assets		
<i>Floating charge</i>		
Receivables	9,720	10,919
Derivative financial instruments	485	736
Investments accounted for using the equity method	4,529	4,734
Property, plant and equipment	63,239	76,805
Intangible assets	391,503	712,120
Total non-current assets pledged as security	469,476	805,314
Total assets pledged as security	584,200	915,391

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.

17. 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

17. 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 5.9% (2023: 5.1%). In 2020 the Group entered into \$100 million of interest rate swap contracts under which it was 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 26.

Derivative financial instruments

	Consolidated	
	2024	2023
	\$'000	\$'000
Interest rate swap contracts – non-current asset	485	736
Total derivative financial instruments	485	736

Swaps currently in place cover 30% (2023 – 30%) of the variable loan principal outstanding. The fixed interest rates of the swaps is 3.6% (2023: 3.6%) and the variable rates on the loans are 1.5% (2023: 1.4%) above the 3 months bank bill rate, which at the end of the reporting period was 4.4% (2023: 3.7%).

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.

17. 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	
	2024 \$'000	2023 \$'000
Carrying amount asset	485	736
Notional	35,000	35,000
Maturity date		
2026	35,000	35,000
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 1 July	14	685
Change in value of hedged item used to determine hedge effectiveness	(14)	(685)
Weighted average hedged rate for the year	3.59%	1.36%

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 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)
Add: Deferred tax	15
Closing balance 30 June 2023	515
Add: Change in fair value of hedging instrument recognised in OCI for the year	14
Less: reclassified from OCI to profit or loss	(264)
Add: Deferred tax	75
Closing balance 30 June 2024	340

17. 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 (2023: +/- 100 basis points) in the relevant interest rates at 30 June 2024 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.

Consolidated AUD exposures	Carrying Value \$'000	Impact on post-tax profits Increase/(decrease) +/- 100 (25) basis points		Impact on reserves Increase/(decrease) +/- 100 (25) basis points	
		\$'000	\$'000	\$'000	\$'000
2024		+100	-100	+100	-100
Cash at bank	10,540	74	(74)	-	-
Interest rate swaps	485	245	(245)	595	(593)
Borrowings	(118,000)	(826)	826	-	-
2023		+25	-25	+25	-25
Cash at bank	12,963	91	(91)	-	-
Interest rate swaps	736	245	(245)	916	(914)
Borrowings	(118,000)	(826)	826	-	-

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.

17. 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 2024	\$'000	\$'000	\$'000	\$'000
Line of credit value	160,000	25,000	7,000	192,000
Used at balance date	(118,000)	-	(5,586)	(123,586)
Unused at balance date	42,000	25,000	1,414	68,414

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

The \$160 million debt facility for the Group matures on 9 January 2026. The short-term \$25 million overdraft facility with the ANZ Banking Group, is renewable on an annual basis each 30 April. The working capital facility is utilised for the provision of bank guarantees as security for the Group's rental properties. 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 2024 and 30 June 2023.

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 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings – Principal	-	118,000	-	-	-	118,000	118,000
Interest cashflows ¹	7,096	3,666	-	-	-	10,762	N/A
Payables ²	35,749	-	-	-	-	35,749	40,780
Lease liabilities	13,926	14,076	14,127	30,229	104,005	176,363	128,275
Total	56,771	135,742	14,127	30,229	104,005	340,874	287,055

17. Financial Risk Management (continued)

b) Liquidity risk (continued)

Consolidated As at 30 June 2023	Less than 1 year \$'000	1-2 years \$'000	2-3 years \$'000	3-5 years \$'000	Greater than 5 years \$'000	Total contractual cashflows \$'000	Carrying amount liabilities \$'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

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

18. Non-Current Assets – Investments

a) Investments accounted for using the Equity Method

	Consolidated	
	2024 \$'000	2023 \$'000
Carrying amount at the beginning of the financial year	4,859	5,212
Share of profit after income tax	369	697
Sale of unlisted equity securities	(800)	-
Dividends	(900)	(1,050)
Total Investments accounted for using the Equity Method	3,528	4,859

b) Financial assets at fair value through profit or loss

	Consolidated	
	2024 \$'000	2023 \$'000
Carrying amount at the beginning of the financial year	1,467	1,253
Acquisition of unlisted equity securities	61	214
Revaluation of unlisted equity securities	734	
Total Financial assets at fair value through profit or loss	2,262	1,467
Total Investments	5,790	6,326

19. 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 2024	Effective ownership interest 2023
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.

20. 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:

Statement of Financial Position	Southern Cross Media Group Limited	
	2024	2023
	\$'000	\$'000
Current assets	1,205	1,536
Non-current assets	239,800	444,139
Total assets	241,005	445,675
Current liabilities	540	1,666
Total liabilities	540	1,666
Net assets	240,465	444,009
Issued capital	1,418,517	1,418,517
Reserves	5,619	5,475
Accumulated losses – 2014 reserve	(96,805)	(96,805)
Accumulated losses – 2015 H2 reserve	(323,833)	(323,833)
Retained profits – 2019 reserve	39,747	47,424
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	16,889
Retained profits – 2024 reserve	(196,011)	-
Total equity	240,465	444,009
Profit/(loss) for the year	(196,011)	27,932
Total comprehensive income	(196,011)	27,932

In FY2024, the parent entity recorded an impairment of \$206.3 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 2024 (2023: nil). The parent entity has not given any unsecured guarantees at 30 June 2024 (2023: nil).

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 (30 June 2023: nil).

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

As at 30 June 2024, the parent entity had no contractual commitments (30 June 2023: nil).

20. 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.

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Other Notes to the Consolidated Financial Statements

21. 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 2024 was \$144,111 (2023: \$276,733).

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

Number of performance rights	2024	2023
Balance at beginning of the year	945,954	403,052
Granted during the year	1,090,635	1,131,948
Exercised during the year	-	-
Forfeited during the year	(519,813)	(589,046)
Balance at end of year	1,516,776	945,954

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. No performance rights will be awarded under the FY2024 Executive Incentive Plan.

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.

22. Remuneration of Auditors

	Consolidated	
	2024	2023
	\$	\$
(a) Audit and other assurance services		
PricewaterhouseCoopers Australian firm:		
Statutory audit and review of financial reports	859,159	792,111
Other assurance services	-	-
Regulatory returns	19,911	19,911
Total remuneration for audit and other assurance services	879,070	812,022
(b) Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax services	-	-
Total remuneration for taxation services	-	-
(c) Other services		
PricewaterhouseCoopers Australian firm:		
Debt advisory	-	-
Total remuneration for other services	-	-
Total	879,070	812,022

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.

23. 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	
	2024	2023
	\$	\$
Short-term employee benefits	2,793,082	4,423,689
Post-employment benefits	143,960	189,365
Other long-term benefits	32,050	143,162
Termination benefits	-	864,582
Share-based payments	55,183	(28,654)
	3,024,275	5,592,144

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 (2023: nil).

b) Subsidiaries and Associates

Ownership interests in subsidiaries are set out in note 19. Details of interests in associates and distributions received from associates are disclosed in note 18.

24. Leases and Other Commitments

	Consolidated	
	2024 \$'000	2023 \$'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	243	1,556
	243	1,556

Other commitments

In 2019, the Group entered into a 15-year contract with Broadcast Australia for the outsourcing of the Group's transmission services to support both radio and television broadcasting. In addition to the prepayment disclosed in Note 11 b) the Group is committed to annual fees through to September 2034.

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. Twenty eight leases were renegotiated during the year resulting in a total net lease liability and ROU remeasurements of \$1.0 million.

24. 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:

	2024	2023
	\$'000	\$'000
Depreciation charge of right-of-use assets		
Premises	9,244	9,116
IT equipment	1,410	1,364
Vehicles	235	281
	10,889	10,761
Interest expense on lease liabilities	6,564	6,576

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 2024:

	30 June 2024	30 June 2023
	'\$000	'\$000
Lease Liabilities		
Current	7,752	7,105
Non Current	120,523	122,936
Total lease liabilities	128,275	130,041

The associated right-of-use assets as at 30 June 2024 by asset class:

	30 June 2024	30 June 2023
	'\$000	'\$000
Premises	97,964	104,147
IT Equipment	5,917	4,872
Vehicles	847	704
Total right-of-use asset	104,728	109,723

24. Leases and Other Commitments (continued)

At 30 June 2024, the total cash outflow for leases was \$13.9 million (2023: \$13.1 million) and additions to the right-of-use asset was \$4.6 million (2023: \$8.2 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.

25. 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.

26. 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 \$18.7 million (2023: \$16.8 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

26. 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 2024 or 2023 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.

26. 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 2023 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 consolidated financial statements.

Consolidated Entity Disclosure Statement

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of business/ Country of incorporation	Australian resident or foreign resident
Southern Cross Media Group Limited	Body Corporate	-	n/a	Australia	Australian Resident
Refer list of relevant entities in (a) below	Body Corporate	-	100%	Australia	Australian Resident
Digital Radio Broadcasting Gold Coast Pty Ltd	Body Corporate	-	66.7%	Australia	Australian Resident
Digital Radio Broadcasting Hobart Pty Ltd	Body Corporate	-	66.7%	Australia	Australian Resident
Perth FM Facilities Pty Ltd	Body Corporate	-	67%	Australia	Australian Resident

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

(a) The following entities are all Body Corporates, 100% owned, incorporated in Australia, operating and tax resident in Australia:

Southern Cross Media Australia Holdings Pty Limited	Today FM Sydney Pty Ltd
SCMG Investments Pty Ltd	Today FM Brisbane Pty Ltd
ACN 159 751 443 Pty Ltd	Triple M Network Pty Ltd
Southern Cross Media No. 1 Pty Limited	Triple M Melbourne Pty Ltd
Southern Cross Media No. 2 Pty Limited	Triple M Adelaide Pty Ltd
Southern Cross Austereo Pty Limited	Triple M Sydney Pty Ltd
Southern Cross Media Services Pty Limited	Triple M Brisbane Pty Ltd
Southern Cross National Network Pty Ltd	Gold Coast FM Pty Ltd
Austereo Group Pty Ltd	Sea FM Central Coast Pty Limited
VRB Pty Ltd	Gold Radio Service Pty Limited
SCA Digital Pty Ltd	Rockhampton Broadcasting Co. Pty Limited
Austereo International Pty Ltd	Maryborough Broadcasting Company Pty Limited
Austereo Entertainment Pty Ltd	FNQ Broadcasters Townsville Pty Limited
Austereo E S P Finance Pty Ltd	FNQ Broadcasters Cairns Pty Limited
Austereo Online Pty Ltd	Whitsundays Broadcasters Pty Limited
Austereo Capital FM Pty Ltd	Rockhampton Transmission Facility Pty Limited
Radio Newcastle Pty Ltd	The Radio.com.au Pty Ltd
Consolidated Broadcasting System (WA) Pty Ltd	Great Southern Land Broadcasters Pty Ltd
Perth FM Radio Pty Ltd	Harbour View Radio Pty Limited
Today Radio Network Pty Ltd	River View Radio Pty Limited

Consolidated Entity Disclosure Statement (continued)

(a) continued

Sea FM Gold Coast Pty Limited	Great Northern Broadcasters Pty Ltd
Central Coast Radio Pty Ltd	Geraldton FM Pty Ltd
Regional Radio Broadcasters Pty Limited	Greater Cairns Radio Pty. Limited
Town and Coastal Broadcasters Australia Pty Limited	Mid-Districts Radio Pty Ltd
Forsby Pty Ltd	Esperance Broadcasters Pty Ltd
Third National Network Australia Pty Ltd	North West Broadcasters Pty Ltd
Burl Rose Pty Ltd	Radio 6AM Pty Ltd
Goulburn Valley Border Venture Pty Ltd	Belcap Investments Pty Ltd
Votrant No. 691 Pty Limited	North West Radio Pty Ltd
Goulburn and Border Broadcasters Pty Limited	Spirit Radio Network Pty Ltd
Regional Radio No. 2 Pty Ltd	Townsville Broadcasters Pty Ltd
Votrant No. 620 Pty Ltd	Barrier Reef Broadcasting Proprietary Limited
Dubbo FM Radio Pty Ltd	Nessan Pty Ltd
Radio 2LF Pty Ltd	North Queensland Broadcasting Corporation Pty Ltd
Central Coast No. 2 Pty Ltd	National Radio Sales Australia Pty Ltd
Clainew Pty Ltd	Mackay Transmission Facility Pty Ltd
Bassfar Pty Limited	Australian Regional Broadcasters Pty Ltd
South Eastern Broadcasters Pty Ltd	Southern Cross Austereo Services Pty Ltd
Radio 2GZ Pty Ltd	Regional Media No. 1 Pty Limited
Commercial Radio Coffs Harbour Pty Ltd	Regional Media No. 2 Pty Limited
Mid-Coast Broadcasters Pty Ltd	Southern Cross Broadcasting (Australia) Pty Limited
Radio Albury Wodonga Pty Limited	Southern Cross Sales Pty Ltd
Riverina Broadcasters (Holdings) Pty Ltd	Southern Cross Communications Pty Limited
Radio 3B0 Pty Ltd	Southern Cross Austereo Treasury Pty Ltd
Radio 3CV Pty Ltd	Australian Capital Television Pty. Limited
Radio 2RG Pty Ltd	Regional Television Pty Limited
Radio 3MA Pty Ltd	Southern Cross Telecommunications Pty Ltd
Veneta Pty Ltd	Northern Rivers Television Pty Ltd
Regional Broadcasters Australia Pty Ltd	Southern Cross Television (TNT9) Pty. Limited
Tablelands Broadcasting Pty Ltd	Southern Cross Network (Production) Pty. Ltd.
West Australian Radio Network Pty Ltd	Spencer Gulf Telecasters Pty Limited
Radio West Broadcasters Pty Ltd	Broken Hill Television Pty Limited
Elldale Pty Ltd	Video Central Pty Ltd
Redwave Media Pty Ltd	

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 35 to 84 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.'
5. In the directors' opinion, the Consolidated Entity Disclosure Statement set out on pages 85 to 86 is true and correct.

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

On behalf of the directors



Heith Mackay-Cruise
Chairman
Sydney, Australia
29 August 2024



John Kelly
Managing Director
Sydney, Australia
29 August 2024



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 2024 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 financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- 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, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- 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.



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.

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

Impairment assessment for Broadcast Radio indefinite lived intangible assets (Refer to note 9)

As described in note 9, the directors' determined that Broadcast Radio and Digital Audio, formerly comprising the Audio cash generating unit (CGU), had independent cash inflows and therefore at 30 June 2024 have been identified as separate CGUs.

The Group has significant indefinite lived intangible assets in the Broadcast Radio CGU, totalling \$362.9 million as at 30 June 2024. 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"). At 30 June 2024, the Group recognised an impairment charge of \$326.1 million in relation to the Broadcast Radio CGU licences.

This was a key audit matter due to the size of the indefinite lived intangible assets in the Broadcast Radio CGU and on the basis that the impairment test involves judgemental estimates of future profits and cash flows.

How our audit addressed the key audit matter

In performing our audit work we considered, amongst other things:

- whether the Group's identification of CGUs is 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 Broadcast Radio CGU's recoverable amount.

To evaluate the model prepared for the directors' impairment assessment, with assistance from PwC valuation experts in aspects of our work, we performed the following procedures, amongst others:

- sample tested the mathematical accuracy of the model's calculations



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<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
	<ul style="list-style-type: none">assessed the appropriateness of the discount rate incorporated in the model in consideration of the forecasted cash flowsassessed the appropriateness of the significant assumptions within the model compared to observable market information where availableevaluated the Group's historical ability to forecast future cash flows by comparing forecast cash flows with reported actual performanceconsidered whether the model's allocation of corporate costs between CGUs was appropriate and reflective of actual costs incurredassessed the sensitivity of changes in significant assumptions incorporated in the modelcompared the Group's valuation to external data sources including broker reports. <p>We evaluated the reasonableness of the disclosures in note 9 in light of the requirements of Australian Accounting Standards.</p>
<p><i>Indefinite lives classification of intangible assets</i> <i>(Refer to note 8)</i></p> <p>As at 30 June 2024, the Group has intangible assets totalling \$370.3 million, including Radio Broadcasting Licences, Brands and Tradenames classified as indefinite lived intangible assets.</p> <p>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</p>	<p>In assessing the classification of indefinite useful lived intangible assets, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none">considered relevant regulatory developments in the year which could change the licence renewal process or use of the brandsassessed whether there had been any revocation of radio licences by Australian Communications and Media Authority (ACMA) in the yearconsidered the forecasted growth of the



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Key audit matter	How our audit addressed the key audit matter
consolidated statement of comprehensive income.	<p data-bbox="981 443 1364 470">associated cash flows of the assets</p> <ul data-bbox="933 504 1476 739" style="list-style-type: none"><li data-bbox="933 504 1476 560">• evaluated the directors' strategic plans for the intended use of the assets<li data-bbox="933 593 1476 739">• 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. <p data-bbox="885 772 1460 866">We considered the reasonableness of the disclosures in note 8 with regard to Australian Accounting Standards.</p>

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 2024, 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. We have issued a separate opinion on the remuneration 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 the Directors' Report for the year ended 30 June 2024.

In our opinion, the remuneration report of Southern Cross Media Group Limited for the year ended 30 June 2024 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.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Trevor Johnston', written over a light blue horizontal line.

Trevor Johnston
Partner

Melbourne
29 August 2024