

MARKET ANNOUNCEMENT

ARN Extends Talent Contracts for Sydney and Melbourne's No. 1 breakfast shows

SYDNEY, 22 November 2023 – ARN Media Limited [ASX: A1N] today announced that it has extended the contracts for its two top rating Breakfast shows in Sydney and Melbourne on longer term contracts.

KIIS 1065's Kyle and Jackie O have been secured until 31 December 2034, another ten years on top of their existing arrangements. In addition, the Kyle and Jackie O Show will also broadcast live into Melbourne on KIIS 101.1 commencing in 2024 on a date to be confirmed.

GOLD 1043's Christian O'Connell has been secured until 31 December 2029, another five years on top of his existing arrangement.

The new multi-layered contracts are designed to create full alignment with ARN Media and incentivise and reward superior performance and include base fees, revenue share on incremental growth and sign-on bonuses predominantly comprised of shares in ARN Media.

The total base fee increases under these new contract arrangements, which take effect from January 2025, will be offset by lower content costs resulting in part from the live broadcast of the Kyle and Jackie O Show into Melbourne, and will be limited to a net total increase of approximately \$2-3 million per annum. These fees are not subject to CPI or any further fixed increases over the term of the contracts.

The new contracts also contain revenue share arrangements which will replace the current audience ratings bonus structure and are designed to reward ratings success only if incremental annual station revenue growth is achieved.

\$7 million worth of shares in ARN Media (equivalent to approximately 7.5m shares at yesterday's closing share price), will be issued to Kyle Sandilands, Jackie Henderson and Christian O'Connell and will vest at the end of the contract term.

Additional marketing investment of around \$2 million per annum is anticipated over the next 2-3 years to launch the Kyle & Jackie O Show in the Melbourne market.

ARN Media's Chairman, Hamish McLennan, said -

We are fortunate to have Australia's best radio and audio talent at ARN and these re-signings are a vote of confidence that Kyle and Jackie O, and Christian O'Connell, will continue to grow their audiences delivering a style of broadcast that makes them so successful.

ARN Media's unique compensation package will incentivise them to focus not just on ratings but also to drive commercial success. We believe this compensation structure sets the foundations for the next chapter in ARN Media's evolution as an audio business, aligning the objectives of our key talent with that of the Company, and creating a platform for incremental revenue growth and improved shareholder returns over the medium term.

ARN Media's Managing Director & CEO, Ciaran Davis, said:

The contract extensions for Kyle and Jackie O, and Christian O'Connell, reflect our ongoing strategy to invest in, and retain, No.1 breakfast show talent across our network. They have a unique ability to engage and connect with audiences that continues to thrive despite the growing fragmentation of other media consumption channels.

By securing the continued partnership of Kyle & Jackie O and broadening their show into Melbourne, ARN is poised to attract new audiences and expand commercial opportunities. Melbourne is the largest radio advertising market in Australia and represents an opportunity for ARN Media to grow ratings and revenues on KIIS 101.1.

Since launching Sydney's newest radio station, KIIS 1065 in 2014, Kyle & Jackie O have held the #1 FM breakfast show title for 69 out of 76 GfK Radio Ratings Surveys, and in 2023 the radio duo have been unbeaten in radio ratings, holding the #1FM breakfast show spot all year.

The unparalleled success of the Christian O'Connell Show since launching in 2018 proves the ability of our world leading broadcasters to form real connections and build audiences in a new market. Similarly, Christian O'Connell has held the #1 FM breakfast show title for 27 out of the last 28 GfK Radio Ratings Surveys and has been a dominant force in the Melbourne FM breakfast radio market since relocating to Australia and commencing with ARN Media.

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This announcement has been authorised for release by the Board of ARN Media Limited.

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