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ASX RELEASE

17 December 2024

SCA to sell 3-Agg television licences to Network 10

On 28 August 2024, Southern Cross Media Group Limited (ASX: SXL) (**SCA**) announced that it had re-commenced a strategic review of its non-core regional television assets and was in active negotiations with several parties with an interest in acquiring those assets.

As the first outcome of that strategic review, SCA announces that it has signed heads of agreement for the sale of its television licences in the three aggregated markets of Queensland, southern New South Wales and Victoria (**3-Agg Markets**) to Network 10. SCA currently broadcasts Network 10 programs under regional affiliation arrangements in these markets.

Completion of the sale is subject to execution of final transaction documentation by the parties and SCA's broadcast transmission, distribution and playout service providers, and satisfaction of customary conditions including receipt of foreign investment approval. The parties aim to complete these matters by the end of February 2025.

The terms of the sale provide that SCA will be entitled to receive a share of the profit of the 3-Agg Market licences for five years after completion of the sale (**Participation Period**). Integration of the 3 Agg-Market licences under Network 10's ownership and control will deliver an improved and more sustainable earnings outcome compared to SCA's current earnings profile under its regional affiliation arrangements with Network 10.

The consideration to be received by SCA will be dependent on advertising market conditions over the Participation Period and will be paid quarterly in arrears. Based on current and forecast advertising market conditions, SCA currently expects the aggregate gross consideration to be received by SCA over the Participation Period to be in the range of $15 million to $20 million. The net present value of this gross consideration on completion of the sale is expected to be in the range of $10 million to $15 million.

SCA will also be entitled to a share of any "digital dividend" received by Network 10 if Network 10 surrenders its spectrum in the 3-Agg Markets to the Government during the Participation Period. On 1 November 2024, the Minister for Communications, Michelle Rowland, announced the Government's intention to "explore pathways for the future of television, shaped by the possibility of realising a digital dividend" while also stating that the Government had not "identified, or decided to yield, a digital dividend." There is accordingly no current proposal for the Government to pay a digital dividend to Network 10 or any other television broadcaster at any time.

Network 10 will commence operating the 3-Agg Market licences from completion of the sale. SCA will retain its local salesforce in the 3-Agg Markets and will provide third party local advertising sales representation services in the 3-Agg Markets for Network 10 during the Participation Period on commercial terms under an advertising sales services agreement.

SCA has agreed with BAI Communications to excise broadcast transmission services for the 3-Agg Markets from SCA's ongoing contract with BAI Communications and, as a condition precedent to completion of the sale, Network 10 and BAI Communications are to enter a new contract for broadcast transmission services for the 3-Agg Markets for the remaining term expiring on 1 September 2034. SCA will be liable for termination fees under that new contract if Network 10

Southern Cross Media Group Limited
Level 2, 101 Moray Street, South Melbourne VIC 3205
ABN 91 116 024 536

exercises a right to terminate the contract for convenience after expiry of the Participation Period but would also be eligible to an offsetting share of any digital dividend received by Network 10 upon surrender of spectrum to the Government between the end of the Participation Period and 1 September 2034. SCA expects to recognise a liability in its full year FY25 financial report in the range of $3 million to $5 million in relation to that liability. In accordance with applicable Australian accounting standards, calculation of this liability will consider the probability of any liability crystallising due to Network 10 terminating its contract with BAI during that period.

SCA has received interest from several other parties and continues to be in active negotiations regarding sale of SCA's television assets in Tasmania, Spencer Gulf/Broken Hill, Darwin, Remote Central and Eastern Australia (including the Viewer Access Satellite Television service). SCA will update shareholders on the progress of these negotiations in accordance with its continuous disclosure obligations.

SCA intends to apply the proceeds of the sale of its television assets towards reducing its net debt.

Approved for release by the Board of directors.

For further information, please contact:

Southern Cross Media Group Limited

Investors:
Tim Young
Chief Financial Officer
Tel: 03 9922 2036

Media:
Jane Elliott - Sound Story
sca@soundstory.com.au

About Southern Cross Austereo

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

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