

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

**CONFIRMATION AND EXTENSION OF DEBT FACILITIES
ACQUISITION OF SPIRIT 621AM RADIO LICENCE (Western Australia)
LAUNCH OF SENTRACK
COVID-19 UPDATE
KEY MANAGEMENT PERSONNEL
RESUMPTION OF TRADING ON ASX**

1. Confirmation and Extension of Debt Facilities

Pacific Star Network Limited (**PNW**) is pleased to announce it has extended its existing \$15.0 million debt facility with its existing financier. The facility will provide an additional \$13.5 million of debt funding predominantly for working capital purposes.

The debt facility extension has been credit approved with final documentation being prepared. PNW expects to have the facility available by 11 March 2020. The combined \$28.5 million of debt facilities expire on 31 August 2021.

2. Liquidity Profile

PNW had fully drawn its existing \$15.0 million debt facility as of 30 April 2020. These facilities have been used to fund long-term strategic acquisitions, including:

- AFL Record, \$8.1 million (July 2018);
- Melbourne United Basketball Club 25% shareholding, \$1.0 million (July 2018);
- Narrowcast radio licences, \$6.9 million (July 2019);
- Rapid TV, \$2.2 million (July 2019); and
- Precision Talent, \$0.5 million (August 2019).

Working capital requirements have been supported by operating cash flows and equity raised at the time of the Crocmedia merger (March 2018).

The \$13.5 million debt facility extension provides pro-forma cash liquidity of \$18.5 million, inclusive of \$5.0 million cash on hand as of 30 April 2020. Available liquidity will predominantly support incremental working capital requirements associated with COVID-19 pandemic disruptions to sporting seasons and events. A balance of funds will be applied to the acquisition settlement of a new radio licence (refer below).

3. Spirit 621AM Radio Licence (Bunbury, Western Australia)

PNW has signed an agreement to acquire the Spirit 621AM radio broadcasting licence¹ in Southwest/Bunbury, Western Australia (**Spirit**).

Spirit's radio licence area represents the largest population in Western Australia outside of Perth.

¹ and related business assets

Bunbury and the South West region are located 180 kilometres south of Perth, and includes Busselton, Margaret River, Collie and Augusta. The region contains an extensive selection of commercial and community enterprises including major banks, car dealers, restaurants, hardware stores, hospital and associated healthcare facilities, and national retail, chain and independent stores.

The acquisition of Spirit aligns with PNW's radio-led content distribution strategies, expands PNW's owned radio platforms and mass audience reach, and provides opportunities to leverage PNW's national sales team, broadcast rights and content portfolio.

PNW's Managing Director, Craig Hutchison, said "We are honoured to take on Spirit in Bunbury, a vibrant central hub in Western Australia's thriving and stunning South West region. Listeners will already be familiar with our Sportsday WA and Off The Bench shows already broadcast on Spirit. We look forward to stepping locals through our additional content offering".

Hutchison added "We have a track record of successfully building radio businesses in regional areas. We see significant opportunity to leverage Spirit with our broadcast rights, content portfolio and national sales team's expertise".

Spirit is expected to deliver an incrementally positive yet immaterial contribution to earnings in the following 12 months. Consideration for the acquisition is not material and will be funded from existing cash reserves.

Spirit has been acquired from Southern Cross Austereo Group. Completion is expected on 1 May 2020.

4. Launch of SEN Track – National Racing Radio Network

PNW is pleased to announce its launch of *SENTrack*, Australia's first independent racing, harness and greyhound radio racing service. *SENTrack* will offer racing fans previews, analysis, insights and reviews of key races across the country.

The national network will roll out progressively and comprise up to 14 stations, including five in capital cities. *SENTrack* will activate existing narrowband area licences acquired in July 2019.

SENTrack has launched on Melbourne 1377AM, Perth 657AM, Wollongong 1575AM, Gosford 801AM, Ingham 96.9FM and Atherton 99.1FM, and can be heard via the SEN app. Brisbane 1053AM and Gold Coast 1620AM will commence September 2020, supported by a dedicated local breakfast show hosted by former Australian test cricketer Ian Healy and veteran sports journalist Pat Welsh.

Hutchison commented "We are absolutely delighted to announce our plans for *SENTrack*. Sharing live racing coverage and associated programming with fans across the country on our stations is really exciting. *SENTrack* will shine a light on racing in all its forms and celebrate the participants of the sport through a deeper level of coverage than ever before".

"Racing, harness and greyhounds have huge participants and suppliers, create massive jobs and contribute significantly to the economies of towns across Australia. We are in a unique position to use existing radio licences to quickly turn on *SENTrack* and support the owners, breeders, trainers and fans of these industries".

5. Key Management Personnel

We are delighted to welcome Patrick Moloughney as Commercial Director commencing 1st July 2020. Patrick was most recently in the role as Network Director of Sport Sales with Seven West Media nationally and is at the forefront of commercialisation of sporting events and broadcasting.

"I had an incredible nearly 14 year-career at Seven so it's exciting to be entering a new chapter," Moloughney said. "The opportunity to join Crocmedia held great appeal and I'm looking forward to leveraging my long career in sports media sales to drive new opportunities to connect brands with sports fans through Crocmedia's broad content offering across radio, TV, digital and events."

6. COVID-19 Operational Update

PNW's 'Whole of Sport' strategy is primarily focused on generating revenue from live sporting events. The COVID-19 pandemic has resulted in uncertainty surrounding resumption of sporting seasons, restrictions on event gatherings and commercial impacts to advertisers.

These elements are core to PNW's business and will continue to affect PNW's performance. PNW withdrew its previously provided FY20 guidance in early April 2020.

In response to COVID-19 impacts, PNW has:

- increased its available working capital;
- reduced its workforce, worked with employees to implement pay reductions, reduce hours and use leave balances and been assisted by the JobKeeper Payment scheme;
- been working with landlords on rent relief and deferrals;
- ceased all capital expenditure plans; and
- been working with key stakeholders to agree on fair compensation for contracted costs not able to be serviced and potential revisions or terminations of those contracts

7. Resumption of trading

PNW anticipates the end of its voluntary suspension and reinstatement to quotation of its securities on ASX from the resumption of trading on Friday, 1 May 2020.

Authorised by the Board of Pacific Star Network Limited.

For more information please contact:

Craig Coleman
Chairman
Pacific Star Network Limited
0401 990 472

Craig Hutchison
Managing Director
Pacific Star Network Limited
(03) 8825 6600

E-mail: info@pacificstarnetwork.com.au
Internet: <http://www.pacificstarnetwork.com.au>