



23 December 2021

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

EXTRAORDINARY GENERAL MEETING ADDRESS AND PRESENTATION

Attached is a copy of the Address and Presentation to be made by the Chair of Prime Media Group Limited to the Extraordinary General Meeting today.

Authorised for release by the Board of Prime Media Group Limited.

For further information, please contact:

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2021 EXTRAORDINARY GENERAL MEETING

CHAIR'S ADDRESS TO SHAREHOLDERS

Sydney 23 December 2021: Prime Media Group (ASX:PRT)

[Slide 2]

Good Morning Ladies and Gentleman and welcome to the Prime Media Group Extraordinary General Meeting. My name is Cass O'Connor, Chair of Prime and it is my pleasure to chair today's meeting.

Before we begin, I would like to acknowledge that this meeting is being held on the traditional lands of the Gadigal people of the Eora nation, and pay my respects to Elders past, present and future. I extend those respects to First Nations people from all over Australia and the Torres Strait.

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Due to the COVID-19 pandemic, we are holding the meeting virtually using an online platform which allows participants to vote, ask questions and participate electronically in real-time, rather than attend the meeting at a physical venue.

If you experience any technical issues during the course of the meeting, please contact the Prime Information Line on 1300 290 691 (within Australia) or +61 2 9066 4055 (outside Australia) for assistance.

It is now 11:00am Sydney time and I have been informed by Prime's registry, Link Market Services, that a quorum is present. I now declare the meeting properly constituted and open.

On behalf of the Board and management of Prime, I extend a very warm welcome to all Prime Shareholders who have joined us today. All directors are present this morning. I have Chief Executive Officer Ian Audsley here with me today and we are joined virtually by non-executive directors Brent Cubis in Sydney and Joshua Lowcock in New York. We are also joined virtually by Prime's Chief Financial Officer and Company Secretary, John Palisi.

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This meeting will consider the sale of Prime's business and assets to Seven Network (Operations) Limited (a wholly-owned subsidiary of Seven West Media Limited), and subsequent distribution of the proceeds of the sale of Prime's business and assets to Prime Shareholders following Completion of the Asset Sale. We refer to the sale of Prime's business and assets as the 'Asset Sale' and the distribution of the proceeds of the Asset Sale as the 'Proposed Distribution', and collectively we refer to both as the 'Proposed Transaction'. The Proposed Transaction will not proceed unless both the Asset Sale Resolution and the Proposed Distribution Resolution are approved by Shareholders.

As part of the Proposed Transaction, Prime must also use reasonable endeavors to transfer ownership of the intellectual property associated with the Prime business, including the word 'Prime' – this is referred to as the 'Name Change'. As a result, a third Resolution is to be considered by Prime Shareholders today to change the name of the Company from Prime Media Group Limited to 'PRT Company Limited' and to make consequential amendments to the Company's Constitution.



It is important to note that while we hope the third resolution will pass, the Proposed Transaction is not conditional on approval of this Name Change Resolution.

At Completion of the Asset Sale, it is anticipated that Prime will have A\$131.88 million in available cash. Prime intends to distribute the proceeds of the Asset Sale to Shareholders promptly following Completion of the Asset Sale, which we currently estimate will be in the amount of 36 cents per share.

Post-Completion, Prime is expected to incur costs relating to the Proposed Transaction and in relation to the intended wind-up or other dealing with the then largely asset-less or “shell” Company following the Proposed Transaction. Under the terms of the Share Sale Agreement, Seven has agreed to pay these costs subject to certain terms and conditions.

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As detailed in the Explanatory Memorandum, the Proposed Transaction is expected to deliver Prime Shareholders a number of benefits including:

- The Proposed Distribution, estimated to be in the amount of A\$0.36 per share before franking credits, represents a significant premium to relevant share price metrics, including Prime’s average trading prices over the past 5 years;
- The certain cash return vs uncertain future returns from structurally difficult operating environments coupled with the looming renewal of Prime’s Program Supply Agreement with Seven and Prime’s revenue diversification strategy;
- The Independent Expert has opined that the Proposed Transaction is fair and reasonable and in the best interests of Shareholders, in the absence of a Superior Proposal; and
- As detailed in the Explanatory Memorandum, a number of major Shareholders - holding in aggregate approximately 43.2% of the Shares - indicated their support for the Proposed Transaction prior to the issuance of the Explanatory Memorandum.

Reasons that some Prime Shareholders may wish to vote against the Proposed Transaction proceeding include:

- Notwithstanding the Board’s unanimous recommendation and the opinion of the Independent Expert that the Proposed Transaction is fair and reasonable and in the best interests of Shareholders, in the absence of a Superior Proposal, you may wish to remain a Shareholder of a continuing Prime business;
- You may consider that there is the potential for a Superior Proposal to emerge (noting that, as at the date of this Extraordinary General Meeting, no Superior Proposal has emerged);
- The characterisation of the Proposed Distribution for tax purposes is subject to receipt of an ATO class ruling and the tax consequences of the Proposed Transaction may not suit your current financial circumstances;
- Despite the opinion of the Independent Expert and the unanimous recommendation of the Board, you may believe that the Asset Sale is not fair and reasonable or in the best interests of Shareholders; and
- You may be concerned about the potential uncertainty in relation to the precise quantum of the Proposed Distribution.

For all shareholders, we have provided detail for reasons to vote in favour and against the Proposed Transaction from page 10 of the Explanatory Memorandum.



At the date of this meeting, less than 1% of shareholders have voted (in advance) against the Proposed Transaction proceeding.

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Your Directors unanimously recommend that you vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is in the best interests of Shareholders. The Directors also recommend that Shareholders vote in favour of the Name Change Resolution.

Each of your Directors intends to vote any Prime shares held or controlled by them, or on their behalf, in favour of the Proposed Transaction.

Prime engaged Lonergan Edwards as the Independent Expert. Lonergan Edwards concluded that the offer from Seven was fair and reasonable and in the best interests of Shareholders, in the absence of a Superior Proposal.

Your Prime Board confirms today that no superior proposal has been received by Prime since announcement of the Asset Sale on 1 November 2021. As at the date of this Extraordinary General Meeting, the Independent Expert has not changed its conclusion that the Proposed Transaction is fair and reasonable and, on that basis, in the best interests of Prime Shareholders.

The Australian Competition and Consumer Commission also announced on 9 December 2021 that it had completed its review and would not oppose the Proposed Transaction.

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If the Proposed Transaction is approved by the requisite majorities of Prime Shareholders, the next key steps in the indicative timeline are:

- On Friday, 31 December, Completion of the Asset Sale under the Share Sale Agreement will occur;
- Prime will announce the Proposed Distribution on Friday, 21 January;
- The ASX will suspend trading of Prime Shares on Tuesday, 25 January; and
- On Tuesday, 1 February, Shareholders will receive the Proposed Distribution.

These dates are indicative only and subject to change. Any changes will be announced on Prime's website.

If the Proposed Transaction is approved, the Company will have divested its assets and have no material operations – all available cash will have been distributed to shareholders pursuant to the Proposed Distribution. The Board also reconfirms its intention to proceed with a winding-up or otherwise dealing with the shell company once the Proposed Distribution has been executed.

Lastly, before we move to the formal agenda of the meeting, I would like to take this opportunity to thank Shareholders for their support of Prime. I would also like to thank the management and Board of Prime with whom I have enjoyed working very much, particularly former Prime Chair Ian McGill, who had made a significant contribution to progress the Proposed Transaction on behalf of Shareholders.

**Prime Media Group Limited
Extraordinary General Meeting 2021**

1. Chair's Welcome and Address

Introduction

- The Meeting is being held as a virtual meeting using an online platform which allows participants to vote, ask questions and participate electronically in real-time
- If you experience any technical issues during the course of the meeting, please contact the Prime Information Line on **1300 290 691** (within Australia) or **+61 2 9066 4055** (outside Australia)

Background and overview of the Proposed Transaction

On 1 November 2021, Prime Media Group Limited entered into a Share Sale Agreement for the sale of Prime's business and assets to Seven Network (Operations) Limited, a wholly-owned subsidiary of Seven West Media Limited

- Under the terms of the Share Sale Agreement, Prime will receive cash consideration of A\$131.88m¹ for the sale of its business and assets (the **Asset Sale**)
- Prime intends to distribute the proceeds of the Asset Sale to Shareholders promptly following Completion of the Asset Sale, which is currently estimated to be \$0.36 cents per share² (the **Proposed Distribution** and, together with the Asset Sale, the **Proposed Transaction**)
- Seven has agreed to pay Prime's reasonable costs relating to the Proposed Transaction and the wind-up, or otherwise dealing with the shell of Prime, following the Proposed Transaction
- Prime shareholders are being asked to vote on a third resolution at today's meeting, to change the name of Prime Media Group Limited to 'PRT Company Limited'

1. Adjusted in accordance with the terms of the Share Sale Agreement

2. The precise amount of the Proposed Distribution will be determined at or following Completion of the Asset Sale, having regard to the financial position of Prime at that time. The characterisation of the Proposed Distribution for tax purposes is subject to an ATO class ruling.

Strategic rationale of the Proposed Transaction

Reasons to vote in FAVOUR of the Proposed Transaction	Reasons to vote AGAINST the Proposed Transaction
✓ Proposed Distribution represents a significant premium to relevant share price metrics	✗ You may wish to remain a shareholder of a continuing Prime business
✓ Proposed Distribution is generally higher than Prime's trading prices over the past 5 years	✗ You may consider that there is the potential for a Superior Proposal to emerge
✓ Certainty of cash mitigates future risks otherwise borne by shareholders	✗ The characterisation of the Proposed Distribution is subject to an ATO class ruling and the tax consequences may not be favourable to you
✓ The Independent Expert has opined that it is fair and reasonable and in the best interests of shareholders, in the absence of a Superior Proposal	✗ You may believe it is not fair and reasonable or in the best interests of shareholders
✓ A number of major shareholders have already indicated their support	✗ You may be concerned about the potential uncertainty in relation to the precise quantum of the Proposed Distribution

Further detail for reasons to vote in favour and against the Proposed Transaction can be found from page 10 of the Explanatory Memorandum.

Prime Directors' Recommendation and Independent Expert's Report

The **Prime Directors** unanimously **recommend** that Prime shareholders **vote in favour** of the Proposed Transaction, in the absence of a Superior Proposal and **vote in favour** of the Name Change Resolution

The **Independent Expert** has concluded that the Proposed Transaction is **fair and reasonable**, and therefore **in the best interests of Prime Shareholders** in the absence of a Superior Proposal

The Prime Directors can confirm that as at the date of this Extraordinary General Meeting, no competing proposal has been received since the announcement of the Proposed Transaction on 1 November 2021 and Prime is not in discussions with any other interested parties

Indicative next steps

If the Proposed Transaction is approved by the requisite majorities of Prime Shareholders, the next key steps in the indicative timeline are:



Friday, 31 December 2021

**Completion of the
Asset Sale**

Friday, 21 January 2022

**Announcement of
the Proposed
Distribution**

Tuesday, 25 January 2022

**Suspension of
trading of Prime
Shares**

Tuesday, 1 February 2022

**Shareholders
receive the
Proposed
Distribution**