

**ASX RELEASE**

16 February 2023

**APPENDIX 4D
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

Southern Cross Media Group Limited (ASX: SXL) (SCA) announces results for announcement to the market (All comparisons to 31 December 2021)

Key Financial Information	\$'000	up/down	% movement
Revenue from ordinary activities	258,759	Down	0.3%
Net profit from ordinary activities after tax (including significant items)	14,648	Down	12.8%
Net profit from ordinary activities after tax (excluding significant items)	14,648	Down	12.8%

Dividend Information	Amount per share cents	Franked amount per share cents	Tax rate for franking credit
Final FY2022 dividend per share (paid 4 October 2022)	4.75	4.75	30%
Interim FY2023 dividend per share (to be paid 11 April 2023)	4.60	4.60	30%

The dividend reinvestment plan has been suspended and will not apply in respect of the interim FY2023 dividend.

Interim FY2023 Dividend Dates

Ex-dividend date	3 March 2023
Record date	6 March 2023
Payment date	11 April 2023

	31 Dec 22	31 Dec 21
Net Tangible Assets Per Security	\$(0.69)	\$(0.54)

Additional Appendix 4D disclosure requirements can be found in the directors' report, financial statements and notes to the financial statements contained in the Southern Cross Austereo Interim Financial Report for the half year ended 31 December 2022. This report is based on the consolidated Interim Financial Report for the half year ended 31 December 2022 which has been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the Interim Financial Report.

Investors:

Tim Young
Chief Financial Officer
Tel: 03 9922 2036

Media:

Rochelle Burbury
Corporate Communications and PR Director
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SOUTHERN CROSS AUSTEREO

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Southern Cross Austereo comprises Southern Cross Media Group Limited and its subsidiaries. Southern Cross Media Group Limited is a company limited by shares and incorporated and domiciled in Australia. The registered office of Southern Cross Media Group Limited is Level 2, 101 Moray Street, South Melbourne, Victoria 3205 Australia. Tel: +61 3 9252 1019.

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Directors' Report

The Directors of Southern Cross Media Group Limited ("the Company") submit the following report for Southern Cross Austereo, being Southern Cross Media Group Limited and its subsidiaries ("the Group"), for the half year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The following persons were Directors of the Company during the whole of the financial half year, unless otherwise stated, and up to the date of this report:

- Rob Murray (Chairman)
- Grant Blackley (Managing Director)
- Glen Boreham
- Carole Campbell
- Ido Leffler
- Heith Mackay-Cruise
- Helen Nash
- Melanie Willis (Retired 31 August 2022)

Principal Activities

The principal activities of the Group during the course of the financial half year were the creation of audio content for distribution on broadcast (AM, FM and DAB radio) and digital networks. The Group also broadcasts free-to-air television content in regional markets. These media assets are monetised via revenue generated from the development and sale of advertising solutions for clients.

There were no changes in the nature of the Group during the half year.

Review and Results of Operations

The Group reported revenue of \$258.8 million for the 6 month period ended 31 December 2022, which was broadly consistent with prior year revenue of \$259.7 million. EBITDA for the 6 months was \$43.1 million decreasing 10.6% from \$48.2 million for the same period in the prior year. Excluding government grants received in the prior year of \$1.7 million, EBITDA decreased by 7.3%. Net profit after tax was \$14.6 million for the 6 months ended 31 December 2022, decreasing from a net profit after tax of \$16.8 million for the same period in the prior year.

EBITDA is a measure that, in the opinion of the Directors, is a useful supplement to net profit in understanding the cash flow generated from operations and available for payment of income taxes, debt service and capital expenditure. EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a widely recognised measure of operating performance. EBITDA disclosed within the Directors' Report is equivalent to "Profit before income tax expense for the half year from continuing operations excluding: depreciation and amortisation expense; impairment of intangibles and investments; interest expense and other borrowing costs and interest revenue" included within the Consolidated Statement of Comprehensive Income.

Significant Items

In the 6 months to 31 December 2022 there were no significant items to report.

Dividends

The final dividend for the year ended 30 June 2022 was 4.75 cents per fully paid share, fully franked and was paid on 4 October 2022 by the Company. Since the end of the financial half year ended 31 December 2022 the Directors have declared an interim ordinary dividend of 4.60 cents per fully paid share, fully franked (31 December 2021 interim dividend: 4.5 cents). The interim dividend will be paid on 11 April 2023 by the Company.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the half year under review.

Events Occurring After Balance Date

Events occurring after balance date are outlined in Note 12 "Events Occurring after Balance Date" to the Financial Statements.

Directors' Holdings of Shares

The aggregate number of Company fully paid shares held directly, indirectly or beneficially by directors of the Company at the date of this report is 606,073 (30 June 2022: 621,439).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with resolutions of the directors of Southern Cross Media Group Limited.



Rob Murray
Chairman
Southern Cross Media Group Limited
Sydney, Australia
16 February 2023



Grant Blackley
Managing Director
Southern Cross Media Group Limited
Sydney, Australia
16 February 2023



Auditor's Independence Declaration

As lead auditor for the review of Southern Cross Media Group Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Southern Cross Media Group Limited and the entities it controlled during the period.

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

Trevor Johnston
Partner
PricewaterhouseCoopers

Melbourne
16 February 2023

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated Statement of Comprehensive Income

		Consolidated	
		1 Jul 22	1 Jul 21
	Note	-31 Dec 22	-31 Dec 21
		\$'000	\$'000
Revenue from continuing operations	3	258,759	259,650
Revenue-related expenses		(63,471)	(64,730)
Employee expenses	5	(100,553)	(94,171)
Program and production		(11,847)	(10,904)
Promotions and marketing		(9,714)	(9,959)
Technical expenses		(20,972)	(19,742)
Administration costs		(10,854)	(12,438)
Other income		1,320	115
Share of net profit of investments accounted for using the equity method		436	374
Depreciation and amortisation expense		(14,416)	(15,705)
Interest expense and other borrowing costs		(8,195)	(8,355)
Interest revenue		409	65
Profit before income tax expense for the half year from continuing operations		20,902	24,200
Income tax expense from continuing operations	6	(6,254)	(7,397)
Profit from continuing operations after income tax for the half year		14,648	16,803
<i>Other comprehensive income for the half year that may be reclassified to profit or loss:</i>			
Changes to fair value of cash flow hedges, net of tax		(520)	669
Total comprehensive profit for the half year attributable to shareholders		14,128	17,472
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share		5.8	6.4
Diluted earnings per share		5.7	6.3

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

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated Statement of Financial Position

		Consolidated	
	Note	31 Dec 22 \$'000	30 Jun 22 \$'000
Current assets			
Cash and cash equivalents		40,469	49,462
Receivables		98,064	100,947
Derivative financial instruments		47	787
Current tax asset		8,366	2,622
Total current assets		146,946	153,818
Non-current assets			
Receivables		11,388	11,932
Right-of-use asset		109,835	110,759
Investments		6,459	6,465
Property, plant and equipment		77,566	84,554
Intangible assets	8	707,968	703,796
Total non-current assets		913,216	917,506
Total assets		1,060,162	1,071,324
Current liabilities			
Payables		41,419	48,930
Deferred Income		4,948	6,742
Provisions		18,339	20,620
Leases liability		7,239	6,497
Total current liabilities		71,945	82,789
Non-current liabilities			
Deferred Income		87,264	88,260
Provisions		5,060	4,854
Borrowings	10	142,094	126,943
Lease liability		120,617	120,322
Deferred tax liability		189,273	187,749
Total non-current liabilities		544,308	528,128
Total liabilities		616,253	610,917
Net assets		443,909	460,407
Equity			
Contributed equity	11	1,518,480	1,537,404
Reserves		5,793	5,749
Accumulated losses		(1,080,364)	(1,082,746)
Total equity		443,909	460,407

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

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated Statement of Changes in Equity

2022

	Contributed equity \$'000	Share- based payment reserve \$'000	Hedge reserve \$'000	Other equity transactions \$'000	(Accumulated losses) /retained profits \$'000	Total equity \$'000
Total equity at 1 July 2022	1,537,404	5,196	553	-	(1,082,746)	460,407
Profit for the half year	-	-	-	-	14,648	14,648
Other comprehensive income	-	-	(520)	-	-	(520)
Total comprehensive income	-	-	(520)	-	14,648	14,128
Transactions with equity holders in their capacity as equity holders:						
Buy-back of ordinary shares	(18,924)	-	-	-	-	(18,924)
Employee share entitlements	-	564	-	-	-	564
Dividends paid	-	-	-	-	(12,266)	(12,266)
	(18,924)	564	-	-	(12,266)	(30,626)
Total equity at 31 December 2022	1,518,480	5,760	33	-	(1,080,364)	443,909

2021

	Contributed equity \$'000	Share- based payment reserve \$'000	Hedge reserve \$'000	Other equity transactions \$'000	(Accumulated losses) /retained profits \$'000	Total equity \$'000
Total equity at 1 July 2021	1,542,884	4,664	(1,105)	(77,406)	(826,518)	642,519
Profit for the half year	-	-	-	-	16,803	16,803
Other comprehensive income	-	-	669	-	-	669
Total comprehensive income	-	-	669	-	16,803	17,472
Transactions with equity holders in their capacity as equity holders:						
Employee share entitlements	-	524	-	-	-	524
Dividends paid	-	-	-	-	(13,211)	(13,211)
	-	524	-	-	(13,211)	(12,687)
Total equity at 31 December 2021	1,542,884	5,188	(436)	(77,406)	(822,926)	647,304

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

Consolidated Statement of Cash Flows

		Consolidated	
	Note	1 Jul 22 - 31 Dec 22 \$'000	1 Jul 21 - 31 Dec 21 \$'000
Cash flows from operating activities			
Receipts from customers		285,621	280,249
Payments to suppliers and employees		(255,857)	(252,211)
Interest received from external parties		409	65
Tax paid		(10,252)	(11,925)
Net cash inflows from operating activities		19,921	16,178
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(1,652)	(6,196)
Payments for purchase of intangibles		(6,239)	(2,533)
Proceeds from sale of property, plant and equipment		3,279	57
Payment for purchase of investments		(138)	(1,173)
Dividends received from equity accounted investments		580	640
Net cash flows used in investing activities		(4,170)	(9,205)
Cash flows from financing activities			
Dividends paid to security holders	7	(12,266)	(13,211)
Net proceeds of borrowings from external parties		15,000	-
Buy-back of ordinary shares		(18,924)	-
Interest paid to external parties		(5,148)	(4,884)
Principal elements of lease payments		(3,406)	(3,873)
Net cash flows used in financing activities		(24,744)	(21,968)
Net decrease in cash and cash equivalents		(8,993)	(14,995)
Cash assets at the beginning of the half year		49,462	75,420
Cash assets at the end of the half year		40,469	60,425

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

This condensed consolidated interim financial report for the half year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Company for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of Preparation

i) *Compliance with IFRS*

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB.

ii) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss. All amounts are presented in Australian dollars, unless otherwise noted.

iii) *Comparative figures*

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current period.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts have been rounded off in accordance with the Instrument to the nearest thousand dollars, unless otherwise indicated.

Critical Accounting Estimates and Judgement

The preparation of the interim financial report in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the Group to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group believes the estimates used in the preparation of the interim financial report are reasonable. Actual results in the future may differ from those reported.

The critical estimates and judgements adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Notes to the financial statements

Notes relating to individual line items in the financial statements now include accounting policy information where it is considered relevant to an understanding of these items, as well as information about critical accounting estimates and judgements. No new accounting standards were introduced in the current period.

Notes to the Financial Statements (continued)

2. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has determined operating segments are based on the information reported to the Group CEO and the Company Board of Directors. The Group has determined that it has two main operating segments being:

- Audio, comprising metro and regional radio, digital and other related businesses; and
- Television, comprising the regional television business

	Audio		Television		Corporate		Consolidated	
	1 Jul 22- 31 Dec 22 \$'000	1 Jul 21- 31 Dec 21 \$'000	1 Jul 22- 31 Dec 22 \$'000	1 Jul 21- 31 Dec 21 \$'000	1 Jul 22- 31 Dec 22 \$'000	1 Jul 21- 31 Dec 21 \$'000	1 Jul 22- 31 Dec 22 \$'000	1 Jul 21- 31 Dec 21 \$'000
Segment revenue	200,421	193,744	58,438	65,744	-	162	258,759	259,650
National revenue ¹	108,618	104,964	34,691	40,302	-	-	128,743	145,266
Local revenue ²	68,517	68,078	19,661	21,256	-	-	102,744	89,334
Other revenue	23,286	20,702	3,986	4,186	-	162	27,272	25,050
Total revenue	200,421	193,744	58,338	65,744	-	162	258,759	259,650
EBITDA / Segment result	40,746	46,204	14,117	18,298	(11,759)	(16,307)	43,104	48,195
EBITDA % of Revenue	20.33%	23.8%	24.2%	27.8%	N/A	N/A	16.7%	18.6%
Depreciation and amortisation	-	-	-	-	-	-	(14,416)	(15,705)
Statutory EBIT / Segment result	-	-	-	-	-	-	28,688	32,490
Financing costs	-	-	-	-	-	-	(7,786)	(8,290)
Income tax expense	-	-	-	-	-	-	(6,254)	(7,397)
Profit for the half year attributable to shareholders	-	-	-	-	-	-	14,648	16,803

¹ National revenue is sold by SCA's national sales team who are able to sell all SCA products across all markets.

² Local revenue is sold directly by SCA's local sales team who are only able to sell local products specific to the particular market.

³ EBITDA is the key profit measure reported to the Group CEO and the Company Board of Directors. EBITDA is equivalent to "Profit before income tax expense for the half year from continuing operations excluding: depreciation and amortisation expense; impairment of intangibles and investments; interest expense and other borrowing costs and interest revenue" included within the Consolidated Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

3. Revenue

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

	Consolidated	
	1 Jul 22 - 31 Dec 22	1 Jul 21 - 31 Dec 21
	\$'000	\$'000
Revenue from continuing operations		
Sales revenue	258,580	259,508
Rental revenue	179	142
Total revenue from continuing operations	258,759	259,650

4. Significant Items

Significant items are those items of such a nature or size that separate disclosure will assist users to understand the financial statements. There were no significant items in the current period.

5. Government Grants

PING

In prior years, the Group applied and was found eligible for funding of approximately \$10.3 million under the Commonwealth Government's Public Interest News Gathering (PING) program.

The Group received \$9.3 million in September 2020 and a further \$1.0 million in June 2021 under the PING program for the period from September 2020 to August 2021. The PING program was a Government incentive to support commercial television, radio and newspaper businesses in regional Australia during COVID-19.

PING payments are government grants and are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

Government Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. The impact on the Consolidated Statement of Comprehensive Income is shown below.

	Consolidated	
	1 Jul 22 - 31 Dec 22	1 Jul 21 - 31 Dec 21
	\$'000	\$'000
PING program	-	1,711
Employee costs	(100,553)	(95,882)
Total employee costs after government assistance	(100,553)	(94,171)

Notes to the Financial Statements (continued)

6. Income Tax Expense

	Consolidated	
	1 Jul 22 - 31 Dec 22	1 Jul 21 - 31 Dec 21
	\$'000	\$'000
Income tax expense		
Current tax		
Current tax on profits for the year	4,524	5,306
Adjustments for current tax of prior periods	(62)	427
Total current tax expense	4,462	5,733
Deferred income tax		
Increase in net deferred tax liabilities	1,837	2,317
Adjustment for deferred tax of prior periods	(45)	(653)
Total deferred tax expense	1,792	1,664
Income tax expense	6,254	7,397

7. Dividends Paid

	Consolidated	
	1 Jul 22 - 31 Dec 22	1 Jul 21 - 31 Dec 21
	\$'000	\$'000
The dividends were paid/payable as follows:		
Final dividend paid for the year ended 30 June 2022/2021 – fully franked at the tax rate of 30% and paid in cash	12,266	13,211
	12,266	13,211
	Cents per share	Cents per share
Final dividend paid for the year ended 30 June 2022/2021	4.75	5.0

Since the end of the financial half year ended 31 December 2022 the Directors have declared an interim ordinary dividend of 4.60 cents per fully paid share, fully franked. The interim dividend will be paid on 11 April 2023 by the Company. The dividend reinvestment plan has been suspended and this interim dividend will be paid fully in cash.

Notes to the Financial Statements (continued)

8. Non-Current Assets – Intangible Assets

Consolidated	Goodwill	Broadcasting Licences	Brands and Trademarks	Other	Total
31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	362,088	1,502,031	90,331	18,990	1,973,440
Accumulated amortisation expense	-	-	-	(7,244)	(7,244)
Accumulated impairment expense	(362,088)	(854,478)	(41,662)	-	(1,258,228)
Net carrying amount	-	647,553	48,669	11,746	707,968

Movement

Net carrying amount at 30 June 2022	-	647,553	48,576	7,667	703,796
Additions	-	-	93	6,146	6,239
Amortisation expense	-	-	-	(2,067)	(2,067)
Net carrying amount at end of period	-	647,553	48,669	11,746	707,968

Consolidated	Goodwill	Broadcasting Licences	Brands and Trademarks	Other	Total
31 December 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	362,088	1,502,031	90,193	10,102	1,964,414
Accumulated amortisation expense	-	-	-	(3,461)	(3,461)
Accumulated impairment expense	(352,129)	(630,331)	(24,848)	-	(1,007,308)
Net carrying amount	9,959	871,700	65,345	6,641	953,645

Movement

Net carrying amount at 30 June 2021	9,959	871,700	65,308	936	947,903
Transfers ¹	-	-	-	4,031	4,031
Additions	-	-	37	2,329	2,366
Amortisation expense	-	-	-	(655)	(655)
Net carrying amount at end of period	9,959	871,700	65,345	6,641	953,645

1. The transfer of \$4.031 million of net intangibles relate to the LiSTNR app, which was transferred from Property, plant and equipment following a review of the accounting treatment.

Impairment of goodwill and intangible assets with indefinite useful lives

The value of licences, trademarks, brands and goodwill is allocated to the Group's cash generating units ("CGUs") identified as Audio, being the regional and metro free-to-air commercial radio broadcasting and related operations and Television, being the regional television broadcasting operations. The indefinite lived intangible assets relating to the Television CGU were fully impaired in the year ended 30 June 2019.

The Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates.

Notes to the Financial Statements (continued)

9. Derivative Financial Instruments

	Consolidated	
	31 Dec 22	30 Jun 22
	\$'000	\$'000
Interest rate swap contracts – current asset	47	787
Total derivative financial instruments	47	787

Hedge accounting

The Group designated interest rate swaps held as cash flow hedges and has applied hedge accounting.

The Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of derivative financial instruments used for hedging purposes are presented within the balance sheet. Movements in the hedging reserve are shown within the Consolidated Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

In 2018 the Group entered into \$100 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in January 2018 at an average fixed rate of 2.25%. On 8 April 2021, the Group terminated \$72 million of these swaps. The remaining \$28 million interest rate swap contracts expired on 10 January 2022. In the 2020 financial year the Group entered into \$100 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in January 2021 at an average fixed rate of 1.04%. These interest rate swap contracts expired on 9 January 2023.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Comprehensive Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within “interest expense and other borrowing costs”. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Notes to the Financial Statements (continued)

10. Borrowings

	Consolidated	
	31 Dec 22	30 Jun 22
	\$'000	\$'000
Non-current secured borrowings		
Total committed non-current bank facilities	250,000	250,000
Undrawn facilities	(107,000)	(122,000)
Drawn bank facilities	143,000	128,000
Borrowing costs	(906)	(1,057)
Total secured non-current interest bearing liabilities	142,094	126,943
Total current and non-current borrowings	142,094	126,943

For all non-current borrowings, the carrying amount approximates fair value in the balance sheet.

11. Contributed Equity

	Consolidated	
	31 Dec 22	30 Jun 22
	\$'000	\$'000
Ordinary Shares	1,518,480	1,537,404
Contributed equity	1,518,480	1,537,404

	1 Jul 22 - 31 Dec 22	1 Jul 21 - 31 Dec 21	1 Jul 22 - 31 Dec 22	1 Jul 21 - 31 Dec 21
	\$'000	\$'000	Number of securities '000	Number of securities '000
On issue at the beginning of the half year	1,537,404	1,542,884	260,848	264,214
Buy-back of ordinary shares	(18,924)	-	(18,643)	-
On issue at the end of the financial year	(1,518,480)	1,542,884	242,205	264,214

On 24 March 2022, the Group announced its intention to conduct an on-market share buy-back of up to \$40 million or 10% of the Group's total shares within a twelve-month period. In the half-year ended 31 December 2022 the Group purchased \$18.9 million in shares, bringing the total purchases to \$24.4 million or 8.33% of the Group's total shares. This was funded by existing cash reserves and debt facilities. The share buy-back will continue until the Group has acquired 10% of the shares.

Notes to the Financial Statements (continued)

12. Events Occurring after Balance Date

Other than matters outlined elsewhere in this report, no matters or circumstances have arisen since the end of the half year that have significantly affected or may significantly affect the operations of the Group, the results of these operations in future financial years or the state of affairs of the Group in periods subsequent to the half year ended 31 December 2022.

Directors' Declaration

The directors of the Company declare that:

- (a) the financial statements and notes set out on pages 4 to 16 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Group as at 31 December 2022 and the financial performance of the Group, as represented by the results of its operations, changes in equity, and cash flows, for the interim financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Southern Cross Media Group Limited.



Rob Murray
Chairman
Sydney, Australia
16 February 2023



Grant Blackley
Managing Director
Sydney, Australia
16 February 2023



Independent auditor's review report to the members of Southern Cross Media Group Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Southern Cross Media Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Southern Cross Media Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

PricewaterhouseCoopers

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

Trevor Johnston
Partner

Melbourne
16 February 2023