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The Independent Directors
Nine Entertainment Co. Holdings Limited
1 Denison Street
North Sydney NSW 2068

2 April 2026

Subject: Sale of assets to a related party / persons in a position of influence

Dear Independent Directors

Introduction

1 On 30 January 2026, Nine Entertainment Co. Holdings Limited (Nine Entertainment or the Company) announced that it entered into an agreement with WIN Television Network Pty Ltd (WIN) to sell its wholly owned NBN television (TV) station. The NBN TV station will continue broadcasting Nine Entertainment's Nine Network in the northern New South Wales (NSW) licence area (including Newcastle) under a new affiliation agreement for a term of at least five years (noting that the terms are substantially similar to the Company's existing affiliation agreement with WIN).

2 Separately, on 24 February 2026, Nine Entertainment announced that it had also entered into an agreement with WIN to sell its wholly owned Darwin or Territory TV station. Like the NBN TV station transaction, the Territory TV station sale includes a new five year affiliation agreement that is structured on substantially similar terms to the Company's existing affiliation agreement with WIN.

3 We collectively refer to the proposed NBN and Territory TV station sales, together with the new related affiliation agreements, as the "Proposed Transaction".

4 Each of the proposed NBN and Territory TV station sales will be effected by way of a share sale, under which WIN will acquire 100% of the shares in NBN Enterprises Pty Limited (NBN Enterprises) (which, together with its subsidiaries, operates the NBN TV station) and, separately, 100% of the shares in Television Holdings Darwin Pty Limited (Television Holdings) (which, together with its subsidiaries, operates the Territory TV station). The consideration payable by WIN for the shares in NBN Enterprises and the shares in Television Holdings is as follows:

Consideration payable by WIN to Nine Entertainment for the shares		
Component	NBN Enterprises "NBN TV station"	Television Holdings "Territory TV station"
Cash	• $14.8 million on completion	• $0.5 million on completion
Commercial broadcasting tax (CBT) adjustment	• If before or within nine months after completion, the Federal Government either: – abolishes the CBT or – extends the existing suspension of the CBT beyond June 2026, WIN must pay Nine Entertainment an additional $2.6 million for each year WIN is relieved of having to pay the CBT beyond June 2026, up to a maximum of three years (being a maximum of $7.8 million)	• Not applicable
Completion account adjustment	• WIN must pay Nine Entertainment an amount equal to the extent that working capital exceeds net debt as at completion, and vice versa(1)	• WIN must pay Nine Entertainment an amount equal to the extent that working capital exceeds net debt as at completion, and vice versa(1)

Note:
1 For the calculation, assets are expressed as positive numbers and liabilities as negative numbers.

5 The Proposed Transaction cannot proceed without the approval of those shareholders in Nine Entertainment that are not associated with WIN (Nine Entertainment Shareholders) as well as the satisfaction or waiver of a number of other conditions precedent summarised in Section I of this report, including Australian Competition & Consumer Commission (ACCC) approval. Importantly, the proposed NBN and Territory TV station sales are interdependent, meaning both must be completed for either to proceed.

NBN and Territory TV stations

6 NBN Enterprises and Television Holdings, via their respective subsidiaries, NBN Pty Limited and Territory Television Pty Limited, operate regional free-to-air (FTA) linear TV stations that service audiences outside of the five main Australian cities.

7 The NBN TV station broadcasts across the Northern NSW and Queensland Gold Coast regions, while the Territory TV station broadcasts to Darwin, Palmerston, and the surrounding areas in the Northern Territory (NT). The stations broadcast Nine Entertainment's Nine Network programming, together with locally produced content[1].

WIN

8 WIN is a wholly owned subsidiary of WIN Corporation Pty Ltd (WIN Corporation), the parent entity of the WIN Group, which operates a network of TV stations in regional parts of Australia and a number of radio stations. The TV stations primarily show Nine Network programming which is provided under an affiliation agreement. The WIN Group pays a percentage of its revenue to the Nine Network[2] for that programming. Mr Bruce Gordon

1 Noting that, in January 2025, the Territory TV station ceased broadcasting its local news bulletin, replacing it with a rebroadcast of Nine Network's Queensland news.

2 The Nine Network is owned and operated by Nine Entertainment.

(Mr Gordon) is the ultimate shareholder of WIN Corporation. Mr Gordon is also the sole shareholder of Birketu Pty Ltd (Birketu), which is the largest shareholder in Nine Entertainment with a 22.98% interest (and an economic interest of 25.22%). Mr Andrew Lancaster is the Chief Executive Officer (CEO) of WIN Corporation and Birketu and is also a non-executive Director of Nine Entertainment. Mr Chris Halios-Lewis is the Chief Financial Officer (CFO) and Chief Operating Officer (COO) of WIN Corporation and Birketu and is also a non-executive Director of Nine Entertainment.

Purpose of report

9 The Proposed Transaction is considered to be a transaction with persons in a position of influence under Australian Securities Exchange (ASX) Listing Rule 10.1, and must be approved by way of an ordinary resolution (at a general meeting) by Nine Entertainment Shareholders. ASX Listing Rule 10.5.10 requires the notice of general meeting to include a report from an independent expert stating whether the Proposed Transaction is "fair and reasonable" to Nine Entertainment Shareholders.

10 Accordingly, the Independent Directors of Nine Entertainment[3] have requested that Lonergan Edwards & Associates Limited (LEA) prepare an independent expert's report (IER) stating whether, in our opinion, the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders and the reasons for that opinion.

11 LEA is independent of Nine Entertainment and WIN (and its associates including the WIN Group, Mr Gordon and Birketu) and has no other involvement or interest in the Proposed Transaction.

Summary of opinion

12 LEA has concluded that the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders, in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Assessment of "fairness" and "reasonableness"

13 As set out in Section V, we have assessed the combined controlling interest equity value of NBN Enterprises and Television Holdings (the shares of which will be acquired to effect the acquisition of the NBN and Territory TV stations) at between \$13.4 million and \$20.0 million. This assessed value range reflects:

(a) the combined market value of the NBN and Territory TV stations' operations (each on a "control" basis) after deducting the estimated cost of:

  (i) the affiliate fees that will be payable under the affiliate agreements

  (ii) the CBT, on the assumption that it is reinstated by the Federal Government in June 2026[4]

(b) the economic impact of the completion account adjustments.

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3 Being all members of the Nine Entertainment Board, save for Mr Andrew Lancaster, who is the CEO of WIN Corporation and Birketu, and Mr Chris Halios-Lewis, who is the COO and CFO of WIN Corporation and Birketu (Independent Directors).

4 We consider the implications of the continued suspension of the CBT from paragraph 178.

14 If the Proposed Transaction is approved, WIN will acquire the shares in the abovementioned companies for combined cash consideration of $15.3 million, comprising $14.8 million for NBN Enterprises and $0.5 million for Television Holdings. This assumes that affiliate fees are payable, the CBT is reinstated in June 2026[40] and the expected completion account adjustments are applied (that is, the combined cash consideration reflects, or is net of, these potential costs). In addition, the airtime component of the affiliate agreements provide an incremental benefit to Nine Entertainment. While this benefit is difficult to quantify, we have made an allowance for $0.4 million to $0.6 million[5], resulting in total consideration of $15.7 million to $15.9 million.

15 Pursuant to Regulatory Guide 111 – *Content of expert reports* (RG 111), a related party transaction / transaction with persons in a position of influence per ASX Listing Rule 10.1 is "fair" if the value of the financial benefit being provided by the entity to the related party (in this instance, the shares in NBN Enterprises and Television Holdings, which operate the NBN and Territory TV stations) is equal to or less than the value of the assets being acquired from the related party (in this instance, cash).

16 This comparison as it applies to the Proposed Transaction is set out below.

Comparison of consideration to combined value of NBN Enterprises and Television Holdings			
	Low $m	**High $m**	**Mid-point $m**
Value of consideration	15.7	15.9	15.8
Combined value of NBN Enterprises and Television Holdings on a 100% controlling interest basis	13.4	20.0	16.7
Extent to which the consideration exceeds (or is less than) the value of NBN Enterprises and Television Holdings	2.3	(4.1)	(0.9)

17 As the consideration offered by WIN lies within our assessed valuation range of NBN Enterprises and Television Holdings on a 100% controlling interest basis, in our opinion, the Proposed Transaction is fair to Nine Entertainment Shareholders when assessed based on the guidelines set out in RG 111.

18 Under RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Proposed Transaction is also "reasonable".

Summary of advantages and disadvantages

19 We summarise below the likely advantages and disadvantages of the Proposed Transaction from the perspective of the Nine Entertainment Shareholders:

Advantages

(a) the value of the consideration to be received by Nine Entertainment lies within our assessment of the combined controlling interest equity value of NBN Enterprises and Television Holdings. Therefore, the Proposed Transaction is considered "fair" to Nine Entertainment Shareholders when assessed based on the guidelines set out in RG 111

5 Assuming that Nine Entertainment utilises its full entitlement and the net benefit is capitalised using an EBITDA multiple range consistent with that adopted in the valuation of the NBN and Territory TV stations.

(b) the sale of the NBN and Territory TV stations aligns with Nine Entertainment's broader strategy to simplify its portfolio, focus on scalable, higher-growth media assets and become a more digital-led media company

(c) the affiliate agreements allow Nine Entertainment to continue to earn a share of regional advertising revenue without directly operating the local stations in addition to getting access to airtime to advertise the Company's programming and that of its sports right partners. It will also continue to generate advertising revenue (and collect user data) via its broadcast video on demand (BVOD) service, 9Now, which will remain available in the regions. In other words, Nine Entertainment will maintain a presence in these regional markets, while also freeing up capital and management time for focus on national platforms instead of smaller regional operations

(d) Nine Entertainment will receive additional consideration if the CBT remains suspended, or is abolished altogether

(e) the capital losses realised as a result of the Proposed Transaction can be immediately utilised to offset Nine Entertainment's capital gains tax liability on the Domain Holdings Australia Limited (Domain) sale

Disadvantages

(f) Nine Entertainment's regional affiliate income depends, in part, on WIN's advertising performance[6]. If local economic conditions weaken or WIN underperforms in sales, Nine Entertainment's revenue from the regions will decline even though its content continues to be broadcast there. WIN's management of the regional linear TV services (including on-air promotion, local programming choices and viewer engagement strategies) may also influence the visibility of Nine Entertainment's content and the extent to which viewers those regions migrate to 9Now and other Nine Entertainment digital media assets. That being said, the WIN Group has been a relatively long-standing regional rebroadcaster of Nine Entertainment's Nine Network (and a significant proportion of regional Australia already receives Nine Network programming via WIN Group stations rather than directly from Nine Entertainment).

20 Based on the above, we consider the advantages of the Proposed Transaction to outweigh the disadvantages, when considered from the perspective of Nine Entertainment Shareholders. Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders, in the absence of a superior proposal.

General

21 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 Nine Entertainment Shareholders. Accordingly, before acting in relation to the Proposed Transaction, Nine Entertainment Shareholders should have regard to their own objectives, financial situation and needs. Nine Entertainment Shareholders should also read the Notice of

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6 Previously, WIN arranged regional advertising on behalf of Nine Entertainment and received a fee for doing so. While WIN will continue to manage regional advertising it will now do so on its own behalf, leaving Nine Entertainment without direct control over WIN's performance outcomes. Nine Entertainment will continue to market and sell advertising in the region to certain "national" clients (for example, an advertiser that books advertising in two or more regional areas), albeit now as WIN's agent rather than on its own behalf.

Meeting and Explanatory Memorandum that has been issued by Nine Entertainment in relation to the Proposed Transaction.

22 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether Nine Entertainment Shareholders should vote for, or against, the proposed resolutions. This is a matter for individual Nine Entertainment 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 Nine Entertainment Shareholders are in doubt about the action they should take in relation to the Proposed Transaction or matters dealt with in this report, shareholders should seek independent professional advice.

23 For our full opinion on the Proposed Transaction and the reasoning behind our opinion, we recommend that Nine Entertainment Shareholders read the remainder of our report.

Yours faithfully

Nathan Toscan
Authorised Representative

Julie Planinic
Authorised Representative

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I Overview of the Proposed Transaction

Terms

24 An overview and key terms of the Proposed Transaction is set out at paragraphs 1 to 5.

Conditions

NBN TV station

25 The share purchase agreement between Nine Entertainment and WIN for the purchase of shares in NBN Enterprises (which, together with its subsidiaries, operates the NBN TV station) is subject to the satisfaction or waiver of a number of conditions precedent on or before 23 June 2026, including the following:

(a) receipt of the necessary determinations and confirmations from the ACCC or Australian Competition Tribunal under the relevant sections of the *Competition and Consumer Act 2010* (Cth) (CCA) allowing the transaction to proceed

(b) approval by the shareholders of the Company not associated with WIN and, to the extent required, entering into the relevant transaction documents under ASX Listing Rule 10.1

(c) each of the "Restructure Steps" (as set out in Attachment A to the share purchase agreement between the Company and WIN) has been completed

(d) the satisfaction or waiver of all conditions precedent in the share purchase agreement between the Company and WIN for the sale of shares in Television Holdings (which, together with its subsidiaries, operates the Territory TV station).

Territory TV station

26 The share purchase agreement between Nine Entertainment and WIN for the purchase of shares in Television Holdings (which, together with its subsidiaries, operates the Territory TV station) is subject to the satisfaction or waiver of a number of conditions precedent on or before 23 June 2026, including the following:

(a) receipt of the necessary determinations and confirmations from the ACCC and/or the Australian Competition Tribunal under the relevant sections of the CCA allowing the transaction to proceed

(b) approval by the shareholders of the Company not associated with WIN of the sale of the NBN TV station under ASX Listing Rule 10.1

(c) each of the "Restructure Steps" (as set out in Attachment A to the share purchase agreement between the Company and WIN) has been completed

(d) the satisfaction or waiver of all conditions precedent in the share purchase agreement between the Company and WIN for the sale of shares in NBN Enterprises (which, together with its subsidiaries, operates the NBN TV station).

Resolution

27 Nine Entertainment Shareholders will be asked to vote on the Proposed Transaction in accordance with the resolution contained in the Notice of Meeting and Explanatory Memorandum.

28 Approval requires the passing of an ordinary resolution, which requires a simple majority to pass (i.e. more than 50% of votes cast by those entitled to vote). For the avoidance of doubt, WIN and its associates (including the WIN Group, Mr Gordon and Birketu) will be precluded from voting on the resolution.

Affiliate agreements

29 Nine Entertainment has entered into affiliate (or program supply) agreements with each of the NBN and Territory TV stations under which Nine Entertainment will supply TV programming for broadcast by the NBN and Territory TV stations within their respective FTA TV licence areas. In return, the NBN and Territory TV stations will pay Nine Entertainment a share of the advertising revenue generated by the stations. This arrangement will enable the NBN and Territory TV stations to broadcast Nine Network programming on the channels Nine, Nine HD, 9Go, 9Gem and 9Life. Nine Entertainment will also receive a right to show the NBN TV station's local news content on the 9Now service and retain any revenue which may be generated from doing so.

30 Each agreement will have a term of five years.

31 Over the term of each agreement, Nine Entertainment will receive a fee equal to:

(a) 50% of the NBN TV station's gross advertising revenue. This will be reduced to 45% if Nine Entertainment ceases to have the exclusive FTA rights to show the National Rugby League (NRL) competition any time before the third year of the term. WIN may also seek to renegotiate the fee after the third year of the term (with a floor of 40%), if the NBN TV station's gross advertising revenue has declined by an agreed percentage; and

(b) 10% of the Territory TV station's gross advertising revenue.

32 Under the program supply agreement for the NBN TV station, the NBN TV station will provide commercial airtime to Nine Entertainment for use by Nine Entertainment's sports rights partners (valued at $0.750 million each year). In addition, WIN will provide $1.0 million worth of airtime across the WIN radio and TV network for Nine Entertainment to promote its TV programs and other assets, such as the Stan subscription video on demand (SVOD) service.

II Scope of our report

Purpose

Corporations Act

33 Chapter 2E of the *Corporations Act 2001* (Cth) (Corporations Act) prohibits (in all but limited circumstances[7]) a public company from "giving a financial benefit" to a "related party" without the approval of the securityholders that are not a party to the transaction. Giving a financial benefit to a related party includes buying an asset from or selling an asset to a related party.

34 Whilst there is no specific requirement for an IER under the Corporations Act, the notice of meeting sent to members must include all information that is reasonably required in order for the members to decide whether it is in their best interests to pass the proposed resolution.

35 We understand that WIN is not considered a related party for the purposes of Chapter 2E of the Corporations Act. Accordingly, Nine Entertainment is not required to seek shareholder approval for the Proposed Transaction under the Corporations Act.

ASX Listing Rules

36 ASX Listing Rule 10 – *Transactions with persons in a position of influence* (specifically Rule 10.1) states that an entity must ensure that it does not acquire a substantial asset from, or dispose of a substantial asset to (amongst others) a related party, a substantial holder (which for the purposes of ASX Listing Rule is a holder of more than 10% of the voting rights) or associates of either without the approval of holders of the entity's ordinary securities. Such approval must be obtained by way of an ordinary resolution at a general meeting and must be passed by securityholders who are not associated with the related party / substantial shareholder etc. (i.e. the non-associated securityholders).

37 ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration for it, is 5% or more of the book value of the equity interests of the entity as set out in the latest accounts provided to the ASX under the Listing Rules.

38 ASX Listing Rule 10.5.10 requires the notice of general meeting to include a report from an independent expert stating whether the transaction is fair and reasonable to non-associated holders of the entity's ordinary securities.

39 WIN is a wholly owned subsidiary of WIN Corporation, the parent entity of the WIN Group. Mr Gordon is the ultimate shareholder of WIN Corporation. Mr Gordon is also the sole shareholder of Birketu, which is the largest shareholder in Nine Entertainment with a 22.98% interest (and an economic interest of 25.22%). WIN is therefore considered to be an associate of a substantial holder for the purposes of ASX Listing Rule 10.1. The consideration to be received by Nine Entertainment from WIN in relation to the Proposed Transaction[8] also represents more than 5% of the book value of Nine Entertainment's equity interests as at

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7 For example, if the financial benefit is considered to be given on "arm's length terms".

8 Including, for the avoidance of doubt, the value of the expected payments to be received pursuant to the new affiliate agreements.

31 December 2025 (being the latest set of accounts disclosed on the ASX as at the date of this report).

40 Accordingly, there is a requirement for Nine Entertainment to not only obtain the approval of the shareholders in the Company that are not associated with WIN (i.e. Nine Entertainment Shareholders) but also to commission a report from an independent expert stating whether the Proposed Transaction is "fair and reasonable" to Nine Entertainment Shareholders.

Our engagement

41 Given the above, the Independent Directors of Nine Entertainment have therefore requested that LEA prepare an IER stating whether the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders and the reasons for that opinion. Our report will accompany the Notice of Meeting and Explanatory Memorandum to be sent to Nine Entertainment Shareholders.

42 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 Nine Entertainment Shareholders. Accordingly, before acting in relation to the Proposed Transaction, Nine Entertainment Shareholders should have regard to their own objectives, financial situation and needs. Nine Entertainment Shareholders should also read the Notice of Meeting and Explanatory Memorandum that has been issued by Nine Entertainment in relation to the Proposed Transaction.

43 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether Nine Entertainment Shareholders should vote for, or against the proposed resolutions. This is a matter for individual Nine Entertainment 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 Nine Entertainment Shareholders are in doubt about the action they should take in relation to the Proposed Transaction or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

44 In preparing our report, we have given due consideration to the ASX Listing Rules and Regulatory Guides issued by the Australian Securities & Investments Commission (ASIC), particularly RG 111, which sets out the assessment framework to which an expert must adhere in evaluating the merits of a transaction, and Regulatory Guide 76 – *Related Party Transactions* (RG 76).

45 The ASX Listing Rules do not define the meaning, or describe the test to be applied in determining whether a related party transaction is "fair and reasonable". However, RG 111 states that "fair and reasonable" should not be applied as a composite test and that there should be a separate assessment of "fair" and "reasonable". RG 111 further states that the transaction should not be assessed simply by reference to the advantages and disadvantages of the transaction (as ASIC does not consider this to provide members with sufficient valuation information).

46 RG 111 provides that a proposed related party transaction / transaction with persons in a position of influence:

(a) is "fair" if the value of the financial benefit to be provided by the entity to the related party (in this instance, the shares in NBN Enterprises and Television Holdings, which operate the NBN and Territory TV stations) is equal to or less than the value of the consideration being provided to the entity by the related party (in this instance, cash). This comparison is required to be made assuming an arm's length transaction between knowledgeable and willing but not anxious parties

(b) is "reasonable" if it is "fair". A related party transaction may also be "reasonable" if despite being "not fair", the expert believes there are sufficient reasons for non-associated securityholders to vote for the proposal.

47 Given the above, in our opinion, the most appropriate basis upon which to evaluate whether the Proposed Transaction is "fair and reasonable" to Nine Entertainment Shareholders is to consider:

Fairness

(a) the combined "controlling" interest market value of NBN Enterprises and Television Holdings (the shares of which will be acquired by WIN to effect the acquisition of the NBN and Territory TV stations)

(b) the value of the consideration offered by WIN for the shares

(c) the extent to which (a) and (b) differ (in order to assess whether the Proposed Transaction is fair under RG 111)

Reasonableness

(a) the strategic and financial implications of the Proposed Transaction for Nine Entertainment Shareholders, including alignment with Nine Entertainment's strategic focus, Nine Entertainment's continuing economic exposure to the regional markets, the potential for additional consideration and certain tax and dividend franking implications

(b) the implications for Nine Entertainment Shareholders if the Proposed Transaction is not implemented

(c) the advantages and disadvantages of the Proposed Transaction from the perspective of Nine Entertainment Shareholders.

Limitations and reliance on information

48 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

49 Our report is also based upon financial and other information provided by Nine Entertainment and its 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.

50 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming our opinion. 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.

51 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.

52 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.

53 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.

54 In forming our opinion, we have also assumed that:

(a) the information set out in the Notice of Meeting and Explanatory Memorandum is complete, accurate and fairly presented in all material respects

(b) if the Proposed Transaction becomes legally effective, it will be implemented in accordance with the terms set out in the respective share purchase agreements.

III Profile of NBN Enterprises and Television Holdings

Overview

55 NBN Enterprises and Television Holdings, via their respective subsidiaries, NBN Pty Limited and Territory Television Pty Limited, operate regional FTA linear TV stations that service audiences outside of the five main Australian cities.

56 The NBN TV station broadcasts across the Northern NSW and Queensland Gold Coast regions, while the Territory TV station broadcasts to Darwin, Palmerston, and the surrounding areas in the NT. The stations broadcast Nine Entertainment's Nine Network programming, together with locally produced content[9].

Current operations and structure

57 NBN Pty Limited, a wholly owned subsidiary of NBN Enterprises, operates a regional FTA linear TV station that broadcasts across Northern NSW (including Newcastle, Central Coast, Coffs Harbour, Tamworth, Lismore, Tweed Heads) and the Gold Coast. The NBN TV station is the strongest performing regional TV market of Nine Entertainment, representing approximately 46% of the audience in its broadcast region (as evidenced by the chart at paragraph 97). The NBN TV station is headquartered in Newcastle, NSW, and currently employs 87 full time equivalent staff. The NBN TV station generates revenue through the sale of:

(a) national regional advertising sold by Nine Entertainment on behalf of the NBN TV station for broadcast within the NBN TV station's licence area. The NBN TV station contributes to approximately 30% of Nine Entertainment's national regional sales team cost in respect of these activities

(b) local advertising sold by WIN on behalf of the NBN TV station for broadcast within the NBN TV station's licence area. The NBN TV station reimburses WIN for these local sales activities.

58 Territory Television Pty Limited, a wholly owned subsidiary of Television Holdings, broadcasts to audiences in Darwin, Palmerston, and the surrounding areas in the NT. The Territory TV is headquartered in Darwin and currently employs 16 full time equivalent staff. The Territory TV generates revenue through the sale of:

(a) national regional advertising sold by Nine Entertainment on behalf of the Territory TV station for broadcast within the Territory TV station's licence area

(b) local advertising sold by Nine Entertainment's Darwin sales team for broadcast within the Territory TV station's licence area.

59 Due to the immateriality of revenue contribution, the Territory TV station does not contribute to the cost of Nine Entertainment's sales team in respect of these activities.

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9 Noting that, in January 2025, the Territory TV station ceased broadcasting its local news bulletin, replacing it with a rebroadcast of Nine Network's Queensland news and a small amount of local news and weather inserts during each week day.

60 Each TV station broadcasts a combination of Nine Entertainment and locally produced content, as follows:

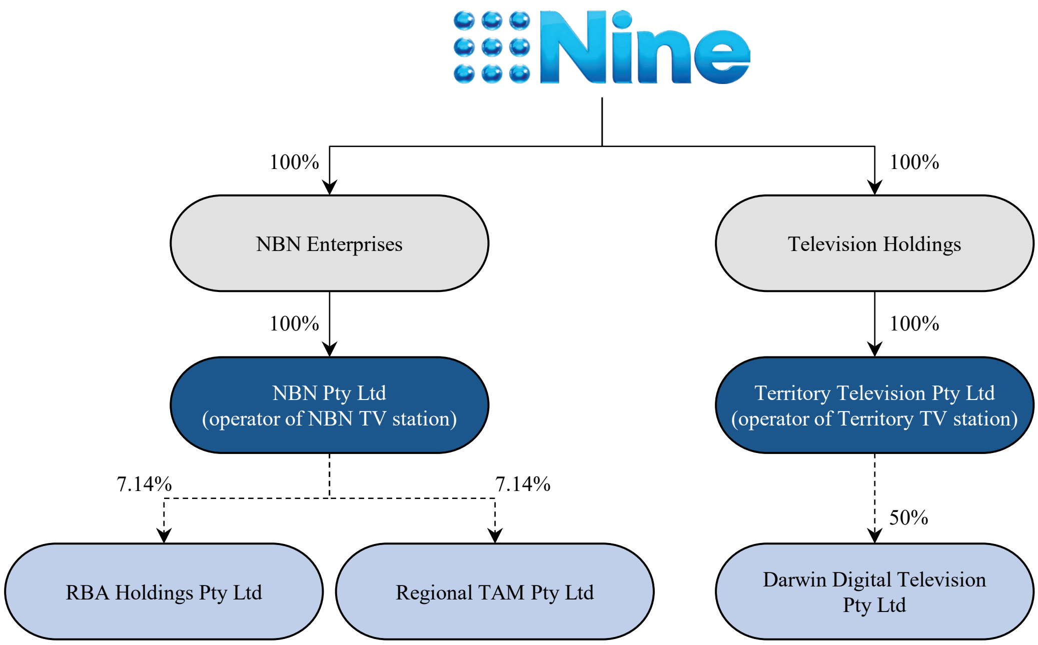
(a) **Nine Entertainment produced content** – includes popular Nine Network TV programs such as *Nine News*, *A Current Affair*, and *Married at First Sight*, and live sports including exclusive FTA broadcasting rights for the NRL and the Australian Open tennis tournament, which currently apply through to 2027 and 2029 respectively

(b) **locally produced content** – primarily includes local news broadcasts (noting that from January 2025, the Territory TV station commenced rebroadcasting Nine Network's Queensland news with a small amount of local news and weather content broadcast each week day) as well as region specific programming[10].

61 Nine Entertainment's BVOD service, 9Now, is also available to be streamed by the regional audiences of the NBN and Territory TV stations, with Nine Entertainment writing all revenue and incurring all costs associated with providing this service.

62 An overview of the ownership and operating structure governing the NBN and Territory TV stations is set out below:

NBN and Territory TV stations – ownership and operational structure



Source: Nine Entertainment management.

63 As noted above, in addition to operating the NBN and Territory TV stations, NBN Enterprises and Television Holdings also hold interests in the following entities:

10 In respect of the Territory TV station, this includes community based interstitial segments such as flood information and features on significant historical events, people and places, which run for around two minutes and are produced on an ad hoc basis.

(a) **Regional TAM Pty Limited** – a joint venture (JV) between NBN Pty Limited and five other regional FTA commercial networks[11] that collects official TV audience measurement data of FTA TV viewing in the five east coast aggregated regional markets, including its 19 component sub-markets, as well as the regional Western Australian market

(b) **RBA Holdings Pty Limited** – a JV between NBN Pty Limited and the same five FTA commercial networks that form Regional TAM Pty Limited, which acts as an industry representative for regional broadcasters and is also the authorised administrator for the Viewer Access Satellite Television (VAST) service in Australia. VAST is an Australian Government funded service that provides FTA TV via satellite to around 200,000 homes and businesses in remote locations that do not have reliable access to local transmission towers

(c) **Darwin Digital Television Pty Ltd** – a JV between Territory Television Pty Limited and a subsidiary of Southern Cross Media Group Limited (SCA) that broadcasts Network Ten content in Darwin.

Financial performance

64 The combined financial performance of the NBN and Territory TV stations[12] over the four financial years to 30 June 2025 (FY25) is set out below:

NBN and Territory TV stations – combined financial performance (ex. affiliate fees)(1)(2)(3)				
	FY22 $000	**FY23 $000**	**FY24 $000**	**FY25 $000**
Gross revenue – NBN TV	71,816	77,627	74,232	73,146
Gross revenue – Territory TV	6,143	6,121	6,000	5,893
Total gross revenue	77,959	83,748	80,232	79,039
Cost of sales – NBN TV	(6,629)	(6,778)	(6,636)	(6,589)
Cost of sales – Territory TV	(449)	(468)	(425)	(416)
Total cost of sales	(7,079)	(7,245)	(7,060)	(7,005)
Other revenue – NBN TV	2,552	3,701	3,219	1,670
Other revenue – Territory TV	111	77	112	(0)
Total other revenue	2,663	3,778	3,331	1,670
Total net revenue	73,544	80,280	76,502	73,705
Salary expenses	(12,842)	(15,088)	(14,146)	(13,217)
Cash lease expenses(4)	(1,069)	(1,240)	(1,353)	(1,406)
NBN sales recharge fees	(3,400)	(1,500)	(1,551)	(1,617)
Property expenses	(2,565)	(2,341)	(2,545)	(2,781)
Licence fees	(3,130)	(3,296)	(3,516)	(3,485)
Other expenses (exc. affiliate fees)	(6,385)	(8,191)	(8,470)	(7,783)
Total operating expenses	(29,390)	(31,656)	(31,581)	(30,289)

11 Being Prime Television (Holdings) Pty Limited, Prime Television (Southern) Pty Limited, Channel Seven Queensland Pty Limited, Network Ten Pty Limited, and WIN.

12 Being the combined financial performance of the NBN TV station entities (i.e. NBN Enterprises and NBN Pty Limited) and the Territory TV station entities (i.e. Television Holdings and Territory Television Pty Limited).

NBN and Territory TV stations – combined financial performance (ex. affiliate fees)(1)(2)(3)	FY22 $000	FY23 $000	FY24 $000	FY25 $000
Underlying EBITDA (exc. affiliate fees)(5)	44,153	48,624	44,921	43,416
Depreciation	(1,177)	(1,105)	(1,102)	(1,042)
Underlying EBIT (exc. affiliate fees)(5)	42,976	47,519	43,819	42,373
Specific items	-	1,045	(204)	(179)
Equity accounted results	78	81	64	63
Proft before tax (exc. affiliate fees)	43,054	48,644	43,679	42,258
Revenue growth	*na(5)*	*7.4%*	*(4.2%)*	*(1.5%)*
EBITDA (ex. affiliate fees) margin	*56.6%*	*58.1%*	*56.0%*	*54.9%*

Note:
1 Rounding differences may exist.
2 Being the combined financial performance of the NBN TV entities (i.e. NBN Enterprises and NBN Pty Limited) and the Territory TV entities (i.e. Television Holdings and Territory Television Pty Limited).
3 Earnings exclude the impacts of the adoption of Australian Accounting Standard AASB 16 – *Leases* (AASB 16). AASB 16 replaces cash rent expenses with depreciation of "right of use" (ROU) assets as well as interest expense associated with lease liabilities recognised.
4 Represents the actual cash rental costs incurred by the entities that are otherwise accounted for as ROU depreciation and lease interest expense under AASB 16.
5 Earnings before interest, tax, depreciation and amortisation (EBITDA); earnings before interest and tax (EBIT); na – not available.
Source: Consolidated management accounts for NBN Enterprises and NBN Pty Limited, as well as consolidated management accounts for Television Holdings and Territory Television Pty Limited for FY22 to FY25, and LEA analysis.

65 In respect of the above, we note that:

(a) **gross revenue** – gross revenue is primarily generated through the sale of advertising placements either directly or through advertising agencies. A breakdown of gross revenue generated by each station is set out below:

NBN and Territory TV stations – gross revenue(1)	FY22 $000	FY23 $000	FY24 $000	FY25 $000
NBN TV station				
Agency	63,611	69,642	65,944	63,576
Direct	8,194	7,982	8,288	9,570
Contra	11	4	-	-
Gross revenue	71,816	77,627	74,232	73,146
Territory TV station				
Agency	4,301	4,498	4,198	4,107
Direct	1,837	1,623	1,797	1,786
Contra	5	-	6	-
Gross revenue	6,143	6,121	6,000	5,893
Gross revenue growth per annum:				
NBN TV station	*na*	*8.1%*	*(4.4%)*	*(1.5%)*
Territory TV station	*na*	*(0.4%)*	*(2.0%)*	*(1.8%)*
Total	*na*	*7.4%*	*(4.2%)*	*(1.5%)*

Note:
1 Rounding differences may exist.
na – not available.
Source: Consolidated management accounts for NBN Enterprises and NBN Pty Limited, as well as consolidated management accounts for Television Holdings and Territory Television Pty Limited for FY22 to FY25, and LEA analysis.

As shown above, gross revenue has declined in FY24 and FY25, reflecting the structural decline in the broader regional FTA linear TV market, which Nine Entertainment management expects to continue over the long term

(b) **other revenue** – primarily comprises commercial and event production revenue as well as transmitter rental income generated by the NBN TV station

(c) **NBN sales recharge fees** – reflects the reimbursement of costs paid by the NBN TV station to WIN for generating local advertising sales on behalf of NBN

(d) **property expenses** – includes rental costs and related outgoings for transmission sites, as well as repairs, maintenance and other utility costs

(e) **licence fees** – represent fees paid to regulatory bodies including the Australian Communications and Media Authority (ACMA), the Australasian Performing Rights Association (APRA), and the Phonographic Performance Company of Australia. These costs are primarily fixed in nature, with the exception of fees paid to APRA, which are driven by gross revenue generated by each station. In addition, we note that fees for FY25 were impacted by fee relief provided by ACMA from 9 June 2025 in accordance with the Federal Government's suspension of the CBT (refer Section IV)

(f) **other operating costs (excluding affiliate fees)** – primarily includes technology costs such as transmission related costs, advertising management platform fees, and playout fees associated with TV signal generation and distribution.

66 Nine Entertainment recently published its half year results for the period ended 31 December 2025 (1H26), which included combined revenue for the NBN and Territory TV stations of $34.5 million, compared to $37.8 million for 1H25.

Financial position

67 The combined financial position of the NBN and Territory TV stations[13] as at 31 January 2026 on a cash and debt free basis[14] is set out below:

13 Being the operating entities for each station, noting that some assets and liabilities relating to these entities (e.g. employee entitlements) are recorded at a Nine Entertainment Group level. The balance sheets of each parent entity (i.e. NBN Enterprises and Television Holdings) comprise paid up capital and the investments held in NBN Pty Limited and Territory Television Pty Limited, with no other material assets or liabilities other than intercompany balances that will be forgiven prior to completion of the Proposed Transaction.

14 Consistent with consideration payable under the terms of the Proposed Transaction.

NBN and Territory TV stations – combined financial position[1][2]			
		As at 31 Jan 26	
	NBN $000	Territory $000	Combined $000
Debtors and prepayments	1,137	150	1,286
Creditors, accruals and provisions	(2,038)	(202)	(2,240)
Property, plant and equipment (PP&E)	4,080	460	4,539
Intangible assets	11,008	9,555	20,563
ROU assets (net of lease liabilities)	(493)	(326)	(820)
Deferred tax liabilities (net)	(25,940)	(3,871)	(29,811)
Other assets	5	22	27
Net operating assets	(12,242)	5,787	(6,455)
Investments	1	-	1
Net liabilities	(12,241)	5,787	(6,454)

Note:
1 Rounding differences may exist.
2 Being the operating entities for each station, noting that some assets and liabilities relating to these entities (e.g. employee entitlements) are recorded at a Nine Entertainment Group level and are not reflected above. The balance sheets of each parent entity (i.e. NBN Enterprises and Television Holdings) comprise paid up capital and the investments held in NBN Pty Limited and Territory Television Pty Limited, with no other material assets or liabilities other than intercompany balances that will be forgiven prior to completion of the Proposed Transaction.

Source: Consolidated management account balance sheets for NBN Pty Limited and Territory Television Pty Limited as at 31 January 2026, and LEA analysis.

68 With respect to the above, we note that:

(a) **PP&E** – a breakdown of the individual components of PP&E, which primarily includes plant and equipment carried at written down value, is set out below:

NBN and Territory TV stations – PP&E[1]			
		As at 31 Jan 26	
	NBN $000	Territory $000	Combined $000
Freehold land and buildings	602	-	602
Leasehold improvements	82	7	89
Plant and equipment	3,371	453	3,823
Tangible work in progress	24	-	24
Total PP&E	4,080	460	4,539

Note:
1 Rounding differences may exist.

(b) **intangible assets** – primarily comprises the TV broadcasting licenses for the NBN and Territory TV stations which are recorded at historic cost, based on fair value at the point of acquisition, less accumulated impairment losses recognised since acquisition

(c) **investments** – includes the minority interests held by NBN Pty Limited in Regional TAM Pty Limited and RBA Holdings Pty Limited. We note that the carrying value of Territory Television Pty Limited's 50% interest in Darwin Digital Television Pty Limited is $nil.

IV Industry overview

Introduction

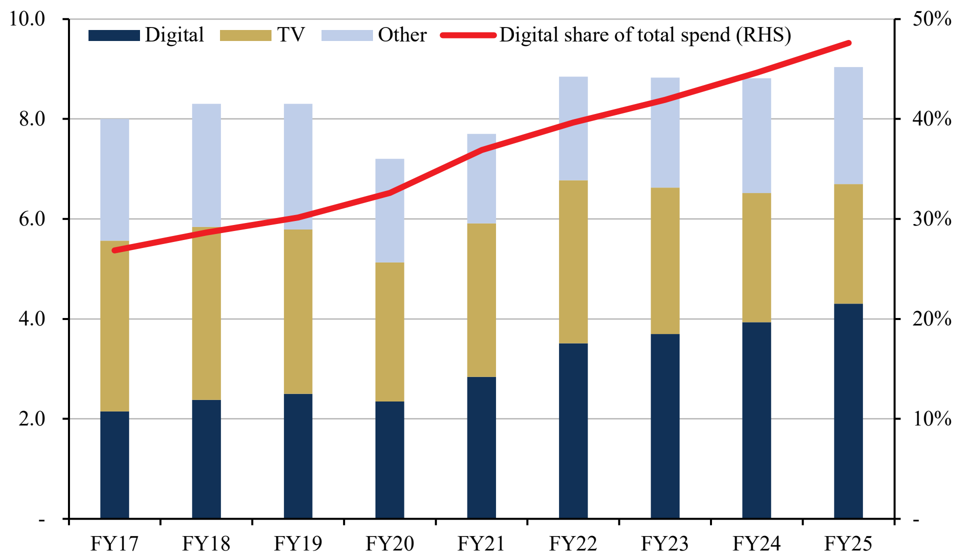
69 The NBN and Territory TV stations are regional FTA TV stations that service audiences outside of the five main Australian cities. The NBN TV station broadcasts across the Northern NSW and Queensland Gold Coast regions, whilst the Territory TV station broadcasts to Darwin, Palmerston, and the surrounding areas in the NT. The two stations are owned by Nine Entertainment, an Australian integrated media company, and are intended to be sold to WIN, an entity within the WIN Group, a private media group that operates a regional broadcast TV network and radio stations. 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 segments within which the NBN and Territory TV stations operate.

Australian media industry

70 The Australian media industry is made up of seven primary sectors, being FTA TV, subscription TV, print, radio, digital (including online content providers, online search, social media, video on demand (VOD) and audio (both streaming and podcasts)), cinema and out-of-home, all of which compete for a share of advertiser and consumer subscription 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.

71 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 agency advertising revenue by media type for the FY17 to FY25 period:

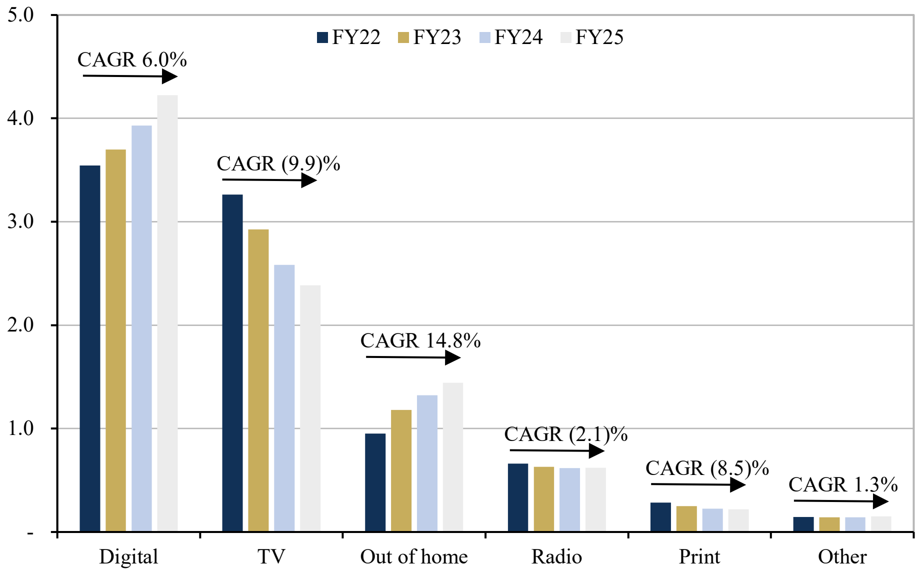
Australian agency advertising spend by media[1][2]
A$bn and % of total spend



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.

72 In FY22, digital agency advertising spend reached approximately $3.5 billion, which was higher than the $3.3 billion spent on TV agency advertising for the year, resulting in the segment overtaking TV as the largest share of total media agency advertising spend for the first time in history. Regarding agency spend, 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 agency 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; *Other* primarily includes cinema.
Source: Guideline SMI.

73 Recent trends in advertising spend are expected to continue, with traditional media (including the FTA TV, print and radio segments) declining in market share, as more expenditure is directed to digital advertising. Noting that the Paris Olympics were held in 2024 and the Federal Election in 2025, the FTA TV segment (excluding BVOD) declined by approximately 8% over the 12 months ended 31 December 2025 (relative to the prior corresponding period)[15]. The market is widely expected to decline further over the three months ended 31 March 2026 (3Q26), with industry analysts remaining cautious due to uncertainty surrounding interest rate increases and limited visibility in a short advertising market.

15 Source: FreeTV / KPMG revenue report dated December 2025.

Regulation

TV regulation

74 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 TV and radio, with reference to print newspapers, which were the dominant media platforms at the time the legislation was introduced.

75 The FTA TV broadcasting sector has undergone regulatory reforms over the past 10 years to try to level the playing field with the largely unregulated digital platforms. Two major reforms which sought to make licence fees payable by commercial TV 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 broadcast network operations. These reforms led to:

(i) the removal of the "75% audience reach" rule, which prevented companies from holding or controlling commercial TV licenses which broadcast 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.

76 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[16] that would result in fewer than five independent media operators in metropolitan areas, or four in regional areas.

16 Including commercial TV, commercial radio, and associated newspapers.

77 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 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 the first 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[17]

(ii) the introduction of a new "prominence framework" that requires new regulated TV devices[18] 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[19]

(b) the BSA contains transmission quotas, requiring commercial TV 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[20].

To achieve this, there are additional standards set out in the Broadcasting Services (Australian Content and Children's Television) Standards 2020[21].

78 In addition, Australian FTA TV 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

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17 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 but do not give any priority opportunity to bid for those digital rights.

18 Being TV devices capable of providing access to VOD services (i.e. internet connected devices) that are supplied to the Australian market.

19 Source: https://hallandwilcox.com.au/news/anti-siphoning-reforms-and-new-prominence-framework/.

20 Source: https://www.acma.gov.au/australian-content-commercial-tv.

21 Source: https://www.legislation.gov.au/F2020L01653/latest/text.

30 June 2022, this did not occur, however the Federal Government recently suspended the tax for one year from June 2025 to June 2026[22]

(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

(c) the *Online Safety Amendment (Social Media Minimum Age) Act 2024* (Cth), which came into effect on 10 December 2025, introduced a minimum age requirement of 16 for users of specified social media platforms, including Facebook, Instagram, TikTok, Snapchat and YouTube. Age-restricted social media platforms are required to take reasonable steps to prevent users under the age of 16 from creating or maintaining accounts, with civil penalties of up to $49.5 million for non-compliance[23]

(d) the *Communications Legislation Amendment (Australian Content Requirement for Subscription Video On Demand (Streaming) Services) Act 2025* (Cth), which was passed by the Federal Parliament in November 2025, introduced Australian content expenditure requirements for SVOD streaming services. Under the new laws, streaming services with more than one million Australian subscribers (including Netflix, Disney+, Amazon Prime Video, Stan and others) are required to invest at least 10% of their total program expenditure for Australia, or 7.5% of their Australian revenue, on new local drama, children's, documentary, arts and educational programs[24]

(e) the BSA also contains local content requirements for regional commercial TV broadcasting licensees. Regional licensees in the seven aggregated regional TV licence areas, as well as those in non-aggregated licence areas that have been affected by a "trigger event" (being a change in control that results in the licence becoming part of a TV network that reaches more than 75% of the Australian population), are required to broadcast minimum amounts of material of local significance[25]. These requirements were introduced as part of the 2017 Media Reform package, to ensure that regional communities continue to have access to locally relevant news and information content following industry consolidation[26].

Digital media advertising regulation

79 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.

80 In June 2019, the ACCC released its final Digital Platforms Inquiry (DPI) report on the impact of online search engines, social media and digital content aggregators (digital

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22 Source: https://www.infrastructure.gov.au/department/media/news/commercial-broadcasting-tax-suspension-support-tv-and-radio-broadcasters.

23 Source: https://www.esafety.gov.au/about-us/industry-regulation/social-media-age-restrictions.

24 Source: https://www.infrastructure.gov.au/department/media/news/new-australian-content-laws-streaming-services.

25 The NBN and Territory TV stations are already subject to these increased minimum content requirements. This was triggered when Birketu (an investment vehicle and parent company of WIN) increased its stake in Nine Entertainment from 14.95% to 19.98% in May 2025. Source: https://www.adnews.com.au/news/bruce-gordon-tightens-his-grip-on-nine.

26 Source: https://www.acma.gov.au/local-tv-content-regional-areas.

platforms) on competition in the media and advertising services markets[27]. 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.

81 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*".

82 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[28] 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.

83 Since the introduction of the News Media and Digital Platforms Mandatory Bargaining Code, digital platform providers such as Meta entered into commercial agreements with Australian news publishers but refused to renew those agreements when their initial terms expired. In

[27] Source: ACCC (2019) *Digital platforms inquiry: final report.*

[28] Source: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6652.

response, in December 2024, the Federal Government announced a News Bargaining Incentive scheme, under which large digital platforms with Australian gross revenue of at least $250 million per annum (irrespective of whether they carry news content) will be subject to a new charge, which can be offset against commercial deals entered into with news publishers. The scheme is intended to apply to platforms such as Meta, Google and TikTok, although the design of the incentive is yet to be finalised[29].

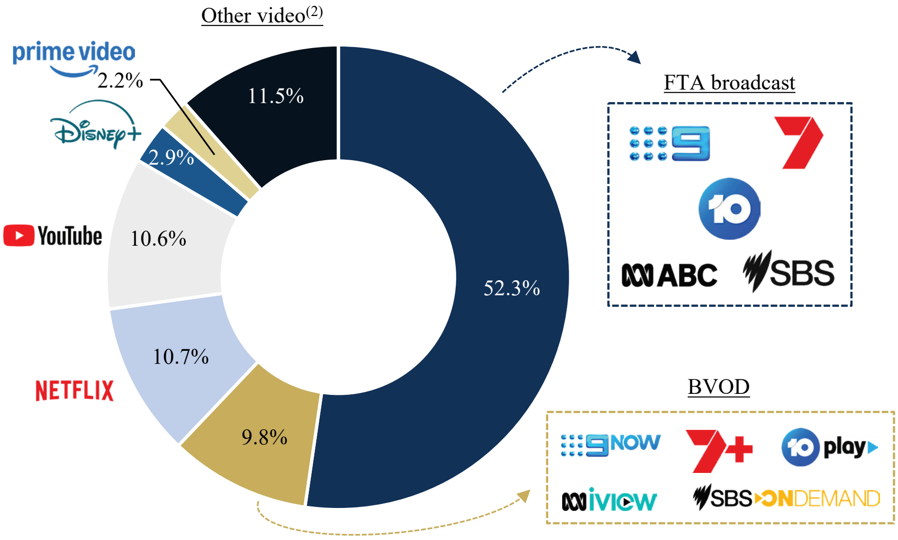
FTA TV industry

Overview

84 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 SVOD services have rapidly increased in popularity, as well as online substitutes such as YouTube, which represented 10.6% of total video minutes viewed by Australian consumers through TV sets (only) during the three months ended 31 December 2025 (2Q26), as shown below:

Share of total video minutes viewed(1)

2Q26



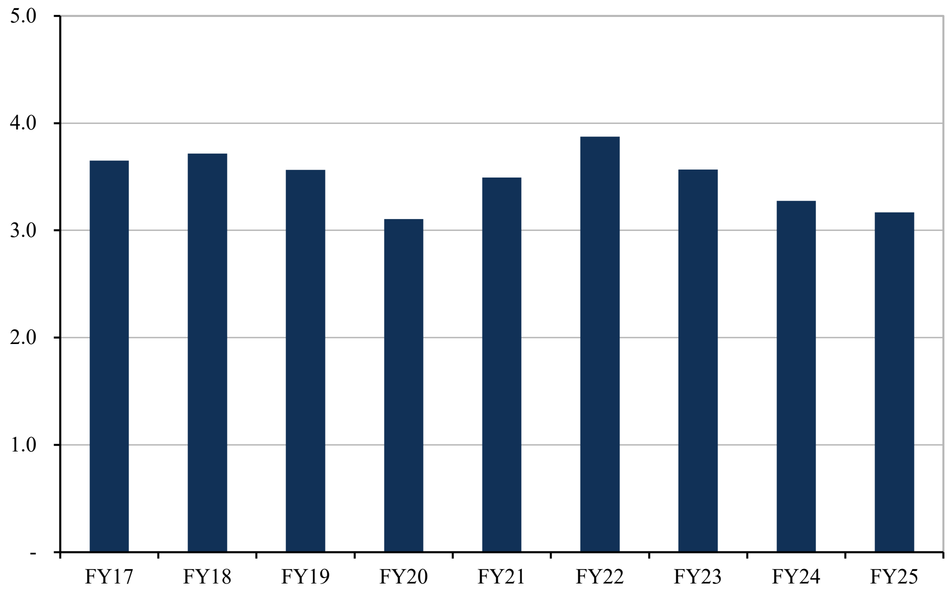
Note:
1 Being total video minutes viewed via TV sets and excludes video minutes viewed through other devices such as smartphones, tablets, and computer devices.
2 Other video primarily includes Foxtel, Kayo, Stan, Paramount+, Binge, Apple TV+, Britbox, Optus Sport, Hayu, Acorn TV, and HBO Max.
Source: https://www.mediaweek.com.au/oztam-streamscape-q4-2025-tv-dominates/.

85 This has drawn advertising agencies away from FTA TV, placing downward pressure on industry revenue, which totalled approximately $3.2 billion in FY25, a 3% decrease relative to FY24, as shown below:

29 Source: https://www.ibanet.org/digital-platform-regulatory-reforms-australia.

Australian FTA TV revenue[1]

$bn



Note:

1 Based upon KPMG / Free TV revenue submissions and is inclusive of Seven Network, Nine Entertainment and Network Ten.

Source: Nine Entertainment management.

86 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 streaming TV (FAST) channels on their BVOD services.

87 In addition, Nine Entertainment entered the SVOD market in 2015 through a JV 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.

88 FTA TV broadcasters have historically benefited 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[30] in the current regime, coupled with the broader trend within sports media that has seen broadcast rights split between FTA and subscription platforms. For instance, under the NRL's current broadcast deal, broadcast of live games is

30 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.

split between Nine Entertainment's FTA channels and subscription TV / SVOD providers Foxtel and Kayo, with certain exclusive games restricted from free public access.

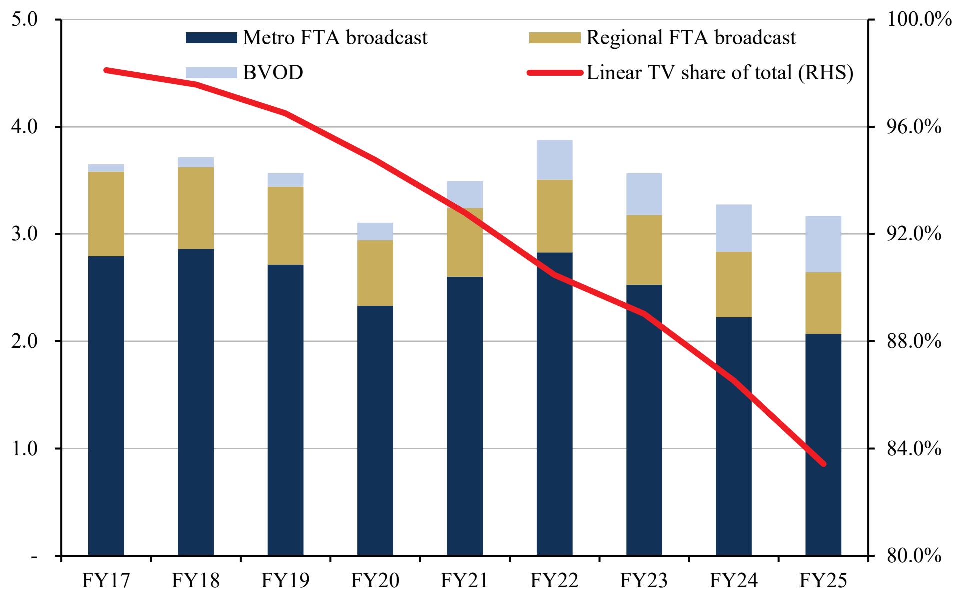
BVOD

89 Whilst the disruption to linear TV distribution, such as the abovementioned shift in sports broadcasting, has the potential to threaten ratings for FTA broadcast viewership, it also presents an opportunity for networks to enhance their value proposition to advertisers. FTA providers can offer a broader and more compelling range of content to their audience through BVOD platforms, such as live sports streaming and simulcasts of their FTA channels, replays and catchups of shows and sporting events, and standalone VOD content. By providing these offerings, FTA TV broadcasters can collect more granular metrics on their audiences[31], allowing for advanced, algorithm and data driven advertisement models. Live sport streaming is also attracting more viewers to BVOD platforms, with NRL and other rugby league game broadcasts generating close to 1.8 billion minutes streamed on 9Now in 2025, up almost 50% from 2024.

90 The ability to provide data driven insights to reach specific consumer segments has boosted BVOD's share of Australian TV total advertising spend in recent years, largely at the expense of linear TV (including both regional and metropolitan FTA broadcast) spend. Total advertising spend for BVOD and linear TV reached approximately \$525 million and \$2,642 million respectively in FY25. The proportion of total advertising spend represented by linear TV decreased from approximately 95% in FY20 to some 83% in FY25, representing an annualised decline of some 2.1% per annum over the period, as shown below:

Australian commercial FTA TV market revenue[(1)]

\$bn



Note:
1 Based upon KPMG / Free TV revenue submissions and is inclusive of Seven Network, Nine Entertainment and Network Ten. BVOD advertising spend for FY17 to FY20 is based upon Nine Entertainment management estimates.
Source: Nine Entertainment management.

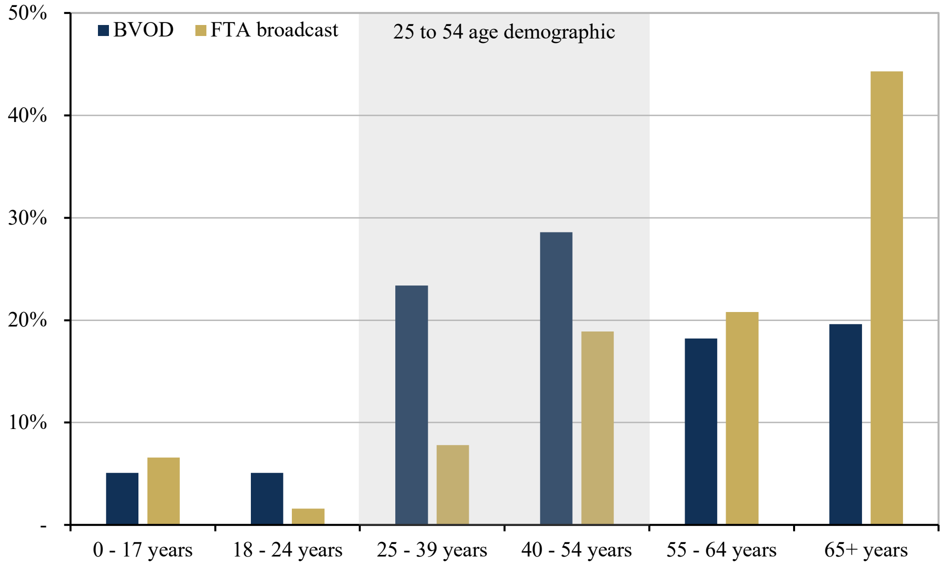
31 Such as audience demographics, email contact details, and viewing behaviour.

91 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.

92 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[32]. Notwithstanding this, as noted in paragraph 84, BVOD minutes only represented 10% of total video minutes viewed in 4Q25.

93 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



Source: ACMA: *Trends and developments in viewing and listening 2023-24* report dated December 2024.

Regional broadcast TV

94 The regional FTA TV broadcasting segment has traditionally operated under a distinct affiliate model, whereby the three major metropolitan commercial networks (the Seven Network, Nine Network and Network Ten[33]) relied on affiliate arrangements with regional operators to distribute their programming outside of capital city licence areas.

95 Under the affiliate model, regional operators broadcast the national programming of their affiliated metropolitan network, supplemented by locally produced content such as regional news bulletins and community service announcements. Programming costs are shared with the major networks by way of program supply or affiliate agreements, with the regional operator typically paying the affiliated network a percentage of its regional advertising revenue in exchange for carriage of the network's content.

[32] Source: OzTAM *VOZ Total TV Viewing Report H1 2025 – Key Insights for Broadcast TV and BVOD* report.

[33] Operated by SCA, Nine Entertainment and Network Ten Pty Limited (which is owned by Viacom Incorporated (trading as Paramount Global)) respectively.

96 Historically, the regional market was serviced by a number of independent broadcasters; however, following a series of acquisitions and the removal of the "75% audience reach" rule in 2017, the segment has consolidated significantly. The major regional commercial TV broadcasters in Australia currently include:

(a) **WIN Television** – owned by the WIN Group, operates as the primary Nine Network affiliate and broadcasts into 29 markets across regional Queensland, Southern NSW, Victoria, Tasmania, South Australia, Western Australia and the Australian Capital Territory (ACT)

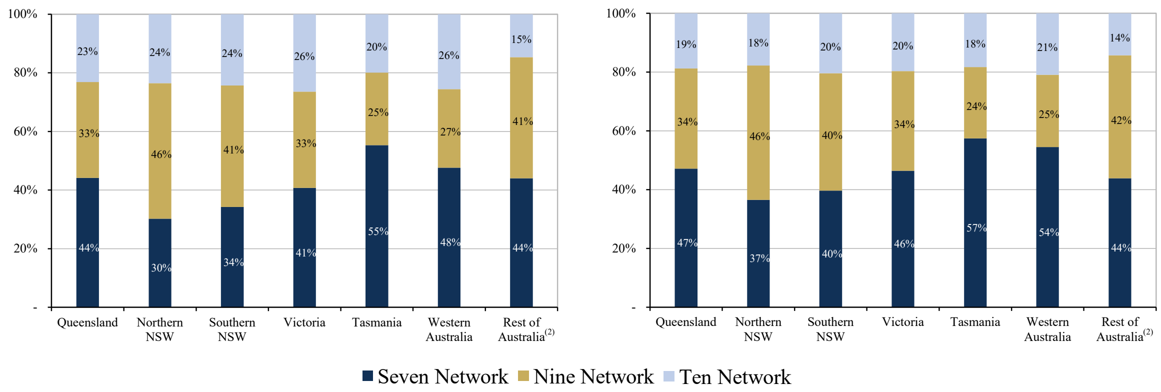
(b) **Seven Network** – owned by SCA (following the acquisition of Seven West Media Limited (SWM) in January 2026) operates as the largest regional FTA TV broadcaster by audience share since acquiring a number of former Southern Cross Austereo TV licenses in mid-2025[34]. The Seven Network operates in regional areas across all States and Territories in Australia

(c) **Network Ten** – has also expanded its regional footprint through the acquisition of former WIN Group and Southern Cross Austereo affiliated stations and operates in regional Queensland, Victoria, NSW and the ACT.

97 A breakdown of the regional commercial FTA market share of Seven Network, Nine Network and Network Ten in FY25 is set out below:

Regional commercial FTA TV market share based on audience numbers(1)

25 to 54 age demographic **Total audience**



Note:

1 Share of commercial FTA audience numbers for each network either directly or through affiliate arrangements (i.e. Nine Network includes content broadcast by WIN Television). Audience numbers for each category are based upon viewers between the hours of 6:00pm and midnight every night across each region in FY25.

2 *Rest of Australia* includes Darwin, Remote Central Queensland and Mt Isa, Griffith, Mildura, Spencer Gulf, and Riverland / Mt Gambier.

Source: Nine Entertainment management.

98 As noted above, Seven Network has the largest commercial FTA market share by audience numbers across each regional broadcast TV segment in Australia, with the exception of Northern and Southern NSW, which are Nine Network's strongest markets. The Company's market share in these regions is underpinned by strong local news and NRL viewership.

34 Source: https://sevenwestmedia.com.au/wp-content/uploads/2025/07/Seven-Australias-largest-regional-commercial-network.pdf.

99 Regional broadcasters generate revenue primarily from the sale of advertising time within local advertising windows during network programming, as well as advertising within their locally produced content. However, the regional advertising market is generally characterised by lower yields per viewer relative to metropolitan markets, reflecting the smaller, more dispersed audience base and the lower spending power of regional advertisers.

100 Regional FTA TV broadcasters face the same structural challenges as their metropolitan counterparts in relation to audience fragmentation and the shift of advertising expenditure towards digital platforms. These pressures are compounded in regional areas by additional infrastructure and transmission costs associated with serving geographically dispersed populations, as well as the regulatory obligations to broadcast minimum levels of locally significant material. The Federal Government has sought to provide some relief to regional broadcasters by providing partial rebates of the commercial broadcasting tax in recognition of the higher cost of transmission in regional and remote areas.

Competition

101 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 Group). An overview of these operators, including the estimated market shares of the major commercial networks, is set out in the table below:

Australian TV competitors

Operator	Region of operations	Examples of channels / platforms	Market share[1] %
Commercial broadcasters			
Nine Network	Metro and regional FTA, BVOD	9, Gem, Go!, 9Now	43.0
Seven Network	Metro and regional FTA, BVOD	7, 7two, 7mate, 7+	40.5
Network Ten	Metro and regional FTA, BVOD	10, 10 drama, 10 comedy, 10 play	16.5
WIN	Regional FTA	WIN	na
Government owned / funded			
ABC	Metro and regional FTA, BVOD	ABC, iview	na
SBS	Metro and regional FTA, BVOD	SBS, SBS On Demand	na

Note:
1 Based upon FY25 share of total TV revenue which includes advertising revenue across metropolitan and regional commercial FTA linear TV and BVOD, noting that Nine Network's revenue share benefits from the coverage of the Paris 2024 Olympics during the period.
Source: Nine Entertainment estimates.

102 The three major FTA networks (Seven Network, Nine Network and Network Ten) operate in the capital cities of each state and territory and in regional markets, with the remainder of the regional markets involving distribution arrangements with regional operators such as WIN

and Imparja Television Pty Limited, or through JVs between existing licence holders in the region.

103 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.

Outlook

104 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, which is expected to further erode the advertising revenues of traditional media owners. Industry experts Magna Global USA Incorporated (Magna Global) expect Australian advertising spend on the TV segment (including FTA linear TV, BVOD, and SVOD) to decrease at an annualised rate of 3.8% per annum over the five years ended 31 December 2030 (CY30), whilst digital advertising spend is expected to increase at a CAGR of 8.0% per annum over the same period[35].

105 However, growth in advertising spend on FTA TV (including both FTA linear TV and BVOD) is forecast to decline at a higher annualised rate of some 4.6% per annum[35].

[35] Source: Magna Global: *Advertising Expenditure Forecasts, December 2025* datapack.

V Valuation of NBN Enterprises and Television Holdings

Overview and methodology

106 The combined value of 100% of the equity (or shares) in NBN Enterprises and Television Holdings (the shares of which will be acquired to effect the acquisition of the NBN and Territory TV stations) has been assessed by aggregating:

(a) the combined market value of the NBN and Territory TV station operations (each on a "control" basis); together with

(b) the realisable value of any surplus or non-core assets / (liabilities) that are not reflected in the above stated business valuations; and

(c) deducting net borrowings (or in the alternative, adding net cash).

107 An overview of generally accepted valuation approaches used in the determination of market value is set out in Appendix C. For the purposes of this report we have adopted the following two methodologies in valuing the NBN and Territory TV station operations:

Valuation methodologies – NBN and Territory TV stations	
Valuation methodology	**Reasons**
Discounted cash flow (DCF)	• The affiliate agreements under which the stations will operate have a finite contractual term. While renewal may occur, this is not guaranteed and introduces uncertainty regarding the duration of future cash flows • Audience numbers and advertising revenues (consistent with trends in the broader FTA TV broadcasting industry) are declining, which may limit the long-term economic life of the stations • Allows for explicit modelling of anticipated changes in revenue, operating costs and capital requirements of the stations over time
Capitalisation of earnings (using EBITDA)	• The stations operate in a mature industry and have well-established positions in their respective regional markets • Both stations have a consistent history of profitability. While earnings are expected to decline (in line with broader industry trends), the risk can be reflected in the EBITDA multiple • Transaction evidence in the traditional media sector is generally expressed in terms of EBITDA multiples

108 Importantly, our assessed value of NBN Enterprises and Television Holdings reflects:

(a) the combined market value of the NBN and Territory TV station operations (each on a "control" basis) after deducting the estimated cost of:

(i) the affiliate fees that will be payable under the affiliate agreements

(ii) the CBT, on the assumption that it is reinstated by the Federal Government in June 2026

(b) the economic impact of the completion account adjustments.

109 This approach has been adopted because the combined cash consideration offered by WIN assumes that the affiliate fees are payable, the CBT is reinstated in June 2026 and the expected completion adjustments are applied (that is, the combined cash consideration

reflects, or is net of, these potential costs). Alternatively, the value of NBN Enterprises and Television Holdings could be assessed excluding these adjustments, however, in this case, the value of the benefits accruing to Nine Entertainment (for example, affiliate fee income) would need to be incorporated into the assessment of the value of the consideration to be received.

DCF methodology

110 Under the DCF methodology, the value of the NBN and Territory TV station operations is equal to the net present value (NPV) of the estimated future free cash flows generated by the stations including, if appropriate, a terminal value. In order to arrive at this NPV, the estimated future cash flows are discounted using a discount rate that reflects the risks associated with the cash flow stream.

Cash flow projections

111 Our DCF valuation is based upon a simplified, high level financial model of the NBN and Territory TV station operations developed by LEA (DCF Model). The DCF Model projects nominal operating cash flows on an ungeared basis (i.e. before interest expense from financing) less taxation payments, capital expenditure and working capital requirements. The cash flow projections cover the period from 1 July 2026 to 30 June 2036 (Forecast Period). We have not included a terminal value for a number of reasons, including:

(a) the broader regional FTA linear TV market within which the stations operate is experiencing a structural decline, as evidenced by declining revenues and audience numbers (discussed in further detail below). This creates significant uncertainty regarding the long-term economic life of the stations beyond the end of our Forecast Period

(b) the affiliate agreements under which the NBN and Territory TV stations will operate are limited to an initial term of five years. While the Forecast Period assumes renewal for an additional five year term, for the reasons set out in (a) above, we consider the likelihood of further renewals beyond that point to be inherently uncertain

(c) due to the time value of money and risk, the present value benefit attributable to any terminal value at the end of the Forecast Period would be relatively immaterial.

112 The DCF Model was developed having regard to, inter alia, the recent historical results of the stations, and related discussions with Nine Entertainment management regarding the expected future financial performance and outlook for the stations.

113 The following should be noted in respect of the projections set out within the DCF Model:

(a) the major assumptions underlying the projections were formulated in the context of contemporaneous economic, financial and other conditions

(b) the projections and the underlying assumptions have not been reviewed by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions

(c) future advertising revenues, profits and cash flows are inherently uncertain

(d) the achievability of these projections is not warranted or guaranteed by LEA or Nine Entertainment, as they are projections based fundamentally on predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of management; and

(e) actual results may be significantly more or less favourable than projected.

114 As the detailed cash flow projections are commercially sensitive they have not been set out in detail in our report. However, the key assumptions adopted in our DCF Model and the sensitivities considered are set out below.

Gross advertising revenue

115 The DCF Model assumes that revenue generated by the NBN and Territory TV stations will continue to decline at a rate of 5.0% per annum over the Forecast Period. In forming this view, we have considered:

(a) the historical revenue for the NBN and Territory TV stations based upon the consolidated financial information for FY22 to FY25, as well as 1H26 relative to 1H25

(b) trends in historical information for the broader FTA TV market, including:

(i) revenue generated by the broader FTA TV market over the FY17 to FY25 period; and

(ii) audience numbers for regional FTA linear TV over the FY17 to FY25 period, with a specific focus on the regions within which the NBN and Territory TV stations operate

(c) forecast revenue estimates for:

(i) the FTA linear TV market published by ACMA

(ii) Nine Entertainment's FTA linear TV segment published by investment analysts.

Historical revenue for NBN and Territory TV stations

116 The historical gross advertising revenue for NBN and Territory TV stations over the FY22 to FY25 period as well as 1H26 is set out below:

Segment revenue – NBN and Territory TV stations[1]

	FY22 $m	FY23 $m	FY24 $m	FY25 $m	1H26 $m
Gross revenue – NBN TV station	71.8	77.6	74.2	73.1	na
Gross revenue – Territory TV station	6.1	6.1	6.0	5.9	na
Total	78.0	83.7	80.2	79.0	34.5
Gross revenue growth per annum:					
NBN TV station revenue		*8.1%*	*(4.4%)*	*(1.5%)*	na
Territory TV station revenue		*(0.4%)*	*(2.0%)*	*(1.8%)*	na
Total revenue		*7.4%*	*(4.2%)*	*(1.5%)*	*(8.7%)[2]*

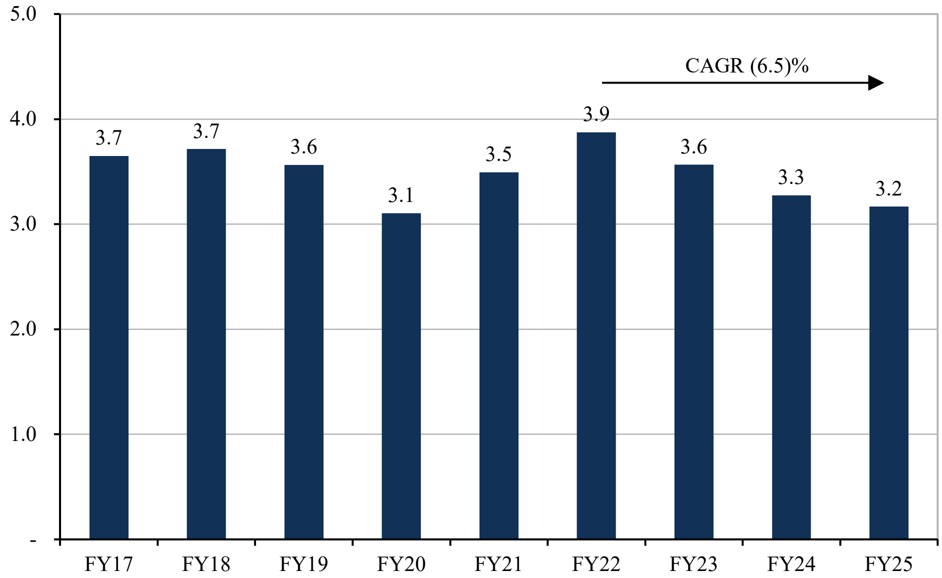
Note:
1 Rounding differences may exist.
2 Relative to 1H25 combined revenue of $37.8 million
na – not available.

117 As shown above, the gross advertising revenue generated by NBN and Territory TV stations declined by 4.2% and 1.5% in FY24 and FY25 respectively. Revenue is expected to decrease further in FY26, representing an annualised decline of approximately 3.9% over the 2.5 years ended 31 December 2025.

Historical FTA TV market revenue and audience numbers

118 Revenue for the Australian FTA TV market was relatively flat over the FY17 to FY19 period, before declining significantly in FY20. Whilst revenue recovered over the period to FY22, the industry has been in decline since, decreasing at an annualised rate of 6.5% per annum over the three years to FY25, as shown below:

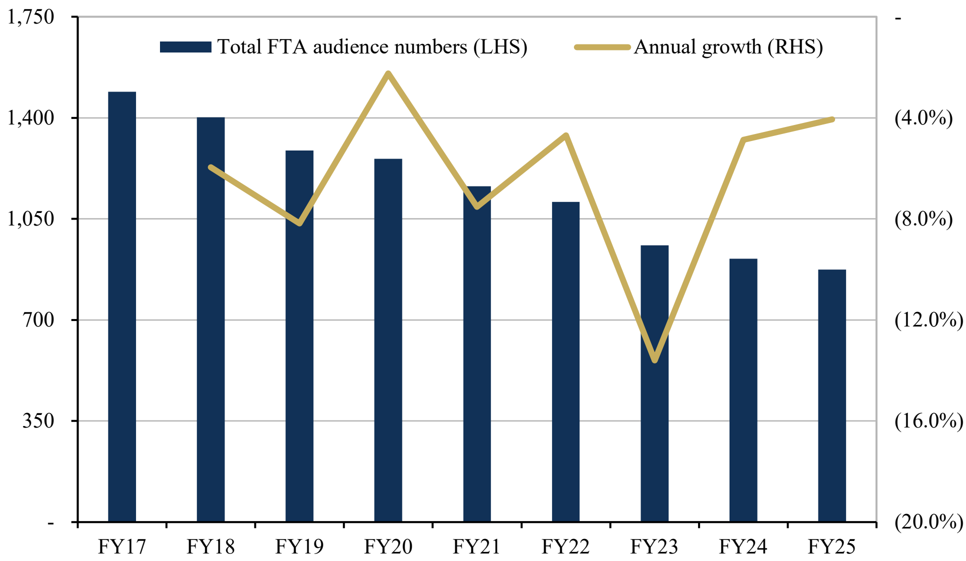
Australian FTA TV revenue(1)
$bn



Note:
1 Based upon KPMG / Free TV revenue submissions and is inclusive of Seven Network, Nine Entertainment and Network Ten.
Source: Nine Entertainment management.

119 Notwithstanding the recovery in market revenue exhibited over the FY20 to FY22 period, total FTA linear TV audience numbers have experienced a continued decline since FY17, decreasing at an annual rate of approximately 6.4% over the eight years to FY25, as shown below:

Australian FTA linear TV audience numbers[1]



Note:
1 Audience numbers are based upon total viewers (across all age demographics) between the hours of 6:00pm and midnight every night each year across all NSW, Queensland, Victoria, Tasmania and Western Australia.
Source: Nine Entertainment management.

Forecast FTA linear TV revenue estimates

120 We have also considered the forecast change in revenue for the Australian FTA linear TV market published by ACMA, as well as the revenue forecasts for Nine Entertainment's FTA TV segment by a number of investment analysts. A summary of these forecasts is set out in the table below:

Forecast revenue decline – FTA TV market and Nine Entertainment's FTA TV segment	FY26F	FY27F	FY28F	FY29F	FY30F
FTA TV market revenue decline (%)[1]	(4.1)	(5.1)	(6.0)	(5.6)	(3.2)
Nine Entertainment's FTA linear TV segment					
Average revenue decline (%)	(10.6)[2]	(5.9)	(5.6)	(10.0)	(10.0)
Median revenue decline (%)	(10.5)[2]	(3.8)	(3.7)	(10.0)	(10.0)
Number of analysts (#)	4	3	3	1	1

Note:
1 Based on estimated revenue for FTA TV (including linear TV and BVOD) for each financial year which has been derived from the calendar year revenue data set out in the Magna Global forecasts.
2 Revenue decline includes the impacts of the sale of the NBN and Territory TV stations.
na – not available.
Source: Magna Global: *Advertising Expenditure Forecasts, December 2025* datapack, investment analyst reports for Nine Entertainment, LEA analysis.

121 We note that our adopted revenue decline of 5.0% per annum over the Forecast Period is broadly consistent with the forecast rate of decline in FTA TV market revenue over the FY26 to FY30 period set out above. We consider this to be reasonable given that:

(a) the forecast FTA TV market revenue includes BVOD revenue, a segment that is expected to experience revenue growth over the forecast period. Accordingly, we would expect forecast FTA linear TV market revenue (excluding BVOD) to decline at a higher annual rate than those set out above. This would indicate that our adopted rate of decline is lower than the expected rate of decline in the broader FTA linear TV market

(b) the lower rate of decline relative to the market is consistent with the trend in historical revenue generated by the NBN and Territory TV stations, which has declined at a lower rate relative to the broader FTA TV market revenue and audience numbers

(c) the stations will primarily be broadcasting content from Nine Entertainment. In respect of this, we note that revenue for Nine Entertainment's FTA linear TV broadcast segment is forecast to decline at lower rate relative to broader FTA linear TV market.

NBN sales recharge costs

122 The NBN TV station has historically paid recharge costs to WIN for the sale of local advertisements in the regions that it operates, which have averaged approximately 2.5% of gross revenue generated by the NBN TV station over the FY22 to FY25 period. Given that the costs to sell local advertising will continue to be incurred by WIN moving forward, our DCF Model has included equivalent local advertising sales costs equivalent to 2.5% of the gross revenue generated by the NBN TV station in each year over the Forecast Period.

APRA fees

123 The licence fees paid to APRA by the NBN and Territory TV stations are based upon gross revenue generated by the stations' operations in each year. Our cash flow projections include APRA fee costs equivalent to 1.0% of the consolidated gross revenue of the stations' operations in each year, which is consistent with the average level of fees paid (as a percentage of revenue) observed historically.

Other operating costs

124 Operating costs (excluding affiliate fees) for the NBN and Territory TV stations are primarily comprised of employee salary costs, licence fees paid to regulatory bodies, and property costs associated with transmission site rental and related outgoings. Given that these costs are primarily fixed in nature, our DCF Model has assumed that these costs will escalate at a rate of 2.5% per annum over the Forecast Period, which is broadly consistent with long-term inflation expectations.

Affiliate fees

125 Under the affiliate agreements, the NBN and Territory TV stations will be required to pay Nine Entertainment a share of gross advertising revenue generated (50% for the NBN TV station and 10% for the Territory TV station). The fee for the NBN TV station will be reduced to 45% if Nine Entertainment ceases to have the exclusive FTA rights to show the NRL competition any time before the third year of the term. WIN may also seek to renegotiate the fee after the third year of the term (with a floor of 40%), if the NBN TV station's gross advertising revenue has declined by an agreed percentage.

126 Our cash flow forecasts reflect the payment of the affiliate fees set out in each affiliate agreement and assume that the agreements will be renewed for a further five year term at the conclusion of the initial term on similar commercial terms. The DCF Model also reflects the possibility that the affiliate fee for the NBN TV station will be renegotiated to lower levels.

Long-term underlying EBITDA margin

127 We note that the adoption of the above assumptions in our DCF Model results in a compression of EBITDA margins for the NBN and Territory TV stations' operations over the Forecast Period.

128 Where the aggregation of individually forecast revenue and cost items results in an EBITDA margin for the consolidated operations that is below a level that we consider to be commercially sustainable, the DCF Model applies a flat underlying EBITDA margin in that period. We consider this approach reasonable because:

(a) management has a degree of operational flexibility and would be expected to adjust the stations' operations in response to changing market conditions, including the ongoing structural decline in advertising revenue and movements in the cost environment

(b) the underlying EBITDA margins generated by the NBN and Territory TV stations have remained relatively consistent in recent years, notwithstanding that revenue has declined

(c) the underlying EBITDA margins adopted in the DCF Model should reflect reasonably achievable margins, taking into account expected market conditions and the stations' competitive positioning.

129 In determining a reasonable sustainable long-term underlying EBITDA margin, we have had regard to the historical underlying EBITDA margins generated over the FY22 to FY25 period. In doing so, we have adjusted the historical underlying EBITDA margin (excluding affiliate fees) to allow for the affiliate fees that would be payable under the new affiliate agreements. This analysis is set out in the table below:

NBN and Territory TV stations – underlying EBITDA margin[1]

	FY22 $m	FY23 $m	FY24 $m	FY25 $m
Revenue	78.0	83.7	80.2	79.0
Underlying EBITDA (exc. affiliate fees)	44.2	48.6	44.9	43.4
Affiliate fees payable under new agreement[1]	(36.5)	(39.4)	(37.7)	(37.1)
Underlying EBITDA	7.7	9.3	7.2	6.3
Underlying EBITDA margin (%)	*9.9%*	*11.1%*	*9.0%*	*8.0%*

Note:
1 Being 50% and 10% of the historical gross revenue generated by the NBN and Territory TV stations respectively.

130 Having regard to the above, we have adopted a long-term sustainable underlying EBITDA margin for the NBN and Territory TV stations' operations equal to 8.5% of gross advertising revenue.

Other key assumptions

131 Other key assumptions adopted in the DCF Model are summarised as follows:

DCF Model – other assumptions adopted	
	Comment
Depreciation	• Has been projected based on 17.5% of the gross PP&E of the NBN and Territory TV stations in each year (which has been projected based on historical PP&E and the below capital expenditure assumption), which is consistent with levels observed historically
Capital expenditures	• The NBN and Territory TV stations have relatively limited capital expenditure requirements, with the principal spend related to the maintenance and replacement of TV transmitter assets. The DCF Model assumes ongoing capital expenditures of some \$0.8 million per annum, which reflects the replacement of one transmitter each year
Working capital	• Has been projected based upon the gross revenue generated by the NBN and Territory TV station operations, however, we note that the impacts of movements in net working capital on free cash flow and NPV in our DCF Model are relatively immaterial

Discount rate

132 Given the ongoing structural decline in the broader FTA linear TV market, together with the historical and expected continuing revenue decline of the NBN and Territory TV stations, we consider it appropriate to assume that the acquisition of the stations would need to be fully equity financed for the purpose of assessing the applicable discount rate.

133 We have therefore derived the discount rate (cost of equity) for the NBN and Territory TV stations based on the capital asset pricing model (CAPM), the formula for which is summarised below:

Cost of equity calculation

$$R_e = R_f + \beta_e\left[E(R_m) - R_f\right]$$

where:

R_e	=	expected equity investment return or cost of equity in nominal terms
R_f	=	risk-free rate of return
$E(R_m)$	=	expected market return
$E(R_m) - R_f$	=	market risk premium (MRP)
β_e	=	equity beta

134 The adopted inputs in assessing the discount rates applied are as follows:

Discount rate inputs		
Input	**Adopted**	**Comment**
R_f	4.9%	Being the average 10 year government bond rate published by the Reserve Bank of Australia for the 30 days to 1 April 2026.
MRP	6.0%	Reflecting our view on the additional return above the risk-free rate sought by equity investors in the current market conditions. Importantly, the total required market return (being R_f plus MRP) of 10.9% per annum is broadly consistent with that adopted by market participants (including investment analysts and independent experts preparing reports on public company takeovers / schemes).

Discount rate inputs		
Input	**Adopted**	**Comment**
β_e	1.3 to 1.5	Reflecting the sensitivity of advertising revenue to economic conditions as well as the risks associated with the stations' operations, particularly in respect of their smaller size relative to major industry operators and their dependence on Nine Entertainment for content. Whilst not directly comparable to the operations of the NBN and Territory TV stations, we have also considered the current and historical beta estimates for Nine Entertainment (which have generally exceeded 1.0).

135 Based on the above inputs, we have applied discount rates in the range of 12.5% to 14.0% per annum (nominal, after tax) to the forecast free cash flows.

Sensitivity analysis and DCF value

136 There are inherent qualifications that apply to cash flow projections on which DCF valuations are based. In addition, the cost of capital can vary between industry participants based on factors such as differing perceptions / acceptance of risk and willingness to assume debt funding obligations. It is important therefore not to credit the output of DCF models with a precision they do not warrant. It follows that any DCF valuation process should consider a range of scenarios, having regard to the respective key valuation drivers of the business operations being valued.

137 In assessing our valuation range we have therefore considered the sensitivity of the value derived from the DCF Model to changes in the key assumptions, as shown below:

Sensitivity analysis – EBITDA margin and change in gross TV advertising revenue[1]

		Change in gross TV advertising revenue (per annum up to 30 June 2036)				
		(4.0%)	**(5.0%)**	**(6.5%)**	**(8.0%)**	**(10.0%)**
	10.5%	20.3	19.3	17.9	16.5	14.8
	9.5%	18.1	17.2	15.8	14.9	13.0
EBITDA margin	**8.5%**	15.9	15.0	13.8	13.2	11.2
	7.5%	13.9	12.8	11.8	11.6	9.6
	6.5%	11.9	10.7	10.0	10.0	8.2

Note:
1 Using the mid-point of our adopted discount rate range.

Sensitivity analysis – EBITDA margin and change in discount rate[1]

		Discount rate (per annum)				
		15.5%	**14.5%**	**13.5%**	**12.5%**	**11.5%**
	10.5%	18.0	18.6	19.2	19.8	20.5
	9.5%	16.0	16.5	17.0	17.6	18.2
EBITDA margin	**8.5%**	14.0	14.4	14.9	15.3	15.9
	7.5%	12.0	12.3	12.7	13.1	13.6
	6.5%	10.0	10.3	10.6	10.9	11.3

Note:
1 Assuming a 5.0% per annum decline in gross TV advertising revenue.

138 The proportion of the total assessed DCF value of the NBN and Territory TV stations represented by the aggregate PV of the cash flows generated in the first five years (being the initial term of the affiliate agreements) is some 71.0%.

139 Having regard to the above sensitivity analysis, we have assessed the value of the NBN and Territory TV stations' operations under the DCF method at between $12.5 million and $18.5 million.

Capitalisation of earnings methodology (using EBITDA)

140 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.

Assessment of underlying EBITDA

141 In order to assess the appropriate level of EBITDA for valuation purposes we have had regard to the historical and forecast results of each station, and have discussed each station's financial performance, operating environment and prospects with Nine Entertainment management.

142 A summary of the revenue and underlying EBITDA (before affiliate fees) of the NBN and Territory TV stations for the FY22 to FY25 periods, is presented below:

NBN and Territory TV stations – underlying EBITDA margins[1]	FY22 $m	FY23 $m	FY24 $m	FY25 $m
Revenue	78.0	83.7	80.2	79.0
Underlying EBITDA (before affiliate fees)	44.2	48.6	44.9	43.4
Underlying EBITDA margin (%)	*56.6%*	*58.1%*	*56.0%*	*54.9%*

143 In respect of the above, we note that:

(a) revenue and underlying EBITDA (before affiliate fees) for the NBN and Territory TV stations increased in FY23, driven by strong growth in NBN TV station's agency advertising revenue due to increase in Nine Entertainment's market share for advertising revenue. However, both revenue and underlying EBITDA (before affiliate fees) have declined in FY24 and FY25

(b) revenue and underlying EBITDA for the NBN and Territory TV stations are expected to continue to decline in FY26. Combined revenue for 1H26 was $34.5 million, being some 91% of combined revenue in 1H25 of $37.8 million. Should a similar decline occur in 2H26, FY26 combined revenue would approximate $72.0 million

(c) underlying EBITDA margins have remained relatively steady and average approximately 56% across the last four full financial years

(d) the underlying EBITDA set out above is presented on a pre-AASB16 basis, and therefore includes the cash rent expenses incurred by the stations

(e) our adopted EBITDA for valuation purposes should reflect the payment to Nine Entertainment of an affiliate fee that is consistent with the affiliate agreements.

144 Having regard to the above, we have assessed the EBITDA for valuation purposes as follows:

NBN and Territory TV stations – EBITDA for valuation purposes	
	$m
Estimated FY26 revenue	72.0
Assumed underlying EBITDA margin (%)	56.0
Estimated FY26 EBITDA	40.3
Less affiliate fees(1)	(33.7)
Adjusted EBITDA	6.6
EBITDA adopted for valuation purposes	6.5

Note:
1 Based upon estimated FY26 revenue for each station and the terms of the affiliate agreements.

EBITDA multiple

145 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:

- 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

146 We discuss below the specific factors taken into consideration when assessing the appropriate EBITDA multiple range for the NBN and Territory TV stations.

Listed company multiples

147 The following table summarises the trading metrics (EBITDA multiples) for ASX and New Zealand Stock Exchange listed companies that provide broadcast TV or similar services[36]:

[36] SWM, the operator of the Seven Network and other publishing businesses, was delisted from the ASX following the completion of its merger with SCA in early 2026. SWM now operates as a wholly owned subsidiary of SCA. While SWM contributes significantly to SCA's financial performance, SCA's trading multiples are also heavily influenced by the financial performance of its radio assets, which are not comparable to the NBN and Territory TV

Listed company multiples – TV[1][2]									
				EV / EBITDA[5]			EBITDA margin[5]		
	Year	EV[3]	Gearing[4]	FY25[6]	FY26[7]	FY27[7]	FY25[6]	FY26[7]	FY27[7]
Company	end	A$m	%	x	x	x	%	%	%
Nine Entertainment	Jun	2,182	29.5%	7.4	5.5	5.4	13.0	18.2	15.9
Sky Network	Jun	267	(33.7%)	2.6	2.5	2.4	16.2	15.9	16.0

Note:

1 A brief description of each company's operations is set out at Appendix D.

2 Enterprise value (EV) and earnings multiples are as at 1 April 2026, based on latest available information.

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 1 April 2026. Nine Entertainment's EV reflects pro-forma adjustments to account (inter alia) for the acquisition of QMS Media.

4 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.

5 EBITDA has been adjusted to remove the estimated impact of AASB 16.

6 FY25 EBITDA multiple based upon earnings for the last reported full financial year immediately preceding date of calculation, noting that Nine Entertainment's EBITDA for FY25 excludes Domain. If Nine Entertainment's FY25 EBITDA is further adjusted to include a pro-forma net earnings adjustment for the QMS Media, radio and regional TV transactions discussed below, the multiple would reduce to approximately 5.4 times.

7 EBITDA forecasts for FY26 and FY27 are based on FactSet analyst average forecasts (excluding outliers and outdated forecasts), with Nine Entertainment's FY26 forecast adjusted to include the pro-forma net earnings contribution from QMS Media (plus synergies) and its FY27 EBITDA adjusted to exclude outliers which do not appear to include the net earnings contribution from QMS Media.

Source: FactSet, company announcements and LEA analysis.

148 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). In addition, we note that:

(a) neither listed company is directly comparable to the NBN and Territory TV stations. However, both are exposed to the same broad industry / market trends

(b) Nine Entertainment recently announced (inter alia) that it would acquire the digital outdoor media platform QMS Media and divest its broadcast radio assets and the NBN and Territory TV stations (the latter two being the subject of our report). Following the expected completion of these transactions (end of FY26), Nine Entertainment will predominately comprise:

(i) a TV business (including metropolitan broadcast FTA linear TV and the BVOD service, 9Now)

(ii) a substantial publishing business (which includes *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review* mastheads)

(iii) Stan (a SVOD service that requires a monthly subscription to access its content, which includes TV shows, movies and live sport); and

stations (and generally attract higher multiples than TV related assets). Accordingly, SCA has been excluded from the comparable company table.

(iv) QMS Media.

Stan and QMS Media, which together are expected to be meaningful contributors to Nine Entertainment's future earnings, attract materially higher multiples than the TV and publishing businesses[37]. This has the effect of elevating Nine Entertainment's overall trading multiple. For context, analysts who publish "sum-of-the-parts" valuations of Nine Entertainment typically attribute EBITDA multiples of between 2.5 times and 4.0 times to the TV segment (noting this segment includes its BVOD service)

(c) Sky Network Television Limited (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 FTA TV broadcasters, it has faced similar financial pressures to broadcast FTA operators

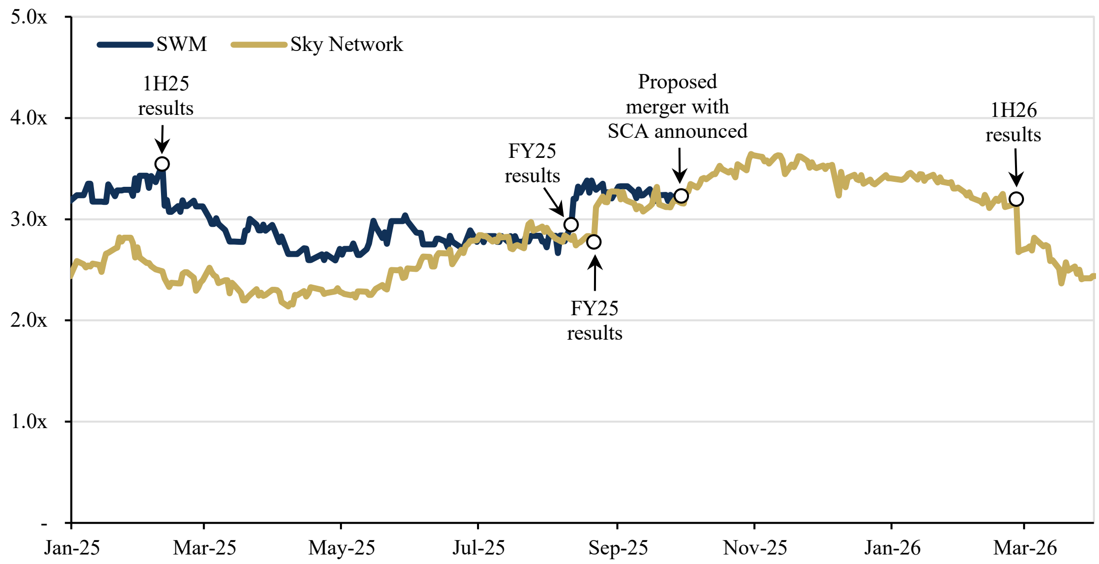
(d) the EBITDA multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

EBITDA multiples over time

149 We set out below Sky Network's one-year forward EBITDA multiples alongside those of SWM up until 30 September 2025 (when it announced that SWM proposed to merge with SCA). SWM has been included as it was a broadly comparable FTA TV operator during this period (noting that SWM also had BVOD operations and a publishing business). We have excluded Nine Entertainment from the chart as its forward multiples reflect the blended position of numerous media assets / businesses, some of which (as noted above) attract significantly higher multiples than a broadcast TV business.

[37] 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. Nine Entertainment reported that it paid 6.5 times CY16 EBITDA for QMS Media (on a pre-AASB 16 basis, after allowing for pro-forma cost synergies and cash tax benefits).

One-year forward EBITDA multiples over time
1 January 2025 to 1 April 2026[1]



Note:
1 SWM's EV has 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. SWM's trading multiple was affected by the proposed merger with SCA and so its trading data was not included in the chart beyond the date the merger was announced.
Source: FactSet, company announcements and LEA analysis.

150 As shown above, SWM shares generally traded on a one-year forward EBITDA multiple between 2.75 times and 3.5 times, with Sky Network also trading in broadly similar (but slightly wider) range of 2.1 times to 3.5 times.

Transaction evidence

151 There have been few recent transactions in Australia / NZ concerning broadcast TV (or similar service providers) which in part reflects the relatively strict regulatory media framework governing ownership[38]. 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.

152 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):

[38] 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 IV).

Transaction multiples – TV broadcasters

Date[1]	Target	Media type	EV[2] A$m	EV / EBITDA x
Sep 25	SWM[3]	TV (inc BVOD) and publishing	458[4]	3.5 F
Dec 24 / May 25	SCA TV assets	TV	16[5]	3.4 F
Nov 21	Prime Media Group	TV	92[6]	3.7 F
May 17	SCA's northern NSW TV business	TV	55	5.5 F
Feb 11	Seven Media Group	TV and 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 Merger of equals (as opposed to a control transaction) with SCA which resulted in SCA and SWM shareholders owning approximately 50.1% and 49.9% respectively of the merged entity.
4 Based on SCA's closing share price on the last trading day prior to the announcement of the proposed merger, the exchange ratio of 0.1552, the net debt and value of other assets adopted by the independent expert opining on the transaction as well as the level of (pre-AASB 16) EBITDA adopted.
5 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).
6 Based on SWM's announced consideration paid (adjusted for surplus properties) and the level of (pre-AASB 16) EBITDA adopted by the independent expert opining on the transaction.
F – forecast.
Source: Company announcements, press commentary and LEA analysis.

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153 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 the NBN and Territory TV stations

(c) the earnings multiples paid for FTA TV broadcasters have declined significantly over the last decade due to structural declines in their advertising revenues

(d) the SWM transaction was a merger of equals, as opposed to a control transaction (i.e. does not implicitly reflect a control premium). At the time SWM not only operated a FTA TV network, the Seven Network, but also had BVOD operations and a publishing business

(e) SCA's TV transaction multiple is likely to be stated on a post-AASB 16 basis, and its pre-AASB 16 equivalent is likely to be marginally higher

(f) 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.

Other factors

154 In order to assess the appropriate EBITDA multiple range for the NBN and Territory TV stations, we have also had regard to range of other factors including:

(a) **FTA linear TV headwinds** – advertising revenues in the FTA linear TV segment of the media sector have been in structural decline and this trend is expected to continue as advertising spend increasingly shifts toward digital media

(b) **Geopolitical conflict** – the escalation of military conflict in the Middle East has resulted in significant market volatility and uncertainty with respect to, inter alia, expected inflation, interest rate movements, and corporate earnings, all of which impact the multiples at which companies trade

(c) **Reliance on Nine Entertainment** – the affiliate agreements with Nine Entertainment have terms of five years and they may not be renewed upon expiry of the initial term or in subsequent periods. Further, while Nine Entertainment would be expected to act reasonably in any renewal negotiations, given the relative size and scale of the Company compared with a potential acquirer of the NBN and Territory TV stations, Nine Entertainment would be expected to have some degree of negotiating leverage. Accordingly, there is a risk that the renewals (if they can be secured) may occur on less favourable terms. In addition, any operator of the NBN and Territory TV stations are reliant upon Nine Entertainment for programming

(d) **Nine Entertainment's BVOD** – Nine Entertainment can continue offering its BVOD service, 9Now, in the regions in which NBN and Territory TV stations operate. This may adversely affect the ability of an acquirer of the NBN and Territory TV stations to generate advertising revenue in the future.

Conclusion on the appropriate EBITDA multiple

155 Having regard to the above, in our opinion, a blended EBITDA multiple range of 2.0 times to 3.0 times is appropriate when applied to the EBITDA that has been adopted for valuation purposes. This range lies marginally below the more recent transaction evidence, which approximates 3.5 times, and the one-year forward trading evidence, which ranges from around 2.5 times to 3.5 times (noting that these represent minority interest trading multiples of significantly larger and more diverse businesses some elements of which are likely to attract a slightly higher multiple than a regional FTA TV station) and reflects:

(a) the relatively small scale of the operations (particularly the Territory TV station)

(b) the declining revenue and earnings, which are consistent with broader industry trends, but tend to have a greater impact on smaller operators

(c) the inherent risks associated with the affiliate agreements, which have fixed terms of five years. While they may be renewed, they may be renewed on less favourable terms

(d) Nine Entertainment's ability to continue offering its BVOD service, 9Now, in the regions. This may affect an acquirer's ability to generate advertising revenue in the future (potentially compounding the broader structural decline being experienced by FTA TV operators).

Value under capitalisation of earnings approach

156 Based upon the above, we have assessed the combined value of the NBN and Territory TV station operations (on a cash and debt free basis) under the capitalisation of earnings approach as follows:

NBN and Territory TV stations –EV (or value on a cash and debt free basis)[1]			
	Paragraph	Low $m	High $m
Underlying EBITDA	144	6.5	6.5
EBITDA multiple (times)	155	2.0	3.0
Enterprise value		13.0	19.5

Note:
1 Rounding differences may exist.

Value of NBN and Territory TV stations

157 Having regard to our DCF and capitalisation of earnings approaches, we have adopted the following combined value range for the NBN and Territory TV stations (on a cash and debt free basis):

NBN and Territory TV stations – EV (or value on a cash and debt free basis)[1]			
	Paragraph	Low $m	High $m
DCF method	138	12.5	18.5
Capitalisation of EBITDA method	156	13.0	19.5
Adopted valuation range[2]		13.0	19.0

Note:
1 Rounding differences may exist.
2 Represents the rounded average of the two approaches.

Other assets / (liabilities)

158 We have considered whether NBN Enterprises and Television Holdings have any surplus assets / (liabilities) which are not reflected in our valuation of the NBN and Territory TV stations (or within our assessed net cash / (debt) allowance). None were identified aside from the following (which in aggregate sum to negative $1.0 million to $1.4 million):

(a) NBN Enterprises and Television Holdings own minority equity interests in Regional TAM Pty Limited and RBA Holdings Pty Limited, as well as a 50% interest in Darwin Digital Television Holdings Pty Limited. We have considered the historical and expected financial performance of the entities as well as the net assets of each entity. Based upon our review, we do not consider these equity interests to have any material value

(b) under the terms of the affiliate agreement for the NBN TV station, the station will provide Nine Entertainment with commercial airtime for use by Nine Entertainment's sports right partners (to the value of $0.75 million each year). In addition, WIN will provide Nine Entertainment with $1.0 million of airtime, during the five-year term of the program supply agreement, across the WIN radio and TV network for promotion of

Nine Entertainment's TV programming and other related operations such as the Stan SVOD service. Whilst the timing and extent of utilisation of the airtime arrangements are uncertain, we consider it appropriate to make an allowance for the financial impact of the arrangements on the NBN TV station which we have assessed to be in the range of negative $1.0 million to $1.4 million[39].

Net cash / (debt) and working capital adjustment

159 Pursuant to the share purchase agreements for NBN Enterprises and Television Holdings, WIN must pay Nine Entertainment the amount that working capital exceeds net debt at the completion date, and vice versa. This mechanism has the effect of:

(a) delivering the business on a cash and debt free basis (as net debt is effectively netted off); and

(b) economically compensating the vendor for working capital in excess of $nil (and vice versa), instead of for any surplus or deficit relative to an agreed "target" amount (as is conventional, where working capital transfers with the shares and only the surplus / deficit relative to the "target" is adjusted for).

160 We have considered whether our assessed value of the NBN and Territory TV station operations requires an adjustment to reflect the economic impact of (b) above. In doing so, we have had regard to recent combined working capital balances of the NBN and Territory TV stations (which were notionally adjusted to reflect affiliate fees). Based upon the information available to us as, these balances indicate our assessed values of the NBN and Territory TV stations (which implicitly reflect normal levels of working capital) should be adjusted upward by an amount of approximately $1.4 million to $2.4 million.

Valuation summary

161 Given the above, we have assessed the combined value of 100% of the equity in NBN Enterprises and Television Holdings (which operate the NBN and Territory TV stations) on a controlling interest basis as follows:

NBN Enterprises and Television Holdings – valuation summary[1]

	Paragraph	Low $m	High $m
Enterprise value	157	13.0	19.0
Other assets / (liabilities)	158	(1.0)	(1.4)
Net cash / (debt) and working capital adjustment	160	1.4	2.4
Equity value – controlling interest basis		13.4	20.0

Note:
1 Rounding differences may exist.

39 Assuming that the annual entitlements are utilised and the net impact on the NBN TV stations earnings is capitalised using an EBITDA multiple range consistent with that adopted in the valuation of the NBN and Territory TV stations.

VI Evaluation of the Proposed Transaction

Summary of opinion

162 In our opinion, the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders, in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Assessment of "fairness"

163 As set out in Section V, we have assessed the combined controlling interest equity value of NBN Enterprises and Television Holdings (the shares of which will be acquired to effect the acquisition of the NBN and Territory TV stations) at between $13.4 million and $20.0 million. This assessed value range reflects:

(a) the combined market value of the NBN and Territory TV stations' operations (each on a "control" basis) after deducting the estimated cost of:

   (i) the affiliate fees that will be payable under the affiliate agreements

   (ii) the CBT, on the assumption that it is reinstated by the Federal Government in June 2026[40]

(b) the economic impact of the completion account adjustments.

164 If the Proposed Transaction is approved, WIN will acquire the shares in the abovementioned companies for combined cash consideration of $15.3 million, comprising $14.8 million for NBN Enterprises and $0.5 million for Television Holdings. This assumes that affiliate fees are payable, the CBT is reinstated in June 2026[40] and the expected completion account adjustments are applied (that is, the combined cash consideration reflects, or is net of, these potential costs). In addition, the airtime component of the affiliate agreements provide an incremental benefit to Nine Entertainment. While this benefit is difficult to quantify, we have made an allowance for $0.4 million to $0.6 million[41], resulting in total consideration of $15.7 million to $15.9 million.

165 Pursuant to RG 111, a related party transaction / transaction with persons in a position of influence per ASX Listing Rule 10.1 is "fair" if the value of the financial benefit being provided by the entity to the related party (in this instance, the shares in NBN Enterprises and Television Holdings, which operate the NBN and Territory TV stations) is equal to or less than the value of the assets being acquired from the related party (in this instance, cash).

166 This comparison as it applies to the Proposed Transaction is set out below.

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40 We consider the implications of the continued suspension of the CBT from paragraph 178.

41 Assuming that Nine Entertainment utilises its full entitlement and the net benefit is capitalised using an EBITDA multiple range consistent with that adopted in the valuation of the NBN and Territory TV stations.

Comparison of consideration to combined value of NBN Enterprises and Television Holdings	Low $m	High $m	Mid-point $m
Value of consideration	15.7	15.9	15.8
Combined value of NBN Enterprises and Television Holdings on a 100% controlling interest basis	13.4	20.0	16.7
Extent to which the consideration exceeds (or is less than) the value of NBN Enterprises and Television Holdings	2.3	(4.1)	(0.9)

167 As the consideration offered by WIN lies within our assessed valuation range of NBN Enterprises and Television Holdings on a 100% controlling interest basis, in our opinion, the Proposed Transaction is fair to Nine Entertainment Shareholders when assessed based on the guidelines set out in RG 111.

Assessment of "reasonableness"

168 Under RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Proposed Transaction is also "reasonable".

169 Notwithstanding the regulatory requirement to conclude that the Proposed Transaction is reasonable solely because it is fair, we have also outlined below a range of other factors that may be relevant for Nine Entertainment Shareholders in deciding whether to approve the resolution, including:

(a) the strategic and financial implications of the Proposed Transaction for Nine Entertainment Shareholders, including alignment with Nine Entertainment's strategic focus, Nine Entertainment's continuing economic exposure to the regional markets, the potential for additional consideration and certain tax and dividend franking implications

(b) the implications for Nine Entertainment Shareholders if the Proposed Transaction is not implemented

(c) the advantages and disadvantages of the Proposed Transaction from the perspective of Nine Entertainment Shareholders.

170 These factors are discussed in greater detail below.

Aligns with Nine Entertainment's strategic focus

171 As part of its "Nine2028" transformation, Nine Entertainment has been shifting away from owning smaller, geographically fragmented broadcast operations and towards businesses that offer national reach and generate stronger digital revenue growth.

172 The Proposed Transaction is consistent with Nine Entertainment's objective of becoming a more integrated, digital-led media company. Regional FTA TV stations generally offer fewer opportunities for data-driven, cross-platform advertising than metropolitan broadcast, streaming, outdoor and digital publishing assets. Exiting ownership of these regional licenses allows Nine Entertainment to reduce operational complexity and redeploy capital and management focus into platforms such as 9Now, Stan, QMS Media and its major publishing brands, where it can better leverage scale, user data and national advertising relationships.

Some exposure to the regional markets is retained but reliant (in part) on WIN

173 Under the affiliation agreements, the NBN and Territory TV stations will broadcast Nine Entertainment's metropolitan FTA TV channels in the regional NBN and Territory TV station licence areas and pay Nine Entertainment an affiliation fee based on a share of advertising revenue generated in those markets (50% for the NBN TV station and 10% for the Territory TV station]).

174 This structure allows Nine Entertainment to continue to earn a share of regional advertising revenue without directly operating the local stations. Nine Entertainment will also continue to generate advertising revenue (and collect user data) via its BVOD service, 9Now, which will remain available in the regions. The combination of affiliate revenue and directly driven digital income enables Nine Entertainment to maintain a presence in these regional markets, while also freeing up capital and management time for focus on national platforms instead of smaller regional operations.

175 The affiliate model does, however, introduce new dependencies and risks, because Nine Entertainment's regional affiliate income depends, in part, on WIN's advertising performance[42]. If local economic conditions weaken or WIN underperforms in advertising sales, Nine Entertainment's revenue from the regions will decline even though its content continues to be broadcast there. In addition, Nine Entertainment has less direct control over how the linear channels are marketed and promoted locally, which may affect audience engagement with its content.

176 These dynamics can also have indirect effects on Nine Entertainment's digital platforms and brand in the regions. WIN's management of the regional linear TV services (including on-air promotion, local programming choices and viewer engagement strategies) may influence the visibility of Nine Entertainment's content and the extent to which viewers in those regions migrate to 9Now and other Nine Entertainment digital media assets. As a result, while the Proposed Transaction reduces operational complexity, some aspects of regional audience development and brand positioning will now be handled through an external affiliate (rather than directly).

177 That being said, the WIN Group has been a relatively long-standing regional rebroadcaster of Nine Entertainment's Nine Network. For example, since 1 July 2021, the WIN Group has rebroadcast the Nine Network into markets including Tasmania, regional Western Australia, Victoria, Queensland, Southern NSW and the ACT under an affiliation agreement. As a result, a significant proportion of regional Australia already receives Nine Network programming via WIN Group stations rather than directly from Nine Entertainment.

Additional consideration received if CBT remains suspended, or is abolished

178 Our assessment of "fairness" assumes that the CBT will be reinstated by the Federal Government in June 2026. In other words, the combined controlling interest equity value of value we ascribe to NBN Enterprises and Television Holdings reflects the cost of the CBT as

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42 Previously, WIN arranged regional advertising on behalf of Nine Entertainment and received a fee for doing so. While WIN will continue to manage regional advertising it will now do so on its own behalf, leaving Nine Entertainment without direct control over WIN's performance outcomes. Nine Entertainment will continue to market and sell advertising in the region to certain "national" clients (for example, an advertiser that books advertising in two or more regional areas), albeit now as WIN's agent rather than on its own behalf.

if it were reinstated in June 2026, as does the consideration offered by WIN for those shares (against which our assessed value was compared).

179 However, if before or within nine months after completion, the Federal Government either abolishes the CBT, or extends the existing suspension of the CBT beyond June 2026, WIN must pay Nine Entertainment an additional $2.6 million for each year WIN is relieved of having to pay the CBT beyond June 2026, up to a maximum of three years (being a maximum of $7.8 million).

180 In our opinion, this mechanism ensures that Nine Entertainment is fairly compensated for any change in government policy and that WIN does not realise any windfall gain from a further suspension or abolition of the CBT. We note that:

(a) the annual payment of $2.6 million is likely to broadly approximate the additional annual saving realised by WIN if the CBT reinstatement is deferred (noting that prior to the CBT being suspended in June 2025, NBN Enterprises incurred CBT costs of some $2.4 million per annum in FY24 and FY25)

(b) the $7.8 million cap is set at 3 times $2.6 million. This capped amount broadly aligns with the capitalised value of the CBT expense adopting the mid-point of the EBITDA multiple we have assigned to the NBN and Territory TV stations' operations for valuation purposes. That is, if we were to notionally adjust our valuation to permanently exclude the CBT and add $7.8 million to the consideration, we would continue to conclude that the Proposed Transaction is "fair".

Provides a one-off tax benefit but affects ability to pay franked dividends

181 Nine Entertainment's sale of its interest in Domain generated a significant capital gain and capital gains tax liability ($254 million). By disposing of the NBN and Territory TV stations at values below their tax cost base, Nine Entertainment is able to crystallise capital losses in the same period. These losses can be applied directly against the capital gain arising from the Domain transaction, reducing the amount of capital gains tax payable by approximately $100 million.

182 The timing is advantageous because capital losses can generally only be used to offset capital gains and cannot be applied against ordinary taxable income. If a company does not have sufficient capital gains in the same period, the capital losses must be carried forward to future years and can only be used when a qualifying capital gain arises. In practice, this may take many years and the economic benefit of the capital loss may be reduced by uncertainty and the time value of money. By realising the losses in the same year as the Domain gain, Nine Entertainment is able to utilise the tax benefit immediately, improving the net after-tax proceeds from its broader portfolio restructuring.

183 However, the impact of the cumulative capital losses realised as a consequence of both the Proposed Transaction and Nine Entertainment's sale of its broadcast radio assets is that available franking credits will be reduced. As a result, Nine Entertainment expects that its FY26 interim and final dividends, as well as the FY27 interim dividend, will be unfranked.

Nine Entertainment staff will transfer to WIN

184 Approximately 110 Nine Entertainment's staff currently employed by Nine Entertainment but effectively working for the entities operating the NBN and Territory TV stations will transfer

to be under WIN control on completion of the Proposed Transaction. Any costs associated with any redundancies will be borne by WIN.

Implications if the Proposed Transaction is not approved

185 In the event the Proposed Transaction does not proceed:

(a) Nine Entertainment will continue to own and operate two regional TV stations, which are in structural decline. There is no certainty that retaining these assets will generate greater value for Nine Entertainment than the consideration it would receive under the Proposed Transaction

(b) the advantages (and to a lesser extent, disadvantages) of the Proposed Transaction (as summarised below) will be forgone

(c) Nine Entertainment will incur unavoidable transaction costs associated with the Proposed Transaction of some $0.5 million, without obtaining any corresponding benefit.

Conclusion

186 Based on the above, we summarise the advantages and disadvantages of the Proposed Transaction from the perspective of Nine Entertainment Shareholders:

Advantages

(a) the value of the consideration to be received by Nine Entertainment lies within our assessment of the combined controlling interest equity value of NBN Enterprises and Television Holdings. Therefore, the Proposed Transaction is considered "fair" to Nine Entertainment Shareholders when assessed based on the guidelines set out in RG 111

(b) the sale of the NBN and Territory TV stations aligns with Nine Entertainment's broader strategy to simplify its portfolio, focus on scalable, higher-growth media assets and become a more digital-led media company

(c) the affiliate agreements allow Nine Entertainment to continue to earn a share of regional advertising revenue without directly operating the local stations in addition to getting access to airtime to advertise the Company's programming and that of its sports right partners. It will also continue to generate advertising revenue (and collect user data) via its BVOD service, 9Now, which will remain available in the regions. In other words, Nine Entertainment will maintain a presence in these regional markets, while also freeing up capital and management time for focus on national platforms instead of smaller regional operations

(d) Nine Entertainment will receive additional consideration if the CBT remains suspended, or is abolished altogether

(e) the capital losses realised as a result of the Proposed Transaction can be immediately utilised to offset Nine Entertainment's capital gains tax liability on the Domain sale

Disadvantages

(f) Nine Entertainment's regional affiliate income depends, in part, on WIN's advertising performance[43]. If local economic conditions weaken or WIN underperforms in sales, Nine Entertainment's revenue from the regions will decline even though its content continues to be broadcast there. WIN's management of the regional linear TV services (including on-air promotion, local programming choices and viewer engagement strategies) may also influence the visibility of Nine Entertainment's content and the extent to which viewers those regions migrate to 9Now and other Nine Entertainment digital media assets. That being said, the WIN Group has been a relatively long-standing regional rebroadcaster of Nine Entertainment's Nine Network (and a significant proportion of regional Australia already receives Nine Network programming via WIN Group stations rather than directly from Nine Entertainment).

187 Based on the above, we consider the advantages of the Proposed Transaction to outweigh the disadvantages, when considered from the perspective of Nine Entertainment Shareholders. Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders, in the absence of a superior proposal.

[43] Previously, WIN arranged regional advertising on behalf of Nine Entertainment and received a fee for doing so. While WIN will continue to manage regional advertising it will now do so on its own behalf, leaving Nine Entertainment without direct control over WIN's performance outcomes. Nine Entertainment will continue to market and sell advertising in the region to certain "national" clients (for example, an advertiser that books advertising in two or more regional areas), albeit now as WIN's agent rather than on its own behalf.

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 Nine Entertainment to provide general financial product advice in the form of an IER in relation to the Proposed Transaction. The *Corporations Act 2001 (Cth)* (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 entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at $200,000 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 Notice of Meeting and Explanatory Memorandum should not be directed toward LEA as it is not responsible for the preparation of these documents.

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.

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 25 years' and 28 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 Independent Directors of Entertainment to accompany the Notice of Meeting and Explanatory Memorandum to be sent to Nine Entertainment Shareholders. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable to Nine Entertainment Shareholders.

4 LEA expressly disclaims any liability to any Nine Entertainment 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 Proposed Transaction. 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 Nine Entertainment or WIN (or any of its associates including the WIN Group, Mr Gordon and Birketu) 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 Proposed Transaction.

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 Proposed Transaction. Its only role has been the preparation of this report.

Indemnification

9 As a condition of LEA's agreement to prepare this report, Nine Entertainment 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 Nine Entertainment which is false

or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

10 LEA consents to the inclusion of this report in the form and context in which it is included in the Notice of Meeting and Explanatory Memorandum.

Appendix C

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, schemes of arrangement, takeovers, share buy-backs, selective capital reductions 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 NPV of the estimated future cash flows including a terminal value. In order to arrive at the NPV 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.

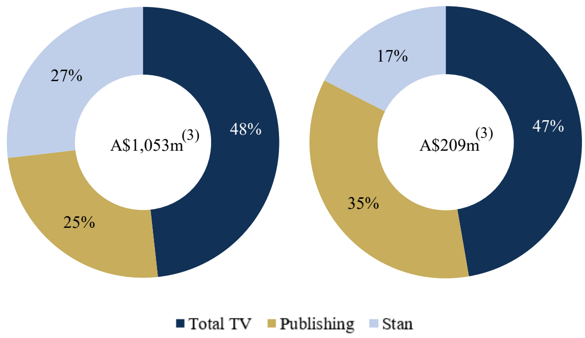
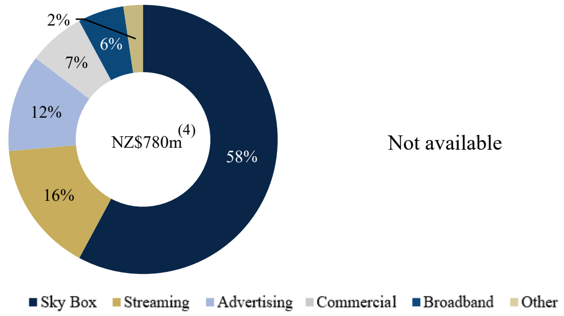
4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation (EBITA), EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading 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.

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.

Appendix D

D Listed company descriptions

Listed company descriptions

Company	Contribution by business segment(1) Revenue	EBITDA(2)
Nine Entertainment Co. Holdings Limited Nine Entertainment is an Australian **media and entertainment company** with diversified operations across **FTA TV, VOD, digital media and publishing.** On 27 August 2025, Nine Entertainment finalised the sale of its 60% stake in Domain for $1.4 billion after tax and on 30 January 2026 it announced the divestment of its broadcast radio assets and NBN and Territory TV stations as well as the acquisition of outdoor media platform QMS Media. Nine Entertainment's broadcasting segment includes broadcast TV and 9Now. 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, an 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 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 its 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.		Not available

Note:
1. Figures exclude corporate or other unallocated revenue and expenses.
2. Based on post-AASB 16 results before non-recurring, significant, specific items etc.
3. Based on Nine Entertainment's 1H26 segment results which were reported on a continuing business basis and exclude Nine Radio and adjusts the NBN and Territory TV stations to an affiliate structure.
4. Based upon results for the 12 months ended 31 December 2025.

Source: Company announcements and LEA analysis.

E Transaction descriptions

Seven West Media

1 On 30 September 2025, SWM announced that it had entered into a Scheme Implementation Deed with SCA pursuant to which SCA proposed to acquire all the shares in SWM to facilitate an all-scrip based merger of the two companies. Under the scheme, SWM shareholders received 0.1552 SCA shares for every SWM share held. On completion, SCA and SWM shareholders owned approximately 50.1%% and 49.9% of the merged entity (i.e. the enlarged SCA) respectively.

2 SWM was an Australian integrated media company, with a market presence in broadcast TV, newspaper publishing and online. SWM operated a number of leading media businesses including TV brands Seven, 7two, 7mate, 7flix, 7 Bravo, BVOD platform 7plus, online website 7NEWS.com.au and publishing brands *The Nightly*, *The West Australian* and *The Sunday Times*.

SCA TV assets

3 On 17 December 2024, SCA announced that it had agreed to sell its TV licenses in the three aggregated markets of QLD, NSW, and VIC to Network Ten. The sale completed on 1 March 2025.

4 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.

5 Aggregate consideration totalled approximately $14 million to $19 million (or $19 million to $24 million without present value adjustments).

Prime Media Group

6 In November 2021, SWM announced that it had agreed to acquire Prime Media Group for total cash consideration of approximately $92 million[44].

7 Founded in 1986, Prime Media Group was a regional TV broadcaster with a viewing area that covered northern and southern NSW, the ACT, Victoria, the Queensland Gold Coast and all of regional Western Australia. 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.

SCA's northern NSW TV business

8 WIN announced in May 2017 that it had agreed to acquire SCA's northern NSW TV business for total consideration of $55 million.

[44] Comprises the transaction value of $121 million minus net cash and surplus assets of approximately $29 million.

9 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

10 In February 2011, West Australian Newspapers Holdings Limited announced that it had entered into a share sale agreement with Seven Group Holdings Limited to acquire the Seven Media Group at an enterprise value of $4,085 million, payable in cash and scrip[45].

11 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.

[45] Comprises the transaction value of $1,981 million plus net debt of approximately $2,104 million.

F Glossary

Term	Meaning
1H26	Six months ended 31 December 2025
2Q26	Three months ended 31 December 2025
3Q26	Three months ended 31 March 2026
AASB 16	Australian Accounting Standard AASB 16 – *Leases*
ABC	Australian Broadcasting Corporation
ACCC	Australian Competition and Consumer Commission
ACMA	Australian Communications and Media Authority
ACT	Australian Capital Territory
AFCA	Australian Financial Complaints Authority
APRA	Australasian Performing Rights Association
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Birketu	Birketu Pty Ltd
BSA	*Broadcasting Services Act 1992* (Cth)
BVOD	Broadcast video on demand
CAGR	Compound annual growth rate
CAPM	Capital asset pricing model
CBT	Commercial broadcasting tax
CCA	*Competition and Consumer Act 2010* (Cth)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
Corporations Act	*Corporations Act 2001* (Cth)
CY	Calendar year
DCF	Discounted cash flow
DCF Model	Simplified, high level financial model of the NBN and Territory TV station operations developed by LEA
Domain	Domain Holdings Australia Limited
DPI	Digital Platforms Inquiry
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax depreciation and amortisation
EV	Enterprise value
Fairfax	Fairfax Media Limited
FAST	Free ad-supported streaming TV
Forecast Period	1 July 2026 to 20 June 2036
FSG	Financial Services Guide
FTA	Free-to-air
FY	Financial year
IER	Independent expert’s report
Independent Directors	All members of the Nine Entertainment Board, save for Mr Andrew Lancaster and Mr Chris Halios-Lewis
JV	Joint venture
LEA	Lonergan Edwards & Associates Limited
Mr Gordon	Mr Bruce Gordon
MRP	Market risk premium
NBN Enterprises	NBN Enterprises Pty Limited

Appendix F

Term	Meaning
NBN TV station	The TV station that broadcasts across the Northern NSW and Queensland Gold Coast regions
Nine Entertainment / the Company	Nine Entertainment Co. Holdings Limited
Nine Entertainment Shareholders	Shareholders in Nine Entertainment that are not associated with WIN
NPV	Net present value
NRL	National Rugby League
NSW	New South Wales
NT	Northern Territory
NZ	New Zealand
PP&E	Property, plant and equipment
Proposed Transaction	The proposed sale of the NBN and Territory TV stations together with the new related affiliation agreements
RG 76	ASIC Regulatory Guide 76 – *Related party transactions*
RG 111	ASIC Regulatory Guide 111 – *Content of expert reports*
ROU	Right of use
SBS	Special Broadcasting Service
SCA	Southern Cross Media Group Limited
Sky Network	Sky Network Television Limited
SVOD	Subscription video on demand
SWM	Seven West Media Limited
Television Holdings	Television Holdings Darwin Pty Limited
Territory TV station	The TV station that broadcasts to Darwin, Palmerston, and the surrounding areas in the NT
TV	Television
US	United States of America
VAST	Viewer Access Satellite Television
VOD	Video on demand
WIN	WIN Television Network Pty Ltd
WIN Corporation	WIN Corporation Pty Ltd
WIN Group	Comprises WIN Corporation and its subsidiaries which operate a network of TV stations in regional parts of Australia and a number of radio stations