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Wednesday, 12 November 2025

Scheme Meeting approved and Scheme Booklet registered

Seven West Media Limited (ASX: SWM) provides the following update on the proposed acquisition of SWM by Southern Cross Media Group Limited (ASX: SXL) (**Southern Cross**) by way of scheme of arrangement (**Scheme**).

First Court Hearing
The Supreme Court of New South Wales has made orders:

- that SWM convene a meeting of SWM shareholders to consider and vote on the proposed scheme of arrangement (**Scheme Meeting**); and
- approving the dispatch to SWM shareholders of an explanatory statement providing information about the Scheme and the notice of Scheme Meeting (**Scheme Booklet**).

Scheme Booklet
SWM confirms that the Scheme Booklet has now been registered with the Australian Securities and Investments Commission. A copy of the Scheme Booklet is attached and will also be available on SWM's website: https://www.sevenwestmedia.com.au/scheme.

The Scheme Booklet provides SWM shareholders with important information about the Scheme. SWM shareholders are advised to carefully read the Scheme Booklet in its entirety, including the Independent Expert's Report, before deciding how to vote on the Scheme.

Further details will be sent to SWM shareholders shortly as follows:

- SWM shareholders who have previously elected to receive communications electronically will receive an email to their nominated email address containing instructions about how to view or download a copy of the Scheme Booklet and the notice of Scheme Meeting, as well as instructions on how to lodge their proxy form;
- SWM shareholders who have elected to receive hard copies of all communications from SWM will receive a letter (by post to their registered address) with a physical copy of the Scheme Booklet and the notice of Scheme Meeting, and a personalised proxy form; and
- Otherwise SWM shareholders will receive a letter (by post to their registered address) containing instructions about how to view or download a copy of the Scheme Booklet and the notice of Scheme Meeting, as well as a physical copy of the proxy form.

Recommendation of the SWM Board
The SWM Board unanimously recommends that SWM shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SWM shareholders. Subject to the same qualification, each member of the SWM Board intends to vote, or procure the voting of, any SWM shares held or controlled by them, in favour of the Scheme.

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SGH Voting Intention
The Board of SGH Limited (ASX:SGH) has indicated that it intends to vote its 40.2% stake in SWM in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SWM Shareholders.

Independent Expert's Report
The Independent Expert's Report contained in the Scheme Booklet was prepared by Lonergan Edwards & Associates. The Independent Expert has concluded that the Scheme is in the best interests of SWM shareholders, in the absence of a superior proposal.

The Independent Expert's conclusion should be read in the context of the full Independent Expert's Report and the Scheme Booklet.

Scheme Consideration
If the Scheme is approved and implemented, SWM shareholders will receive 0.1552 new Southern Cross shares for every SWM share they hold at 7:00pm (Sydney time) on the Scheme Record Date.

Scheme Meeting
The Scheme Meeting will be held at 10:00am (Sydney time) on Monday, 22 December 2025. The Scheme Meeting will be held in person at Level 6, 8 Central Avenue, Eveleigh, NSW 2015. SWM shareholders (or their proxies, attorneys or corporate representatives) will be able to attend and vote at the Scheme Meeting in person.

The proposed date for announcement of the ACCC's findings in relation to the Scheme is currently 18 December 2025. If the ACCC condition precedent or any of the regulatory approval conditions precedent remains outstanding at 5:00pm (Sydney time) on Thursday, 18 December 2025, the SWM Board will postpone the Scheme Meeting until such time as the outstanding regulatory approvals have been obtained. SWM Shareholders should monitor SWM's website and ASX announcements for any changes to the current timetable.

SWM shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting. SWM shareholders who prefer to register questions in advance of the meeting are also invited to do so by submitting questions via https://www.votingonline.com.au/swmscheme.

All registered SWM shareholders as at 7:00pm (Sydney time) on 20 December 2025 will be eligible to vote at the Scheme Meeting.

All SWM shareholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the Scheme Meeting in person or by proxy, attorney or corporate representative.

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Key dates

Event	Time and date
Date of the Scheme Booklet	12 November 2025
Latest time and date for receipt of proxy forms or powers of attorney by the SWM Share Registry for the Scheme Meeting	10:00am (Sydney time), 20 December 2025
Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm (Sydney time), 20 December 2025
Scheme Meeting	10:00am, 22 December 2025
If the Scheme is approved by SWM Shareholders	
Court hearing to approve the Scheme (Second Court Date)	23 December 2025
Effective Date Court order lodged with ASIC and announcement to ASX Last day of trading in SWM Shares – SWM Shares will be suspended from trading on ASX from close of trading	24 December 2025
New Southern Cross Shares commence trading on ASX on a deferred settlement basis	29 December 2025
Scheme Record Date (for determining entitlements to Scheme Consideration)	7:00pm (Sydney time), 30 December 2025
Implementation Date Provision of Scheme Consideration	7 January 2026
New Southern Cross Shares trading commences on an ordinary settlement basis and expected despatch of holding statements	8 January 2026

All times and dates in the above timetable are references to the time and date in Sydney, Australia and all such times and dates are subject to change. Certain times and dates are conditional on the approval of the Scheme by SWM Shareholders, regulatory authorities and by the Court. Any changes will be announced by SWM to the ASX.

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Shareholder Information Line
If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the SWM Shareholder Information Line on 1300 658 739 (within Australia) or +61 2 8016 2892 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.

This announcement has been authorised to be given to ASX by the Board of Seven West Media.

For more information, please contact:

Investors / Analysts:	**Media:**
Craig Haskins chaskins@seven.com.au 02 8777 7277	Kaycie Bradford kabradford@seven.com.au 0400 002 664

About Seven West Media

Seven West Media (ASX: SWM) is one of Australia's most prominent media companies, reaching more than 19 million people a month with a market-leading presence across broadcast television, publishing and digital.

The company owns some of Australia's most renowned media businesses and platforms, including the Seven Network and its affiliate channels 7two, 7mate, 7flix and 7Bravo; 7plus; 7NEWS.com.au; *The West Australian*; *The Sunday Times*; PerthNow; The Nightly and Streamer.

The Seven Network is home to Australia's most loved news, sport and entertainment programming, including **7NEWS**, **7NEWS Spotlight**, **Sunrise**, **The Morning Show**, **The Voice**, **Home and Away**, **Australian Idol**, **My Kitchen Rules**, **Farmer Wants A Wife**, **The Chase Australia**, **Better Homes and Gardens**, **The 1% Club**, **The Front Bar** and the ***TV WEEK* Logie Awards**. The Seven Network is also the broadcast partner of the **AFL**, **Cricket Australia**, **Supercars**, the **2026 Rugby League World Cup** and the **Glasgow 2026 Commonwealth Games**.

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Scheme Booklet

For a scheme of arrangement between Seven West Media Limited ACN 053 480 845 and its shareholders in relation to the proposed acquisition by Southern Cross Media Group Limited ACN 116 024 536.

VOTE IN FAVOUR

Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of Seven Shareholders, in the absence of a superior proposal.

This is an important document and requires your immediate attention. You should read it entirely before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.

Financial Adviser

Barrenjoey

Legal Adviser

HERBERT SMITH FREEHILLS KRAMER

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Important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting.

Nature of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to Seven Shareholders, or a solicitation of an offer from Seven Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, Seven Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with paragraph 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearings to approve the Scheme.

A copy of this Scheme Booklet has been provided to the ASX. Neither the ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Seven Shareholders should vote (on this matter Seven Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure 5.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any Seven Shareholder may appear at the Second Court Hearing, currently expected to be held at 9:15am (Sydney time) on 23 December 2025 at the Supreme Court of New South Wales, Law Courts Building, 184 Phillip Street, Sydney, New South Wales, 2000. Any Seven Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Seven a notice of appearance in the prescribed form together with any affidavit that the Seven Shareholder proposes to rely on.

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Seven Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The Seven Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in section 8, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure 1. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

Forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of Seven or Southern Cross are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Seven or Southern Cross and / or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Seven, Southern Cross, or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

Any forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Seven and Southern Cross and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme

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Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

Implied value

The Scheme Consideration that Seven Shareholders will receive is New Southern Cross Shares. Any reference to the implied value of the Scheme Consideration should not be taken as an indication that the implied value is fixed. The implied value of the Scheme Consideration will vary with the market price of the New Southern Cross Shares.

If you are an Ineligible Foreign Shareholder, this also applies to the New Southern Cross Shares which will be issued to the Sale Agent and sold on ASX by the Sale Agent. Any cash remitted to you from the net proceeds of such sales will depend on the market price of Southern Cross Shares at the time of sale by the Sale Agent.

Responsibility statement

Seven has prepared, and is responsible for, the Seven Information. Neither Southern Cross nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Southern Cross has prepared, and is responsible for, the Southern Cross Information. Neither Seven nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Seven and Southern Cross have jointly prepared, and are jointly responsible for, the Combined Group Information.

Lonergan Edwards & Associates has prepared the Independent Expert's Report (as set out in Annexure 1) and takes responsibility for that report. None of Seven or Southern Cross or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of Seven, in relation to the information which it has provided to the Independent Expert.

KPMG has prepared the Investigating Accountant's Report (as set out in Annexure 2) and takes responsibility for that report. None of Seven or Southern Cross or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Investigating Accountant's Report, except, in the case of Seven, in relation to the information which it has provided to the Investigating Accountant.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

This Scheme Booklet and the Scheme do not in any way constitute an offer of shares in any place in which, or to any person to whom, it would be unlawful to make such an offer.

If you are an Ineligible Foreign Shareholder, you will not be able to receive New Southern Cross Shares. New Southern Cross Shares that would otherwise be issued to these shareholders under the Scheme will be issued to the Sale Agent to be sold on ASX, with the Sale Proceeds to be paid to Ineligible Foreign Shareholders, after deducting applicable brokerage, taxes, duty, currency conversion costs and other costs and charges. For details regarding Ineligible Foreign Shareholders you should refer to section 4.2(b).

Seven Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Notice to Shareholders in New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conducts Act 2013 or any other New Zealand law.

The offer of New Southern Cross Shares under the Scheme is being made to existing shareholders of Seven in reliance upon the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

Notice to Shareholders in Hong Kong

The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

For personal use only

Copies of this Scheme Booklet may be issued to Seven Shareholders in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of Seven Shareholders in connection with the Scheme. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Scheme by Seven Shareholders.

Notice to Shareholders in Italy

This Scheme Booklet is not a prospectus under Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). Therefore, the Scheme Booklet has not been, and will not be, registered with or approved by any securities regulator in Italy or elsewhere in the European Union. Accordingly, this Scheme Booklet may not be made available, nor may the Southern Cross Shares be offered for sale or exchange, in Italy except in circumstances that do not require the obligation to publish a prospectus under the Prospectus Regulation.

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Southern Cross Shares in Italy is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 other natural or legal persons; and
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Notice to Shareholders in the United Kingdom

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Southern Cross Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Southern Cross Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Seven or Southern Cross.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

Financial amounts and effects of rounding

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in the Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Sydney, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

External websites

Unless expressly stated otherwise, the content of the websites of Seven and Southern Cross do not form part of this Scheme Booklet and Seven Shareholders should not rely on any such content.

Privacy

Seven may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in Seven and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist Seven to conduct the Scheme Meeting and implement the Scheme. Without this information, Seven may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Seven Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, related bodies corporate of Seven, Government Agencies, and also where disclosure is otherwise required or allowed by law. Seven Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the Seven Share Registry in connection with Seven Shares, please contact the Seven Share Registry. Seven Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how Seven collects, uses and discloses personal information is contained in Seven's Privacy Policy located at https://sevenwestmedia.com.au/privacy-policies/.

Date of Scheme Booklet

This Scheme Booklet is dated 12 November 2025.

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Letter from the Chairman of the Seven Board

Dear Seven Shareholder,

On behalf of the Seven Board, I am pleased to present you with this Scheme Booklet containing information in relation to the proposed acquisition of Seven by Southern Cross by way of a scheme of arrangement (**Scheme**).

Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.[1, 2]

Background to the Scheme

On 30 September 2025, Seven and Southern Cross announced that they had entered into a Scheme Implementation Deed in relation to the Scheme under which it is proposed that Southern Cross will acquire all of Seven's issued shares.

The Scheme:

- combines two highly complementary businesses with strong positions in the Australian advertising market across their free-to-air television, streaming, audio, digital and publishing assets;
- brings together some of the leading creators of media content in the country, creating a stronger, combined business which is better able to serve both metropolitan and regional viewers, listeners, partners and advertisers; and
- delivers significant financial and strategic advantages which have the opportunity to provide benefit for both sets of shareholders.

Details of the Scheme

Under the Scheme, you will be entitled to receive 0.1552 Southern Cross Shares for each Seven share that you own. Following implementation of the Scheme, existing Seven Shareholders will own 49.9% of the Combined Group, with Southern Cross shareholders owning the remaining 50.1%.

The Scheme can only proceed if, among other conditions, the Requisite Majorities of Seven Shareholders approve it. This requires more than 50% of shareholders present and voting and at least 75% of votes cast at the scheme meeting to be in favour of the scheme. The Scheme also requires court approval, various regulatory approvals

[1] Seven Shareholders should, in considering this recommendation, note that (as detailed in section 5.11(b) of this Scheme Booklet), if the Scheme becomes Effective, the following will occur in relation to the equity incentives held by Jeff Howard (Managing Director and Chief Executive): vesting of 32.5% of his FY25 LTI performance rights equal to 2,660,446 Seven Shares or 412,902 Southern Cross Shares based on the Scheme Consideration of 0.1552 Southern Cross Shares for each Seven Share. Based on the closing price of Southern Cross Shares on the Last Practicable Date, these 412,902 Southern Cross Shares would be equal to $357,160.23 and will be subject to a holding restriction to 30 June 2028. Despite this interest in the outcome of the Scheme, Mr Howard considers that, given the importance of the Scheme and his role as Managing Director and Chief Executive Officer, it is important and appropriate for him to provide a recommendation to Seven Shareholders in relation to the Scheme. Additionally, the Seven Board (excluding Mr Howard) also considers that it is appropriate for Mr Howard to make a recommendation on the Scheme given his role.

[2] Chairman and Non-Executive Director, Mr Kerry Stokes AC, has a Relevant Interest in 700,000 Southern Cross Shares (see section 5.12(a)) with an approximate value of $609,000 calculated based on the closing price as at the Last Practicable Date. This is viewed as immaterial in the context of his Relevant Interest in Seven, which is 622,255,884 Seven West Media securities (see section 5.10) with an approximate value of $87,115,823.76 calculated based on the closing price as at the Last Practicable Date.

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including ACCC and the ACMA, and is subject to other customary conditions precedent which are detailed at section 4.3.

In connection with the Transaction, Southern Cross and Seven have agreed that Jeff Howard will be the Managing Director and Chief Executive Officer of the Combined Group and John Kelly will assume the role of Group Managing Director, Audio. Kerry Stokes AC will assume the role of Chair of the board of the Combined Group until stepping down from the Board at the end of February 2026 and transitioning the role to Heith Mackay-Cruise. The board of the Combined Group will, in addition to Jeff Howard as Chief Executive Officer, initially comprise four representatives from the Seven Board (being Kerry Stokes AC, Teresa Dyson, Michael Malone and Ryan Stokes AO) and three representatives from the Southern Cross Board (being Heith Mackay Cruise, Ido Leffler and Marina Go). Mr Leffler has indicated his intention to support the board of the Combined Group through the acquisition and stand down no later than 30 June 2026.

Seven Directors' recommendation

Your Directors unanimously recommend that you **vote in favour** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of shareholders.[3]

Subject to the same conditions, each Seven Director intends to vote all their shares in favour of the Scheme.

In assessing the Scheme, the Seven Board has considered the advantages and disadvantages of the Scheme. These are set out in more detail at section 1.1 (reasons to vote in favour) and section 1.2 (reasons to vote against) of this Scheme Booklet.

In particular, the advantages (see section 1.1 for more detail) include the below considerations:

- it is expected that the proposed transaction will result in annual pre-tax cost synergies of $25 million to $30 million, as assessed under preliminary synergy assessment conducted by both Seven and Southern Cross;
- the combined business will be strongly positioned to attract and grow high value audiences (including the key 25 – 54 demographic) and become an attractive advertising destination, creating opportunities to generate material revenue synergies which continue to be assessed;
- Seven is required to compete with both local media companies as well as international content giants such as Google, Netflix, Amazon Prime and Disney Plus, making a scale digital offering pivotal to remaining competitive and relevant in the fast-changing media advertising environment; and
- the combined business will have materially greater market scale, reach, financial profile, free float, liquidity and investor relevant, providing benefits to both Seven and Southern Cross shareholders.

The $25 million to $30 million of annual pre-tax cost synergies are expected to be delivered within 18 to 24 months of implementation of the Transaction, further work continues to examine potential revenue synergy quantification. The cost synergies are primarily anticipated to come from:

[3] Seven Shareholders should, in considering this recommendation, note that (as detailed in section 5.11(b) of this Scheme Booklet), if the Scheme becomes Effective, the following will occur in relation to the equity incentives held by Jeff Howard (Managing Director and Chief Executive): vesting of 32.5% of his FY25 LTI performance rights equal to 2,660,446 Seven Shares or 412,902 Southern Cross Shares based on the Scheme Consideration of 0.1552 Southern Cross Shares for each Seven Share. Based on the closing price of Southern Cross Shares on the Last Practicable Date, these 412,902 Southern Cross Shares would be equal to $357,160.23 and will be subject to a holding restriction to 30 June 2028.

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- reduction in costs from duplicated spend including listing costs, back office and corporate services;
- improved unit economics through pooled volume and services;
- improvements and efficiencies in systems and processes; and
- consolidation of the Combined Group's property footprint, with multiple locations identified where duplication exists.

In addition, the Scheme is expected to be value accretive for both Seven Shareholders and Southern Cross shareholders, noting that the expected cost synergies may not be delivered until 18 to 24 months after implementation.

In considering the disadvantages of the Scheme, the Seven Board noted that the reasons to vote against the Scheme (see section 1.2 for more detail) may include that:

- you may disagree with the Seven Directors' unanimous recommendation and the Independent Expert's conclusion;
- you may believe it is in your best interests to maintain your current investment and risk profile;
- you may believe that there is potential for a Superior Proposal to emerge;
- there are risks associated with implementing the Scheme and integrating Seven and Southern Cross, which you may consider exceed the benefits of the Scheme; and
- the tax consequences of transferring your Seven Shares pursuant to the Scheme may not be attractive to you.

The Board of SGH Limited (ASX:SGH) has indicated that it intends to vote its 40.2% stake in Seven in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven shareholders.

Independent Expert's opinion

The Seven Directors appointed Lonergan Edwards & Associates as the Independent Expert to assess the merits of the scheme of arrangement. The Independent Expert has concluded that the Scheme is in the best interests of Seven shareholders, in the absence of a Superior Proposal.

A copy of the Independent Expert's Report is included in Annexure 1. You should carefully read the Independent Expert's Report in its entirety before making a decision on how to vote on the scheme of arrangement.

Southern Cross has also engaged Kroll Australia Pty Ltd to prepare an independent expert's report for Southern Cross Shareholders despite the independent expert's report not being legally required nor are Southern Cross Shareholders required to vote. The SCA Independent Expert has concluded that the Scheme is in the best interests of Southern Cross shareholders, in the absence of a superior proposal.

What should you do?

The Scheme can only be implemented if approved by Seven Shareholders at the Scheme Meeting which is scheduled for 10:00am (Sydney time) on 22 December 2025 at Level 6, 8 Central Avenue, Eveleigh NSW 2015.

Your vote is important and I encourage you to vote by attending the Scheme Meeting or alternatively by completing the proxy form accompanying this Scheme Booklet. If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme so that it is approved.

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The proposed date for announcement of the ACCC's findings in relation to the Scheme is currently 18 December 2025. **If the ACCC condition precedent or any of the regulatory approval conditions precedent remain outstanding at 5:00pm (Sydney time) on 18 December 2025, the Seven Board will postpone the Scheme Meeting until such time as the outstanding regulatory approvals have been obtained.** Seven Shareholders should monitor Seven's website and ASX announcements for any changes to the current timetable.

Further information

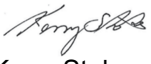
You should carefully read this Scheme Booklet in its entirety before making any decision in relation to the scheme of arrangement.

If you have any questions, please contact the Seven Shareholder Information Line on 1300 658 739 (within Australia) or +61 2 8016 2892 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

On behalf of the Seven Board, I would like to take this opportunity to thank you for your continued support of Seven.

Yours sincerely,



Kerry Stokes AC

Chairman

Seven West Media Limited

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Key dates

Event	Time and date
First Court Date	12 November 2025
Date of this Scheme Booklet	12 November 2025
Latest time and date for receipt of proxy forms or powers of attorney by the Seven Share Registry for the Scheme Meeting	10:00am (Sydney time), 20 December 2025
Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm (Sydney time), 20 December 2025
Scheme Meeting	10:00am, 22 December 2025
If the Scheme is approved by Seven Shareholders	
Court hearing to approve the Scheme (Second Court Date)	23 December 2025
Effective Date Court order lodged with ASIC and announcement to ASX Last day of trading in Seven Shares – Seven Shares will be suspended from trading on ASX from close of trading	24 December 2025
New Southern Cross Shares commence trading on ASX on a deferred settlement basis	29 December 2025
Scheme Record Date (for determining entitlements to Scheme Consideration)	7:00pm (Sydney time), 30 December 2025
Implementation Date Provision of Scheme Consideration	7 January 2026
New Southern Cross Shares trading commences on an ordinary settlement basis and expected despatch of holding statements	8 January 2026

Note: The proposed date for the announcement of the ACCC's findings in relation to the Scheme is currently 18 December 2025. If the ACCC condition precedent or any of the regulatory approval conditions precedent remain outstanding at 5:00pm (Sydney time) on 18 December 2025, the Seven Board will postpone the Scheme Meeting until such time as the outstanding regulatory approvals have been obtained. Seven Shareholders should monitor Seven's website and ASX announcements for any changes to the current timetable.

All times and dates in the above timetable are references to the time and date in Sydney, Australia and all such times and dates are subject to change. Certain times and dates are conditional on the approval of the Scheme by Seven Shareholders, regulatory authorities and by the Court. Any changes will be announced by Seven to the ASX.

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1 Key considerations relevant to your vote

1.1 Why you should vote in favour of the Scheme

(a) **The Seven Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders**

The Seven Directors unanimously recommend that Seven Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in Seven Shareholders' best interests.[4]

Subject to those same qualifications, each Seven Director intends to vote all their Seven Shares in favour of the Scheme. The interests of the Seven Directors in Seven Shares are set out in section 5.10.

In reaching their recommendation, the Seven Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Booklet. The Seven Directors have concluded that a combination of Seven and Southern Cross makes strong commercial and financial sense, with expected benefits to both sets of shareholders.

The Board of SGH Limited (ASX:SGH) has indicated that it intends to vote its 40.2% stake in Seven in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven shareholders.

(b) **The Independent Expert has concluded that the Scheme is in your best interests, in the absence of a Superior Proposal**

The Seven Board appointed Lonergan Edwards & Associates as Independent Expert to undertake an independent assessment of the Scheme, prepare an Independent Expert's Report and provide an opinion as to whether the Scheme is in the best interests of Seven Shareholders.

The Independent Expert has analysed both the Seven and Southern Cross businesses and, in light of this analysis, has concluded that the Scheme is in the best interests of Seven Shareholders, in the absence of a Superior Proposal.

The reasons why the Independent Expert reached this conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure 1. The Seven Directors encourage you to read this report in its entirety.

(c) **If implemented, the Scheme will create a leading integrated total TV, audio and digital platform with extensive scale and reach across metropolitan and regional Australia**

The Scheme combines the complementary businesses of Seven and Southern Cross to create one of Australia's leading total TV, audio and digital platforms. The Combined Group will bring together Seven's leading television, streaming and publishing assets with

[4] Seven Shareholders should, in considering this recommendation, note that (as detailed in section 5.11(b) of this Scheme Booklet), if the Scheme becomes Effective, the following will occur in relation to the equity incentives held by Jeff Howard (Managing Director and Chief Executive): vesting of 32.5% of his FY25 LTI performance rights equal to 2,660,446 Seven Shares or 412,902 Southern Cross Shares based on the Scheme Consideration of 0.1552 Southern Cross Shares for each Seven Share. Based on the closing price of Southern Cross Shares on the Last Practicable Date, these 412,902 Southern Cross Shares would be equal to $357,160.23 and will be subject to a holding restriction to 30 June 2028.

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Southern Cross' leading audio networks, creating a diversified media organisation with extensive reach across free-to-air television, streaming, audio, digital and publishing.

The strategic benefits of the combination include the ability to attract and grow high-value audiences, particularly in the critical 25 to 54 age demographic where both companies have strong positions. The Combined Group will offer partners and advertisers access to audiences that can be monetised across all media platforms, significantly improving campaign targeting, reach and efficiency. This enhanced proposition is expected to strengthen the Combined Group's position in the Australian advertising market.

The Combined Group will also be better positioned to leverage content across combined platforms, with the benefit of a cohesive content strategy that combines news, sports and entertainment under a single streamlined offering. The scale and diversification of the Combined Group's operations are expected to provide improved resilience against the structural challenges facing traditional media businesses, including competition from international content platforms and changing consumer media consumption patterns.

(d) **The Scheme is expected to generate synergies for the Combined Group**

Implementation of the Scheme is expected to deliver at least $25 million to $30 million of annualised cost synergies within 18 to 24 months of implementation, further work continues to examine potential revenue synergy quantification.

These cost synergies are primarily expected to come from:

- reduction in costs from duplicated spend including listing costs, back office and corporate services;
- improved unit economics through pooled revenue and services;
- improvements and efficiencies in systems and processes; and
- consolidation of the Combined Group’s property footprint, with multiple locations identified where duplication exists.

The Seven Directors consider these synergies to be achievable based on preliminary synergy assessments conducted jointly by Seven and Southern Cross management.

Beyond the quantified cost synergies, the Combined Group is also expected to generate incremental revenue synergies by enhancing audience reach and advertising scale across combined platforms. The parties continue to assess the quantification and structure of these revenue synergies, which represent additional upside potential for shareholders of both Seven and Southern Cross. The ability to harness scaled data and insights across platforms to drive cross-promotion are expected to accelerate growth in audiences and revenue across both traditional and digital channels.

The expected synergies reflect benefits that are only available to the Combined Group and would not be achievable by either Seven or Southern Cross on a standalone basis. Seven Shareholders who retain their shares in the Combined Group following implementation of the Scheme will participate in the value creation from realisation of these synergies through their collective 49.9% ownership interest in the Combined Group.

(e) **Eligible Seven Shareholders are being offered shares in the Combined Group under the Scheme. This allows Eligible Seven Shareholders to participate in the expected benefits of combining Seven and Southern Cross, and provides Eligible Seven Shareholders with the opportunity to retain exposure to the media industry through an investment in a leading integrated total TV, audio and digital platform**

If the Scheme is implemented, Eligible Seven Shareholders will receive 0.1552 Southern Cross shares for each Seven share held on the Scheme Record Date. Upon

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implementation of the Scheme, Scheme Shareholders will own approximately 49.9% of the Combined Group.

These shares allow Seven Shareholders the opportunity to participate as shareholders in the Combined Group and to share in the expected benefits of combining Seven with Southern Cross, while retaining exposure to the media industry through a leading integrated total TV, audio and digital platform which Seven does not possess on a standalone basis. The benefits of combining Seven and Southern Cross are described throughout this section 1.1.

(f) **The Combined Group will have improved financial scale, market relevance and trading liquidity**

The Combined Group will have enhanced financial scale with combined annual revenue and underlying EBITDA on a pro-forma FY25 basis of approximately $1,961 million and $230 million, respectively (before synergies). This enhanced scale should improve the Combined Group's financial flexibility, balance sheet capacity and ability to invest in growth initiatives, whether organic or through strategic acquisitions.

The Combined Group is expected to benefit from improved market scale, reach, financial profile and free float relative to either Seven or Southern Cross on a standalone basis. The combination is expected to create a more liquid stock with a broader shareholder register and enhanced market capitalisation of approximately $423 million (based on closing prices as at the Last Practicable Date), which may improve the Combined Group's access to equity and debt capital markets.

This improved financial capacity and market position should better enable the Combined Group to fund investments in digital platforms, content creation and technology infrastructure necessary to compete effectively in the evolving media landscape, delivering operational leverage and financial strength to support both organic growth and capital management initiatives over time.

(g) **No Superior Proposal has emerged**

Since the Scheme was announced up until the date of this Scheme Booklet, no Superior Proposal has emerged.

The Seven Board is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge. The Seven Directors believe that it is unlikely that a Superior Proposal will emerge as substantial time has elapsed since the announcement of the transaction on 30 September 2025. Since that time, and up to the date of this Booklet, no Superior Proposal has been received.

If a Competing Proposal is received prior to the Scheme Meeting, this will be considered by the Seven Directors in accordance with their fiduciary duties, and the provisions in the Scheme Implementation Deed. The Scheme Implementation Deed also includes customary provisions regulating the way Seven can respond to Competing Proposals, as described in section 10.1 below.

The Seven Directors will keep you informed if a Superior Proposal emerges prior to the Scheme Meeting, and will make an announcement on ASX if required in accordance with its continuous disclosure obligations.

(h) **If the Scheme does not proceed, Seven's outlook as a standalone entity remains uncertain and the Seven share price may fall**

Since market close of $0.14 on 29 September 2025 (being the last day on which Seven Shares traded before the Scheme was announced), the Seven Share price remained unchanged at a closing price of $0.14 on the Last Practicable Date.

In addition, Seven continues to face challenges as a standalone business. The traditional broadcast television advertising market has experienced decline in recent years as

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audiences and advertising expenditure migrate to digital platforms and international streaming services. While Seven has made substantial progress in growing its 7plus platform, with daily active users increasing 27% to 484,000 in FY25, Seven faces indirect competition from well-capitalised global content and media giants including Google, Netflix, Amazon Prime and Disney Plus.

If the Scheme does not proceed, Seven's ability to compete effectively against these international content providers on a standalone basis may be constrained by limitations of scale in both audience reach and financial resources. Seven would continue to face pressure on traditional broadcast revenues without the benefit of the diversified revenue streams, enhanced advertising proposition and cost efficiencies that the proposed transaction with Southern Cross would provide.

(i) **Brokerage charges will not apply to the transfer of your Seven Shares**

You will not incur any brokerage charges on the transfer of your Seven Shares to Southern Cross under the Scheme.

It is possible that such brokerage charges (and, potentially GST on those charges) would be incurred if you dispose of your Seven Shares other than under the Scheme.

(j) **Australian resident Seven Shareholders may be eligible for scrip-for-scrip rollover relief**

Seven Shareholders who are Australian tax residents (and are not tax residents in any other country) and who make a capital gain from the disposal of their Scheme Shares may be eligible for scrip-for-scrip rollover relief. Scrip-for-scrip rollover relief allows these shareholders to defer the capital gain they make from the disposal of their Scheme Shares under the Scheme.

Seven is in the process of applying for a class ruling from the ATO on behalf of certain Seven Shareholders on certain matters, including the CGT implications for Australian resident Seven Shareholders on participating in the Scheme, including the availability for rollover relief. The final Class Ruling will not be issued by the ATO until after the Implementation Date. See section 9 for more information.

1.2 Why you may consider voting against the Scheme

(a) **You may disagree with the Seven Directors' unanimous recommendation and the Independent Expert's conclusion**

Despite the unanimous recommendation of the Seven Directors to vote in favour of the Scheme and the conclusion of the Independent Expert that the Scheme is in the best interests of Seven Shareholders, you may believe that the Scheme is not in your best interests. You may form your own view as to the value of Seven on a standalone basis, the value of the Combined Group, the likelihood of realising expected synergies, or the strategic merits of the combination, which differs from the assessment of the Seven Directors or the Independent Expert.

(b) **The value of the Southern Cross shares which form the Scheme Consideration is not certain and the implied value of the Scheme Consideration will vary between now and the Implementation Date**

As at 5 November 2025, being the Last Practicable Date prior to the date of this Booklet, the implied value of the Scheme Consideration was approximately 13.4 cents per Seven Share, based on the closing price of Southern Cross shares of 87 cents.

However, the implied value of the Scheme Consideration will vary over time depending on the prevailing Southern Cross share price. As a result of changes in market conditions, investor sentiment and the financial and operational performance of Southern Cross, the implied value of the Scheme Consideration is likely to change between the

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date of this Booklet, the date of the Scheme Meeting and the Implementation Date (being the date on which the Scheme Consideration is received).

In deciding whether to vote in favour of the Scheme, Seven Shareholders should carefully consider the current market price of Southern Cross shares and the potential for that price to fall or rise before the Southern Cross shares are issued under the Scheme on the Implementation Date. Following implementation of the Scheme, the price of Southern Cross shares may fall or rise based on market conditions and the Combined Group's financial and operational performance. If the price of Southern Cross shares falls, the value of the Southern Cross shares received as Scheme Consideration will decline. If the price of Southern Cross shares increases, the value of the Southern Cross shares received as Scheme Consideration will increase. Accordingly, there is no guarantee as to the future value of the Scheme Consideration to be received by Seven Shareholders if the Scheme is implemented.

(c) **You may believe it is in your best interests to maintain your current investment and risk profile**

You may prefer to keep your Seven Shares to preserve your investment in a listed company with the specific characteristics of Seven.

In particular, you may consider that, despite the risk factors relevant to Seven's potential future operations (including those set out in section 8), Seven may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Seven or may incur transaction costs in undertaking any new investment.

(d) **You may believe that there is potential for a Superior Proposal to emerge**

You may consider that a Superior Proposal could emerge in the future. As noted in section 1.1(g) above, the Seven Directors are, as at the date of this Scheme Booklet, not aware of, and have not received, any Superior Proposal. However, it remains possible that such a Superior Proposal may emerge, and the Seven Directors will keep you informed if a Superior Proposal emerges before the Scheme Meeting by making an announcement on ASX in accordance with Seven's continuous disclosure obligations.

(e) **There are risks associated with implementing the Scheme and integrating Seven and Southern Cross, which you may consider exceed the benefits of the Scheme**

As described in Section 1.1(d), implementation of the Scheme is expected to deliver $25 million to $30 million of annual pre-tax cost synergies within 18 to 24 months of implementation (excluding integration costs). However, you may believe that the integration of Seven and Southern Cross and the realisation of associated synergies is more complex than anticipated, may take more time to achieve than expected, or may not be fully realised.

There is a risk that unanticipated integration challenges may arise, that key employees may depart during the integration process, or that the costs of achieving the expected synergies may be higher than currently estimated. While both companies have undertaken preliminary synergy assessments, the actual benefits realised may differ from current expectations. Furthermore, while revenue synergies have been identified as an opportunity, these have not been quantified and their realisation is inherently more uncertain than cost synergies.

In addition, there are a number of other material risks associated with implementation of the Scheme, including risks relating to obtaining necessary regulatory approvals from the ACMA and ACCC, which may be granted subject to conditions or undertakings that could

impact the value proposition of the Scheme. These risks are set out in Section 8, which you should consider in detail.

(f) **The tax consequences of transferring your Seven Shares pursuant to the Scheme may not be attractive to you**

The tax consequences of the Scheme will depend on your personal situation. You may consider that the tax consequences of transferring your Seven Shares to Southern Cross pursuant to the Scheme are not attractive to you.

Seven Shareholders should read the tax implications of the Scheme outlined in section 9. However, section 9 is general in nature, and Seven Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Scheme.

1.3 Other considerations

(a) **The Scheme may be implemented even if you vote against the Scheme or you do not vote at all**

Regardless of whether you vote for or against the Scheme, abstain or do not vote at all, the Scheme may still be implemented if it is approved by the Requisite Majorities of Seven Shareholders and the Court, and the other Conditions Precedent are satisfied or waived (if applicable). If this occurs, your Seven Shares will be transferred to Southern Cross and you will receive the Scheme Consideration, notwithstanding that you did not vote or voted against the Scheme.

(b) **You may sell your Seven Shares on ASX at any time prior to suspension of Seven Shares from trading**

You should take into account that you may sell your Seven Shares on ASX at any time prior to the Effective Date if you do not wish to hold them and participate in the Scheme. However, you should note that you may not receive consideration equivalent to the implied value of the Scheme Consideration, and brokerage expenses on sale will be incurred. You should seek your own independent professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to sell your shares on market rather than participate in the Scheme.

(c) **Implications for Seven if the Scheme is not implemented**

If the Scheme is not approved by the Requisite Majorities of Seven Shareholders at the Scheme Meeting, or by the Court at the Second Court Hearing, or if the other Conditions Precedent are not satisfied or waived (if applicable), then:

- you will not receive the Scheme Consideration;
- your Seven Shares will not be transferred to Southern Cross (they will be retained by you);
- Seven will continue to operate as a standalone entity listed on ASX;
- you will continue to be exposed to the benefits and risks associated with an investment in Seven on a standalone basis;
- the advantages of the Scheme described in Section 1.1 will not be realised and the potential disadvantages of the Scheme described in Section 1.2 will not arise;
- Seven will continue to implement its business strategy as a standalone company; and
- in the absence of a Superior Proposal or speculation regarding a Competing Proposal, the Seven share price may fall given the ongoing structural challenges facing the business.

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Seven has incurred costs in respect of the Scheme prior to the date of this Booklet, including in relation to the conduct of negotiations with Southern Cross, retention of advisers, provision of information to Southern Cross, obtaining regulatory approvals, engagement of the Independent Expert, and preparation of this Booklet. If the Scheme is not implemented, Seven expects such transaction costs to be approximately $2.8 million (excluding GST).

(d) **Possible requirement to pay a Reimbursement Fee if the Scheme is not implemented**

As noted above, if the Scheme is not implemented, the parties will incur significant costs, including significant opportunity costs. To reflect this, a Reimbursement Fee of $2,154,796 may be payable by Seven to Southern Cross in certain circumstances, including:

- if any Seven Board member, withdraws, modifies or adversely qualifies their recommendation of the Scheme, or makes a public statement that they will not or intend not to vote their shares for the Scheme (other than in permitted circumstances);
- if a Competing Proposal is announced before or during the Exclusivity Period and completed within nine months of the date of such announcement; or
- if Southern Cross terminates the Scheme Implementation Deed due to a material breach by Seven or the occurrence of a Seven Material Adverse Change, Seven Prescribed Occurrence, or Seven Regulated Event, provided Southern Cross has given the required notice and the relevant event was within Seven's control.

A Reimbursement Fee may be payable by Southern Cross to Seven under certain circumstances, including:

- if Southern Cross exercises its right to terminate the Scheme Implementation Deed in respect of a Superior Proposal under its Fiduciary Right (detailed in Section 14.1(c) of the Scheme Implementation Deed);
- if a Competing Proposal is announced before or during the Exclusivity Period and completed within nine months of the date of such announcement; or
- if Seven terminates the Scheme Implementation Deed due to a material breach by Southern Cross or the occurrence of a Southern Cross Material Adverse Change, Southern Cross Prescribed Occurrence, or Southern Cross Regulated Event, provided Seven has given the required notice and the relevant event was within Southern Cross' control.

No Reimbursement Fee is payable if the Scheme does not proceed solely as a result of the Requisite Majorities of Seven Shareholders failing to approve the Scheme at the Scheme Meeting. Refer to section 13 of the Scheme Implementation Deed for further details on the Reimbursement Fee payable by either Seven or Southern Cross.

(e) **Implementation of the Scheme is subject to receipt of regulatory approvals**

Implementation of the Scheme is subject to the receipt of approvals from the ACMA and ACCC (or alternatively, the Australian Competition Tribunal). The ACMA approval is required under section 61AJ(4) of the *Broadcasting Services Act 1992 (Cth)* as the proposed transaction will result in changes to media ownership and control arrangements. The ACCC approval is required to ensure that the proposed transaction does not breach section 50 of the Competition and Consumer Act and has the requisite approvals under the ACCC's merger regime processes.

There is a risk that these regulatory approvals may be granted subject to conditions or undertakings that could impact the operations, financial performance or strategic flexibility

of the Combined Group. Any such conditions or undertakings could reduce the expected benefits of the Scheme for Seven Shareholders. The Scheme Booklet does not include any allowance in the valuation of the Combined Group for the potential impact of regulatory conditions or undertakings that may be required.

If regulatory approvals are not obtained, or are significantly delayed, the Scheme will not proceed and Seven will continue to operate as a standalone business. Refer to Section 4.3 for details of all Conditions Precedent to the Scheme, including the status of the regulatory approvals.

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2 Frequently asked questions

This section 2 answers some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for Seven Shareholders. This section 2 should be read together with all other parts of this Scheme Booklet.

Question	Answer	More information
Overview of the Scheme		
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Seven Shareholder and you are being asked to vote on the Scheme which, if approved, will result in Southern Cross acquiring 100% of the issued shares of Seven. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.	Section 4
What is the Scheme?	The Scheme is a scheme of arrangement between Seven and the Scheme Shareholders. A "scheme of arrangement" is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution to implement the scheme of arrangement by the Requisite Majorities. If the Scheme becomes effective, Southern Cross will acquire all of the Scheme Shares for the Scheme Consideration. Seven will be delisted from the ASX and become a wholly owned subsidiary of Southern Cross.	
Who is Southern Cross?	Southern Cross is one of Australia's leading media companies with a long-standing presence in broadcasting and digital media. Its operations span metropolitan and regional radio, digital audio streaming and podcasting and it is the home of LiSTNR, as well as the Hit and Triple M networks.	Section 6
What are the risks associated with the Transaction and South Cross Shares?	Seven Shareholders should be aware that there are a number of risks relating to Southern Cross Shares and associated with the Transaction. Further details on these risks are details in section 8.	Section 8

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Question	Answer	More information
Recommendations and intentions		
What do the Seven Directors recommend?	The Seven Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.[5] The reasons for this recommendation and other relevant considerations are set out in section 1. The Seven Directors encourage you to seek independent legal, financial, taxation or other appropriate professional advice. The Board of SGH Limited (ASX:SGH) has indicated that it intends to vote its 40.2% stake in Seven in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven shareholders.	Letter from the Chairman of the Seven Board
What are the intentions of the Seven Directors?	Each Seven Director intends to vote, or procure the voting of, any Seven Shares held or controlled by him or her at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.	Letter from the Chairman of the Seven Board and section 1.1(a)
What is the Independent Expert's opinion?	The Independent Expert has concluded that the Scheme is in the best interests of Seven Shareholders, in the absence of a Superior Proposal. The Independent Expert's Report is set out in Annexure 1 and contains the reasons why the Independent Expert reached this conclusion. You should read the Independent Expert's Report carefully and in its entirety.	Annexure 1
Scheme Consideration		

[5] Seven Shareholders should, in considering this recommendation, note that (as detailed in section 5.11(b) of this Scheme Booklet), if the Scheme becomes Effective, the following will occur in relation to the equity incentives held by Jeff Howard (Managing Director and Chief Executive): vesting of 32.5% of his FY25 LTI performance rights equal to 2,660,446 Seven Shares or 412,902 Southern Cross Shares based on the Scheme Consideration of 0.1552 Southern Cross Shares for each Seven Share. Based on the closing price of Southern Cross Shares on the Last Practicable Date, these 412,902 Southern Cross Shares would be equal to $357,160.23 and will be subject to a holding restriction to 30 June 2028.

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Question	Answer	More information
What will I receive if the Scheme is Implemented?	If you are an Eligible Shareholder and the Scheme is Implemented, you will receive 0.1552 new Southern Cross Shares for each Seven Share you hold such that the Seven Shareholders' overall ownership in the Combined Group will be 49.9% upon implementation. Please refer to Section 4.2(b) to determine whether you are an Eligible Shareholder.	Section 4.2
What happens if I am not an Eligible Shareholder?	All Seven Shareholders are invited to participate in the Scheme. If you are an Ineligible Shareholder (because you are either an Ineligible Foreign Shareholders or Small Holdings Shareholder who has not elected to receive New Southern Cross Shares – see section 4.2(b) for more details) you will participate in the Scheme on the same basis as Eligible Shareholders. However, New Southern Cross Shares will not be issued to Ineligible Shareholders. Instead, the New Southern Cross Shares to which all Ineligible Shareholders would otherwise have been entitled will be issued to a Sale Agent to be sold on the ASX. The Sale Agent will sell those New Southern Cross Shares as soon as reasonably practicable after the Implementation Date and the Sale Agent will remit the Proceeds to Southern Cross who will then remit to each Ineligible Shareholder the Proceeds attributable to the New Southern Cross Shares to which the Ineligible Shareholder would otherwise have been entitled (after deducting any applicable brokerage, stamp duty or other costs, taxes and charges).	Section 4.2(b)
How can I elect to receive Southern Cross Shares as a Small Holdings Shareholder?	Small Holdings Shareholders may elect to receive the Scheme Consideration in the form of New Southern Cross Shares, rather than as proceeds under the Sale Agent process. A Small Holdings Shareholder wishing to make this election must request an election form from Seven's Share Registry by contacting Seven's Share Registry either via the Shareholder Information Line or at corporateactions@boardroomlimited.com.au. The election form must be returned to Seven's Share Registry before the Effective Date.	Section 4.2(b)

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Question	Answer	More information
When and how will I receive my Scheme Consideration?	If the Scheme is implemented, on the Implementation Date you will receive the Scheme Consideration (provided you are not an Ineligible Shareholder). If you are an Ineligible Shareholder, the Sale Agent will sell those New Southern Cross Shares as soon as reasonably practicable after the Implementation Date and the Sale Agent will remit the Proceeds to Southern Cross who will then remit to each Ineligible Shareholder the Proceeds attributable to the New Southern Cross Shares to which the Ineligible Shareholder would otherwise have been entitled (after deducting any applicable brokerage, stamp duty or other costs, taxes and charges).	Section 4.2
Can I receive cash?	No. There is no option for Seven Shareholders to elect to receive cash in place of the Scheme Consideration. On the Implementation Date, Eligible Shareholders will receive the Scheme Consideration. Following implementation, you may elect to sell your New Southern Cross Shares on the ASX or alternatively you may elect to sell your Seven Shares on the ASX any time before the close of trading on the Effective Date.	Section 4.2
What happens to fractional entitlements?	Where the number of Seven Shares held by Seven Shareholders at the Scheme Record Date is such that the aggregate entitlement of the Seven Shareholder to the Scheme Consideration includes a fractional entitlement to a Southern Cross Share, any fraction of Southern Cross Share will be rounded up to the nearest whole number of Southern Cross Shares.	Section 4.2(c)
Will I have to pay brokerage?	You will not have to pay brokerage on the transfer of your Seven Shares to Southern Cross under the Scheme.	Section 1.1(i)
What are the tax implications of the Scheme?	The taxation implications of the Scheme will depend on your particular circumstances. In particular, you should note that, depending on the timing of and price at which you acquire your Seven Shares, there may be differences in the tax consequences for you.	Section 9

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Question	Answer	More information
	Section 9 provides a general description of the Australian taxation consequences for Seven Shareholders. You should seek independent and professional taxation advice with respect to your particular circumstances. Seven has applied to the ATO requesting a class ruling to confirm the key taxation implications of the Scheme. See section 9.2 for more detail.	
Scheme process and conditions		
Are there any conditions to the Scheme?	Yes. The conditions to the Scheme are summarised in section 4.3. As at the date of this Scheme Booklet, the Seven Directors are not aware of any reason why any condition to the Scheme will not be satisfied.	Section 4.3
What is required for the Scheme to become effective?	The Scheme will become effective if: • the Scheme is approved by the Requisite Majorities of Seven Shareholders at the Scheme Meeting to be held on 22 December 2025; • the Court approves the Scheme at the Second Court Hearing; and • all of the other conditions precedent to the Scheme are satisfied or waived (as applicable).	Section 4.3
What Seven Shareholder approvals are required at the Scheme Meeting?	The Scheme can only proceed if, at the Scheme Meeting, the Scheme Resolution is passed. For this to occur, the Scheme Resolution must be approved by: • unless the Court orders otherwise, a majority in number (more than 50%) of Seven Shareholders (other than Excluded Shareholders) present and voting at the Scheme Meeting (either in person, or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution by Seven Shareholders (other than Excluded Shareholders) present and voting at the Scheme Meeting (either in person, or by proxy,	Section 4.5(a)

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Question	Answer	More information
	attorney or, in the case of corporate Seven Shareholders, body corporate representative). In this Scheme Booklet, approval of this nature is described as the Requisite Majorities. As at the date of this Scheme Booklet, there are no Excluded Shareholders.	
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at 10:00am (Sydney time) at Level 6, 8 Central Avenue, Eveleigh NSW 2015 on 22 December 2025.	Annexure 5
What will Seven Shareholders be asked to vote on at the Scheme Meeting?	At the Scheme Meeting, Seven Shareholders will be asked to vote on whether to approve the Scheme.	Annexure 5
What is the Seven Shareholder approval threshold for the Scheme?	In order to become effective, the Scheme must be approved by the Requisite Majorities, being: • unless the Court orders otherwise, a majority in number (more than 50%) of Seven Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Seven Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative). Even if the Scheme is approved by the Requisite Majorities of Seven Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court.	Section 4.5
Am I entitled to vote at the Scheme Meeting?	If you are registered as a Seven Shareholder on the Seven Share Register as at 7:00pm (Sydney time) on 20 December 2025, you will be entitled to attend and vote at the Scheme Meeting.	Annexure 5

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Question	Answer	More information
How can I vote if I cannot attend the Scheme Meeting?	If you would like to vote but cannot attend the Scheme Meeting in person, you can vote by appointing a proxy (including by lodging your proxy form online at https://www.votingonline.com.au/swmscheme) or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.	Annexure 5
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) once available.	N/A
What happens to my Seven Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes effective and is implemented?	If you do not vote, or vote against the Scheme, and the Scheme becomes effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on 30 December 2025) will be transferred to Southern Cross and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme.	Section 4.5(a)
Can the Implementation Deed be terminated?	The Scheme Implementation Deed may be terminated by Seven or Southern Cross in a limited number of circumstances. These are summarised in section 10.1. If the Scheme Implementation Deed is terminated the Scheme will not proceed.	Section 10.1
Combined Group		
What is the Combined Group?	If the Scheme is Implemented, Southern Cross will be the ultimate holding company of the Combined Group. Refer to section 7.1 for an overview of the business of the Combined Group and section 7.4 for the intentions in relation to the Combined Group.	Section 7.1
Who will be the directors of the Combined Group?	**Combined Group Board** Upon implementation, the Board will initially comprise eight directors (including the Managing Director and Chief Executive Officer) made up of five Seven representatives and three Southern Cross representatives.	Section 7.3

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Question	Answer	More information
	From the end of February 2026, it will comprise three non-executive representatives from Southern Cross and two non-executive representatives from Seven, in addition to the Managing Director and Chief Executive Officer. **Senior Management** If the Scheme is Implemented: • Jeff Howard, the current Managing Director and Chief Executive Office of Seven, will become Chief Executive Officer and Managing Director of the Combined Group; • John Kelly, the current Managing Director and Chief Executive Office of Southern Cross, will become the Group Managing Director, Audio of the Combined Group.	
Who will be the substantial shareholders of the Combined Group?	Upon implementation of the Scheme, Scheme Shareholders will own 49.9% of the Combined Group with Southern Cross Shareholders owning the remaining 50.1%. Based on Substantial Shareholder Notices lodged on ASX by the Last Practicable Date, the holders of 5% or more of the issued capital of the Combined Group would be:	Section 7.6

Shareholder	**% interest**[6]
Mr Kerry Matthew Stokes AC	20.2%
Australian Capital Equity Pty Limited	20.1%
SGH Limited	20.1%
Spheria Asset Management Pty Ltd	11.9%
ARN Media Limited	7.4%
Thorney Investment Group Australia Pty Ltd (and Associates)	7.2%
Sandon Capital Pty Ltd	5.7%
Pinnacle Investment Management Group	5.4%
Total	**57.8%**

[6] SGH Limited is based on a Substantial Shareholder Notice dated 18 December 2023 ; Spheria Asset Management is based on a Substantial Holder Notice dated 19 September 2025; Thorney Investment Group is based on a Substantial Holder Notice dated 5 June 2024; ARN Media is based on a Substantial Shareholder Notice dated 19 June 2023; Sandon Capital is based on a Substantial Shareholder Notice disclosed 22 September 2025; Pinnacle Investment is based on a Substantial Shareholder Notice disclosed 24 September 2025

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Question	Answer	More information
What are the risks associated with the Combined Group?	Seven Shareholders should be aware that there are a number of risks relating to the Combined Group. Further details on these risks are detailed in section 8.4.	Section 8.4
Other questions		
What happens if a Competing Proposal is received by Seven?	If a Competing Proposal is received by Seven, the Seven Directors will carefully consider it. Seven must notify Southern Cross of that Competing Proposal in accordance with the Scheme Implementation Deed. Seven Shareholders should note that Seven has agreed to certain exclusivity provisions in favour of Southern Cross under the Scheme Implementation Deed.	Sections 10.1(e)
What happens if a Competing Proposal is received by Southern Cross?	If a Competing Proposal is received by Southern Cross before the Southern Cross Fiduciary Right Date, Southern Cross is permitted to engage with that proposal in accordance with a fiduciary exception to the exclusivity arrangements. Southern Cross must notify Seven of that Competing Proposal in accordance with the Scheme Implementation Deed. Southern Cross is permitted to terminate the Scheme Implementation Deed if it has received a Superior Proposal on a date up to and including the Southern Cross Fiduciary Right Date, completed the matching right process set out in clause 12.5 of the Scheme Implementation Deed, provided Seven with written notice and paid the Reimbursement Fee to Seven.	Section 10.1(e)
Has Southern Cross obtained an Independent Expert Report?	Southern Cross has engaged Kroll Australia Pty Ltd to prepare an independent expert report for Southern Cross Shareholders (**SCA Independent Expert**), despite the independent expert's report not being legally required, nor are Southern Cross Shareholders required to vote. The SCA Independent Expert has concluded that the Scheme is in the best interests of Southern Cross shareholders, in the absence of a superior proposal.	Section 4.3

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Question	Answer	More information
Can I sell my Seven Shares now?	You can sell your Seven Shares on market at any time before the close of trading on the ASX on the Effective Date at the then prevailing market price. Seven intends to apply to the ASX for Seven Shares to be suspended from trading on the ASX from close of trading on the Effective Date. You will not be able to sell your Seven Shares on market after this date. If you sell your Seven Shares on market, you may pay brokerage on the sale, you will not receive the Scheme Consideration and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.	N/A
What if I have further questions about the Scheme?	For further information, please contact the Seven Shareholder Information Line on 1300 658 739 (within Australia) or +61 2 8016 2892 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday. If you are in doubt about anything in this Scheme Booklet, please contact your financial, legal, taxation or other professional adviser immediately.	N/A

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3 What should you do?

3.1 Step 1: Read this Scheme Booklet

You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

If you have any questions, please contact the Seven Shareholder Information Line on 1300 658 739 (within Australia) or +61 2 8016 2892 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

3.2 Step 2: Vote on the Scheme

(a) **Your vote is important**

For the Scheme to proceed, it is necessary that sufficient Seven Shareholders vote in favour of the Scheme.

(b) **Who is entitled to vote?**

If you are registered on the Seven Share Register at 7:00pm (Sydney time) on 20 December 2025, you will be entitled to vote on the Scheme.

(c) **Details of the Scheme Meeting**

The Scheme Meeting to approve the Scheme is scheduled to be held in person at Level 6, 8 Central Avenue, Eveleigh NSW 2015 at 10:00am (Sydney time) on 22 December 2025.

Seven Shareholders and their proxies, attorneys or corporate representatives will be able to participate in person.

Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting in Annexure 5.

(d) **How to vote?**

You may vote:

- **in person**, by physically attending the Scheme Meeting;
- **by proxy**, by lodging a proxy form for the Scheme Meeting (which accompanies this Scheme Booklet) in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the Seven Share Registry by 10:00am (Sydney time) on 20 December 2025;
- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Seven Share Registry by 10:00am (Sydney time) on 20 December 2025; or
- **by corporate representative**, in the case of a body corporate which is a Seven Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that Seven Shareholder and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further details on how to vote are contained in Annexure 5.

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4 Overview of the Scheme

4.1 Background to the Scheme

Following a period of due diligence, Seven and Southern Cross announced on 30 September 2025 that they had entered into a Scheme Implementation Deed under which Southern Cross agreed to acquire 100% of the ordinary shares in Seven for New Southern Cross shares (subject to several conditions, including shareholder and Court approvals) by way of a scheme of arrangement. Under that agreement, Seven Shareholders are entitled to receive Scheme Consideration of 0.1552 New Southern Cross Shares for each Seven Share held at the Scheme Record Date.

Based on Southern Cross' closing share price of $0.84 on 29 September 2025, the last trading day before the announcement of the Scheme Implementation Deed, the Scheme Consideration has an implied value of $0.1304 per Seven Share. The value of the Scheme Consideration will continue to fluctuate with changes to Southern Cross' share price.

A full copy of the Scheme Implementation Deed is attached to Seven's announcement to the ASX relating to the Scheme on 30 September 2025 and a summary of the key terms of the Scheme Implementation Deed is set out in section 10.

4.2 Scheme Consideration

(a) **Overview of the Scheme Consideration**

If the Scheme is implemented, each Seven Shareholder will be entitled subject to the below to receive the Scheme Consideration of 0.1552 New Southern Cross Shares for each Seven Share held by them at the Scheme Record Date.

This implies an assumed offer value of $0.1304 per Seven Share based on the Southern Cross Share price of $0.84 on 29 September 2025, being the last trading day before the announcement of the Scheme. As at the Last Practicable Date, the implied value of the Scheme Consideration is $0.1342, based on Southern Cross' share price of $0.87.

Seven Shareholders should note that the implied value of the Scheme Consideration will vary as the value of a Southern Cross Share will continue to fluctuate and change on a day-to-day basis up until the implementation of the Scheme. This will impact the actual value of Scheme Consideration.

(b) **Eligibility**

Pursuant to the Scheme Implementation Deed, Southern Cross is not obliged to issue New Southern Cross Shares to:

- Ineligible Foreign Shareholders; and
- Small Holdings Shareholders,

(the **Ineligible Shareholders**).

Ineligible Foreign Shareholders

Ineligible Foreign Shareholders are those Scheme Shareholders who have an address in the Seven Share Register as at the Scheme Record Date in a place outside Australia and its external territories, United Kingdom, Hong Kong, Italy and New Zealand, unless Southern Cross and Seven (each acting reasonably) determine that it is lawful and not unduly onerous or impractical to issue that Scheme Shareholder with New Southern Cross Shares when the Scheme becomes Effective.

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Small Holdings Shareholders

Small Holdings Shareholders are Scheme Shareholders who, based on their holding of Scheme Shares at the Scheme Record Date would, on implementation of the Scheme, be entitled to receive New Southern Cross Shares having a value of less than $500 based on the closing price of fully paid ordinary shares of Southern Cross on the ASX as at the Scheme Record Date as Scheme Consideration.

How will these Scheme Shareholders be treated?

Ineligible Foreign Shareholders are not entitled to receive any New Southern Cross Shares under the Scheme. Small Holdings Shareholders will be treated as if they are Ineligible Foreign Shareholders for the purposes of the Scheme Consideration unless they elect (by providing Seven's Share Registry with an election form before the Effective Date) that they wish to receive the Scheme Consideration in the form of Southern Cross Shares. Accordingly, instead of the Scheme Consideration, these shareholders will receive cash on the terms described in the Scheme and outlined below.

- The New Southern Cross Shares to which the Ineligible Foreign Shareholders or Small Holdings Shareholders would otherwise have been entitled to will be issued directly to the Sale Agent.
- The Sale Agent will then, as soon as reasonably practicable on or after the Implementation Date and in consultation with Southern Cross, sell or procure the sale of all New Southern Cross Shares issued to the Sale Agent on behalf of Ineligible Foreign Shareholders and Small Holdings Shareholders and remit the sale proceeds to Southern Cross (after deduction of any applicable brokerage, stamp duty, and other costs, taxes and charges) (**Proceeds**).
- Promptly after receiving the Proceeds, Southern Cross will then pay, or procure the payment, to each Ineligible Foreign Shareholder the proportion of the Proceeds attributable to the New Southern Cross Shares to which the Ineligible Foreign Shareholder would have been entitled had it not been an Ineligible Foreign Shareholder.

As the market price of Southern Cross Shares will be subject to fluctuation and change from time to time, the sale price of the New Southern Cross Shares sold by the Sale Agent and the Proceeds of that sale cannot be guaranteed. The proceeds received by Ineligible Foreign Shareholders and Small Holdings Shareholders (who do not elect to receive the Scheme Consideration) will depend on the price at which the New Southern Cross Shares can be sold at the relevant time, and the amount of any applicable taxes, duty, currency conversion or other costs and charges incurred by the Sale Agent in connection with its sales of the New Southern Cross Shares. An Ineligible Foreign Shareholder or Small Holdings Shareholder's pro rata share of the Proceeds may be less than the value of the New Southern Cross Shares that the shareholder would have received.

None of Seven, Southern Cross or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Southern Cross Shares by the Sale Agent.

Small Holdings Shareholders can obtain an election form by contacting Seven's Share Registry either via the Shareholder Information Line or at corporateactions@boardroomlimited.com.au.

(c) **Fractional entitlements**

Where the calculation of the number of New Southern Cross Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Southern Cross Share, then the fractional entitlement will be rounded up to the nearest whole number of New Southern Cross Shares.

If Southern Cross and Seven are of the opinion that a Seven Shareholder has been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to this rounding treatment, Southern Cross and Seven reserve the right to give that shareholder a notice and subsequently treat that shareholder as holding no Seven Shares.

4.3 Conditions to the Scheme

Implementation of the Scheme is subject to the following outstanding conditions precedent, which are set out in full in clause 3.1 of the Scheme Implementation Deed:

(a) **ACCC**: Southern Cross has received:

  (1) confirmation from the ACCC that it does not intend to take action in relation to the Scheme;

  (2) a determination from the ACCC that the Scheme may be put into effect; or

  (3) a decision from the Australian Competition Tribunal which permits the Scheme to be put into effect.

(b) **ACMA**: ACMA has given written approval required to implement the Scheme without breaching the BSA, on terms and conditions satisfactory to Seven and Southern Cross, which has not been withdrawn, revoked, suspended, restricted or amended before 8.00am on the Second Court Date.

(c) **ASIC and ASX**: ASIC and ASX have provided all relief, waivers, confirmations, exemptions, consents or approvals which the parties agree are desirable to implement the Scheme, and these have not been withdrawn, revoked, suspended, restricted or amended before 8.00am on the Second Court Date.

(d) **Seven Shareholder approval:** the Requisite Majorities of Seven Shareholders approve the Scheme at the Scheme Meeting.

(e) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.

(f) **No Seven Prescribed Occurrence:** no Seven Prescribed Occurrence occurs between (and including) 30 September 2025 and 8.00am on the Second Court Date.

(g) **No Southern Cross Prescribed Occurrence:** no Southern Cross Prescribed Occurrence occurs between (and including) 30 September 2025 and 8.00am on the Second Court Date.

(h) **No Seven Regulated Event:** no Seven Regulated Event occurs between (and including) 30 September 2025 and 8.00am on the Second Court Date.

(i) **No Southern Cross Regulated Event:** no Southern Cross Regulated Event occurs between (and including) 30 September 2025 and 8.00am on the Second Court Date.

(j) **Restraints:** as at 8.00am on the Second Court Date, there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by a

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court of competent jurisdiction or Government Agency that would restrict, prohibit or materially adversely affect the implementation of the Scheme.

(k) **No Seven Material Adverse Change:** no Seven Material Adverse Change occurs or otherwise becomes known to Southern Cross between (and including) 30 September 2025 and 8.00am on the Second Court Date.

(l) **No Southern Cross Material Adverse Change:** no Southern Cross Material Adverse Change occurs or otherwise becomes known to Seven between (and including) 30 September 2025 and 8.00am on the Second Court Date.

(m) **New Southern Cross Shares**: the New Southern Cross Shares are approved for official quotation by ASX, and this has not been withdrawn, revoked, suspended or restricted as at 8.00am on the Second Court Date.

The Scheme was also subject to the following conditions which have already been satisfied:

(n) **Seven Existing Financing**: Seven has obtained consent or waivers under the Seven Existing Financing in connection with the Scheme before 5.00pm on the Business Day before the Second Court Date;

(o) **Seven Independent Expert**: the Independent Expert appointed by Seven issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Seven Shareholders; and

(p) **Southern Cross Independent Expert**: the Independent Expert appointed by Southern Cross issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Southern Cross Shareholders.

The Scheme will not proceed unless all of the Conditions Precedent to the Scheme are satisfied or waived (as applicable) in accordance with the Scheme Implementation Deed prior to the Second Court Hearing.

The proposed date for announcement of the ACCC's findings in relation to the Scheme is currently 18 December 2025. If the ACCC condition precedent, or any of the regulatory approval conditions precedent, remains outstanding at 5:00pm (Sydney time) on 18 December 2025, the Seven Board will postpone the Scheme Meeting until such time as the outstanding regulatory approvals have been obtained. Seven Shareholders should monitor Seven's website and ASX announcements for any changes to the current timetable.

If there is an event or occurrence that would, does or will prevent any of the Conditions Precedent from being satisfied by the required time, then either Seven or Southern Cross may give the other written notice and Seven and Southern Cross will consult in good faith to consider whether the Scheme may proceed by an alternative method, to consider changing the date of the application to the Court for court approval of the Scheme, and to consider extending the time for satisfaction of the relevant Condition Precedent or the End Date (as applicable). The End Date is either 9 months from the Scheme Implementation Deed date, or 12 months if ACCC or ACMA approval is still pending but engagement is ongoing, unless otherwise agreed in writing by the parties.

As at the date of this Scheme Booklet, none of the Seven Directors or Southern Cross Directors are aware of any circumstances which would cause any Condition Precedent not to be satisfied.

4.4 Implications if the Scheme does not become effective

If the Scheme is not implemented:

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- unless Seven Shareholders choose to sell their Seven Shares, for example on the ASX, Seven Shareholders will continue to hold Seven Shares and be exposed to the risks (including those set out in section 8.2 and 8.3) and potential future benefits in retaining exposure to Seven's business and assets;
- Seven Shareholders will not receive the Scheme Consideration;
- the Reimbursement Fee of $2,154,796 (excluding GST) may be payable by Seven to Southern Cross under certain circumstances. In certain other circumstances, Southern Cross may be required to pay the Reimbursement Fee to Seven. Those circumstances do not include the failure by Seven Shareholders to approve the Scheme at the Scheme Meeting. Further information on the Reimbursement Fee is set out in section 10.1(f);
- Seven will remain listed on the ASX;
- the trading price of Seven's Shares on the ASX may fall. Further information on risks is set out in section 8.

4.5 Key steps in the Scheme

(a) **Scheme Meeting and Scheme approval requirements**

The Court has ordered Seven to convene the Scheme Meeting at which Seven Shareholders will be asked to approve the Scheme.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure 5.

The Scheme will only become Effective and be implemented if:

- it is approved by the Requisite Majorities of Seven Shareholders at the Scheme Meeting to be held on 22 December 2025;
- it is approved by the Court at the Second Court Hearing; and
- the other conditions precedent to the Scheme outlined in section 4.3 are satisfied or waived (as applicable).

The proposed date for announcement of the ACCC's findings in relation to the Scheme is currently 18 December 2025. If the ACCC condition precedent, or any of the regulatory approval conditions precedent, remains outstanding at 5:00pm (Sydney time) on 18 December 2025, the Seven Board will postpone the Scheme Meeting until such time as the outstanding regulatory approvals have been obtained. Seven Shareholders should monitor Seven's website and ASX announcements for any changes to the current timetable.

The Requisite Majorities of Seven Shareholders to approve the Scheme are:

- unless the Court orders otherwise, a majority in number (more than 50%) of Seven Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Seven Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative).

The Court has the power to waive the first requirement.

The entitlement of Seven Shareholders to attend and vote at the Scheme Meeting is set out in the Notice of Scheme Meeting in Annexure 5.

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Voting is not compulsory. However, the Seven Directors unanimously recommend that Seven Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Seven Shareholders and the Court. If this occurs, your Seven Shares will be transferred to Southern Cross and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) once available.

(b) **Court approval of the Scheme**

In the event that:

- the Scheme is approved by the Requisite Majorities of Seven Shareholders at the Scheme Meeting; and
- all other conditions precedent to the Scheme (except Court approval of the Scheme) have been satisfied or waived (as applicable),

then Seven will apply to the Court for orders approving the Scheme.

Each Seven Shareholder has the right to appear at the Second Court Hearing.

(c) **Effective Date**

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. Seven will, on the Scheme becoming effective, give notice of that event to the ASX.

Seven intends to apply to the ASX for Seven Shares to be suspended from trading on the ASX from close of trading on the Effective Date.

(d) **Scheme Record Date and entitlement to Scheme Consideration**

Those Seven Shareholders who are recorded on the Seven Share Register on the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on 30 December 2025 or such other time and date as the parties agree in writing) will be entitled to receive the Scheme Consideration in respect of the Seven Shares they hold at that time.

(1) **Dealings with Seven Shares on or prior to the Scheme Record Date**

For the purposes of determining which Seven Shareholders are eligible to participate in the Scheme, dealings in Seven Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Seven Share Register as the holder of the relevant Seven Shares before the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the Seven Share Registry before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, Seven will not accept for registration or recognise any transfer or transmission applications in respect of Seven Shares received after the Scheme Record Date.

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(2) **Dealings with Seven Shares after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, Seven must maintain the Seven Share Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The Seven Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for Seven Shares (other than statements of holding in favour of Southern Cross) will cease to have effect as documents relating to title in respect of such Seven Shares; and
- each entry on the Seven Share Register (other than entries on the Seven Share Register in respect of Southern Cross) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Seven Shares relating to that entry.

(e) **Implementation Date**

If the Scheme is implemented, Southern Cross will acquire all of the Scheme Shares and all Seven Shareholders will receive the Scheme Consideration for the Seven Shares they hold on the Scheme Record Date as follows:

- on or before the Implementation Date, Southern Cross will issue the Scheme Consideration to Seven Shareholders and procure that the name and address of each Seven Shareholder is entered into the Southern Cross Register in respect of those new Southern Cross Shares; and
- on or before the date that is 10 Business Days after the Implementation Date, Southern Cross will procure that a share certificate or holding statement (or equivalent document) is sent to the registered address of each Seven Shareholder representing the number of New Southern Cross Shares issued to them pursuant to the Scheme.

(f) **Deed Poll**

As at the date of this Scheme Booklet, a Deed Poll has been entered into by Southern Cross in favour of the Scheme Shareholders, to:

- provide the Scheme Consideration to each Seven Shareholder in accordance with the Scheme, subject to the Scheme becoming effective; and
- undertake all other actions attributed to Southern Cross under the Scheme.

A copy of the executed Deed Poll is contained in Annexure 4.

(g) **Commencement of trading of New Southern Cross Shares**

Southern Cross will use all reasonable endeavours to ensure that New Southern Cross Shares are, from the Business Day after the Effective Date (or such later date as ASX requires), quoted for trading on the ASX. New Southern Cross Shares are expected to trade on a deferred settlement basis from the commencement of trading on this date. Trading on the ASX of New Southern Cross Shares on a normal settlement basis is expected to commence on the Business Day after the Implementation Date.

It is the responsibility of each New Southern Cross Shareholder to confirm their holdings before trading in New Southern Cross Shares to avoid the risk of selling shares that they do not own. Holders of New Southern Cross Shares who sell their shares before they receive their holding statement or confirm their uncertificated holdings of New Southern Cross Shares (as applicable) do so at their own risk. Neither Seven nor Southern Cross takes any responsibility for such trading.

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4.6 Warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to Seven and Southern Cross on the Implementation Date, and appointed and authorised Seven as its attorney and agent to warrant to Southern Cross, on the Implementation Date, that:

- all their Seven Shares (including any rights and entitlements attaching to those shares) will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to transfer their Seven Shares to Southern Cross together with any rights and entitlements attaching to those shares.

4.7 Delisting of Seven

After the Implementation Date, Seven will apply for the termination of the official quotation of Seven Shares on the ASX and for Seven to be removed from the official list of the ASX.

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5 Information about Seven

5.1 Introduction

Seven West Media Limited (ASX:SWM) is one of Australia's leading media businesses with a presence across broadcast television, publishing and digital platforms through well-known media operations. These operations include Seven Network and its affiliate channels 7Two, 7mate, 7flix and 7Bravo as well as its digital Broadcast Video on Demand (**BVOD**) platform 7plus. Other assets include 7NEWS.com.au, The West Australian, The Sunday Times, 11 suburban and 18 regional newspapers as well as leading digital mastheads The Nightly, thewest.com.au and PerthNow.

Reaching more than 19 million Australians every month across metropolitan and regional markets, Seven creates mass cultural moments and audience impact on a scale that few other media brands can match.

The Seven Network is the most watched TV network nationally and is home to leading news content including 7News, 7NEWS Spotlight, Sunrise, and The Morning Show.

Seven Sport is the broadcast partner of the AFL and Cricket Australia (Test Matches and Big Bash League), as well as Supercars and a range of other leading local and international sports.

Seven's entertainment content includes long running productions The Chase Australia, Home and Away as well as Better Homes and Gardens. Seven's leading tentpole programs include Australian Idol, Farmer Wants a Wife, Dancing with the Stars, The Voice, the 1% Club and RFDS and the TV Week Logie Awards.

Seven employees approximately 2,300 people, predominately in Australia, but also operates with overseas news bureaus in the United Kingdom and United States of America. Seven is headquartered in Perth, Western Australia.

In the financial year ended 30 June 2025, Seven's reported revenue of $1,350.5 million, operating expenses (excluding depreciation and amortisation) of $1,195.5 million and underlying EBITDA of $158.7 million. Statutory NPAT was $16.6 million whilst underlying NPAT (excluding significant items including tax of $40.3 million) was $57.0 million.

5.2 Business overview

The Seven Group operates across three operating segments:

Television	Production and operation of commercial television programming and stations as well as distribution of programming content across platforms in Australia and around the world.
The West	Publishers of newspapers and insert magazines in Western Australia; Colourpress; Digital publishing, West Australian Publishers and Perth Now.
Other Business	Made up of equity accounted investees, other business operations and other ventures.

(a) **Television**

The Television segment operates key assets across traditional broadcast television and its digital Broadcast Video on Demand (BVOD) platform 7plus. Seven's aim is to bring audiences the best news, sport and entertainment content to engage advertising friendly (25-54) audience demographics. Seven continues to grow its share of Total Television

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(Metro, Regional and BVOD) audiences which in turn translated into a 40.4% revenue share of the advertising market in FY25.

In FY25 the Television segment contributed 87% or $1,184 billion of Seven Group's revenue and 89% of Seven Group's EBITDA.

(b) **The West**

West Australian Newspapers is a leading multi-platform digital news business operating in Western Australia's metropolitan and regional markets. The West continues to execute on its strategy of driving revenue from digital subscriptions and circulation through new products such as The Nightly.

In FY25 The West segment contributed 12% or $169m of Seven Group's revenue and 17% or $27 million of Seven Group's EBITDA.

(c) **Other Businesses and Ventures**

Seven holds a number of investments in listed and unlisted entities that have disruptive and scalable businesses whose growth has or will benefit from advertising across Seven's media assets. Seven also owns a strategic direct holding in ARN Media Limited as well as a number of equity accounted investments in businesses that support the operation of the Television business (TX Australia Pty Ltd – transmission, NPC Media Pty Ltd – playout, and Oztam Pty Ltd - audience measurement).

In FY25 Other Businesses and Ventures contributed $1.4 million of revenue and $1.3 million of EBITDA.

5.3 Seven's strategy

Seven's performance is guided by the ambition to build a better media business and make Seven the unmissable choice for news, sport and entertainment for all Australians. To achieve that ambition Seven has set a strategy that is designed to drive sustained and growing returns for shareholders.

Seven's strategic pillars are to:

1 **Deliver a digital future** that underpins the growth in Seven earnings;

2 **Optimise traditional assets** to create a sustainable future for television and publishing assets;

3 **Manage costs responsibly** to generate strong cashflow; and

4 **Find new revenue streams/business opportunities.**

Seven continues to invest in its key digital assets, specifically the 7plus BVOD platform with the ambition to achieve revenue growth that offsets the decline in traditional broadcast revenue. During FY25, daily active users on 7plus increased by 27% to 484,000 and audience streaming minutes by 41%.

Ongoing cost management remains a feature of Seven's operating model, balancing the investment in content to drive monetisable audiences with other cost initiatives to manage the volatility of advertising markets.

On 1 July 2025 Seven announced the completion of the acquisition of Southern Cross' television licences and associated assets operating in Tasmania, Darwin, Spencer Gulf, Broken Hill, Mt Isa and Remote, Central and Eastern Australia.

5.4 Seven Board and senior management

(a) **Seven Board**

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The Seven Board comprises the following directors:

Name	Position	Profile
Kerry Stokes AC	Chairman – Non-Executive Director	Mr Stokes was Executive Chairman of SGH Limited, a company with a market-leading presence in the resources services sector in Australia and formerly in north east China and a significant investment in energy and also in media in Australia through Seven West Media Limited. Mr Stokes held this position from April 2010 until November 2021. He is also Chairman of Australian Capital Equity Pty Limited, which has substantial interests in media and entertainment, resources, energy, property, pastoral and industrial activities. Mr Stokes' many former chairmanships have included the Australian War Memorial; National Gallery of Australia and the Channel 7 Telethon Trust, and he is a former Council Member of the Paley Group (previously known as the International Council for Museum and Television). Mr Stokes was appointed to the Board on 25 September 2008 and became Chairman of Seven West Media Limited (formerly West Australian Newspaper Holdings Ltd) on 11 December 2008.
Jeff Howard	Managing Director and Chief Executive Officer	Mr Howard is Managing Director and Chief Executive Officer of Seven West Media Limited since April 2024 and prior to that, served as the Chief Financial Officer since 2020. Prior to joining Seven, Mr Howard served as CFO of HT&E Limited (now ARN Media) from 2012, delivering strategic financial leadership while executing on strategy and driving shareholder value. Mr Howard has extensive experience in business transformation and growth in the media sector, including through mergers and acquisitions. Mr Howard is a Chartered Accountant with more than nine years' experience in banking at ABN AMRO and RBS and prior to that worked with KPMG for 10 years. He completed his Executive MBA with the Australian Graduate School of Management in 2005, and is a graduate of the Australian Institute of Company Directors.
Teresa Dyson	Non-Executive Director	Ms Dyson is an experienced company director with a broad range of experience across public and private sectors. Ms Dyson has been closely involved in strategic decision making in business and organisational structuring, covering the financial services, media, health, transport, energy and resources sectors, as well as infrastructure projects, following over 20 years of legal practice. Ms Dyson is a director and deputy Chair of each of Invest Gold Coast Pty Ltd and Gold Coast Hospital and Health Board. She is a member and Acting President of the Takeovers Panel and an independent member of the Australian Taxation Office Audit & Risk Committee. She has been a Director of Shine Justice Limited since February 2020 and was a Director of Genex Power Limited from May 2018 to July 2024, and Entyr Limited from February 2023 to May 2024. Ms Dyson was a

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Name	Position	Profile
		director and Chair of the Finance & Audit Committee and Chair of the Risk & Compliance Committee of Brighter Super until July 2025. She is former Chair and member of the Board of Taxation and a former member of the Foreign Investment Review Board and Housing Australia. Ms Dyson is Chair of the Audit and Risk Committee. Ms Dyson was appointed to the Board on 2 November 2017.
Michael Malone	Non-Executive Director	Mr Malone founded iiNet in 1993 and continued as CEO for more than 20 years. iiNet listed on the ASX in 1999 and grew to service over a million households and businesses, with revenues and market cap of over $1 billion and 3,000 staff. After leaving iiNet, Mr Malone went on to co-found Diamond Cyber Security. Mr Malone is a Director of Jumbo Interactive Ltd and Health Engine Ltd, and has previously served as a Director of NBN Co Ltd (2016–2025), WiseTech Global Limited (2021–2025), Superloop Ltd (2014–2020), and the Axicom Group of companies (2018–2021). Mr Malone is a member of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee. Mr Malone was appointed to the Board on 24 June 2015.
Ryan Stokes AO	Non-Executive Director	Mr Stokes is the Managing Director and Chief Executive Officer of SGH Limited (**SGH**). SGH is a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. This includes WesTrac, Coates, Boral, Seven West Media (40%), and Beach (30%). He has extensive experience leading large private and public organisations, including experience with corporate transactions, operational discipline, and performance. Mr Stokes is a member of the Audit & Risk Committee and the Remuneration & Nomination Committee. Mr Stokes was appointed to the Board on 21 August 2012.
Michael Ziegelaar	Non-Executive Director	Mr Ziegelaar is a senior partner of global law firm Herbert Smith Freehills Kramer, where he is the Co-Head of the Australian Equity Capital Markets Group. He specialises in corporate, equity capital markets and M&A transactions and has acted for a wide range of clients across various industries. Mr Ziegelaar is also a Non-Executive Director of the Burnet Medical Research Institute. Mr Ziegelaar is a member of the Audit & Risk Committee. Mr Ziegelaar was appointed to the Board on 2 November 2017.

(b) **Seven senior management**

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In addition to Seven Board described above at section 5.4(a), Seven's senior management comprises the following members:

Name	Position
Jeff Howard	Managing Director and Chief Executive Officer See section 5.4(a).
Craig Haskins	Chief Financial Officer Mr Haskins was appointed Chief Financial Officer of Seven West Media effective August 2024 after three months as Acting Chief Financial Officer. Mr Haskins' career commenced at Price Waterhouse in corporate tax before embarking on a career in financial markets in Australia and the US. He built his extensive financial and capital markets experience through his time with Merrill Lynch, UBS, Credit Suisse and Jefferies, where he held senior leadership roles in sales and trading as well as capital markets and investment banking. Mr Haskins worked at Inghams Ltd in a number of roles including Acting Chief Financial Officer before establishing his own consulting business, Eastern Hill Advisors. He is a Director of Car Expert Enterprises Pty Ltd, a Seven West Ventures portfolio investee company. He is a board director of Gordian Runoff Limited, part of the Enstar Group Limited, a leading Bermudan based global (re)insurance group.

5.5 Historical financial information

(a) Basis of preparation

This section 5.5 sets out a summary of historical financial information in relation to Seven for the purpose of this Scheme Booklet. The financial information has been derived from Seven's financial statements for the financial years ended 30 June 2023, 30 June 2024 and 30 June 2025, which were audited by KPMG.

The historical financial information of Seven is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Seven considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to Seven Shareholders.

Further detail on Seven's financial performance can be found in:

- the financial statements for the year ended 30 June 2023 (included in the Annual Report released to the ASX on 16 August 2023);
- the financial statements for the year ended 30 June 2024 (included in the Annual Report released to the ASX on 14 August 2024); and
- the financial statements for the year ended 30 June 2025 (included in the Annual Report released to the ASX on 12 August 2025),

each of which can be found in the Seven's website (https://sevenwestmedia.com.au/investors/annual-reports/) or the ASX website (www.asx.com.au).

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(b) Historical consolidated income statement

	FY25 $m	FY24 $m	FY23 $m
Revenue	1,350.5	1,413.7	1,487.3
Other income	2.8	2.3	0.2
Share of net profit of equity associated investees	0.8	(0.7)	0.4
Revenue, other income and equity accounted profits	**1,354.2**	**1,415.2**	**1,487.9**
Operating expenses excluding depreciation and amortisation	(1,195.5)	(1,228.2)	(1,208.1)
EBITDA	**158.7**	**187.0**	**279.7**
Depreciation and amortisation	(42.4)	(36.3)	(41.5)
EBIT	**116.2**	**150.7**	**238.3**
Net finance costs	(39.6)	(39.2)	(35.2)
Profit before significant items and tax	**76.6**	**111.4**	**203.1**
Significant items excluding tax	(46.1)	(44.3)	(7.0)
Profit before tax	**30.5**	**67.1**	**196.0**
Income tax expense	(13.9)	(21.8)	(50.3)
Profit after tax	**16.6**	**45.3**	**145.7**
Less: Significant items including tax	40.3	33.1	0.6
Profit after tax excluding significant items	**57.0**	**78.4**	**146.3**

(c) Historical consolidated statement of financial position

	30 June 2025 $m	30 June 2024 $m	30 June 2023 $m
ASSETS			
Current assets			
Cash and cash equivalents	110.5	54.5	57.4
Trade and other receivables	234.5	229.6	230.1
Current tax receivable	-	-	18.6
Program rights and inventories	188.9	161.8	176.9
Other assets	15.5	19.1	20.4
Total current assets	**549.5**	**465.1**	**503.4**
Non-current assets			
Equity accounted investees	16.9	16.1	16.7
Other financial assets	78.4	108.9	79.4
Property, plant and equipment	101.7	116.4	123.2
Intangible assets	727.3	718.1	714.8
Right of use (ROU) assets	85.6	53.3	62.8
Other assets	5.8	0.1	0.4
Total non-current assets	**1,015.6**	**1,012.8**	**997.4**
Total assets	**1,565.1**	**1,477.9**	**1,500.8**
LIABILITIES			
Current liabilities			
Trade and other payables	198.3	179.0	206.2
Lease liabilities	10.1	15.6	13.5
Provisions	84.3	82.8	105.0
Deferred income	42.4	42.4	62.5
Borrowings	20.0	-	-

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Current tax liabilities	1.6	10.4	-
Total current liabilities	**356.7**	**330.3**	**387.2**
Non-current liabilities			
Trade and other payables	4.2	5.2	4.0
Lease liabilities	172.7	144.1	177.5
Provisions	30.4	39.5	50.6
Deferred tax liabilities	208.7	199.3	195.8
Borrowings	377.1	355.9	306.8
Total non-current liabilities	793.1	744.1	734.7
Total liabilities	**1,149.9**	**1,074.4**	**1,122.0**
Net assets	**415.2**	**403.5**	**378.8**
EQUITY			
Share capital	3,414.1	3,414.1	3,418.0
Reserves	(45.9)	(41.1)	(25.6)
Accumulated deficit	(2,952.9)	(2,969.6)	(3,013.6)
Total equity	**415.2**	**403.5**	**378.8**

(d) **Historical consolidated statement of cash flows**

	30 June 2025 $m	30 June 2024 $m	30 June 2023 $m
Cash flows related to operating activities			
Receipts from customers	1,480.2	1538.3	1,611.1
Payments to suppliers and employees	(1,369.6)	(1,461.5)	(1,416.0)
Dividends received from other investments	1.4	2.2	-
Interest and other items of similar nature received	2.3	2.5	1.9
Interest and other costs of finance paid	(26.9)	(18.2)	(17.6)
Interest paid on lease liability	(12.9)	(14.5)	(16.3)
Net income tax refunds (payments)	(12.9)	11.5	(85.6)
Net operating cash flows	**61.6**	**60.3**	**77.4**
Cash flows relating to investing activities			
Payments for purchases of PPE	(13.1)	(15.3)	(35.6)
Payments for intangibles	(12.2)	(9.8)	(3.9)
Proceeds from sale of other assets	-	-	7.4
Payments for other financial assets	(1.0)	(68.5)	-
Payments for purchase of controlled entities	(3.8)	-	-
Payments for investment, net of cash acquired	-	-	(8.0)
Payments for equity accounted investees	-	(0.1)	(0.1)
Proceeds from sale of investments	-	1.0	1.2
Loans paid to investees	-	-	(0.5)
Net investing cash flows	**(30.0)**	**(92.6)**	**(39.4)**
Cash flows related to financing activities			
Payments for share buy back	-	(3.9)	(15.0)
Payments made for own shares	-	-	(1.9)
Proceeds from borrowings	120.0	240.0	200.0
Repayment of borrowings	(80.0)	(190.0)	(190.0)
Payment of refinancing costs	-	(2.7)	-
Payment of lease liabilities	(15.6)	(14.0)	(11.6)
Net financing cash flows	**24.4**	**29.5**	**(18.5)**

Net increase / (decrease) in cash and cash equivalents	**56.0**	**(2.9)**	**19.5**
Cash and cash equivalents at the beginning of year	54.5	57.4	37.9
Cash and cash equivalents at the end of the year	**110.5**	**54.5**	**57.4**

5.6 Material changes in financial position (since 30 June 2025)

To the knowledge of the Seven Directors, there have been no material changes to the financial position of Seven and the Seven Group since 30 June 2025.

5.7 Capital structure

As at the Last Practicable Date, the capital structure of Seven was:

Type of security	Number on issue
Seven Shares	1,539,140,502
Performance Rights	25,356,037
Share Rights	334,257

Additional details about Seven's equity incentive plan are set out in section 5.11.

5.8 Seven Share price history

Seven Shares are listed on the ASX under the trading ticker 'SWM'.

Seven announced that it entered into the Scheme Implementation Deed to proceed with the Transaction on 30 September 2025. The closing price of Seven Shares on 29 September 2025 (being the last trading date prior to the announcement of the Scheme) was $0.14.

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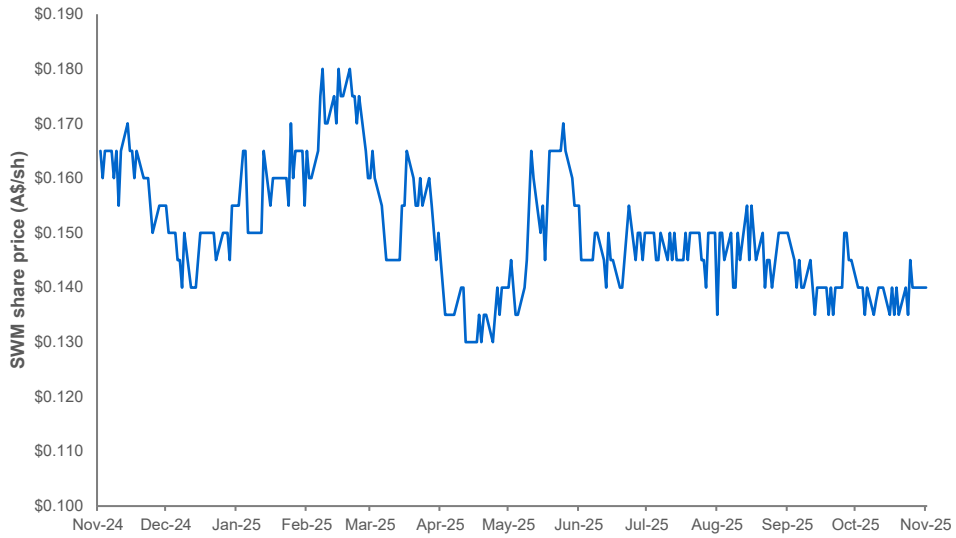
Share price history as at 5 November 2025.

Figure 1 – Seven Share price performance over the 12 months to Last Practical Date.



Trading benchmarks	A$ps
30-day VWAP	$0.141
60-day VWAP	$0.142
90-day VWAP	$0.143
52-week high (25-Feb-25)	$0.185
52-week low (23-Apr-25)	$0.125

During the three months ending on the Last Practicable Date:

- the highest recorded sale price for Seven Shares on the ASX was $0.160 on 30 September 2025; and
- the lowest recorded sale price for Seven Shares on the ASX was $0.135 on 31 October 2025.

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5.9 Substantial holders in Seven Shares

As extracted from filings released on the ASX on or before the Last Practicable Date, the following persons were substantial holders of Seven Shares:

Substantial holder	Number of Seven Shares	Voting power in Seven
Mr Kerry Matthew Stokes AC[7]	622,255,884	40.43%
Australian Capital Equity Pty Limited[8]	618,711,654	40.20%
SGH Limited[9]	618,711,654	40.20%
Spheria Asset Management Pty Ltd[10]	151,511,660	9.84%
Collins St Asset Management ATF Collins St Value Fund[11]	92,210,039	5.99%

5.10 Interests of Seven Directors in Seven Shares

As at the Last Practicable Date, the Seven Directors have the following Relevant Interests in Seven Shares:

Seven Director	Number of Seven Shares
Kerry Stokes AC	Relevant interests in 622,255,884 Seven West Media securities comprising: • 621,453,734 fully paid ordinary shares. • 802,150 restricted shares.
Jeff Howard	Relevant interests in 13,658,423 Seven West Media securities comprising:

[7] See Appendix 3Y for Kerry Stokes AC lodged on 7 March 2025.

[8] See Notice of Change of Interests of Substantial Holder given to ASX on 5 December 2023.

[9] See Notice of Change of Interests of Substantial Holder given to ASX on 19 December 2023.

[10] See Notice of Change of Interests of Substantial Holder given to ASX on 3 October 2024.

[11] See Notice of Initial Substantial Holder given to ASX on 2 October 2024.

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Seven Director	Number of Seven Shares
	• 3,568,554 fully paid ordinary shares. • 10,089,869 performance rights.
Teresa Dyson	Relevant interests in 373,706 Seven West Media securities comprising: • 117,720 fully paid ordinary shares held indirectly by Gritem Superannuation Pty Ltd ATF Glen & Teresa Dyson Family Superannuation Fund. • 255,986 restricted shares held directly.
Michael Malone	Relevant interests in 1,288,086 Seven West Media securities comprising: • 273,000 fully paid ordinary shares in Seven West Media Limited held indirectly by Dew Drops Pty Ltd ATF Zawsze Superannuation Fund. • 771,962 restricted ordinary shares held directly. • 243,124 Non-Executive Director (**NED**) Share Rights held directly.
Ryan Stokes AO	Relevant interests in 240,466 Seven West Media securities comprising: • 240,466 fully paid ordinary shares.
Michael Ziegelaar	Relevant interests in 395,358 Seven West Media securities comprising: • 10,000 Seven West Media Limited fully paid ordinary shares held indirectly by Michael Ziegelaar and Maria Ziegelaar, as trustees for the Ziegelaar Superannuation Fund • 294,225 restricted ordinary shares held directly. • 91,133 NED Share Rights held directly.

In addition, under Seven's equity incentive plan, the Key Management Personnel hold Performance Rights as follows: Jeff Howard holds 10,089,869 Performance Rights and Craig Haskins, Chief Financial Officer holds 2,128,356 Performance Rights.

No Seven Director acquired or disposed of a Relevant Interest in any Seven Shares during the four months before the date of this Scheme Booklet, other than:

- Jeff Howard, who disposed of 983,656 Performance Rights on 29 August 2025 by virtue of their lapse under Seven's Long-Term Incentive Plan;

- Michael Malone, who acquired 203,478 restricted fully paid ordinary shares (on vesting of NED share rights) and 243,124 NED Share Rights (on grant of those rights); and
- Michael Ziegelaar, who acquired 76,272 restricted fully paid ordinary shares (on vesting of NED Share Rights) and 91,133 NED Share Rights (on grant of those rights).

Seven Directors who hold Seven Shares, or entities who hold Seven Shares on behalf of Seven Directors, will be entitled to vote at the Scheme Meeting and, if the Scheme is implemented, will receive the Scheme Consideration for their Seven Shares along with the other Scheme Shareholders.

Each Seven Director intends to vote, or procure the voting of, any Seven Shares held or controlled by them at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.

5.11 Seven equity incentive arrangements

(a) **Overview of arrangements**

As detailed in Seven's annual report for the year ended 30 June 2025, Seven operates an incentive plan under which Performance Rights are offered to senior management.

(1) **Short-Term Incentive Plan**

The Short-Term Incentive (**STI**) Plan is focused on strategically aligned metrics and goals that are measured annually. The award sets annual financial and non-financial measures and delivers awards in the form of 50% paid in cash and 50% as Deferred Shares (with the maximum determined by dividing the dollar amount of the STI award by the 5-day VWAP up to and including 30 June, and then the award assessed compared to target metrics). The Deferred Shares are subject to a minimum 12-month restriction period from the grant date.

(2) **Long-Term Incentive Plan**

The Long-Term Incentive Plan (**LTIP**) rewards performance over the longer term and is designed to encourage sustained performance, drive long-term shareholder value creation and ensure alignment of executive remuneration outcomes to shareholder interests. LTIP awards are delivered in the form of Performance Rights subject to Seven's performance hurdles and individual service conditions being met.

(3) **Non-Executive Director Share Plan**

Seven also operated a Non-Executive Director Share Plan, although this is not currently operating and no Share Rights were issued for FY26. The plan was intended to further encourage and facilitate share ownership for Board members, allowing Non-Executive Directors to acquire equity through a pre-tax fee sacrifice plan.

The Non-Executive Director Share Plan was intended to provide an automated mechanism for participants to acquire shares, recognising that Non-Executive Directors can often be limited in their ability to purchase shares as a result of the Australian insider trading laws. In compliance with Seven's Share Trading Policy, Share Rights were granted to participants twice a year, shortly following the announcement of the Company's half year and full year results in February

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and August respectively. On vesting, the Share Rights will convert into fully paid ordinary shares subject to a disposal restriction.

(4) **One-off 2025 award**

Seven has also made a one-off award in relation to the 2025 financial year to certain employees, not including the named executives in section 5.4(b) of this Scheme Booklet of the SWM Group. This award will be made as 50% cash and 50% in equity through deferred share rights, subject to a 12-month restriction period. If the Transaction is implemented, this restriction period will be extended to be 12-months post the implementation date.

(b) **Implications of the Scheme for participants in the incentive arrangements**

Under the Scheme Implementation Deed, Seven is required to procure that there are no performance rights in existence on, and that any restrictions on any shares are lifted by, the Business Day before the Scheme Record Date.

Accordingly, the proposed treatment following completion of the Scheme of Seven equity incentives are as follows:

Tranche	Vesting Period	Number	Proposed treatment
2024 LTI	3 years	5,891,058	100% lapse
2025 LTI	3 years	19,464,979	32.5% will vest with a holding restriction to 30 June 2028.
2025 Incentive	12 months	7,810,141	100% vest of the deferred share rights with a holding restriction for 12-months after implementation.
NED Share Plan	N/A	334,257	100% vest

5.12 Other benefits and agreements

(a) **Interests of Seven Directors in Southern Cross securities**

Mr Kerry Stokes AC has a Relevant Interest in 700,000 shares in Southern Cross, with an approximate value of $609,000 calculated based on the closing price as at the Last Practicable Date. No other Seven Director has a Relevant Interest in any securities in Southern Cross.

No Seven Director has acquired or disposed of a Relevant Interest in any securities in Southern Cross during the four months before the date of this Scheme Booklet.

(b) **Interests of Seven Directors in contracts with Southern Cross**

No Seven Director has any interest in any contract entered into by Southern Cross, or any of its Related Bodies Corporate.

(c) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or senior manager of Seven (or any of its related bodies corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Seven (or any of its related bodies corporate) in connection with the Scheme.

(d) **Deeds of indemnity, access and insurance**

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Seven has indemnified the Seven Directors, on customary terms on a full indemnity basis and to the full extent permitted by law for all losses and liabilities incurred by each Seven Director as an officer of Seven.

Subject to the Scheme becoming Effective and being implemented, Southern Cross has undertaken that it will:

- ensure, for a period of seven years from the Implementation Date, that the constitution of Seven (and Seven Group Members) continue to contain rules that provide for each company to indemnify its directors and officers against liability incurred by them in their capacity as a director or officer of the company to any person other than a Seven Group Member; and
- procure that Seven and Seven Group Members comply with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers.

(e) **Benefits from Southern Cross**

No Seven Director has agreed to receive, or is entitled to receive, any benefit from Southern Cross, or any of its related bodies corporate, which is conditional on, or is related to, the Scheme.

(f) **Agreements connected with or conditional on the Scheme**

Other than as disclosed in section 5.11, there are no agreements or arrangements made between any Seven Director and any other person in connection with, or conditional on, the outcome of the Scheme.

5.13 Publicly available information about Seven

Seven is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, Seven is subject to Listing Rules which require (subject to some exceptions) continuous disclosure of any information that Seven has that a reasonable person would expect to have a material effect on the price or value of Seven Shares.

ASX maintains files containing publicly disclosed information about all entities listed on ASX. Information disclosed to ASX by Seven is available on ASX's website at www.asx.com.au.

In addition, Seven is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Seven may be obtained from an ASIC office.

Seven Shareholders may obtain a copy of Seven's 30 June 2025 Annual Financial Report:

- from the ASX's website (www.asx.com.au);
- from Seven's website https://sevenwestmedia.com.au/;
- by emailing Seven's investor relations team at swminvestorrelations@seven.com.au;
- by calling the Seven Shareholder Information Line on 1300 658 739 (within Australia) or +61 2 8016 2892 (outside Australia), between 8:30am and 5:30pm (Sydney time), Monday to Friday.

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6 Information about Southern Cross

This section 6 contains information in relation to Southern Cross as at the date of the Scheme Booklet. This section has been prepared by Southern Cross, and the information concerning Southern Cross and the intentions, views and opinions contained in this section are the responsibility of Southern Cross. Seven and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.1 Introduction

Southern Cross Media Group Limited (ASX:SXL) is a leading Australian media company with a long-standing presence in broadcasting and digital media. Its operations span metropolitan and regional radio, digital audio streaming and podcasting. It previously operated an affiliate regional television business which was divested in FY25.

Formed in 2011 through the merger of Southern Cross Broadcasting and Austereo Group, Southern Cross has deep roots in Australian media, having established iconic radio brands such as Triple M and Hit. Today, it owns 104 radio stations across FM, AM, and DAB+, and represents an additional 56 regional radio stations, reaching over 9 million listeners nationally.

Over the past decade, Southern Cross has transformed into a multi-platform audio entertainment company, significantly expanding its digital capabilities. This evolution accelerated with the 2021 launch of LiSTNR, a free digital audio platform offering live radio, live AFL, NRL, and international cricket coverage, over 40 music playlists, news and over 800 podcasts. LiSTNR now has over 2.4 million signed-in users and reaches around 8 million people monthly, providing advertisers with data-driven, cross-platform solutions.

In FY25, Southern Cross reported revenue from continuing operations of $421.9 million, operating expenses (excluding depreciation and amortisation) of $350.7 million and underlying EBITDA of $71.1 million. Statutory NPAT was $9.2 million whilst underlying NPAT was $15.1 million.

6.2 Business overview

Southern Cross operates through the following reportable segments:

- Broadcast Radio – Comprising of two complementary free-to-air radio networks that operate across metropolitan and regional radio markets;
- Digital Audio – Consists of the group's digital platform LiSTNR; and
- Corporate – Comprises group wide centralised functions which cannot be clearly attributed to either of the other segments.

In FY25, Southern Cross completed the sale of its regional television business to Network Ten and Seven West Media and retains an economic interest in the television business sold to Network Ten through a profit sharing arrangement for five years. The television operations are, therefore, classified as discontinued.

(a) Broadcast Radio

The broadcast radio segment consists of two radio brands, the Triple M Network and the Hit Network, operating across Australian capital cities and regional Australia. Under these networks Southern Cross owns 104 radio stations across FM, AM, and DAB+ radio and provides sales representation for 56 regional radio stations, targeting the 25–54 demographic.

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Metro audience share in this demographic is 36.7%, with metro revenue share at 28.3% as of 30 June 2025. Broadcast radio revenue is $376.8 million and contributes $97.2 million to EBITDA.

(b) **Digital Audio**

In FY25, LiSTNR, Southern Cross' digital audio platform, continued to scale with user growth of 20% to 2.4 million and a 15% increase in listening hours. Digital audio revenue for FY25 was $45.1 million, and the segment achieved EBITDA profitability for the first time, marking a key milestone in its digital strategy.

6.3 Southern Cross' strategy

Southern Cross is focused on creating, distributing and monetising audio content, with a strong emphasis on localised programming, its key differentiator from global streaming platforms like Spotify and SoundCloud, which prioritise scale and algorithm-driven personalisation.

The Southern Cross Group is now in the final phase of its multi-year Digital First Transformation, aimed at modernising its broadcast radio operations and equipping its network brands with the tools to reach and monetise audiences across Australia.

Before announcement of the Transaction, Southern Cross has outlined three operational priorities:

- growing and monetising the core 25–54 audience segment;
- leveraging prior investments to evolve its operating model; and
- driving earnings growth and margin improvement.

Triple M and Hit target different demographics within the 25–54 age group—Triple M skewing male and Hit skewing female, which is the focus of over 70% of advertising briefs, reflecting the strategic importance of this segment.

In regional markets, Southern Cross continues to apply its "Proudly National, Fiercely Local" approach, balancing national scale with deep local engagement.

6.4 Southern Cross Board and senior management

(a) **Southern Cross Board**

The Southern Cross Board comprises the following directors:

Name	Position	Profile
Heith Mackay-Cruise	Chair and Independent Director	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 Chief Executive Officer of Sterling Early Education, the Global Chief Executive Officer and Managing Director of Study Group Limited, and Chief Executive Officer 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. Heith is a non-executive director of Codan Limited (ASX:CDA) where he is a member of the Board's Remuneration and Nomination Committee. He is the Deputy Chair of the Australian Institute of Company Directors where he chairs the Board's Digital

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Name	Position	Profile
		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) from July 2022 to July 2024, LiteracyPlanet, hipages Limited (ASX:HPG), and the Vision Australia Foundation, and a non-executive director of LifeHealthcare and Bailador Technology Investments Limited (ASX:BTI). 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.
John Kelly	Managing Director and Chief Executive Officer	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 Network Ten, including eight years as Group CFO, and then three years as Chief Operating Officer at Football Federation Australia, before joining Southern Cross as Chief Operating Officer in 2016. In that role, he oversaw Southern Cross' general management teams, strategy, research and insights, and digital audio, as well as facilitating Southern Cross' key sporting rights, television affiliations, and digital audio partnerships. As CEO, John leads the development and execution of Southern Cross' strategy with a view to increasing shareholder value, profitability, and the sustainability of the organisation in the long term.
Ido Leffler	Independent Director	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. Mr Leffler has indicated his intention to continue on the board of the Combined Group and retire from the board on 30 June 2026.
Marina Go AM	Independent Director	Marina Go has over 30 years of leadership experience in the media industry, having started her career as a journalist and editor. Marina's media executive roles include Chief Executive Officer of Private Media, Country Chief Executive Officer of Hearst Australia, and senior roles with Pacific Magazines and Fairfax.

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Name	Position	Profile
		Marina is a non-executive director on the boards of Transurban (ASX:TCL); Metcash (ASX:MTS); and the Australian Institute of Company Directors, where she Chairs the People and Culture Committee. Marina also Chairs the National Foundation for Australia-China Relations Advisory Board and was previously Chair of several other organisations including The Walkley Foundation, UTS Centre for Media Transition Advisory Board, Wests Tigers NRL Club, Super Netball Commission, Netball Australia and Ovarian Cancer Australia, and was a director of Autosports Group (ASX:ASG) from September 2016 to November 2024, Adore Beauty, 7-Eleven and Energy Australia. She is a member of UNSW's Business Advisory Council, ANU's Centre for Asian-Australian Leadership (CAAL) Advisory Board, O'Connell Street Associates, Chief Executive Women and a Fellow of the Australian Institute of Company Directors. Marina was awarded a Member of the Order of Australia in 2023 for her services to business governance, sports administration and the media.

(b) **Southern Cross senior management**

Southern Cross' senior management team comprises the following members:

Name	Position	Profile
John Kelly	Managing Director and Chief Executive Officer	See profile above.
Toby Potter	Chief Financial Officer	Toby is a commercially focused and results-driven finance and business executive with over 20 years of experience in finance and commercial roles across media, financial and professional services in Australia, Canada and Europe. With deep expertise across all facets of finance and operations, Toby is particularly passionate about tackling complex challenges and executing initiatives that others may deem too difficult or unattainable. Throughout his career, Toby has developed significant expertise in asset divestment, mergers and acquisitions, operational finance, planning and forecasting. Toby has also built and led high-performing teams and consistently driven value-creation opportunities, bringing creative solutions to the table and pushing the boundaries of what's possible. Toby has over 10 years of experience working at Southern Cross and, in his current role, Toby is responsible for all financial aspects of Southern Cross and continues to focus on delivering financial excellence while identifying and seizing

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Name	Position	Profile
		strategic opportunities that will ensure sustainable growth and long-term success.
Seb Rennie	Chief Commercial Officer	Seb Rennie has over 20 years' experience in media, having worked in and with significant media agencies, media owners, advertisers and tech vendors in Australia, the United Kingdom, and Canada. Most recently before joining Southern Cross, Seb was GroupM's Chief Investment Officer for Australia. Seb joined Southern Cross in early 2023 to lead Southern Cross' commercial strategy for its LiSTNR digital audio division. He became Chief Commercial Officer in May 2023 with responsibility for driving commercial performance and value for clients across Southern Cross' suite of broadcast and digital media channels and brands.

6.5 Historical financial information

(a) Basis of preparation

This section 6.5 sets out a summary of financial information in relation to Southern Cross for the purpose of this Scheme Booklet. The financial information has been extracted from Southern Cross' audited financial statements for the financial years ended 30 June 2023, 30 June 2024 and 30 June 2025, which were audited by PwC.

The historical financial information of Southern Cross is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Southern Cross considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to Seven Shareholders.

Further detail on Southern Cross' financial performance can be found in:

- the Southern Cross Appendix 4E and 2025 Financial Report (released to ASX on 25 August 2025);
- the Southern Cross Appendix 4E and 2024 Financial Report (released to ASX on 28 August 2024); and
- the Southern Cross Appendix 4E and 2023 Financial Report (released to ASX on 17 August 2023),

each of which can be found on Southern Cross' website at https://www.sca.com.au/investors/ or the ASX website at www.asx.com.au.

This section 6.5 should be read in conjunction with the risks to which Southern Cross is subject and the risks associated with the Scheme, as set out in section 8.

(b) Historical consolidated income statement

The audited Consolidated Statement of Comprehensive Income of Southern Cross for the years ended 30 June 2023, 30 June 2024 and 30 June 2025, which have been extracted from the relevant Annual Financial Reports of Southern Cross, are summarised below.

	FY25 $m	FY24 $m	FY23 $m

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Revenue from continuing operations	421.9	401.9	504.3
Operating expenses excluding depreciation and amortisation	(350.7)	(348.9)	(427.1)
EBITDA	**71.1**	**52.9**	**77.2**
Depreciation and amortisation	(30.0)	(28.1)	(29.2)
EBIT	**41.1**	**24.8**	**48.1**
Net finance costs	(18.3)	(18.0)	(16.8)
Profit before significant items and tax	**22.8**	**6.8**	**31.3**
Significant items excluding tax	(12.2)	(336.5)	(4.0)
Profit before tax	**10.6**	**(329.7)**	**27.3**
Income tax expense	(4.2)	98.6	(8.1)
Profit after tax from continuing operations	**6.4**	**(231.1)**	**19.1**
Profit from discontinued operations	2.8	6.5	-
Profit after tax	**9.2**	**(224.6)**	**19.1**
Less: Significant items including tax	8.7	235.6	2.8
Profit after tax excluding significant items	**17.9**	**11.0**	**21.9**

(a) **Historical consolidated statement of financial position**

The audited Consolidated Statement of Financial Position of Southern Cross as at 30 June 2023, 30 June 2024 and 30 June 2025, which have been extracted from the relevant Annual Financial Reports of Southern Cross, are presented below.

	30 June 2025	**30 June 2024**	**30 June 2023**
	$m	**$m**	**$m**
ASSETS			
Current assets			
Cash and cash equivalents	35.5	10.5	13.0
Trade and other receivables	96.1	105.4	98.7
Current tax receivable	0.2	0.9	1.3
Total current assets	**131.7**	**116.9**	**112.9**
Non-current assets			
Investments	2.7	5.8	6.3
Receivables	13.3	9.7	10.9
Property, plant and equipment	50.8	63.2	76.8
Intangible assets	389.7	391.5	712.1
Right of use (ROU) assets	97.8	104.7	109.7
Other assets	-	0.5	0.7
Total non-current assets	**554.3**	**575.4**	**916.6**
Total assets	**686.1**	**692.3**	**1,029.5**
LIABILITIES			
Current liabilities			
Trade and other payables	45.4	40.8	43.7
Lease liabilities	8.4	7.8	7.1
Provisions	19.8	21.4	20.3
Deferred income	4.1	4.9	5.5
Total current liabilities	**77.6**	**74.9**	**76.7**
Non-current liabilities			

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Deferred income	81.9	84.2	86.3
Lease liabilities	115.7	120.5	122.9
Provisions	7.4	3.9	4.1
Deferred tax liabilities	88.4	88.5	187.1
Borrowings	102.8	117.6	117.2
Total non-current liabilities	**396.2**	**414.6**	**517.7**
Total liabilities	**473.8**	**489.5**	**594.4**
Net assets	**212.3**	**202.8**	**435.1**
EQUITY			
Share capital	1,516.1	1,516.1	1,516.1
Reserves	6.2	6.0	6.0
Accumulated deficit	(1,310.0)	(1,319.2)	(1,086.9)
Total equity	**212.3**	**202.8**	**435.1**

(b) **Historical consolidated statement of cash flows**

The audited Consolidated Statement of Cash Flows of Southern Cross for the years ended 30 June 2023, 30 June 2024 and 30 June 2025, which have been extracted from the relevant Annual Financial Reports of Southern Cross, are summarised below.

	30 June 2025 $m	30 June 2024 $m	30 June 2023 $m
Cash flows related to operating activities			
Receipts from customers	543.4	534.1	550.3
Payments to suppliers and employees	(476.6)	(497.7)	(487.2)
Interest and other items of similar nature received	0.6	0.3	1.1
Net income tax refunds (payments)	(2.0)	(2.3)	(7.4)
Net operating cashflows	**65.4**	**34.5**	**56.8**
Cash flows relating to investing activities			
Payments for purchases of PPE	(2.1)	(2.8)	(11.7)
Payments for intangibles	(7.8)	(13.0)	(13.0)
Proceeds from sale of other assets	3.1	6.0	3.5
Net proceeds from sale of discontinued operations	3.8	-	-
Payments for investment, net of cash acquired	(0.2)	(0.1)	(0.2)
Payments from equity accounted investments	0.3	0.9	1.1
Proceeds from sale of investments	-	0.8	-
Net investing cash flows	**(3.0)**	**(8.2)**	**(20.5)**
Cash flows related to financing activities			
Buy back of ordinary shares	-	-	(21.3)
Dividends paid to security holders	-	(7.7)	(23.3)
Proceeds from borrowings	-	20.0	15.0
Repayment of borrowings	(15.0)	(20.0)	(25.0)
Payment of refinancing costs	(0.7)	-	-
Interest paid	(13.7)	(13.7)	(11.8)
Payment of lease liabilities	(8.1)	(7.4)	(6.5)
Net financing cash flows	**(37.5)**	**(28.7)**	**(72.9)**
Net increase / (decrease) in cash and cash equivalents	**24.9**	**(2.4)**	**(36.5)**
Cash and cash equivalents at the beginning of year	10.6	13.0	49.5

Cash and cash equivalents at the end of the year	**35.5**	**10.6**	**13.0**

6.6 Material changes in Southern Cross' financial position

To the knowledge of Southern Cross Directors, the financial position of Southern Cross has not materially changed since 30 June 2025.

6.7 Capital structure

As at the Last Practicable Date, the issued securities of Southern Cross are as follows:

Type of security	Number on issue
Fully paid ordinary shares	239,899,149
Performance rights	2,176,685

Southern Cross intends to issue a further 3,963,428 performance rights in respect of FY26 after its Annual General Meeting in November 2025 (subject to shareholder approval in respect of the proposed issue of 1,426,154 performance rights to John Kelly).

As at the Last Practical Date, Southern Cross had a market capitalisation of approximately $207,512,764.89 (based on a closing price of $0.87 and 239,899,149 shares on issue).

6.8 Share price history

Southern Cross Shares are listed on the ASX under the trading ticker 'SXL.'

Southern Cross announced that it entered into the Scheme Implementation Deed to proceed with the Transaction on 30 September 2025. The closing price of Southern Cross Shares on 29 September 2025 (being the last trading date prior to the announcement of the Scheme) was $0.840.

Share price history as at Last Practicable Date 5 November 2025.

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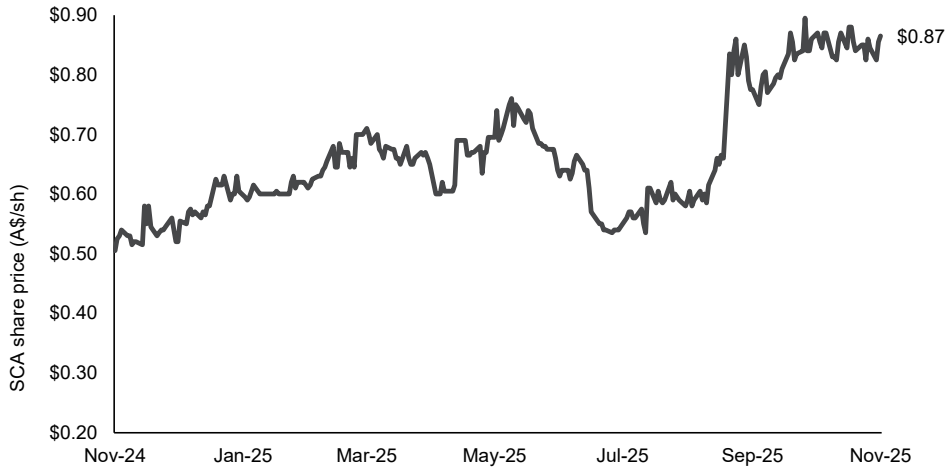
Figure 2 – Southern Cross Share price performance over the 12 months to Last Practical Date.



Trading benchmarks	A$ps
30-day VWAP	$0.86
60-day VWAP	$0.82
90-day VWAP	$0.76
52-week high (30 September 2025)	$0.90
52-week low (5 November 2024)	$0.51

During the three months ending on the Last Practicable Date:

- the lowest recorded sale price for Southern Cross Shares on the ASX was $0.580 on 7 August 2025.
- the highest recorded sale price for Southern Cross Shares on the ASX was $0.895 on 30 September 2025.

6.9 Substantial Southern Cross shareholders

As extracted from filings released on the ASX on or before the Last Practicable Date, the following persons were substantial holders of Southern Cross Shares:

Substantial Shareholder	Number of SCA Shares	% of Total
ARN Media Limited[12]	35,505,074	14.80%
Thorney Investment Group Australia Pty Limited (and Associates)[13]	34,586,950	14.42%
Spheria Asset Management Pty Ltd[14]	33,293,117	13.88%

12 ARN Media Limited – Notice of initial substantial holder, 21 June 2023.
13 19 Cashews Pty Limited – Change of interests of substantial holder, 5 June 2024.
14 Spheria Asset Management Pty Limited – Change of interests of substantial holder, 23 September 2025.

Substantial Shareholder	Number of SCA Shares	% of Total
Sandon Capital Pty Ltd[15]	27,012,511	11.30%
Pinnacle Investment Management Group Limited[16]	25,928,446	10.81%
Dimensional Entities[17]	38,458,228	5.00%

6.10 Interests of Southern Cross Directors in Southern Cross Shares

As at the Last Practicable Date, the Southern Cross Directors have the following Relevant Interests in Southern Cross Shares:

Southern Cross Director	Number of Southern Cross Shares
Heith Mackay-Cruise	Relevant interests in 194,100 Southern Cross securities comprising: • 194,100 fully paid ordinary shares.
John Kelly	Relevant interests in 2,496,824 Southern Cross securities comprising: • 339,132 fully paid ordinary shares. • 731,538 performance rights. Southern Cross proposes to issue a further 1,426,154 performance rights in respect of FY26 subject to shareholder approval at the Annual General Meeting of Southern Cross in November 2025.
Ido Leffer	Relevant interests in 64,869 Southern Cross securities comprising: • 64,869 fully paid ordinary shares.
Marina Go	Relevant interests in 50,000 Southern Cross securities comprising: • 50,000 fully paid ordinary shares.

No Southern Cross Director acquired or disposed of a Relevant Interest in any Seven Shares during the four months before the date of this Scheme Booklet.

15 Sandon Capital Pty Limited – Change of interests of substantial holder, 22 September 2025.
16 Pinnacle Investment Management Group Limited – Change of interests of substantial holder, 24 September 2025.
17 Dimensional Entities – Notice of initial substantial holder, 3 January 2019.

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6.11 Southern Cross employee incentive arrangements

A high level summary of Southern Cross' executive incentive scheme (**EIS**) is provided below. Further detail on Southern Cross' EIS and remuneration practices more generally is available in the Remuneration Report of Southern Cross' 2025 Appendix 4E and Financial Report and the Southern Cross website at https://www.sca.com.au/investors/.

As announced on 6 May 2025, Southern Cross adopted a new executive remuneration framework in FY26, which replaces the previous 'combined' executive incentive plan and consists of a separate annual Short-Term Incentive (**STI**) component with KPIs applicable to each financial year, and a separate Long-Term Incentive (**LTI**) component. The LTI will be assessed at the conclusion of a three-year performance period, with share price targets set above current share price levels. The FY26 LTI targets have been set based on driving shareholder returns equivalent to share prices of $1.00 (threshold), $1.20 (target) and $1.50 (stretch). The new FY26 STI scorecard will consist of a 70/30 split between financial and strategic goals respectively, with a behavioural gateway for any award to be payable.

Under the EIS, the Southern Cross Board retains a general discretion as well as a specific discretion in the context of a change of control during the three-year term to determine how to treat unassessed awards or unvested performance rights. This includes the ability to forfeit or make an award in whole or in part, to determine that performance rights will vest or lapse in whole or in part, or to allow performance rights to continue subject to the same or varied conditions.

The proposed treatment following completion of the Scheme of Southern Cross performance rights are as follows:

Tranche	Vesting Period	Number	Proposed treatment
FY23	Already vested	541,281	The previous holding restriction of 30 June 2027 is to be removed on implementation.
FY25	3 years	2,176,685	Earnings per share will be tested on implementation and performance rights will be vested based on EPS achievement with a holding restriction of 12 months from the Implementation Date.
FY26	3 years	3,963,428	No change to FY26 performance rights.

6.12 Rights attaching to New Southern Cross Shares

Set out below is a summary of some of the key provisions in the Southern Cross Constitution in relation to the rights and liabilities attached to Southern Cross Shares. A full copy of the Southern Cross Constitution is available on the Southern Cross website.

(a) **Members' Meeting**

Southern Cross must hold an Annual General Meeting at least once every calendar year within five months of the end of its financial year. By resolution of the Southern Cross Board, a general meeting may be called in the manner determined by the Southern Cross Board, and a meeting will be required to be called on the requisition of members with at least 5% of the votes that may be cast at the general meeting.

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Where a general meeting is convened and a quorum is not present within 15 minutes of the time appointed for the meeting, the meeting if convened by a Southern Cross Director or by or on requisition of Southern Cross Shareholders is dissolved. In any other case, the meeting stands adjourned to the same day in the next week and the same time and place, or to such other day, time and place as the Southern Cross Directors appoint by notice to the Southern Cross Shareholders and others entitled to notice of the meeting.

Meetings are convened on advance notice of at least 28 days. Notices are required to be given to all Southern Cross Shareholders.

(b) **Voting Rights**

On a show of hands, each Southern Cross Shareholder present in person and each other person present as a proxy, attorney or representative of a member has one vote. On a poll, each Southern Cross Shareholder present in person has one vote for each fully paid share held by the Southern Cross Shareholder, and each person present as proxy, attorney or representative of a Southern Cross Shareholder has one vote for each fully paid share held by the Southern Cross Shareholder that the person represents. A poll may be demanded by at least five Southern Cross Shareholder entitled to vote on the resolution, members with at least 5% of the votes that may be cast on the resolution on a poll, or by the chairman.

Subject to the Corporations Act in relation to special resolutions, an ordinary resolution is taken to be carried if a simple majority of the votes cast on the ordinary resolution are in favour of it. In the case of an equality of votes, the Chair does not have a casting vote on a show of hands or on a poll.

(c) **Directors**

Southern Cross must have at least three and no more than eight Southern Cross Directors, or such other number as determined by the Southern Cross Directors, provided it is not less than the number in office at the time of determination.

At each annual general meeting, one-third of the Southern Cross Directors (or the number nearest one-third) and any Southern Cross Director who has held office for three years or more must retire. Retiring Southern Cross Directors are eligible for re-election. The Southern Cross Board has the power to appoint, at any time, a person as a Southern Cross Director either to fill a casual vacancy or as an addition to the Southern Cross Board.

Questions arising at any meeting of Southern Cross Directors are to be decided by a majority of votes of Directors present and entitled to vote. In the case of an equality of votes, the Chairman of the meeting does not have a casting vote.

(d) **Preference Shares**

Southern Cross Preference Shares may be issued at any time with any special rights or restrictions in regard to dividends, voting, return of share capital, or otherwise, in accordance with the Southern Cross Constitution, subject to the Corporations Act and any special rights previously conferred on holders of existing shares.

There are currently no Southern Cross Shares with preferential rights on issue.

(e) **Dividends**

The Southern Cross Board may determine that a dividend is payable to eligible Southern Cross Shareholders and fix the amount, time for payment and method of payment. Interest is not payable on a dividend.

The Southern Cross Directors may establish a dividend reinvestment plan under which members may elect to reinvest cash dividends paid by Southern Cross by subscribing for

shares and may vary, suspend or terminate such arrangements as the Southern Cross Directors see fit.

(f) **Liquidation**

If Southern Cross is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories any part of the assets of Southern Cross in kind and may vest any part of the assets in trustees on any trusts for the benefit of all or any of the contributories as the liquidator thinks fit. No member is compelled to accept shares or other securities with liability attached.

(g) **Pre-emptive rights**

Southern Cross Shareholders do not have any pre-emptive rights under the Southern Cross Constitution. However, subject to the Southern Cross Constitution, the Corporations Act and Listing Rules, the Southern Cross Board may grant pre-emptive rights. Under the Listing Rules, certain restrictions apply to a listed company placing its ordinary shares otherwise than on a pro rata basis among its shareholders.

(h) **Alteration to share capital**

Without affecting any special rights conferred on the holders of any Southern Cross Shares, the Southern Cross Board may determine, on any terms it considers appropriate, to issue shares or other securities.

(i) **BSA control restrictions**

Under the Southern Cross Constitution, specific restrictions apply to shareholders who may be deemed to have control under the BSA. These restrictions are designed to ensure compliance with the BSA's ownership and control rules, which are particularly relevant to broadcasting licensee companies.

A person (a **Relevant Person**) will be considered to have **BSA Control** of Southern Cross if they hold more than 15% of the Southern Cross Shares, which includes shareholding, voting rights, dividend entitlements, and winding-up rights. The tests for control under the BSA are complex and involve both legal and commercial considerations.

To mitigate the risk of non-compliance, the Southern Cross Constitution includes provisions that:

- Restrict Relevant Persons from acquiring or holding shares in Southern Cross where such holding would result in a breach of the BSA.
- Permit Southern Cross to take corrective action, including the disposal of shares held by a Relevant Person, to ensure ongoing compliance.
- Impose conditions **on all shareholders**, reflecting the requirements of the BSA.

Failure to comply with these restrictions - either by a Relevant Person or by Southern Cross or its licensee entities - may result in enforcement action by ACMA.

6.13 Corporate Governance

Southern Cross is committed to maintaining high standards of corporate governance and has adopted governance practices that are consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition). Southern Cross' Corporate Governance Statement, which sets out Southern Cross' compliance with the ASX Corporate Governance Principles and Recommendations, is available on Southern Cross' website at https://www.sca.com.au/investors/ and was approved by the board on 22 August 2025.

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6.14 Dividend Policy and history

(a) **Dividend policy**

As at the date of this Scheme Booklet, the board of Southern Cross Board has established a policy of targeting a dividend payout ratio in the range of 65-85% of the Southern Cross Group's underlying financial year net profit after tax. In certain circumstances, the Southern Cross Board may declare a dividend outside of that range.

Further details on Southern Cross' underlying profit after tax calculation for FY25 are set out in the Appendix 4E and 2025 Financial Report announced to the ASX on 25 August 2025 and can be found on the ASX website at https://www.asx.com.au or the Southern Cross website https://www.southerncrossaustereo.com.au.

(b) **Dividend history**

Dividend	Amount	Payment Date	Franking
Final Dividend 2025	4.00 cents	7 October 2025	Fully franked
Interim Dividend 2024	1.00 cents	12 April 2024	Fully franked
Final Dividend 2023	2.20 cents	4 October 2023	Fully franked
Interim Dividend 2023	4.60 cents	11 April 2023	Fully franked
Final Dividend 2022	4.75 cents	4 October 2022	Fully franked
Interim Dividend 2022	4.50 cents	7 April 2022	Fully franked

6.15 Other benefits and agreements

(a) **Interests of Southern Cross Directors in Seven securities**

No Southern Cross Directors has a Relevant Interest in any securities in Seven.

No Southern Cross Director has acquired or disposed a Relevant Interest in any securities in Southern Cross during the four months before the date of this Scheme Booklet.

(b) **Other interests of Southern Cross Directors**

Except as provided in this Scheme Booklet, the Southern Cross Directors have no interest in the outcome of the Scheme.

(c) **Interests of Seven Directors in contracts with Southern Cross**

No Southern Cross Director has any interest in any contract entered into by Seven, or any of its Related Bodies Corporate.

(d) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Southern Cross (or any of its related bodies corporate) as compensation for the loss of, or consideration for or in connection with his or her

retirement from, office in Southern Cross (or any of its related bodies corporate) in connection with the Scheme.

(e) **No inducing benefits given during previous four months**

During the period of four months before the date of this Scheme Booklet, none of Southern Cross or any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- vote in favour of the Scheme; or
- dispose of Seven Shares,
- where the benefit was not offered to all Seven Shareholders.

(f) **Benefits from Seven**

No Southern Cross Director has agreed to receive, or is entitled to receive, any benefit from Seven, or any of its related bodies corporate, which is conditional on, or is related to, the Scheme.

(g) **Agreements connected with or conditional on the Scheme**

There are no agreements or arrangements made between any Southern Cross Director and any other person in connection with, or conditional on, the outcome of the Scheme.

6.16 Additional information

(a) **Director removal resolutions**

On 12 May 2025 and 7 July 2025, shareholders associated with funds managed by Sandon Capital Pty Ltd (Sandon) gave notice of their intention to move resolutions under section 203D of the Corporations Act to remove three Southern Cross directors, Heith Mackay-Cruise, Ido Leffler, and Marina Go (**Removal Resolutions**), at the Southern Cross AGM scheduled for 24 November 2025.

Sandon has not proposed any replacement directors, and it remains unclear what board composition it intends following the proposed removals. If all Removal Resolutions are passed, Southern Cross would fall below the statutory minimum of three directors required under section 201A(2) of the Corporations Act. In that event, the sole remaining director, John Kelly, would be required to appoint additional directors to restore compliance. The removal of directors without replacements may disrupt Southern Cross' governance and continuity of management.

The Southern Cross Board has unanimously recommended that shareholders vote against the Removal Resolutions.

(b) **Constitutional amendment resolution**

On 30 September 2025, Southern Cross also received a notice under section 249D from Sandon requisitioning a special resolution to amend the Constitution to restrict Southern Cross from issuing more than 25% of its issued share capital without shareholder approval. This resolution will also be considered at the AGM and requires at least 75% shareholder approval to pass.

If passed, the proposed amendment would be inconsistent with the Transaction and the terms of the Scheme Implementation Deed. This could result in either Southern Cross or Seven terminating the Scheme Implementation Deed and not proceeding with the Transaction.

The Southern Cross Directors have unanimously recommended that shareholders vote against the proposed constitutional amendment. As announced to ASX on 1 October

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2025, shareholders representing more than 25% of its issued shares, including Thorney Investment Group (and associates) (15%) and Spheria Asset Management (14%), have advised Southern Cross that they do not support the amendment and intend to vote against it.

6.17 Publicly available information

Southern Cross is a publicly listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, Southern Cross is subject to the Listing Rules which require continuous disclosure (with some exceptions) of any information that Southern Cross has which a reasonable person would expect to have a material effect on the price or value of Southern Cross Shares.

In addition, Southern Cross is required to maintain periodic disclosure (including yearly and half yearly financial statements) with ASIC in accordance with the Corporations Act and ASX in accordance with the Listing Rules.

Information disclosed by Southern Cross to ASX (including its 2025 Annual Report) is available on ASX's website at https://www.asx.com.au/markets/company/SXL and on Southern Cross' website at https://www.sca.com.au/. Copies of documents lodged with ASIC by Southern Cross may be obtained from, or inspected at, any ASIC office or https://www.asic.gov.au.

6.18 No other material information

Other than as disclosed in this section 6, there is no information regarding Southern Cross, or its intentions regarding Seven, that is material to the making of a decision by a Seven Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Southern Cross as at the date of this Scheme Booklet that has not been previously disclosed to Seven Shareholders.

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7 Information about the Combined Group

7.1 Overview of the Combined Group

If the Scheme is implemented, the business of Seven and Southern Cross will be combined to create a leading integrated total television, radio, audio and digital platform. The Combined Group's businesses are highly complementary with strong positions in the Australian advertising market across free-to-air television and radio, streaming, audio, digital and publishing assets, creating a leading integrated multi-media platform.

The Combined Group will have extensive scale and reach across metropolitan and regional markets. The combination of Seven and Southern Cross creates the opportunity to leverage the combined suite of assets, brands and content to attract and grow high value audiences and maximise revenue opportunities, particularly in the key 25-54 demographic.

In the major metropolitan markets, the Combined Group will connect with audiences through the Seven network and its affiliate channels and the Triple M and Hit radio network in Sydney, Melbourne, Brisbane, Adelaide and Perth.

In regional markets the Combined Group will benefit from increased scale and reach by virtue of Seven's broadcast coverage across every state and territory, coupled with Southern Cross' extensive regional footprint which includes 78 owned radio licences, and sales representation for 56 local stations.

Digital media continues to grow and attract audiences across live and streamed video and audio content no matter where they are in Australia. The Combined Group will be well positioned to leverage the strength and momentum of its 7plus and LiSTNR platforms across all markets thereby accelerating digital audience engagement.

The Combined Group will therefore be well positioned to unlock significant shareholder value as it grows its audiences and revenue. An overview of the Combined Group's diverse portfolio and complimentary brands is highlighted below:

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Brands	*Broadcast* *Digital*	
Metro	✓	✓
Regional	✓	✓
Digital	✓	✓
Streaming	✓	✓
Podcast	✓	✓
TV[1]	✓	
Radio		✓
Publishing	✓	

Notes: (1) SCA had operated in the regional television business for a long period of time, having only recently sold its regional television business to Network 10 and Seven earlier this year

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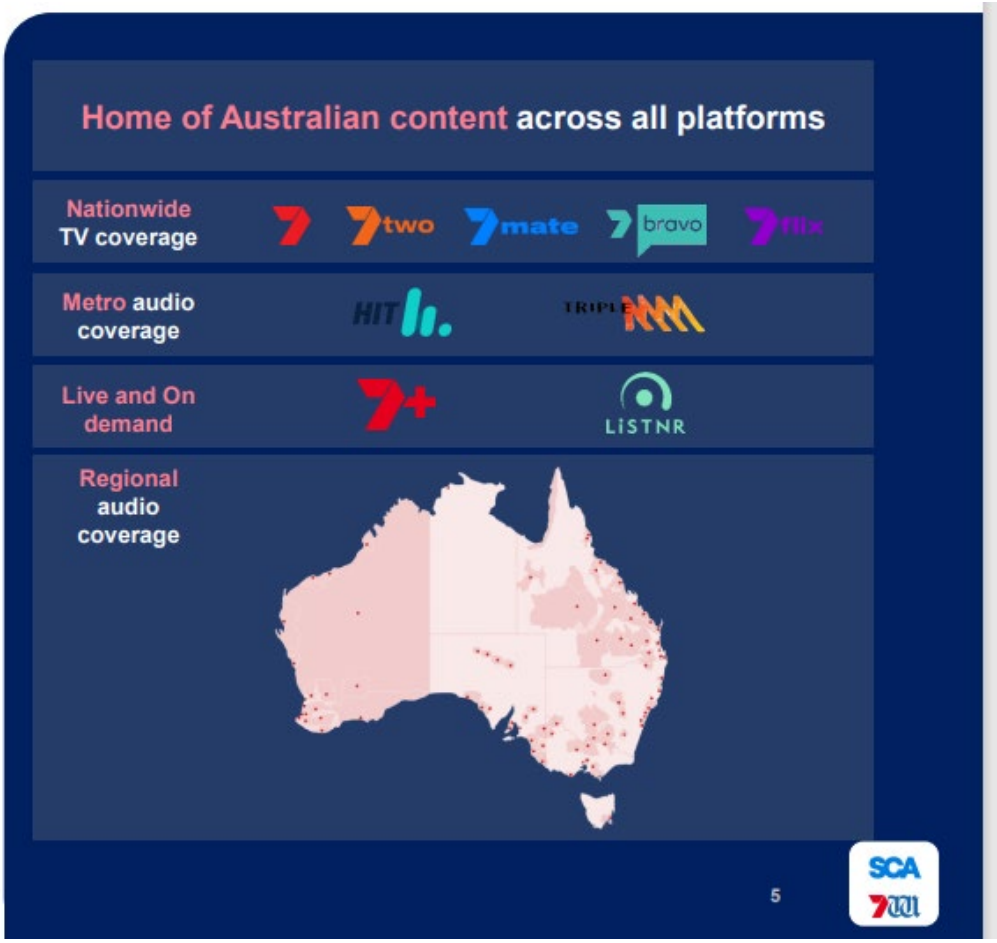

7.2 Strategic rationale for the transaction

The combination of Seven and Southern Cross brings together complimentary assets and brands to create a truly national, diversified media organisation with extensive scale and reach across free-to-air television and radio, streaming, audio, digital and publishing assets.

The Combined Group will create one of Australia's leading total TV, radio, audio and digital platforms with the leading brands establishing national leadership across critical demographics.

If the Scheme is implemented the Combined Group will be well positioned to realise a wide range of strategic and financial benefits by:

- **Creating a leading integrated multi-media platform,** delivering world-class content to national and local audiences through the combined power of linear and digital media channels (free-to-air TV and radio, streaming, audio, digital and publishing)
- **Attracting and growing high value audiences** that matter by combining platforms to create an integrated company with extensive reach
- **Leveraging attractive digital, video, audio and publishing content across the combined platforms** with the benefit of a cohesive strategy that showcases and promotes news, sport and entertainment under a single streamlined offering

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- **Creating a cross-platform scalable solution for advertisers and agencies** to connect with audiences across a range of media to improve campaign targeting, reach and efficiency
- **Leveraging combined data and insights** across platforms to drive cross promotion and accelerate growth in audiences and revenue
- **Delivering operational and financial strength** to support the funding of organic and inorganic growth opportunities and capital management initiatives
- **Realising $25 million - $30 million of cost synergies** through unlocking cross-platform synergies to deliver future upside (see below)
- **Improving market scale, financial profile, free float, liquidity and investor relevance** to align with both Seven and Southern Cross' stated strategic position of being in support of media consolidation in Australia

The $25 million to $30 million of annual pre-tax cost synergies set out above are expected to be delivered within 18-24 months of implementation of the Transaction, further work continues to examine potential revenue synergy quantification. The cost synergies are primarily anticipated to come from:

- reduction in costs from duplicated spend including listing costs, back office and corporate services;
- improved unit economics through pooled volume and services;
- improvements and efficiencies in systems and processes; and
- consolidation of the Combined Group’s property footprint, with multiple locations identified where duplication exists.

The logic of combining media platforms has long been acknowledged as a way to unlock new opportunities that are not available to stand alone operators. The Combined Group will be well positioned to undertake a range of new initiatives that provide advertising partners and clients with a “one stop shop” to reach high value audiences across the Seven and Southern Cross brands and platforms. Harnessing combined skills and talent, the potential opportunities created include:

- **Growing digital** through initiatives to accelerate audience acquisition across platforms to advance these attractive markets
- **Leveraging complementary data and insights** to drive audience acquisition and retention
- **Cross-platform promotions** to utilise talent to market and promote key entertainment content, including tentpoles, podcasts and video-on-demand library
- **Increasing news and sports coverage** by leveraging the strength of talent and both national and regional coverage to drive audience and revenue opportunities



7.3 Directors and Senior Management of the Combined Group

It is intended that upon implementation, the Board will comprise eight directors including the Chief Executive Officer and Managing Director. This will initially be made up from five representatives of the Seven Board and three representatives of the Southern Cross Board. From the end of February 2026, it will comprise three non-executive representatives from Southern Cross and two non-executive representatives from Seven, in addition to the Managing Director and Chief Executive Officer.

Kerry Stokes AC will become Chair of the Board until the end of February 2026 when he will retire from the Board, after which he will be available as a consultant to the Combined Group. Heith Mackay-Cruise is a nominee of Southern Cross and will become Chair of the Board from the end of February 2026. Mr Malone will also retire from the Board at the end of February 2026.

Ido Leffler has indicated his intention to continue on the Board of the Combined Group through the acquisition and retire from the Board on 30 June 2026.

Kerry Stokes AC *Chair*	See section 5.4(a) for the profile of Mr Stokes. Mr Stokes is a nominee of Seven.
Heith Mackay-Cruise *Non-Executive Director*	See section 6.4 for the profile of Mr Mackay-Cruise. Mr Mackay-Cruise is a nominee of Southern Cross.
Ryan Stokes AO *Non-Executive Director*	See section 5.4(a) for the profile of Mr Stokes. Mr Stokes is a nominee of SGH Limited.
Michael Malone *Non-Executive Director*	See section 5.4(a) for the profile of Mr Malone. Mr Malone is a nominee of Seven.
Jeff Howard *Chief Executive Officer and Managing Director*	See section 5.4(a) for the profile of Mr Howard.
Ido Leffler *Non-Executive Director*	See section 6.4 for the profile of Mr Leffler. Mr Leffler is a nominee of Southern Cross.

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Teresa Dyson *Non-Executive Director*	See section 5.4(a) for the profile of Ms Dyson. Ms Dyson is a nominee of Seven and will act as Audit & Risk Chair.
Marina Go *Non-Executive Director*	See section 6.4 for the profile of Ms Go. Ms Go is a nominee of Southern Cross and will act as Remuneration & Nomination Committee Chair.

In addition to Jeff Howard, the Southern Cross Chief Executive Officer and Managing Director, John Kelly, will become the Southern Cross Group Managing Director, Audio.

Further details regarding the Combined Group's executive team will be agreed at a later stage.

7.4 Combined Group intentions if the Scheme is implemented

This section 7.4 sets out the current intentions of Southern Cross in relation to the Combined Group if the Scheme is implemented.

The statements of intention in this Section 7.4 have been formed on the basis of facts and information known to Southern Cross as at the date of this Scheme Booklet.

Final decisions on the Combined Group's future operations will be made by the Board of the Combined Group in light of material information and circumstances at the relevant time. Accordingly, the statements set out in Section 7.4 are statements of current intentions only, which may change as new information becomes available or circumstances change, and the Combined Group further develops its strategic focus and outlook.

(a) Operations

If the Scheme is implemented, Southern Cross will undertake a review of the Combined Group's operations covering operational, strategic, financial, risk and commercial matters to determine and implement improvements to integrate these corporate enabling functions, deliver synergies and explore new potential growth opportunities. Following implementation, the Combined Group will review the scope and breadth of the current operations, however, it is intended that the Combined Group will continue to provide its services across free-to-air television, radio broadcasting, streaming, audio, digital and publishing assets owned by the Combined Group.

Other than as described in this Scheme Booklet, Seven and Southern Cross have no intention as at the date of this Scheme Booklet to make significant changes to any part of Seven or Southern Cross, nor redeploy any of Seven or Southern Cross' fixed assets or transfer any of Seven or Southern Cross' current business or material assets. However, Southern Cross may be required to undertake to divest certain assets of the Combined Group as a condition to obtaining ACCC or ACMA approval.

(b) Employees of the Combined Group

Following the implementation of the Scheme, Southern Cross will conduct a review of the operations and ongoing resourcing requirements of the Combined Group. While the operations of Southern Cross and Seven's businesses are not expected to change materially, final decisions regarding the structure of the Combined Group and its employee requirements will be made as part of the integration process and review.

In circumstances where duplication of roles is identified, Southern Cross' present intention is to seek to allocate alternative responsibilities to affected employees within the Combined Group (where practical and possible to do so). However, it will not be possible

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for Southern Cross to offer suitable alternative roles in all instances. Affected employees who are unable to be allocated alternative responsibilities will receive payments and other benefits to which they are entitled on departure under the terms of their employment.

(c) **Corporate matters in relation to Seven**

In accordance with the Scheme Implementation Deed, if the Scheme becomes Effective, it is intended that Seven Shares will be suspended from trading at the close of the Effective Date. If the Scheme is implemented, Seven will apply to be removed from the official list of ASX and Seven Shares will be delisted from the ASX shortly thereafter.

(d) **Dividend Policy of the Combined Group**

Following implementation of the Scheme, the payment of future dividends to Southern Cross shareholders will be at the discretion of the Southern Cross Board and will be a function of a number of factors including general business conditions, the operating results and financial condition of the Combined Group, future funding requirements, compliance with debt facilities, capital management initiatives, taxation considerations, including the availability of franking credits, any contractual, legal or regulatory restrictions on the payment of dividends by the Combined Group, and other factors that the Southern Cross Board may consider relevant.

(e) **Corporate Governance**

It is intended that the Combined Group will continue to be governed by Southern Cross' current corporate governance policies. In addition to Southern Cross' 2025 Corporate Governance Statement lodged with the ASX on 25 August 2025 and available at https://www.sca.com.au/wp-content/uploads/2024/10/SCA_Corporate-Governance-Statement-FINAL-Website.pdf, a copy of Southern Cross' core corporate governance policies can be accessed on Southern Cross' website: Governance - SCA.

(f) **Financing**

As at the date of this Scheme Booklet, Seven has satisfied the condition precedent prescribed in clause 3.1(n) of the Scheme Implementation Deed and has obtained consents and waivers in relation to prescribed Review Events under its Syndicated Facility Agreement (dated 27 October 2021 as amended on 8 November 2023).

The finance facilities currently held by Southern Cross are unlikely to be adversely impacted by the Transaction, and no consents are required from lenders.

If the Scheme is implemented, Southern Cross will complete a review to determine the appropriate financing requirements of the Combined Group. Thereafter Southern Cross will commence a process to refinance the existing Seven and Southern Cross debt facilities into a single facility to secure appropriate funding to support business operations and future growth and investment as appropriate.

7.5 Combined Group Pro Forma Historical Financial Information

(a) **Overview**

This Section 7.5 contains the following pro forma financial information in respect of the Combined Group:

- pro forma historical income statement of the Combined Group (**Combined Group Pro Forma Historical Income Statement**);
- pro forma historical statement of financial position of the Combined Group (**Combined Group Pro Forma Historical Statement of Financial Position**); and

- pro forma historical statement of cash flows of the Combined Group (**Combined Group Pro Forma Historical Statement of Cash Flows**),

(together, the **Combined Group Pro Forma Historical Financial Information**).

The Combined Group Pro Forma Historical Financial Information should be read together with the:

- basis of preparation as set out in Section 7.5(b);
- risk factors set out in Section 8;
- financial information of Seven and Southern Cross as set out in Section 5 and 6 respectively; and
- other information contained in this Scheme Booklet.

References to Combined Group Pro Forma Historical Financial Information refers to the Combined Group information prepared on an aggregated basis.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

KPMG Transaction Services has been appointed as the Investigating Accountant. The Investigating Accountant has prepared an Independent Limited Assurance Report in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, in respect of the Combined Group Pro Forma Historical Financial Information, a copy of which is included in Annexure 2. Seven Shareholders should note the scope and limitations of the Independent Limited Assurance Report.

(b) **Basis of preparation**

The Combined Group Pro Forma Historical Financial Information set out in this Section 7.5 has been prepared for illustrative purposes only to provide Seven Shareholders with an indication of the financial performance, financial position and cash flow of the Combined Group as if the Scheme had been implemented prior to 1 July 2024 in respect of the financial performance and cash flow information and as at 30 June 2025 in relation to the financial position.

The Seven and Southern Cross Boards are responsible for the preparation and presentation of the Combined Group Pro Forma Historical Financial Information.

The Combined Group Pro Forma Historical Financial Information does not reflect the actual financial performance, financial position or cash flow of the Combined Group at the time of implementation. It has been prepared for illustrative purposes only for this Scheme Booklet.

The Combined Group Pro Forma Historical Financial Information presented in this Section 7.5 is based on the:

- audited Seven historical financial information as at, and for the financial year ended, 30 June 2025 (presented in Section 5.5);
- audited Southern Cross historical financial information as at, and for the financial year ended, 30 June 2025 (presented in Section 6.5); and
- pro forma adjustments described in Sections 7.5(e), 7.5(h) and 7.5(k) (**Pro Forma Adjustments**).

The Seven historical financial information presented in this Section 7.5 has been derived from the consolidated financial statements of Seven for the financial year ended 30 June 2025. The consolidated financial statements of Seven for the financial year ended 30

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June 2025 were audited by KPMG in accordance with Australian Auditing Standards, and on which KPMG provided an unqualified audit opinion. The historical financial information of Seven has been prepared in accordance with the significant accounting policies described in the consolidated financial statements of Seven for the financial year ended 30 June 2025.

The Southern Cross historical financial information presented in this Section 7.5 has been derived from the consolidated financial statements of Southern Cross for the financial year ended 30 June 2025. The consolidated financial statements of Southern Cross for the financial year ended 30 June 2025 were audited by PwC in accordance with Australian Auditing Standards, and on which PwC provided an unqualified audit opinion. The historical financial information of Southern Cross has been prepared in accordance with the significant accounting policies described in the consolidated financial statements of Southern Cross for the financial year ended 30 June 2025.

The Combined Group Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other than that it is presented on a pro forma basis as if implementation of the Scheme had already occurred. The Combined Group Pro Forma Historical Financial Information is presented in abbreviated form and consequently does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

In preparing the Combined Group Pro Forma Historical Financial Information, Seven and Southern Cross have undertaken a review to identify significant accounting policy differences where the impact to the Combined Group is potentially material and could be reliably estimated. Seven and Southern Cross have identified and estimated several accounting policy Pro Forma Adjustments as outlined in Sections 7.5(e), 7.5(h) and 7.5(k) to align Seven's policies with those of Southern Cross. Other than these Pro Forma Adjustments, no material accounting policy differences that are able to be reliably estimated have been identified.

From an accounting perspective, the Scheme has been accounted for as a business combination using the acquisition method of accounting, with Southern Cross assumed as the acquirer, and the issuance of Southern Cross Shares as the Purchase Price in exchange for the shares of Seven. Under the acquisition method of accounting, Southern Cross will record all assets acquired and liabilities of Seven at their respective fair values as of the date control has deemed to have passed to the acquirer.

Under AASB 3, the Combined Group will have 12 months from the date of control to undertake a purchase price allocation exercise to determine the fair value of goodwill and identifiable assets (including intangible assets) and liabilities related to the acquisition post implementation. As at the date of this Scheme Booklet, it is not possible to reliably determine the fair values of the acquired assets and liabilities of Seven. For the purposes of preparing the Combined Group Pro Forma Historical Statement of Financial Position, the difference between Southern Cross' market capitalisation at the Last Practicable Date and Seven's net assets at 30 June 2025 has been reflected as a pro forma adjustment to the "intangible assets" line. Subsequent to implementation, the actual determination of the fair values of goodwill, and identifiable assets and liabilities acquired, may differ to those values presented in the Combined Group Pro Forma Historical Statement of Financial Position.

As the purchase price allocation exercise has not been finalised, additional amortisation in relation to identified finite life intangible assets may arise, which has not been reflected in the Combined Group Pro Forma Historical Income Statement. The quantum of any additional amortisation will depend on the incremental fair value allocated and the useful lives ascribed to the identifiable finite life intangible assets as part of the final purchase price allocation exercise.

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For the purpose of preparing the Combined Group Pro Forma Historical Statement of Financial Position, it has been assumed that there will be no resetting of the Combined Group's tax cost bases following implementation. However, it is likely that the allocable cost amount calculation will result in a deferred tax position which is different to the position presented in the Combined Group Pro Forma Historical Statement of Financial Position. Any resulting adjustment to deferred tax assets and liabilities will have an equal but opposite impact on the amount of goodwill recognised in the Combined Group Pro Forma Historical Statement of Financial Position.

(c) **Items not reflected in the Combined Group Pro Forma Historical Financial Information**

As detailed above, the Combined Group Pro Forma Historical Financial Information is provided for illustrative purposes only.

The Combined Group Pro Forma Historical Financial Information presented in this Section 7.5 does not purport to reflect the likely actual or prospective reported financial performance, financial position or cash flows of the Combined Group.

It is likely that the actual financial performance, financial position and cash flows of the Combined Group in future periods will differ from the Combined Group Pro Forma Historical Financial Information presented in this Section 7.5. The factors which may impact the actual financial performance, financial position or cash flows of the Combined Group include but are not limited to:

- trading of Seven and Southern Cross after 30 June 2025, which is not reflected in the historical financial information of Seven and Southern Cross;
- the risk factors set out in Section 8;
- the ultimate timing of implementation;
- finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards;
- finalisation of the resetting of the tax cost bases following implementation, including recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards;
- transaction costs incurred by Southern Cross and Seven in relation to the Scheme;
- the ultimate timing and realisation of synergies and business improvements (and associated costs) arising from the combination of Seven and Southern Cross; and
- changes to accounting standards.

(d) **Combined Group Pro Forma Historical Income Statement**

The Combined Group Pro Forma Historical Income Statement is presented in Table 1 below.

Table 1: Combined Group Pro Forma Historical Income Statement

$m	Southern Cross Year ended 30 June 2025	Seven Year ended 30 June 2025	Discontinued Operations (A)	Accounting Policy Alignment (B)	Other (C)	Combined Group Pro Forma Historical Income Statement
Revenue and other income	423.8	1,353.3	32.3	163.9	(12.4)	1,960.9

Revenue related costs	(87.3)	-	(16.8)	(234.2)	12.4	(326.0)
Operating expenses	(265.4)	(1,195.5)	(13.0)	70.4	1.2	(1,402.4)
Share of profit from equity accounted associates	-	0.8	-	-	-	0.8
EBITDA	**71.1**	**158.7**	**2.4**	**-**	**1.2**	**233.4**
Depreciation and amortisation	(30.0)	(42.4)	(2.3)	-	-	(74.7)
EBIT	**41.1**	**116.2**	**0.1**	**-**	**1.2**	**158.7**
Net finance costs	(18.3)	(39.6)	-	-	-	(57.9)
Profit before tax	**22.8**	**76.6**	**0.1**	**-**	**1.2**	**100.8**
Income tax expense	(4.2)	(13.9)	0.2	-	(0.4)	(18.2)
Profit after income tax pre significant items and discontinued ops	**18.6**	**62.8**	**0.3**	**-**	**0.9**	**82.6**
Discontinued Operations	2.8	-	(0.8)	-	-	2.0
Significant items	(12.2)	(46.1)	-	-	0.5	(57.9)
Net profit after tax (Statutory)	**9.2**	**16.6**	**(0.4)**	**-**	**1.4**	**26.8**

(e) **Pro Forma Adjustments – Combined Group Pro Forma Historical Income Statement**

- Adjustment (A) – Discontinued Operations

  The adjustment reflects partially reversing the presentation of Southern Cross' regional TV assets historically presented as discontinued operations in the 2025 Southern Cross financial statements upon the sale of these assets to two different acquirers, Seven and Network Ten. As post-implementation the regional TV assets sold to Seven will now represent a continuing business in the Combined Group, the results of these specific TV assets for FY25 have been restated and included within continuing operations of the Combined Group Pro Forma Historical Income Statement. Regional TV assets sold to Network Ten and any impact of this transaction continue to be included as discontinued operations or significant items as disclosed by Southern Cross previously.

- Adjustment (B) – Accounting Policy Alignment

  Southern Cross presents costs that are directly influenced by the revenue earned each year as revenue related and reported outside of operating expenses, whereas Seven discloses these amounts partially through net revenue and partially within operating expenses. This adjustment aligns this accounting disclosure for Seven, resulting in an increase of $163.9 million to revenue and other income, a decrease of $70.4 million to operating expenses

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and $234.2 million recognised within revenue related costs. This adjustment has no net profit or EBITDA impact.

- Adjustment (C) – Other

  Other pro forma adjustments comprise the following:

  – **Intercompany eliminations:** An affiliation agreement historically existed between Seven and Southern Cross that expired on 30 June 2025. This agreement was therefore in effect throughout FY25. This adjustment reduces revenue and other income by $12.4 million and a corresponding reduction of $12.4 million in revenue related costs. This adjustment has no net profit or EBITDA impact; and

  – **Transaction costs:** the Combined Group Pro Forma Historical Income Statement has been prepared on the basis that implementation and associated costs had occurred prior to the commencement of the period. Accordingly, no transaction costs related to the Scheme are reflected.

    An adjustment has been made to remove the transaction costs incurred as part of the regional television transaction between Southern Cross and Seven which completed on 1 July 2025 resulting in an increase of $1.2 million in EBITDA (with a $0.4 million income tax offsetting impact) and a reduction of $0.5 million of costs in significant items. This adjustment has a $1.4 million net profit after tax benefit.

(f) **Items not reflected in the Combined Group Pro Forma Historical Income Statement**

The Combined Group Pro Forma Historical Income Statement has not been adjusted to reflect:

- the trading of Seven and Southern Cross after 30 June 2025;
- the ultimate timing and realisation of any potential synergies or business improvements (and associated costs) arising from the combination of Seven and Southern Cross;
- transaction costs incurred by Seven and Southern Cross in relation to the Scheme;
- adjusted depreciation and amortisation relating to identified tangible and intangible assets which may arise as a result of implementation of the Scheme and the finalisation of the purchase price allocation exercise;
- the potential bargain purchase recognised as part of the purchase price accounting exercise; and
- any potential tax impact which may arise as a result of implementation of the Scheme.

(g) **Combined Group Pro Forma Historical Statement of Financial Position**

The Combined Group Pro Forma Historical Statement of Financial Position is presented in Table 2 below.

Table 2: Combined Group Pro Forma Historical Statement of Financial Position

$m	Southern Cross As At 30 June 2025	Seven As at 30 June 2025	Discontinued Operations (A)	Accounting Policy Alignment (B)	Other (C)	Combined Group Pro Forma Historical Statement of Financial Position
ASSETS						
Current assets						

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Cash and cash equivalents	35.5	110.5	-	-	(27.4)	118.6
Trade and other receivables	96.1	234.5	1.2	15.5	-	347.3
Current tax receivables	0.2	-	-	(0.2)	-	-
Program rights and inventories	-	188.9	-	-	-	188.9
Other assets	-	15.5	-	(15.5)	-	-
Total current assets	**131.7**	**549.5**	**1.2**	**(0.2)**	**(27.4)**	**654.8**
Non-current assets						
Trade and other receivables	13.2	-	-	5.8	-	19.0
Equity accounted investees	-	16.9	-	(16.9)	-	-
Investments	2.7	-	1.5	95.2	-	99.5
Other financial assets	-	78.4	-	(78.4)	-	-
Property, plant and equipment (**PPE**)	50.8	101.7	1.3	-	-	153.8
Intangible assets	389.7	727.3	(3.8)	-	(200.8)	912.4
Right of use (**ROU**) assets	97.8	85.6	1.2	-	-	184.6
Other assets	-	5.8	-	(5.8)	-	-
Total non-current assets	**554.3**	**1,015.6**	**0.3**	**-**	**(200.8)**	**1,369.4**
Total assets	**686.1**	**1,565.1**	**1.5**	**(0.2)**	**(228.2)**	**2,024.2**
LIABILITIES **Current liabilities**						
Trade and other payables	(45.3)	(198.3)	-	-	-	(243.7)
Lease liabilities	(8.4)	(10.1)	(0.2)	-	-	(18.6)
Provisions	(19.8)	(84.3)	(0.7)	-	-	(104.9)
Deferred income	(4.1)	(42.4)	-	-	-	(46.4)
Derivative financial instruments	(0.1)	-	-	-	-	(0.1)
Borrowings	-	(20.0)	-	-	-	(20.0)
Current tax liabilities	-	(1.6)	-	0.2	-	(1.4)
Total current liabilities	**(77.6)**	**(356.7)**	**(0.9)**	**0.2**	**-**	**(435.1)**
Non-current liabilities						

Trade and other payables	-	(4.2)	-	-	-	(4.2)
Lease liabilities	(115.7)	(172.7)	(1.2)	-	-	(289.6)
Provisions	(7.4)	(30.4)	(0.1)	-	-	(37.9)
Deferred income	(81.9)	-	-	-	-	(81.9)
Deferred tax liabilities	(88.4)	(208.7)	-	-	-	(297.1)
Borrowings	(102.8)	(377.1)	-	-	-	(479.9)
Total non-current liabilities	**(396.2)**	**(793.1)**	**(1.3)**	**-**	**-**	**(1,190.6)**
Total liabilities	**(473.8)**	**(1,149.9)**	**(2.3)**	**0.2**	**-**	**(1,625.7)**
Net Assets	**212.3**	**415.2**	**(0.8)**	**-**	**(228.2)**	**398.5**
EQUITY						
Share Capital	1,516.1	3,414.1	-	-	(3,179.0)	1,751.2
Reserves	6.2	(45.9)	-	-	45.9	6.2
Accumulated Deficit	(1,310.0)	(2,952.9)	(0.8)	-	2,904.9	(1,358.9)
Total Equity	**212.3**	**415.2**	**(0.8)**	**-**	**(228.2)**	**398.5**

(h) **Pro Forma Adjustments – Combined Group Pro Forma Historical Statement of Financial Position**

- Adjustment (A) – Discontinued Operations

  The adjustment reflects the impact of reversing the Seven acquisition of the Southern Cross regional TV assets as recorded in the Seven financial statements, as well as reversing the presentation of these disposed assets as presented in the Southern Cross financial statements. This adjustment has resulted in an increase of $1.2 million in trade and other receivables, $1.5 million increase in investments, $1.3 million increase in PPE, $1.2 million increase in ROU assets, a reduction of $3.8 million in intangible assets, $1.4 million increase to lease liabilities, $0.8 million increase in provisions, with a net increase of $0.8 million in the accumulated deficit.

- Adjustment (B) – Accounting Policy Alignment

  This pro forma adjustment reflects the impact of an accounting alignment of Seven with Southern Cross' accounting policies as follows:

  – **Prepayments:** Southern Cross presents prepayments within trade and other receivables, whilst prepayments are presented as other assets by Seven. This adjustment aligns this practice for Seven, resulting in a decrease of $21.3 million to other assets and an increase of $21.3 million to trade and other receivables. This adjustment has no net asset impact.

  – **Investments:** Southern Cross presents equity accounted investments and other investments within one line as 'investments', whilst these assets are disclosed separately for Seven. This adjustment aligns the Seven

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presentation to Southern Cross, with a $95.2 million increase in investments, offset by a $78.4 million and $16.9 million reduction in other financial assets and equity accounted investments respectively. This adjustment has no net asset impact.

– **Current Tax receivable / payable:** The Combined Group is in a net payable position, with this adjustment to align the Southern Cross receivable of $0.2 million to the larger Seven tax payable amount. This adjustment has no net asset impact.

- Adjustment (C) – Other

  Other pro forma adjustments are comprised of the following:

  – **Dividend payment:** Southern Cross declared and subsequently paid a dividend of 4 cents per share on 7 October 2025 in respect of the 30 June 2025 financial year. This pro forma adjustment results in a reduction of $9.6 million in cash and a corresponding increase of $9.6 million in the accumulated deficit;

  – **Transaction Costs:** the Combined Group Pro Forma Historical Statement of Financial Position has been prepared on the basis that implementation and associated transaction costs occurred as at 30 June 2025. Accordingly, $17.8 million of transaction costs recognised as a reduction in the cash balance and a corresponding increase of $17.8 million in the accumulated deficit; and

  – **Acquisition Accounting:** this pro forma adjustment reflects the derecognition of intangible and goodwill balances recognised by Seven, as a result of Southern Cross acquiring Seven (for accounting purposes).

    The amount of $200.8 million has been calculated as the difference between the estimated consideration at the Last Practicable Date and Seven's net assets at 30 June 2025, after adjusting for the pro forma adjustments specific to the Seven balance sheet discussed in this section.

    As described in Section 7.5(b), the purchase price allocation exercise is yet to be undertaken, to determine the fair value of goodwill, identifiable assets (including intangible assets) and liabilities related to the acquisition of Seven. This adjustment also eliminates Seven equity balances and a corresponding increase in share capital to reflect the Southern Cross shares that will be issued to current Seven Shareholders.

(i) **Items not reflected in the Combined Group Pro Forma Historical Statement of Financial Position**

The Combined Group Pro Forma Historical Statement of Financial Position has not been adjusted to reflect:

- trading of Seven and Southern Cross after 30 June 2025;
- finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards; and
- resetting of the tax cost bases of Seven following implementation, including recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards.

(j) **Combined Group Pro Forma Historical Statement of Cash Flows**

The Combined Group Pro Forma Historical Statement of Cash Flows is presented in Table 3 below.

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Table 3: Combined Group Pro Forma Historical Statement of Cash Flows

$m	Southern Cross Year ended 30 June 2025	Seven Year ended 30 June 2025	Discontinued Operations (A)	Accounting Policy Alignment (B)	Other (C)	Combined Group Pro Forma Historical Statement of Cash Flows
Cash flow from operating activities						
EBITDA	**71.1**	**158.7**	**2.4**	**-**	**1.2**	**233.4**
Total movements in working capital and other adjustments	(4.3)	(48.0)	(2.4)	-	(0.9)	(55.6)
Dividends received	-	1.4	-	(1.4)	-	-
Net finance costs	0.6	(37.6)	-	39.8	-	2.8
Tax payments	(2.0)	(12.9)	-	-	(0.1)	(15.0)
Net cash generated from operating activities	**65.4**	**61.6**	**-**	**38.4**	**0.2**	**165.6**
Cash flow from Investing activities						
(Payments) / Proceeds of PPE	1.0	(13.1)	-	-	-	(12.1)
Payment / (proceeds) of intangibles	(7.8)	(12.2)	-	-	-	(20.0)
Payment / (proceeds) of investments	3.6	(4.8)	-	-	-	(1.2)
Dividends received	0.3	-	-	1.4	-	1.6
Net cash flows from investing activities	**(3.0)**	**(30.0)**	**-**	**1.4**	**-**	**(31.6)**
Cash flow from Financing activities						
Proceeds / (payments) from borrowings	(15.0)	40.0	-	-	-	25.0
Payment of lease liabilities	(8.0)	(15.6)	-	-	-	(23.7)
Dividends paid	-	-	-	-	(9.6)	(9.6)
Finance costs paid	(14.4)	-	-	(39.8)	-	(54.2)
Net cash flows from financing activities	**(37.5)**	**24.4**	**-**	**(39.8)**	**(9.6)**	**(62.5)**
Net cash flow	**24.9**	**56.0**	**-**	**-**	**(9.4)**	**71.5**

(k) **Pro Forma Adjustments – Combined Group Pro Forma Historical Statement of Cash Flows**

- Adjustment (A) – Discontinued Operations

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The pro forma adjustments in respect of the Seven purchase of Southern Cross Regional TV assets on 30 June 2025 does not have a net cash flow impact on the Combined Group Pro Forma Historical Statement of Cash Flows as any deal proceeds and equal cash outflows in relation to the transaction offset on aggregation.

As this adjustment is included in the Combined Group Pro Forma Historical Income Statement, a similar adjustment is recognised as well as a corresponding offset by working capital movements.

- Adjustment (B) – Accounting Policy Alignment

  This pro forma adjustment in respect to the Combined Group Pro Forma Historical Statement of Cash Flows reflect the pro forma impact of the accounting policy and practices being aligned, as follows:

  – **Dividends received:** Dividends are recognised within investing activities by Southern Cross, whereas Seven historically included dividends within operating cash flows. This adjustment aligns Seven's historical disclosure to Southern Cross' approach. There is no net cash flow impact of these adjustments with a $1.4 million reduction in operating cash flows and a $1.4 million increase in investing cash flows.

  – **Finance costs paid:** Finance costs are recognised within financing cash flows by Southern Cross, whereas Seven historically included finance costs within operating cash flows. This adjustment aligns Seven's historical disclosure to Southern Cross' approach. There is no net cash flow impact of these adjustments with a $39.8 million increase in operating cash flows and a $39.8 million reduction in financing cash flows.

- Adjustment (C) – Other

  Other pro forma adjustments are comprised of the following:

  – **Transaction costs:** the Combined Group Pro Forma Statement of Cash Flows has been prepared on the basis that implementation and associated costs had occurred prior to the commencement of the period. Accordingly, no transaction costs in relation to the Scheme are reflected.

    An adjustment has been made to remove for the transaction costs incurred as part of the regional Television transaction between the parties resulting in a net increase of $0.2 million in operating cash flows and net cash flows for the year.

  – **Dividend payment:** Southern Cross has declared a dividend of 4 cents per share paid on 7 October 2025 in respect of the 30 June 2025 financial year. This adjustment includes the payment of this dividend of $9.6 million in the Combined Group Pro Forma Historical Statement of Cash Flows.

(l) **Items not reflected in the Combined Group Pro Forma Historical Statement of Cash Flows**

The Combined Group Pro Forma Historical Statement of Cash Flows has not been adjusted to reflect:

- the operating cash flows of Seven and Southern Cross after 30 June 2025;
- transaction costs incurred by Seven and Southern Cross in relation to the Scheme (see Section 7.5(e)); and
- any potential tax impact which may arise as a result of implementation of the Scheme and the finalisation of the accounting for the acquisition.

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7.6 Share Capital

As at the date of this Scheme Booklet, there are 239,899,149 Southern Cross Shares on issue. If the scheme is implemented, Southern Cross will issue New Southern Cross Shares to Scheme Shareholders and the total number of Southern Cross Shares on issue will increase.

The total number of new Southern Cross Shares that Southern Cross will issue under the Scheme to Seven Shareholders is 238,874,605, subject to rounding. Accordingly, the number of Southern Cross Shares on issue following implementation of the Scheme will be approximately 478,773,754.

7.7 Substantial shareholders in the Combined Group

Upon implementation of the Scheme, Scheme Shareholders will own 49.9% of the Combined Group with Southern Cross Shareholders owning the remaining 50.1%.

Based on Substantial Shareholder Notices lodged on ASX by the Last Practicable Date, the holders of 5% or more of the issued capital of the Combined Group would be:

Shareholder	**% interest**[18]
Mr Kerry Matthew Stokes AC	20.2%
Australian Capital Equity Pty Limited	20.1%
SGH Limited	20.1%
Spheria Asset Management Pty Ltd	11.9%
ARN Media Ltd	7.4%
Thorney Investment Group Australia Pty Ltd (and Associates)	7.2%
Sandon Capital Pty Ltd	5.7%
Pinnacle Investment Management Group	5.4%
Total	**57.8%**

[18] SGH Limited is based on a Substantial Shareholder Notice dated 18 December 2023; Spheria Asset Management is based on a Substantial Holder Notice dated 19 September 2025; Thorney Investment Group is based on a Substantial Holder Notice dated 5 June 2024; ARN Media is based on Substantial Shareholder Notice dated 19 June 2023; Sandon Capital is based on a Substantial Shareholder Notice disclosed 22 September 2025; Pinnacle Investment is based on a Substantial Shareholder Notice disclosed 24 September 2025

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8 Risks

8.1 Introduction

This section describes certain key risks associated with the Scheme. You should carefully consider the risk factors in this section, as well as other information contained throughout the Scheme Booklet before voting on the Scheme.

If the Scheme does not proceed, Seven Shareholders will continue to hold Seven Shares and continue to be exposed to risks associated with investment in Seven.

In deciding whether to vote in favour of the Scheme, Seven Shareholders should read this Scheme Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Seven Shareholders. In addition, this section 8 is a summary only and does not purport to list every risk that may be associated with an investment in Seven now or in the future. There also may be additional risks and uncertainties not currently known to Southern Cross, Seven or the Combined Group which may have a material adverse effect on the operating and financial performance of Southern Cross, Seven or the Combined Group and the value of Seven Shares or Southern Cross Shares.

The Seven Directors unanimously recommend that Seven Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders. However, Seven Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

8.2 General risks relating to Southern Cross, Seven and the Combined Group

Southern Cross and Seven are, and the Combined Group will be, exposed to a number of general risks that could materially adversely affect its assets and liabilities, financial position, profits, prospects and potential to make further distributions to shareholders, and the price and/or value of Seven Shares or Southern Cross Shares. General risks that may impact on Southern Cross, Seven, or the Combined Group include:

- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates and consumer demand;
- changes to government policy, legislation or regulation;
- the nature of competition in the markets in which Seven and Southern Cross operate;
- inclusion or removal from major market indices;
- natural disasters or catastrophes, pandemics and other general operational and business risks;
- variations in Seven's or Southern Cross' operating results;
- recommendations by securities analysts;
- changes in investor sentiment and overall performance of the Australian and international stock markets;
- the operating and trading price performance of other comparable listed entities; and
- changes to accounting standards and reporting standards.

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Some of these factors could affect share prices regardless of underlying operating performance.

8.3 Risks relating to the business and operations of Seven

Risk	Nature of Risk
Australian advertising market	The amount of advertising revenue generated by Seven is influenced by advertising market conditions. Since businesses generally determine and allocate their advertising budgets based on market factors, adverse changes may have a negative impact on Seven's ability to generate advertising revenue. Over several years, the allocation of advertising spend has moved from traditional media platforms such as broadcast TV, print and radio with the beneficiary being new digital mediums which have captured revenue to the detriment of Seven. There can be no assurance that advertising spend in Australia's media market will not contract in the future, and there can be no assurance that the trend of reallocation of advertising spend away from traditional media will abate. Any contraction in advertising revenue across Seven's assets could have a material adverse effect on the operational and financial performance of Seven.
Competition	The Australian media industry is concentrated and competitive. Seven competes for audience share and advertising revenue with all forms of media including free-to-air television, newspapers, magazines, radio, out of home, subscription television, direct mail, cinema and digital search, content and social media delivered over the internet. Significant technological developments have led to rapid changes in the way content is delivered to and consumed by audiences, with multiple Australian and international operators competing for audiences and advertising revenue through the same, similar or alternate products, platforms and services. Ensuring the right foundations are in place to support performance of content, audiences, advertising, user experience, sales and the wider team can be a challenge for Seven. There is no assurance that Seven will continue to capture the current share of available markets, audience and revenue and if for any reason Seven is unable to do so, Seven's future operational and financial performance may be adversely affected. The growth in the market of video on demand (**VOD**) platforms, including subscription VOD and advertising-supported VOD services from local and global VOD providers has captured audiences away from the traditional media, which if it continues could have an adverse impact on Seven's audiences and financial performance. Moreover, global VOD competitors are not subject to the BSA, licence conditions and local Australian content quotas. This may adversely impact Seven's ability to compete in the future for audience and content, which may have a negative impact on Seven's operational and financial performance.
Regulatory environment	Seven operates in a highly regulated environment and may be adversely affected by changes in government policy, regulation or legislation applying to companies holding television broadcasting licences or to Australian media companies in general. This includes, amongst other things: the introduction of additional advertising category restrictions; changes to the *Copyright Act 1968* (Cth) that introduce a text and data

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	mining fair dealing exception; local content obligations; management and allocation of broadcast spectrum; and the ownership and control rules in the BSA. Seven may also be adversely affected by the absence of changes to government policy, regulation and legislation, including, among other things indefinite continuation of the Commercial Broadcasting Tax; not introducing the News Bargaining Incentive or designating Google or Meta under the News Media Bargaining Code; and any existing legislation and regulations that do not keep pace with future technological developments. The ACMA is the regulatory authority that oversees regulation of commercial free-to-air television licences under the BSA. While Seven is not aware of any breach of licence conditions attached to existing commercial television broadcasting licences or any other circumstances that could give rise to a finding that it was not a "suitable" person to hold a licence under the BSA, the ACMA could exercise its powers to suspend, cancel or refuse to renew one or more of Seven's commercial television licences in the future should these circumstances change. The suspension, cancellation or non-renewal of one or more of Seven's licences may have an adverse impact on Seven's operating and financial performance and its standing in the Australian free-to-air television broadcast industry.
Technology	The media industry is characterised by the development of new and innovative forms of technology that have the capacity to further fragment audiences and reduce advertising spend directed to existing media platforms as audiences are offered new ways to consume media. This could adversely impact the media advertising markets in which Seven operates and in turn adversely impact Seven's advertising revenue and financial performance. New and emerging technology has led to evolving user behaviour, with increasing penetration of smart TVs, the use of mobile phones and tablets to access content and engagement across multiple screens simultaneously via the internet. Seven's digital businesses have been the beneficiary of these changes in behaviour, however there can be no guarantee that this will continue in the future, which may have an adverse effect on the growth of Seven's digital businesses. This evolution (migration from broadcast to broadband) has also led to changes to the advertising ecosystem and the rise of advertising technology, supply side platforms and demand side platforms where third parties manage the programmatic buying and selling of inventory over which Seven does not have complete control. In such conditions, there can be no guarantee that Seven will be able to maximise revenue in the future, which may have an adverse effect on Seven's financial performance. Digital delivery of content provides a platform for Seven's future, and it requires the right level of investment to maximise audience to drive advertising revenue opportunities. Emerging technology plays an increasingly important role in the delivery of content to consumers in a cost-effective manner. Seven's ability to compete in the media industry effectively in the future may be impacted by its ability to maintain or develop appropriate technology platforms for the efficient delivery of content and services. While Seven has successfully complemented its broadcast transmission service delivery with digital offerings via broadcast VOD (7plus) and successfully developed a suite of online print assets, there is an ongoing risk that Seven's technology may not be fit for purpose or that major technology projects may not be delivered to plan or that competitors continue to

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	advance their offering which provides more compelling options for audiences. No assurance can be given that Seven will have the resources to acquire, or the ability to develop new competitive technologies. In addition, maintaining or developing appropriate technologies may require significant capital investment. While generative artificial intelligence (**GenAI**) presents opportunities to drive workplace efficiencies and enhance audience engagement, it poses challenges in terms of safeguarding Seven's intellectual property and investment in news and entertainment content. No assurance can be given that, as global GenAI companies continue to develop new products and services, in the future these technological innovations will not have an adverse impact on Seven's audiences, advertising and subscription revenue and financial performance.
Maintaining appropriate cost base	Seven's strategy includes a pillar that requires the responsible management of costs. The disciplined management of costs across Seven has been necessary to address and respond to the recent revenue decline experienced in traditional media assets. Content, employees, and operations are the largest expense lines within Seven's cost base and there is a risk that Seven is unable to successfully manage its cost base to maintain its financial performance in light of these revenue challenges. This performance also considers Seven's cash flow, and maintaining compliance with debt covenants remains an ongoing priority. Seven must balance cost discipline whilst also maintaining its ability to acquire, produce and deliver content that attracts audiences and drives advertising revenue. Failure to achieve this objective may have an adverse impact on the operational and financial future of Seven.
Content programming and audience	Seven's ability to generate advertising revenue through free-to-air television and its digital services is a factor of its content programming and total TV audience ratings. <u>Content programming</u> The operational and financial performance of Seven is dependent upon its ability to produce and purchase relevant content. Some of Seven's content programming is sourced from external content suppliers under existing contracts. There is a risk that Seven is unable to secure competitive programming through new contracts or renewal of existing contracts on terms favourable to Seven or with the necessary rights to enable Seven to exploit content across a range of platforms. Content programming costs represent a significant component of Seven's overall costs and there is a risk that programming costs could increase, which would be likely to impact adversely on Seven's operating and financial performance. Seven's operational and financial performance may also be adversely affected by new programming initiatives, the acquisition of new programming rights or increased promotional activities by local and global competitors. <u>Audience</u> Audience performance is a key driver of Seven's total TV (broadcast and digital) advertising pricing architecture and advertising revenue generation capacity. The operating and financial performance of Seven depends on its ability to maintain strong audience relative to traditional and digital platform competitors.

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	While Seven continues to invest in content, there is no certainty that Seven's ratings relative to other free-to-air networks or other VOD and digital competitors will improve or be maintained. If Seven's ratings decline, this could materially adversely affect its future operational and financial performance.
Newspapers	Seven's newspaper business primarily depends upon revenue from circulation and advertising spend in its newspaper publications. Seven's profitability and revenue is impacted by the circulation of its newspapers and Seven's ability to retain market share in those respective markets. The Newspaper business has implemented digital subscription options and digital only products to respond to changes in audience behaviour, however, this is not expected to offset the extent of the traditional declines. The newspaper industry has experienced declines in circulation, and there is a risk that circulation could decline further. Newspaper display advertisements are impacted by broader macroeconomic conditions, which are generally outside the control of Seven. Accordingly, the operating and financial performance of Seven's newspaper business relies in part on the broader economic conditions of the markets in which Seven publishes newspapers.
Operational risk	Seven's business is subject to operational risks of various kinds, including: • transmission or systems failure; • data loss or cyber security incidents; • inaccurate reporting; • failure to attract and retain key employees; and • other execution risks. If any of these events occur, this could materially adversely affect Seven's operating and financial performance.
Debt covenants	Seven's debt facilities are subject to leverage ratio, interest cover ratio as well as EBITDA and Gross Asset Group Guarantee coverage test. In the course of operating a prudent financing strategy, particularly in current market conditions, Seven can employ a range of strategies in order to meet its financial covenants. If there were a significant further decline in advertising revenue or financial performance, this could cause Seven to not comply with these financial covenants. A failure to comply with any of these financial covenants may require Seven to seek amendments, waivers of covenant compliance or alternative borrowing arrangements. There is no assurance that its lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditioned upon the receipt of a cash payment, revised payout terms, increased interest rates, or restrictions in the expansion of debt facilities in the foreseeable future, or that its lenders would not exercise rights that would be available to them, including among other things, demanding payment of outstanding borrowings.
Refinancing	Seven's existing debt facility will need to be refinanced on its maturity date during November 2027, or earlier as determined by Seven. Seven may incur increased borrowing costs or may even be unable to refinance its existing facilities with new debt if its credit profile has deteriorated materially, or if there are reductions in debt market liquidity at or around the time that Seven needs to refinance its debt. Whether this occurs will depend on numerous factors, some of which are outside

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	Seven's control, such as the prevailing macroeconomic and capital market conditions and credit availability.
People and reputation	Ensuring there is an appropriate operating model to support Seven's future includes maintaining the right culture to execute these plans. If Seven is unable to retain key talent this may have an adverse impact on its future operational and financial performance.
Litigation	Seven is exposed to the risk of potential legal action and other claims or disputes in the course of its business, including litigation commenced by third parties or employees. Furthermore, the media industry involves particular risks associated with defamation litigation and litigation commenced to protect intellectual property rights. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may pose reputational risks and materially adversely affect the future operational and financial performance of Seven.
Acquisitions, investments, divestments and major projects	Seven regularly examines new acquisitions, investment and divestment opportunities and other projects that complement its existing strategy. However, there can be no assurance that Seven will identify suitable acquisition, investment or divestment opportunities or major projects at acceptable prices or successfully execute on such opportunities or projects. In addition, Seven's past and future acquisitions, investments and divestments and major projects may subject it to unanticipated risks and liabilities, or disrupt its operations and divert management's attention and resources from day-to-day operations. Ensuring successful implementation of the Phoenix Total TV trading platform and Seven's new payroll system and the successful integration of the regional TV assets in Tasmania, Darwin, Spencer Gulf, Broken Hill and Central Australia acquired from Southern Cross have been a key focus. If Seven does not deliver its major projects on plan or does not accurately assess what major projects should be implemented, there could be an adverse impact to its future operational and financial performance.
Intangible Assets	Under Seven's accounting policies, goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. A change in operating or advertising market conditions may require changes to certain key assumptions used in calculating the estimated recoverable amounts of intangibles. Impairments recognised may affect the profit of Seven.
Foreign exchange risk	The vast majority of Seven's operating cost base, as well as the majority of Seven's international agreements, are denominated in Australian dollars. While they are not material within the overall costs of the business, Seven has some limited exposure to foreign exchange risk primarily in relation to limited international program supply agreements and its overseas news bureau operations.

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8.4 Risks related to Southern Cross business and operations

Risk	Nature of Risk
Radio advertising market	The amount of advertising revenue generated by Southern Cross is dictated by advertising market conditions. Since businesses generally determine and allocate their advertising budgets based on the macroeconomic environment, the slow macroeconomic environment in Australia has contributed to challenging conditions in the traditional advertising markets in which Southern Cross operates. Further adverse changes to macroeconomic conditions pose a risk to Southern Cross' ability to generate advertising revenue. The allocation of advertising spend has moved from traditional media platforms such as broadcast radio, with the beneficiary being new digital mediums which have captured revenue to the detriment of Southern Cross. There can be no assurance that advertising spend in Australia's media market will not contract in the future, and there can be no assurance that the trend of reallocation of advertising spend away from traditional media will abate. If broadcast radio revenues decline or fail to grow, this could adversely affect Southern Cross' operational and financial performance.
Competition	Southern Cross operates in the audio market, which global technology companies are increasingly participating more aggressively in. Southern Cross competes for audience share and advertising revenue with all forms of media platforms including free-to-air television, newspapers, magazines, radio, out of home, pay television, direct mail, cinema and digital media over the internet. Significant technological developments have led to rapid changes in the way content is delivered to and consumed by audiences, with multiple Australian and international operators competing for audiences and advertising revenue through the same, similar or alternate products, platforms and services. Global technology platforms such as Spotify, Apple Music, YouTube and other international audio streaming services have significant financial resources, established user bases, advanced technology platforms and global content libraries. These competitors are not subject to the same regulatory requirements as Australian broadcasters and may have cost advantages in content acquisition and technology development. There can be no assurance that Southern Cross will be able to compete effectively against these global platforms or that such competition will not intensify in the future. If global technology companies capture significant market share in the Australian audio market or if they reduce the profitability of Southern Cross distribution channels, this could have a material adverse impact on Southern audiences, advertising revenue and financial performance. There is no assurance that Southern Cross will continue to capture the current share of available markets, audience and revenue and if for any reason Southern Cross is unable to do so, Southern Cross' operational and financial performance may be adversely affected.
Licence and regulatory	Southern Cross operates in a regulated environment and may be adversely affected by changes in government policy, regulation or legislation applying to companies in the radio broadcasting industry or to Australian media companies in general. This includes, amongst other things, the introduction of additional advertising category restrictions, changes to local content obligations, changes to the management and allocation of spectrum, and changes to legislation affecting media organisations.

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	While the revocation of a radio licence has never occurred in Australia, there can be no assurance that regulatory changes will not affect the renewal process, impose additional conditions on licences, or otherwise adversely impact Southern Cross' ability to operate its broadcasting business. Any such changes could have a material adverse effect on Southern Cross' business, financial performance and asset values.
Changes in technology	Technology plays an increasingly important role in the delivery of media content to customers in a cost-effective manner as the media industry is characterised by changing technology, evolving industry standards and the emergence of new technologies. These technological developments and new ways for advertisers to reach consumers may cause changes in consumer behaviour. If the Southern Cross Group is not responsive to these changes, the Southern Cross Group's product offering may be less attractive to customers and result in reduced advertising spend. This may have an adverse impact on the Southern Cross Group's financial performance. The Southern Cross Group's ability to compete and to generate digital revenue in advertising industries effectively in the future may be impacted by its ability to maintain or develop appropriate technology platforms for the efficient delivery of its services. Maintaining or developing appropriate technologies may require significant capital investment by the Southern Cross Group. There is also a risk that Southern Cross has not sufficiently invested in these systems by comparison with its competitors
LiSTNR product profitability	Southern Cross is exposed to a risk that the LiSTNR product does not sustain profitability at an appropriate level and pace. LiSTNR is a curated and personalised app offering radio, podcasts, music and news that is a key element of Southern Cross' digital transformation. Digital delivery of audio content through the LiSTNR product provides a platform for Southern Cross' future, and it requires the right level of investment to maximise audience to drive advertising revenue opportunities. However, if LiSTNR fails to maintain its position in the market or does not achieve sustained profitability, this could have a material adverse effect on Southern Cross' operational and financial performance. There is no guarantee that Southern Cross' investments in LiSTNR will deliver the expected returns, which may have an adverse effect on Southern Cross' financial performance.
Terms of sale of regional television licences to Network Ten	Southern Cross is entitled to a 32.5% share of profit before tax from the regional television licences sold to Network Ten until 1 March 2030. The estimated contingent consideration of $12.687 million is based on market forecasts and a risk-adjusted discount rate of 10.25%. Actual payments depend on advertising market conditions and Network Ten's performance. If these are weaker than expected, Southern Cross may receive less than anticipated, or potentially nothing. There is also a risk of default or dispute by Network Ten regarding payment calculations. As part of the sale of its regional television licenses to Network Ten, Southern Cross amended its transmission services agreement with BAI Communications. Network Ten has guaranteed payment of transmission fees for the relevant licence areas until 28 February 2030. After that date, it may terminate the agreement for convenience, triggering a potential termination fee payable by Southern Cross of up to $23.8 million. This fee reduces annually by approximately $5 million from 28 February 2030 until the agreement expires in September 2034.

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Audio ratings	Southern Cross' ability to generate advertising revenue through broadcast radio and its digital services is dependent upon its content programming and audience ratings. The operational and financial performance of Southern Cross is dependent upon its ability to produce and purchase relevant content. Some of Southern Cross' content programming is sourced from external content suppliers under existing contracts. There is a risk that Southern Cross is unable to secure competitive programming through new contracts or renewal of existing contracts on terms favourable to Southern Cross or with the necessary rights to enable Southern Cross to exploit content across a range of platforms. Content programming costs represent a significant component of Southern Cross overall costs and there is a risk that programming costs could increase, which would be likely to impact adversely on Southern Cross' operating and financial performance. Audience ratings are a key driver of Southern Cross' advertising pricing and revenue generation capacity. While Southern Cross' continues to invest in content, there is no certainty that Southern Cross' ratings relative to other radio networks or other audio competitors will improve or be maintained. If Southern Cross' ratings decline, this could materially adversely affect its operational and financial performance.
Operational Risk	Southern Cross' business is subject to operational risks of various kinds, including: • transmission or systems failure; • inaccurate reporting; • failure to attract and retain key employees; and • other execution risks. If any of these events occur, this could materially adversely affect Southern Cross' operating and financial performance.
Digital platforms, IT risk, privacy and cyber-crime	The Southern Cross Group relies on significant IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. The Southern Cross Group's core technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication providers' failure, fire, natural disasters, terrorist acts, war, or human error. These events may cause one or more of the Southern Cross Group's core technologies to become unavailable. Any interruptions to these operations would impact the Southern Cross Group's ability to operate and could result in business interruption, the loss of customers and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect Group's operating and financial performance. The Southern Cross Group uses technologies which involve the collection of individual personal information. Through the ordinary course of its business, the Southern Cross Group may be exposed to cyberattacks. Cyber-attacks may lead to compromise or even breach of the technology platform used by the Southern Cross Group, or its third-party providers, to protect confidential information. It is possible that the measures taken by the Southern Cross Group (including firewalls, encryption of client data, a privacy policy and policies to restrict access to data to authorised employees) will not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information, whether malicious or inadvertent. There is a risk that, if a cyber-attack is successful, any data security breaches or the Southern Cross Group's inadvertent failure to protect

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	confidential information could result in a loss of information integrity, breaches of the Southern Cross Group's obligations under applicable laws or client agreements, system outages and the hacking of the Southern Cross Group's digital assets or systems. Each of these may potentially have a material adverse impact on the Southern Cross Group's reputation and financial performance and could lead to the imposition of fines and regulatory action against the Southern Cross Group. Failure to appropriately address security risks around external threats to the digital network, IT systems and data (including personal information) could result in system suspension or failure, the potential loss of intellectual property or a personal information data breach.

8.5 Risks related to Southern Cross Shares and the Combined Group

Competition	The Combined Group will operate in a competitive market, with the Combined Group's expectations and market research indicating that the market will remain competitive. The Combined Group's position in the market is subject to change and dependent on the actions, investments and positions of its competitors as well as its audiences and clients. Increased or improved competition may adversely affect the Combined Group's financial performance and key businesses. Factors that may impact the Combined Group's performance in this competitive market may include: • new or improved programming content or other products made available by its competitors; • the Combined Group's pricing and competitiveness; and • the ability to respond to changing preferences of the Combined Group's audiences and clients.
Change in risk and investment profile	If the Scheme is implemented, Seven Shareholders (excluding Ineligible Foreign Shareholders and Small Holdings Shareholders) will receive new Southern Cross Shares in exchange for their Seven Shares. Accordingly, there will be changes to the risk profile to which Seven Shareholders are currently exposed. As a consequence of implementation of the Scheme, Seven Shareholders will be exposed to risks of Southern Cross as outlined in Section 8.4 and to certain additional risks relating to the Combined Group and the integration of the businesses of Seven and Southern Cross, as outlined in this section 8.5. The investment profile for Seven Shareholders will change, as the operational profile, capital structure, assets and size of the Combined Group is different from that of Seven on a standalone basis. Ineligible Foreign Shareholders and Small Holdings Shareholders will also be exposed to these risks until the Sale Agent sells the New Southern Cross Shares issued to it through the Sale Facility (see section 4.2(b) for further details on the Sale Facility).
General economic conditions	The financial performance of the Combined Group and the value of Southern Cross Shares are quoted on ASX may fluctuate due to a number of factors. These factors may include, but are not limited to, the demand for and availability of shares in Southern Cross, fluctuations in the domestic and international market for listed securities, general economic

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	conditions including interest rates, inflation rates, exchange rates, investor sentiment, Australian and international economic conditions and outlook, announcement of new technologies, geopolitical instability, changes in legislation or regulation, the nature of the markets in which the Combined Group operates and general operational and business risks. In light of recent global macroeconomic events, the global economy may experience an economic recession or downturn of uncertain severity and duration which could impact the Combined Group's performance and to invest sufficiently in its technology. These economic disruptions may adversely impact the Combined Group's earnings and assets, as well as the value of the Southern Cross Shares. These factors may also cause Southern Cross Shares to trade in the future at prices below the Southern Cross share price on the Announcement Date. There is no assurance that the price of the Southern Cross Shares will increase following implementation of the Scheme. The past performance of Seven or Southern Cross is not necessarily an indication as to the future performance of the Combined Group. No assurance can be given that there will always be an active market for the Southern Cross Shares.
Market price may be adversely affected as a result of the Scheme	On implementation of the Scheme, a significant number of additional Southern Cross Shares will be issued and available for trading in the public market. The increase in the number of Southern Cross Shares may lead to sales of such shares or the perception that such sales may occur (commonly referred to as "market overhang"), either of which may adversely affect the market for, and the market price of, Southern Cross Shares. In addition, if the Scheme is not implemented, the market price of Southern Cross Shares could decline to the extent that it reflects an assumption that the Scheme will be implemented or is material to Southern Cross' business strategy.
Integration risks and realisation of anticipated synergies	The performance of the Combined Group will be affected by, among other factors, the successful integration of the businesses of Southern Cross and Seven. There is a risk that the integration of Seven and Southern Cross into the Combined Group may encounter unexpected challenges or issues, including that any integration could take longer or cost more than anticipated or that the extraction of potential benefits and synergies of the combination of Seven and Southern Cross may be less than expected. There is a risk that the Combined Group's success and profitability could be adversely affected if Seven's business is not integrated effectively into Southern Cross. Any failure to achieve expected potential synergies may also impact on the financial performance of the Combined Group and the prospects of Southern Cross shares.
Strategic alignment and business model	There are various risks that could impact the Combined Group's strategy and business model. This includes the risk that the combined business model does not respond effectively to external changes, which could result in lost or missed opportunities. This includes external factors such as the macroeconomic environment and its impact on the Australian advertising market, competition the impact of technology, and the regulatory environment. There is also a risk that the Combined Group's strategy is not aligned to maximise shareholder value or there is a failure to effectively

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	execute the Combined Group's strategy. Both can impact on the ability of the combined Group to deliver on its expected outcomes.
Growth strategy	There is a risk that the Combined Group's growth strategy and objectives may not be met. There is a risk that expected revenue will not meet targets and or that expenses may increase disproportionately to revenue.
Employee recruitment and retention	Employee retention and succession planning is critical to the Combined Group's delivery of its strategy and competitive success following implementation. Failure to appropriately recruit and retain employees may adversely affect the Combined Group's ability to develop and implement its business strategies, resulting in a material increase in the costs of obtaining experienced and high-performing employees. This may ultimately materially adversely affect the Southern Cross Group's business, operating and financial performance. There is strong competition for skilled on-air talent, particularly in the radio industry, and the Southern Cross Group's success depends on finding and retaining good on-air talent, to retain and grow audience share. If the Southern Cross Group is unable to retain good on-air talent, or find a suitable replacement, this may adversely affect the revenue, profitability and future financial performance of the Southern Cross Group. The Southern Cross Group's success also depends to a significant extent on its key employees, including the executive and management team. The loss of key management personnel, or any delay in their replacement, may adversely affect the Southern Cross Group's future financial performance. Business structure and staff capability may not continue to evolve to meet the growing changes and complexity in the products, market, agencies and emerging digital environment. This failure may negatively impact the innovative and entrepreneurial culture of the organisation and the ongoing relevance and performance of Southern Cross within the market. Implementation of the Scheme could also result in the termination of management positions or employment contracts of certain executives or employees of Seven or Southern Cross, resulting in significant redundancy payments.
Technology and cyber-security risks	The Combined Group will be reliant on its information technology and equipment infrastructure and systems, and the success of its business depends on the efficient and uninterrupted operation of this infrastructure and these systems. Systems could be exposed to damage or interruption as a result of a number of events and factors. There is a risk of operational impact from a cyber security breach. A security breach could result in loss of content playout, compromise of secondary supporting systems or the operational platform, loss of information integrity or breaches of the Combined Group's obligations under applicable laws, including privacy, data breach or customer agreements. These events could result in business interruptions, loss of customers and revenue, reputation damage and weakening of the Combined Group's competitive position and financial performance.
Finance risks	The Combined Group will rely on access to debt and equity financing. The ability to secure financing, or financing on acceptable terms, may be materially adversely affected if the credit profile of the Combined Group has deteriorated materially, or if there are reductions in debt market liquidity at the time the Combined Group needs to refinance its debt facilities. For these or other reasons, some of which will be outside

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	the Combined Group's control, such as the prevailing macroeconomic and capital market conditions and credit availability, financing may be unavailable, or the cost of financing may significantly increase. Any inability to refinance debt on acceptable terms, or at all, could have a material adverse effect on the Combined Group's financial position and operations.
Dividends	The payment of dividends (if any) by Southern Cross will be determined by the Southern Cross Board from time to time at its discretion. Due regard is given to relevant factors, which include available profits, cashflow, financial condition, operating results, future capital requirements, covenants in relation to financing agreements, as well as economic conditions more broadly. There is no guarantee that the Combined Group dividend will be paid or, if paid, paid at historical levels of Seven or Southern Cross.
Acquisition Risk	There is a risk that any information relating to a potential target company obtained in due diligence is incomplete or inaccurate which may result in the acquisition and investment being less favourable than desired or planned by Southern Cross. Although Southern Cross will take all reasonable precautions to determine the value of such acquisition or investments, there remains a risk that any acquisition or investment is not as favourable as desired. Southern Cross may be liable for historical liabilities of the Seven businesses which may affect future profitability and reputation. Southern Cross has taken all reasonable steps to ensure that it is aware of and taken into account all historical liabilities relating to Seven, however, there remains a risk of undisclosed historical liabilities which may substantially affect the value of any acquisitions.
Purchase price accounting	The Combined Group Pro-Forma Historical Statement of Financial Position at 7.5(g) has been prepared on the basis of the assumptions set out in section 7.5(h). The actual values which will be attributable to each of these assumptions will only be determined at the Effective Date. As part of integration, including through the process of purchase price allocation, the Combined Group will need to consider the carrying values of Seven's assets and liabilities. Accordingly, there will be a risk that the Combined Group Pro-Forma Historical Statement of Financial Position may be materially different from that presented in section 7.5(g).
Change in Accounting or financial reporting standards	AAS are set by the AASB and are outside the control of Seven or Southern Cross or the Combined Group. Changes to accounting standards issued by the AASB, or changes to any other financial reporting standards, could materially adversely affect the financial performance and position reported in the financial statements of Seven, Southern Cross or the Combined Group.
Tax	A change to the current tax regime may affect Seven, Southern Cross or the Combined Group, and Seven Shareholders. Any changes to the current rate of company income tax may impact shareholder returns. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns. Personal tax liabilities are the responsibility of each individual Scheme Shareholder. Seven, Southern Cross and the Combined Group are not responsible for tax or penalties incurred by Seven Shareholders.
Force majeure events	Events may occur within or outside Australia that could impact upon the global, Australian economy, the operations of the Combined Group

	and the price of Southern Cross Shares. These events include but are not limited to acts of terrorism, a global health pandemic, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Combined Group's services and its ability to conduct business. The Combined Group has only a limited ability to insure against some of these risks.
Other risks	Additional risks and uncertainties not currently known to Seven or Southern Cross may also have a material adverse effect on Seven, Southern Cross or the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Seven, Southern Cross or the Combined Group.

8.6 Risks relating to the Scheme

(a) Risk that the Scheme may not be Implemented

The Scheme is subject to certain Conditions Precedent that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These conditions precedent are outlined in section 4.3 of this Scheme Booklet and set out in full in clause 3 of the Scheme Implementation Deed. The failure of a Condition Precedent to be satisfied or waived (if capable of waiver) may give rise to a right of either Seven or Southern Cross to terminate the Scheme Implementation Deed.

The Conditions Precedent include approval by the Court and Seven Shareholders. There is the risk that the Court may not approve the Scheme, or may only be willing to approve the Scheme subject to conditions that Seven or Southern Cross (as applicable) are not prepared to accept. There is also a risk that some or all of the aspects of the Seven Shareholder and Court approvals required for the Scheme to proceed may be delayed.

The Scheme Implementation Deed also gives each of Seven and Southern Cross the right to terminate in certain other limited circumstances.

(b) Implications for Seven and Seven Shareholders if the Scheme is not implemented

If the Scheme does not become Effective and is not implemented, or if the Scheme becomes Effective but is not implemented for any reason, Seven Shareholders will not receive the Scheme Consideration, and Seven will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX.

Unless Seven Shareholders choose to sell their Seven Shares on the ASX, Seven Shareholders will continue to hold Seven Shares and be exposed to the risks (including those set out in sections 8.2 and 8.3) and potential future benefits in retaining exposure to Seven's business and assets.

The Seven share price will also remain subject to market volatility, and may fall, perhaps materially, in the absence of a Superior Proposal.

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9 Tax implications

9.1 Introduction

This Section 9 sets out a general summary of the key Australian income tax, GST and stamp duty consequences for certain Seven Shareholders that may arise as a result of the disposal of their Seven Shares under the Scheme (assuming the Scheme becomes Effective).

This summary is based on the provisions of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**), *Income Tax Assessment Act 1936* (Cth), *Tax Administration Act 1953* (Cth), the GST Act and the Australian stamp duty legislation as at the Last Practicable Date.

Seven Shareholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws, regulations or administrative practices may affect the taxation treatment as described in this summary.

This summary is intended as a general guide and is not intended to be an authoritative or complete statement of the law applicable to the circumstances of every Seven Shareholder and is not intended to be advice and should not be relied on as such. The tax consequences for each Seven Shareholder will vary depending on their specific profile, characteristics, and circumstances. Accordingly, Seven Shareholders should obtain professional tax advice having regard to their own circumstances.

This summary is relevant to Seven Shareholders who are individuals, companies, trusts and complying superannuation entities that hold their Seven Shares on capital account for Australian income tax purposes.

This summary does not apply to all Seven Shareholders, such as Seven Shareholders who:

- are an Ineligible Foreign Shareholder;
- hold their Seven Shares on revenue account or as trading stock, hold their Seven Shares for the purposes of speculation or carrying on a business of dealing in securities;
- are “temporary residents” of Australia as defined in section 995-1(1) of the ITAA 1997;
- change their tax residence while holding Seven Shares;
- are non-resident for Australian income tax purposes and who currently hold, or have at any time held, Seven Shares through a permanent establishment in Australia;
- acquired their Seven Shares, or any rights to acquire Seven Shares, pursuant to an employee share scheme;
- obtained rollover relief in connection with the acquisition of their Seven Shares;
- are taken to have acquired their Seven Shares before 20 September 1985;
- are under a legal disability;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Seven Shares;
- are subject to special tax rules applicable to certain classes of entities such as tax-exempt organisations, banks, insurance companies, partnerships,

superannuation funds with accounts in a tax-free pension phase or dealers in securities; or

- are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in relation to their Seven Shares.

Additionally, this summary does not consider the tax laws of any country other than Australia. Any persons who may be subject to tax in any jurisdiction outside Australia or who fall in any of the above listed situations should obtain independent professional advice on their particular circumstances.

9.2 ATO Class Ruling

Seven is in the process of applying for a class ruling from the ATO (**Class Ruling**) on behalf of certain Seven Shareholders on certain matters, including the CGT implications for Australian resident Seven Shareholders on participating in the Scheme, including the availability for rollover relief.

The final Class Ruling will not be issued by the ATO until after the Implementation Date of the Scheme. The Class Ruling will be available on the ATO website at www.ato.gov.au.

Seven Shareholders should review the final Class Ruling when it is issued by the ATO. The income tax comments provided in the following sections are consistent with positions taken in the application for the Class Ruling lodged with the ATO. It is anticipated that the ATO's views to be expressed in the Class Ruling will be generally consistent with the income tax information in this section. However, it is possible that the ATO may reach different conclusions in the final Class Ruling. Accordingly, it is important that this summary be read in conjunction with the Class Ruling when issued.

9.3 Australian tax resident Seven Shareholders

Australian income tax implications of disposing of Seven Shares

(a) **CGT event**

Under the Scheme, Scheme Shareholders will transfer their Seven Shares to Southern Cross. This will result in a disposal of Seven Shares, which will trigger CGT event A1 for Australian income tax purposes. The CGT event will happen on the date on which the transfer of Seven Shares occurs, which will be the Implementation Date.

(b) **Calculation of capital gain or loss**

Scheme Shareholders should derive a capital gain from the disposal of their Seven Shares to the extent that the capital proceeds received exceed the cost base of their Seven Shares (subject to claiming scrip for scrip rollover relief as discussed below).

Conversely, Scheme Shareholders should incur a capital loss from the disposal of their Seven Shares to the extent that the capital proceeds received are less than the reduced cost base of their Seven Shares.

A capital loss may be used to offset a capital gain made in the same income year or may be carried forward to offset a capital gain made in future income years (subject to the satisfaction of certain loss recoupment tests that apply to certain taxpayers). Capital losses cannot reduce or offset other income or non-capital gains.

Any resulting net capital gain after the application of any available capital losses and any available CGT discount (refer below) should be included in a Scheme Shareholder's assessable income and subject to Australian income tax at the applicable tax rate.

(c) **Capital proceeds**

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The capital proceeds for the disposal of Seven Shares by a Scheme Shareholder under the Scheme should be the market value of the New Southern Cross Shares issued to the Scheme Shareholder at the Implementation Date.

(d) **Cost base and reduced cost base**

A Scheme Shareholder's cost base of a Seven Share will generally include the amount of money paid, or the value of any property given, in respect of the acquisition of the Seven Share plus certain incidental costs (such as brokerage fees) relating to the acquisition, holding and disposal of the Seven Share.

The reduced cost base would usually be determined in a similar, but not identical, manner.

The cost base and reduced cost base will depend on the individual circumstances of each Scheme Shareholder.

(e) **CGT discount**

Scheme Shareholders that are individuals, complying superannuation entities or trustees of a trust (conditions apply) that have held their Seven Shares for at least 12 months (disregarding the date of acquisition and the date of disposal) may be entitled to apply the CGT discount to reduce the amount of a capital gain resulting from the disposal of their Seven Shares (after being reduced by any current year and prior year capital losses).

The CGT discount rate for individuals and trustees of trusts is 50% and the CGT discount rate for complying superannuation entities is 33⅓%. The CGT discount is not available to Scheme Shareholders that are companies.

As the rules relating to discount capital gains are complex, Scheme Shareholders should seek their own independent advice on how the CGT discount provisions will apply in their specific circumstances.

(f) **Scrip for scrip rollover relief**

Scheme Shareholders who would otherwise make a capital gain on the disposal of their Seven Shares under the Scheme may be able to choose scrip for scrip rollover relief under Subdivision 124-M of the ITAA 1997.

Scheme Shareholders cannot choose to apply rollover relief if they made a capital loss on the disposal of their Seven Shares.

The eligibility for Scheme Shareholders to choose rollover relief is part of the Class Ruling application.

(g) **Consequences of choosing scrip for scrip rollover relief**

Where a Scheme Shareholder is eligible for and chooses rollover relief under Subdivision 124-M, the capital gain that would otherwise be made on the disposal of their Seven Shares will be disregarded.

If rollover relief is available and chosen, the first element of the cost base and reduced cost base of the New Southern Cross Shares should equal the Scheme Shareholder's cost base and reduced cost base (respectively) of their Seven Shares for which scrip for scrip rollover relief is applied.

The New Southern Cross Shares should be deemed to have been acquired at the time the Seven Shares were originally acquired. This will be relevant for the purposes of determining eligibility for the CGT discount for a subsequent disposal of New Southern Cross Shares.

The benefit of choosing scrip for scrip rollover relief will depend upon the individual circumstances of each Scheme Shareholder. Accordingly, Scheme Shareholders should

seek their own independent advice on how the roll over relief will apply in their specific circumstances.

(h) **Choosing rollover relief**

Generally, a choice to adopt scrip for scrip rollover relief must be made by a Scheme Shareholder (where eligible) before lodgement of that Scheme Shareholder's income tax return for the income year in which the CGT event occurs. No formal election notice is required to be lodged with the ATO. A Scheme Shareholder will provide evidence of having made a choice to apply scrip for scrip rollover relief by the way they prepare their income tax return.

(i) **Consequences if no scrip for scrip rollover relief**

For Scheme Shareholders who are ineligible to choose scrip for scrip rollover relief, or elect not to choose it, the first element of the cost base and reduced cost base of the New Southern Cross Shares should be equal to the market value of the Seven Shares on the Implementation Date. The acquisition date of the New Southern Cross Shares should be the Implementation Date, which is relevant for the purposes of determining whether a Scheme Shareholder is eligible for the CGT discount in relation to a subsequent disposal.

9.4 Foreign Resident Capital Gains Withholding Tax

The foreign resident capital gains withholding regime may impose a 15% withholding obligation (calculated by reference to the Scheme Consideration) on Southern Cross if Southern Cross considers, or reasonably believes, that a Scheme Shareholder is a "relevant foreign resident" and the Scheme Shareholder's interest in Seven (ie their Seven Shares) is an "indirect Australian real property interest".

Southern Cross, in cooperation with Seven, may seek to clarify the status of particular Scheme Shareholders and require these Scheme Shareholders to provide Southern Cross with either:

- a declaration that they are an Australian tax resident or that their Seven Shares are not an 'indirect Australian real property interest' (**Declaration Form**); or
- a notice of variation granted by the ATO varying the amount or rate of tax to be withheld (**Variation Notice**).

Unless a signed Declaration Form or Variation Notice is provided to Southern Cross for these particular Scheme Shareholders, Southern Cross may withhold 15% of the Scheme Consideration payable to these particular Scheme Shareholders and pay that amount to the Commissioner of Taxation.

9.5 Stamp Duty

No stamp duty should be payable by a Scheme Shareholder in respect of a disposal of their Seven Shares under the Scheme. For the avoidance of doubt, to the extent that any stamp duty arises, Southern Cross must pay all stamp duty in accordance with the Scheme Implementation Deed.

9.6 Goods and Services Tax

Scheme Shareholders should not be liable for GST in respect of a disposal of their Seven Shares under the Scheme.

Similarly, the acquisition of New Southern Cross Shares by Scheme Shareholders should not be subject to GST.

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Seven Shareholders should obtain their own tax advice in relation to any GST implications associated with the Scheme, including any reverse-charge GST liabilities arising and entitlement to claim 'input tax credits' or 'reduced input tax credits' on acquisitions made in connection with their participation in the Scheme.

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10 Additional information

10.1 Scheme Implementation Deed

(a) **Introduction**

On 30 September 2025, Seven and Southern Cross entered into the Scheme Implementation Deed, which governs the conduct of the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was released to ASX on 30 September 2025 and can be obtained from www.asx.com.au.

(b) **Seven Board recommendation (Clause 5.8)**

The Scheme Implementation Deed requires Seven to use all reasonable endeavours to procure that the Seven Board collectively, and the Seven Board Members individually, do not adversely change, withdraw, adversely modify or adversely qualify its or their recommendation to vote in favour of the Scheme subject to:

- the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Seven Shareholders;
- there being no Superior Proposal; and
- the change, withdrawal, modification or qualification does not occur because of a requirement or request by a court or Government Agency that one or more Seven Board Members abstain or withdraw from making a recommendation that Seven Shareholders vote in favour (**Abstain Requirement**).

(c) **Conduct of business (Clause 5.7)**

The Scheme Implementation Deed requires that each of Seven and Southern Cross conduct their respective business and operations in the ordinary and usual course generally consistent with its conduct of such business and operations in the 12 months prior to the date of the Scheme Implementation Deed.

The Scheme Implementation Deed also contains additional customary requirements on Seven and Southern Cross to, subject to certain qualifications, to:

- keep the other reasonably informed of any material developments concerning the conduct of their business;
- not enter into new lines of business;
- provide regular reports on their financial affairs and management accounts to the other party;
- ensure that no Prescribed Occurrence, Regulated Event or Material Adverse Change occurs in relation to each of Seven or Southern Cross respectively; and
- make all reasonable efforts to maintain and preserve the value of their business and assets, keep available the services of their directors, officers and employees and maintain and preserve their relationships with Government Agencies, customers, suppliers and others with whom they have business dealings.

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(d) **Representations and warranties (Clause 8)**

The Scheme Implementation Deed contains customary representations and warranties given by each of Seven and Southern Cross to each other.

These representations and warranties are set out in Schedule 4 (in the case of Seven) and Schedule 3 (in the case of Southern Cross) of the Scheme Implementation Deed.

(e) **Exclusivity (Clause 12)**

The Scheme Implementation Deed contains the following customary exclusivity provisions:

- **no shop**: each of Seven and Southern Cross must not solicit, invite, encourage or initiate, any inquiries, expressions of interest, offers, proposals, discussions or other communications in relation to, or which would reasonably be expected to encourage or lead to, a Competing Proposal, or communicate with any person an intention to do so;
- **no talk**: subject to the fiduciary exception below, each of Seven and Southern Cross must not, participate in or continue any negotiations, discussions or other communications with respect to any inquiry, expression of interest, offer, proposal or discussion by any person, which would reasonably be expected to encourage or lead to the making of a Competing Proposal;
- **no due diligence**: subject to the fiduciary exception below, each of Seven and Southern Cross must not disclose or otherwise provide or make available any material non-public information about their business to a Third Party, in connection with, or which would reasonably be expected to encourage or lead to the formulation, receipt, or announcement of a Competing Proposal;
- **fiduciary exception**:
  - Seven's Board has a fiduciary exception on market standard terms.
  - Southern Cross also has a fiduciary exception. This ends on 26 November 2025, being the earlier of (i) two weeks after registration of this Scheme Booklet with ASIC (which was registered on the date of this Scheme Booklet), or (ii) four weeks after the issue of Southern Cross' Independent Expert Report (which was issued on 4 November 2025);
- **notification right**: each of Seven and Southern Cross must notify the other in writing (within 48 hours) if they receive or become aware of any expression of interest, contact, discussion, proposal in relation to a Competing Proposal;
- **provision of information**: each of Seven and Southern Cross must provide the other with a copy of written materials or a written statement of, any material non-public information about their business disclosed or otherwise provided to any Third Pary in connection with a Competing Proposal that has not previously been provided to the other party; and
- **matching right**: each of Seven and Southern Cross must not enter into any legally binding arrangement (other than a confidentiality agreement) to give effect to an actual or potential Competing Proposal, and, in the case of Seven, must use all reasonable endeavours to procure that none of its directors change their recommendation of the Scheme, unless:
  - the Competing Proposal is a Superior Proposal;
  - the recipient has provided the other party with details of the material terms and conditions of the Competing Proposal and the identity of the competing bidder;

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- the recipient has given the other party at least 5 Business Days to provide a matching or superior proposal; and
- the other party has not provided a counterproposal that would produce an equivalent or superior outcome for shareholders of the recipient in that 5 Business Day period.

(f) **Reimbursement fee (Clause 13)**

Seven and Southern Cross have each agreed to, in specified circumstances, pay a Reimbursement Fee of $2,154,796 (approximately 1% of the equity value of Seven) to the other if certain events occur. The Reimbursement Fee is not payable where the Scheme Implementation Deed is terminated because the Conditions Precedent are not satisfied (including failure by Seven Shareholders to approve the Scheme at the Scheme Meeting).

Seven's obligation to pay the Reimbursement Fee will be triggered if:

- **Change of recommendation**: any Seven Board Member fails to recommend or changes their recommendation to vote in favour of the Scheme, or makes a public statement that they intend not to vote in favour of the Scheme or recommends a Competing Proposal, unless:
  - the Independent Expert concludes that the Scheme is not in the best interests of Seven Shareholders (except due to the existence of a Competing Proposal);
  - the failure to recommend or a change of recommendation is due to the Abstain Requirement; or
  - Seven has given notice to terminate the Scheme Implementation Deed in certain circumstances;
- **Competing Proposal:** a Competing Proposal with respect to Seven is announced and completed or occurs within 9 months of that announcement; or
- **Southern Cross termination:** Southern Cross is entitled to terminate the Scheme Implementation Deed following a material breach by Seven, or the occurrence of an unremedied Seven Material Adverse Change, Seven Prescribed Occurrence or Seven Regulated Event and the breach or occurrence giving rise to Southern Cross' right to terminate the Scheme Implementation Deed was not caused by actions or events outside Seven's control, or for an unremedied breach of a Seven Representation and Warranty and which, other than title and capacity warranties, is material in the context of the Scheme.

Southern Cross' obligation to pay the Reimbursement Fee will be triggered if:

- **Superior Proposal:** Southern Cross has received a Superior Proposal on a date up to and including the Southern Cross Fiduciary Right Date, completed the matching right process and terminated the Scheme Implementation Deed, unless:
  - the Southern Cross Independent Expert has concluded that the Scheme is not in the best interests of Southern Cross Shareholders (except due to the existence of a Competing Proposal); or
  - Southern Cross has given notice to terminate the Scheme Implementation Deed in certain circumstances;
- **Competing Proposal:** a Competing Proposal with respect to Southern Cross is announced and completed or occurs within 9 months of that announcement; or

- **Seven termination**: Seven is entitled to terminate the Scheme Implementation Deed following a material breach by Southern Cross, or the occurrence of an unremedied Southern Cross Material Adverse Change, Southern Cross Prescribed Occurrence or Southern Cross Regulated Event and the breach or occurrence giving rise to Seven's right to terminate the Scheme Implementation Deed was not caused by actions or events outside Southern Cross' control, or for an unremedied breach of a Southern Cross Representation and Warranty and which, other than title and capacity warranties, is material in the context of the Scheme.

(g) **Termination (Clause 14)**

Each of Seven and Southern Cross may terminate the Scheme Implementation Deed:

- for material breach of the Scheme Implementation Deed (other than material breach of a warranty) which is not remedied within a specified period;
- if a court or Government Agency has taken action permanently restraining or prohibiting or preventing the Scheme being implemented, or has refused to do anything necessary to permit the Scheme being implemented by the End Date;
- for failure of a condition precedent to the Scheme (as outlined in section 4.3);
- if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date;
- if Seven Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities;
- for a breach of warranty by the other party, which is not remedied within a specific period, and the relevant breach is material in the context of the Scheme taken as a whole (other than a Seven Title and Capacity Warranty or Southern Cross Title and Capacity Warranty, any breach of which will enable the other party to terminate the Scheme Implementation Deed); or
- if agreed to in writing by Seven and Southern Cross.

Southern Cross may also terminate the Scheme Implementation Deed if:

- a Seven Material Adverse Change, Seven Prescribed Occurrence or Seven Regulated Event occurs, which is not remedied within a specified period;
- any member of the Seven Board fails to recommend or changes their recommendation to vote in favour of the Scheme, or makes a public statement that they intend not to vote in favour of the Scheme or recommends a Competing Proposal other than where the member of the Seven Board is subject to or complies with an Abstain Requirement;
- in any circumstances where Seven enters into any legally binding agreement, arrangement or understanding for a Competing Proposal; or
- it has received a Superior Proposal on a date up to and including the Southern Cross Fiduciary Right Date, completed the matching right process set out in clause 12.5 of the Scheme Implementation Deed, provided Seven with written notice and paid the Reimbursement Fee to Seven.

Seven may terminate the Scheme Implementation Deed if:

- a Southern Cross Material Adverse Change, Southern Cross Prescribed Occurrence or Southern Cross Regulated Event occurs, which is not remedied within a specified period;
- Southern Cross or any Southern Cross Board Member recommends, supports or endorses another transaction (excluding a statement that no action should be

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taken by Southern Cross Shareholders pending assessment of a Competing Proposal by the Southern Cross Board or the completion of the matching right process set out in clause 12.5 of the Scheme Implementation Deed);

- in any circumstances where Southern Cross enters into any legally binding agreement, arrangement or understanding for a Competing Proposal; or
- the Seven Board (or a majority of the Seven Board) has changed, withdrawn, modified or qualified its recommendation, and if applicable, Seven has paid the Reimbursement Fee to Southern Cross.

10.2 Southern Cross Independent Expert's Report

The Southern Cross Board appointed Kroll as a Southern Cross Independent Expert (**SCA Independent Expert**) to undertake an independent assessment of the Scheme, prepare an Independent Expert's Report and provide an opinion as to whether the Scheme is in the best interests of Southern Cross Shareholders.

The SCA Independent Expert has concluded that the Scheme is in the best interests of Southern Cross Shareholders (in the absence of a Superior Proposal).

The SCA Independent Expert's Report was released on ASX on 4 November 2025.

10.3 Consents, disclosures and fees

(a) **Consents**

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- Southern Cross in respect of the Southern Cross Information and the Combined Group Information only;
- Lonergan Edwards & Associates as the Independent Expert;
- KPMG Transaction Services as the Investigating Accountant.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

The following parties have also given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Barrenjoey Advisory Pty Limited as financial adviser to Seven;
- Herbert Smith Freehills Kramer as legal adviser to Seven;
- SGH Limited in relation to the voting intention statement;
- Boardroom Pty Limited as the Seven Share Registry; and
- Kroll Australia Pty Ltd as the Southern Cross Independent Expert.

(b) **Disclosures and responsibility**

Each person named in section 10.3(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:

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  - Southern Cross in respect of the Southern Cross Information and the Combined Group Information only;
  - Lonergan Edwards & Associates in relation to its Independent Expert's Report; and
  - KPMG Transaction Services in relation to its Investigating Accountant's Report; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 10.3(b).

(c) **Fees**

The fees set out in this section 10.3(c) only relate to fees paid or payable by Seven in connection with the Transaction and the preparation of this Scheme Booklet.

Each of the persons named in section 10.3(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

In aggregate, if the Scheme is implemented, Seven expects to pay approximately $7.8 million (excluding GST) in external transaction costs and other payments that relate to the Transaction. This includes advisory fees and expenses for professional services provided to Seven (including for financial, legal, tax and accounting advisers), the Independent Expert's fees, court fees, Seven Share Registry fees, printing and mailing costs and expenses associated with convening and holding the Scheme Meeting.

In aggregate, if the Scheme is not implemented, Seven expects to pay approximately $2.8 million (excluding GST) in transaction costs, being costs that have already been incurred as at the date of this Scheme Booklet or will be incurred even if the Scheme is not implemented (but excluding any Reimbursement Fee that may be payable).

In addition, in aggregate, Southern Cross expects to pay approximately $10 million (excluding GST), in external transaction costs and other payments that relate to the Transaction. This includes advisory fees and expenses for professional services provided to Southern Cross (including for financial, legal, tax and accounting advisers). It also includes an allowance for $1.4 million in retention bonuses in connection with the Transaction noting that Southern Cross has the ability to pay up to $2 million in retention bonuses in connection with the Transaction under the Scheme Implementation Deed. This will result in the total transaction costs of approximately $17.8 million being incurred by the Combined Group if the Scheme is implemented.

10.4 Regulatory relief

As announced on 17 October 2025, ASX has:

- granted a waiver of ASX Listing Rule 10.1 to the extent necessary to permit Southern Cross to acquire the Seven Shares in which Spheria Asset Management has a relevant interest under the Scheme without requiring the approval of Southern Cross' shareholders; and
- confirmed that it will not require Southern Cross to seek shareholder approval under ASX Listing Rule 11.1.2 or re-comply with the admission and quotation requirements under ASX Listing Rule 11.1.3 in connection with the Transaction.

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10.5 No unacceptable circumstances

The Seven Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Seven that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

10.6 No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the Seven Directors are aware, there is no other information that is:

- material to the making of a decision by a Seven Shareholder whether or not to vote in favour of the Scheme; and
- known to any Seven Director at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to Seven Shareholders.

10.7 Supplementary disclosure

Seven will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Seven may circulate and publish any supplementary document by:

- making an announcement to the ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Seven Shareholders at their address shown on the Seven Share Register; and/or
- posting a statement on Seven's website at https://sevenwestmedia.com.au,

as Seven, in its absolute discretion, considers appropriate.

10.8 Foreign selling restrictions

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Seven disclaims all liabilities to such persons. Seven Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Transaction in any jurisdiction outside of Australia.

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(a) **New Zealand**

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law.

The offer of New Southern Cross Shares under the Scheme is being made to existing shareholders of Seven in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(b) **Hong Kong**

The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Copies of this Scheme Booklet may be issued to Seven Shareholders in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of Seven Shareholders in connection with the Scheme. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Scheme by Seven Shareholders.

(c) **Italy**

This Scheme Booklet is not a prospectus under Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). Therefore, the Scheme Booklet has not been, and will not be, registered

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with or approved by any securities regulator in Italy or elsewhere in the European Union. Accordingly, this Scheme Booklet may not be made available, nor may the Southern Cross Shares be offered for sale or exchange, in Italy except in circumstances that do not require the obligation to publish a prospectus under the Prospectus Regulation.

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Southern Cross Shares in Italy is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 other natural or legal persons; and
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

(d) **United Kingdom**

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the Southern Cross Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Southern Cross Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Seven or Southern Cross.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

10.9 Additional disclosure

No action has been taken to register or qualify the Southern Cross Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, shareholders of Seven whose addresses are shown in the register on the record date for the Scheme as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have Southern Cross Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

- Australia;
- Hong Kong;
- Italy, where (i) the Seven Shareholder is a "qualified investor" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Seven Shareholders is less than 150;

- New Zealand;
- United Kingdom; and
- any other person or jurisdiction in respect of which Seven reasonably believes that it is not prohibited and not unduly onerous or impractical to issue Southern Cross Shares to a Seven Shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold Seven Shares on behalf of a beneficial owner resident outside Australia, Hong Kong, New Zealand and the United Kingdom may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Seven, except nominees and custodians may forward the Scheme Booklet to any beneficial shareholder in Italy who is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

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11 Glossary

11.1 Definitions

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
ACCC	the Australian Competition and Consumer Commission.
ACMA	the Australian Communications and Media Authority.
ADI	an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
ATO	the Australian Taxation Office.
Barrenjoey	Barrenjoey Advisory Pty Limited ABN 17 636 976 228.
BSA	the *Broadcasting Services Act 1992* (Cth).
Business Day	a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney or Melbourne.
CGT	capital gains tax.
Class Ruling	has the meaning given to it in Section 9.2 of the Scheme Booklet.
Combined Group	the combination of the Southern Cross Group and the Seven Group, as comprised by Southern Cross and its Subsidiaries and Seven and its Subsidiaries following implementation of the Scheme.

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Term	Meaning
Combined Group Information	the information contained in the Scheme Booklet regarding the Combined Group, contained in: 1 section 1.1 (Why you should vote in favour of the Scheme); 2 section 1.2 (Why you may consider voting against the Scheme); 3 section 7 (Information about the Combined Group); and 4 sections 8 (Risks).
Competing Proposal	where the reference relates to: 1 Seven, a Seven Competing Proposal; and 2 Southern Cross, a Southern Cross Competing Proposal, and for the avoidance of doubt, each successive material modification or variation of any Competing Proposal will constitute a new Competing Proposal.
Condition Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the *Corporations Act 2001* (Cth), as modified or varied by ASIC.
Counterproposal	has the meaning given in clause 12.5(a)(6) of the Scheme Implementation Deed.
Court	The Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Southern Cross and Seven.
Declaration Form	has the meaning given to it in Section 9.4 of the Scheme Booklet.
Deed Poll	a deed poll in the form of Annexure 4 under which Southern Cross covenants in favour of the Scheme Shareholders to perform the obligations attributed to Southern Cross under the Scheme.
Disclosure Letter	the letter with that title, agreed between Seven and Southern Cross on 30 September 2025.

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Term	Meaning
Disclosure Materials	the Seven Disclosure Materials, the Southern Cross Disclosure Materials and the Disclosure Letter.
EBITDA	earnings before interest, tax, depreciation and amortisation.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective, currently expected to be 24 December 2025.
Eligible Seven Shareholder	a Seven Shareholder (other than an Ineligible Foreign Shareholder).
End Date	1 9 months from the date of the Scheme Implementation Deed (**Initial End Date**); or 2 if the Condition Precedent set out in either clause 3.1(a)(1) (ACCC) or 3.1(a)(2) (ACMA) of the Scheme Implementation Deed has not been received by the Initial End Date but engagement with the relevant regulator to pursue the satisfaction of those conditions is ongoing, 12 months from the date of the Scheme Implementation Deed, or such other date as agreed in writing by the parties.
Excluded Shareholder	where the reference relates to: 1 Seven, any Seven Shareholder who is a member of the Southern Cross Group or any Seven Shareholder who holds any Seven Shares on behalf of, or for the benefit of, any member of the Southern Cross Group and does not hold Seven Shares on behalf of, or for the benefit of, any other person; or 2 Southern Cross, any Southern Cross Shareholder who is a member of the Seven Group or any Southern Cross Shareholder who holds any Seven Shares on behalf of, or for the benefit of, any member of the Seven Group and does not hold Southern Cross Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	the period from and including the date of the Scheme Implementation Deed to the earlier of: 1 the date of termination of the Scheme Implementation Deed;

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Term	Meaning
	2 the End Date; and 3 the Effective Date.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
FY24	the financial year commencing on 1 July 2023 and ended 30 June 2024.
FY25	the financial year commencing on 1 July 2024 and ended 30 June 2025.
FY26	the financial year commencing 1 July 2025 and ending 30 June 2026.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
GST	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
GST Law	has the same meaning as in the GST Act.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as Seven and Southern Cross agree in writing, currently expected to be 7 January 2026.
Independent Expert	the independent expert in respect of the Scheme separately appointed by each of:

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Term	Meaning
	1 Seven; and 2 Southern Cross as the context requires.
Independent Expert's Report	the report issued by Seven's Independent Expert in connection with the Scheme, as set out in Annexure 1.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Seven Share Register as at the Scheme Record Date is a place outside Australia and its external territories, United Kingdom, Hong Kong, Italy and New Zealand, unless Southern Cross and Seven (each acting reasonably) determine that it is lawful and not unduly onerous or impractical to issue that Scheme Shareholder with New Southern Cross Shares when the Scheme becomes Effective.
Ineligible Shareholder	has the meaning given to it in section 4.2(b).
Investigating Accountant	KPMG Transaction Services, the investigating accountant in respect of the Scheme appointed by Seven.
Investigating Accountant's Report	the report issued by the Investigating Accountant in connection with the Scheme, as set out in Annexure 2.
ITAA 1997	*Income Tax Assessment Act 1997* (Cth).
KPMG Transaction Services	KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215
Last Practicable Date	5 November 2025.
Listing Rules	the official listing rules of the ASX.
Lonergan Edwards & Associates	Lonergan Edwards & Associates Limited ABN 53 095 445 560
Marketable Parcel	is a parcel of New Southern Cross Shares having a value of not less than $500 based on the closing price of fully paid ordinary

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Term	Meaning
	shares of Southern Cross on the ASX as at the Scheme Record Date.
Material Adverse Change	1 Seven Material Adverse Change; or 2 Southern Cross Adverse Change, as the context requires.
New Southern Cross Share	a fully paid ordinary share in Southern Cross to be issued to Scheme Shareholders under the Scheme.
NED Share Plan	as described in section 5.11(a)(3) of this Scheme Booklet.
Performance Right	a right issued under an employee incentive plan which confers on the holder a right to acquire a Seven Share, as set out in section 5.11.
Prescribed Occurrence	1 Seven Prescribed Occurrence; or 2 Southern Cross Prescribed Occurrence, as the context requires.
Registered Address	in relation to a Seven Shareholder, the address shown in the Seven Share Register as at the Scheme Record Date.
Regulated Event	1 Seven Regulated Event; or 2 Southern Cross Regulated Event, as the context requires.
Reimbursement Fee	$2,154,796.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Related Person	each director, officer, employee, adviser, agent or representative of a party or its Related Body Corporate.

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Term	Meaning
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Requisite Majorities	in relation to the Scheme Resolution, a resolution passed by: 1 unless the Court orders otherwise, a majority in number (more than 50%) of Seven Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative); and 2 at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Seven Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative).
Sale Agent	the sale agent appointed to sell the New Southern Cross Shares that are to be issued under clause 5.3(a)(1) of the Scheme.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Seven and the Scheme Shareholders, the form of which is attached as Annexure 3 subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Southern Cross and Seven.
Scheme Booklet	this document being the explanatory statement in respect of the Scheme, which has been prepared by Seven in accordance with section 412 of the Corporations Act.
Scheme Consideration	0.1552 New Southern Cross Shares for each Scheme Share held on the Record Date on the terms and conditions set out in the Scheme.
Scheme Implementation Deed	the Scheme Implementation Deed dated 30 September 2025 between Seven and Southern Cross, a copy of which was released to the ASX on 30 September 2025.
Scheme Meeting	the meeting of Seven Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting

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Term	Meaning
	convened following any adjournment or postponement of that meeting.
Scheme Record Date	7:00pm (Sydney time) on 30 December 2025 or such other time and date as Seven and Southern Cross agree in writing.
Scheme Resolution	the resolution to the terms of the Scheme, as set out in the Notice of Scheme Meeting in Annexure 5.
Scheme Shareholder	a holder of Seven Shares recorded in the Seven Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Shares	all Seven Shares held by the Scheme Shareholders as at the Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard, currently expected to be 23 December 2025, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Seven	Seven West Media Limited ACN 053 480 845.
Seven Board	the board of directors of Seven and a **Seven Board Member** means any director of Seven comprising part of the Seven Board.
Seven Director	a member of the Seven Board.
Seven Existing Financing	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Seven Group	Seven and each of its subsidiaries, and a reference to a **Seven Group Member** or a **member of the Seven Group** is to Seven or any of its subsidiaries.

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Term	Meaning
Seven Information	the information contained in this Scheme Booklet, other than: 1 the Southern Cross Information; 2 the Combined Group Information; 3 the Independent Expert's Report; and 4 the Investigating Accountants Report.
Seven Material Adverse Change	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Seven Prescribed Occurrence	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Seven Regulated Event	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Seven Share	a fully paid ordinary share in the capital of Seven.
Seven Share Register	the register of members of Seven maintained in accordance with the Corporations Act.
Seven Share Registry	Boardroom Pty Limited ACN 003 209 836.
Seven Shareholder	each person who is registered as the holder of a Seven Share in the Seven Share Register.
Share Right	a share right issued under the NED Share Plan, which confers a right to a Seven Share, as set out in section 5.11.
Small Holdings Shareholder	a Scheme Shareholder who, based on their holding of Scheme Shares at the Scheme Record Date would, on implementation of the Scheme, be entitled to receive less than a Marketable Parcel as Scheme Consideration.
Southern Cross	Southern Cross Media Group Limited ACN 116 024 536.

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Term	Meaning
Southern Cross Board	the board of directors of Southern Cross and a Southern Cross Board Member means any director of Seven comprising part of the Southern Cross Board.
Southern Cross Director	a member of the Southern Cross Board.
Southern Cross Group	Southern Cross and each of its related bodies corporate, and a reference to a **Southern Cross Group Member** or a **member of the Southern Cross Group** is to Southern Cross or any of its related bodies corporate.
Southern Cross Information	the information regarding the Southern Cross Group, the businesses of the Southern Cross Group, Southern Cross's interests and dealings in any Seven Shares, Southern Cross's intentions for Seven and Seven's employees, and funding for the Scheme, provided by Southern Cross to Seven for including in this Scheme Booklet, being: 1 the answer to the question, "Who is Southern Cross?" in section 2 (Frequently asked questions) (**Southern Cross FAQ**); 2 the entire content of section 6, , including relevant definitions in section 11.1 that relate solely to section 6 and the Southern Cross FAQ; 3 the content of section 8 (Risks) which relate only to the Southern Cross Group; 4 the entire content of contained in section 10.2; 5 the content in relation to Southern Cross's expected transaction costs in section 10.3(c) (Consents, disclosures and fees); and 6 the information provided by Southern Cross to Seven or obtained from Southern Cross public filings on ASX regarding the Southern Cross Group contained in, or used in the preparation of, the Combined Group Information.
Southern Cross Material Adverse Change	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Southern Cross Prescribed Occurrence	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Southern Cross Share Registry	Computershare Investor Services Pty Ltd (ACN 078 279 277).

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Term	Meaning
Southern Cross Regulated Event	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Southern Cross Shareholder	each person who is registered as the holder of a Southern Cross Share in the Southern Cross Share Register.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	has the meaning given to it in clause 1.1 of Schedule 2 of the Scheme Implementation Deed.
Takeovers Panel	the Australian Takeovers Panel.
Transaction	the acquisition of the Scheme Shares by Southern Cross through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.
Variation Notice	has the meaning given to it in section 9.4 of the Scheme Booklet.
VWAP	volume weighted average price.

11.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(b) words importing a gender include any gender;

(c) words importing the singular include the plural and vice versa;

(d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;

(f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

(h) a reference to time is a reference to time in Sydney, Australia;

(i) a reference to writing includes facsimile transmissions; and

(j) a reference to dollars, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

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Annexure 1

Independent Expert's Report

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The Directors
Seven West Media Limited
Newspaper House
50 Hasler Road
Osborne Park WA 6017

12 November 2025

Subject: Proposed merger of Seven West Media Limited and Southern Cross Media Group Limited

Dear Directors

Introduction

1 On 30 September 2025, Seven West Media Limited (SWM or the Company) announced that it had entered into a Scheme Implementation Deed (SID) with Southern Cross Media Group Limited (SCA) pursuant to which it is proposed that SCA will acquire all the shares in SWM to facilitate an all-scrip based merger of the two companies.

2 The proposed merger is to be implemented via a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) (the Scheme or Merger) and will require the approval of SWM shareholders and the Court before it can proceed. The Scheme is also subject to the satisfaction or waiver of a number of other conditions precedent, including regulatory approvals from the Australian Communications and Media Authority (ACMA) and the Australian Competition and Consumer Commission (ACCC), as summarised in Section I of our report.

3 If the Scheme is implemented, SWM shareholders will receive 0.1552 SCA shares for each SWM share held on the Scheme Record Date (the Merger Ratio)[1].

4 On completion of the transaction, existing SWM and SCA shareholders will own approximately 49.9% and 50.1% respectively of the merged entity (Merged Group).

5 The Merged Group will be one of Australia's leading integrated television, audio and digital platforms. By bringing together the assets and brands of SWM and SCA, the Merged Group seeks to create a national, diversified media organisation with extensive scale and reach across FTA TV, streaming, audio, digital and publishing assets. The Merged Group's increased scale and reach across metropolitan and regional markets positions the group to

[1] Subject to rounding up for fractional entitlements. SWM shareholders who are "Ineligible Foreign Shareholders" or "Unmarketable Parcel Shareholders" (as defined in the SID and Scheme Booklet) will not be entitled to receive new SCA shares and will instead receive cash proceeds from the sale, by a nominee, of the SCA shares they would have otherwise received.

Authorised Representatives:
Wayne Lonergan • Julie Planinic* • Nathan Toscan • Hung Chu • Grant Kepler* • Martin Hall • Jorge Resende • Brett Aalders • Craig Edwards

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.
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attract and grow high value audiences (particularly the 25-54 demographic), deliver significant cost savings and revenue and earnings growth.

6 The current Managing Director and Chief Executive Officer (CEO) of SWM, Mr Jeff Howard, will act as Managing Director and CEO of the Merged Group. Mr John Kelly (current CEO of SCA) will assume the role of Group Managing Director, Audio. Mr Kerry Stokes AC (current Chair of SWM) will assume the role of Chair of the Merged Group Board until he steps down in February 2026 and transitions the role to Mr Heith Mackay-Cruise (current Chair of SCA). Following this, the Merged Group Board will comprise four representatives from the SWM Board and three representatives from the SCA Board.

SWM and SCA

7 SWM is an Australian integrated media company, with a market presence in broadcast television (TV), newspaper publishing and online. The Company operates a number of leading media businesses including television brands Seven, 7two, 7mate, 7flix, 7 Bravo, broadcast video on demand (BVOD) platform 7plus, online website 7NEWS.com.au and publishing brands The Nightly, The West Australian and The Sunday Times. SWM's registered office is in Perth, Western Australia (WA) and it employs over 2,300 staff.

8 SCA owns and operates Australia's largest audio network comprising the Triple M and Hit radio networks and the LiSTNR digital audio application. SCA owns 104 radio stations across FM, AM, and digital audio broadcasting (DAB+) radio which broadcast under the Triple M and Hit network brands, and provides national sales representation for 56 regional radio stations, with more than 9 million listeners nationally. The LiSTNR digital audio application owned and operated by SCA offers free radio, podcasts, music, news and sports content to more than 2.4 million signed-in users.

Purpose of report

9 There is no legislative (or regulatory) requirement for an independent expert's report (IER) to be commissioned by SWM in relation to the Scheme.

10 However, the Scheme is subject to a number of conditions precedent, including an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of SWM shareholders. The SWM Directors' recommendation of the Scheme is also, inter alia, subject to the same condition.

11 Accordingly, the Directors of SWM have requested Lonergan Edwards & Associates Limited (LEA) to prepare an IER stating whether, in our opinion, the Scheme is in the best interests of SWM shareholders and the reasons for that opinion.

12 LEA is independent of SWM and SCA and has no other involvement or interest in the Scheme.

Summary of opinion

13 In our opinion, the Scheme is in the best interests of SWM shareholders, in the absence of a superior proposal. We have formed this opinion for the reasons detailed below.

Basis of assessment

14 The Scheme was not structured as a change of control transaction and there was no intention for the Merger terms to deliver a control premium to SWM shareholders. Furthermore,

ownership of the Merged Group will be shared between each group of shareholders (49.9% by SWM and 50.1% by SCA) as will operational control with Board representation being reasonably balanced and key executive positions being sourced from both companies.

15 Accordingly, as noted in Section II, LEA has assessed the Scheme as a merger rather than a change of control transaction. The key issues in respect of the Scheme from the perspective of the SWM shareholders are whether:

(a) SWM shareholders obtain a collective ownership interest in the Merged Group that is consistent with (or greater than) the relative value they contribute to the Merged Group

(b) from a value perspective, SWM shareholders are likely to be better off if the Merger proceeds

(c) the advantages of the Merger outweigh the disadvantages.

Relative value contribution

16 If the Scheme is approved and implemented SWM shareholders will acquire an aggregate interest in the Merged Group of 49.9%, while SCA shareholders will hold 50.1% in aggregate.

17 As stated above, in assessing a merger, one of the key considerations is whether the value contributed by each of the merger partners is consistent with the merger terms (i.e. whether the value contributed to the merged entity is consistent with the respective collective ownership interests each group of shareholders will hold in the merged entity). Consequently, when assessing mergers it is important that a consistent basis of valuation be used. That is, when assessing the relative value contribution, both companies should be valued either with or without a premium for control. This reflects the fact that it is the relative value of each company which is relevant to the assessment rather than each company's absolute value.

18 For the purpose of forming our view on this aspect of our overall assessment, we have primarily had regard to relative value contributions based upon our estimate of underlying value on a minority interest basis, and sharemarket trading.

19 The contribution of value by SWM shareholders to the Merged Group relative to their aggregate interest in the Merged Group is summarised graphically below:

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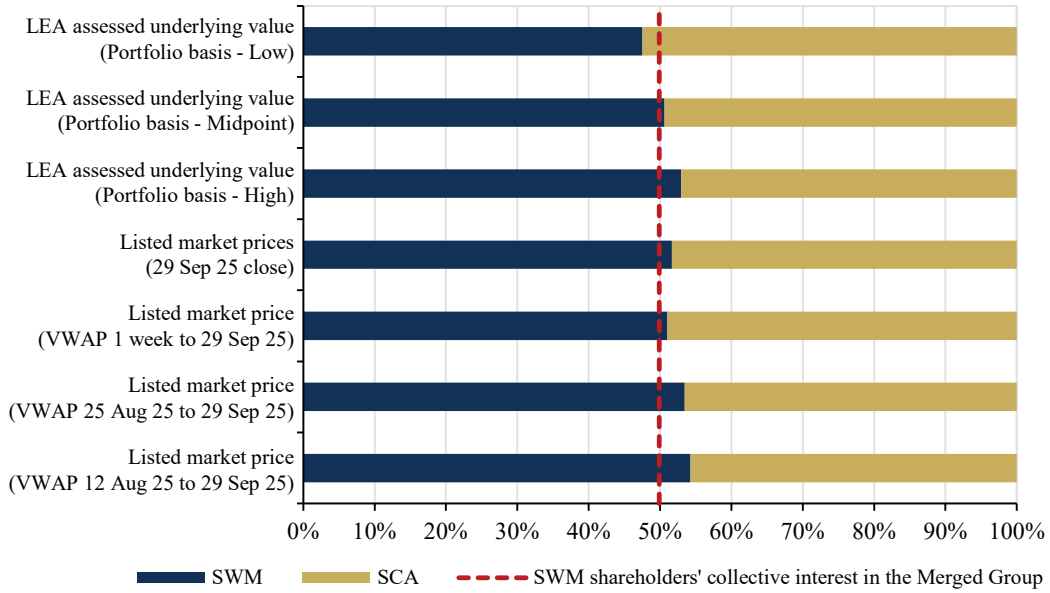
Relative value contribution to the Merged Group



Source: FactSet and LEA analysis.

20 On balance, the analysis indicates that the collective interest SWM shareholders will acquire in the Merged Group (of some 49.9%) is broadly consistent with the relative value SWM is contributing to the Merged Group (noting that our preferred comparison should be based on our detailed assessment of underlying value). As a result, in our opinion, the Merger terms are fair when assessed in accordance with the guidelines set out in Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111)[2].

Value position before and after implementation of the Merger

21 We have compared the position of SWM shareholders before and after implementation of the Merger, taking into account the value of operational cost savings and other synergies that are expected to be generated should the Scheme proceed. Our comparison has been undertaken on a like-with-like basis by comparing the value of a minority interest in SWM prior to the announcement of the Scheme with the value of the Scheme consideration (i.e. shares in the Merged Group, or SCA post completion, which have also been assessed on a minority interest basis).

22 The following table summarises our analysis:

2 RG 111 sets out the assessment framework to which an expert must adhere in evaluating the merits of a proposal.

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Comparison of Scheme consideration and SWM share value – underlying values			
	Paragraph	Low $	High $
Scheme consideration – minority interest basis[(1)]	319	0.138	0.178
Value of SWM shares – minority interest basis	227	0.109	0.159
Extent to which the Scheme consideration exceeds (or is less than) the value of SWM[(1)]		0.029	0.019
Potential value uplift based on underlying values (%)		26.4%	12.0%

Note:

1 We note that the Merger is subject to, inter alia, no government agency (including the ACMA and the ACCC) restraining, preventing or opposing the Merger. We note that no allowance has been made in our valuation for the impact of any undertakings that may be required by the ACMA and/or ACCC in order for the Merger to proceed. Our valuation of the Merged Group also excludes any revenue synergies and dis-synergies (e.g. customer loss) that may arise.

23 Our assessed value of the Scheme consideration to be received by SWM shareholders exceeds our assessment of the underlying value of a minority interest in SWM shares on a standalone basis (i.e. in the absence of the Merger). This is primarily because of the significant cost synergies that are expected to arise from the Merger. Accordingly, from a value perspective, SWM shareholders are likely to be better off if the Merger proceeds.

24 SCA shares have traded in the range of $0.82 to $0.94 in the period 30 September 2025 to 6 November 2025 with a volume weighted average price (VWAP) of $0.858. The SCA VWAP over the period equates to $0.133 per SWM share based on the Merger Ratio of 0.1552. A comparison of this price to the SWM market traded price prior to the announcement of the Merger indicates that the Merger is slightly value dilutive to SWM shareholders:

Comparison of Scheme consideration and SWM share value – traded prices			
	SWM share price $	Increase / (decrease) in value $	%
Closing share price on 29 Sep 25	0.1400	(0.0068)	(4.9)
VWAP on 29 Sep 25	0.1376	(0.0044)	(3.2)
1 week VWAP to 29 Sep 25	0.1369	(0.0037)	(2.7)
1 month VWAP to 29 Sep 25	0.1404	(0.0072)	(5.2)

25 While this analysis indicates that SWM shareholders are likely to be worse off, from a value perspective, if the Merger proceeds, as noted at paragraph 318, we do not consider the SCA share price post announcement of the Merger to be a reliable indicator of the underlying value that may be realised if the Merger were to proceed, as the traded price does not yet appear to reflect the value of the significant cost synergy benefits that are expected to arise as a result of the Merger.

26 SWM shareholders should also note that the listed market price of SCA shares is subject to daily fluctuation. The price at which SCA shares may be sold subsequent to the implementation of the Merger (i.e. shares in the Merged Group), may therefore be greater or less than our assessed value range (or the post announcement listed market prices set out above). SWM shareholders should also note that any decision to continue to hold SCA shares (i.e. Merged Group shares) beyond the short term is a separate investment decision. As it is

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not possible to accurately predict future share price movements, any decision to hold SCA shares (i.e. Merged Group shares) should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. SWM shareholders should therefore seek independent professional advice specific to their individual circumstances if required.

Advantages versus disadvantages

27 We summarise below the likely advantages and disadvantages for SWM shareholders if the Scheme proceeds.

Advantages

(a) the value of the Scheme consideration to be received by SWM shareholders exceeds our assessment of the underlying value of a minority interest in SWM shares. This is primarily because of the significant cost synergies that are expected to arise from the Merger. Accordingly, from a value perspective, SWM shareholders are likely to be better off if the Merger proceeds

(b) SWM shareholders will acquire an interest in a much larger, more diversified business with enhanced earnings and a more widely dispersed share register (with no single shareholder owning more than 20.2%). This may attract greater analyst coverage and enhance its profile, particularly with institutional investors, which may result in increased liquidity and greater trading depth than that currently experienced by SWM shareholders

(c) the Merged Group will have enhanced financial scale and lower gearing (relative to SWM on a standalone basis) which may improve its access to equity and debt markets and in turn enhance its capacity to pursue further growth opportunities not currently available to SWM. This may also lead to the Merged Group being in a better position to pay dividends

(d) the Merged Group will likely generate revenue synergies in time, the value of which has not been incorporated into our assessment of value

Disadvantages

(e) the benefits of the Merger relate largely to the synergies and broader strategic benefits expected to be realised through the integration of the businesses, and there are risks that the integration of the two businesses may take longer than expected and the anticipated efficiencies and benefits of that integration may be less than estimated

(f) some SWM shareholders may not want to acquire an economic interest in the SCA business. However, subject to any potential liquidity constraints, these SWM shareholders have an opportunity to sell their shares either prior to or post the implementation of the Scheme.

Conclusion

28 In summary, SWM shareholders are likely to be materially better off from a value perspective if the Merger proceeds, as the assessed value of the Scheme consideration (i.e. SCA shares post completion) exceeds the current underlying value of a minority interest in SWM shares (on a standalone basis). This is primarily because of the significant cost synergies that are expected to arise from the Merger.

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29 In addition to the value uplift, it is important to recognise that maintaining the status quo (i.e. retaining an interest in SWM on a standalone basis) carries significant risks and challenges. The current media industry landscape continues to undergo transformation, with digital and online platforms (like YouTube and Netflix) capturing audience share and advertising revenue. Without sufficient scale, participants like SWM, may find it increasingly difficult to compete.

30 In contrast, the Merged Group would be a much larger and more diversified media business than SWM with enhanced free cash flow and have increased growth prospects from its increased scale and potential revenue synergies. It will also benefit from lower gearing and is likely to be in a better position to pay dividends to shareholders (noting that analysts did not expect SWM to pay a dividend in FY26 with the earliest estimates being FY27).

31 In our view, based on the above considerations, on balance, the advantages of the Merger outweigh the disadvantages, and SWM shareholders are likely to be better off if the Merger proceeds. Accordingly, we consider the Scheme to be in the best interests of SWM shareholders, in the absence of a superior proposal.

General

32 This report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual SWM shareholders. Accordingly, before acting in relation to the Scheme, SWM shareholders should have regard to their own objectives, financial situation and needs. SWM shareholders should also read the Scheme Booklet that has been issued by SWM in relation to the Scheme.

33 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether SWM shareholders should vote for, or against the Scheme. This is a matter for individual SWM shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If SWM shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

34 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that SWM shareholders read the remainder of our report.

Yours faithfully

Nathan Toscan
Authorised Representative

Julie Planinic
Authorised Representative

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I Key terms of the Scheme

35 An outline of the Scheme is set out at paragraphs 1 to 6.

Conditions

36 The Scheme is subject to the satisfaction or waiver of a number of conditions precedent, including the following which are outlined in the SID between SWM and SCA dated 30 September 2025:

(a) regulatory approvals, including from the ACMA, ACCC (or alternatively, the Australian Competition Tribunal) and the Australian Securities Exchange (ASX)

(b) approval by SWM shareholders of the Scheme for the purposes of s411 of the Corporations Act

(c) an independent expert appointed by SWM concluding that the Scheme is, and continues to be until 8.00am on the Second Court Date, in the best interests of SWM shareholders

(d) an independent expert appointed by SCA concluding that the Scheme is, and continues to be until 5:00pm on the Southern Cross Fiduciary Right Date as defined in the SID[3], in the best interests of SCA shareholders

(e) change of control consents or waivers from SWM's lenders under its existing finance facilities

(f) Court approval of the Scheme in accordance with s411(4)(b) of the Corporations Act

(g) the SCA shares to be issued to SWM shareholders pursuant to the Scheme are approved for official quotation by the ASX by 8.00am on the Second Court Date (provided that such approval may be subject to the customary conditions)

(h) no SWM or SCA material adverse change (as defined in the SID)

(i) other customary conditions for a transaction of this nature, such as no restraints prohibiting or materially adversely affecting the Scheme, no SWM or SCA prescribed occurrences and no other regulated events.

37 The above is a summary of the conditions precedent only. Further detailed information on these conditions is set out in the Scheme Booklet.

Exclusivity

38 In addition, during the "Exclusivity Period" (as defined in the SID), each of SWM and SCA have agreed that they will not:

(a) directly or indirectly solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion, or communicate an intention to do so (including by the provision of non-public information), with any third party, in relation to or which could reasonably be expected to encourage or lead to any competing proposal (no-shop)

3 Being the earlier of: (a) two weeks after registration of the Scheme Booklet with ASIC; and (b) four weeks after the issue of SCA's IER.

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(b) negotiate, enter into, continue, or participate in discussions, negotiations or other communications (including the provision of any material non-public information) with any other person regarding or which may reasonably be expected to lead to a competing proposal (no-talk); or

(c) in relation to a competing proposal, enable any third party to undertake due diligence investigations in respect of SWM or SCA (as the case may be) or their respective businesses or affairs, or make available to any third party, or permit any third party to receive, non-public information relating to SWM or SCA (as the case may be) or their businesses or affairs (no due diligence).

39 The "no-talk" and "no-due diligence" exclusivity obligations do not apply in the event of any bona fide competing proposal (that does not contravene the "no shop" obligations) in respect of which the SCA Board or SWM Board (as the case may be) determines:

(a) after consultation with the relevant company's advisers, the competing proposal is, or could reasonably be expected to lead to, a "superior proposal" (i.e. a competing proposal which is reasonably capable of being completed and would, if completed substantially in accordance with its terms, likely be more favourable to SWM or SCA shareholders (as the case may be) than the Scheme); and

(b) after receiving written legal advice from the relevant company's external legal advisers, failing to respond to the competing proposal would constitute or be reasonably likely to constitute a breach of the relevant Board's fiduciary or statutory obligations.[4]

40 In respect of SCA, the exception to the "no-talk" and "no due diligence" outlined in paragraph 38 above, only applies up the Southern Cross Fiduciary Right Date or in respect of a Superior Proposal received on or prior to the Southern Cross Fiduciary Right Date.

Reimbursement Fee

41 A "Reimbursement Fee" of $2.155 million is payable either by SWM to SCA or by SCA to SWM in certain circumstances as specified in the SID. For example, a Reimbursement Fee is payable by SWM to SCA if a competing proposal by a third party is announced for SWM during the Exclusivity Period and within nine months of that announcement, that third party or its associate completes the competing proposal.

Resolution

42 SWM shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the Notice of Meeting accompanying the Scheme Booklet.

43 Pursuant to the Corporations Act, the Scheme will be approved by SWM shareholders if the resolution at the Scheme Meeting is passed by a majority in number (more than 50%) of the SWM shareholders present and voting (in person or by proxy), and by at least 75% of the votes cast on the resolution at that meeting.

---

4 Each of SWM and SCA must notify the other if it receives a superior competing proposal and must follow a five business day matching right process before entering into a legally binding agreement, arrangement or understanding to undertake or give effect to any competing proposal.

44 If the resolution is passed by the requisite majorities and the relevant conditions precedent are satisfied or waived, SWM must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Scheme becomes effective, it will become binding on all SWM shareholders who hold SWM shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

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II Scope of our report

Purpose

45 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (Corporations Regulations) prescribes information to be sent to shareholders in relation to a members' scheme of arrangement pursuant to s411 of the Corporations Act.

46 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER that states whether the proposed scheme is in the best interests of shareholders and the reasons for that opinion.

47 SCA has no current shareholding in SWM and has no representation on the SWM Board. Accordingly, there is no legislative (or regulatory) requirement for an IER to be commissioned by SWM in relation to the Scheme.

48 However, the Scheme is subject to a number of conditions precedent, including an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of SWM shareholders. The SWM Directors' recommendation of the Scheme is also, inter alia, subject to the same condition.

49 Accordingly, the Directors of SWM have requested LEA to prepare an IER stating whether, in our opinion, the Scheme is in the best interests of SWM shareholders and the reasons for that opinion. Our report will accompany the Notice of Meeting and Scheme Booklet to be sent to SWM shareholders.

50 It should be noted that this report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual Scheme Shareholders. Accordingly, before acting in relation to the Scheme, SWM shareholders should have regard to their own objectives, financial situation and needs. SWM shareholders should also read the Scheme Booklet that has been issued by SWM in relation to the Scheme.

51 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether SWM shareholders should vote for, or against the Scheme. This is a matter for individual SWM shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If SWM shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

52 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111, which sets out the assessment framework to which an expert must adhere in evaluating the merits of a proposal.

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53 There is no legal definition of the expression "in the best interests", however, RG 111 does provide some guidance on how this term should be assessed in particular circumstances.

54 Where a scheme is used to as an alternative to a takeover bid to effect a change of control (essentially, a situation where one party acquires more than a 20% equity interest in another party), RG 111 notes that an expert will be able to conclude that the scheme is "in the best interests" of members of the company, if it concludes that the scheme is either "fair and reasonable", or "not fair but reasonable"[5].

55 The assessment of "**fairness**" in this context involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme. A scheme is "fair" if the value of the scheme consideration is equal to, or greater than, the value of the shares that are the subject of the scheme.

56 In a control transaction involving scrip consideration, this assessment typically compares the value of the target's shares on a 100% controlling interest basis with the (post transaction completion) value of the bidder's scrip consideration on a minority (or portfolio) interest basis.

57 However, where the transaction is in effect a merger of entities of equivalent value and control of the merged entity will be equally shared between the "bidder" and "target", RG 111 notes that "*the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'*".

58 This is because in these circumstances, one of the key considerations is whether the value contributed by the merger partners is consistent with the merger terms (i.e. whether the value contributed to the merged entity is consistent with the respective collective ownership interests each group of shareholders will hold in the merged entity). Consequently, when assessing mergers it is important that a consistent basis of valuation be used. That is, when assessing the relative value contribution, both companies should be valued either with or without a premium for control. This reflects the fact that it is the relative value of each company which is relevant to the assessment rather than each company's absolute value.

59 Pursuant to RG 111, a merger will be considered "fair" if the relative value contributed to the merged entity by the "target" shareholders is consistent with, or less than, the collective ownership interests the "target" shareholders receive in the merged entity.

60 **Reasonableness** involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal. A scheme is considered "reasonable" if it is "fair". A scheme may also be considered "reasonable" if, despite being "not fair", the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.

61 For most other public market transactions that occur by way of a scheme, RG 111 provides very limited guidance on how to assess whether a scheme is "in the best interests" of members. However, it is generally accepted that a proposal will be "in the best interests" of members of the company if the advantages of the proposal outweigh its disadvantages (i.e. shareholders are likely to be better off if the proposal is implemented than if it is not). In

5 If an expert concludes that a scheme is "not fair and not reasonable", then the expert would need to conclude that the scheme is "not in the best interests" of members of the company.

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certain circumstances, it may be necessary, or relevant for the expert's assessment to include a valuation of the company and the consideration of "fairness".

62 Although the Scheme will technically result in a change of control in SWM (because SCA will acquire 100% of the shares in SWM), RG 111 states that the expert should focus on the substance of the transaction, rather than the legal mechanism used to effect the transaction. In this regard, we note that:

(a) the Scheme was not structured as a change of control transaction and there was no intention for the merger terms to deliver a control premium to SWM or SCA shareholders

(b) SCA shareholders will, in aggregate, own approximately 50.1% of the Merged Group and SWM shareholders will, in aggregate, own the remaining 49.9% (and share in the synergy benefits in these proportions)

(c) the consideration under the Scheme comprises scrip only

(d) no single shareholder will own more than 20.2% of the shares in the Merged Group

(e) the key executive and Board positions are being sourced from both companies[6]

(f) the initial terms of the proposed transaction were negotiated between SCA and SWM prior to identifying which company would be the acquirer and the acquired

(g) the identity of the target and acquiring company was agreed between SCA and SWM having regard to accounting and other considerations

(h) the name and branding of the Merged Group has not been decided and will be reviewed post-Merger.

63 Given the above, in LEA's opinion, the Scheme should be evaluated as a merger rather than a change of control transaction. Accordingly, in our opinion, it is more appropriate to assess whether the Scheme is "in the best interests" of SWM shareholders by considering the overall impact of the Merger on SWM shareholders, with a focus on evaluating whether the anticipated benefits outweigh any potential risks or disadvantages. In forming our view on whether the Scheme is "in the best interests" of SWM shareholders we have therefore considered:

(a) the relative value of SWM and SCA shares in comparison with the Merger terms. For this purpose, we have had regard to the relative value contributions based upon our estimate of underlying value of both entities on a minority interest basis, sharemarket trading and other key parameters (to the extent they are considered relevant). In order for the Merger terms to be "fair" to SWM shareholders (based on the guidelines set out in RG 111), the relative value contribution by SWM to the Merged Group must be consistent with, or less than, the aggregate interest SWM shareholders will acquire in the Merged Group

6 Mr Jeff Howard (current Managing Director and CEO of SWM) will act as Managing Director and CEO of the Merged Group and Mr John Kelly (current CEO of SCA) will assume the role of Group Managing Director, Audio. Mr Kerry Stokes AC (current Chair of SWM) will assume the role of Chair of the Merged Group Board until he steps down in February 2026 and transitions the role to Mr Heith Mackay-Cruise (current Chair of SCA). Following this, the Merged Group Board will comprise four representatives from the SWM Board and three representatives from the SCA Board.

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(b) the position of SWM shareholders before and after implementation of the Merger, taking into account the value of operational cost savings and other synergies that are expected to be generated should the Merger proceed. This comparison determines whether SWM shareholders are better off in value terms as a result of the Merger, and has been performed on a like-with-like basis by comparing:

  (i) the value of a minority interest in SWM prior to the Merger; with

  (ii) the value of a minority interest in the Merged Group (post completion)

(c) the other advantages and disadvantages of the Merger from the perspective of SWM shareholders, including:

  (i) the investment characteristics of the Merged Group compared to SWM on a standalone basis

  (ii) the impact of the Merger on the control of SWM, including the proposed Board composition and key management positions of the Merged Group

  (iii) the impact on the composition of the share register, index inclusion and sharemarket liquidity

  (iv) the implications for SWM shareholders if the proposed Merger is not approved

  (v) the likelihood of SWM shareholders receiving a superior proposal prior to implementation of the Merger or in the short term; and

  (vi) other qualitative and strategic issues associated with the Merger.

Limitations and reliance on information

64 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

65 Our report is also based upon financial and other information provided by SWM, SCA and their advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

66 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of SWM securityholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

67 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting

specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.

68 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

69 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.

70 In forming our opinion, we have also assumed that:

(a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects

(b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the SID and the terms of the Scheme itself.

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III Profile of SWM

Overview

71 Seven West Media is an Australian integrated media company, with a market presence in broadcast TV, newspaper publishing and online. The Company operates a number of leading media businesses including TV brands Seven, 7two, 7mate, 7flix, 7Bravo, BVOD platform 7plus, online website 7NEWS.com.au and publishing brands The Nightly, The West Australian and The Sunday Times.

History

72 A summary of the key historical developments of SWM is set out below:

SWM – history	
Date	**Key development**
1993	• Seven Network Limited (Seven Network) was listed on the ASX
2006	• Seven Network and KKR & Co Inc. formed a 50:50 joint venture called the Seven Media Group. Seven Network sold its television, magazine and digital businesses into the Seven Media Group joint venture
2010	• Seven Network and WesTrac Group (a privately owned industrial equipment business of Mr Kerry Stokes AC (Mr Stokes)) merged to form Seven Group Holdings Limited, now SGH Limited (SGH)
2011	• Western Australian Newspapers Holdings Limited (WAN) acquired the Seven Media Group to form a new company, SWM. The transaction resulted in SGH retaining 30% of the ordinary shares in SWM as well as $250 million worth of convertible preference shares (CPS) in the Company
2015	• SGH entered into an agreement with SWM to enable the conversion of its CPS in SWM into ordinary shares. SWM also undertook a $150 million pro-rata entitlement offer. Upon completion of the CPS conversion and entitlement offer, SGH held some 41% of SWM
2016	• SWM signed a contract to acquire The Sunday Times and PerthNow from News Corporation Ltd
2019	• In October 2019, SWM announced the sale of its WA regional radio business Redwave Media Ltd (Redwave) to Southern Cross Austereo (SCA) for $28 million
2020	• Divested Pacific Magazines (including major lifestyle titles) to Bauer Media Group (Bauer) for $40 million in cash (pre adjustments and leave provisions) as well as $6.6 million in advertising over three years in Bauer publications
2021	• In December 2021, acquired Prime Media Group Limited (Prime Media Group) for approximately $132 million. Prime Media Group is a regional television broadcaster with a viewing area covering northern and southern New South Wales (NSW), the Australian Capital Territory (ACT), Victoria (VIC), the Gold Coast and regional WA
2022	• Signed multi-year content agreement with NBCUniversal Global Distribution and launched new linear free to air (FTA) and live-streamed channel, 7Bravo, with NBCUniversal International Networks and Direct-to-Consumer
2023	• Acquired 14.9% strategic equity interest in ARN Media Limited (ARN) for approximately $50.1 million as well as entering into a cash-settled equity swap for a further 5% of ARN
2024	• In February 2024, SWM launched The Nightly, a new digital news platform
2025	• In July 2025, SWM paid $3.75 million for SCA's television licenses and associated assets operating in Tasmania, Spencer Gulf, Broken Hill, Mt Isa, Darwin and remote, central and eastern Australia. The licences broadcast the Seven Network TV signal in each market under SWM's affiliation agreement with SCA

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Current operations

73 SWM's registered office is in Perth, WA and the Company employs approximately 2,300 staff. The Company primarily generates revenue from the broadcast of advertisements on SWM's TV channels and digital assets, as well as print advertising and circulation from its publishing operations. A diagrammatic overview of SWM's operations (which comprise three reporting segments) is set out below:

SWM – operations

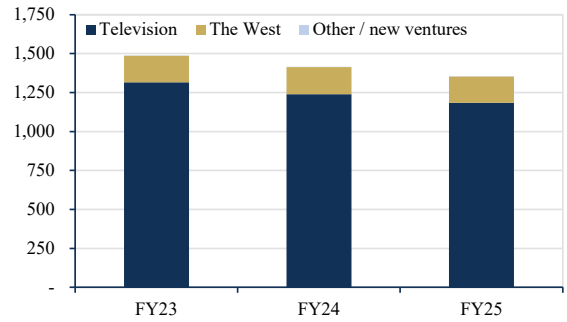
SevenWestMedia

Television	The West	Other / new ventures
Production and operation of commercial television programming and stations and distribution of content in Australia and overseas	Leading publisher of newspapers in Western Australia in both print and digital versions	Investments in disruptive, scalable businesses with strong consumer or media propositions
Brand examples	**Brand examples**	**Investment examples**
7, 7NEWS.com.au, 7+, two, mate, flix, bravo	The West Australian, The Sunday Times, perth now, The Nightly, The Game	raiz, armedia, willed, InStitchu, madpaws, view Media Group, CarExpert, healthengine

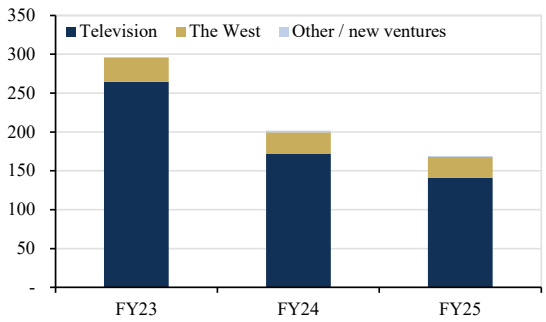
74 A summary of the revenue and underlying earnings before interest, tax, depreciation and amortisation (EBITDA) contribution by operating segment for the three years to 30 June 2025 (FY25) is set out below:

SWM – revenue and underlying EBITDA by segment[(1)(2)]

Revenue by segment ($m)



Underlying EBITDA by segment ($m)



Note:
1 Before unallocated corporate costs.
2 The contribution from Other / new ventures is insignificant relative to the two other segments.
Source: SWM interim financial reports, annual reports and results presentations.

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Television

75 TV is SWM's largest operating segment, accounting for approximately 87.4% of revenue and 83.4% of underlying EBITDA[7] in FY25. The segment is involved in the production and operation of commercial TV programming and stations, as well as distribution of programming content across platforms in Australia and around the world. The division operates a network of broadcasting / streaming channels including Seven, 7two, 7mate, 7flix, 7 Bravo (collectively, the Seven Network) and is home to some of the biggest content brands including Spotlight, Sunrise, The Morning Show, The Voice, Home and Away, Australian Idol, My Kitchen Rules, Dancing With The Stars, Farmer Wants a Wife, The Chase Australia, Better Homes and Gardens, RFDS, The 1% Club and the TV WEEK Logie Awards. The Seven Network is also the broadcast partner of the AFL, Cricket Australia and Supercars.

76 In FY25, the Seven Network was the most-watched Australian network for a fifth consecutive year, achieving a 41.1% commercial FTA rating share[8] for the first half of 2025 (1H25) and reaching over 19 million people nationally each month. This was largely driven by the network's leading news and current affairs programming, with 7NEWS, Sunrise and The Morning Show all being the most-watched programs in their respective timeslots, as well as the Company's "tent pole" and sport offerings, including AFL being the most-watched winter sport.

77 The Television segment also operates 7plus, a BVOD streaming platform launched in 2018, and 7NEWS.com.au, a streaming news platform which was launched in 2019. 7plus achieved a record number of daily active users (DAUs) in FY25 of 484,000, growing approximately 27.4% year on year. In addition, after roughly three years of development and testing, the Phoenix Total TV Trading Platform, an audience revenue trading platform that provides dynamic trading in Australia, was launched in March 2025.

Financial performance

78 The financial performance of the Television segment over the six half periods and three full year periods ended to 30 June 2025 is set out below:

Television – segment financial performance(1)

	Half year						Full year		
	1H23 $m	2H23 $m	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Advert. – Television	604.4	478.5	555.7	439.9	505.4	410.2	1,082.9	995.6	915.6
Advert. – 7plus	75.1	52.9	74.1	57.6	85.0	80.8	128.0	131.7	165.8
Other	50.2	54.3	57.3	55.7	50.3	51.4	104.6	113.0	101.8
Total revenue	729.7	585.7	687.1	553.2	640.7	542.4	1,315.5	1,240.3	1,183.2
Equity a/c investees(2)	0.1	0.4	(0.8)	0.1	(0.1)	1.0	0.4	(0.7)	0.8
Revenue and other income	729.8	586.1	686.3	553.3	640.6	543.4	1,315.9	1,239.6	1,184.0
Media content	(314.0)	(306.2)	(343.7)	(290.3)	(340.9)	(279.7)	(620.2)	(634.0)	(620.6)
Personnel	(123.5)	(119.1)	(125.7)	(115.8)	(120.4)	(109.8)	(242.6)	(241.5)	(230.2)
Other	(96.5)	(91.9)	(101.3)	(90.8)	(96.1)	(96.2)	(188.4)	(192.1)	(192.2)
Operating expenses	(534.0)	(517.2)	(570.7)	(496.9)	(557.4)	(485.7)	(1,051.2)	(1,067.6)	(1,043.0)
Underlying EBITDA(3)	195.8	68.9	115.6	56.5	83.2	57.7	264.7	172.1	141.0
D&A(4)	(19.3)	(20.0)	(17.3)	(16.2)	(19.4)	(19.0)	(39.3)	(33.5)	(38.4)
Underlying EBIT(4)	176.6	48.9	98.4	40.2	63.8	38.8	225.5	138.6	102.6

7 Before unallocated corporate costs.

8 Based upon all people from 6.00am to midnight.

Note:
1 Rounding differences may exist.
2 Share of profit after tax from equity accounted investees (excluding HealthEngine Limited (HealthEngine) which is reported within the Other / new ventures segment).
3 SWM's reported results reflect the adoption of Australian Accounting Standard AASB 16 – *Leases* (AASB 16) which increases EBITDA as it replaces cash rent expenses with depreciation of the "right of use" (ROU) assets as well as an interest expense associated with lease liabilities recognised.
4 Depreciation and amortisation (D&A), earnings before interest and tax (EBIT).
Source: SWM interim financial reports, annual reports and results presentations.

79 In regard to the above, we note that:

(a) in FY23, SWM achieved a total TV revenue share of 38.5%. The Company also retained its position as the number one network based on TV ratings. During the year SWM renegotiated its AFL and cricket agreements, which include digital rights commencing in FY25. The NBC Universal agreement also commenced in mid-January 2023. Total revenue declined by 3.8% to $1,316 million, primarily due to a weaker advertising market, though this was partially offset by the full year revenue contribution from Prime Media Group. Operating expenses increased by 1.1% to $1,051 million, reflecting the full year impact of the integration of Prime Media Group

(b) in FY24, SWM retained its position as the number one network for the fourth consecutive year, increasing its market share by 1.7% to 40.2%. However, the total TV advertising market declined by 8% during the year, despite the rate of decline easing in 2H24[9]. SWM's total TV advertising revenue fell by 7% to $1,127 million, but this was partially offset by an 8% increase in other revenue (including international program sales) which rose to $113 million. Operating expenses increased 2% to $1,068 million, primarily due to higher content costs (entertainment and tent pole programming). However, these were partly offset by a reduction in sports related costs compared to the prior year, which had included major sporting events. Notably, 2H24 operating expenses were down 4% year on year

(c) in FY25, SWM's total TV audience was up 1.1% (excluding one-off sporting events[10]) and 1.5% in the key 25 to 54 age demographic. A significant 41% rise in 7plus viewership[11] helped offset a 2% decline in traditional broadcast viewership. The strong growth in 7plus audience streaming minutes was supported by the introduction of AFL and cricket digital rights to 7plus in September 2024. Total TV advertising revenue fell $46 million to $1,081 million, reflecting a 3% contraction in the overall advertising market[12]. Broadcast advertising revenue declined by 8% ($80 million) to $915 million, while 7plus advertising revenue increased by 26% ($34 million) to $166 million. The reduction in other TV revenue reflects the non-renewal of the Meta agreement from FY24. Operating expenses were 2% ($25 million) lower than FY24, driven by a

9 The decline in the total TV advertising market of 8.2% was made up of declines in metropolitan markets of 12.1% and 5.5% in regional markets, offset by an increase in the BVOD market, which grew 12.7%.

10 Excluding the FIFA Women's World Cup, which was screened on SWM (during July and August 2023) and the Paris Olympics, which was aired on a rival broadcaster (during July and August 2024).

11 Streaming minutes increased by 62% and video on demand (VOD) minutes increased by 21%.

12 The decline in the total TV advertising market of 3.2% was made up of declines in metropolitan markets of 7% and 5.8% in regional markets, offset by an increase in the BVOD market, which grew 18.9%.

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2% reduction in media content costs, despite higher contracted sports costs[13], and a 5% decline in personnel costs as a result of productivity and headcount initiatives under the revised operating model introduced in June 2024.

The West

80 The West is SWM's second largest operating segment, accounting for approximately 12.5% of revenue and 15.9% of underlying EBITDA[14] in FY25. The segment is a publisher of digital and print newspapers and insert magazines throughout WA. The print and digital publications produced by the division include The Nightly (SWM's national digital newspaper), The West Australian, The Sunday Times, 18 regional publications, 11 suburban newspapers and news websites thewest.com.au and perthnow.com.au. The West's digital platforms also include The Game sports tipping platform (thegame.com.au) and Streamer.com.au.

81 The West's digital platforms achieved 54.5 million page views in June 2025, an increase of 4.4% year on year. Over the 12 months to 31 March 2025, The West Australian averaged 364,000 print readers every weekday and 449,000 on the weekend and The Sunday Times averaged 396,000 readers every weekend.

Financial performance

82 The financial performance of The West segment over the six half year periods and three full year periods to 30 June 2025 is set out below:

The West – segment financial performance(1)

	Half year						Full year		
	1H23 $m	2H23 $m	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Advertising revenue	45.0	43.3	45.5	43.0	41.9	40.5	88.4	88.5	82.4
Circulation revenue	28.0	25.6	26.3	25.7	26.6	27.4	53.6	52.0	54.0
Services revenue	5.1	6.1	8.9	8.4	8.5	7.7	11.2	17.3	16.2
Other	6.8	10.8	8.1	7.5	8.7	7.5	17.6	15.6	16.2
Revenue and other income	84.9	85.8	88.7	84.7	85.7	83.1	170.8	173.4	168.8
Operating expenses	(67.6)	(71.9)	(72.5)	(73.4)	(70.7)	(71.3)	(139.5)	(145.9)	(141.9)
Underlying EBITDA(2)	17.4	13.9	16.2	11.3	15.1	11.8	31.3	27.5	26.8
D&A	(0.4)	(1.3)	(1.2)	(1.2)	(1.9)	(2.2)	(1.8)	(2.4)	(4.1)
Underlying EBIT	16.9	12.6	15.0	10.1	13.2	9.6	29.5	25.1	22.8

Note:
1 Rounding differences may exist.
2 SWM's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.
Source: SWM Interim Financial Reports, Annual Reports and Results Presentations.

83 In regards to the above, we note that:

(a) in FY23, there was strong digital audience growth (up 22% year on year). Advertising conditions in WA were mixed with the retail sector the strong performer, while auto and

13 And the prior year benefit of $36 million from an onerous cricket contract provision relating to the previous contract term.

14 Before unallocated corporate costs.

real estate remained weak. Operating costs increased as a result of increases in newsprint costs, whilst personnel costs were flat year on year

(b) in FY24, The West launched new digital products including the national digital newspaper The Nightly. Although advertising revenue was relatively flat year on year, services revenue increased significantly as a result of an increase in commercial printing. As a result, total revenue rose slightly. Operating costs were higher due to greater labour, materials and printing costs associated with new commercial printing work secured, new digital products and consumer price index (CPI) increases

(c) in FY25, total revenue decreased primarily as a result of reduction in advertising and commercial printing revenue. This reduction was partially offset by circulation and digital revenue streams (The Nightly) increasing. Operating costs were contained, mainly due to a reduction in paper and labour costs (despite year on year growth in wages in the WA market).

Other / new ventures

84 SWM holds a number of equity investments in listed and unlisted entities that have disruptive, scalable businesses with strong consumer or media propositions. The investments include ARN, Raiz Invest Limited (Raiz), Mad Paws Holdings Limited (Mad Paws), View Media Group Limited (VMG), Open Money Group Pty Limited (Open Money), CarExpert Enterprises Pty Ltd (CarExpert) and a portfolio of other ventures. Dividends (and other income) from these investments are recorded within SWM's financial statements as part of other income ($nil in FY23, $2.2 million in FY24 and $1.4 million in FY25). As at 30 June 2025, the carrying value of these investments was $78.4 million.

85 It should also be noted that SWM has a further portfolio of investments which, in accordance with accounting standards, are separately recognised in SWM's accounts as equity accounted investees[15]. The majority of these investments are 50:50 joint ventures in businesses that operate in similar markets to SWM's Television segment. The list of the investments including the principal activities undertaken by each of the equity accounted investees is set out at Note 7.1 of SWM's FY25 financial statements, and includes NPC Media Pty Limited (playout and content management services), Oztam Pty Limited (ratings agency service provider) and TX Australia Pty Ltd (transmitter facilities provider). SWM's share of the net profit after tax (NPAT) of these entities is recorded within the Television segment, other than HealthEngine which is reported as part of the Other / new ventures segment (refer to paragraphs 78 and 86). As at 30 June 2025, the carrying value of these equity accounted investments was $16.9 million.

Financial performance

86 The consolidated financial performance of SWM over the six half year periods and two full year periods to 30 June 2025 is set out below:

15 SWM does not control these entities but (unlike the other equity investments in listed and unlisted entities) is considered to have significant influence over them.

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SWM – consolidated financial performance[1]

	Half year						Full year		
	1H23 $m	2H23 $m	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Revenue	814.6	672.7	775.7	638.0	725.3	625.2	1,487.3	1,413.7	1,350.5
Other income[2]	0.8	(0.7)	0.1	2.2	2.1	0.8	0.2	2.3	2.8
Equity a/c investees[3]	0.1	0.4	(0.8)	0.0	(0.1)	1.0	0.4	(0.7)	0.8
Revenue and other income	815.5	672.4	775.0	640.2	727.2	627.0	1,487.9	1,415.2	1,354.2
Operating expenses	(610.4)	(597.7)	(650.8)	(577.4)	(634.8)	(560.7)	(1,208.1)	(1,228.2)	(1,195.5)
Underlying EBITDA[4]	205.0	74.7	124.2	62.8	92.4	66.3	279.7	187.0	158.7
D&A	(19.9)	(21.5)	(18.5)	(17.9)	(21.3)	(21.1)	(41.5)	(36.3)	(42.4)
Underlying EBIT	185.1	53.2	105.7	44.9	71.0	45.2	238.3	150.7	116.2
Net finance costs	(16.9)	(18.3)	(19.3)	(19.9)	(19.7)	(19.9)	(35.2)	(39.2)	(39.6)
Underlying PBT	168.2	34.9	86.4	25.0	51.4	25.3	203.1	111.4	76.6
Significant items[5]	(12.5)	5.5	(7.9)	(36.4)	(21.5)	(24.6)	(7.0)	(44.3)	(46.1)
Profit before tax (PBT)	155.7	40.3	78.5	(11.4)	29.9	0.6	196.0	67.1	30.5
Income tax expense	(40.8)	(9.5)	(24.1)	2.2	(12.2)	(1.7)	(50.3)	(21.8)	(13.9)
NPAT	114.9	30.8	54.5	(9.2)	17.7	(1.0)	145.7	45.3	16.6
Sig. items (adj. for tax)	8.5	(7.9)	8.1	25.1	19.8	20.6	0.6	33.1	40.3
Underlying NPAT	123.4	22.9	62.5	15.9	37.4	19.5	146.3	78.4	57.0
U/lying EBITDA margin	*25.1%*	*11.1%*	*16.0%*	*9.8%*	*12.7%*	*10.6%*	*18.8%*	*13.2%*	*11.7%*

Note:

1 Rounding differences may exist.

2 Includes dividend income from investments (other than equity accounted investees), sundry income (of $1.3 million, being a settlement dividend and prior cost recoupment in relation to a one-off matter) and relatively immaterial gains on disposal of property, plant and equipment (PP&E) and investments.

3 Share of profit after tax from equity accounted investees.

4 SWM's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.

5 Significant items (pre-tax) comprise the following:

Investments	0.9	11.6	(10.1)	(7.3)	(14.0)	(15.1)	12.5	(17.3)	(29.1)
Major IT project costs	(13.4)	(8.1)	(10.8)	(8.5)	(8.9)	(5.6)	(21.5)	(19.3)	(14.5)
Programming valuation	-	-	-	(14.9)	1.3	(3.5)	-	(14.9)	(2.2)
Restructuring	-	-	(1.5)	(8.7)	-	(0.3)	-	(10.2)	(0.3)
Gain on lease terms	-	-	14.5	-	-	-	-	14.5	-
Settlement of dispute	-	-	-	3.0	-	-	-	3.0	-
Gain on asset sale	-	2.0	-	-	-	-	2.0	-	-
Total (pre-tax)	(12.5)	5.5	(7.9)	(36.4)	(21.5)	(24.6)	(7.0)	(44.3)	(46.1)

Source: SWM interim financial reports, annual reports and results presentations.

87 SWM's financial performance is primarily driven by the performance of its business segments (Television and The West) along with unallocated corporate overheads. A summary of the revenue and underlying EBITDA contribution by operating segment follows:

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SWM – consolidated segment financial performance[1]	Half year						Full year		
	1H23 $m	2H23 $m	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Television	729.8	586.1	686.3	553.3	640.6	543.4	1,315.9	1,239.6	1,184.0
The West	84.9	85.8	88.7	84.7	85.7	83.1	170.8	173.4	168.8
Other / new ventures	0.7	0.5	-	2.2	0.9	0.5	1.2	2.2	1.4
Total revenue	815.5	672.4	775.0	640.2	727.2	627.0	1,487.9	1,415.2	1,354.2
Television	195.8	68.9	115.6	56.5	83.2	57.7	264.7	172.1	141.0
The West	17.4	13.9	16.2	11.3	15.1	11.8	31.3	27.5	26.8
Other / new ventures	0.1	(0.0)	(0.1)	2.3	0.9	0.4	0.1	2.2	1.3
Corporate	(8.3)	(8.1)	(7.6)	(7.2)	(6.8)	(3.6)	(16.3)	(14.8)	(10.4)
Underlying EBITDA[2]	205.0	74.7	124.2	62.8	92.4	66.3	279.7	187.0	158.7

Note:
1 Rounding differences may exist.
2 SWM's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.
Source: SWM interim financial reports, annual reports and results presentations.

88 In relation to the above, we note that:

(a) the traditional broadcast and print media businesses have faced strong headwinds in recent years (as described above at paragraphs 79 and 83). However, the growth in digital assets such as 7plus has partially offset this decline. Notably, SWM delivered half on half growth in underlying EBITDA in 2H25, the first such increase since FY22

(b) since FY24, SWM has implemented various cost-out programs which delivered $25 million in savings in FY24 and a further $108 million in FY25, noting that the cost savings in FY25 were partially offset by the inclusion of the full Cricket Australia contract costs, where the prior year benefited from an onerous contract benefit of $36 million, as well as other contractual and inflationary pressures which increased costs by $47 million

(c) the corporate segment comprises the group wide centralised functions that provide support services to the Television, The West and Other / new ventures segments. Corporate expenses decreased to some $10.4 million in FY25, primarily due to the cost-out program.

FY26 outlook

89 As part of its FY25 results announcement on 12 August 2025, SWM reported that TV revenue for FY26 year to date (July and August) had been flat, with momentum building in September. Total TV audience growth is expected in FY26, supported by live streaming of the AFL Finals and the Ashes Test Series across both broadcast and 7plus platforms. Revenue growth in 7plus is expected to offset ongoing declines in broadcast revenue. For The West, SWM will maintain its focus on expanding its digital revenue through growing paid subscriptions and circulations, particularly via its platform, The Nightly.

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90 Operating expenses (excluding D&A) are expected to increase from $1.196 billion in FY25 to between $1.235 billion and $1.245 billion, with the increase predominately driven by inflationary pressures and AFL contractual costs, as well as the cost of operating the TV assets acquired from SCA at the end of FY25. The increased costs will be largely offset by $35 million of anticipated savings from SWM's cost-out program.

91 As a result of the above, SWM is targeting underlying EBITDA in excess of $161 million in FY26. SWM provided a trading update at its annual general meeting on 6 November 2025, and confirmed that its underlying EBITDA guidance for FY26 remained unchanged.

92 In addition, SWM indicated that it aims to reduce its debt leverage (net debt divided by EBITDA) from 1.8 times (as at 30 June 2025) to the target range of 1.0 to 1.5 times.

Financial position

93 The consolidated financial position of SWM as at 30 June 2024 and 30 June 2025 follows:

SWM – consolidated financial position[1]	30 Jun 24 $m	30 Jun 25 $m
Cash and cash equivalents	54.5	110.5
Trade and other receivables	229.6	234.5
Program rights and inventories	161.8	188.9
Equity accounted investees	16.1	16.9
Other financial assets	108.9	78.4
PP&E	116.4	101.7
Intangible assets	718.1	727.3
ROU assets	53.3	85.6
Other assets	19.2	21.3
Total assets	1,477.9	1,565.1
Trade and other payables	184.2	202.5
Lease liabilities	159.8	182.8
Provisions	122.4	114.7
Deferred income	42.4	42.4
Current tax liabilities	10.4	1.6
Deferred tax liabilities	199.3	208.7
Borrowings	355.9	397.1
Total liabilities	1,074.4	1,149.8
Net assets	403.5	415.2

Note:
1 Rounding differences may exist.
Source: SWM FY25 Annual Report.

94 In regards to the above, we note that:

(a) **Program rights and inventories** – the composition of the carrying value of SWM's program rights and inventories is shown below:

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SWM – program rights and inventories[1]	30 Jun 24 $m	30 Jun 25 $m
Purchased television program rights	59.1	73.7
Produced television program rights	91.7	102.3
Newsprint and paper inventories	11.0	12.9
Total program rights and inventories	161.8	188.9

Note:
1 Rounding differences may exist.

(b) **PP&E** – the carrying value of the individual components of SWM's PP&E, which is carried at historical cost less accumulated depreciation and impairment, is shown below:

SWM – PP&E[1]	30 Jun 24 $m	30 Jun 25 $m
Land and buildings	20.4	19.3
Leasehold improvements	33.5	21.8
Property and equipment	62.5	60.6
Total PP&E	116.4	101.7

Note:
1 Rounding differences may exist.

(c) **Intangible assets** – intangible assets are carried at cost less accumulated amortisation and impairment losses[16], and primarily relate to SWM's acquired television licences:

SWM – intangible assets[1]	30 Jun 24 $m	30 Jun 25 $m
Licences and mastheads	670.3	670.3
Goodwill	30.3	34.0
Computer software	13.2	20.0
Customer relationships	4.4	3.0
Total intangible assets	718.1	727.3

Note:
1 Rounding differences may exist.

(d) **Equity accounted investees** – SWM has a number of investments in entities which it does not control but does have significant influence over. The majority of these investments are 50:50 joint ventures in businesses that operate in similar markets to SWM's Television segment[17]. SWM's share of the NPAT of these entities is recorded within the Television segment, other than HealthEngine, which is reported as part of the Other / new ventures segment (refer to paragraphs 78 and 86)

16 SWM's intangible assets are tested annually for impairment.

17 The list of the investments including the principal activities undertaken by each of the equity accounted investees is set out at Note 7.1 of SWM's FY25 financial statements.

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(e) **Other financial assets** – represent equity investments in a mix of listed and unlisted entities including ARN, VMG, Raiz, Mad Paws, Open Money, CarExpert and a portfolio of other ventures[18]

(f) **ROU assets and lease liabilities** – the ROU assets and lease liabilities are as follows:

SWM – right of use assets and lease liabilities[(1)]	30 Jun 24 $m	30 Jun 25 $m
Building	49.9	81.9
Plant and equipment	0.3	0.3
Communications	3.0	3.4
Total ROU assets	53.3	85.6
Current lease liabilities	15.6	10.1
Non-current lease liabilities	144.1	172.7
Total lease liabilities	159.8	182.8

Note:
1 Rounding differences may exist.

There is a considerable mismatch between the carrying values of the ROU assets and lease liabilities, which is primarily a result of SWM impairing its ROU assets in FY20 by $55.6 million due to adverse market conditions during COVID-19[19], historical impairments recognised in the form of onerous contracts prior to the adoption of AASB 16, as well as multiple sale and lease back transactions that have been recognised

(g) **Provisions** – SWM recognises a number of different categories of provisions:

SWM – provisions[(1)]	30 Jun 24 $m	30 Jun 25 $m
Employee benefits (e.g. annual leave, long service leave etc.)	68.3	68.7
Redundancy and restructure costs[(2)]	6.7	0.6
Onerous contracts[(3)]	10.6	12.5
Make good at leased premises	36.8	32.9
Total provisions	122.4	114.7

Note:
1 Rounding differences may exist.
2 The 30 June 2025 provision has now been paid out.
3 Arises where the expected benefit is lower than the cost for which SWM is currently committed under the contract terms. Onerous contracts generally arise as a result of changes in circumstances or outlook that occur after the contract was executed. The present value of the provision for any identified onerous contract is recognised as a one-off expense in the profit and loss and then gradually unwound over the life of the contract(s).

(h) **Deferred income** – represents the consideration received from customers in advance of goods or services being provided

18 Unlike the equity accounted investees, SWM does not exercise any significant influence over these investments.
19 The ROU asset recognised in respect of the leaseback of the WA headquarters was required to be fully impaired.

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(i) **Borrowings** – the composition of SWM's debt is set out below:

SWM – borrowings[(1)]	30 Jun 24 $m	30 Jun 25 $m
Drawn third party loan	360.0	380.0
Deduct unamortised borrowing costs	(4.1)	(2.9)
Unsecured bank loans	-	20.0
Total reported borrowings	355.9	397.1

Note:
1 Rounding differences may exist.

As at 30 June 2025, SWM had access to secured revolving syndicated facilities of $525 million, of which $145 million remained undrawn. The facilities are subject to biannual covenant testing in relation to a leverage test and interest cover ratio[20]. In addition, SWM had access to a $10.4 million multi-option facility with Australia and New Zealand Banking Group Limited (ANZ), of which $9.7 million was utilised for the provision of bank guarantees. SWM also has access to a fully utilised $20 million uncommitted trade facility for short-term working capital purposes. The weighted average interest rate on SWM's finance facilities was 6.82% per annum (as at 30 June 2025).

95 In addition to the above, we note that as at 30 June 2025, SWM had $223 million in carry forward capital losses and $115.9 million in franking credits (neither of which are recognised on balance sheet).

Share capital and share price performance

96 SWM has 1,539.1 million fully paid ordinary shares on issue.

97 In addition, the Company has 25.4 million performance rights outstanding which have been issued to eligible employees in accordance with the Company's long-term incentive plan (LTIP). The performance rights carry no dividend or voting rights and convert into ordinary shares for $nil consideration. The performance rights are subject to a continued employment condition and will vest based upon the achievement of performance hurdles comprising relative total shareholder return (50%) and earnings per share (EPS) growth (50%).

98 SWM also has 0.3 million share rights outstanding which have been issued pursuant to the Non-Executive Director Equity Plan (NED Plan). The NED Plan provides an automated mechanism for participants to acquire shares, recognising that Non-Executive Directors can often be limited in their ability to purchase shares as a result of the Australian insider trading laws. In compliance with SWM's Share Trading Policy, share rights are granted to participants twice a year, shortly following the announcement of the Company's half year and full year results. On vesting, the share rights convert into fully paid ordinary shares subject to a disposal restriction.

99 SWM has established a trust to acquire SWM shares (on market) to satisfy the performance and share right obligations of the Company. When those rights vest the acquired SWM shares held on trust are issued in lieu of new SWM shares being issued. As at 30 June 2025, the trust

20 Being net debt divided by EBITDA and net interest divided by EBITDA respectively.

held 1.2 million shares for this purpose. The trust currently holds 12,000 shares and would need to purchase any shares on market to satisfy any further shares to be allocated if the above performance and/or share rights vest.

Substantial shareholders

100 Based upon the SWM FY25 Annual Report and the latest available substantial shareholder notices released to the ASX, there are three substantial shareholders in the Company, being:

SWM – substantial shareholders

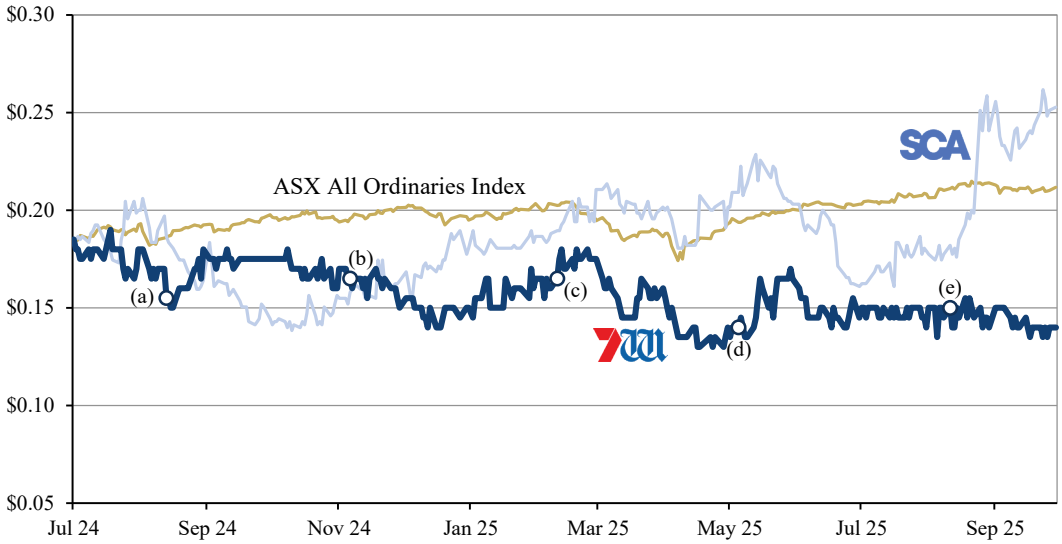
Shareholder	Shares held (million)	Interest %
Mr Stokes / SGH[1]	622.3	40.4
Spheria Asset Management Pty Limited (Spheria)	151.5	9.8
Collins St Asset Management ATF Collins St Value Fund	92.2	6.0

Note:
1 Comprises 2.742 million shares held by Kenmast Investments Pty Ltd, 0.812 million (restricted) ordinary shares held directly by Mr Stokes and 618.712 million shares held by Network Investment Holdings Pty Limited, a wholly owned subsidiary of SGH.
Source: SWM FY25 Annual Report and substantial shareholder notices released to the ASX.

Share price performance

101 The following chart illustrates the movement in the share price of SWM from 1 July 2024 to 29 September 2025 (i.e. the last trading day prior to the announcement of the Scheme):

SWM – share price history[1]
1 July 2024 to 29 September 2025



Note:
1 The ASX All Ordinaries Index and SCA share price have been rebased to the closing price of SWM on 1 July 2024, being $0.185.
Source: FactSet and LEA analysis.

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102 We note the following in respect of the material movements in the SWM share price:

(a) **14 August 2024** – released FY24 results, reporting a 5% decrease in revenue and a 33% decrease in underlying EBITDA driven by soft advertising markets and an evolving media landscape

(b) **7 November 2024** – released FY25 trading update, flagging mixed year to date operating results, with 1H25 revenue tracking down approximately 6.5% on the prior corresponding period, or 1% after adjusting for one-off events (such as the FIFA Women's World Cup and the Paris Olympics)

(c) **11 February 2025** – released 1H25 results, reporting a 6% decrease in revenue and a 26% decrease in underlying EBITDA relative to 1H24, citing declines in the advertising market

(d) **6 May 2025** – announced the acquisition of SCA's remaining TV licences (Tasmania, Spencer Gulf, Broken Hill, Mt Isa, Darwin and remote, central and eastern Australia) for upfront consideration of approximately $3.8 million. This acquisition completed on 30 June 2025

(e) **12 August 2025** – released FY25 results, reporting a 4% decrease in revenue and a 15% decrease in underlying EBITDA as the difficult advertising market continued to be impacted by the macro-economic environment. However, this was partially offset by strong growth in 7plus and notably, the Company delivered half on half growth in underlying EBITDA in 2H25, the first such increase since FY22.

Liquidity in SWM shares

103 The liquidity in SWM shares based on trading on the ASX over the 12 month period up to and including 29 September 2025 (i.e. the last trading day prior to the announcement of the Scheme) is set out below:

SWM – liquidity in shares

				WANOS[1]		Implied annual liquidity[3]	
Period	Start date	End date	No. of shares traded m	Total shares outstanding m	Ex. Mr Stokes / SGH[2] m	Total shares %	Ex. Mr Stokes / SGH %
1 month	30 Aug 25	29 Sep 25	25.5	1,539.1	916.9	19.8	33.3
3 months	30 Jun 25	29 Sep 25	81.1	1,539.1	916.9	21.1	35.4
6 months	30 Mar 25	29 Sep 25	213.7	1,539.1	916.9	27.8	46.6
1 year	30 Sep 24	29 Sep 25	491.7	1,539.1	917.2	31.9	53.6

Note:
1 Weighted average number of shares outstanding (WANOS) during relevant period.
2 WANOS adjusted to exclude the 622.3 million shares held by Mr Stokes / SGH during the period 7 March 2025 to 29 September 2025 and the 621.8 million shares held during the period 30 September 2024 to 6 March 2025.
3 Number of shares traded during the period divided by WANOS, converted to an annualised figure.
Source: FactSet and LEA analysis.

104 As indicated in the table above, the annualised share turnover in SWM based on the "free float" (i.e. excluding the shares held by Mr Stokes / SGH) has ranged between 35% and 55%. However, liquidity has declined and more recently trended toward the lower end of this range.

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IV Profile of SCA

Overview

105 SCA owns and operates Australia's largest audio network comprising the Triple M and Hit radio networks and the LiSTNR digital audio application. SCA owns 104 radio stations across FM, AM, and DAB+ radio which broadcast under the Triple M and Hit network brands and provides national sales representation for 56 regional radio stations which collectively reach more than 9 million listeners nationally. The LiSTNR digital audio application owned and operated by SCA offers free radio, podcasts, music, news and sports content to more than 2.4 million signed-in users.

History

106 SCA is in the final stages of transformation from a traditional media company to a digitally focused technology driven "audio company". A summary of some of the key operational developments of SCA is set out below:

SCA – history	
Date	**Key development**
2004	• Macquarie Bank established Macquarie Media Group Limited (Macquarie Media) to purchase regional radio stations in Australia
2007	• Macquarie Media expanded into television through the acquisition of Southern Cross Broadcasting (Australia) Limited for an enterprise value of $1.35 billion
2009	• Macquarie Media completed a recapitalisation and was subsequently renamed / rebranded as Southern Cross Media Group (SCA)
2011	• SCA acquired Austereo via an off-market takeover for approximately $700 million
2021	• LiSTNR platform launched in February 2021
2022	• LiSTNR platform reached 1.0 million signed-up users
2023	• ARN acquired a 14.8% interest in SCA for $38.3 million in June 2023 (35.5 million shares at approx. $1.08 per share) • On 18 October 2023, ARN and Anchorage Capital Partners Pty Limited (Anchorage) announced a non-binding indicative offer to acquire 100% of SCA via a scheme of arrangement • In November 2023, SCA received a non-binding indicative proposal from Australian Community Media Pty Ltd (ACM) to merge SCA with the regional publications and digital assets of ACM (the proposal was rejected)
2024	• Strategic review / cost-out program identified $30 million of annualised cost savings to be realised from FY25 • On 15 March 2024, ARN / Anchorage increased the exchange ratio under its proposal to 0.870 ARN shares per SCA share • On 13 May 2024, Anchorage withdrew from the consortium with ARN. At the same time, ARN announced a revised proposal whereby ARN would acquire certain SCA radio and digital assets in exchange for 0.870 ARN shares per SCA share (the proposal was rejected) • On 28 May 2024, SCA was approached by ACM regarding a new proposal involving ACM's portfolio of 14 daily print and news publications, regional / metro titles and its agricultural division (the proposal was rejected) • On 17 December 2024, SCA announced it had signed a heads of agreement for the sale of its regional TV licenses in three aggregated markets of Queensland (QLD), NSW and VIC (3-Agg Markets) to Network Ten Pty Limited (Network Ten), which completed on 1 March 2025 • LiSTNR platform reached 2.0 million signed-up users and achieved EBITDA profitability in Q4 FY24
2025	• On 6 May 2025, SCA announced it had executed a binding agreement for the sale of its remaining TV assets to SWM, which completed on 30 June 2025

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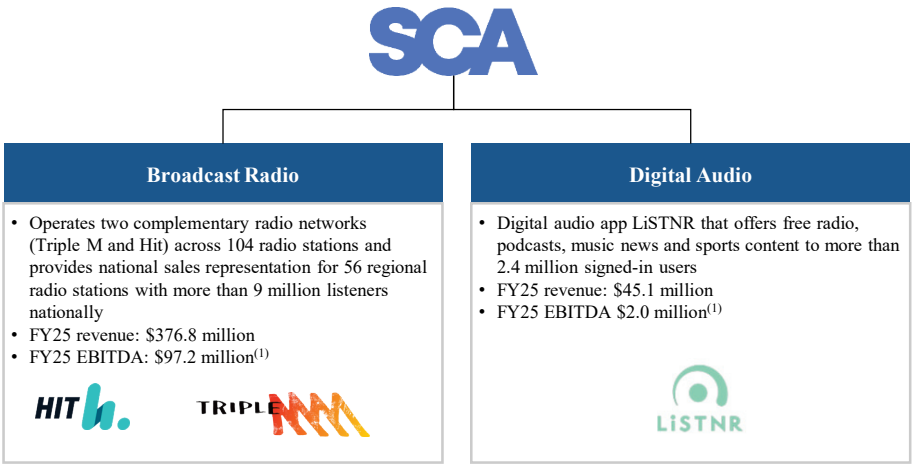
Current operations

107 SCA is headquartered in South Melbourne and employs approximately 1,200 staff which operate from 43 locations throughout Australia. SCA operates across two business divisions, Broadcast Radio and Digital Audio, which are supported by the Group's corporate function. An overview of its operations is set out below:

SCA – operations



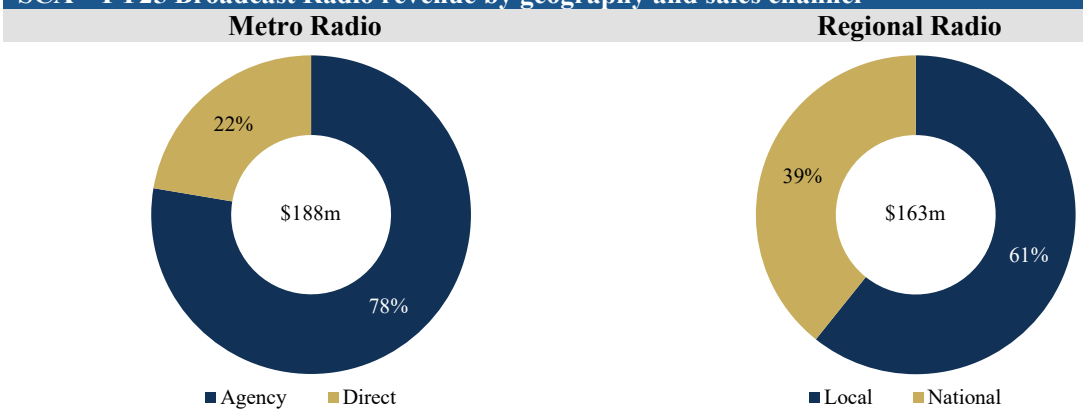
Note:
1 Before significant items and prior to corporate costs.

Broadcast Radio

108 The Broadcast Radio business consists of two complementary radio networks (Triple M and Hit) which operate a network of 104 radio stations across metropolitan capital cities and regional markets in Australia. The division also provides national sales representation for 56 regional radio stations, with more than 9 million listeners across the Hit and Triple M networks nationally.

109 An overview of the revenue generated by SCA's metropolitan and regional radio networks by sales channel during FY25 is set out below:

SCA – FY25 Broadcast Radio revenue by geography and sales channel



Source: SCA FY25 Results Presentation.

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110 In metropolitan regions the majority of Metro Radio advertising is generated through a diversified media agency client and customer base, with approximately 75% of revenue from media agencies and 25% from direct clients. In respect of Regional Radio, a larger portion of revenue is generated locally (by the SCA regional sales team).

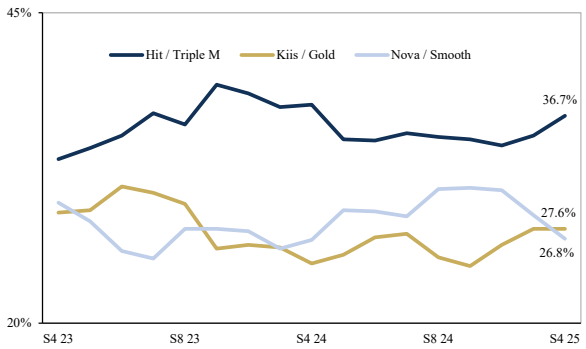
Audience

111 The Triple M and Hit networks both target audiences in the 25 to 54 age bracket which are referred to as "the audience that matters"[21], however the Triple M network is skewed towards males while the Hit network is skewed towards females.

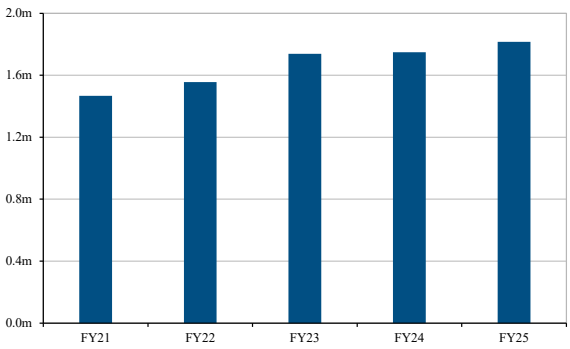
112 SCA has a leading share of the "audience that matters" in metropolitan markets, with an estimated 36.7% share of the commercial 25 to 54 audience as at the end of FY25. In addition, SCA has steadily grown its regional network reach to capture over 70% of regional commercial radio audiences, connecting advertisers to 121 stations in 66 markets:

SCA – Broadcast Radio audience

Metro Radio 25-54 Audience Share



SCA Regional Network Reach



Source: SCA FY25 Results Presentation.

Financial overview

113 A summary of the financial performance of the Broadcast Radio segment over the six half year periods and three full year periods to 30 June 2025 is set out below:

Broadcast Radio – segment financial performance[(1)]

	Half year						Full year		
	1H23 $m	2H23 $m	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Metro Radio advertising	96.8	89.4	90.6	90.5	93.9	94.2	186.2	181.1	188.1
Regional Radio adverting	80.3	81.6	81.9	81.2	81.7	81.9	161.9	163.1	163.6
Other revenue	11.0	13.5	11.0	11.4	12.1	12.9	24.5	22.4	25.0
Total revenue	188.1	184.5	183.5	183.1	187.6	189.2	372.6	366.6	376.8
Revenue related expenses	(33.6)	(34.9)	(34.2)	(37.1)	(37.4)	(38.0)	(68.5)	(71.3)	(75.4)
Other expenses	(102.7)	(103.5)	(106.5)	(101.7)	(104.4)	(99.8)	(206.2)	(208.2)	(204.1)
Total expenses	(136.3)	(138.4)	(140.7)	(138.8)	(141.8)	(137.8)	(274.7)	(279.4)	(279.6)
Underlying EBITDA[(2)]	51.7	46.2	42.8	44.4	45.8	51.4	97.9	87.2	97.2
Revenue growth	*2.7%*	*(4.9%)*	*(2.4%)*	*(0.7%)*	*2.2%*	*3.3%*	*(1.2%)*	*(1.6%)*	*2.8%*
Underlying EBITDA margin	*27.5%*	*25.0%*	*23.3%*	*24.3%*	*24.4%*	*27.2%*	*26.3%*	*23.8%*	*25.8%*

21 As approximately 70% of advertising sales briefs target these audience segments.

Note:
1 Rounding differences may exist.
2 SCA's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.

Source: SCA interim financial reports, annual reports and results presentations.

114 In respect of the above, we note that:

(a) Broadcast Radio revenue increased by 2.8% during FY25 which reflected:

(i) a 3.9% increase in Metro Radio advertising revenue which exceeded the estimated growth in the overall market of some 0.1%, with SCA's metropolitan market share increasing from 27.2% in FY24 to 28.3% in FY25 (with the 4Q25 share ending at 29.5%)[22]

(ii) minimal growth in regional advertising revenue of 0.3% as the increase in national revenue (1.6%) was offset by a decline in local revenue of 1%

(iii) an increase in other revenue which primarily related to the commencement of services provided to Network Ten following the divestment of the regional TV licenses, noting this revenue is largely offset by additional TV sale costs that are reflected in other expenses, resulting in a relatively immaterial EBITDA contribution

(b) revenue related costs have remained broadly consistent at around 20% of revenue, but slightly increased during FY25 due to additional costs to support revenue share growth (including content and sales activations), increased promotions and outside broadcast activity, together with additional sales incentives

(c) non-revenue related expenses (which include employee expenses, program production, technical expenses and other costs) have slightly reduced due to cost management initiatives (noting the expenses for FY25 included $1.9 million of costs associated with the representation agreement with Network Ten)

(d) as a result of the increase in revenue and reduction in costs, EBITDA margins have slightly expanded in FY25.

Digital Audio

115 SCA's Digital Audio business consists of the company's digital platform, LiSTNR, and the digital assets associated with the Broadcast Radio business.

116 LiSTNR is a free Australian personalised audio application and digital platform that offers radio, podcasts, music, news and sports content. The platform is owned and operated by SCA and allows users to create a tailored audio feed by selecting preferred genres and topics, and offers live and on-demand content from the Triple M and Hit radio networks, and live sports and news coverage.

22 Market share based on SCA Metro Radio revenue divided by Metro Radio market size as published by Commercial Radio & Audio (CRA), Australia's peak industry representative body for commercial radio broadcasters.

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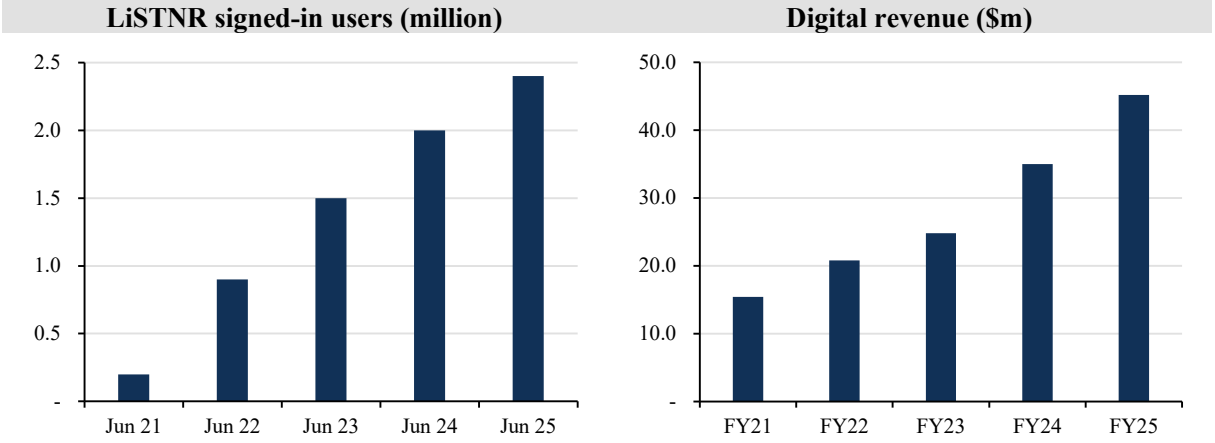
117 Since its launch in February 2021, LiSTNR has grown its network of signed-in users to 2.4 million:

SCA – Digital Audio key metrics



Source: SCA FY25 Results Presentation.

118 SCA has established an advertising technology platform (AdTech Hub) that has integrated the LiSTNR platform's audiences into its customer data platform and analytics engine, enabling advertisers to target specific customer audiences in a privacy compliant manner. The AdTech Hub enables advertisers to increase CPM[23] rates via:

(a) **contextual targeting** – which responds to real-time data such as weather, user location and device type to ensure advertising campaigns reach the right audience, with the right message at the right moment

(b) **data matching & segmentation** – SCA's "Clean Room Solutions" allows for precise audience segmentation which reduce waste and increases the efficiency of campaigns by supressing ads for existing customers or targeting new customers with tailored messaging based on shared data insights.

Financial overview

119 A summary of the financial performance of the Digital Audio segment over the six half year periods and three full year periods to 30 June 2025 is set out below:

23 Cost per mile / thousand (CPM) rates are the cost an advertiser pays for every 1,000 times an ad is displayed or seen, also known as an "impression".

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Digital Audio – segment financial performance[1]	Half year						Full year		
	1H23 $m	2H23 $m	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Total revenue	12.3	12.3	15.6	19.5	22.1	23.0	24.6	35.0	45.1
Revenue related expenses	(2.9)	(3.4)	(3.6)	(3.8)	(5.6)	(6.2)	(6.3)	(7.4)	(11.8)
Other expenses	(19.8)	(16.2)	(20.6)	(18.0)	(16.4)	(14.9)	(36.0)	(38.6)	(31.3)
Total expenses	(10.5)	(7.1)	(8.6)	(2.3)	0.1	1.9	(17.6)	(10.9)	2.0
Underlying EBITDA[2]	(10.5)	(7.1)	(8.6)	(2.3)	0.1	1.9	(17.6)	(10.9)	2.0
Revenue growth	*18.3%*	*19.4%*	*26.6%*	*58.2%*	*42.0%*	*18.2%*	*18.8%*	*42.4%*	*28.8%*
Underlying EBITDA margin	*(85.4%)*	*(57.6%)*	*(55.0%)*	*(12.0%)*	*0.3%*	*8.2%*	*(71.5%)*	*(31.1%)*	*4.4%*

Note:
1 Rounding differences may exist.
2 SCA's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest an expense associated with lease liabilities recognised.
Source: SCA interim financial reports, annual reports and results presentations.

120 In respect of the above, we note that:

(a) Digital Audio revenue increased by 28.8% during FY25, driven by strong performance in both streamed radio and podcast revenue which is underpinned by SCA's AdTech Hub

(b) revenue related expenses have increased in both dollar and percentage terms due to growth in integrated advertising campaigns, however this was offset by reductions in non-revenue related expenses, which declined as a result of cost management initiatives

(c) the combined impact of strong revenue growth and a reduction in total expenses resulted in the Digital Audio segment reporting positive EBITDA of $2 million for the first time during FY25.

Financial performance

121 The consolidated financial performance of SCA over the four half year periods and two full year periods to 30 June 2025 is set out below[24]:

24 As the FY23 consolidated results do not account for the now divested TV segment as a discontinued operation, they are not comparable to the FY24 and FY25 results and have therefore been excluded from the table.

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SCA – consolidated financial performance[1][2]

	Half year				Full year	
	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY24 $m	FY25 $m
Revenue	199.1	202.9	209.7	212.2	401.9	421.9
Revenue related expenses	(37.8)	(40.8)	(43.0)	(44.2)	(78.7)	(87.2)
Non-revenue related (or other) expenses	(140.0)	(130.4)	(135.4)	(128.1)	(270.3)	(263.5)
Underlying EBITDA[3]	21.2	31.6	31.3	39.9	52.9	71.1
Depreciation and amortisation	(14.5)	(13.6)	(15.9)	(14.1)	(28.1)	(30.0)
Underlying EBIT	6.7	18.0	15.4	25.8	24.7	41.1
Net finance costs	(9.5)	(8.5)	(10.1)	(8.2)	(18.0)	(18.3)
Profit before tax (PBT)	(2.8)	9.5	5.3	17.6	6.7	22.8
Tax	0.8	(3.1)	(1.6)	(6.1)	(2.3)	(7.7)
Underlying NPAT	(1.9)	6.4	3.7	11.5	4.4	15.1
Significant items after tax[4]	(1.4)	(234.2)	(5.0)	(3.7)	(235.6)	(8.7)
NPAT of discontinued operations[5]	6.5	0.0	4.6	(1.8)	6.5	2.8
NPAT	3.1	(227.8)	3.2	6.0	(224.6)	9.2

Note:

1 Rounding differences may exist.

2 As the FY23 consolidated results do not account for the now divested TV segment as a discontinued operation, they are not comparable to the FY24 and FY25 results and have therefore been excluded.

3 SCA's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.

4 Significant items (post-tax) comprise the following:

Restructuring charges	(1.0)	(2.0)	(4.1)	(2.5)	(2.9)	(6.6)
Impairment of broadcast radio licenses	-	(228.3)	-	-	(228.3)	-
Impairment of investments	-	-	-	(0.4)	-	(0.4)
Response to corporate activity proposals	(0.4)	(1.7)	-	-	(2.0)	-
Other	-	(2.3)	(0.9)	(0.8)	(2.3)	(1.7)
Total significant items (post-tax)	(1.4)	(234.2)	(5.0)	(3.7)	(235.6)	(8.7)

5 Discontinued operations relate to the Television segment that was fully divested in FY25 following the sale of the regional television licenses in the 3-Agg Markets to Network Ten (completed on 1 March 2025) and the sale of the remaining TV assets to SWM (completed on 30 June 2025).

Source: SCA interim financial reports, annual reports and results presentations.

122 SCA's financial performance is primarily driven by the performance of its business segments (Broadcast Radio and Digital Audio) along with unallocated corporate overheads. A summary of the revenue and underlying EBITDA contribution by operating segment follows:

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SCA – segment performance (continuing operations)[1]

	Half year				Full year	
	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY24 $m	FY25 $m
Broadcast Radio	183.5	183.1	187.6	189.2	366.6	376.8
Digital Audio	15.6	19.5	22.1	23.0	35.0	45.1
Corporate	-	0.3	-	-	0.3	-
Total revenue	199.1	202.9	209.7	212.2	401.9	421.9
Broadcast Radio	42.8	44.4	45.8	51.4	87.2	97.2
Digital Audio	(8.6)	(2.3)	0.1	1.9	(10.9)	2.0
Corporate	(12.9)	(10.4)	(14.6)	(13.4)	(23.3)	(28.0)
Underlying EBITDA[2]	21.3	31.7	31.2	39.9	52.9	71.1
Revenue growth	*(0.7%)*	*3.1%*	*5.3%*	*4.6%*	*1.1%*	*5.0%*
Underlying EBITDA margin	*10.7%*	*15.6%*	*14.9%*	*18.8%*	*13.2%*	*16.9%*

Note:
1 Rounding differences may exist.
2 SCA's reported results reflect the adoption of AASB 16, which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.
Source: SCA interim financial reports, annual reports and results presentations.

123 In relation to the above, we note that:

(a) Digital Audio revenues have grown at a faster rate than traditional Broadcast Radio revenues, however the proportion of digital revenue is still relatively small at around 10% of total revenue. The growth in digital revenues also reduced during 2H25, which corresponds to a slowdown in the rate of growth of LiSTNR signed-in users

(b) since FY24, SCA has implemented a cost-out program that has delivered approximately $30 million in annualised cost savings, of which circa $20 million were realised in FY24 and a further $10 million was realised in FY25. As a result, actual non-revenue related (or other) operating expenses in FY25 were less than initial guidance of $270 million

(c) the corporate segment comprises the group-wide centralised functions that provide support services to the Broadcast Radio and Digital Audio segments. Net corporate expenses increased by some $4.7 million in FY25, primarily due to inflation linked contracts and increases in variable remuneration in line with improved business performance

(d) notwithstanding the increase in corporate costs, EBITDA margins increased during FY25 due to improvements in the performance of the Broadcast Radio segment and the Digital Audio segment (which generated positive EBITDA for the first time during the period).

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FY26 outlook

124 As part of its FY25 results announcement on 25 August 2025, SCA provided the following outlook for FY26:

SCA – FY26 guidance	
Item	**Guidance**
Revenue	• $435 million to $440 million
Revenue related costs	• Remain at around 20% of total revenues
Non-revenue related costs	• Less than $270 million (excluding non-recurring items)
Underlying EBITDA	• $78 million to $83 million
Dividends	• 65% to 85% of underlying NPAT
Capital expenditure	• Approximately $10 million
Leverage ratio	• Remain below 1.0 times

Source: SCA FY25 Results Presentation.

Financial position

125 The consolidated financial position of SCA as at 30 June 2024 and 30 June 2025 follows:

SCA – consolidated financial position[1][2]		
	30 Jun 24[2] $m	**30 Jun 25 $m**
Cash and cash equivalents	10.5	35.4
Trade receivables	90.0	79.2
Prepayments and other receivables	25.1	17.4
Contingent consideration receivable	-	12.7
Tax assets	0.9	0.2
Derivatives	0.5	-
Investments	5.8	2.7
ROU assets	104.7	97.8
PP&E	63.2	50.8
Intangible assets	391.5	389.7
Total assets	692.3	686.1
Trade and other payables	40.8	45.3
Deferred income	89.1	86.0
Provisions	25.4	27.2
Lease liabilities	128.3	124.0
Deferred tax liability	88.4	88.4
Borrowings	117.5	102.8
Total liabilities	489.5	473.7
Net assets	202.8	212.3

Note:
1 Rounding differences may exist.
2 Includes the assets and liabilities associated with the Television segment before it was divested.
Source: SCA FY25 Annual Report.

126 In regards to the above, we note that:

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(a) **Contingent consideration receivable** – under the terms of the divestment of the 3-Agg Market Television licenses to Network Ten, SCA is entitled to receive a 32.5% share of the PBT generated by the licenses for a five year period post completion of the sale (to be paid quarterly in arrears). The total contingent consideration receivable as at 30 June 2025 has been estimated based on forecasts for the 3-Agg Markets and Network Ten's estimated performance within those markets over the period to 28 February 2030, discounted using a risk-adjusted pre-tax discount rate of 10.25%

(b) **Investments** – relate to equity accounted investments ($0.7 million) which principally involve investments in digital radio broadcasting companies that hold multiplex transmitter licenses and operate multiplex transmitters on behalf of various broadcasters in cities including Sydney, Melbourne, Brisbane, Adelaide and Perth. It also includes investments in unlisted companies which are assessed at fair value ($2 million)

(c) **PP&E** – the carrying value of SCA's individual components of PP&E are as follows:

SCA – PP&E[1]	30 Jun 24 $m	30 Jun 25 $m
Land and buildings	9.3	6.7
Leasehold improvements	27.4	24.6
Plant and equipment	26.4	18.9
Assets under construction	0.2	0.6
Total property, plant and equipment	63.2	50.8

Note:
1 Rounding differences may exist.

SCA's PP&E is carried at historical cost less accumulated depreciation and impairment. SCA has recently completed capital investments in a fully digitised and integrated network which has enabled efficiency gains in its operating model and future capital investments for its broadcast operations are expected to be minimal, with capital intensive transmission functions outsourced to a third party[25]

(d) **Intangible assets** – the composition of SCA's intangible assets is set out below:

SCA – intangible assets[1]	30 Jun 24 $m	30 Jun 25 $m
Broadcasting licenses	321.4	321.4
Brands and trademarks	48.8	48.9
Other (IT development and software)	21.2	19.4
Total intangible assets	391.5	389.7

Note:
1 Rounding differences may exist.

SCA's intangible assets are carried at cost less accumulated amortisation and impairment losses[26]. Broadcasting licenses (which account for the majority of SCA's

25 On 2 September 2019, SCA paid $15 million to Broadcasting Australia Pty Ltd for transmission services, which is being recognised as an expense over a 15 year period.

26 SCA's intangible assets are tested annually for impairment.

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intangible assets) have primarily been acquired through business combinations and consist of the right to broadcast radio to specific market areas. Analogue radio broadcasting licenses are renewable for a minimal cost every five years under provisions within the *Broadcasting Services Act 1992* (Cth). Digital licenses (which attach to the analogue licenses) are renewed automatically

(e) **Deferred income –** on 9 February 2016, SCA entered into a long-term contract with The Australia Traffic Network Pty Limited (ATN) to provide traffic reports for broadcast on SCA radio stations. SCA received a $100 million upfront payment from ATN, alongside an agreement to make recurring annual payments of $2.75 million (indexed to CPI) in return for a specified number of secured advertising spots over the period of the agreement. The contract has a term of 20 years, with an option for ATN to extend it for a further 10 years. The $100 million amount is being released to the income statement over a 30 year period, with a current outstanding liability of $84.2 million based on the remaining life of the agreement[27]. Deferred income also includes some other (less material) income invoiced in advance for which services are yet to be delivered

(f) **Provisions** – as at 30 June 2025, provisions include an amount of $3.6 million associated with the divestment of the 3-Agg Market TV licenses to Network Ten (the vast majority of the remaining balance of $23.6 million is associated employee provisions, annual leave, long service leave etc). As part of the divestment, SCA amended a managed service agreement with BAI Communications Pty Ltd (BAI). Post 28 February 2030, Network Ten has a termination for convenience right relating to the services up to September 2034. The maximum termination fee is $23.8 million if all services are terminated effective 1 March 2030, with the fee reducing as the contract continues to run. The provision has been calculated using a discount rate of 6.25% and using a probability weighted estimate[28] of when any amount may be payable between 2030 and 2034

(g) **Borrowings –** the composition of SCA's debt is set out below:

SCA – borrowings(1)		
	30 Jun 24 $m	**30 Jun 25 $m**
Drawn bank facilities	118.0	103.0
Deduct unamortised borrowing costs	(0.5)	(0.2)
Total reported borrowings	117.5	102.8

Note:
1 Rounding differences may exist.

As at 30 June 2025, SCA had a $160 million revolving Syndicated Debt Facility which matures on 10 January 2028 and has an average variable interest rate of 6.1% per annum. SCA has interest rate swap contracts which expire in April 2026 at an average fixed rate of 3.6% per annum which covered approximately 34% of the variable loan

27 Unless the contract ends after 20 years, at which point the remaining balance will be recognised as revenue in year 20. During FY25, SCA recognised revenue of $7.1 million in relation to the contract, which was offset by the recognition of $5.0 million in interest expense based on the deemed financing component of the contract for accounting purposes.

28 Noting that the likelihood of termination is reduced if the 3-Agg Market TV licenses are operating at a profit.

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principal outstanding on the Syndicated Debt Facility as at 30 June 2025. The facility is subject to a maximum leverage ratio covenant of 3.5 times[29] and a minimum interest cover ratio of 3.0 times[30] (as at 30 June 2025 SCA's leverage ratio was 1.10 times and its interest cover ratio was 9.40 times).

SCA also has a short term $25 million overdraft facility with ANZ, which is renewable on an annual basis each 30 April.

127 In addition to the above, we note that as at 30 June 2025, SCA had $337 million in carry forward capital losses and $184 million in franking credits (neither of which are recognised on balance sheet).

Share capital and performance

128 SCA has 239.9 million fully paid ordinary shares on issue.

129 In addition, SCA has 6.1 million performance rights outstanding[31] which have been issued to eligible employees in accordance with the company's executive incentive plan (EIP) and long-term incentive plan (LTIP). The performance rights carry no dividend or voting rights and convert into ordinary shares for $nil consideration. The performance rights are subject to a continued employment condition and will vest based upon the achievement of performance hurdles comprising financial performance (60%), strategic execution (30%), and culture and behaviour (10%).

Substantial shareholders

130 Five substantial shareholders in SCA hold approximately 65% of the ordinary shares on issue. The substantial shareholders of SCA (based upon the annual report and substantial shareholder notices released to the ASX) are as follows:

SCA – substantial shareholders

Shareholder	Shares held (million)	Interest %
19 Cashews Pty Ltd (an entity associated with Thorney Investment Group)	35.9	15.0
ARN and related entities	35.5	14.8
Spheria	33.3	13.9
Sandon Capital Pty Ltd (Sandon)	27.0	11.3
Pinnacle Investment Management Group Limited (Pinnacle)	25.9	10.8

Source: SCA FY25 Annual Report and substantial shareholder notices released to the ASX.

Share price performance

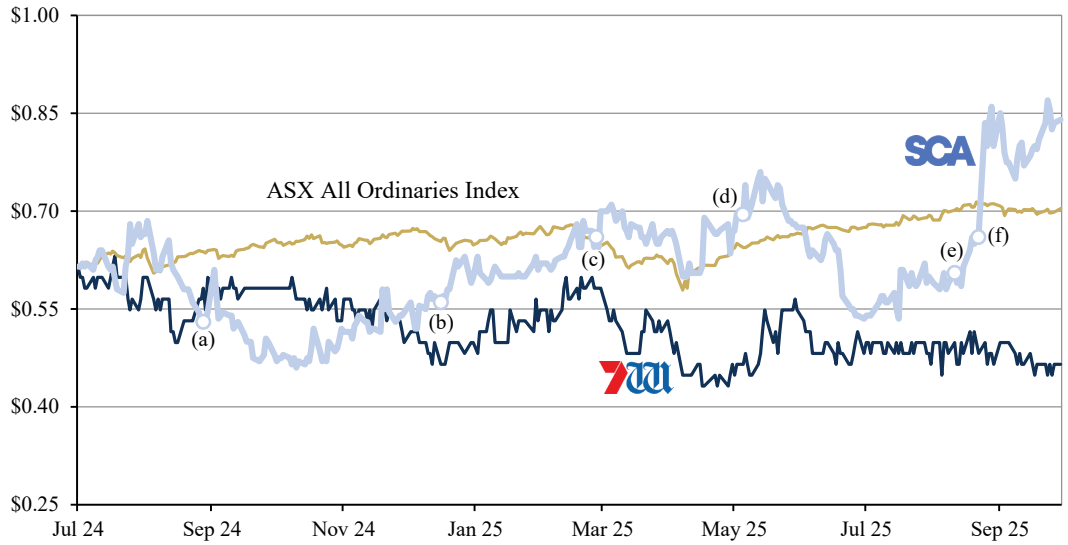
131 The following chart illustrates the movement in the share price of SCA from 1 July 2024 to 29 September 2025 (i.e. the last trading day prior to the announcement of the Scheme):

29 Being net debt dividend by EBITDA.

30 Being net interest dividend by EBITDA.

31 Including the 4.0 million that are intended to be issued after SCA's annual general meeting in late November 2025.

SCA – share price history[1]
1 July 2024 to 29 September 2025



Note:
1 The ASX All Ordinaries Index and SWM share price have been rebased to the closing price of SCA on 1 July 2024, being $0.615.
Source: FactSet and LEA analysis.

132 We note the following in respect of the material movements in the SCA share price:

(a) **29 August 2024** – released FY24 results, reporting a 1% decrease in revenue and a 14% decrease in underlying EBITDA driven by broader advertising declines in the radio and TV markets amid slow economic conditions and determined not to pay a final dividend for FY24. SCA also announced it had commenced a strategic review of its non-core regional TV assets, and was in active discussions with several parties

(b) **17 December 2024** – in accordance with its strategy to focus on radio and audio, SCA announced the sale of its TV licences in the 3-Agg Markets to Network Ten for consideration of approximately $13 million (in net present value terms). This sale completed on 1 March 2025

(c) **27 February 2025** – released 1H25 results, reporting a 5% increase in revenue and a 47% increase in underlying EBITDA driven by growth in SCA's Digital Audio business segment and the achievement of further non-revenue related cost savings via its cost-out program. SCA also provided an outlook for FY25, which included expectations for LiSTNR to be profitable in FY25 and continue to achieve double digit revenue growth in FY25 and FY26

(d) **6 May 2025** – SCA announced it had entered into a binding agreement for the sale of its remaining TV licences in Tasmania, Spencer Gulf, Broken Hill, Mt Isa, Darwin and remote, central, and eastern Australia to SWM for consideration of approximately $3.8 million (the sale completed on 30 June 2025). SCA also provided a trading update, announcing audio revenue was up approximately 9% in the first four months of calendar year 2025 (CY25) and that non-revenue related costs in FY25 were expected to be $5 million (some 2%) below the previous guidance of $270 million due to cost-out initiatives achieved across the business. In addition, due to the improved financial performance and reduction in leverage, SCA announced its intention to resume payment of dividends with a final dividend to be paid in FY25

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(e) **11 August 2025** – CRA[32] released relatively positive radio industry revenue data for the quarter ended 30 June 2025. Digital audio revenue continued to grow, increasing by approximately 27% to $28.7 million. Metropolitan broadcast radio remained relatively stable at $177.1 million, while regional radio declined by some 5% to $103.4 million

(f) **25 August 2025** – released FY25 results, reporting a 5% increase in revenue and a 34% increase in underlying EBITDA as SCA continued delivering upon its focus on radio and audio. SCA also provided guidance for FY26 with expectations of continued growth in revenue and EBITDA (refer to paragraph 124 for further details). The release of SCA's FY25 results also coincided with media speculation, which emerged on the prior day (Sunday 24 August 2025), that Nine Entertainment Co. Holdings Limited (Nine Entertainment) had expressed interest in acquiring SCA. However, no proposal was announced.

Liquidity in SCA shares

133 The liquidity in SCA shares based on trading on the ASX over the 12 month period up to and including 29 September 2025 (i.e. the last trading day prior to the announcement of the Scheme) is set out below:

SCA – liquidity in shares

Period	Start date	End date	No of shares traded m	WANOS outstanding m	Implied level of liquidity Period[(1)] %	Annual[(2)] %
1 month	30 Aug 25	29 Sep 25	11.1	239.9	4.6	55.5
3 months	30 Jun 25	29 Sep 25	33.3	239.9	13.9	55.5
6 months	30 Mar 25	29 Sep 25	59.8	239.9	24.9	49.8
1 year	30 Sep 24	29 Sep 25	102.8	239.9	42.9	42.9

Note:
1 Number of shares traded during the period divided by WANOS.
2 Implied annualised figure based upon implied level of liquidity for the period.
Source: FactSet and LEA analysis.

134 As indicated in the table above, notwithstanding the large number of shares held by the substantial shareholders (some 65%), the level of liquidity in SCA shares (as a percentage of the total number of shares on issue) has been reasonable at some 45% to 55% on an annualised basis.

32 CRA is Australia's peak industry representative body for commercial radio broadcasters and amongst other things, commissions and manages key industry research, including metropolitan and regional audience measurement surveys.

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V Industry overview

Introduction

135 SWM is an Australian integrated media company, with a market presence in broadcast TV, VOD, newspaper publishing and online. SCA owns and engages in the creation of audio content for distribution on broadcast radio (AM, FM, and DAB+) and digital networks. Accordingly, this section of our report sets out an overview of the Australian media industry, with a particular focus on the key trends and growth drivers of the FTA TV and radio segments within which SWM and SCA operate.

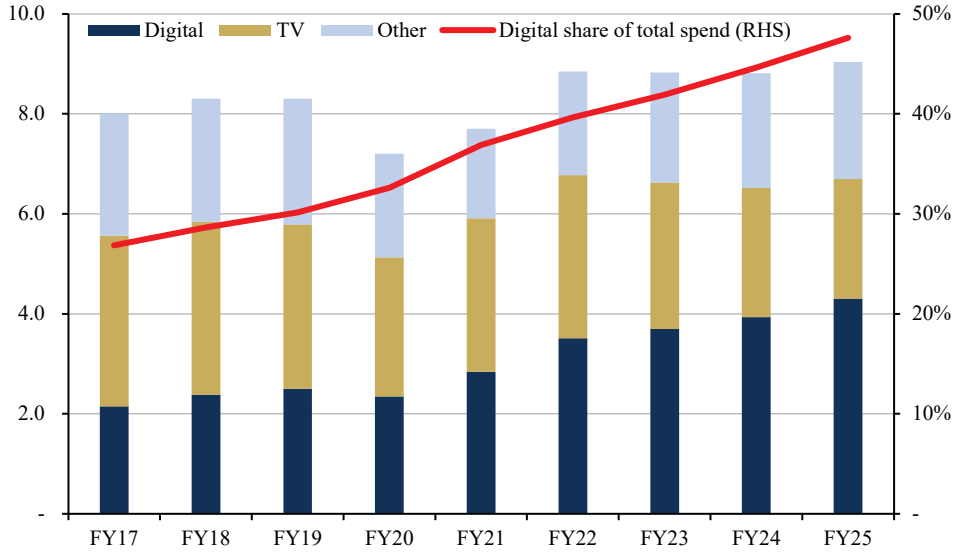
Australian media industry

136 The Australian media industry is made up of seven primary sectors, being FTA TV, subscription TV, print, radio (including AM and FM broadcast and DAB+), digital (including online content providers, online search, social media, VOD and audio (both streaming and podcasts)), cinema and out-of-home, all of which compete for a share of advertiser budgets. Industry revenue is primarily driven by macroeconomic factors that impact advertiser spending, including business and consumer confidence, the domestic and international geo-political environment and the overall state of the economy.

137 Key themes in the advertising industry in recent years have included the continued rise of digital advertising at the expense of traditional forms of advertising mediums, in particular print, FTA TV, and broadcast radio. These trends are illustrated in the chart below, which shows a proportional breakdown of total advertising revenue by media type for the FY17 to FY25 period:

Australian advertising spend by media(1)(2)

A$bn and % of total spend



Note:

1 Based upon media agency booking data compiled and reported by Guideline SMI.

2 Digital includes online news media (e.g. newspaper and magazine websites), VOD and digital radio; TV includes traditional broadcast FTA TV, Other primarily includes out of home (e.g. billboards, transit ads, digital displays in public space etc.), print (i.e. newspapers and magazines), and cinema.

Source: Guideline SMI.

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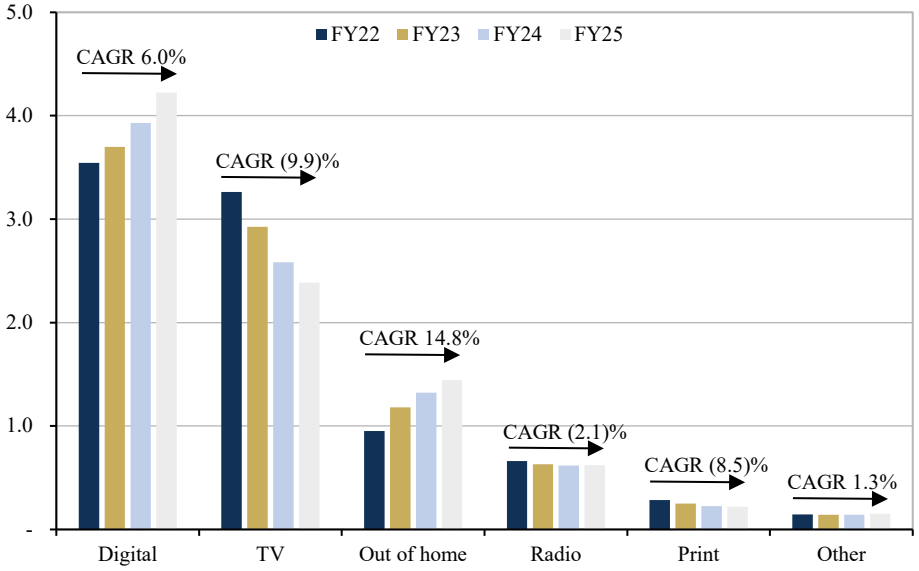
138 In FY22, digital advertising spend reached approximately $3.5 billion, which was higher than the $3.3 billion spent on TV advertising for the year, resulting in the segment overtaking TV as the largest share of total media advertising spend for the first time in history. The digital sector has continued to outpace growth in TV, increasing at a compound annual growth rate (CAGR) of 6% over the FY22 to FY25 period, whilst TV has declined at an annualised rate of 9.9% over the same period. The out of home sector has also exhibited strong growth over this period, increasing at a CAGR of 14.8%, as shown below:

Australian advertising spend by media[(1)(2)]

A$bn



Note:
1 Based upon media agency booking data compiled and reported by Guideline SMI.
2 Digital includes online news media (e.g. newspaper and magazine websites), VOD and digital radio; TV includes traditional broadcast FTA TV; out of home includes a range of outdoor formats (e.g. billboards, transit ads, digital displays in public space etc.); print includes newspapers and magazines; and other primarily includes cinema.

Source: Guideline SMI.

139 Recent trends in advertising spend are expected to continue, with traditional media (including FTA TV, print and radio segments) declining in market share, as more expenditure is directed to digital advertising. Notwithstanding the boost in expenditure associated with the 2025 Federal Election, the FTA TV segment has declined by approximately 9% over the eight months ended 31 August 2025 (relative to the prior corresponding period), with post-election expenditure weaker than expected[33]. Whilst some improvement is expected in the last quarter of 2025, industry analysts remain cautious due to uncertainty surrounding interest rate cuts and limited visibility in a short advertising market.

Regulation

TV and radio regulation

140 The Australian media sector is heavily regulated, with the *Broadcasting Services Act 1992* (Cth) (BSA) serving as the overarching piece of legislation which broadly covers issues relating to content regulation and media ownership in Australia. This legislation primarily addresses matters pertaining to licensed broadcasters – which are the traditional platforms of

33 Source: https://www.adnews.com.au/news/smi-august-ad-spend-down-8.

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TV and radio, with reference to print newspapers, which were the dominant media platforms at the time the legislation was introduced.

141 The FTA TV and radio broadcasting sectors have undergone regulatory reforms over the past 10 years to try to level the playing field with the largely unregulated digital advertising platforms. Two major reforms which sought to make licence fees payable by commercial TV and radio providers more competitive with those paid by broadcasters globally, and to allow industry consolidation, are summarised below:

(a) the *Broadcasting Legislation Amendment (TV and Radio Licence Fees) Act 2016* (Cth) was introduced to permanently reduce the licence fees payable by commercial TV and radio broadcasters

(b) the *Broadcasting Legislation Amendment (Broadcasting Reform) Act 2017* (Cth) changed media ownership and control laws that had been in place since the BSA was introduced. The Federal Government passed these reforms through the Senate in September 2017, removing several regulations that restricted FTA TV and radio broadcast network operations. These reforms led to:

(i) the removal of the 75% audience reach rule, which prevented commercial TV networks from broadcasting to more than 75% of the Australian population; and

(ii) the removal of the "two-out-of-three" rule, which prevented companies from owning or holding controlling interests in more than two companies that operate TV broadcasting, radio broadcasting or newspaper publishing in the same licence area.

142 Notwithstanding the repeal of media control laws outlined above, there are a number of rules that continue to apply to media ownership in Australia, including the:

(a) "two-to-a-market" rule, which prevents control of more than two commercial radio licenses in the same licence area

(b) "one-to-a-market" rule, which prevents control of more than one commercial TV licence in the same licence area, and

(c) the "number of voices" rule, which prevents media acquisitions[34] that would result in fewer than five independent media operators in metropolitan areas, or four in regional areas.

143 The Federal Government has also introduced legislation to support local media through the following:

(a) the *Communications Legislation Amendment (Prominence and Anti-siphoning) Act 2024* (Cth) was passed by the Federal Parliament in July 2024 and included the following key reforms:

(i) the expansion of existing anti-siphoning rules to apply to online and digital media. The rules are designed to prevent subscription services from gaining monopoly

34 Including commercial TV, commercial radio, and associated newspapers.

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rights to key sporting and cultural events by granting FTA TV broadcasters first right to purchase rights to televise the events.

FTA broadcasters currently have a competitive advantage over streaming services as they are able to bid for the FTA TV broadcast rights for major events included on the anti-siphoning list. The rules previously only applied to subscription TV broadcasting licensees, however they now cover online digital platforms such as YouTube, in addition to SVOD and BVOD services[35]

(ii) the introduction of a new "prominence framework" that requires new regulated TV devices[36] to give prominence to TV services provided by the Australian Broadcasting Corporation (ABC), the Special Broadcasting Service (SBS), the Seven Network, Nine Entertainment and Network Ten (including each provider's BVOD services). From 10 January 2026, these services must be pre or auto-installed on devices and displayed on the primary user interface.

Radio services are not included in the prominence framework, however radio will be considered for inclusion as part of ongoing reviews[37]

(b) the BSA contains transmission quotas, requiring commercial television broadcasters to broadcast annually at least:

(i) 55% Australian content between 6.00am and midnight on primary channels

(ii) 1,460 hours of Australian content between 6.00am and midnight on non-primary channels[38].

To achieve this, there are additional standards set out in the Broadcasting Services (Australian Content and Children's Television) Standards 2020[39].

144 In addition, Australia FTA TV and radio broadcasters have been impacted by the following key regulatory developments:

(a) the *Commercial Broadcasting Tax Act 2017* (Cth) was introduced as a five year interim measure as part of the 2017 Media Reform package, which was designed to set tax payable by Australian FTA TV and radio broadcasters according to the amount of spectrum used. Whilst the level of tax payable was due to be reviewed by 30 June 2022, this did not occur, however the Federal Government recently suspended the tax for one year from June 2025 to June 2026[40]

(b) the *Online Safety Act 2021* (Cth), which became effective in January 2022, introduced safety regulations for online content, including digital video streaming, radio broadcasts and podcasts. Radio stations and FTA TV broadcasters must ensure that the content provided via their online platforms adheres to the Act's safety standards.

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35 The changes do not prevent FTA TV operators from acquiring digital rights for their digital platform at the same time as acquiring the FTA TV rights.

36 Being TV devices capable of providing access to video on demand services (i.e. internet connected devices) that are supplied to the Australian market.

37 Source: https://hallandwilcox.com.au/news/anti-siphoning-reforms-and-new-prominence-framework/.

38 Source: https://www.acma.gov.au/australian-content-commercial-tv.

39 Source: https://www.legislation.gov.au/F2020L01653/latest/text.

40 Source: https://www.infrastructure.gov.au/department/media/news/commercial-broadcasting-tax-suspension-support-tv-and-radio-broadcasters.

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Digital media advertising regulation

145 Historically, the BSA only covered traditional forms of media, and did not provide any guidance on newer forms such as digital and online media outlets. This was partly addressed when further amendments were introduced with the *Broadcasting Services Amendment (Online Services) Act 1999* (Cth), which established the legislative framework for online content and digital advertising regulation in Australia.

146 In June 2019, the ACCC released its final Digital Platforms Inquiry (DPI) report the on the impact of online search engines, social media and digital content aggregators (digital platforms) on competition in the media and advertising services markets[41]. The ACCC's DPI report noted that:

(a) there had been rapid growth of digital platforms in Australia, with Google and Facebook in particular attracting significant advertising expenditure due to their ability to offer highly targeted advertising, based on data they collect from users, and because of the large amounts of time consumers spend on these platforms

(b) digital platforms impact both the production and consumption of news and journalism in Australia through their roles as:

(i) platforms for distribution of news stories to Australian customers

(ii) rival suppliers of online advertising opportunities

(c) the breadth and depth of user data collected by the incumbent digital platforms provides them with a strong competitive advantage, creating barriers to rivals entering and expanding in relevant markets, and allowing the incumbent digital platforms to expand into adjacent markets

(d) broadcast TV and radio are subject to numerous content requirements in relation to the broadcast of Australian or local content and children's content, however these regulations do not apply to online content. This creates a significant imbalance between broadcasters and digital platforms in the provision of audio and/or visual content to the Australian public

(e) print, radio and TV remain significant sources of news, however the vast majority of media businesses using these formats also operate news websites. Some of the most frequently accessed and trusted brands of online news are those associated with established broadcasters and newspapers.

147 In the DPI report, the ACCC made 23 recommendations, including the development and implementation of a new platform-neutral regulatory framework to ensure *"effective and consistent regulatory oversight of all entities involved in content production or delivery in Australia, including media businesses, publishers, broadcasters and digital platforms."* In the ACCC's view *"this would create a level playing field that promotes competition in Australian media and advertising markets".*

41 Source: ACCC (2019) *Digital platforms inquiry: final report.*

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148 As at the date of this report, the Federal Government has acted upon several of the ACCC's stated recommendations in the DPI, including the introduction of the News Media and Digital Platforms Mandatory Bargaining Code[42] in 2021. Additionally, in 2020 the ACCC was directed by the Federal Government to conduct an inquiry into the markets for the supply of advertising and technology services and digital advertising agency services, and its final Digital Advertising Services Inquiry Report was published in 2021. However, an overhaul of the regulatory framework (as contemplated in the ACCC's recommendations in the DPI) has not been implemented.

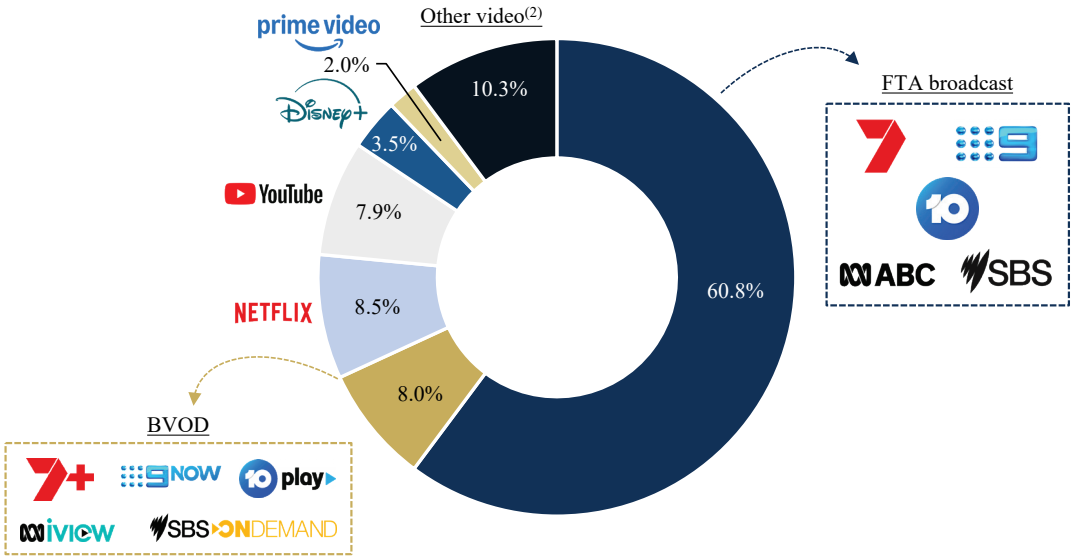
FTA TV industry

Overview

149 The Australian FTA TV broadcasting industry has faced a number of challenges over the past five years, as the way audiences access media has changed substantially. Instead of watching FTA TV, viewing is now fragmented across a number of platforms and devices, and subscription video on demand (SVOD) services have rapidly increased in popularity, as well as online substitutes such as YouTube, which represented 7.9% of total video minutes viewed by Australian consumers through TV devices (only) during the 3 months ended 30 June 2025 (4Q25), as shown below:

Share of total video minutes viewed(1)

4Q25



Note:
1 Being total video minutes viewed via TV devices and excludes video minutes viewed through other devices such as smartphones, tables, and computer devices.
2 Other video primarily includes Foxtel, Kayo, Stan, Paramount+, Binge, Apple TV+, Britbox, Optus Sport, Hayu, Acorn TV, and HBO Max.

Source: OzTAM: *VOZ Total TV Viewing Report H1 2025 – Key Insights for Broadcast TV and BVOD* report.

150 This has drawn advertising agencies away from FTA TV, placing downward pressure on industry revenue, which is expected to reach approximately $3.8 billion in FY25, a 4% decrease relative to FY24, as shown below:

42 Source: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6652

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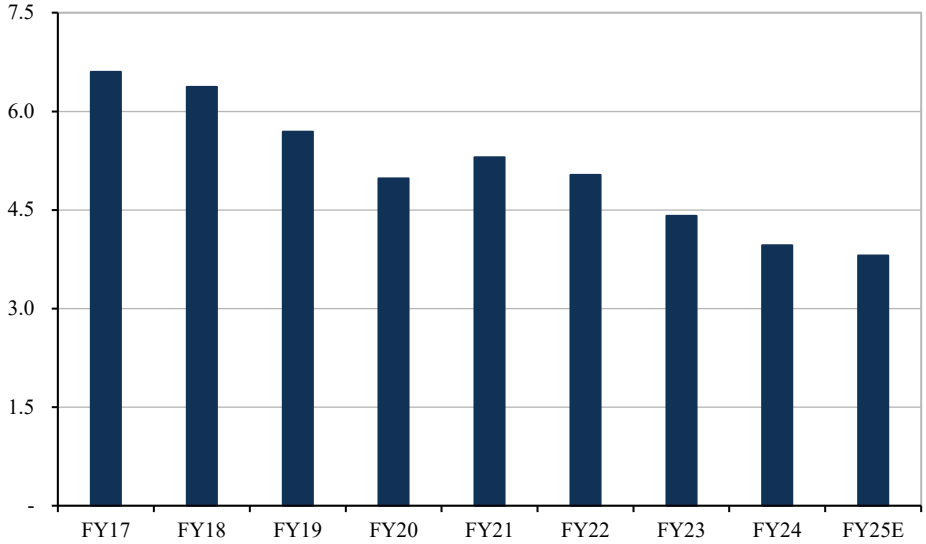
Australian FTA TV revenue(1)
$bn



Note:
1 Revenue for FY25 is an estimate only. Figures are inflation adjusted to August 2025.
Source: IBISWorld (2025): *Free-to-air TV Broadcasting in Australia* report dated August 2025.

151 FTA TV broadcasters have responded to the evolving landscape and change in consumer preferences by launching their own streaming platforms. These BVOD services replicate the SVOD experience by allowing consumers to access their content after the initial broadcast, with providers also offering a selection of TV shows and movies. In addition to live streaming and on-demand viewing after the initial broadcast content is made available to BVOD platforms, FTA TV broadcasters have introduced a range of free ad-supported steaming television (FAST) channels on their BVOD services.

152 In addition, Nine Entertainment entered the SVOD market in 2015 through a joint venture with Fairfax Media Limited (Fairfax) in streaming platform Stan, the first major competitor to Netflix in Australia. Since its launch, Stan has secured exclusive rights to provide content from major networks and production companies in Australia and the United States of America (US), in addition to producing its own original content.

153 FTA TV broadcasters have historically benefitted from strong ratings for live sporting events, which also provide networks with cross-promotion opportunities for other shows on their network, boosting ratings through in-game advertising. However, notwithstanding the Federal Government's anti-siphoning laws, which support terrestrial broadcast prioritisation, uncertainty remains due to a loophole[43] in the current regime, coupled with a recent shift in sports media strategy which has seen broadcast rights being split between FTA and subscription platforms. For instance, under the AFL's 2025 broadcast deal, broadcast of live games is split between Seven Network's FTA channels and SVOD providers Foxtel and

43 Whilst FTA broadcasters have an advantage to secure "broadcast" rights under current anti-siphoning laws, streaming companies do not need broadcast rights. Accordingly, the laws as they currently stand contain a loophole which means that rights to acquire content for terrestrial broadcast (i.e. via an aerial) are treated differently under the legislation to the live, digitally delivered "broadcast" received by audiences via smart TV devices.

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Kayo's subscription platforms, with certain exclusive Saturday games restricted from free public access[44].

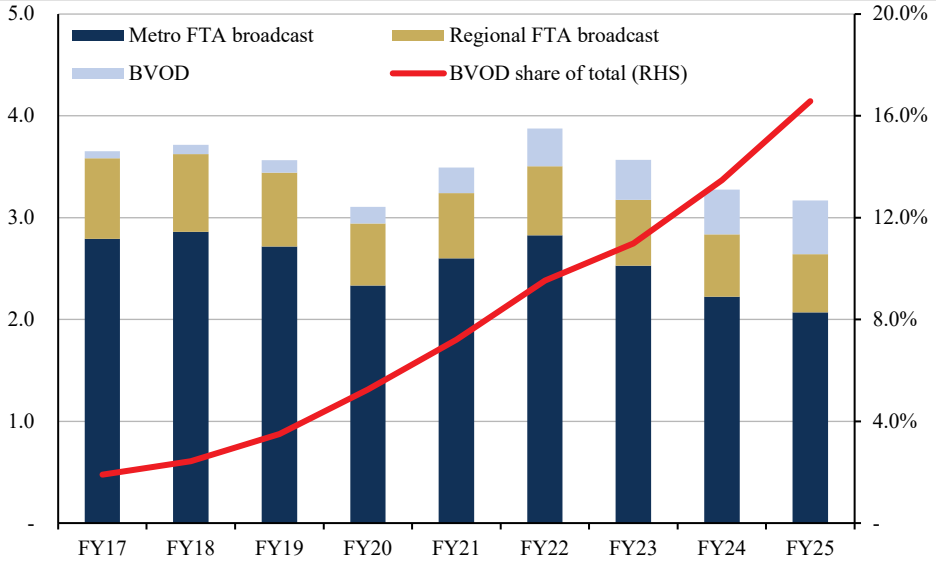
154 Whilst the shift in sports media strategy has the potential to threaten ratings for FTA broadcast viewership, it also presents an opportunity for networks to enhance their value proposition to advertisers. By streaming live games and offering replays through their BVOD platforms, FTA TV broadcasters can collect more granular metrics on their audiences, allowing for advanced, algorithm and data driven advertisement models. Live sport streaming is also attracting more viewers to BVOD platforms, with SWM expecting the addition of AFL and cricket to generate 4 billion additional viewing minutes on 7plus annually.

BVOD

155 The ability to provide data driven insights to reach specific consumer segments has resulted in BVOD increasing its share of Australian TV total advertising spend in recent years, with total BVOD advertising spend reaching approximately $525 million in FY25, representing some 16.6% of the total commercial FTA TV market, as shown below:

Australian commercial FTA TV market revenue(1)

$bn



Note:
1 Based upon KPMG/Free TV revenue submissions and is inclusive of SWM, Nine Entertainment and Network Ten.
Source: SWM management.

156 BVOD revenue increased from approximately $163 million in FY20, which indicates that revenue for this category increased at a CAGR of 26.4% over the five years ended FY25. This is consistent with the change in trends in consumer viewing behaviour, with surveys conducted by the ACMA indicating that 80% of Australians now own a smart (internet-connected) TV (up from 64% in 2020)[45] and 43% of Australians used BVOD platforms in 2024, an increase from 18% in 2017. In addition, surveys revealed that the proportion of

44 This varies on a state by state basis, with all games featuring home state teams available for free public access (e.g. the Brisbane Lions and Gold Coast Suns games are available for free in Queensland).

45 Source: ACMA *Trends and developments in viewing and listening 2023-24* report dated December 2024.

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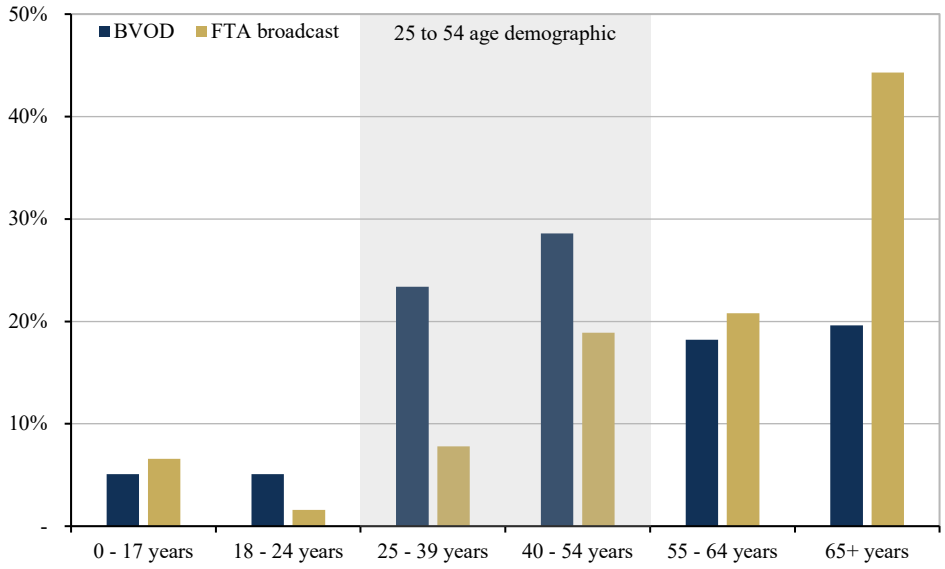
Australians that watched FTA channels (excluding BVOD) decreased from 71% to 46% over the same period[46].

157 Live streaming continues to drive growth in viewer traffic, underpinning a 41% increase in annual BVOD viewing minutes to a total of 2.2 billion minutes in FY25[47]. Notwithstanding this, as noted in paragraph 149, BVOD minutes only represented 8% of total video minutes viewed in 4Q25.

158 In addition, a high proportion of total BVOD viewing minutes in CY24 was concentrated amongst viewers in the key 25 to 54 age demographic, as shown below:

Minutes viewed per age demographic

% of total minutes viewed for each format(1)



Source: ACMA: *Trends and developments in viewing and listening 2023-24* report dated December 2024.

Competition

159 The Australian TV market is characterised by three incumbent commercial broadcasters with significant market shares, as well as government-owned stations (ABC and SBS) and one major regionally focused provider (WIN Television (WIN)). An overview of these operators, including the estimated market shares of the major commercial networks, is set out in the table below:

46 Source: ACMA *Trends and developments in viewing and listening 2023-24* report dated December 2024.

47 Source: OzTAM *VOZ Total TV Viewing Report H1 2025 – Key Insights for Broadcast TV and BVOD* report.

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Australian TV competitors

Operator	Region of operations	Examples of channels / platforms	Market share(1) %
Commercial broadcasters			
SWM	Metro and regional FTA, BVOD	7, 7two, 7mate, 7+	40.5
Nine Network	Metro and regional FTA, BVOD	9, Gem, Go!, 9NOW	42.6
Network Ten	Metro and regional FTA, BVOD	10, 10 drama, 10 comedy, 10 play	16.9
WIN	Regional FTA	WIN	na
Government owned / funded			
ABC	Metro and regional FTA, BVOD	ABC, ABC iview	na
SBS	Metro and regional FTA, BVOD	SBS, SBS On Demand	na

Note:
1 Based upon estimated FY25 commercial FTA TV advertising revenue across metro, regional and BVOD, noting that Nine Network's revenue share benefits from the coverage of the Paris 2025 Olympics during the period.
Source: SWM management.

160 The three major networks (Seven Network, Nine Network[48] and Network Ten) operate in the capital cities of each state and territory and in regional markets. The remainder of the regional markets involve distribution arrangements with regional operators such as WIN. Programming costs for WIN are shared with the major networks by way of program supply or affiliate agreements.

161 Public FTA broadcasters ABC and SBS are owned by the Federal Government and are underpinned by stable government funding. These networks are not focused on generating profit, and instead aim to deliver essential and informative content that may not always be commercially viable in accordance with their respective charters. For instance, unlike the commercial FTA broadcasters, the ABC broadcasts Parliamentary sessions, whilst SBS focuses on providing documentaries and multilingual, multicultural TV programs.

Radio industry

Overview

162 The radio industry comprises three key segments, including commercial radio (regional and metropolitan), public radio (ABC and SBS) and community radio. Radio network operators provide a range of audio content including talkback programs, music, sport and news over a number of different distribution channels, described as follows:

48 Operated by Nine Entertainment.

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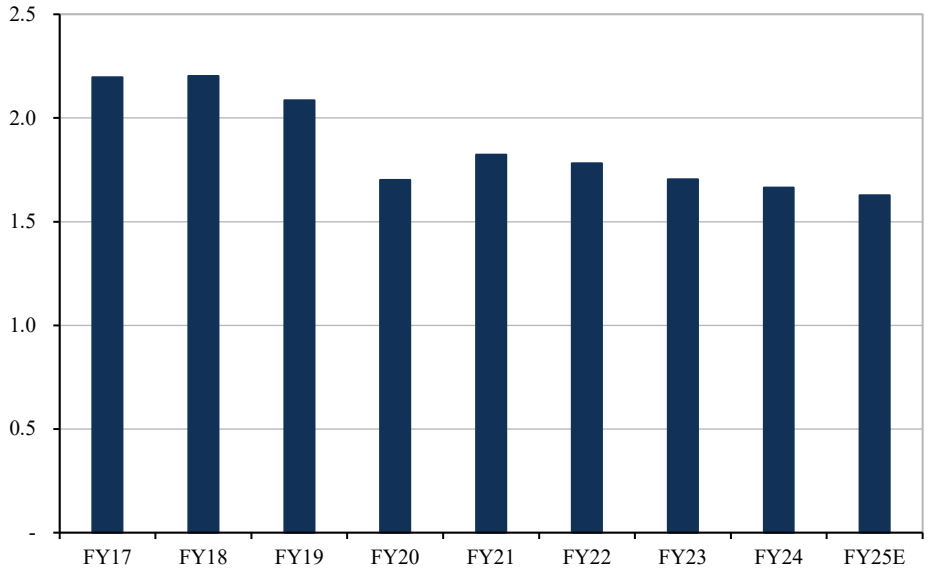
(a) **AM / FM**[49] – traditional broadcasting formats that provide FTA radio to audiences across metropolitan and regional areas. The AM frequency band can be transmitted over longer distances, whilst the FM frequency can transmit clearer sound quality. Accordingly, music radio stations are primarily transmitted via the FM band, whilst talkback radio stations are generally aired via the AM band

(b) **DAB+** – offers simulcast or exclusive content that is available through DAB+ receivers and DAB+ equipped cars

(c) **radio via digital offerings** – live radio streaming via apps or websites, in addition to on demand podcasts that provide more personalised content to audiences with real-time access via any smart device.

163 Consistent with trends observed in the FTA TV industry, the Australian radio industry has recently undergone a structural shift from traditional broadcast radio to digital and online alternatives such as Spotify, YouTube, and Apple Music. The ubiquity of smartphones and tablets has made these alternatives highly accessible and more personalised for consumers. This has lured advertising spend away from conventional radio, with total industry revenue expected to reach $1.6 billion in FY25, representing an annualised decline of 0.9% over the five years ended FY25, as shown below:

Australian radio broadcasting revenue(1)
$bn



Note:
1 Revenue for FY25 is an estimate only. Figures are inflation adjusted to April 2025.
Source: IBISWorld (2025): *Radio Broadcasting in Australia* report dated April 2025.

164 Both metropolitan and regional radio have been in decline, with the industry struggling to recover post COVID-19 and advertisers seeking to shift their spend towards digital platforms. All of the major broadcasters have adapted to the changing radio landscape by integrating digital initiatives into their offerings.

49 Amplitude Modulation (AM) and Frequency Modulation (FM).

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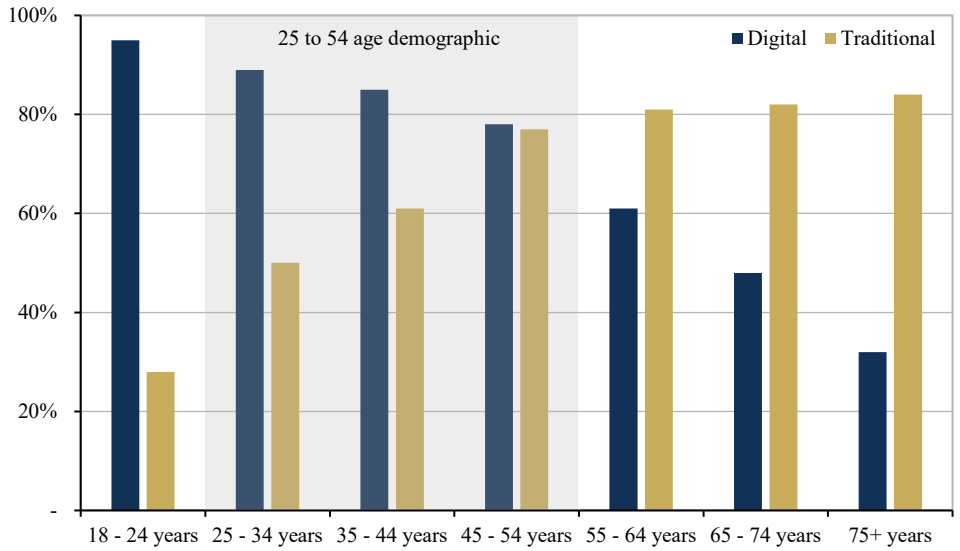
165 Notwithstanding that traditional radio formats still attract listeners, primarily during commute hours, the rise in digital competition has driven traditional radio broadcasters to invest in similar digital audio offerings, such as ABC Listen, iHeartRadio, and SCA's LiSTNR platform. These applications deliver live streaming, on demand content, and podcasts, providing an alternative to platforms such as Spotify and Apple Music. Typically free and ad-supported (with optional premium features), the apps enable broadcasters to retain audiences and capture new listeners in a competitive digital market.

166 Audio content listening habits vary significantly across age demographics, with digital audio offerings favoured by younger audiences, whilst older age demographics prefer traditional radio, as shown below:

Preferred radio format per age demographic
% of listeners that have used each format(1)



Note:
1 Based upon a consumer survey conducted by the ACMA on listening behaviour of individuals over the seven days ended 30 June 2024. Digital refers to streaming services, with traditional including all other radio formats.
Source: ACMA: *Trends and developments in viewing and listening 2023-24* report dated December 2024.

Digital radio offerings

167 Similar to SVOD and BVOD, digital radio platforms enable broadcasters to provide more valuable, data-driven audience insights to advertising agencies, and improved content delivery to further enhance consumer experience and deliver improved return on investment for advertisers.

168 Traditional radio formats (including AM, FM, and DAB+) represent the largest proportion of total radio advertisement spend, however, advertising spend on radio via digital offerings represents the fastest growing segment. Advertising expenditure on digital formats increased from $100 million in CY19 to an estimated $289 million in CY24, representing a CAGR of 23.6%, significantly higher than total radio advertising spend growth, which increased at a CAGR of 1.3% over the same period. As a result, the proportion of total radio advertising spending represented by digital radio increased from 8.8% in CY19 to an expected 23.9% in CY24, as shown below:

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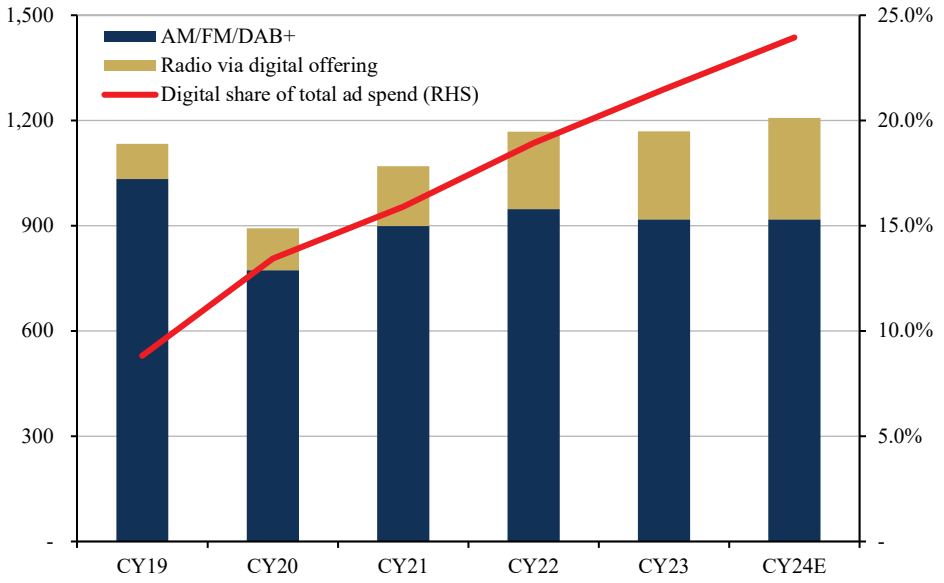
Australian radio advertising spend[1]

$bn



Note:
1 Figures for CY24 are estimates only.
Source: ACMA: *Trends and developments in viewing and listening 2023-24* report dated December 2024.

Competition

169 The Australian radio broadcasting industry is highly concentrated, with the four largest broadcasters representing around three quarters of industry revenue, as shown below:

Australian radio competitors

Operator	Region of operations	Examples of stations / platforms	Market share[1] %
SCA	Metro and regional, digital	HIT, TRIPLE M, LISTNR	22.8
ABC	Metro and regional, digital	ABC Radio, ABC News Radio, triple j, ABC Radio National	21.3
ARN	Metro and regional, digital	KIIS, GOLD, CADA, iHeart	18.9
Nova Entertainment Radio Investments	Metro, digital	nova, smoothfm	11.3
Nine Entertainment	Metro, digital	2GB Sydney, 3AW Melbourne, 4BC Brisbane	6.4
Pacific Star Network	Metro, digital	Trade Radio, Sportsday, Off The Bench	3.2
SBS	Metro and regional, digital	SBS Radio, SBS Audio	2.7

Note:
1 Based on expected share of total industry revenue in FY25 per IBISWorld.
2 In respect of government funded networks (ABC and SBS), government funding has been treated as revenue for the purposes of determining market share.
Source: IBISWorld (2025): *Radio Broadcasting in Australia* report.

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170 Publicly funded radio broadcasters ABC and SBS provide specialised broadcasting for public service, with the SBS providing a range of multilingual radio services. Whilst advertising revenue is typically minimal, these stations have recently increased their share of revenue due to a shift in long-term funding agreements from three to five years, which commenced from July 2023. The industry also includes community broadcasters that primarily rely on volunteers and typically cater to small local populations, specific communities or social groups.

171 CRA is Australia's peak industry representative body for commercial radio broadcasters. CRA represents all radio licensees on-air, which comprises 260 metropolitan and regional broadcasters[50]. CRA publishes AM, FM and DAB+ radio ratings across the major metropolitan and regional regions, as well as monthly listener numbers for the leading podcasts in Australia.

Outlook

172 The Australian media landscape is expected to continue its trend of higher advertising expenditure directed towards online mediums such as digital video and audio streaming, and social media. This is expected to further erode the advertising revenues of traditional media owners, albeit to a lesser degree relative to what has been observed over the past five years. IBISWorld has forecast the FTA TV broadcasting industry to remain relatively flat (in real terms) over the next five years, with total industry revenue of $3.8 billion expected in FY30. The integration of live sport streaming via BVOD will help to capture additional advertising spend that would otherwise be redirected to digital video platforms such as YouTube, with advertising spend on BVOD expected to increase from $447 million in CY24 to $654 million in CY28, representing a CAGR of some 10% over the period[51].

173 Radio broadcasting industry revenue is expected to increase at a CAGR of 0.4% per annum (in real terms) over the five years ended FY30, to reach approximately $1.7 billion[52]. The industry continues to be disrupted by the shift from traditional AM / FM radio to digital audio and on demand streaming, requiring major broadcasters to increase investment in digital platforms that provide personalised content, podcasts and exclusive programming, to remain competitive. As a result more advertising spend is expected to be directed towards digital radio platforms, with expenditure forecast to increase to around $455 million in CY28, representing a CAGR of 12% over the period since CY24[51].

50 Source: https://cra.au/the-audio-landscape#the_audio_landscape.

51 Source: ACMA *Trends and developments in viewing and listening 2023-24* report dated December 2024.

52 Source: IBISWorld (2025) *Radio Broadcasting in Australia* reported dated April 2025.

VI Valuation of SWM

Overview and methodology

174 The "minority interest" value of shares in SWM has been assessed by aggregating the market value of its business operations (on a minority interest basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.

175 An overview of generally accepted valuation approaches used in the determination of market value is set out in Appendix C.

176 The capitalisation of EBITDA methodology has been adopted as our primary valuation method for SWM's business operations. Under this method, the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. We have adopted this method when valuing SWM's business operations because:

(a) the Company operates in a mature industry and has a well established market position

(b) SWM has a consistent history of profitability. While recent periods have seen a decline in earnings, profits are expected to stabilise

(c) broker valuations and transaction evidence in the traditional media sector is typically reported in terms of EBITDA multiples

(d) we do not have long-term cash flow projections which we regard as sufficiently robust to support a discounted cash flow (DCF) valuation. Furthermore, given the Company's low growth earnings outlook, the DCF methodology has, in our view, relatively limited practical utility in this instance.

177 We have cross-checked our assessed value of the equity in SWM for reasonableness by reference to the PE[53] method, using underlying NPAT. We have also compared our assessed minority interest value of the equity in SWM (on a per share basis) with the listed market prices of SWM shares prior to the announcement of the Scheme.

Assessment of underlying EBITDA

178 In order to assess the appropriate level of EBITDA for valuation purposes we have had regard to the historical and forecast results of each business segment, and have discussed each segment's financial performance, operating environment and prospects with SWM management.

Recent historical results

179 A summary of SWM's segment revenue and underlying EBITDA for the four half year periods to 2H25 as well as FY23, FY24 and FY25 is presented below:

53 Price to earnings (PE) method.

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SWM – summary of financial performance[1]	Half year				Full year		
	1H24 $m	2H24 $m	1H25 $m	2H25 $m	FY23 $m	FY24 $m	FY25 $m
Television	686.3	553.3	640.6	543.4	1,315.9	1,239.6	1,184.0
The West	88.7	84.7	85.7	83.1	170.8	173.4	168.8
Other / new ventures[2]	-	2.2	0.9	0.5	1.2	2.2	1.4
Total revenue	775.0	640.2	727.2	627.0	1,487.9	1,415.2	1,354.2
Television	115.6	56.5	83.2	57.7	264.7	172.1	141.0
The West	16.2	11.3	15.1	11.8	31.3	27.5	26.8
Other / new ventures[2]	(0.1)	2.3	0.9	0.4	0.1	2.2	1.3
Corporate costs	(7.6)	(7.2)	(6.8)	(3.6)	(16.3)	(14.8)	(10.4)
Underlying EBITDA[3]	124.2	62.8	92.4	66.3	279.7	187.0	158.7
Underlying EBITDA margin	*16.0%*	*9.8%*	*12.7%*	*10.6%*	*18.8%*	*13.2%*	*11.7%*

Note:
1 Rounding differences may exist.
2 Mostly dividend income received from SWM's shareholding in ARN.
3 SWM's reported results reflect the adoption of AASB 16 which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.

180 As shown above, SWM has experienced declining revenue, EBITDA and EBITDA margins over the last three years. Consistent with broader market trends, this is principally due to structural declines in FTA advertising revenues (which still account for the large majority of SWM's advertising revenue), and reflects the increasing entertainment options available for consumers (e.g. Netflix and YouTube).

181 Total TV advertising revenue fell by 4% in FY25. Whilst 7plus grew advertising revenues by 26% in the year, this was not sufficient to offset the 8% decline in FTA advertising revenue. In 2H25 total TV advertising revenues only decreased by around 1%, principally due to 7plus advertising revenue increasing by 40% (compared to 15% in 1H25). The 7plus revenue growth in FY25 (particularly 2H25) was primarily driven by the introduction of AFL and cricket on 7plus from September 2024[54].

182 Whilst The West continues to exhibit declining revenue, these revenue reductions were largely offset by cost reductions in FY25.

FY26 outlook and analyst forecasts

183 The core of SWM's operational strategy is to reach an inflection point where 7plus revenue growth is sufficient to fully offset the structural decline in broadcast TV advertising.

184 This transition is underpinned by securing premium live sport streaming (AFL and cricket rights are locked in until 2031) and investing in data-driven advertising platforms (like the Phoenix trading platform[55]) to maximise the monetisation of digital audiences. In addition,

54 Up until September 2024 these live events were only able to be shown on SWM's FTA TV channels.

55 An audience revenue trading platform that provides dynamic trading in Australia, which was launched in March 2025.

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management is expected to continue to pursue savings in operating expenses via its cost-out program.

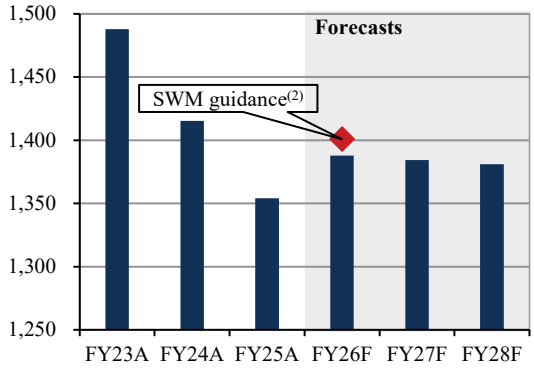
185 Whilst 7plus advertising revenue growth is expected to moderate in FY26[56] (Q1 7plus bookings growth was around 25% ahead of the prior year), SWM provided earnings guidance on 12 August 2025 which suggests that FY26 could be the first time the company generates positive annual revenue growth since 2017 (excluding the COVID-19 impacted years). Specifically, SWM is targeting underlying EBITDA in excess of $161 million in FY26, based on revenue of approximately $1.4 billion[57]. SWM provided a trading update at its annual general meeting on 6 November 2025, and confirmed that its underlying EBITDA guidance for FY26 remained unchanged.

186 SWM's guidance for FY26 also reflects the step-up in AFL contract costs and the full year impact of the acquisition of SCA's TV licenses and associated assets operating in Tasmania, Darwin, Spencer Gulf, Broken Hill, Mt Isa and remote, central and eastern Australia. These assets were acquired for $3.75 million on 30 June 2025. Whilst this was not a material acquisition, it is expected to be immediately earnings accretive.

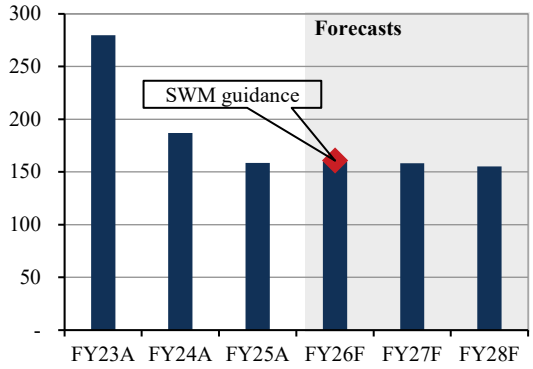
187 Analyst forecasts for SWM for FY26 to FY28 as at 24 October 2025 are summarised below:

SWM – consensus forecast revenue and underlying EBITDA(1)

Total revenue ($m)



Underlying EBITDA ($m)



Note:

1 Consensus forecasts based on average analyst estimates from Morningstar (3 Oct 25), E&P Financial, J.P. Morgan and Macquarie Group (30 Sep 25), Jefferies (29 Sep 25), Barrenjoey (27 Aug 25), Morgan Stanley (22 Aug 25), and MST Marquee and UBS (12 Aug 25).

2 Implied based upon underlying EBITDA guidance of $161+ million, plus the mid-point of guided operating expenses of $1,235 million to $1,245 million.

188 As shown above, analyst forecasts for FY26 are broadly consistent with SWM's FY26 earnings guidance. In addition, analyst forecasts indicate the revenue is expected to stabilise over the FY26 to FY28 period, with only a slight decline in EBITDA over the same period.

56 As stated above, 7plus revenue growth in 2H25 benefited from securing the right to stream AFL and cricket from September 2024.

57 Derived from SWM's underlying EBITDA guidance of in excess of $161 million and operating expenses (excluding D&A) of between $1.235 billion and $1.245 billion.

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Underlying EBITDA adjustments

Investments and equity accounted investees

189 SWM's underlying EBITDA includes dividend income from its equity investments in listed and unlisted equities that form part of the "Other / new ventures" segment. This net income principally relates to dividend income received from ARN. As SWM's shareholding in ARN (and other investments) has been valued separately (refer from paragraph 210), this net income has been excluded when determining the earnings (and value) of the core business.

190 SWM's equity accounted investees have also been valued separately (refer from paragraph 215). Accordingly, the net profit / (loss) from these equity investees (which are reported as part of the underlying EBITDA of the Television segment[58]) has also been excluded.

AASB 16 adjustments

191 SWM's reported results (and management's underlying EBITDA guidance for FY26 and the analyst forecasts) reflect the adoption of AASB 16, which materially distorts the underlying EBITDA of the business. This is because the adoption of AASB 16 replaces cash rent expenses (which should be taken into account in EBITDA) with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised (both of which are expensed below the EBITDA line). As a result, it is necessary to deduct from reported / forecast underlying EBITDA the cash rent expenses which are incurred (which effectively reverses the AASB 16 accounting entries).

EBITDA adopted for valuation purposes

192 Based on the above, we have adopted EBITDA for valuation purposes of $132.5 million, broadly calculated as follows:

SWM – EBITDA for valuation purposes

	Low $m	High $m
Underlying EBITDA(1)	158.0	162.0
Less EBITDA from "Other / new ventures" segment	(1.5)	(1.6)
Less share of NPAT from equity accounted investees	(0.8)	(1.0)
Adjustment to reverse impact of AASB 16	(25.0)	(25.0)
Total	130.7	134.4
Rounded to say	132.5	

Note:
1 Having regard to underlying EBITDA guidance and analysts forecasts.

EBITDA multiple

193 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

58 Other than HealthEngine which is reported as part of the Other / new ventures segment.

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- The stability and quality of earnings
- The quality of the management and the likely continuity of management
- The nature and size of the business
- The spread and financial standing of customers
- The financial structure of the company and gearing level
- The multiples attributed by sharemarket investors to listed companies involved in similar activities or exposed to the same broad industry sectors
- The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors
- The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc
- The cyclical nature of the industry
- Expected changes in interest rates
- The asset backing of the underlying business of the company and the quality of the assets
- The extent to which a premium for control is appropriate
- Whether the assessment is consistent with historical and prospective earnings

194 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for SWM.

Listed company multiples

195 The following table summarises the trading metrics (EBITDA multiples) for ASX and New Zealand Stock Exchange (NZX) listed companies that provide broadcast TV or similar services and/or print / publishing businesses (SCA has been included for comparative purposes only):

Listed company multiples – television and or print / publishing[1][2]

				EV / EBITDA[6]			EBITDA margin		
Company	Year end	EV[3][4] A$m	Gearing[5] %	FY25 x	FY26 x	FY27 x	FY25 %	FY26 %	FY27 %
SWM	Jun	418	48.5	3.3	3.2	3.3	9.4	9.5	9.2
SCA	Jun	257	21.7	5.0	4.4	4.4	12.1	13.4	13.0
Nine Entertainment	Jun	1,700	(12.9)	5.7	5.3	4.9	11.0	13.9	14.6
Sky Network	Jun	395	(6.0)	3.7	3.7	3.3	16.2	14.8	16.4
NZME[7]	Dec	201	13.5	6.0	5.8	5.3	11.2	11.4	12.5

Note:

1 A brief description of each company's operations is set out at Appendix D.

2 Other than SWM and SCA, enterprise value (EV) and earnings multiples are as at 17 October 2025, based on latest available information. SWM and SCA EVs are as at 29 September 2025, being the last trading day prior to the announcement of the Scheme.

3 EV includes net debt (interest bearing liabilities less non-restricted cash, net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt)) and excludes surplus assets. For the avoidance of doubt, where applicable, net debt excludes AASB 16 lease liabilities. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 17 October 2025.

4 SWM's and SCA's EVs have been adjusted to remove the carrying value of investments and equity accounted investees. Nine Entertainment's EV has been revised to remove the components of its 30 June 2025 balance sheet (cash, borrowings and minority interests) related to its (now divested) interest in Domain. The adjustments also reflect the net cash proceeds received from the divestment, less the special dividend paid.

5 Gearing is calculated as net debt (less surplus assets) divided by EV. A negative figure indicates that the company has a net cash position or has surplus assets and cash in excess of its interest bearing debt.
6 FY25 EBITDA multiple based upon earnings for the latest reported full financial year immediately preceding date of calculation. EBITDA forecasts are based on FactSet broker average forecasts (excluding outliers and outdated forecasts). EBITDA has been adjusted to remove the estimated impact of AASB 16 and where appropriate and material, the estimated earnings contribution from equity accounted associated and investments. SCA's EBITDA has also been adjusted to remove the annual non-cash accounting entry associated with the ATN contract. Nine Entertainment's EBITDA for FY25 excludes Domain.
7 The FY25 EBITDA multiple for NZME is based on the last 12 months results to 30 June 2025. Forecast EBITDA multiples for NZME for FY26 and FY27 reflect CY25 and CY26 respectively (noting that these are based upon estimates from a single analyst rather a consensus from multiple sources). Based on management's EBITDA guidance for CY25 the forecast EBITDA multiple is 5.8.

Source: FactSet, company announcements and LEA analysis.

196 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control).

197 In addition, we note that:

(a) none of the above listed companies are directly comparable to SWM. However, they are exposed to the same broad industry / market trends

(b) SWM's TV business accounts for the large majority of revenue and EBITDA (in FY25 TV accounted for approximately 87% of revenue and 83% of EBITDA (before corporate costs). The balance of SWM's revenue and EBITDA is predominately generated from its publishing business in WA

(c) the main competitor to SWM's TV business (the Nine Network) is owned by Nine Entertainment. Following the divestment of Domain, Nine Entertainment's TV business accounts for around 51% of revenue and 42% of EBITDA (before corporate costs)[59]. Nine Entertainment also has a substantial publishing business (which includes The Sydney Morning Herald, The Age and The Australian Financial Review mastheads). Together these businesses accounted for approximately 74% of total FY25 revenue and 82% of EBITDA before corporate costs following the divestment by Nine Entertainment of its shareholding in Domain. The balance of revenue and EBITDA is mostly derived from Stan (a fast growing SVOD service that requires a monthly subscription to access its content, which includes TV shows, movies and live sport)[60].

As shown above, Nine Entertainment trades on a significantly higher EBITDA multiple than SWM. This is principally due to Nine Entertainment's 100% ownership of Stan. Stan's revenue and EBITDA increased by approximately 10% and 31% respectively in FY25, and analysts have projected further strong growth in FY26.

Given the historical and forecast growth of the Stan business (and its high level of recurring subscription income), analysts that provide sum-of-the-parts valuations for Nine Entertainment apply much higher EBITDA multiples to the Stan business as compared to the TV and publishing businesses.

59 Based on FY25 results excluding Domain.
60 Nine Entertainment also has a small audio business.

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Accordingly, in order to estimate the EBITDA multiple for the TV and publishing businesses implied by the listed market price of Nine Entertainment shares, we have:

(i) deducted the estimated value of Stan[61] from the enterprise value of Nine Entertainment; and

(ii) deducted the actual and forecast EBITDA of Stan (less an allocation of corporate costs[62]) from the actual and forecast EBITDA of Nine Entertainment.

On this basis, we estimate that the listed market value of Nine Entertainment's businesses other than Stan (i.e. predominately its TV and publishing businesses[63]) as at 17 October 2025 was around 3.2 times to 4.0 times EBITDA[64]

(d) Sky Network is the dominant and largest subscription TV provider in New Zealand (NZ). Whilst its revenue has been relatively stable since 2020, revenue has declined significantly over the last 10 years due to competition from global streaming competitors and increased competition for exclusive sports content. Whilst its business model is different from SWM, it has faced similar financial pressures and trades on similar multiples to SWM

(e) NZME does not own any TV stations. Whilst NZME has a publishing business (which accounts for around 57% of EBITDA for the 12 months ended 30 June 2025), it also has a significant audio business (39% of EBITDA for the 12 months ended 30 June 2025) and owns the OneRoof property portal (which provides listings, market data and property insights)

(f) the EBITDA multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

EBITDA multiples over time

198 We set out below SWM's one-year forward EBITDA multiples alongside those of Sky Network and SCA, the latter of which has been included for comparative purposes only[65]:

61 Analysts' valuations of Stan are around $700 million to $900 million.

62 Which we have done having regard to Stan's revenue and EBITDA contribution relative to Nine Entertainment's revenue and EBITDA excluding any contribution from Domain due to the sale of that shareholding.

63 And Nine Entertainment's audio business which only contributed some 2% of EBITDA before corporate costs (excluding Domain) in FY25.

64 The EBITDA multiple range is due to the range adopted for the value of Stan. Both the FY25 actual and FY26 forecast EBITDA multiples were similar due to the lack of any significant growth forecast in the television and publishing businesses.

65 One year forward multiples for NZME have been excluded, as they are based upon estimates from a single analyst rather a consensus from multiple sources. The one year forward multiple for Nine Entertainment is impacted by contributions from Domain (prior to its divestment) and Stan (as noted above).

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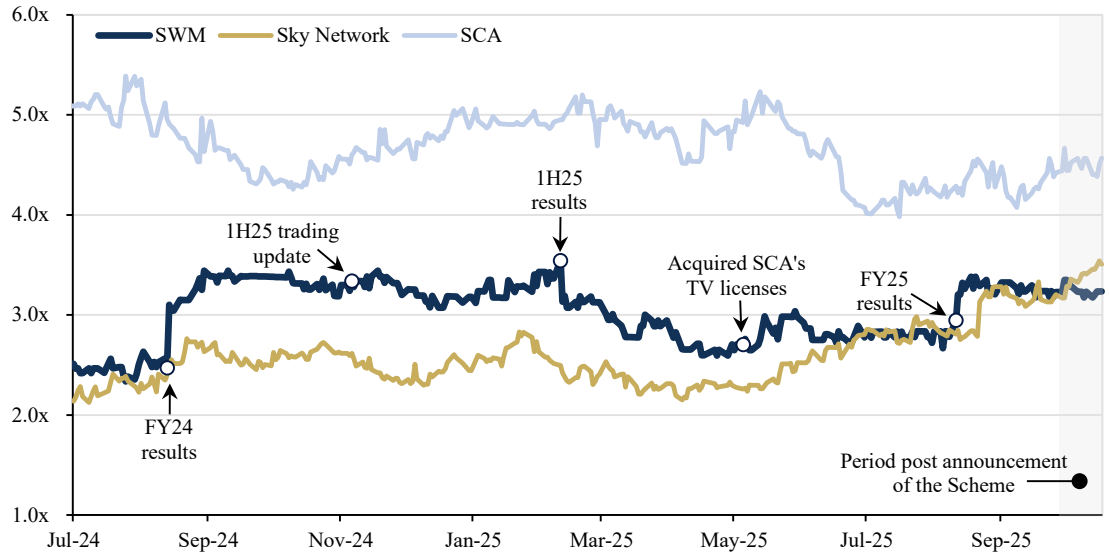
One year forward EBITDA multiples over time
1 July 2024 to 17 October 2025(1)



Note:
1 SWM's and SCA's EVs have been adjusted to remove the carrying value of investments and equity accounted investees. EBITDA is adjusted to remove the estimated impact of AASB 16 and where appropriate and material, the estimated earnings contribution from investments and equity accounted associates. SCA's EBITDA has also been adjusted to remove the annual non-cash accounting entry associated with the ATN contract.

Source: FactSet, company announcements and LEA analysis.

199 As shown above, subsequent to the release of its FY24 results SWM shares have generally traded on a one year forward EBITDA multiple between 2.75 times and 3.5 times. Sky Network has historically traded on broadly similar multiples to SWM, particularly from, or around June 2025.

200 SCA has generally traded on a higher multiple than SWM. Separately, as shown in Section VII (where we set out the EBITDA multiples of the major listed Australian broadcast and digital radio participants), ARN also trades on higher multiples than SWM, albeit we note that the observed period of trading for this company (post the announcement of its intended divestiture of its Cody business) is relatively limited. We attribute this to the relative resilience of radio listeners and advertising revenues as compared to other traditional media, such as FTA TV.

Transaction evidence

201 There have been few recent transactions in Australia / NZ concerning broadcast TV (or similar service providers) and print / publishing businesses, which in part reflects the relatively strict regulatory media framework governing ownership[66]. While LEA would normally focus on more contemporaneous transaction evidence (i.e. within the past 5-10 years), given the limited availability of evidence in this circumstance, we have also considered transactions dating back to the early 2010s involving both TV broadcasters and print / publishing businesses in Australia / NZ.

66 For example, the former "75% audience reach" and "two-out-of-three" rules and the ongoing "two-to-a-market", "one-to-a-market" and "minimum voices" rules (refer to Section V).

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202 A summary of the identified transactions from which valuation multiples can be derived is set out below (for descriptions of the transactions refer to Appendix E):

Transaction multiples – television and or print / publishing

Date[1]	Target	Media type	EV[2] A$m	EV / EBITDA x
Dec 24 / May 25	SCA TV assets	TV	16[3]	3.4 F
Nov 21	Prime Media Group	TV	92[4]	3.7 F
Oct 19	Pacific Magazines	Print / publishing	40	4.9 H
Jun 19	Australian Community Media	Print / publishing	115	3.3 H
May 17	SCA's northern NSW TV business	TV	55	5.5 F
Feb 11	Seven Media Group	TV, print / publishing	4,085	9.4 F

Note:
1 Date of announcement.
2 Implied value of an acquisition of 100% if transaction does not already involve an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.
3 Whilst the gross proceeds from sale were stated to be between $19 million and $24 million (representing 4 to 5 times EBITDA), the large majority of the purchase price is a future profit share payable over a five year period. The present value of the consideration was stated to be between $13.75 million and $18.75 million, which translates to an EBITDA multiple of 2.9 to 3.9 (mid-point of 3.4).
4 Based on SWM's announced consideration paid (adjusted for two surplus properties) and the level of (pre-AASB 16) EBITDA adopted by the Independent Expert opining on the transaction.
F – forecast, H – historic.
Source: Company announcements, press commentary and LEA analysis.

203 In relation to the transaction evidence, it should be noted that:

(a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control

(b) none of the above businesses are directly comparable to SWM

(c) the market value of traditional media businesses (e.g. FTA TV broadcasters and publishers), and the earnings multiples paid for such businesses, have declined significantly over the last decade due to structural declines in their advertising revenues

(d) the more recent transactions, particularly those involving TV assets (i.e. SCA TV assets and Prime Media Group), have occurred on multiples that are not dissimilar to those upon which SWM currently trades, reflecting in part, the structural decline in advertising revenue that has occurred. However, it should be noted that:

  (i) these transactions represent controlling, not portfolio, interest multiples[67];

  (ii) the transactions involve smaller scale businesses than SWM; and

  (iii) the SCA TV transaction multiple is likely to be stated on a post-AASB 16 basis, which may marginally understate its pre-AASB 16 equivalent

67 The equivalent portfolio interest EBITDA multiples would be lower. However, because of the nature of the transactions, it is not possible to determine the implied portfolio interest multiples with any degree of accuracy and any such estimate would be speculative.

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(e) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target's "maintainable" earnings.

204 Other than the SCA TV assets and Prime Media Group transactions[68], we do not believe that any significant reliance should be placed on the above transaction multiples.

205 In addition to the transaction evidence set out above, we also note that on 26 July 2018 Fairfax and Nine Entertainment announced the merger of both companies (which completed in December 2018). As the merger was not a change of control transaction, and both companies had business interests in addition to their TV and print / publishing businesses (e.g. Fairfax owned Domain and 50% of Stan, and Nine owned 50% of Stan), the overall transaction multiple is not meaningful. However, the Independent Expert opining on the merger did set out in their report the following EBITDA multiples (implied by their assessed controlling interest values) which are relevant to our valuation of SWM (and SCA):

Fairfax / Nine Entertainment merger – Implied EBITDA multiples based on expert's valuation	
	Forecast EV / EBITDA x
Fairfax businesses:	
Australian Metro Media(1)	4.7 – 5.5
Australian Community Media(2)	2.5 – 3.0
Stuff(3)	3.5 – 4.1
Newspaper publishing business(4)	3.7 – 4.4
Macquarie Media(5)	8.2 – 8.8
Nine Entertainment:	
Business operations excluding Stan and associates(6)	8.2 – 8.9

Note:

1 Principally a publisher of Australian metropolitan newspapers in print and digital format (including The Sydney Morning Herald, The Age, The Australian Financial Review, BrisbaneTimes.com.au and WAtoday.com.au).
2 An Australian rural, regional and agricultural newspaper and digital media business, with more than 160 regional publications and community based websites.
3 Integrated multi-media business in NZ with a range of brands across multiple platforms including newspapers, magazines, events, websites and mobile.
4 Comprising Australian Metro Media, Australian Community Media and Stuff.
5 ASX listed national network of news, talk and sports radio stations across Australia targeted at people aged 40-plus.
6 The Independent Expert noted that the multiples implied by the valuation of Nine Entertainment's business operations *"are blended multiples reflecting its FTA television broadcasting business (which would warrant a relatively lower multiple but represents the majority of Nine'[sic] EBITDA) and its digital publishing business (which would warrant a relatively higher multiple but represents a much smaller proportion of Nine's EBITDA)"*.

68 Whilst these are controlling interest transactions they involve acquisitions of smaller scale businesses than SWM.

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Other factors

206 In assessing the appropriate EBITDA multiple for SWM, we have also had regard to the following, amongst other factors:

(a) **Average net debt** – as noted at paragraph 224, SWM's business is seasonal and its net debt fluctuates throughout the year. The reported net debt figures as at 31 December and 30 June (which are the balances reflected in SWM's trading multiples above) are typically lower than the average balance for the year. For example, the difference between the reported balance at 30 June 2025 and the average net debt adopted for valuation purposes is approximately $20 million. Substituting the 30 June 2025 reported net debt with the average annual net debt, increases SWM's trading multiples as at 29 September 2025, as well as its forward multiples post the release of the FY25 results by approximately 0.2 times

(b) **Television segment headwinds** – SWM faces significant challenges in the medium to long term as FTA TV advertising revenues (which still account for the large majority of revenue) are expected to continue to decline. Further, as premium content is essential for driving 7plus audience engagement, the increasing cost of live sporting content (in particular) may also place pressure on profit margins in the medium to long term.

(c) **Commercial Broadcasting Tax** – currently, there is significant uncertainty regarding whether the CBT will remain suspended or will be reintroduced at its expiry date of 8 June 2026 (refer paragraph 144(a)). The CBT (which replaced licence fees and applied to commercial broadcasters such as SWM) was suspended from 9 June 2025 to 8 June 2026 to provide financial relief to commercial broadcasters who are experiencing financial pressures as a result of the increasing level of competition from digital platforms. As the CBT does not apply to the digital platforms, there is a reasonable probability that the CBT will continue to be suspended. However, should the CBT be reintroduced from 8 June 2026 at the same level as prior to the suspension, SWM would likely incur additional costs of around $16 million to 17 million per annum

(d) **Growth in underlying EBITDA –** as depicted in the charts at paragraph 187, analysts do not expect SWM to achieve any significant growth in underlying EBITDA over the next few years.

Conclusion on the appropriate EBITDA multiple

207 Based on the above, in our opinion, an EBITDA multiple range of 3.25 times to 3.75 times is appropriate when applied to the EBITDA that has been adopted for valuation purposes. The adopted range is:

(a) consistent with the forward EBITDA multiple range which SWM has traded on since the release of its FY24 results, noting that the trading multiples are based upon reported net debt balance as at 30 June and 31 December of each year, which are typically lower than the average balance for the year. The adoption of average net debt, rather than reported net debt, increases SWM's observed forward trading multiples subsequent to the release of its FY25 results (as well as its multiples as at 29 September 2025) by approximately 0.2 times and by more for periods extending back to the release of the 1H25 results

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(b) broadly consistent with the lower end of the EBITDA multiple implied for Nine Entertainment's TV and publishing businesses excluding Stan (which we have estimated in paragraph 197(c)); and

(c) lower than that which we have attributed to SCA, given the evidence that radio businesses generally trade on higher multiples than TV oriented business.

Value of SWM business

208 Based on the above, we have assessed the value of the SWM business on a cash and debt free basis as follows:

SWM – enterprise value (or value of business on a cash and debt free basis)[1]			
	Paragraph	Low $m	High $m
Underlying EBITDA	192	132.5	132.5
EBITDA multiple – minority interest (times)	207	3.25	3.75
Enterprise value		430.6	496.9

Note:
1 Rounding differences may exist.

Other assets / liabilities

209 SWM has a number of other assets / (liabilities) that are not reflected in our assessed enterprise value (or within our assessed net cash / (debt)) and for which an appropriate allowance should be made when assessing the value of the equity in SWM. These assets and liabilities are discussed below.

Value of investments

210 SWM's balance sheet as at 30 June 2025 includes "Other Financial Assets" with a carrying value of $78.4 million (refer paragraphs 84 and 94(e)). These assets represent equity investments in listed and unlisted entities, and include interests in the following listed companies:

(a) a 19.4% interest in ARN[69]

(b) a 5.8% interest in Raiz

(c) a 10.8% interest in Mad Paws.

211 Unlisted investments include shares and / or convertible note holdings in VMG (formerly Independent Media Publishers Pty Limited, Open Money (a general insurance startup) and other entities.

We have valued SWM's listed investments in ARN and Raiz by reference to their recent trading prices in September 2025. A control transaction was announced for Mad Paws in July 2025, and the recent share trading range (and our valuation) is consistent with the proposed offer price.

69 SWM currently has a 14.5% direct shareholding in ARN and an economic interest in further 4.9% via a cash equity swap transaction with an Australian financial services firm. ARN is SWM's largest investment by value.

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212 We have reviewed SWM's valuations for each of its unlisted investments, which we have considered when forming our own view on value. The unlisted investments have generally been valued based on (inter-alia) relative market based valuation methods (e.g. price to sales or PE multiples by reference to similar companies), recent capital raisings and/or cost (in circumstances where SWM has only recently made the investment).

213 At the request of SWM, we have not set out our assessed value of the individual investments on the basis that disclosure could prejudice SWM, or the investee companies.

214 Based on our analysis, we have adopted a combined value for these listed and unlisted investments of $50 million to $55 million. This valuation range has been assessed on a minority interest basis and reflects a small minority interest discount. The lower valuation range compared to SWM's carrying value principally reflects lower assessed values for SWM's unlisted investments.

Equity accounted investees / associates

215 SWM also has a number of equity accounted investees / associates as outlined in Section III (refer paragraphs 85 and 94(d)). We have reviewed these in detail and have assessed their minority interest value at between $15 million and $20 million. The mid-point of this range reflects a slight premium to SWM's accounting (not market based) carrying value as at 30 June 2025 of $16.9 million.

Onerous contracts

216 As at 30 June 2025, SWM had recognised a provision for onerous contracts of $12.5 million (refer paragraph 94(g)). The annual unwind of the onerous contracts provision neutralises the future impact of any identified onerous contracts in the profit and loss (i.e. but for the unwinding of the provision, a negative EBITDA contribution would be recognised in respect of the contract). As the annual impact of these onerous contracts is not reflected in the EBITDA we have adopted for valuation purposes, we have separately included an allowance for the provision (on a post-tax basis).

Carry forward capital losses and franking credits

217 As at 30 June 2025, SWM had $223 million in carry forward capital losses and $116 million in franking credits. SWM does not hold any non-core assets with material latent capital gains which could utilise these carry forward capital losses. Furthermore, any net proceeds realised from the sale of a non-core asset (such as its investments like ARN, Raiz, Mad Paws etc.) would likely be allocated toward debt reduction rather than distributed as (fully franked) dividends, given the Company's leverage ratio[70] of 1.8 times remains above its targeted range of 1.0 to 1.5 times. Accordingly, we have not attributed any value to these assets in our assessment of a portfolio interest in SWM.

Class action regarding alleged staff underpayments

218 In September 2025, media reports indicated that SWM may be subject to a potential class action relating to alleged staff underpayments. As at the date of this report, no legal proceedings had been formally commenced, and SWM has rejected the allegations. In light of this, no allowance has been made for any potential contingent liability.

70 Being net debt divided by EBITDA.

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Performance rights and share rights

219 SWM has approximately 25.4 million performance rights and 0.3 million share rights outstanding which have been issued to SWM's senior executives in accordance with SWM's LTIP and NED Plan. In this regard, we understand that the SWM Board has approved the early vesting of 6.3 million performance rights and 0.3 million share rights prior to implementation of the Scheme (with the balance being cancelled). Consistent with the manner in which SWM has previously satisfied it obligations in respect of these rights, we have assumed that SWM shares would be purchased on market at values that equal the low and high end of our assessed minority interest per share values. The cash cost of doing, net of the 12,000 shares already held on trust as at 30 June 2025 (refer paragraph 99), approximates $0.7 million to $1 million.

Unavoidable transaction costs

220 One-off transaction costs related to the Merger are estimated at approximately $17.8 million. These costs include financial advisory, legal, accounting, printing, scheme meeting and other costs associated with the transaction.

221 SWM's share of the unavoidable element of these costs, which will be incurred by SWM regardless of whether the Scheme proceeds, is estimated to be approximately $2.8 million[71].

Summary of other assets / (liabilities)

222 Based upon the above, we have assessed the value of SWM's other assets / (liabilities) as follows:

SWM – other assets / (liabilities)[(1)]

	Paragraph	Low $m	High $m
Investments	214	50.0	55.0
Equity accounted investees / associates	215	15.0	20.0
Onerous contracts (post-tax)	216	(8.8)	(8.8)
Carry forward capital losses and franking credits	217	-	-
Class action for staff underpayments	218	-	-
Performance rights and share rights	219	(0.7)	(1.0)
Unavoidable transaction costs	221	(2.8)	(2.8)
Total other assets / (liabilities)		52.7	62.4

Note:
1 Rounding differences may exist.

Net cash / (debt)

223 As at 30 June 2025, SWM had net debt of $286.6 million, comprising borrowings of $397.1 million and cash of $110.5 million (refer to paragraphs 93 and 94(i)).

224 However, we note that SWM's business is seasonal with the majority of profit being generated in the first half of its financial year. As a result of this seasonality, SWM's investment in working capital and its net debt level varies during the year. For valuation purposes we are therefore of the opinion that it is appropriate to consider the average net debt

71 Whilst there may be some tax benefit associated with these costs, no such allowance has been made.

level throughout the year rather than the net debt level at a point in time when determining the value of the equity in SWM.

225 Having regard to the average actual net debt over the 12 months to August 2025 and forecast average net debt for FY26, we have concluded that net debt of $315 million is appropriate for valuation purposes.

Fully diluted shares on issue

226 SWM has some 1,539.1 million shares on issue. We have separately allowed for the cash cost of settling all outstanding performance and share rights that have been permitted to vest as a result of the Scheme.

Valuation summary

227 Given the above, we have assessed the value of 100% of the equity in SWM on a minority interest basis as follows:

SWM – valuation summary[1]

	Paragraph	Low $m	High $m
Enterprise value	208	430.6	496.9
Other assets / (liabilities)	222	52.7	62.4
Net cash / (debt)	225	(315.0)	(315.0)
Equity value – minority interest basis		168.4	244.3
Number of shares on issue (million)[2]	226	1,539.1	1,539.1
SWM value per share – minority interest basis ($)		0.11	0.16

Note:
1 Rounding differences may exist.
2 The cost of settling the performance rights and share rights that will be permitted to vest as a result of the Scheme is allowed for within other assets / (liabilities).

Equity valuation cross-checks

Implied PE multiples

228 We have cross-checked our assessed value of the equity in SWM for reasonableness by reference to the PE approach, using underlying NPAT.

229 The PE multiples implied by our assessed value range are shown below:

SWM – implied PE multiples[1]

	Paragraph	Low $m	High $m
SWM equity value – minority interest basis	227	168.4	244.3
FY26 underlying NPAT (based on FactSet consensus)		54.3	54.3
Implied PE multiple – minority interest (times)		3.1	4.5

Note:
1 Rounding differences may exist.

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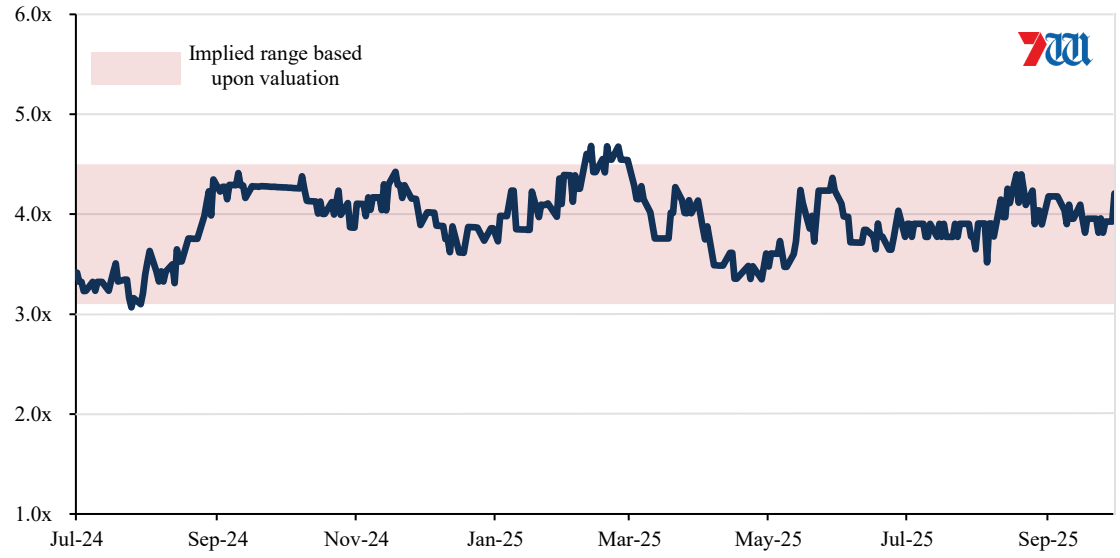
230 We depict below a comparison of the PE multiple range implied by our valuation against SWM's one year forward PE multiples from 1 July 2024 through to 29 September 2025 (being the last trading day prior to the announcement of the Scheme):

One year forward PE multiples (using NPAT)
1 July 2024 to 29 September 2025[1]



Note:
1 Based on market capitalisation and NPAT without adjustment.
Source: FactSet, Company announcements and LEA analysis.

231 The PE multiples implied by our valuation of SWM are broadly consistent with the one year forward PE multiples observed for SWM.

Comparison with listed market prices

232 We have also considered the listed market prices of SWM shares up to and including 29 September 2025 (being the last trading day prior to the announcement of the Scheme). These market prices are shown below:

SWM – share prices prior to the announcement of the Scheme

Trading period	Low $	High $	Close $	VWAP $
29 September 2025	0.135	0.140	0.140	0.138
1 month to 29 September 2025	0.135	0.150	0.140	0.140
3 months to 29 September 2025	0.135	0.155	0.140	0.145

Source: FactSet.

233 Although turnover in SWM shares (on an annualised basis) has been relatively low over the over the one and three months prior to the announcement of the Scheme, SWM shares have nonetheless traded in a relatively consistent band of between $0.14 and $0.15 per share over the observed period.

234 Our assessed value of SWM shares on a minority interest basis is broadly consistent with this range.

VII Valuation of SCA

235 The "minority interest" value of shares in SCA has been assessed by aggregating the market value of its business operations (on a minority interest basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.

236 An overview of generally accepted valuation approaches used in the determination of market value is set out in Appendix C.

237 The capitalisation of EBITDA methodology has been adopted as our primary valuation method for SCA's business operations. Under this method, the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. We have adopted this method when valuing SCA's business operations because:

(a) SCA operates in a mature industry and has a well established market position

(b) SCA has a consistent history of profitability and this is expected to be maintained

(c) broker valuations and transaction evidence in the traditional media sector are typically reported in terms of EBITDA multiples

(d) we do not have long-term cash flow projections which we regard as sufficiently robust to support a DCF valuation. Furthermore, given SCA's low growth earnings outlook, the DCF methodology has, in our view, relatively limited practical utility in this instance.

238 We have cross-checked our assessed value of the equity in SCA for reasonableness by reference to the PE method, using underlying NPAT. We have also compared our assessed minority interest value of the equity in SCA (on a per share basis) with the listed market prices of SCA shares prior to the announcement of the Scheme.

Assessment of underlying EBITDA

239 In order to assess the appropriate level of EBITDA for valuation purposes we have had regard to the historical and forecast results of each business segment, and have discussed each segment's financial performance, operating environment and prospects with SCA management.

Recent historical results

240 A summary of SCA's segment revenue and underlying EBITDA for the four half year periods to 2H25 as well as FY23[72], FY24 and FY25 is presented below:

72 The FY23 consolidated results do not account for the now divested TV segment as a discontinued operation. Accordingly, reported FY23 corporate costs and underlying EBITDA are not considered meaningful and have therefore been excluded from the table.

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SCA – segment performance (continuing operations)[1]	Half year				Full year		
	1H24	2H24	1H25	2H25	FY23[2]	FY24	FY25
	$m	$m	$m	$m	$m	$m	$m
Broadcast Radio	183.5	183.1	187.6	189.2	372.6	366.6	376.8
Digital Audio	15.6	19.5	22.1	23.0	24.6	35.0	45.1
Corporate	-	0.3	-	-	0.4	0.3	-
Total revenue	199.1	202.9	209.7	212.2	397.6	401.9	421.9
Broadcast Radio	42.8	44.4	45.8	51.4	97.9	87.2	97.2
Digital Audio	(8.6)	(2.3)	0.1	1.9	(17.6)	(10.9)	2.0
Corporate	(12.9)	(10.4)	(14.6)	(13.4)	nm	(23.3)	(28.0)
Underlying EBITDA[3]	21.3	31.7	31.2	39.9	nm	52.9	71.1
Revenue growth	*(0.7%)*	*3.1%*	*5.3%*	*4.6%*	*nm*	*1.1%*	*5.0%*
U/lying EBITDA margin	*10.7%*	*15.6%*	*14.9%*	*18.8%*	*nm*	*13.2%*	*16.9%*

Note:
1 Rounding differences may exist.
2 The FY23 consolidated results do not account for the now divested TV segment as a discontinued operation. Accordingly, reported FY23 corporate costs and underlying EBITDA are not considered meaningful and have therefore been excluded from the table.
3 SCA's reported results reflect the adoption of AASB 16 which increases EBITDA as it replaces cash rent expenses with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised.
nm – not meaningful.

241 As shown above, SCA's Broadcast Radio segment has achieved steady results over the last three years, highlighting the resilience of radio listeners and advertising revenues compared to other tradition media which has seen revenue declines (such as FTA TV).

242 EBITDA overall (i.e. including the Digital Audio segment) has grown strongly, driven by the turnaround in SCA's digital audio platform, LiSTNR, which achieved its first full year of positive EBITDA in FY25 of $2 million.

FY26 outlook and analyst forecasts

243 SCA management provided the following revenue and EBITDA guidance for FY26 on 25 August 2025:

(a) **Revenue –** forecast to be between $435 million and $440 million, representing modest year-over-year growth from the $421.9 million reported in FY25. This growth is expected to be driven by continued metro radio share growth and above-market growth in Digital Audio

(b) **EBITDA –** forecast between $78 million and $83 million (underlying), a significant increase from the $71.1 million reported in FY25. Management expects to gain substantial operating leverage by growing revenue while maintaining strict cost control. Non-revenue related costs are forecast by management at below $270 million (compared to $275.3 million in FY25).

244 Analyst forecasts for SCA for FY26 to FY28 as at 24 October 2025 are summarised below:

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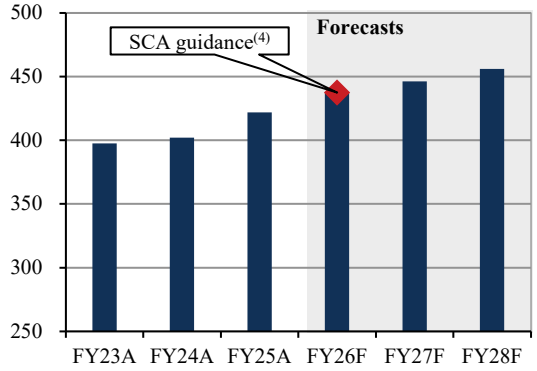
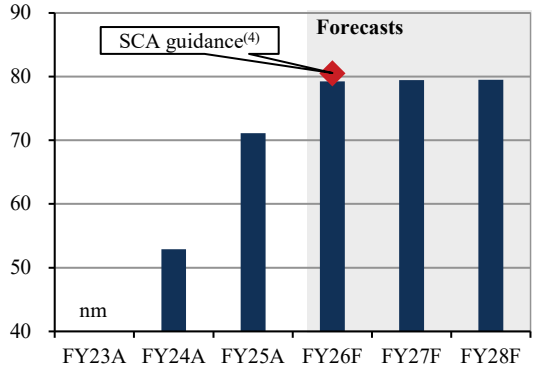
SCA – consensus forecast revenue and underlying EBITDA(1)

Total revenue ($m)(2)



Underlying EBITDA ($m)(3)



Note:

1 Consensus forecasts based on average analyst estimates from Canaccord Genuity (1 Oct 25), Morningstar (30 Sep 25), UBS (29 Aug 25), and Barrenjoey and Morgan Stanley (27 August 25).
2 Represents the revenue from Broadcast Radio, Digital Radio and Corporate (and excludes the now divested TV segment).
3 FY23 underlying EBITDA is not meaningful as the consolidated results do not account for the now divested TV segment as a discontinued operation.
4 Mid-point of SCA's guidance.
nm – not meaningful.

245 As shown above, analyst forecasts for FY26 are broadly consistent with SCA's revenue and earnings guidance. In addition, analysts are forecasting only modest revenue growth and relatively flat EBITDA over the FY26 to FY28 period.

Underlying EBITDA adjustments

ATN contract adjustment

246 As noted in Section IV (paragraph 126(e)), on 9 February 2016, SCA entered into a long-term contract with ATN to provide traffic reports for broadcast on SCA radio stations. SCA received a $100 million upfront payment from ATN, and receives recurring annual payments of $2.75 million (indexed to CPI) in return for a specified number of secured advertising spots over the period of the agreement. The contract has a term of 20 years, with an option for ATN to extend it for a further 10 years.

247 For accounting purposes:

(a) the $100 million upfront cash payment was recorded on the balance sheet as "deferred income" and is being released to the income statement over the 30 year contract period[73].

(b) the recurring annual payments are being recognised as income over the (annual) period to which they relate (which is appropriate).

248 In relation to the $100 million upfront cash payment, SCA recognised revenue and interest expenses[74] of $7.1 million and $5 million respectively in FY25, resulting in a net profit contribution (before tax) of $2.1 million in that year.

73 Unless the contract ends after 20 years at which point the remaining balance will be recognised as revenue in year 20.

74 Being the deemed financing element included in the upfront payment.

249 Whilst this revenue recognition is consistent with the requirements of the accounting standards, SCA has already received all of the $100 million payment in cash, and consequently the $7.1 million in revenue included in EBITDA is simply a non-cash accounting entry. Accordingly, in our capitalisation of EBITDA valuation it is appropriate to exclude this income.

Investment income

250 As noted in Section IV (paragraph 126(b)), SCA has a number of investments. We have valued these investments separately to SCA's core radio business. However, no material earnings contribution (i.e. dividends or equity accounted profits) from these investments was included in the FY25 result and SCA management's FY26 guidance. Accordingly, no adjustment to underlying EBITDA is required in relation to these investments.

AASB 16 adjustments

251 SCA's reported results (and management's underlying EBITDA guidance for FY26 and the analyst forecasts) reflect the adoption of AASB 16, which materially distorts the underlying EBITDA of the business. This is because the adoption of AASB 16 replaces cash rent expenses (which should be taken into account in EBITDA) with depreciation of the ROU assets as well as an interest expense associated with lease liabilities recognised (both of which are expensed below the EBITDA line). As a result, it is necessary to deduct from reported / forecast underlying EBITDA the cash rent expenses which are incurred (which effectively reverses the AASB 16 accounting entries).

EBITDA adopted for valuation purposes

252 Based on the above, we have adopted EBITDA for valuation purposes of $60.5 million, broadly calculated as follows:

SWM – EBITDA for valuation purposes

	Low $m	High $m
Underlying EBITDA[(1)]	78.0	83.0
ATN contract adjustment	(7.1)	(7.1)
Share of equity accounted profits	-	-
Adjustment to reverse impact of AASB 16	(13.0)	(13.0)
Total	57.9	62.9
Rounded to say	60.5	

Note:
1 Having regard to underlying EBITDA guidance and analysts forecasts.

EBITDA multiple

253 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

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- The stability and quality of earnings
- The quality of the management and the likely continuity of management
- The nature and size of the business
- The spread and financial standing of customers
- The financial structure of the company and gearing level
- The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors
- The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors
- The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc
- The cyclical nature of the industry
- Expected changes in interest rates
- The asset backing of the underlying business of the company and the quality of the assets
- The extent to which a premium for control is appropriate
- Whether the assessment is consistent with historical and prospective earnings

254 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for SCA.

Listed company multiples

255 The following table summarises the trading metrics (EBITDA multiples) for ASX and NXZ listed companies that provide broadcast / digital radio or similar services (SWM has been included for comparative purposes only):

Listed company multiples – radio[1][2]

				EV / EBITDA[6]			EBITDA margin		
Company	Year end	EV[3][4] A$m	Gearing[5] %	FY25 x	FY26 x	FY27 x	FY25 %	FY26 %	FY27 %
SCA	Jun	257	21.7	5.0	4.4	4.4	12.1	13.4	13.0
SWM	Jun	418	48.5	3.3	3.2	3.3	9.4	9.5	9.2
ARN[7]	Dec	197	20.6	4.1	4.0	3.7	15.3	16.1	17.2
NZME[8]	Dec	201	13.5	6.0	5.8	5.3	11.2	11.4	12.5
Sports Entertainment[9]	Jun	55	(37.8)	4.9	na	na	10.2	na	na

Note:

1 A brief description of each company's operations is set out at Appendix D.

2 Other than SWM and SCA, enterprise value (EV) and earnings multiples are as at 17 October 2025, based on latest available information. SWM and SCA EVs are as at 29 September 2025, being the last trading day prior to the announcement of the Scheme.

3 EV includes net debt (interest bearing liabilities less non-restricted cash, net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt)) and excludes surplus assets. For the avoidance of doubt, where applicable, net debt excludes AASB 16 lease liabilities. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 17 October 2025.

4 SWM's and SCA's EVs have been adjusted to remove the carrying value of investments and equity accounted investees. ARN's EV has been adjusted to remove the carrying value of its equity accounted associates, its interest in SCA (based on its listed market price on 29 September 2025), the value of the Airtasker convertible note and the 30 June 2025 carrying value of its outdoor advertising business Cody (which was stated in the accounts at "fair value less costs to sell").

5 Gearing is calculated as net debt (less surplus assets) divided by EV. A negative figure indicates that the company has a net cash position or has surplus assets and cash in excess of its interest bearing debt.
6 FY25 EBITDA multiple based upon earnings for the latest reported full financial year immediately preceding date of calculation. EBITDA forecasts are based on FactSet broker average forecasts (excluding outliers and outdated forecasts). EBITDA has been adjusted to remove the estimated impact of AASB 16 and where appropriate and material, the estimated earnings contribution from equity accounted associated and investments. SCA's EBITDA has also been adjusted to remove the annual non-cash accounting entry associated with the ATN contract.
7 ARN has a December year end. The EBITDA multiple shown above for ARN for FY25 actually relates to CY24, and the forecast EBITDA multiples for ARN for FY26 and FY27 reflect CY25 and CY26 respectively. EBITDA is based upon continuing operations excluding equity accounted associates and investments.
8 The FY25 EBITDA multiple for NZME is based on the last 12 months results to 30 June 2025. Forecast EBITDA multiples for NZME for FY26 and FY27 reflect CY25 and CY26 respectively (noting that these are based upon estimates from a single analyst rather a consensus from multiple sources). Based on management's EBITDA guidance for CY25 the forecast EBITDA multiple is 5.8.
9 On 25 September 2025, Sports Entertainment announced the sale of its 47.5% interest in the Perth Wildcats. We have treated this as a surplus asset and added back the equity accounted loss in FY25 when calculating the EBITDA multiple.

na – not available.
Source: FactSet, company announcements and LEA analysis.

256 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control).

257 In addition, we note that:

(a) none of the above listed companies are directly comparable to SCA. However, they are exposed to the same broad industry / market trends

(b) ARN announced its intention to undertake a strategic review of its Hong Kong based outdoor advertising business, known as Cody, at its annual general meeting on 8 May 2025. Cody was first categorised as a discontinued operation in ARN's financial statements for the six months to 30 June 2025 (these were published on 27 August 2025). Additionally, ARN divested its Emotive business[75] on 30 May 2025.

ARN's continuing operations are primarily represented by its Australian based audio business (the ARN segment)[76], making it the most comparable company to SCA. Whilst SCA is slightly larger than ARN's continuing operations (SCA generated revenue of $422 million in FY25, whereas ARN generated approximately $297 million in revenue from continuing operations in the 12 months to 30 June 2025[77]), ARN is also a major participant in the broadcast and digital radio sector in Australia, with 58 broadcast radio stations and 46 digital audio stations in both metropolitan and regional communities across Australia. Both businesses also generate a similar level of revenue from their digital audio business as a percentage of total revenue (SCA 10.7% in FY25 compared to 9.4% for ARN[78])

75 A creative agency focused on content marketing.
76 Including equity accounted investments such as Nova Entertainment (Perth) Pty Ltd and its investment in SCA.
77 Based upon ARN's financial disclosures for the ARN segment and excludes equity accounted associates and investments.
78 ARN's digital revenue as a percentage of total revenue is for the six months to 30 June 2025.

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(c) whilst NZME has a significant audio business (39% of EBITDA for the 12 months ended 30 June 2025), it also has a publishing business (which accounts for around 57% of EBITDA for the 12 months ended 30 June 2025), and owns the OneRoof property portal (which provides listings, market data and property insights)

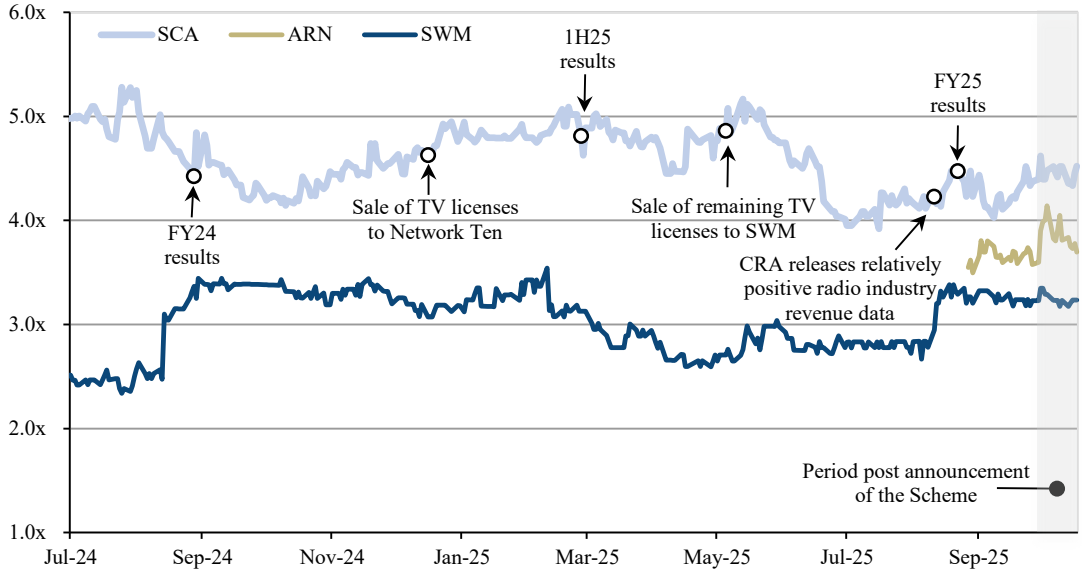
(d) Sports Entertainment is an Australian sports media entertainment company focused on delivering sports content across radio, digital and TV platforms. It operates the Sports Entertainment Network radio stations in Australia and NZ and produces original media content amongst other things. The company also has interests in professional sports teams. Accordingly, it is not considered directly comparable to SCA

(e) the EBITDA multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

EBITDA multiples over time

258 We set out below SCA's one-year forward EBITDA multiples alongside those of ARN and SWM, the latter of which has been included for comparative purposes only[79]. ARN's multiple is only shown from 27 August 2025, being the date it first published financial information that categorised Cody as a discontinued operation[80]:

One year forward EBITDA multiples over time
1 July 2024 to 17 October 2025[(1)(2)]



79 One year forward multiples for NZME have been excluded, as they are based upon estimates from a single analyst rather a consensus from multiple sources. One year forward multiples cannot be derived for Sports Entertainment, due to the absence of forecasts.

80 Whilst it is theoretically possible to calculate a one year forward multiple for ARN excluding Cody at an earlier point in time, doing so would require the adoption of material assumptions regarding the valuation of Cody over time which would significantly reduce the reliability of the analysis.

Note:
1 SWM's and SCA's EVs have been adjusted to remove the carrying value of investments and equity accounted investees. EBITDA is adjusted to remove the estimated impact of AASB 16 and where appropriate and material, the estimated earnings contribution from investments and equity accounted associates. SCA's EBITDA has also been adjusted to remove the annual non-cash accounting entry associated with the ATN contract.
2 ARN's multiple shown only from the date it first published financial information that categorised Cody as a discontinued operation. ARN's EV has been adjusted on a consistent basis with that described at note 4 to the table at paragraph 255. EBITDA is based upon continuing operations and excluding equity accounted associates and investments and is adjusted to remove the estimated impact of AASB 16.
Source: FactSet, company announcements and LEA analysis.

259 As shown above, SCA shares have generally traded on a one year forward EBITDA multiple between 4.0 times and 5.0 times, noting however, that it has traded in the lower half of this range more recently (particularly post the release of its FY25 results).

260 As noted at paragraph 200, both SCA and ARN have generally traded on higher multiples than SWM (albeit we note that the observed period of trading for ARN is relatively limited). We attribute this to the relative resilience of radio listeners and advertising revenues as compared to other traditional media, such as FTA TV.

Transaction evidence

261 As noted in Section IV, since October 2023 SCA has received a number of merger and other proposals from ARN and Anchorage, Australian Community Media Pty Limited (ACM), and ARN (without Anchorage)[81].

262 Further details on these proposals, together with other transaction evidence in the radio broadcasting / digital radio sector in Australia and NZ, is discussed below.

ARN / Anchorage proposals

263 ARN acquired a 14.8% interest in SCA in June 2023. Since that date ARN and (in some cases) ARN and Anchorage put forward the following indicative proposals for SCA (all which were rejected by SCA):

(a) **18 October 2023** – ARN and Anchorage announced a non-binding indicative proposal to acquire 100% of SCA for consideration of 0.753 ARN shares and 29.6 cents cash per SCA share

(b) **15 March 2024** – ARN and Anchorage announced they would increase the exchange ratio to 0.87 ARN shares per SCA share, resulting in a revised non-binding indicative proposal for 100% of SCA of 0.87 ARN shares and 29.6 cents cash per SCA share

(c) **13 May 2024** – Anchorage withdrew from the consortium, and ARN announced a revised non-binding indicative proposal whereby ARN would acquire certain SCA radio and digital assets in exchange for 0.87 ARN shares per SCA share.

264 We set out below, for each proposal, the indicative value of the proposed consideration per SCA share together with:

81 There has also been relatively recent media speculation that Nine Entertainment had expressed an interest in acquiring SCA. However, SCA management have confirmed that no approaches have been made.

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(a) the premium offered relative to the listed market price of SCA shares prior to the receipt of the first indicative proposal on 18 October 2023 (adjusted for market movements when considering the subsequent proposals); and

(b) the 1 year forward EBITDA multiple implied by each indicative proposal at the announcement date of each proposal.

SCA – Indicative proposals from ARN (and ARN and Anchorage)

	Indicative proposals		
	ARN and Anchorage		ARN only
	Oct 23	Mar 24	May 24
	$	$	$
Indicative value of proposed consideration[1]	0.94	1.04	1.20
Implied premium to SCA share price:			
Based on closing price on 17 Oct 23[2]	28.7%	29.4%	48.4%
Based on 1 month VWAP to 17 Oct 23[2]	27.9%	27.3%	46.0%
1 year forward EBITDA multiple (times)[3]	5.7	7.4	8.0

Note:

1 As referenced in the announcements by ARN with respect to the indicative proposals. The 13 May 2024 indicative proposal involved SCA shareholders retaining an interest in a new demerged entity which was to own certain radio and TV assets (which have since been divested) which Anchorage proposed to acquire before they withdrew from the consortium. The indicative value of the consideration for the May 2024 indicative proposal includes ARN's estimate of the indicative value of the shares in the demerged entity.

2 When calculating the implied premium to the share price for the March 2024 and May 2024 proposals, the closing share price on 17 October 2023 (being the last trading day prior to the announcement of the first indicative proposal) and the one month VWAP up to that date have been adjusted for the movement in the S&P / ASX All Ordinaries Index between 17 October 2023 and the last trading day before the March 2024 and May 2024 indicative proposals. This has been done in order to calculate the implied premium after taking into account the movement in general capital values in the intervening period.

3 Enterprise value is calculated using the indicative value of the proposed consideration. One year forward EBITDA is based on FactSet broker average forecasts for SCA at the date of the proposals, adjusted for non-cash ATN contract revenue and to reverse the impact of AASB 16.

Source: FactSet, company announcements and LEA analysis.

265 As shown above, the one year forward EBITDA multiples implied by the proposals were relatively high (particularly when compared with the current trading multiples for SCA and ARN). In part, this reflected the significant implied premium above the listed market price prior to the announcement of the proposals. Given the implied premium, in our view, the EBITDA multiples implied by the indicative proposals are more reflective of a controlling interest multiple rather than a minority interest multiple.

ACM

266 ACM also submitted indicative proposals to SCA in 2023 and 2024:

(a) **November 2023** – proposed merger of SCA and the regional publications and digital assets of ACM

(b) **May 2024** – ACM proposed that SCA acquire from ACM a portfolio of 14 daily print and digital news publications, key regional / metro titles and the agriculture division of ACM.

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267 SCA decided not to pursue the proposals from ACM. Given the nature of the proposals, no relevant transaction metrics for SCA can be derived.

Other transaction evidence

268 Like broadcast TV and print / publishing, there have been few recent transactions in the radio broadcasting / digital radio sector in Australia and NZ (which in part reflects the relatively strict regulatory media framework governing ownership[82]). While LEA would normally focus on more contemporaneous transaction evidence (i.e. within the past 5-10 years), given the limited availability of evidence in this circumstance, we have also considered transactions dating back to the early 2010s.

269 A summary of the identified transactions from which valuation multiples can be derived is set out below (for descriptions of the transactions refer to Appendix E):

Transaction multiples – radio

Date[1]	Target	Acquirer	EV[2] A$m	EV / EBITDA x
Nov 21	Grant Broadcasters	ARN	308	8.7 H
Oct 19	Redwave (SWM WA radio assets)	SCA	28	8.0 H
Sep 19	Macquarie Media	Nine Entertainment	274	10.5 H
Jan 18	Crocmedia[3]	Pacific Star Network	24	6.2 H
Dec 14	Radio 96FM Perth	APN News & Media	78	9.8 H
Dec 14	Fairfax Radio[4]	Macquarie Radio	119	10.2 F
Feb 14	Australian Radio Network (50%)[5]	APN News & Media	493	6.2 F
Aug 13	Prime Radio	Grant Broadcasters	25	7.4 H
Jan 11	Austereo	SCA	944	10.2 H

Note:
1 Date of announcement.
2 Implied value of an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.
3 Acquisition of Crocmedia Pty Ltd (Crocmedia) in an all scrip transaction. The EBITDA multiple shown in the table is based on the value of the consideration received (on a minority interest basis) by Crocmedia shareholders divided by the standalone EBITDA of Crocmedia.
4 Macquarie Radio acquired 100% of Fairfax Radio (which was part of the Fairfax group) to merge both businesses. On completion Fairfax acquired a 54.5% interest in the merged entity and Macquarie Radio shareholders held the remaining 45.5%. The transaction multiple shown in the table is based on the value of the consideration received (on a controlling interest basis) by Fairfax for its interest in Fairfax Radio divided by the standalone EBITDA of Fairfax Radio. As such it represents the implied multiple paid for the Fairfax Radio business only.
5 Acquisition of the remaining 50% interest in Australian Radio Network and The Radio Network, resulting in APN News & Media owning 100%.
F – forecast, H – historic.
Source: Company announcements, press commentary and LEA analysis.

270 In relation to the other transaction evidence, it should be noted that:

(a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control

82 For example, the former "75% audience reach" and "two-out-of-three" rules and the ongoing "two-to-a-market", "one-to-a-market" and "minimum of voices" rules (refer to Section V).

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(b) the radio businesses which comprised Austereo (acquired in 2011 and now part of SCA) and Australian Radio Network (acquired in 2014 and now part of ARN) are the most comparable transactions (but are now out of date)

(c) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target's "maintainable" earnings

(d) the market value of traditional media businesses (including radio broadcasters), and the earnings multiples paid for such businesses, have declined significantly since the date of this transaction evidence due to structural declines in the their advertising revenues. Accordingly, we do not believe any significant reliance should be placed on these other transaction multiples.

Other factors

271 In assessing the appropriate EBITDA multiple for SCA, we have also had regard to the following, amongst other factors:

(a) **broadcast radio headwinds** – notwithstanding the recent success of SCA's Digital Audio business, the traditional broadcast radio business still generates the large majority of revenue (89% in FY25). As advertising revenue and listener engagement is expected to continue to shift to digital channels, the medium to longer term outlook is fundamentally tied to the success of SCA's shift from a traditional broadcaster to a digitally focused technology driven audio company. The key risks to this strategy include:

(i) Competition from global streaming and podcast giants (e.g. Spotify) – SCA must continually invest in high-cost, exclusive content and technology to maintain listener retention and drive advertising yields

(ii) Talent and Content Costs – the price war for top on-air talent and compelling content may put continuous pressure on operating margins

(b) **Commercial Broadcasting Tax** – we note that the CBT applies to commercial radio broadcasters such as SCA. Currently, there is significant uncertainty regarding whether the CBT will remain suspended or will be reintroduced at its expiry date of 8 June 2026 (refer paragraph 144(a)). The CBT (which replaced licence fees and applied to commercial broadcasters such as SCA) was suspended from 9 June 2025 to 8 June 2026 to provide financial relief to commercial broadcasters who are experiencing financial pressures as a result of the increasing level of competition from digital platforms. As the CBT does not apply to the digital platforms, there is a reasonable probability that the CBT will continue to be suspended. However, should the CBT be reintroduced from 8 June 2026 at the same level as prior to the suspension, SCA would likely incur additional costs of around $0.5 million per annum (which is not reflected in SCA's earnings guidance for FY26)

(c) **growth in underlying EBITDA –** as depicted in the charts at paragraph 244, analysts do not expect SCA to achieve any significant growth in underlying EBITDA in FY27 and FY28.

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Conclusion on the appropriate EBITDA multiple

272 Based on the above, in our opinion, an EBITDA multiple range of 4.25 times to 4.75 times is appropriate when applied to the EBITDA that has been adopted for valuation purposes. The adopted range is:

(a) broadly consistent with the forward EBITDA multiple range which SCA has traded on since 1 July 2024, noting that it has traded in the lower half of that range more recently (particularly post the release of its FY25 results)

(b) marginally higher than the forward EBITDA multiple range which ARN has traded on since 27 August 2025 (when ARN published financial information that categorised Cody as a discontinued operation), noting that SCA is slightly larger than ARN

(c) higher than the EBITDA multiple attributed to SWM, which is consistent with recent market evidence (and reflects, in our view, the greater relative resilience of radio advertising revenues as compared to other traditional media (such as FTA TV, which has seen steeper revenue declines).

Value of SCA business

273 Based on the above, we have assessed the value of the SCA business on a cash and debt free basis as follows:

SCA – enterprise value (or value of business on a cash and debt free basis)[1]			
	Paragraph	**Low $m**	**High $m**
Operating EBITDA	252	60.5	60.5
EBITDA multiple – minority interest (times)	272	4.25	4.75
Enterprise value		257.1	287.4

Note:
1 Rounding differences may exist.

Other assets / liabilities

274 SCA has a number of other assets / (liabilities) that are not reflected in our assessed enterprise value (or within our assessed net cash / (debt)) and for which an appropriate allowance should be made when assessing the value of the equity in SCA. The assets and liabilities are as discussed below.

Investments in unlisted equities

275 As at 30 June 2025, SCA had a small number of investments (including equity associates) with a carrying value of $2.7 million (refer paragraph 126(b)). Of these, $2 million are recorded at SCA management's estimate of fair value with the balance related to equity accounted investments. Based on our review, we have assessed the value of these investments within the range of $3.5 million to $4.8 million. The premium to carrying value principally relates to investments in equity associates (which are not recorded at market value in SCA's financial statements).

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Contingent consideration from Network Ten

276 As at 30 June 2025, SCA had recognised contingent consideration receivable of $12.7 million with respect to the divestment of its 3-Agg Market TV licenses to Network Ten (refer paragraph 126(a)) and a provision of $3.6 million with respect to termination costs of the managed services agreement with BIA which formed part of the divestment (refer paragraph 126(f)). As the future net proceeds from the divestment do not form part of the core business operations of SCA and our assessment of EBITDA for valuation purposes, we have included the net $9.1 million[83] receivable from the 3-Agg Market transaction as an other asset for the purposes of our valuation.

Carry forward capital losses and franking credits

277 As at 30 June 2025, SCA had $337 million in carry forward capital losses and $184 million in franking credits. The franking account balance was reduced by approximately $4 million as a result of the payment of the final dividend for FY25 of 4 cents per share in October 2025). In relation to the potential utilisation of these balances, we note the following:

(a) SCA holds only a relatively limited portfolio of non-core assets (e.g. investments in unlisted equities) which could theoretically be sold to fund a fully franked special dividend

(b) the non-core assets do not have any material latent capital gains, which could utilise SCA's carry forward capital losses

(c) while SCA could potentially fund a fully franked special dividend from borrowings, we understand there is no current intention to do so and there can be no assurance that this position will change in the short-to-medium term. Further, even if borrowings were utilised, the available debt capacity would only support the distribution of a relatively small portion of the existing franking credit balance.

278 Having regard to the above, we have not attributed any value to these assets in our assessment of a portfolio interest in SCA.

Performance rights

279 SCA has some 6.1 million performance rights outstanding[84] which have been issued to SCA's senior executives in accordance with SCA's EIP and LTIP. We understand that the SCA Board has approved the early vesting of 2.2 million performance rights prior to implementation of the Scheme (with the balance being cancelled). We have allowed the for cash cost of settling these based upon values that equal the low and high end of our assessed minority interest values, being $1.7 million to $2 million.

Unavoidable transaction costs

280 One-off transaction costs related to the Merger are estimated at approximately $17.8 million. These costs include financial advisory, legal, accounting, printing, scheme meeting and other costs associated with the transaction.

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83 No tax is applicable to the net receivable as it is a capital gain which can be offset against SCA's carry forward capital losses.

84 Including the 4 million that are intended to be issued after SCA's annual general meeting in late November 2025.

281 SCA's share of the unavoidable element of these costs, which will be incurred by SCA regardless of whether the Scheme proceeds, is estimated to be approximately $2.5 million[85].

Summary of other assets / (liabilities)

282 Based upon the above, we have assessed the value of SCA's other assets / (liabilities) as follows:

SCA – other assets / (liabilities)[(1)]	Paragraph	Low $m	High $m
Investments in unlisted equities	275	3.5	4.8
Contingent consideration from Network Ten	276	9.1	9.1
Carry forward capital losses and franking credits	278	-	-
Performance rights	279	(1.7)	(2.0)
Unavoidable transaction costs	280	(2.5)	(2.5)
Total other assets / (liabilities)		8.4	9.4

Note:
1 Rounding differences may exist.

Net cash / (debt)

283 As at 30 June 2025, SCA had net debt of $67.6 million, comprising borrowings of $103 million and cash of $35.4 million (refer to paragraphs 125 and 126(g)). However, we note that:

(a) as SCA's debt levels fluctuate for valuation purposes we have considered the average net debt level throughout the year rather than the net debt level at a point in time when determining the value of the equity in SCA

(b) SCA shareholders received a fully franked final dividend for FY25 of 4 cents per share on 7 October 2025 (SCA shares went ex-entitlement on 3 September 2025). The net debt figure adopted for valuation purposes reflects the payment of this dividend (the cash cost of which was some $9.6 million)

(c) SCA also has financing leases in relation to IT equipment and motor vehicles. These amount to approximately $5.7 million.

284 Having regard to the above, we have concluded that net debt of $80 million is appropriate for valuation purposes.

Fully diluted shares on issue

285 SCA has 239.9 million fully paid ordinary shares on issue. We have separately allowed for the cash cost of settling all outstanding performance rights that have been permitted to vest as a result of the Scheme.

85 Whilst there may be some tax benefit associated with these costs, no such allowance has been made.

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Valuation summary

286 Given the above, we have assessed the value of 100% of the equity in SCA on a minority interest basis as follows:

SCA – valuation summary[1]	Paragraph	Low $m	High $m
Enterprise value	273	257.1	287.4
Other assets / (liabilities)	282	8.4	9.4
Net cash / (debt)	284	(80.0)	(80.0)
Equity value – minority interest basis		185.5	216.8
Number of shares on issue (million)[2]	285	239.9	239.9
SCA value per share – minority interest basis ($)		0.77	0.90

Note:
1 Rounding differences may exist.
2 The cost of settling the performance rights that will be permitted to vest as a result of the Scheme is allowed for within other assets / (liabilities).

Equity valuation cross-checks

Implied PE multiples

287 We have cross-checked our assessed value of the equity in SCA for reasonableness by reference to the PE approach, using underlying NPAT.

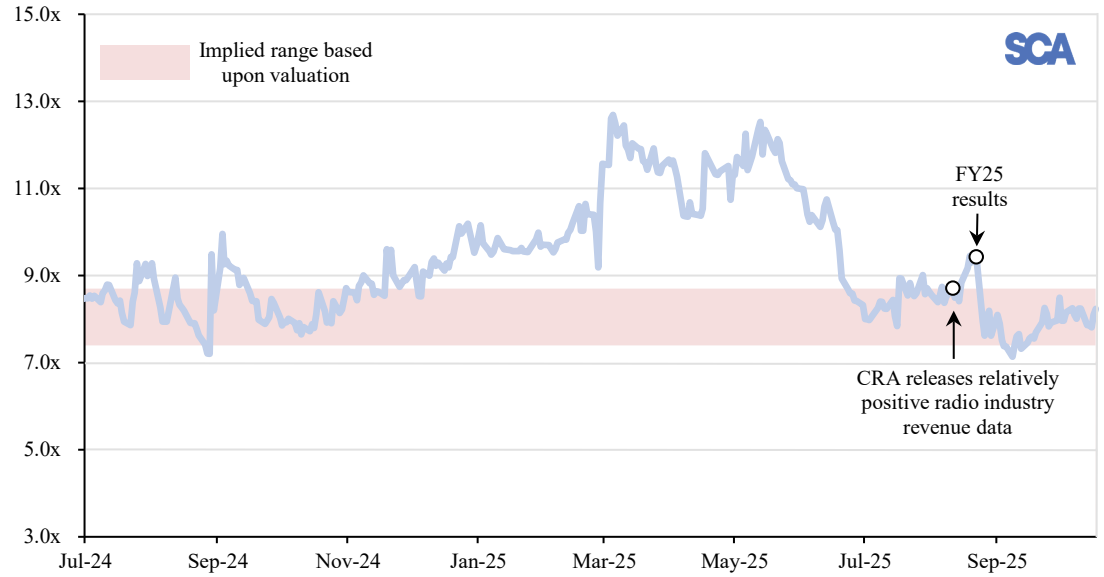
288 The PE multiples implied by our assessed value range are shown below:

SCA – implied PE multiples[1]	Paragraph	Low $m	High $m
SCA equity value – minority interest basis	286	185.5	216.8
FY26 underlying NPAT (based on FactSet consensus)		26.5	26.5
ATN contract adjustment		(1.5)	(1.5)
Adjusted FY26 underlying NPAT		25.0	25.0
Implied PE multiple – minority interest (times)		7.4	8.7

Note:
1 Rounding differences may exist.

289 We depict below a comparison of the PE multiple range implied by our valuation against SCA's one year forward PE multiples from 1 July 2024 through to 29 September 2025 (being the last trading day prior to the announcement of the Scheme):

One year forward PE multiples over time
1 July 2024 to 29 September 2025[1]



Note:
1 Based on market capitalisation and NPAT, adjusted for the non-cash accounting entry associated with the ATN contract.
Source: FactSet, Company announcements and LEA analysis.

290 The PE multiples implied by our valuation of SCA are broadly consistent with the more recent one year forward PE multiples observed for SCA, particularly post the release of its FY25 results (refer below).

Comparison with listed market prices

291 We have also considered the listed market prices of SCA shares up to and including 29 September 2025 (being the last trading day prior to the announcement of the Scheme).

292 The last significant announcement made by SCA prior to the announcement of the Scheme was on 25 August 2025, being the announcement of SCA's FY25 results. SCA reported a 5% increase in revenue and a 34% increase in underlying EBITDA, reflecting continued progress on its strategic focus on radio and audio. The company also provided guidance for FY26, forecasting continued growth in revenue and EBITDA, and declared a final dividend of 4 cents per share. In reaction to this announcement, analysts increased both their EBITDA and NPAT estimates for FY26 (and beyond). The release of SCA's FY25 results also coincided with media speculation, which emerged on Sunday, 24 August 2025, that Nine Entertainment had expressed interest in acquiring SCA. However, SCA management have confirmed that no proposal was received.

293 Separately, on 11 August 2025 CRA released relatively positive radio industry revenue data for the quarter ended 30 June 2025. Digital audio revenue continued to grow, increasing by approximately 27% to $28.7 million. Metropolitan broadcast radio remained relatively stable at $177.1 million, while regional radio declined by some 5% to $103.4 million. This announcement corresponded with an increase in the SCA share price.

294 In our view, any cross-check based upon listed market prices should be limited to the period subsequent to these dates, as trading in SCA shares that occurred prior did not have the benefit of this market sensitive information.

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295 The listed prices, which we have adjusted to exclude the announcement of the final dividend of 4 cents per share on 25 August 2025 (the ex-dividend date for which was 3 September 2025) are shown below:

SCA – share prices prior to the announcement of the Scheme

Trading period	Low $	High $	Close $	VWAP $
29 September 2025	0.810	0.840	0.840	0.825
25 Aug 25 to 29 Sep 25[1][2]	0.735	0.870	0.840	0.786
12 Aug 25 to 29 Sep 25[1][3]	0.580	0.870	0.840	0.773

Note:
2 Adjusted to exclude the final dividend of 4 cents per share. SCA announced the payment of a 4 cents per share dividend on 25 August 2025 and the shares went ex-entitlement on 3 September 2025.
3 Being the period subsequent to the announcement of SCA's FY25 results, which impacted the share price of SCA.
4 Being the period subsequent to the release by CRA of radio industry revenue data.
Source: FactSet and LEA analysis.

296 As noted at paragraph 134, notwithstanding the large number of substantial shareholders, the level of liquidity in SCA shares is reasonable. Accordingly, in our view, the share trading evidence provides a reasonable basis for the cross-check. We note that SCA shares have traded in a relatively consistent band over the observed period. Given this we have adopted an "undisturbed" minority interest share price for SCA of $0.73 to $0.87 for the purposes of our comparison.

297 We note that the recent share trading (bar the low share price in the period 12 August 2025 to 29 September 2025) is consistent with our assessed valuation range on a minority interest basis.

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VIII Valuation of the Scheme consideration

Overview and methodology

298 If the Scheme is approved and implemented, SWM shareholders will receive 0.1552 SCA shares for each SWM share held (i.e. shares in the Merged Group).

299 In this section we set out our estimate of the minority interest value of the shares in the Merged Group (i.e. the Scheme consideration to be received by SWM shareholders). We have estimated the equity value of the Merged Group, by aggregating:

(a) the standalone minority interest equity value of SWM (per Section VI); plus

(b) the standalone minority interest equity of SCA (per Section VII); plus

(c) the value of the synergy benefits that are expected to arise from the integration of SWM and SCA; less

(d) the expected transaction costs (that have not already been incorporated within our standalone minority interest valuations of each company).

300 We have divided our assessed value of the equity in the Merged Group by the enlarged number of shares on issue in SCA (on a post transaction basis) to derive an assessed minority interest value of the shares in the Merged Group.

301 We have cross-checked our assessed minority interest value of the shares in the Merged Group against the listed market price of SCA shares in the period subsequent to the announcement of the Scheme on 30 September 2025.

Valuation of the Merged Group

Value of SWM on a standalone basis

302 In Section VI we assessed the value of 100% of the equity in SWM on a minority interest basis prior to implementation of the Scheme at between $168.4 million and $244.3 million.

Value of SCA on a standalone basis

303 In Section VII we assessed the value of 100% of the equity in SCA on a minority interest basis prior to implementation of the Scheme at between $185.5 million and $216.8 million.

Value of expected synergy benefits

Cost savings

304 SWM's and SCA's joint preliminary synergy assessment has identified and quantified annual pre-tax cost savings of between $25 million and $30 million, which they expect to realise in full within 18 to 24 months post completion. These synergies are expected to result from reductions in shared corporate overheads, operating expense duplication and facility rationalisation.

305 LEA has reviewed these estimated cost savings, and note that the cost savings represent only some 3.5% of the total costs incurred by both SWM and SCA in FY25 on advertising and

marketing, employee benefits and administration costs[86]. Based on our review we consider that it is reasonable to adopt SWM and SCA's cost synergy estimates for valuation purposes.

306 One-off costs to implement these cost synergies have been estimated by SWM and SCA management at around $10 million (pre-tax).

Revenue synergies

307 SWM and SCA have also jointly explored the opportunity for revenue synergies by enhancing audience reach and advertising scale. However, as revenue synergies are, by their nature, inherently uncertain we have not incorporated the potential for revenue synergies in our valuation assessment.

Valuation of cost savings

308 We have valued the estimated cost savings by capitalising the annual savings (i.e. $25 million to $30 million) at a multiple of 3.8 times, which approximates the weighted average EBITDA multiple implied by our valuations of SWM and SCA as standalone entities[87]. To allow for the 18 to 24 month period which is expected to elapse before the cost savings are fully realised, we have discounted the capitalised value of the benefits by 10% per annum[88] to derive their present value. Allowance has also been made for the implementation costs, on an after tax basis.

309 On this basis, the value of these cost savings is estimated at $85 million to $100 million.

Transaction costs

310 One-off transaction costs related to the Merger are estimated at approximately $17.8 million. These costs include financial advisory, legal, accounting, printing, scheme meeting and other costs associated with the transaction.

311 Of these costs, approximately $5.3 million are unavoidable and will be incurred by SWM and SCA on a standalone basis if the Scheme does not proceed. We have allowed for each company's share of these unavoidable costs in our respective standalone value assessments.

312 Accordingly, when valuing the Merged Group we have allowed for the incremental transactions costs expected to be incurred, which total $12.5 million[89].

Shares on issue

313 SWM has some 1,539.1 million shares on issue. We have already allowed for the cash cost of settling all outstanding performance and share rights that have been permitted to vest as a result of the Scheme within our assessment of the standalone value of SWM.

86 Revenue related expenses (such as media content costs, and program and production costs) and D&A have been excluded from our cost estimate.

87 Calculated as follows, combined midpoint enterprise values divided by combined underlying EBITDA, per paragraphs 208 and 273.

88 As the cost synergies adopted for valuation purposes are expected to be realised within 18 to 24 months post completion, our valuation of the cost savings is not materially sensitive to the discount rate applied.

89 Whilst there may be some tax benefit associated with these costs, no such allowance has been made.

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314 SCA has some 239.9 million shares on issue. We have already allowed for the cash cost of settling all outstanding performance that have been permitted to vest as a result of the Scheme within our assessment of the standalone value of SCA.

315 Based on the above, and the Merger Ratio of 0.1552 SCA shares for every SWM share, the expected number of shares on issue in the Merged Group is set out below:

Merged Group – shares on issue		
	Paragraph	**Million**
Number of SWM shares currently on issue	313	1,539.1
Multiplied by Merger Ratio (No.)	3	0.1552
Number of SCA shares to be issued to SWM shareholders		238.9
Number of SCA shares currently on issue	314	239.9
Merged Group – number of shares on issue		478.8
SWM shareholders' collective ownership interest in Merged Group (%)		49.9%
SCA shareholders' collective ownership in Merged Group (%)		50.1%

Valuation summary

316 Given the above, we have assessed the value of the shares in the Merged Group on a minority interest basis as follows:

Merged Group – valuation summary[1]			
	Paragraph	**Low $m**	**High $m**
SWM equity value – minority interest basis	227 & 302	168.4	244.3
SCA equity value – minority interest basis	286 & 303	185.5	216.8
Cost synergies[2]	309	85.0	100.0
Estimated incremental transaction costs[3]	310	(12.5)	(12.5)
Equity value – minority interest basis		426.2	548.4
Number of shares on issue (million)	315	478.8	478.8
Merged Group value per share – minority interest basis ($)		0.89	1.15

Note:
1 Rounding differences may exist.
2 We note that the Merger is subject to, inter alia, no government agency (including the ACMA and the ACCC) restraining, preventing or opposing the Merger. We note that no allowance has been made in our valuation for the impact of any undertakings that may be required by the ACMA and/or ACCC in order for the Merger to proceed. Our valuation of the Merged Group also excludes any revenue synergies that may arise.
3 Incremental estimated transaction costs not already reflected in our standalone value assessments.

317 We have cross-checked our assessed value of the equity in the Merged Group against the listed market price of SCA shares in the period subsequent to the announcement of the Scheme on 30 September 2025 (shown in the chart below). To the extent the Scheme is expected to proceed, these prices should, in theory, provide a reasonable indication as to the market's unbiased view of the combined value of the companies and the synergy benefits that are expected to arise.

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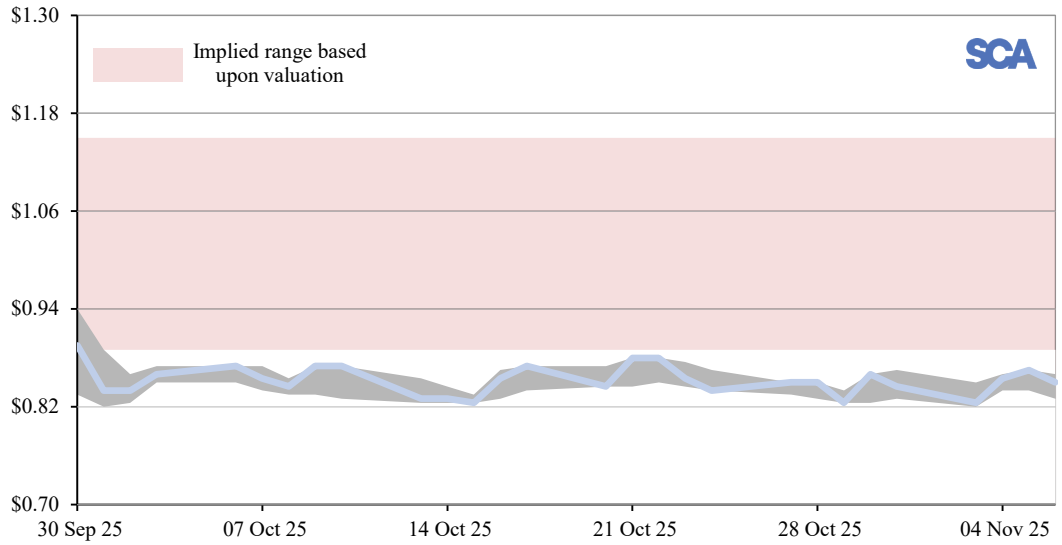
SCA – listed market prices subsequent to the announcement of the Scheme[1]
30 September 2025 to 6 November 2025



Note:
1 Based on closing prices with grey shading representing the high and low on the day.
Source: FactSet and LEA analysis.

318 We note that the post-announcement trading range of SCA shares remains broadly consistent with the levels observed prior to the announcement of the Merger[90], and is therefore below our assessed valuation range (which reflects the value of expected synergies). Given the significant cost synergies expected to be realised from the Merger (relative to the standalone earnings of both companies), the fact that current market prices remain below our assessed value range suggests that investors are substantially discounting the probability of the Merger proceeding. In our view, therefore, the post-announcement market trading in SCA shares should not be regarded as a reliable indicator of the underlying value that may be realised if the Merger were to proceed.

Assessed value of Scheme consideration

319 Based upon the above, we have assessed the value of the Scheme consideration to be received by SWM shareholders at the amounts set out below:

Value of Scheme consideration[1]

	Paragraph	Low $	High $
Assessed value of shares in the Merged Group	316	0.89	1.15
Multiplied by Merger Ratio (No.)	3	0.1552	0.1552
Assessed value of Scheme consideration per SWM share		0.14	0.18

Note:
1 Rounding differences may exist.

90 Between the release its FY25 results on 25 August 2025 and 29 September 2025 (being the last trading day prior to the announcement of the Scheme), SCA shares traded in the range of $0.74 to $0.87 per share, with a VWAP of $0.79 per share. These prices have been adjusted to exclude the final dividend of 4 cents per share, for which SCA shares went ex-entitlement on 3 September 2025).

320 SWM shareholders should note that the listed market price of SCA shares is subject to daily fluctuation. The price at which SCA shares may be sold subsequent to the implementation of the Merger (i.e. shares in the Merged Group), may therefore be greater or less than our assessed value range. SWM shareholders should also note that any decision to hold SCA shares (i.e. Merged Group shares) beyond the short term is a separate investment decision. As it is not possible to accurately predict future share price movements, any decision to continue to hold SCA shares (i.e. Merged Group shares) should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. SWM shareholders should therefore seek independent professional advice specific to their individual circumstances if required.

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IX Evaluation of the Scheme

321 In our opinion, the Scheme is in the best interests of SWM shareholders, in the absence of a superior proposal. We have formed this opinion for the reasons detailed below.

Basis of assessment

322 The Scheme was not structured as a change of control transaction and there was no intention for the Merger terms to deliver a control premium to SWM shareholders. Furthermore, ownership of the Merged Group will be shared between each group of shareholders (49.9% by SWM and 50.1% by SCA) as will operational control, with Board representation being reasonably balanced and key executive positions being sourced from both companies.

323 Accordingly, as noted in Section III, LEA has assessed the Scheme as a merger rather than a change of control transaction. The key issues in respect of the Scheme from the perspective of the SWM shareholders are whether:

(a) SWM shareholders obtain a collective ownership interest in the Merged Group that is consistent with (or greater than) the relative value they contribute to the Merged Group

(b) from a value perspective, SWM shareholders are likely to be better off if the Merger proceeds

(c) the advantages of the Merger outweigh the disadvantages.

Relative value contribution

324 If the Scheme is approved and implemented SWM shareholders will acquire an aggregate interest in the Merged Group of 49.9%, while SCA shareholders will hold 50.1% in aggregate.

325 As stated above, in assessing a merger, one of the key considerations is whether the value contributed by each of the merger partners is consistent with the merger terms (i.e. whether the value contributed to the merged entity is consistent with the respective collective ownership interests each group of shareholders will hold in the merged entity). Consequently, when assessing mergers it is important that a consistent basis of valuation be used. That is, when assessing the relative value contribution, both companies should be valued either with or without a premium for control. This reflects the fact that it is the relative value of each company which is relevant to the assessment rather than each company's absolute value.

326 For the purpose of forming our view on this aspect of our overall assessment, we have considered the relative value contributed by SWM shareholders to the Merged Group, primarily by reference to the following:

(a) LEA's estimates of the underlying minority interest value of each company

(b) the listed market price of both SCA and SWM.

327 Whilst we also considered using alternative parameters (such as financial metrics like earnings or net assets), for the reasons outlined in paragraph 339, we did not consider these potential metrics to provide a meaningful or appropriate basis for comparing the relative contributions of SWM and SCA to the Merged Group.

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Relative value contributions – underlying value

328 LEA has assessed the underlying value of 100% of SWM and SCA on a minority interest basis in Sections VII and VIII of this report.

329 Our analysis of the relative value contribution by each entity is as follows:

Relative value contribution – LEA's assessment of underlying value

	Paragraph	Low $m	High $m	Midpoint $m
SWM equity value – minority interest basis	227	168.4	244.3	206.3
SCA equity value – minority interest basis	286	185.5	216.8	201.1
Relative value contribution – SWM		47.6%	53.0%	50.6%
Relative value contribution – SCA		52.4%	47.0%	49.4%

330 Based upon the above underlying valuation analysis, SWM shareholders will have a collective interest in the Merged Group that is broadly consistent with the Merger terms.

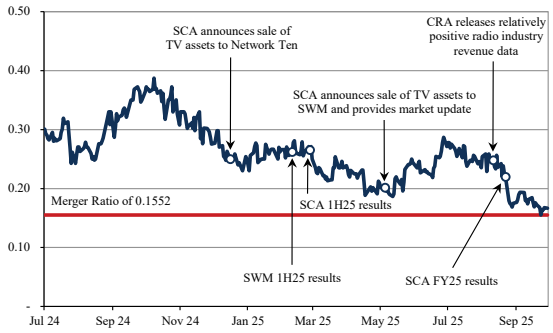
Relative value contribution – sharemarket trading

331 There is an active, relatively liquid and well-informed market for shares in both SCA and SWM (refer to Sections III and IV). Accordingly, listed market prices provide an objective measure of the relative (minority interest) value contributions made by each group of shareholders to the Merged Group.

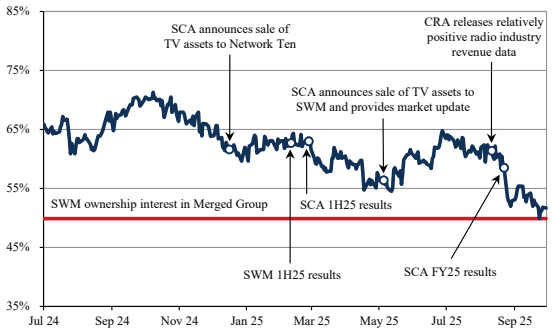
332 SWM's contribution to the combined sharemarket value of the two companies since 1 July 2024 to 29 September 2025 (being the last trading day prior to the announcement of the Scheme) based on listed market prices is visually depicted below:

Relative value contribution – listed market prices

Merger ratio[1]



SWM contribution to Merged Group[2]



Note:
1 SWM closing price divided by SCA closing price.
2 SWM market capitalisation divided by aggregate of SWM and SCA market capitalisations. Market capitalisation based on closing prices and number of shares on issue as at the relevant date (without allowance for the dilution caused by performance rights, the impact of which is considered immaterial).
Source: FactSet and LEA analysis.

333 The charts indicate that the proportion of value contributed by SWM to the Merged Group has consistently been greater than the collective interest that SWM shareholders will receive in the Merged Group. Further, the merger ratio chart indicates that SWM has consistently traded at a ratio in excess of the proposed Merger Ratio of 0.1522. The only period during which the

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relative value contribution has broadly approximated the Merger terms was immediately before the announcement of the Scheme.

334 However, for the purposes of this analysis, we consider it more appropriate to have greater regard to the more recent trading prices of each company (rather than the longer-term historical data). This is because these prices reflect (at least in theory) the market's consensus view on the most recent significant company specific events (of which there have been a number) as well as the current economic (including debt and equity market) environment.

335 As noted at paragraphs 292 and 293, the last significant announcement by SCA prior to the announcement of the Scheme was on 25 August 2025, being the announcement of (inter alia) the company's FY25 results[91]. In reaction to this announcement, analysts increased both their EBITDA and NPAT estimates for FY26 (and beyond). In addition, we note that on 11 August 2025, CRA released relatively positive radio industry revenue data for the quarter ended 30 June 2025.

336 Accordingly, in our view, any analysis based upon listed market prices should be limited to the period subsequent to these dates, as trading in SCA shares that occurred prior to this time did not have the benefit of this market sensitive information.

337 These more recent listed market prices of SWM and SCA shares prior to the announcement of the Scheme (on 29 September 2025) are shown below:

Relative value contribution – listed market prices

	Price / VWAP		Merger	Market cap[(2)]		Contribution[(3)]	
	SWM	SCA	ratio[(1)]	SWM	SCA	SWM	SCA
Period	**$**	**$**	**No.**	**$m**	**$m**	**%**	**%**
Closing price on 29 Sep 25	0.1400	0.8400	0.1667	215.5	201.5	51.7	48.3
VWAP on 29 Sep 25	0.1376	0.8248	0.1668	211.8	197.9	51.7	48.3
1 week VWAP to 29 Sep 25	0.1369	0.8424	0.1625	210.7	202.1	51.0	49.0
VWAP for 25 Aug 25 to 29 Sep 25[(4)(5)]	0.1408	0.7859	0.1792	216.7	188.5	53.5	46.5
VWAP for 12 Aug 25 to 29 Sep 25[(4)(6)]	0.1444	0.7726	0.1869	222.3	185.3	54.5	45.5

Note:
1 SWM price / VWAP divided by SCA price / VWAP.
2 Based upon the number of shares on issue (without allowance for the dilution caused by performance rights, the impact of which is considered immaterial).
3 Relative value contribution to the Merged Group, being SWM and SCA market capitalisation divided by aggregate of SWM and SCA market capitalisations.
4 SCA prices adjusted for its final dividend for FY25 of 4 cents per share. SCA announced the payment of this dividend on 25 August 2025 and the shares went ex-entitlement on 3 September 2025.
5 Being the period subsequent to the announcement of SCA's FY25 results, which impacted the share price of SCA and resulted in analysts increasing both their EBITDA and NPAT estimates for FY26 (and beyond).
6 Being the period subsequent to the announcement of SWM's FY25 results and the release by CRA of radio industry revenue data.

Source: FactSet and LEA analysis.

91 We note that the announcement of SCA's FY25 results also coincided with media speculation, which emerged on the day prior (Sunday 24 August 2025), that Nine Entertainment had expressed interest in acquiring SCA. However, no proposal was announced.

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338 Based upon trading subsequent to 11 August 2025, SWM's value contribution to the Merged Group is greater than the interest SWM shareholders will receive in the Merged Group, however the margin has narrowed compared to the longer-term historical comparison due to the recent increase in SCA's share price. That said, in our opinion, the listed market prices should not be relied upon as the sole determinate of the relative value contributions to the Merged Group.

Relative value contribution – other parameters

339 LEA has not considered the relative contributions of SWM and SCA to the Merged Group by using alternative parameters (such as financial metrics like earnings or net assets) because:

(a) SWM and SCA operate in different segments of the media industry and as such their performance metrics and other parameters are not directly comparable

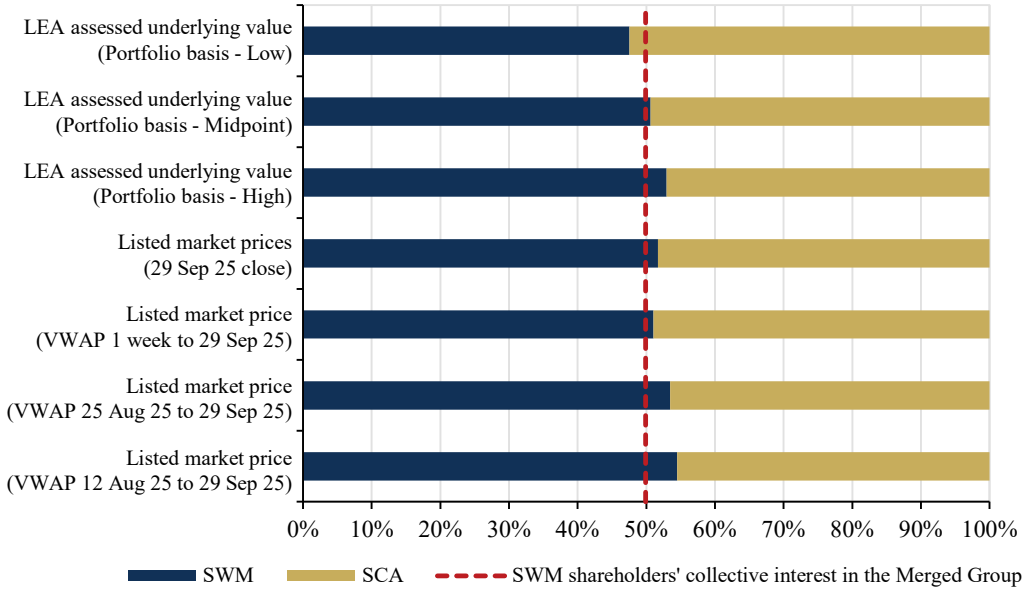
(b) an analysis based on earnings contribution is not useful due to the difference in the quantum of earnings and the different multiples that apply to each of the businesses

(c) as an analysis of net asset contribution is not meaningful as reported net assets are based on accounting values (and exclude any internally generated intangible assets), not market values.

Conclusion

340 The contribution of value by SWM shareholders to the Merged Group relative to their aggregate interest in the Merged Group is summarised graphically below:

Relative value of the Merged Group



Source: FactSet and LEA analysis.

341 On balance, the analysis indicates that the collective interest SWM shareholders will acquire in the Merged Group (of some 49.9%) is broadly consistent with the relative value SWM is contributing to the Merged Group (noting that our preferred comparison should be based on

our detailed assessment of underlying value). As a result, in our opinion, the Merger terms are fair when assessed in accordance with the guidelines set out in RG 111.

Value position before and after implementation of the Merger

342 We have compared the position of SWM shareholders before and after implementation of the Merger taking into account the value of operational cost savings and other synergies that are expected to be generated should the Scheme proceed. Our comparison has been undertaken on a like-with-like basis by comparing the value of a minority interest in SWM prior to the announcement of the Scheme with the value of the Scheme consideration (i.e. shares in the Merged Group, or SCA post completion, which have also been assessed on a minority interest basis).

343 The following table summarises our analysis:

Comparison of Scheme consideration and SWM share value

	Paragraph	Low $	High $
Scheme consideration – minority interest basis[1]	319	0.138	0.178
Value of SWM shares – minority interest basis	227	0.109	0.159
Extent to which the Scheme consideration exceeds (or is less than) the value of SWM[1]		0.029	0.019
Potential value uplift based on underlying values (%)		26.4%	12.0%

Note:

1 We note that the Merger is subject to, inter alia, no government agency (including the ACMA and the ACCC) restraining, preventing or opposing the Merger. We note that no allowance has been made in our valuation for the impact of any undertakings that may be required by the ACMA and/or ACCC in order for the Merger to proceed. Our valuation of the Merged Group also excludes any revenue synergies and dis-synergies (e.g. customer loss) that may arise.

344 Our assessed value of the Scheme consideration to be received by SWM shareholders exceeds our assessment of the underlying value of a minority interest in SWM shares on a standalone basis (i.e. in the absence of the Merger). This is primarily because of the significant cost synergies that are expected to arise from the Merger. Accordingly, from a value perspective, SWM shareholders are likely to be better off if the Merger proceeds.

345 SCA shares have traded in the range of $0.82 to $0.94 in the period 30 September 2025 to 6 November 2025 with a VWAP of $0.858. The SCA VWAP over the period equates to $0.133 per SWM share based on the Merger ratio of 0.1552. A comparison of this price to the SWM market traded price prior to the announcement of the Merger indicates that the Merger is slightly value dilutive to SWM shareholders:

Comparison of Scheme consideration and SWM share value – traded prices

	SWM share price $	Increase / (decrease) in value $	Increase / (decrease) in value %
Closing share price on 29 Sep 25	0.1400	(0.0068)	(4.9)
VWAP on 29 Sep 25	0.1376	(0.0044)	(3.2)
1 week VWAP to 29 Sep 25	0.1369	(0.0037)	(2.7)
1 month VWAP to 29 Sep 25	0.1404	(0.0072)	(5.2)

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346 While this analysis indicates that SWM shareholders are likely to be worse off, from a value perspective, if the Merger proceeds, as noted at paragraph 318, we do not consider the SCA share price post announcement of the Merger to be a reliable indicator of the underlying value that may be realised if the Merger were to proceed, as the traded price does not yet appear to reflect the value of the significant cost synergy benefits that are expected to arise as a result of the Merger.

347 SWM shareholders should also note that the listed market price of SCA shares is subject to daily fluctuation. The price at which SCA shares may be sold subsequent to the implementation of the Merger (i.e. shares in the Merged Group), may therefore be greater or less than our assessed value range (or the post announcement listed market prices set out above). SWM shareholders should also note that any decision to continue to hold SCA shares (i.e. Merged Group shares) beyond the short term is a separate investment decision. As it is not possible to accurately predict future share price movements, any decision to hold SCA shares (i.e. Merged Group shares) should be made by shareholders having regard to their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. SWM shareholders should therefore seek independent professional advice specific to their individual circumstances if required.

Other advantages and disadvantages

348 We have also considered the following factors when assessing whether the Scheme is "in the best interests" of SWM shareholders:

(a) the investment characteristics of the Merged Group compared to SWM on a standalone basis

(b) the impact of the Merger on the control of SWM, including the proposed Board composition and key management positions of the Merged Group

(c) the impact on the composition of the share register, index inclusion and sharemarket liquidity

(d) the implications for SWM shareholders if the proposed Merger is not approved

(e) the likelihood of SWM's shareholders receiving a superior proposal prior to implementation of the Merger or in the short term; and

(f) other qualitative and strategic issues associated with the Merger.

349 We consider each of these factors below.

Investment in a larger more diversified entity

350 If the Scheme is approved and implemented, SWM shareholders will retain their exposure to SWM's broadcast TV and newspaper publishing (print and online) segments, albeit that their interest will be reduced, but increase their exposure to radio broadcasting and digital audio.

351 The Merged Group will one be one of Australia's leading integrated TV, audio and digital platforms. By bringing together the assets and brands of SWM and SCA, the Merged Group seeks to create a national, diversified media organisation with extensive scale and reach across FTA TV, streaming, audio, digital and publishing assets. The Merged Group's increased scale and reach across metropolitan and regional markets positions the group to

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attract and grow high value audiences (particularly the 25-54 demographics), deliver significant cost savings and revenue and earnings growth.

352 The Merged Group's diverse business operations and complimentary portfolio of assets are summarised in the table below:

Merged Group – operations[1]	SWM	SCA
Metro	✓	✓
Regional	✓	✓
Digital	✓	✓
Streaming	✓	✓
Podcast	✓	✓
TV[2]	✓	
Radio		✓
Publishing	✓	

Note:
1 As noted in paragraph 7.4 of the Scheme Booklet, some divestment may be required to receive the required regulatory approvals from the ACCC or ACMA.
2 As noted at paragraph 106, SCA recently sold its regional TV business to Network Ten and SWM during FY25.

353 The Merged Group will have a pro-forma market capitalisation of $407 million (based on pro-forma SCA shares pot-Merger and SCA closing share price of $0.85 on 6 November 2025) which would result in the Merged Group consolidating its position as the sixth largest media company listed on the ASX[92]. This may attract greater analyst coverage and enhance its profile, particularly with institutional investors, and provide for a more widely dispersed share register (see further analysis below) which may result in increased liquidity and greater trading depth than that currently experienced by SWM shareholders.

354 The Merged Group will have enhanced financial scale and lower gearing (relative to SWM on a standalone basis[93]) which may lead to the Merged Group being in a better position to pay dividends[94].

355 The enhanced financial scale of the Merged Group may also provide for improved access to debt and equity capital and possibly on more attractive terms, compared with those currently available to SWM (on a standalone basis). The combination of these two factors is, inter alia, likely to allow the Merged Group to pursue growth opportunities that are not currently available to SWM.

356 The abovementioned factors are not reflected in our assessed value of the Scheme consideration and while it is difficult to predict the impact of these factors over time, there is

92 With Nine Entertainment, News Corporation, oOh!Media Limited, Sky Network and IVE Group Limited being the top five listed media companies by market capitalisation. Currently SWM and SCA rank sixth and seventh respectively however, they are individually around 50% of the size of Sky Network and IVE Group Limited.

93 Per paragraph 92, SWM's gearing ratio of net debt divided by EBITDA was 1.8 times (as at 30 June 2025). This compares to SCA's ratio of 1.4 times (refer paragraph 126(g)).

94 We note that the last dividend paid by SWM was in October 2017.

at least some basis for expecting that they may support a positive re-rating of the shares in the Merged Group over the medium to long-term.

Impact on the control of SWM

Board and key executive positions

357 The key executive and Board positions will be sourced from both companies.

358 Mr Stokes AC (Chairman of SWM) will assume the role of Chair of the Board of Directors until stepping down from the Board in February 2026 and transitioning the role to Heith Mackay-Cruise (Chairman of SCA). Following this, the combined Board will comprise four representatives from the SWM Board (being Teresa Dyson, Jeff Howard, Michael Malone and Ryan Stokes AO), and three representatives from the SCA Board (being Heith Mackay-Cruise, Marina Go and Ido Leffler). Mr Leffler has indicated his intention to continue on the combined Board through the acquisition and retire from the Board as at 30 June 2026.

359 Mr Jeff Howard, will act as Managing Director and CEO of the Merged Group and Mr John Kelly (current CEO of SCA) will assume the role of Group Managing Director, Audio.

360 The remaining members of the Merged Group's executive team will be agreed at a later stage.

Pro-forma shareholdings / ownership interests

361 The Merged Group's share register is expected to be more widely distributed than SWM's, with no single shareholder owning more than 20.2%:

Merged Group – pro-forma share register post-Merger[1][2]

	Existing SWM shares		Existing SCA Shares		New SCA shares[3]	SCA shares on issue post-Merger	
Shareholder	**m**	**%**	**m**	**%**	**m**	**m**	**%**
Mr Stokes / SGH	622.3	40.4	-	-	96.6	96.6	20.2
Spheria	151.5	9.8	33.3	13.9	23.5	56.8	11.9
19 Cashews Pty Ltd	-	-	35.9	15.0	-	35.9	7.5
ARN and related entities	-	-	35.5	14.8	-	35.5	7.4
Sandon	-	-	27.0	11.3	-	27.0	5.6
Pinnacle	-	-	25.9	10.8	-	25.9	5.4
Colins St Value Fund	92.2	6.0	-	-	14.3	14.3	3.0
Other (indicative)[4]	673.2	43.8	82.3	34.2	104.5	186.7	39.0
Total post-Merger	1,539.1	100.0	239.9	100.0	238.9	478.8	100.0

Note:
1 Rounding differences may exist.
2 Pro-forma based on substantial shareholdings disclosed in Sections III and IV of this report. As noted in Sections III and IV, shares will be purchased on market to satisfy the performance / share rights that will vest as a result of the Merger.
3 To be issued pursuant to the Merger, being SWM shares times the Merger Ratio of 0.1552.
4 Indicative only based upon total shares on issue, less those attributed to the substantial shareholders.
Source: LEA analysis.

362 SWM currently has three substantial shareholders with Mr Stokes / SGH holding over 40% which effectively represents a controlling interest. The Merged Group will have an enlarged shareholder base and Mr Stokes' / SGH's interest will be reduced to 20.2%. Whilst Mr Stokes / SGH will still have significant influence over the Merged Group, these

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shareholders will no longer have effective control (i.e. their influence will be substantially reduced). Whilst Mr Stokes / SGH will continue to have the ability to block a full takeover of the Merged Group, they cannot unilaterally block a scheme or a special resolution with respect to the Merged Group's operations.

363 Based on the above, the Merged Group will have a more a more widely dispersed share register which may result in increased liquidity and greater trading depth than is currently experienced by SWM shareholders. Further, the reduction in the percentage shareholding of Mr Stokes / SGH may increase the opportunity of SWM shareholders to realise a control premium through a change of control transaction involving the Merged Group (i.e. SCA on a post transaction basis) at some time in the future. That said, there can be no assurance that this opportunity will arise.

Implications for SWM shareholders if the Merger is not approved

364 If the Merger is not approved and implemented, SWM shareholders will not receive the Scheme consideration and will continue to hold shares in SWM as a standalone company listed on the ASX. In this scenario, SWM shareholders would retain exposure to SWM's predominantly single focus TV operations, which are under pressure from new digital based competitors (like YouTube and Netflix) and ongoing structural changes, as well as other risks as outlined in Section 8.3 of the Scheme Booklet. SWM shareholders would also forgo any benefits associated with the Merger including potential value enhancement, increased diversification, increased scale and market capitalisation, reduced gearing and the potential recommencement of dividends.

365 Further, as noted in paragraphs 206(c) and 271(b), the CBT is expected to have a much greater adverse impact on SWM's EBITDA (around $16 million to $17 million per annum) than SCA's EBITDA (around $0.5 million) if the CBT is reintroduced from 8 June 2026 at similar levels to that which applied prior to its suspension. The value of SWM is therefore exposed to greater downside risk than SCA if the CBT is reintroduced.

366 The VWAP of SWM shares in the period since the Scheme was announced on 30 September 2025 up to and including 6 November 2025 is $0.141 (with a traded range of $0.135 to $0.160 per share). The post announcement share prices are broadly similar to those that prevailed prior to the announcement of the Scheme, suggesting that investors are substantially discounting the probability of the Merger proceeding.

367 Notwithstanding that current trading levels indicate there is limited market recognition of the potential benefits of the Merger, if the Merger is not implemented, SWM shares may still, at least in the short-term, trade at lower levels than the post announcement traded prices as a result of, inter alia, the:

(a) loss of the cost synergy benefits that are expected to arise as a result of the Merger (noting however, that the value of the benefits does not appear to be fully reflected in the post-announcement trading)

(b) headwinds faced by SWM with respect to the FTA and publishing businesses

(c) expectations of relatively flat advertising revenues and potentially increasing operating costs (e.g. due to the potential reintroduction of the CBT) and uncertainty with respect to the payment of dividends.

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Likelihood of an alternative offer

368 We have been advised by the Directors of SWM that no formal alternative offers have been received subsequent to the announcement of the Scheme on 30 September 2025.

369 Whilst there has effectively been (and remains) an opportunity for other third parties contemplating an acquisition of either SWM or SCA (or some other alternative transaction) to table a proposal, SWM shareholders should note:

(a) the "no-shop", "no-talk" and "no due diligence" obligations (with the no talk and no due diligence provisions being subject to fiduciary outs) to which SWM and SCA are subject to pursuant to the SID and the $2.2 million "reimbursement fees" which SWM and SCA may have to pay in certain circumstances (which does not include SWM shareholders not approving the Scheme)

(b) each SWM director (including Mr Stokes) intends to vote all their shares in favour of the Scheme (subject to the Independent Expert continuing to conclude that the scheme of arrangement is in the best interest of shareholders)

(c) as at the date of this report, Mr Stokes / SGH holds some 40.4% of SWM. Accordingly, any alternative concerning the acquisition of a 100% interest in SWM (either by takeover or by scheme) would implicitly require Mr Stokes' / SHG's support

(d) the Merger does not require the approval of SCA shareholders but it does remain subject to the independent expert appointed by SCA concluding the Scheme is in the best interests of SCA shareholders

(e) ARN holds an interest in SCA of some 14% and has previously made numerous offers for the acquisition of SCA / certain SCA assets (refer paragraph 263). ARN's current intentions regarding SCA are not known

(f) there was press speculation prior to the announcement of the Scheme, that Nine Entertainment had expressed an interest in SCA.

370 Given the above, whilst it is possible that an alternative offer / superior proposal may emerge from a third party (particularly for SCA), there can be no certainty that this will occur prior to the Scheme Meeting.

Other qualitative and strategic issues

371 Other qualitative and strategic issues associated with the Scheme include:

(a) **integration risks** – the benefits of the Merger relate largely to the synergies and broader strategic benefits expected to be realised through the integration of the businesses, including shared corporate overheads and operating expense duplication, as well as facility rationalisation. Under the SID, SWM and SCA have agreed to integration planning prior to implementation of the Scheme. Despite this, there is a risk that implementation may not result in the full realisation of the estimated cost savings due to various factors including unexpected delays, challenges, liabilities and costs in relation, but not limited to, integrating operating and management systems such as IT, information or accounting systems and the loss of key personnel of the Merged Group.

We also note that it is not possible to accurately predict the manner in which competitors and/or customers may respond to the Merger and there is a risk that the reaction may diminish, at least to some extent, the expected benefits of the Merger.

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That said, our valuation does not incorporate the benefit of any revenue synergies that may arise

(b) **interest in SCA** – some SWM shareholders may not want to acquire an economic interest in the SCA business. However, subject to any potential liquidity constraints, these SWM shareholders have an opportunity to sell their shares either prior to or post the implementation of the Scheme

(c) **taxation / rollover relief** – the tax consequences of the Scheme will depend on each individual SWM shareholder's personal situation. SWM shareholders should read the information on the taxation consequences of the Merger set out in Section 9 of the Scheme Booklet and should consult their own professional adviser if in doubt as to the taxation consequences of the Scheme

(d) **Ineligible Foreign Shareholders[95] and Unmarketable Parcel Shareholders[96]** – will be ineligible to receive SCA shares as consideration if the Scheme is implemented. Such shareholders will instead receive cash on the sale of the shares that they would otherwise have been eligible to receive. Shareholders in this category who wish to maintain an interest in SWM may use those proceeds to acquire SCA shares on-market. However, the proceeds they receive from the sale may be subject to tax and transaction costs may also be incurred on the acquisition of SCA shares.

Summary of opinion on the Scheme

372 We summarise below the likely advantages and disadvantages for SWM shareholders if the Scheme proceeds.

Advantages

(a) the value of the Scheme consideration to be received by SWM shareholders exceeds our assessment of the underlying value of a minority interest in SWM shares. This is primarily because of the significant cost synergies that are expected to arise from the Merger. Accordingly, from a value perspective, SWM shareholders are likely to be better off if the Merger proceeds

(b) SWM shareholders will acquire an interest in a much larger, more diversified business with enhanced earnings and a more widely dispersed share register (with no single shareholder owning more than 20.2%). This may attract greater analyst coverage and enhance its profile, particularly with institutional investors, which may result in increased liquidity and greater trading depth than that currently experienced by SWM shareholders

(c) the Merged Group will have enhanced financial scale and lower gearing (relative to SWM on a standalone basis) which may improve its access to equity and debt markets and in turn enhance its capacity to pursue further growth opportunities not currently

95 A SWM shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories and NZ.

96 A SWM shareholder who, based on their holding of SWM shares would, on implementation of the Scheme, be entitled to receive less than a Marketable Parcel as Scheme Consideration. A Marketable Parcel is a parcel of SCA shares having a value of not less than $500 based on the closing price of SCA shares on the ASX as at the Scheme Record Date.

available to SWM. This may also lead to the Merged Group being in a better position to pay dividends

(d) the Merged Group will likely generate revenue synergies in time, the value of which has not been incorporated into our assessment of value

Disadvantages

(e) the benefits of the Merger relate largely to the synergies and broader strategic benefits expected to be realised through the integration of the businesses, and there are risks that the integration of the two businesses may take longer than expected and the anticipated efficiencies and benefits of that integration may be less than estimated

(f) some SWM shareholders may not want to acquire an economic interest in the SCA business. However, subject to any potential liquidity constraints, these SWM shareholders have an opportunity to sell their shares either prior to or post the implementation of the Scheme.

Conclusion

373 In summary, SWM shareholders are likely to be materially better off from a value perspective if the Merger proceeds, as the assessed value of the Scheme consideration (i.e. SCA shares post completion) exceeds the current underlying value of a minority interest in SWM shares (on a standalone basis). This is primarily because of the significant cost synergies that are expected to arise from the Merger.

374 In addition to the value uplift, it is important to recognise that maintaining the status quo (i.e. retaining an interest in SWM on a standalone basis) carries significant risks and challenges. The current media industry landscape continues to undergo transformation, with digital and online platforms (like YouTube and Netflix) capturing audience share and advertising revenue. Without sufficient scale, participants like SWM, may find it increasingly difficult to compete.

375 In contrast, the Merged Group would be a much larger and more diversified media business than SWM with enhanced free cash flow and have increased growth prospects from its increased scale and potential revenue synergies. It will also benefit from lower gearing and is likely to be in a better position to pay dividends to shareholders (noting that analysts did not expect SWM to pay a dividend in FY26 with the earliest estimates being FY27).

376 In our view, based on the above considerations, on balance, the advantages of the Merger outweigh the disadvantages, and SWM shareholders are likely to be better off if the Merger proceeds. Accordingly, we consider the Scheme to be in the best interests of SWM shareholders, in the absence of a superior proposal.

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Appendix A

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A Financial Services Guide

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

3 LEA has been engaged by SWM to provide general financial product advice in the form of an IER in relation to the Scheme. The Corporations Act requires that LEA include this Financial Services Guide (FSG) with our IER.

4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at $400,000 plus GST.

7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of

performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000

11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Scheme Booklet should not be directed toward LEA as it is not responsible for the preparation of this document.

12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

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Appendix B

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B Qualifications, declarations and consents

Qualifications

1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.

2 This report was prepared by Mr Nathan Toscan and Ms Julie Planinic, who are each authorised representatives of LEA. Mr Toscan and Ms Planinic have over 24 years' and 26 years' experience respectively in the provision of valuation advice (and related advisory services).

Declarations

3 This report has been prepared at the request of the Directors of SWM to accompany the Scheme Booklet to be sent to SWM shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is in the best interests of SWM shareholders.

4 LEA expressly disclaims any liability to any SWM shareholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

5 At the date of this report, neither LEA, Mr Toscan nor Ms Planinic have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

6 LEA has not had within the previous two years, any business or professional relationship with SWM or SCA or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

8 LEA has had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

Indemnification

9 As a condition of LEA's agreement to prepare this report, SWM has agreed to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of SWM which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Appendix B

Consents

10 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

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Appendix C

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C Valuation methodologies

1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

(a) the DCF methodology

(b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets

(c) the amount that would be available for distribution to shareholders in an orderly realisation of assets

(d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis

(e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

2 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future "maintainable" earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.

4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation of acquired intangibles (EBITA), EBIT or NPAT. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

Appendix C

5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

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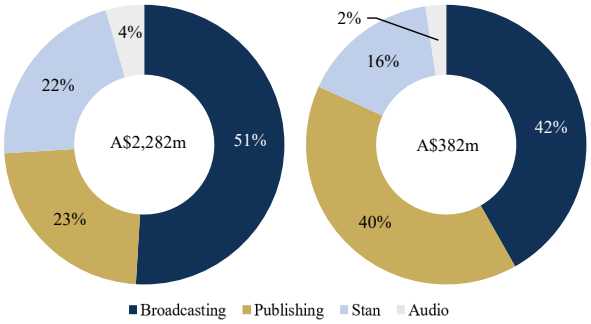
D Listed company descriptions

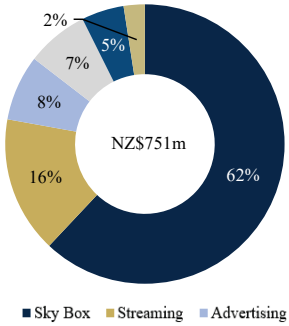
Listed company descriptions

Company	Contribution by business segment[1][2] Revenue	EBITDA[3]

Nine Entertainment Co. Holdings Limited (Nine Entertainment)
Nine Entertainment is an Australian media and entertainment company with diversified operations across FTA TV, VOD, digital media, publishing and radio. On 27 August 2025, Nine Entertainment finalised the sale of its 60% stake in Domain for $1.4 billion after tax. Nine Entertainment's broadcasting segment includes broadcast TV and 9Now, while audio includes radio networks 3AW (Melbourne), 2GB (Sydney), 4BC (Brisbane) and 6PR (Perth). The publishing segment includes mastheads such as The Sydney Morning Herald, The Age, The Australian Financial Review, The Brisbane Times and WAtoday and other assets such as nine.com.au and Pedestrian. In addition, Nine Entertainment operates Stan, a fast growing SVOD service that requires a monthly subscription to access its content, which includes TV shows, movies and live sport.



Sky Network Television Limited (Sky Network)
Sky Network is the dominant and largest subscription TV provider in NZ**,** specialising in the distribution of entertainment, sports, and news content across multiple platforms with over 70 satellite channels and 12 dedicated sports channels and streams. Sky Network's broadcast services are provided through either its classic Sky Box device or by broadband, whilst Sky Network's commercial segment provides content and services to over 6,000 commercial premises across NZ, including hotels and motels, pubs, clubs and gyms. In addition, Sky Network operates streaming services Neon and Sky Sport Now.



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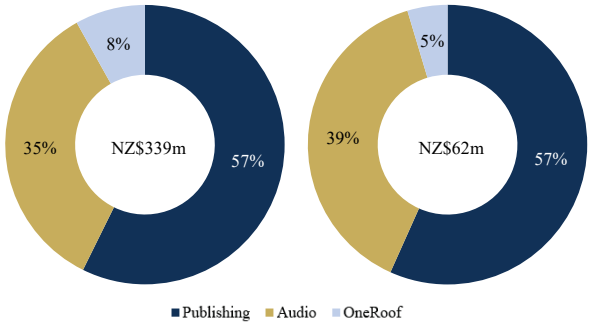
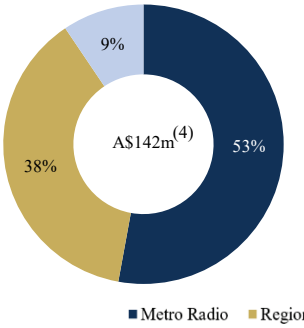
NZME Limited (NZME)
NZME is an integrated media company, with operations including newspapers, radio stations and digital platforms. NZME's publishing segment includes print publications and digital news websites such as nzherald.co.nz and BusinessDesk. The audio segment comprises terrestrial radio stations, digital iHeartRadio, podcasts and radio brand websites, while the OneRoof segment includes dedicated real estate print publications and the OneRoof property portal, which provides listings, market data and property insights.



ARN
ARN is an audio focused media and entertainment company, with 58 radio stations in 33 markets and 46 DAB+ stations in both metropolitan and regional communities across Australia. ARN's portfolio of brands include KIIS (programs include Kyle & Jackie O and Will & Woody), Gold (predominantly top hits and classic songs), CADA (hip hop and R&B), and iHeart (digital platform which is Australia's top podcast publisher). ARN delivers its content to regional areas via three radio formats (contemporary hit radio, adult contemporary and classic hits) and nine brands such as Star and Wave FM. In addition, ARN has initiated a sales process for its Hong Kong based outdoor advertising business, Cody Outdoor.



Not available[5]

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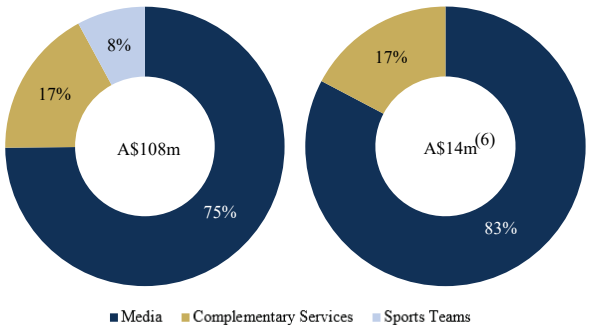
Appendix D

Listed company descriptions

Company	Contribution by business segment[1][2] Revenue	EBITDA[3]

Sports Entertainment Group Limited (Sports Entertainment)
Sports Entertainment is an Australian sports media content and entertainment company focused on delivering sports content across radio, digital and TV platforms to metropolitan and regional audiences. It operates the Sports Entertainment Network radio stations in Australia and NZ and is the largest syndicator of sports radio content across Australia, with shows such as AFL Nation, NRL Nation, Big Bash Nation, Sportsday and Off The Bench. Sports Entertainment produces live and pre-recorded TV programs as well as end-to-end live sport coverage for broadcasters including Nine, Seven, SBS, Fox Sports and ESPN. The company also has interests in professional sports teams and publishes the Lifestyle 1 magazine and AFL magazine The Record.



Note:
1 Based upon results for the 12 months ended 30 June 2025.
2 Figures exclude corporate or other unallocated revenue and expenses.
3 Based on post-AASB 16 results before non-recurring, significant, specific items etc.
4 Based on first half results to 30 June 2025.
5 We note that whilst ARN does not break down EBITDA by segment, the discontinued operations of Cody and Emotive contributed negative EBITDA.
6 Sports Entertainment's Sports Teams segment EBITDA in FY25 was negative and has therefore been excluded from EBITDA.
Source: Company announcements and LEA analysis.

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E Transaction descriptions

Television and print / publishing

SCA TV assets

1 On 17 December 2024, SCA announced that it had agreed to sell its TV licenses in the three aggregated markets of Queensland (QLD), NSW, and VIC to Network Ten. The sale completed on 1 March 2025.

2 Subsequently on 6 May 2025, SCA announced that it had also agreed to sell its remaining TV licenses in Tasmania, Spencer Gulf, Broken Hill, Mt Isa, Darwin and remote, central and eastern Australia to SWM. The sale completed on 30 June 2025.

3 Aggregate consideration totalled approximately $14 million to $19 million (or $19 million to $24 million without present value adjustments).

Prime Media Group

4 In November 2021, SWM announced that it had agreed to acquire Prime Media Group for total cash consideration of approximately $92 million[97].

5 Founded in 1986, Prime Media Group was a regional TV broadcaster with a viewing area that covered northern and southern NSW, the ACT, VIC, the Gold Coast and all of regional WA. The company primarily operated the FTA TV networks PRIME7 and GWN7, which broadcast content predominantly acquired through a program supply agreement with SWM. Prime was headquartered in Pyrmont, Sydney, and employed 340 full-time staff.

Pacific Magazines

6 In October 2019, SWM announced that it had signed a binding agreement to sell the Pacific Magazines business to Bauer for cash consideration of $40 million (prior to any adjustments and leave provisions).

7 Pacific Magazines was a publisher of magazine content in print and digital form, as well as digital publications online and on social media. The division was Australia's leading magazine publisher, commanding approximately 26% of all readership from 12 measured titles and leading in the categories of women's fashion, home and lifestyle, men's lifestyle and teenagers.

Australian Community Media

8 In April 2019, Nine Entertainment announced that it had agreed to sell the Australian Community Media (ACM) business for $105 million in cash (subject to the post-completion adjustments), with a further $10 million to be received 12 months post completion.

9 ACM was an Australian rural, regional and agricultural newspaper and digital media business with more than 160 regional publications and community based websites.

97 Comprises the transaction value of $121 million minus net cash and surplus assets of approximately $29 million.

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SCA's northern NSW TV business

10 The WIN Television Network announced in May 2017 that it had agreed to acquire SCA's northern NSW TV business for total consideration of $55 million.

11 The northern NSW TV market covered a vast area from Queensland's Gold Coast through to the Central Coast of NSW and west to Narrabri and Gunnedah, with a potential viewing audience of approximately 8 million people.

Seven Media Group

12 In February 2011, West Australian Newspapers Holdings Limited (WAN) announced that it had entered into a share sale agreement with SGH (then known as Seven Group Holdings Limited) to acquire the Seven Media Group at an enterprise value of $4,085 million, payable in cash and scrip[98].

13 Seven Media Group's core operations comprised ownership of the Seven Network, Australia's leading FTA TV network and main earnings driver. It also owned Pacific Magazines, Australia's second-largest magazine publisher with over 25 titles such as Better Homes and Gardens, Marie Claire, and New Idea. Additionally, Seven Media Group held a 50% stake in Yahoo!7, an online media platform, along with various other minor investments.

Radio

Grant Broadcasters

14 In November 2021, ARN (which at the time was a subsidiary of HT&E Limited) announced that it had agreed to acquire Grant Broadcasters for total cash consideration of approximately $308 million.

15 Founded in 1942, Grant Broadcasters was a family-owned and operated regional radio broadcaster. The company's portfolio comprised 46 radio stations across 26 geographic markets throughout Australia, 15 of which were deemed non-competitive. Headquartered in Crows Nest, Sydney, Grant Broadcasters employed approximately 700 people on a full-time basis.

Redwave (SWM's WA radio assets)

16 SCA announced in September 2019 that it had agreed to acquire Redwave, the WA regional radio business of SWM, for approximately $28 million.

17 Redwave operated two radio networks, Red FM and Spirit FM, in Broome, Geraldton, Karratha, Port Headland, and Southwest / Bunbury.

98 Comprises the transaction value of $1,981 million plus net debt of approximately $2,104 million.

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Macquarie Media Group

18 In September 2019, Nine Entertainment announced its intention to acquire all the remaining shares it did not already own in Macquarie Media Group Limited (Macquarie Media) for total cash consideration of approximately $274 million[99].

19 Macquarie Media was an Australian radio network operating seven metropolitan commercial stations across Sydney, Melbourne, Brisbane, and Perth. Its news-talk stations, including 2GB in Sydney and 3AW in Melbourne, were the top-rated commercial stations in their markets, while 4BC and 6PR were the only commercial talk stations in Brisbane and Perth. Macquarie Media also operated the Macquarie Sports Radio network, digital and online media platforms, and Macquarie Media Syndication, generating revenue primarily from advertising, royalties, and commissions.

Crocmedia

20 Pacific Star Network Limited announced in January 2018 that it had agreed to acquire Crocmedia Pty Ltd in an all-scrip deal valued at approximately $24 million[100].

21 Founded in 2006, Crocmedia was an Australian sports media and entertainment company that delivered branded content across radio, TV, digital, in-stadium, and event platforms. The company's six divisions covered content production, talent management, creative services, event experiences, brand activations and racing media sales. Radio syndication was its core business, producing over 130 hours of weekly content that reached 85% of Australians, supported by exclusive AFL and A-League rights. With over 180 brand partners, Crocmedia connected major brands to national audiences through integrated sports media.

Radio 96FM Perth

22 In December 2014, APN News & Media Limited (which subsequently rebranded as HT&E Limited, from which ARN was spun out) announced it had reached an agreement with Fairfax to acquire its Radio 96FM Perth radio station for cash consideration of $78 million.

23 Radio 96FM Perth was a radio station operating in Perth with a target audience of 25-54 year old listeners.

Fairfax Radio / Macquarie Radio merger

24 Fairfax announced a merger of equals in December 2014 between its Fairfax Radio business and Macquarie Radio which would result in Fairfax shareholders owning 54.5% of the merged company and Macquarie Radio shareholders owning the remaining 45.5%.

25 Established in 2007 after Fairfax acquired SCA's radio assets, Fairfax Radio was a radio broadcaster operating six radio networks throughout NSW, VIC, Queensland and WA. Fairfax Radio's flagship program was 3AW in Melbourne. In addition to its radio networks, Fairfax Radio also owned Satellite Music Australia and Fairfax Radio Syndication, which

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99 At the time of the transaction, Nine Entertainment held 54.4% of the shares in Macquarie Media Group which it had acquired through the acquisition of Fairfax in December 2018.

100 Comprises the transaction value of $23 million plus net debt of approximately $1 million.

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supplied audio, video, and marketing content to clients in the retail, hospitality, and related industries.

26 Founded in 1938, Macquarie Radio was a radio broadcaster operating 10 radio networks across NSW and QLD. The company also operated a public relations agency business and online media through its website. Macquarie Radio's program line-up primarily spanned talkback, current affairs, news, and sport, and included the prominent 2GB radio network in Sydney.

Australian Radio Network

27 In February 2014, ARN (then known as APN News & Media Limited) announced that it had entered into an agreement with Clear Channel Communications, Inc. to acquire the remaining 50% of ARN and The Radio Network for an enterprise value of $493 million.

28 ARN owned or had investments in 12 radio stations in Sydney, Melbourne, Brisbane, Adelaide, Canberra and Perth which broadcast to over four million listeners each week. The Radio Network operated seven core radio brands across NZ which broadcast to approximately 1.7 million listeners each week.

Prime Radio

29 Prime Media Group announced in August 2013 that it had agreed to sell its radio division, Prime Radio, to Grant Broadcasters for total cash consideration of approximately $25 million.

30 Prime Radio operated a network of 10 regional Queensland radio stations between the Sunshine Coast and Cairns. The Prime Radio operations were established in 2005 after Prime Media Group's acquisition of six Queensland radio stations and were expanded through the acquisition of an additional four Queensland radio stations in 2007.

Austereo

31 In January 2011, SCA announced that it proposed to make an off-market takeover for Austereo. The bidder's statement was released in February 2011 and Austereo shareholders had the option of electing to receive all cash consideration, all scrip consideration or a combination of the two. The offer valued Austereo at approximately $944 million[101].

32 Founded in 2001, Austereo was a publicly listed commercial radio broadcaster which operated two FM radio networks and one digital network: 2day FM, Triple M, and Radar Radio. The radio networks operated in all mainland Australian capital cities. Austereo also held interests in the joint venture stations FM 104.7 in Canberra (with ARN) and NX FM in Newcastle (with SCA).

101 Comprises the transaction value of $741 million plus net debt of approximately $203 million.

F Glossary

Abbreviation	Definition
1H	Half year to 30 June
2H	Half year to 31 December
3-Agg Market	Three aggregated regional TV markets of QLD, NSW and VIC
4Q	Three months ended 30 June
AASB 16	Australian Accounting Standard AASB 16 – *Leases*
ABC	Australian Broadcasting Corporation
ACCC	Australian Competition and Consumer Commission
ACM	Australian Community Media Pty Ltd
ACMA	Australian Communications and Media Authority
ACT	Australian Capital Territory
AdTech Hub	SCA's advertising technology platform
AFCA	Australian Financial Complaints Authority
AM	Amplitude Modulation
Anchorage	Anchorage Capital Partners Pty Limited
ANZ	Australian and New Zealand Banking Group Limited
ARN	ARN Media Limited
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange Limited
ATN	The Australia Traffic Network Pty Limited
AUD / A$	Australian dollar
Austereo	Austereo Group Limited
BAI	BAI Communications Pty Ltd
Bauer	Bauer Media Group
BSA	*Broadcasting Services Act 1992* (Cth)
BVOD	Broadcast video on demand
CAGR	Compound annual growth rate
CarExpert	CarExpert Enterprises Pty Ltd
CBT	Commercial broadcasting tax
CEO	Chief Executive Officer
Cody	ARN's outdoor advertising business based in Hong Kong
Corporations Act	*Corporations Act 2001* (Cth)
Corporations Regulations	Corporations Regulations 2001 (Cth)
CPI	Consumer price index
CPM	Cost per mile / thousand
CPS	Convertible preference shares
CRA	Commercial Radio & Audio
Crocmedia	Crocmedia Pty Ltd
CY	Calendar year
D&A	Depreciation and amortisation
DAB+	Digital audio broadcast
DAU	Daily active user
DCF	Discounted cash flow
DPI	Digital Platforms Inquiry
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EIP	Executive incentive plan
EV	Enterprise value
Fairfax	Fairfax Media Limited

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Appendix F

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Abbreviation	Definition
FAST	Free ad-supported streaming television
FM	Frequency Modulation
FSG	Financial Services Guide
FTA	Free to air
FY	Financial year
HealthEngine	HealthEngine Limited
IER	Independent expert's report
IT	Information technology
LEA	Lonergan Edwards & Associates Limited
LTIP	Long term incentive plan
Macquarie Media	Macquarie Media Group Limited
Mad Paws	Mad Paws Holdings Limited
Merged Group	The merged entity of SWM and SCA
Merger Ratio	0.1552 SCA shares for each SWM share
Metro	Metropolitan
Mr Stokes	Mr Kerry Stokes AC
NED Plan	Non-Executive Director Equity Plan
Network Ten	Network Ten Pty Limited
Nine Entertainment	Nine Entertainment Co. Holdings Limited
NPAT	Net profit after tax
NSW	New South Wales
NZ	New Zealand
NZME	NZME Limited
NZX	New Zealand Stock Exchange
Open Money	Open Money Group Pty Limited
PBT	Profit before tax
PE	Price to earnings
Pinnacle	Pinnacle Investment Management Group Limited
PP&E	Property, plant and equipment
Prime Media Group	Prime Media Group Limited
Raiz	Raiz Invest Limited
Redwave	Redwave Media Ltd
RG 111	ASIC Regulatory Guide 111 – *Content of expert reports*
ROU	Right of use
Sandon	Sandon Capital Pty Ltd
SBS	Special Broadcasting Service
SCA	Southern Cross Media Group Limited
Scheme / Merger	Scheme of arrangement between SWM and its shareholders
Seven Network	Seven Network Limited
Seven TV Network	A network of broadcasting / streaming channels including Seven, 7two, 7mate, 7flix, 7 Bravo
SGH	SGH Limited
SID	Scheme Implementation Deed between SWM and SCA dated 30 September 2025
Sky Network	Sky Network Television Limited
Spheria	Spheria Asset Management Pty Ltd
Sports Entertainment	Sports Entertainment Group Limited
SVOD	Subscription video on demand
SWM / Company	Seven West Media Limited
TV	Television
US	United States of America
VIC	Victoria
VMG	View Media Group Limited

Appendix F

Abbreviation	Definition
VOD	Video on demand
VWAP	Volume weighted average price
WA	Western Australia
WAN	Western Australian Newspapers Holdings Limited
WANOS	Weighted average number of shares
WIN	WIN Television

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Annexure 2

Investigating Accountant's Report

KPMG Transaction Services
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The Directors
Seven West Media Limited
6-8 Central Ave,
Eveleigh NSW 2015

12 November 2025

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Seven West Media Limited ("Seven") to prepare this report for inclusion in the Scheme Booklet to be dated 12 November 2025 ("Scheme Booklet"), and to be issued by Seven, in respect of the proposed acquisition by Southern Cross Media Group Limited (together "Combined Group"), via a scheme of arrangement ("the Transaction").

Expressions defined in the Scheme Booklet have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Scheme Booklet.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical financial information described below and disclosed in the Scheme Booklet.

The Combined Group pro forma historical financial information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

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Combined Group Pro Forma Historical Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the Combined Group pro forma historical financial information of Seven (the responsible party) and Southern Cross Media Group Limited ("Southern Cross") included in the Scheme Booklet.

The Combined Group pro forma historical financial information has been derived from the historical financial information of Seven and Southern Cross, after adjusting for the effects of pro forma adjustments described in sections 7.5 (e), 7.5 (h) and 7.5 (k) of the Scheme Booklet. The Combined Group pro forma financial information consists of:

- Combined Group pro forma historical statement of financial position as at 30 June 2025;
- Combined Group pro forma historical statement of financial performance for the year ended 30 June 2025; and
- Combined Group pro forma historical statement of cash flows for the year ended 30 June 2025,

  as set out in section 7.5 of the Scheme Booklet (collectively the "Combined Group Pro Forma Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in sections 7.5 (e), 7.5 (h) and 7.5 (k) of the Scheme Booklet. Due to its nature, the Combined Group Pro Forma Historical Financial Information does not represent the Combined Group actual or prospective financial position, financial performance, and/or cash flows.

The Combined Group Pro Forma Historical Financial Information has been compiled by Seven and Southern Cross to illustrate the impact of the Transaction on Seven's and Southern Cross' financial position as at 30 June 2025, Seven's and Southern Cross' financial performance for the year ended 30 June 2025, and Seven's and Southern Cross' cash flows for the year ended 30 June 2025.

As part of this process, information about Seven's and Southern Cross' financial position, financial performance and cash flows has been extracted from Seven's financial statements for the year ended 30 June 2025, and from Southern Cross' financial statements for the year ended 30 June 2025.

The financial statements of Seven for the year ended 30 June 2025 were audited by KPMG in accordance with Australian Auditing Standards. The audit opinions issued to the members of Seven relating to those financial statements were unqualified. The financial statements of Southern Cross for the year ended 30 June 2025 were audited by Southern Cross' external auditor in accordance with Australian Auditing Standards. The audit opinions issued to the members of Southern Cross relating to those financial statements were unqualified.

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For the purposes of preparing this report we have performed limited assurance procedures in relation to the Combined Group Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Combined Group Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in section 7.5 (b) of the Scheme Booklet.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Combined Group Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Directors' responsibilities

The directors of Seven and Southern Cross are responsible for the preparation of the Combined Group Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information, and included in the Combined Group Pro Forma Historical Information.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Combined Group Pro Forma Historical Financial Information

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Combined Group Pro Forma Historical Financial Information, as set out in Section 7.5 of the Scheme Booklet, comprising:

- Combined Group pro forma historical statement of financial position as at 30 June 2025;
- Combined Group pro forma historical statement of financial performance for the year ended 30 June 2025; and
- Combined Group pro forma historical statement of cash flows for the year ended 30 June 2025,

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is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in sections 7.5(e), 7.5(h) and 7.5(k) of the Scheme Booklet, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and Seven's accounting policies.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed transaction, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Seven and from time to time, KPMG also provides Seven with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Scheme Booklet, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Design and Distribution Obligations ("DDO")

KPMG has made reasonable enquiries of Seven as to whether the underlying financial product pursuant to the Transaction is captured by Design and Distribution Obligations ("DDO") regulations. Where a Target Market Determination ("TMD") is required KPMG has reviewed the TMD to ensure the content of the IAR is consistent with the TMD.

Restriction on use

Without modifying our conclusions, we draw attention to section 7.5 of the Scheme Booklet, which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Scheme Booklet in the form and context in which it is so included, but has not authorised the issue of the Scheme Booklet. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Scheme Booklet.

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Yours Sincerely



Matthew Saunders
Authorised Representative

KPMG

KPMG Financial Advisory Services (Australia) Pty Ltd

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Financial Services Guide

Dated 12 November 2025

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215 (KPMG FAS)**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**KPMG Transaction Services**).

Matthew Saunders is an authorised representative of KPMG Transaction Services, authorised representative number 404266, as an authorised representative of KPMG FAS (**Authorised Representative**).

This FSG includes information about:

- KPMG FAS and its Authorised Representative and how they can be contacted;
- The services KPMG FAS and its Authorised Representative are authorised to provide;
- How KPMG FAS and its Authorised Representative are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS.

This FSG forms part of an Investigating Accountant's Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients.

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Liability limited by a scheme approved under Professional Standards Legislation.

KPMG FAS provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS' behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been engaged by Seven West Media Limited (**Client)** to provide general financial product advice in the form of a Report to be included in the Scheme Booklet (**Document**) prepared by the Client in relation its proposed acquisition by Southern Cross Media Group Limited (**Transaction**).

You have not engaged KPMG FAS or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representative are acting for any person other than the Client.

KPMG FAS and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice Warning

As KPMG FAS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive, and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG FAS $160,000 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory, tax and accounting practice (the **KPMG Partnership**). KPMG FAS' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG FAS operates as part of the KPMG Australian firm. KPMG FAS' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

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No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let KPMG FAS or the Authorised Representative know. Complaints can be sent in writing to The Complaints Officer, KPMG, GPO Box 2291U, Melbourne, VIC 3000 or via email (AU-FM-AFSL-COMPLAINT@kpmg.com.au). If you have difficulty in putting your complaint in writing, please call (03) 9288 5555 where you will be directed to the Complaints Officer who will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable and will investigate your complaint fairly and in a timely manner.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 calendar days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free and impartial assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 931 678
Email: info@afca.org.au

The Australian Securities and Investments Commission also has a free call Customer Contact Centre info-line on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has compensation arrangements for loss or damage in accordance with section 912B of the *Corporations Act 2001(Cth)*. KPMG FAS holds professional indemnity insurance which, subject to its terms, provides cover for work performed by KPMG FAS including current and former representatives of KPMG FAS.

Contact details

You may contact KPMG FAS or the Authorised Representative using the below contact details:

KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

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Annexure 3

Scheme of arrangement

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HERBERT SMITH FREEHILLS KRAMER

Scheme of Arrangement

Seven West Media Limited

Scheme Shareholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia
T +61 2 9225 5000 **F** +61 2 9322 4000
hsfkramer.com

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HERBERT SMITH FREEHILLS KRAMER

Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Seven West Media Limited (**Seven**) (ACN 053 480 845) of Level 5, 8 Central Ave, Eveleigh NSW 2015 Australia

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

(a) Seven is a public company limited by shares, registered in Western Australia, Australia, and has been admitted to the official list of the ASX. Seven Shares are quoted for trading on the ASX.

(b) As at the date of the Implementation Deed, 1,539,140,502 Seven Shares were on issue.

(c) Southern Cross is a listed public company limited by shares registered in Victoria, Australia, and has been admitted to the official list of the ASX and the Southern Cross Shares are quoted for trading on the ASX.

(d) If this Scheme becomes Effective:

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(1) Southern Cross must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

(2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Southern Cross and Seven will enter the name of Southern Cross in the Share Register in respect of the Scheme Shares.

(e) Seven and Southern Cross have agreed, by executing the Implementation Deed, to implement this Scheme.

(f) This Scheme attributes actions to Southern Cross but does not itself impose an obligation on it to perform those actions. Southern Cross has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders, subject to the Scheme becoming Effective.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed;

(b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms;

(c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to Southern Cross and Seven;

(d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Southern Cross and Seven having been satisfied or waived; and

(e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Seven and Southern Cross agree in writing).

3.2 Certificate

(a) Seven and Southern Cross will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

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(b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence (in the absence of manifest error) that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

Without limiting any rights under the Implementation Deed, this Scheme will lapse and be of no further force or effect if, and Seven and Southern Cross are released from further obligation to take steps to implement the Scheme:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Seven and Southern Cross otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Seven must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme (or such later time agreed with Southern Cross).

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5.1, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Southern Cross without the need for any further act by any Scheme Shareholder (other than acts performed by Seven and each of its directors, officers and secretaries as attorney and agent for Scheme Shareholders under clause 8.5), by:

(1) Seven delivering to Southern Cross a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Seven for registration; and

(2) Southern Cross duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Seven for registration; and

(b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Seven must enter, or procure the entry of, the name of Southern Cross in the Share Register in respect of all the Scheme Shares transferred to Southern Cross in accordance with this Scheme.

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5 Scheme Consideration

5.1 Provision of Scheme Consideration

Southern Cross must, subject to clauses 5.2, 5.3, 5.4, 5.5 and 5.7:

(a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the Southern Cross Register in respect of those New Southern Cross Shares; and

(b) procure that on or before the date that is 10 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Southern Cross Shares issued to the Scheme Shareholder pursuant to this Scheme.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

(a) the New Southern Cross Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Seven, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and

(c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Seven, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

(a) Southern Cross will be under no obligation to issue any New Southern Cross Shares under this Scheme to any Ineligible Foreign Shareholder and instead:

(1) subject to clauses 5.4, 5.5 and 5.7, Southern Cross must, on or before the Implementation Date, issue the New Southern Cross Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;

(2) Southern Cross must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Southern Cross sells or procures the sale of all the New Southern Cross Shares issued to the Sale Agent and remits to Southern Cross the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, and other costs, taxes and charges) (**Proceeds**);

(3) subject to clause 5.3(d), promptly after receiving the Proceeds in respect of the sale of all of the New Southern Cross Shares referred to in clause 5.3(a)(1), Southern Cross must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

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A = (B ÷ C) x D

where:

B = the number of New Southern Cross Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of New Southern Cross Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(2)).

(b) The Ineligible Foreign Shareholders acknowledge that none of Southern Cross, Seven or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Southern Cross Shares described in clause 5.3(a) and Seven, Southern Cross and the Sale Agent expressly disclaim any fiduciary duty to the Ineligible Foreign Shareholders which may arise in connection with clause 5.3.

(c) Southern Cross must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of Southern Cross, and despite any election referred to in clause 5.3(c)(1) or authority referred to in clause 5.3(c)(2) made or given by the Scheme Shareholder):

(1) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Seven Registry to receive dividend payments from Seven by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

(2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority from the Ineligible Foreign Shareholder to Southern Cross; or

(3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2**)**.

(d) Proceeds payable under clause 5.3(a) to Ineligible Foreign Shareholders with a Registered Address in New Zealand will be paid to a bank account nominated by that Ineligible Foreign Shareholder in the manner contemplated by clause 5.3(c)(1) or clause 5.3(c)(2) or other appropriate authority provided by the relevant Ineligible Foreign Shareholder to Southern Cross. If an Ineligible Foreign Shareholder with a Registered Address in New Zealand has not nominated a bank account for receipt of payments, Southern Cross may hold payment of the proceeds owed to that Ineligible Foreign Shareholder under clause 5.3(a) until a valid bank account has been nominated by an appropriate authority from the Ineligible Foreign Shareholder to Southern Cross.

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(e) If Southern Cross receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Shareholder, Southern Cross is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(3)). Southern Cross must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.

(f) Each Ineligible Foreign Shareholder appoints Southern Cross as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.

(g) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.2(c) satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.

(h) Where the issue of New Southern Cross Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law or of a provision of the constitution of Southern Cross:

(1) Southern Cross will issue the maximum possible number of New Southern Cross Shares to the Scheme Shareholder without giving rise to such a breach; and

(2) any further New Southern Cross Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions in this clause 5.2(c), as if a reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person's New Southern Cross Shares in that clause were limited to the New Southern Cross Shares issued to the Sale Agent under this clause.

5.4 Unmarketable Parcel Shareholders

Southern Cross will be under no obligation to issue any New Southern Cross Shares under this Scheme to an Unmarketable Parcel Shareholder and instead:

(a) if there are Ineligible Foreign Shareholders and the process for dealing with the Scheme Consideration payable to Ineligible Foreign Shareholders set out in clause 5.2(c) applies, the New Southern Cross Shares to which each Unmarketable Parcel Shareholder would otherwise be entitled will be treated under this Scheme as if the Unmarketable Parcel Shareholder was an Ineligible Foreign Shareholder (with the effect that the relevant New Southern Cross Shares will be issued to the Sale Agent and sold under clause 5.2(c) and the proceeds dealt with in the same way as the proceeds of sale of the other New Southern Cross Shares sold under clause 5.2(c), with each Unmarketable Parcel Shareholder being deemed to give the same acknowledgments and approvals in that regard as an Ineligible Foreign Shareholder); and

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(b) if there are no Ineligible Foreign Shareholders and, as a consequence, the process for dealing with the Scheme Consideration payable to Ineligible Foreign Shareholders set out in clause 5.2(c) does not apply:

(1) Southern Cross must, and Seven must use its best endeavours to procure that Southern Cross does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate Market Value of the New Southern Shares to which all Unmarketable Parcel Shareholders would otherwise be entitled under this Scheme into an Australian dollar denominated trust account with an ADI operated by Seven as trustee for the Unmarketable Parcel Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Southern Cross's account).

(2) Subject to clause 5.4(b)(4), on the Implementation Date, subject to the funds having been deposited in accordance with clause 5.4(b)(1), Southern Cross must pay or procure the payment from the trust account referred to in clause 5.4(b)(1) to each Unmarketable Parcel Shareholder such amount of cash as is due to that shareholder as consideration equal to the Market Value of the New Southern Cross Shares that would have otherwise been issued to that Unmarketable Parcel Shareholder had it not been an Unmarketable Parcel Shareholder.

(3) The obligations of Southern Cross under clause 5.4(b)(2) will be satisfied by Southern Cross (in its absolute discretion, and despite any election referred to in clause 5.4(b)(3)(A) or authority referred to in clause 5.4(b)(3)(B) made or given by the Unmarketable Parcel Shareholder):

(A) if an Unmarketable Parcel Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Seven Registry to receive dividend payments from Seven by electronic funds transfer to a bank account nominated by the shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

(B) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the shareholder by an appropriate authority from the shareholder to Southern Cross; or

(C) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).

(4) Proceeds payable under clause 5.4(b)(2) to Unmarketable Parcel Shareholders with a Registered Address in New Zealand will be paid to a bank account nominated by that Unmarketable Parcel Shareholder in the manner contemplated by clause 5.4(b)(3)(A) or clause 5.4(b)(3)(B) or other appropriate authority provided by the relevant Unmarketable Parcel Shareholder to Seven. If a

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Unmarketable Parcel Shareholder with a Registered Address in New Zealand has not nominated a bank account for receipt of payments, Seven may hold payment of the proceeds owed to that Unmarketable Parcel Shareholder until a valid bank account has been nominated by an appropriate authority from the Unmarketable Parcel Shareholder to Seven.

(5) Payment of the cash consideration to an Unmarketable Parcel Shareholder in accordance with clauses 5.4(b)(2) and 5.4(b)(4) satisfies in full the Unmarketable Parcel Shareholder's right to Scheme Consideration.

(c) An Unmarketable Parcel Shareholder that is not an Ineligible Foreign Shareholder may elect that the provisions of this clause 5.4 not be applied to them by validly completing and returning before the Effective Date an election form available on request from the Seven Registry, in which case they will receive the Scheme Consideration on implementation, subject to the terms of this Scheme.

5.5 Fractional entitlements and splitting

(a) Where the calculation of the number of New Southern Cross Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Southern Cross Share, the fractional entitlement will be rounded up to the nearest whole number of New Southern Cross Shares.

(b) If Southern Cross and Seven are of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Seven Shares which results in a fractional entitlement to New Southern Cross Shares have, before the Scheme Record Date, been party to a shareholding splitting or division (or some other abusive or improper conduct) in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Southern Cross may direct Seven to give a notice to those Scheme Shareholders:

(1) setting out the names and Registered Addresses of all of them;

(2) stating that opinion; and

(3) attributing to one of them specifically identified in the notice the Seven Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Seven Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Seven Shares.

5.6 Unclaimed monies

(a) Seven may cancel a cheque issued under this clause 5 if the cheque:

(1) is returned to Seven; or

(2) has not been presented for payment within six months after the date on which the cheque was sent.

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(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Seven (or the Seven Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Seven must reissue a cheque that was previously cancelled under this clause 5.6.

(c) The Unclaimed Money Act 1995 (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7, 8 and 9 of the Unclaimed Money Act 1995 (NSW)).

5.7 Orders of a court or Government Agency

If written notice is given to Seven (or the Seven Registry) or Southern Cross (or the Southern Cross Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

(a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Seven in accordance with this clause 5, then Seven shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(b) prevents Seven from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Seven shall be entitled to (as applicable):

(1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration, or the consideration referred to in clause 5.4; or

(2) direct Southern Cross not to issue, or to issue to a trustee or nominee, such number of New Southern Cross Shares as that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

5.8 Status of New Southern Cross Shares

Subject to this Scheme becoming Effective, Southern Cross must:

(a) issue the New Southern Cross Shares required to be issued by it under this Scheme on terms such that each such New Southern Cross Share will rank equally in all respects with each existing Southern Cross Share;

(b) ensure that each such New Southern Cross Share is duly and validly issued in accordance with all applicable laws and Southern Cross' constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Southern Cross' constitution); and

(c) use all reasonable endeavours to ensure that such New Southern Cross Shares are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

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6 Dealings in Seven Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Seven Shares or other alterations to the Share Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Seven Shares before the Scheme Record Date; and

(b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Seven must not accept for registration, nor recognise for any purpose (except a transfer to Southern Cross Sub pursuant to this Scheme and any subsequent transfer by Southern Cross or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

(a) Seven must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Seven to register a transfer that would result in a Seven Shareholder holding a parcel of Seven Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

(b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Seven shall be entitled to disregard any such disposal.

(c) For the purpose of determining entitlements to the Scheme Consideration, Seven must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) All statements of holding for Seven Shares (other than statements of holding in favour of Southern Cross or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Southern Cross or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Seven Shares relating to that entry.

(e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Seven will ensure that details of the names, Registered Addresses and holdings of Seven Shares for each Scheme Shareholder as shown in the Share Register are available to Southern Cross in the form Southern Cross reasonably requires.

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7 Quotation of Seven Shares

(a) Seven must apply to ASX to suspend trading on the ASX in Seven Shares with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Southern Cross, Seven must apply:

(1) for termination of the official quotation of Seven Shares on the ASX; and

(2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Seven may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Southern Cross has consented; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which Seven has consented to.

8.2 Scheme Shareholders' agreements and warranties

(a) Each Scheme Shareholder:

(1) agrees to the transfer of their Seven Shares together with all rights and entitlements attaching to those Seven Shares in accordance with this Scheme;

(2) agrees to the variation, cancellation or modification of the rights attached to their Seven Shares constituted by or resulting from this Scheme;

(3) agrees to, on the direction of Seven, destroy any holding statements or share certificates relating to their Seven Shares;

(4) agrees to become a member of Southern Cross and to be bound by the terms of the constitution of Southern Cross;

(5) who holds their Seven Shares in a CHESS Holding agrees to the conversion of those Seven Shares to an Issuer Sponsored Holding and irrevocably authorises Seven to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and

(6) acknowledges and agrees that this Scheme binds Seven and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).

(b) Each Scheme Shareholder is taken to have warranted to Seven and Southern Cross on the Implementation Date, and appointed and authorised Seven as its

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attorney and agent to warrant to Southern Cross on the Implementation Date, that:

(1) all their Seven Shares (including any rights and entitlements attaching to those shares) will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and

(2) they have full power and capacity to transfer their Seven Shares to Southern Cross together with any rights and entitlements attaching to those shares.

(c) Seven undertakes that it will provide such warranty to Southern Cross as agent and attorney of each Scheme Shareholder**.**

8.3 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Southern Cross will, at the time of transfer of them to Southern Cross vest in Southern Cross free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

(b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1, Southern Cross will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Seven of Southern Cross in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1 and until Seven registers Southern Cross as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

(a) is deemed to have appointed Southern Cross as attorney and agent (and directed Southern Cross in each such capacity) to appoint any director, officer, secretary or agent nominated by Southern Cross as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

(b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as Southern Cross reasonably directs**;** and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Southern Cross and any director, officer, secretary or agent nominated

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by Southern Cross under clause 8.4(a) may act in the best interests of Southern Cross as the intended registered holder of the Scheme Shares.

8.5 Authority given to Seven

Each Scheme Shareholder, without the need for any further act:

(a) on the Effective Date, irrevocably appoints Seven and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Southern Cross, and Seven undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Southern Cross on behalf of and as agent and attorney for each Scheme Shareholder; and

(b) on the Implementation Date, irrevocably appoints Seven and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation):

(1) executing the Scheme Transfer; and

(2) executing and delivering any deed or document required by Southern Cross, that causes each Scheme Shareholder to become a shareholder of Southern Cross and to be bound by the constitution of Southern Cross,

and Seven accepts each such appointment. Seven as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Seven that are binding or deemed binding between the Scheme Shareholder and Seven relating to Seven or Seven Shares, including instructions, notifications or elections relating to:

(a) whether dividends are to be paid by cheque or into a specific bank account;

(b) payments of dividends on Seven Shares; and

(c) notices or other communications from Seven (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Southern Cross in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Southern Cross and to be a binding instruction, notification or election to, and accepted by, Southern Cross in respect of the New Southern Cross Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Southern Cross at its registry.

8.7 Binding effect of Scheme

This Scheme binds Seven and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme

Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Seven.

9 General

9.1 Stamp duty

Southern Cross will:

(a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this Scheme and the Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Seven doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Seven or otherwise.

9.3 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Seven, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Seven's registered office or at the office of the Seven Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Seven Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

(a) This Scheme is governed by the laws in force in New South Wales.

(b) The parties irrevocably submit to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Seven must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

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9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Seven, Southern Cross nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

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Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ADI	authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Corporations Act	the *Corporations Act 2001* (Cth).
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Southern Cross and Seven.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which Southern Cross covenants in favour of the Scheme Shareholders to perform the obligations attributed to Southern Cross under this Scheme.

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Term	Meaning
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	1 9 months from the date of this deed (**Initial End Date**); or 2 if the Condition Precedent set out in either clause 3.1(a)(1) or 3.1(a)(2) of the Implementation Deed, has not been received by the Initial End Date but engagement with the relevant regulator to pursue the satisfaction of those conditions is ongoing, 12 months from the date of this deed, or such other date as agreed in writing by the parties.
Excluded Shareholder	any Seven Shareholder who is a member of the Southern Cross Group or any Seven Shareholder who holds any Seven Shares on behalf of, or for the benefit of, any member of the Seven Group and does not hold Seven Shares on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Seven and Southern Cross.
Implementation Deed	the scheme implementation deed dated 30 September 2025 between Seven and Southern Cross relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories and New Zealand, unless Southern Cross and Seven (each acting reasonably) determine that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Southern Cross Shares when this Scheme becomes Effective.

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Term	Meaning
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Market Value	in relation to New Southern Cross Shares, the volume weighted average price of fully paid ordinary shares of Southern Cross traded on ASX during the 5 trading days before the Implementation Date, as advised by Southern Cross.
Marketable Parcel	is a parcel of New Southern Cross Shares having a value of not less than $500 based on the closing price of fully paid ordinary shares of Southern Cross on the ASX as at the Scheme Record Date.
New Southern Cross Share	a fully paid ordinary share in Southern Cross to be issued to Scheme Shareholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Seven Shareholder, the address shown in the Share Register as at the Scheme Record Date.
Sale Agent	the sale agent appointed to sell the New Southern Cross Shares that are to be issued under clause 5.3(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Seven and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Seven and Southern Cross.
Scheme Consideration	for each Seven Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of 0.1552 New Southern Cross Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Seven Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

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Term	Meaning
Scheme Record Date	7.00pm on the second Business Day after the Effective Date or such other date as agreed in writing by Seven and Southern Cross.
Scheme Shares	all Seven Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Seven Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Southern Cross as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Seven	Seven West Media Limited (ACN 053 480 845) of Level 5, 8 Central Ave, Eveleigh NSW 2015.
Share Register	the register of members of Seven maintained by Seven or the Seven Registry in accordance with the Corporations Act.
Seven Registry	Boardroom Pty Limited (ACN 003 209 836).
Seven Shareholder	each person who is registered as the holder of a Seven Share in the Share Register.
Seven Share	a fully paid ordinary share in the capital of Seven.
Southern Cross	Southern Cross Media Group Limited (ACN 116 024 536) of Level 2, 101 Moray Street, South Melbourne, VIC 3205.

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Term	Meaning
Southern Cross Group	Southern Cross and each of its Subsidiaries and a reference to a Southern Cross Group Member or a member of the Southern Cross Group is to Southern Cross or any of its Subsidiaries.
Southern Cross Register	the register of shareholders maintained by Southern Cross or its agent.
Southern Cross Registry	Computershare Investor Services Pty Ltd (ACN 078 279 277).
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Unmarketable Parcel Shareholder	a Scheme Shareholder who, based on their holding of Scheme Shares would, on implementation of the Scheme, be entitled to receive less than a Marketable Parcel as Scheme Consideration.

2 Interpretation

In this Scheme:

(a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;

(b) the singular includes the plural and the plural includes the singular;

(c) words of any gender include all genders;

(d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;

(e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;

(f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;

(g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);

(h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;

(i) a reference to '$', 'A$' or 'dollar' is to Australian currency;

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(j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;

(k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;

(l) a reference to a party to a document includes that party's successors and permitted assignees;

(m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;

(n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;

(o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:

(1) which ceases to exist; or

(2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

(s) a reference to the Listing Rules, Operating Rules or the Settlement Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

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Attachment 1

Deed Poll

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Annexure 4

Deed Poll

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HERBERT SMITH FREEHILLS KRAMER

Deed

Scheme Deed Poll

Southern Cross Media Group Limited

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GPO Box 4227 Sydney NSW 2001 Australia
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hsfkramer.com

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HERBERT SMITH FREEHILLS KRAMER

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Scheme Deed Poll

Date ▸ 11 November 2025

This deed poll is made

By	Southern Cross Media Group Limited ACN 053 480 845 of Level 2, 101 Moray Street, South Melbourne VIC 3205 Australia (**Southern Cross**)
in favour of	each person registered as a holder of fully paid ordinary shares in Seven West Media Limited (ACN 053 480 845) (**Seven**) in the Share Register as at the Scheme Record Date (other than the Excluded Shareholders).
Recitals	1 Seven and Southern Cross entered into the Implementation Deed. 2 In the Implementation Deed, Southern Cross agreed to make this deed poll. 3 Southern Cross is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or

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Term	Meaning
	subject to appeal for any reason, the day on which the adjourned application is heard.
Implementation Deed	the scheme implementation deed entered into between Seven and Southern Cross dated 30 September 2025.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Seven and the Scheme Shareholders, substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Southern Cross and Seven.
Seven	Seven West Media Limited (ACN 053 480 845) of Level 5, 8 Central Ave, Eveleigh NSW 2015.

(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Southern Cross acknowledges that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints Seven and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Southern Cross.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of Southern Cross under this deed poll are subject to the Scheme becoming Effective.

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2.2 Termination

The obligations of Southern Cross under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

(a) the Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the End Date,

unless Southern Cross and Seven otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to Southern Cross, Seven or the Scheme Shareholders:

(a) Southern Cross is released from its obligations to further perform this deed poll except those obligations under clause 7.1; and

(b) each Scheme Shareholder retains the rights they have against Southern Cross in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Southern Cross undertakes in favour of each Scheme Shareholder to:

(a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

(b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

3.2 Shares to rank equally

Southern Cross covenants in favour of each Scheme Shareholder that the New Southern Cross Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

(a) rank equally with all existing Southern Cross Shares; and

(b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Southern Cross' constitution).

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4 Warranties

Southern Cross represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

(a) it is a corporation validly existing under the laws of its place of registration;

(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and

(e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of the date on which:

(a) Southern Cross have fully performed their obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

(a) in writing and in English and signed by or on behalf of the sending party; and

(b) addressed to Southern Cross in accordance with the details set out below (or any alternative details nominated by Southern Cross by Notice).

Attention	Company Secretary
Address	Level 2, 101 Moray Street, South Melbourne VIC 3205 Australia
Email address	CompanySecretary@sca.com.au

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6.2 How Notice must be given and when Notice is received

(a) A Notice must be given by one of the methods set out in the table below.

(b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The first to occur of: 1 the sender receiving an automated message confirming delivery; or 2 two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

7 General

7.1 Stamp duty

Southern Cross:

(a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under or in connection with the Scheme and this deed poll; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

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7.2 Governing law and jurisdiction

(a) This deed poll is governed by the law in force in New South Wales.

(b) Southern Cross irrevocably submits to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Southern Cross irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.3 Waiver

(a) Southern Cross may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

(b) No Scheme Shareholder may rely on words or conduct of Southern Cross as a waiver of any right unless the waiver is in writing and signed by Southern Cross, as appropriate.

(c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied by Southern Cross unless:

(a) if before the First Court Date, the variation is agreed to by Seven; or

(b) if on or after the First Court Date, the variation is agreed to by Seven and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Southern Cross will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of Southern Cross and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

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HERBERT SMITH FREEHILLS KRAMER

7.6 Assignment

(a) The rights created by this deed poll are personal Southern Cross and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Southern Cross.

(b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Further action

Southern Cross must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

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Attachment 1

Scheme

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HERBERT SMITH FREEHILLS KRAMER

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Signing page

Executed as a deed poll

Southern Cross

Signed sealed and delivered by

Southern Cross Media Group Limited

by

sign here ►	Signed by: 5B8F508C7CC54A3...	*sign here* ►	Signed by: 120B2E1F391D4F0...
	Company Secretary/Director		Director
print name	Heith Mackay-Cruise	*print name*	John Kelly

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Annexure 5

Notice of Scheme Meeting

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Notice of Scheme Meeting

Seven West Media Limited ACN 053 480 845 (**Seven**)

Notice is hereby given that, by an order of the Supreme Court of New South Wales (**Court**) made on 12 November 2025, pursuant to subsection 411(1) of the Corporations Act, a meeting of Seven Shareholders will be held as follows:

Date: 22 December 2025

Time: 10:00am (Sydney time)

Location: Level 6, 8 Central Avenue, Eveleigh NSW 2015

The proposed date for announcement of the ACCC's findings in relation to the Scheme is currently 18 December 2025. If the ACCC condition precedent, or any of the regulatory approval conditions precedent, remains outstanding at 5:00pm (Sydney time) on 18 December 2025, the Seven Board will postpone the Scheme Meeting until such time as the outstanding regulatory approvals have been obtained. Seven Shareholders should monitor Seven's website and ASX announcements for any changes to the current timetable.

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Seven and Southern Cross Media Group Limited agree) proposed to be made between Seven and Seven Shareholders (other than Excluded Shareholders) (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part. To enable you to make an informed voting decision, important information on the Scheme is set out in the scheme booklet accompanying this Notice of Scheme Meeting (**Scheme Booklet**).

Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice.

Resolution

The meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (the **Scheme Resolution**):

> 'That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Seven West Media Limited and the holders of its ordinary shares, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which Seven West Media Limited and Southern Cross Media Group Limited agree.'

By order of the Court and the Seven Board

Warren Coatsworth

Company Secretary

Dated 12 November 2025

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Explanatory notes

1 General

This Notice of Scheme Meeting, including these explanatory notes, relates to the Scheme and should be read in conjunction with the Scheme Booklet dated 12 November 2025 of which this Notice of Scheme Meeting forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure 3 of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in Section 11 of the Scheme Booklet, unless the context otherwise requires.

2 Scheme Meeting format

The Scheme Meeting will be held as an in person meeting. This means that Seven Shareholders and their authorised proxies, attorneys and corporate representatives will be able to participate in the Scheme Meeting by attending in person at Level 6, 8 Central Avenue, Eveleigh NSW 2015.

Seven Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting in person are encouraged to submit a directed proxy vote as early as possible and in any event by 10:00am (Sydney time) on 20 December 2025 by completing and submitting the proxy form in accordance with the instructions on that form and in accordance with section 10.5 of this Notice of Scheme Meeting.

Even if you plan to attend the Scheme Meeting we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot attend the meeting.

3 Chair

The Court has directed that Kerry Stokes AC is to act as Chair of the meeting (and that, if Kerry Stokes AC is unable or unwilling to attend, Ryan Stokes AO is to act as Chair of the meeting) and has directed the Chair to report the result of the Scheme Resolution to the Court.

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4 Required Majorities

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Seven Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by Seven Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Seven Shareholders, body corporate representative).

5 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is agreed to by the requisite majorities and the other Conditions Precedent to the Scheme (other than approval by the Court) are satisfied or waived by the time required under the Scheme, Seven intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

6 Entitlement to vote

The time for determining eligibility to vote at the Scheme Meeting is 7.00pm (Sydney time) on 20 December 2025. Only those Seven Shareholders (other than Excluded Shareholders) entered on the Seven Share Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate Seven Shareholder, by a body corporate representative. Share transfers registered after that time will be disregarded in determining voting entitlements at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to Seven Shareholders entitled to attend and vote at the meeting.

7 Participation in the Scheme Meeting

7.1 Participating in person

Participants who plan to attend the Scheme Meeting are asked to arrive at the venue at least 30 minutes prior to the time the meeting is to commence, so that either their shareholding can be checked against the Seven Share Register, or any power of attorney or certificate of appointment of body corporate representative verified, and their attendance noted.

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7.2 Updates

Please monitor Seven's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

8 How to vote

Voting will be conducted by poll.

If you are a Seven Shareholder entitled to vote at the Scheme Meeting, you may vote by:

- **by attending the Scheme Meeting in person,** at Level 6, 8 Central Avenue, Eveleigh NSW 2015;
- **by proxy,** by appointing one or two proxies to attend and vote on your behalf at the Scheme Meeting, by completing and submitting the proxy form that accompanied this Scheme Booklet. To be valid, your proxy appointment must be received by the Seven Share Registry by 10:00am (Sydney Time) on 20 December 2025;
- **by attorney**, by appointing one or two attorneys to attend and vote at the Scheme Meeting on your behalf, by providing a duly executed power of attorney to the Seven Share Registry by 10:00am (Sydney Time) on 20 December 2025; or
- **by corporate representative**, in the case of a body corporate, by appointing a body corporate representative to attend and vote at the Scheme Meeting on your behalf, by providing a duly executed 'Appointment of Corporate Representative' form (in accordance with section 250D of the Corporations Act) prior to the Scheme Meeting in accordance with section 10.4 below.

9 Jointly held securities

If you hold Seven Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting (personally, or by proxy, attorney or corporate representative), only the vote of the holder whose name appears first on the Seven Share Register will be counted.

See also the comments in section 10.2 below regarding the appointment of a proxy by persons who jointly hold Seven Shares.

10 Voting

10.1 Voting in person

To vote in person, you must physically attend and vote at the Scheme Meeting held at Level 6, 8 Central Avenue, Eveleigh NSW 2015, commencing at 10:00am (Sydney time) on 22 December 2025.

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Eligible Seven Shareholders who wish to attend and vote at the meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

10.2 Voting by proxy

If you are unable to attend and vote at the Scheme Meeting, you may appoint an individual or a body corporate as a proxy to attend the meeting in person and vote on your behalf.

A Seven Shareholder entitled to attend and vote at the Scheme Meeting may appoint one or two individuals or bodies corporate to participate in and vote at the Scheme Meeting as their proxy at any time between the date of this Notice of Scheme Meeting and 10:00am (Sydney time) on 20 December 2025. Proxy forms received after this time will be invalid.

To appoint a proxy, you should complete and return the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form. Please refer to section 10.5 of this Notice of Scheme Meeting below for further details in relation to how to submit a proxy form.

The following applies to proxy appointments;

- your proxy or proxies do not need to be another Seven Shareholder, and may be an individual or body corporate;
- each proxy will have the right to vote on the poll and ask questions at the meeting;
- a Seven Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint up to two proxies and may specify the proportion or number of votes each proxy may exercise. If you wish to appoint a second proxy, a second hard copy proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hardcopy forms, you may copy your proxy form or obtain a second proxy form. You can obtain a second proxy form, or a replacement form, from the Seven Share Registry or online at enquiries@boardroomlimited.com.au;
- if you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the proxy forms, each proxy may exercise half your votes;
- if you hold Seven Shares jointly with one or more persons, each joint holder should sign the proxy form;
- if a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative (in accordance with section 250D of the Corporations Act) to exercise its powers as proxy at the Scheme Meeting in accordance with section 10.4 below;
- if a proxy form is completed under power of attorney or other authority, the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been noted by the Seven Share Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Seven Share Registry by 10:00am (Sydney time) on 20 December 2025 (or, if the meeting is adjourned or postponed, at least 48 hours before the resumption of

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the meeting in relation to the resumed part of the meeting) in any of the ways set out in section 10.5 below.

If you have appointed a proxy, that appointment is not revoked by you attending and participating in the Scheme Meeting. However, if you vote at the Scheme Meeting, your proxy is not entitled to and must not vote.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit. If you instruct your proxy to abstain from voting on an item of business, they are directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the Chair of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the Chair of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The Chair of the meeting intends to vote all valid undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Seven Shareholders.

Proxies of eligible Seven Shareholders who attend in person will be admitted to the meeting and given a voting card on providing their name and address at the point of entry to the meeting.

10.3 Voting by attorney

You may appoint one or two attorneys to attend and vote at the Scheme Meeting in person on your behalf. Your attorney need not be another Seven Shareholder. Each attorney will have the right to vote on the Scheme Resolution and also to ask questions at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Seven West Media Limited), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

You may appoint two attorneys if you are entitled to cast two or more votes at the Scheme Meeting. If you wish to appoint a second attorney, a second power of attorney should be executed.

The power of attorney, or a certified copy of the power of attorney, should be received by the Seven Share Registry before 10:00am (Sydney time) on 20 December 2025 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the ways specified for proxy forms in section 10.5 below.

A validly appointed attorney wishing to participate in and vote at the Scheme Meeting will need to register their attendance and identify themselves as an attorney on the day of the meeting in person at the registration desk at Level 6, 8 Central Avenue, Eveleigh NSW

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2015. Attorneys must also bring with them, and hand in at the registration desk, a properly executed non-revocation of the power of attorney.

If you have appointed an attorney, that appointment is not revoked by you attending and participating in the Scheme Meeting. However, if you vote at the Scheme Meeting, your attorney is not entitled to and must not vote

10.4 Voting by corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act and Seven requires a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act.

A form of 'Appointment of Corporate Representative' certificate may be obtained online from https://boardroomlimited.com.au/investor-forms/. The certificate of appointment may set out restrictions on the representative's powers.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting in person must bring and provide at the registration desk on the day of the Scheme Meeting the certificate appointing them as the corporate representative of the relevant Seven Shareholder or proxy.

Alternatively, Seven Shareholders may submit the certificate:

- via email, by sending it to proxy@boardroomlimited.com.au; or
- in any of the ways specific for proxy forms in section 10.5 below, except that a form of appointment of a corporate representative cannot be lodged online or by mobile device.

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Seven Share Registry.

10.5 How to submit a proxy form

To appoint a proxy, you should complete and submit the proxy form accompanying the Scheme Booklet in accordance with the instructions on that form.

To be effective, proxy appointments must be received by way of completed proxy forms by the Seven Share Registry by 10:00am (Sydney time) on 20 December 2025 (or if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **online**: https://www.votingonline.com.au/swmscheme;
- **by post in the reply paid envelope to the Seven Share Registry at the following address**:

  Seven West Media Limited

  C/o Boardroom Pty Ltd

  GPO Box 3993

  Sydney NSW 2001 Australia
- **by fax to the Seven Share Registry on the following number**

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+61 2 9290 9655

- **by hand delivery to the Seven Share Registry during normal business hours (Monday to Friday, 9:00am to 5:00pm) at the following address**:

  Boardroom Pty Limited

  Level 8, 210 George Street, Sydney 2000

Proxy forms received after 10:00am (Sydney time) on 20 December 2025 (or if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) will be invalid.

If a proxy form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been received by the Seven Share Registry.

11 Questions

Seven Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting.

Seven Shareholders who prefer to register questions in advance of the meeting are also invited to do so by submitting questions via https://www.votingonline.com.au/swmscheme. To allow time to collate questions and prepare answers, please submit any questions by 10:00am (Sydney time) on 20 December 2025.

Seven Shareholders are requested to restrict themselves to two questions or comments initially, and further questions will be considered if time permits. Questions and comments may be moderated to avoid repetition and to make them more concise.

The Chair of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. However, there may not be sufficient time available during the meeting to address all of the questions raised. Please note that individual responses will not be sent to Seven Shareholders.

12 Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained from ASX's website (www.asx.com.au) or from Seven's website (https://sevenwestmedia.com.au/scheme) or by contacting the Seven Share Registry.

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Corporate directory

Seven West Media Limited
Level 6, 8 Central Ave
Eveleigh, NSW 2015

Financial adviser
Barrenjoey Advisory Pty Limited
Level 19, 50 Bridge St
Sydney, NSW 2000

Legal adviser
Herbert Smith Freehills Kramer
161 Castlereagh St
Sydney, NSW 2000

Independent Expert
Lonergan Edwards & Associates Limited
Level 7, 64 Castlereagh St
Sydney 2000

Investigating Accountant
KPMG Financial Advisory Services (Australia)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney, NSW 2000

Seven Share Registry
Boardroom Pty Limited
Level 8, 210 George St
Sydney, NSW 2000

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