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PACIFIC STAR NETWORK LIMITED
ABN 20 009 221 630

PROSPECTUS

For a fully underwritten non-renounceable entitlement offer to Eligible Shareholders of up to approximately 6.8 million New Shares at an issue price of \$0.225 per New Share on the basis of 1 New Share for every 33 existing Shares held, to raise up to approximately \$1.5 million (before costs).

The Entitlement Offer closes at 5.00pm (AEST) on 21 July 2020 (unless extended).

This Prospectus is also being issued in order to facilitate secondary trading of the Placement Shares and the Consideration Shares.

IMPORTANT NOTICE

This is an important document and requires your immediate attention. This Prospectus is a 'transaction specific prospectus' prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not of itself contain the same level of disclosure as an initial public offering prospectus. You should read this Prospectus (including the 'Risk Factors' in Section 8) in its entirety before deciding whether to apply for New Shares. If you do not understand any part of this Prospectus, or have any questions about the New Shares, you should consult your stockbroker, accountant, solicitor or other professional adviser. Before making any investment decision, you should have regard to all publicly available information concerning the Company. An investment in the securities offered under this Prospectus should be considered highly speculative in nature.

IMPORTANT INFORMATION

General

This Prospectus is dated, and was lodged with ASIC on, 2 July 2020. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Shares offered under this Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Level 5, 111 Coventry Street, Southbank, Victoria 3006 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 10.1(c)). Eligible Shareholders can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website.

No person or entity is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Entitlement Offer.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons outside of Australia and New Zealand should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Refer to Section 4.18 for further details.

Important information for New Zealand Investors

The Entitlement Offer to Shareholders with a registered address in New Zealand is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001 (Cth). In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Entitlement Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. The Corporations Act sets out how the Entitlement Offer must be made.

There are differences in how securities are regulated under Australian law. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Entitlement Offer. If you need to make a complaint about the Entitlement Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand securities.

If you are uncertain about the terms and conditions of the Entitlement Offer, you should seek the advice of an appropriately qualified financial adviser.

Notice to nominees and custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction.

Transaction Specific Prospectus

This is a 'transaction specific prospectus' of 'continuously quoted securities' (as defined in the Corporations Act) of the Company to which the special content rules under section 713 of the Corporations Act apply. This allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of this Prospectus. In general terms, 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering of securities.

Exposure period

No exposure period applies to the Entitlement Offer.

Speculative investment

An investment in the New Shares should be considered highly speculative. Refer to Section 8 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 8. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Financial data

All dollar values are in Australian dollars (\$) or AUD) unless stated otherwise. All references starting with "FY" refer to the financial year for the Company, ending 30 June. This Prospectus also includes pro forma financial information. You should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, you should treat this information with appropriate caution.

You should also note that the Company's results are reported under Australian International Financial Reporting Standards ("AIFRS"). Certain financial data included in this Prospectus described as "pro-forma", are "non-IFRS financial information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by ASIC. The non-IFRS financial information does not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with AIFRS. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Diagrams

Any diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AEST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 12.

CORPORATE DIRECTORY

Directors

Craig Coleman – Non-Executive Chairman

Colm O'Brien – Non-Executive Director

Andrew Moffat – Non-Executive Director

Craig Hutchison – CEO, Managing Director

Chris Giannopoulos – Executive Director

Ronald Hall – Alternate Director

Company Secretary

Jodie Simm

Registered Office

Level 5, 111 Coventry Street

Southbank, VIC 3006

Telephone: (03) 8225 6600

Website: www.pacificstarnetwork.com.au

Share Registry

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnson Street

Abbotsford VIC 3067

Phone (within Australia): 1300 850 505

Phone (outside Australia): +61 3 9415 4000

Lawyers

DLA Piper Australia

No. 1 Martin Place

Sydney NSW 2000

Underwriter

Viburnum Funds Pty Ltd

31 Carrington Street

Nedlands WA 6009

ASX Code: PNW

INDICATIVE TIMETABLE

Event	Date
Announcement of Entitlement Offer	Thursday, 2 July 2020
Lodgment of Prospectus with ASIC and released to ASX	Thursday 2 July 2020
Record Date for the Entitlement Offer	7.00pm (AEST) Tuesday 7 July 2020
Despatch of Prospectus and Entitlement and Acceptance Form and announcement that despatch completed	On or by Friday 10 July 2020
Entitlement Offer and Shortfall Offer opens	Friday 10 July 2020
Entitlement Offer closes	5.00pm (AEST) Tuesday 21 July 2020
Announcement of results under Entitlement Offer	Friday 24 July 2020
Settlement of Entitlement Offer and Shortfall	Monday 27 July 2020
Issue of New Shares under the Entitlement Offer and issue of Shortfall Shares	Tuesday 28 July 2020
Normal trading of New Shares issued under the Entitlement Offer and Shortfall Shares expected to commence on ASX	Wednesday 29 July 2020

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

CHAIRMAN'S LETTER

2 July 2020

Dear Shareholder

On behalf of the Board of Pacific Star Network Limited (**PNW** or the **Company**), I invite you to participate in a 1 for 33 non-renounceable pro-rata entitlement offer (**Entitlement Offer**) which is anticipated to raise approximately \$1.5 million (before costs).

The Company also recently concluded a placement which raised \$1.975 million at an issue price of \$0.225 per share (**Placement**).

Under the Entitlement Offer, eligible PNW shareholders as at the Record Date of 7.00pm (AEST) on Tuesday 7 July 2020 will have the opportunity to subscribe for new fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.225 per New Share.

The net proceeds of the Entitlement Offer will be used to replenish working capital after the acquisitions of EON 2CH Pty Ltd (the owner of the 2CH 1170AM radio broadcasting licence in Sydney) and the 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin narrowband radio licences as announced on 5 June 2020 and 24 June 2020 respectively (**Acquisitions**).

Shareholder support and underwriting

Viburnum Funds Pty Ltd, a 22.32% shareholder of PNW, has conditionally agreed to act as underwriter of the Entitlement Offer. Refer to Sections 6.6 and 6.9 and Section 7.1 of this Prospectus for further details.

We are also pleased to confirm that certain members of the Board and senior management intend to take up some or all of their entitlements under the Entitlement Offer.

Offer details

As outlined above, the Entitlement Offer comprises a 1 for 33 non-renounceable entitlement offer at an issue price of \$0.225 per New Share.

Eligible Shareholders under the Entitlement Offer can choose to take up all, part or none of their Entitlement. The Entitlement Offer will open on Friday 10 July 2020 and close at 5.00pm (AEST) on Tuesday 21 July 2020. There is also an opportunity for Eligible Shareholders to apply for more than their Entitlement as part of the Shortfall Offer outlined in Section 4.7. Further information about how to take up all or part of your Entitlement is detailed in Section 5 of this Prospectus.

New Shares issued under the Entitlement Offer will rank equally with existing Shares in all respects.

The issue price is the same issue price for the Placement, and represents a discount of approximately 19.6% to the closing price of ordinary shares in the Company on ASX on Wednesday 1 July 2020 (being the last day Shares were traded on ASX before lodgement of this Prospectus).

Further information

Further information and application instructions for the Entitlement Offer, as well as the risks associated with investing in the Entitlement Offer are detailed in this Prospectus which you should read carefully and in its entirety.

If you have any questions in relation to the Entitlement Offer, please contact the PNW Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 9:00 am to 5.00pm (AEST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Board of PNW, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully,



Craig Coleman
Chairman

TABLE OF CONTENTS

1.	Investment Overview	8
2.	Company overview	12
3.	Financial information	15
4.	Details of the Entitlement Offer	17
5.	Actions required by Applicants	24
6.	Purpose and Effect of the Entitlement Offer	29
7.	Material Contracts	32
8.	Risks	34
9.	Rights attaching to New Shares	40
10.	Additional information	42
11.	Authorisation	48
12.	Glossary	49

1. Investment Overview

This Section is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in New Shares.

Topic	Summary	Further Information
The Entitlement Offer		
What is the Entitlement Offer?	<p>The Entitlement Offer is an accelerated non-renounceable pro rata entitlement offer of New Shares.</p> <p>Under the Entitlement Offer, all Eligible Shareholders are being offered the opportunity to acquire 1 New Share for every 33 Shares held at the Record Date at a price of \$0.225 per New Share.</p> <p>Eligible Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements are non-renounceable. Eligible Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer. There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.</p>	Section 4.1
How much will be raised from the Entitlement Offer?	The Company is seeking to raise approximately \$1.5 million (before costs) pursuant to the Entitlement Offer.	Section 3, 4.1 and 6.1
What is the purpose of the Entitlement Offer and how will the funds raised be used?	The Entitlement Offer is being undertaken to raise funds to replenish working capital after the Acquisitions.	Section 6.1
Are any Directors participating in the Entitlement Offer?	We are also pleased to confirm that certain members of the Board and senior management intend to take up some or all of their Entitlement.	Chairman's Letter
Is the Entitlement Offer underwritten?	Yes, the Entitlement Offer is fully underwritten by Viburnum Funds Pty Ltd (Underwriter).	Sections 4.9 and 7.1
What is my Entitlement?	<p>Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 33 Shares held on the Record Date of 5.00pm (AEST) on Tuesday 7 July 2020.</p> <p>If you are an Eligible Shareholder, your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.</p>	Section 4.16 and 5.1

Topic	Summary	Further Information
What is the Offer Price?	\$0.225 per New Share.	Section 4.1
How to Participate in the Entitlement Offer		
Am I an Eligible Shareholder and able to participate in the Entitlement Offer?	<p>Eligible Shareholders are those persons who:</p> <p>(a) are registered as a holder of Shares as at 7.00pm (AEST) on the Record Date; and</p> <p>(b) have an address on the PNW register in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer.</p>	Section 4.16
How do I accept all or part of the Entitlement Offer?	If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must pay the full Application Monies via BPAY® by no later than 5.00pm (AEST) on the Closing Date.	Section 5
Can I withdraw my application?	Cooling off rights do not apply to an investment in New Shares under the Entitlement Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.	Section 4.15
Can Eligible Shareholders apply for New Shares in excess of their Entitlement?	<p>Yes. Eligible Shareholders may also apply for Shortfall Shares offered under the Shortfall Offer. However, there may be few or no Shortfall Shares available for issue depending upon the level of take up of Entitlements by Eligible Shareholders.</p> <p>The Company reserves the right to issue to an Eligible Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.</p>	Section 4.7
Further details of the Entitlement Offer		
Can I trade my Entitlement?	No, the Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Shareholders to subscribe for New Shares under this Prospectus are not transferable and there will be no trading of rights on ASX.	Section 4.4
What will be the effect of the Entitlement Offer on the control of the Company?	The effect of the Entitlement Offer on the control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders under the Entitlement Offer.	Sections 0 to 6.9.
What are the key risks of taking up my Entitlement?		
Risks Specific to the Company	Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 8.	Section 8

Topic	Summary	Further Information
	<p>COVID-19 risks</p> <p>Given the ongoing and dynamic nature of the current circumstances, it is difficult to predict the full impact of the COVID-19 pandemic on PNW's business (or on the operations of other businesses on which it relies). COVID-19 related lockdowns and restrictions have caused significant disruption to PNW's operations and financial performance. Refer to Section 2.2 for details of the Company's response to COVID-19.</p> <p>Acquisition risks</p> <p>There is a risk that information reviewed during due diligence on Spirit and 2CH could be incomplete, inaccurate or misleading and could adversely affect PNW's operations and financial performance. There is a risk that PNW is unable to achieve appropriate levels of earnings required to generate a return on the capital investments made.</p> <p>Material contract risks</p> <p>A material proportion of PNW's revenue is dependent on media rights for sporting events. The COVID-19 pandemic has resulted in delays, cancellations and revisions to these sporting events and may result in further delays, cancellations and revisions. Any such delay, cancellation or revision could adversely impact advertising spend associated with these events, and in turn the operating and financial performance of PNW.</p> <p>Key personnel risks</p> <p>PNW has an established reputation in the media industry that attracts talented personnel. Any inability to attract, retain and motivate key employees and contractors could adversely impact PNW's operating and financial performance.</p> <p>Market risks</p> <p>A significant proportion of PNW's business is reliant on audience preferences. A misjudgement in these preferences or failure to convert market trends into appealing brand offerings, may result in lower revenues and margins that could adversely impact PNW's future financial performance.</p> <p>Advertising risks</p> <p>The advertising industry is experiencing volatile market conditions due to the COVID-19 pandemic. Any contraction in advertising spend in Australia due to the COVID-19 pandemic could have a materially adverse effect on the radio and online advertising markets as a whole, and in turn the operating and financial performance of PNW.</p> <p>Regulatory risks</p> <p>PNW is subject to local laws and regulations in each of the jurisdictions in which it operates. Future laws or regulations may be introduced concerning media companies which may restrict or complicate PNW's activities, and adversely impact PNW's future operating and financial performance.</p>	

Topic	Summary	Further Information
Further Information		
How can I obtain further information?	<p>Shareholders with registered addresses in Australia and New Zealand can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website at www.pacificstarnetwork.com.au or by calling the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 9:00am to 5.00pm (AEST), Monday to Friday during the period of the Entitlement Offer.</p> <p>If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus and that you have received the entire Prospectus accompanied by the relevant Entitlement and Acceptance Form.</p>	Section 4.23

2. Company overview

2.1 Introduction

PNW is a specialist sports media content and entertainment business connecting brands with fans through highly engaging content delivered across multiple media platforms, focussing on a radio-led national “Whole of Sport” strategy through a local lens. Through PNW’s owned network of radio stations and assets, it has capabilities to deliver brand stories to national, metropolitan and regional audiences via ‘radio on-the-dial’, ‘radio on-demand’ and its suite of complementary services including access to talent, television production services and events, sponsorships and activation opportunities.

2.2 Trading update

PNW’s “Whole of Sport” strategy is primarily focused on generating revenue from live sporting events. The COVID-19 pandemic has resulted in:

- the cancellation and postponement of live sporting events;
- restrictions on event gatherings including crowds at live sporting events; and
- commercial impacts to advertisers, which has resulted in reduced advertising spend.

There is significant uncertainty as to the resumption or continuation of sporting seasons, the lifting of restrictions on event gatherings and the ongoing impact on advertisers.

In response to the COVID-19 pandemic, PNW has taken the following steps:

- successfully negotiated a \$13.5 million increase to its existing \$15.1 million debt facility to replenish and support near term working capital requirements. The combined \$28.5 million debt facilities expire on 31 August 2021. Due to the impacts of COVID-19, PNW was also granted temporary relief from its financial covenant undertakings until 31 March 2021 (refer to Section 2.5 for further details);
- reduced its workforce by 65% across all business units (including talent), agreed pay reductions, reductions in hours and use of leave balances with employees, and also obtained assistance under the Federal Government JobKeeper scheme;
- significantly reduced capital expenditure plans by 60% to facilitate the rollout of SENTrack and scaled back fit outs of new Brisbane and Sydney offices and radio studios;
- reached agreements with key suppliers and commercial partners regarding fair compensation for contracted costs not able to be currently serviced, which include discounts, payment deferrals and in some cases, termination of the contract. These variations to agreements are positive but not material to FY20 earnings;
- reached agreements with landlords for forms of rent relief, including discounts and payment deferrals. These variations to lease agreements are positive but not material to FY20 earnings; and
- achieved pro-rata production costs savings and ongoing cost reductions (e.g. travel and talent) relating to live sport broadcasts upon resumption of the NRL and AFL seasons. These reductions are positive but not material to FY20 earnings.

PNW is continuing to monitor the impact of the COVID-19 pandemic on its business and identify opportunities for operational long-term cost efficiencies. Given COVID-19 and its impacts on the sporting landscape and broader economy, we expect our 2H20 revenue to be down 35% on the previous corresponding period.

Looking forward to FY21, with the completion of our strategic footprint of owned radio licences, the gradual opening of the economy, return of sport, and the adjustment to our operating costs, PNW is well placed to grow revenue and earnings in FY21, although the current environment as at the date of this Prospectus remains too uncertain to provide specific guidance.

The Acquisitions and the proceeds from the Entitlement Offer provides strength to PNW's balance sheet as illustrated in the pro forma financial information contained in section 3.

2.3 Licence acquisition and disposal update

2CH

On 1 July 2020 PNW completed the acquisition of EON 2CH Pty Ltd (**EON**), the owner of the licensee of the 2CH 1170AM commercial radio broadcasting licence in Sydney, New South Wales (**2CH**), and related business assets. 2CH expands PNW's owned radio platform and audience reach into Sydney, Australia's largest radio advertising market, a key component of PNW's national footprint strategy.

PNW issued 10,000,000 new Shares to EON's shareholders at a deemed issue price of \$0.225 per Share on 1 July 2020, as part consideration for the acquisition (**Consideration Shares**).

2CH operates a music broadcast format with a 3.8% audience share. PNW intends to maintain its existing supply agreements and will assess performance and other operational opportunities as they arise over the medium term.

2CH is expected to deliver an incrementally positive yet immaterial contribution to earnings in FY21.

SENTrack Expansion / Acquisition of 1593AM Melbourne, 1539AM Sydney and 90.7FM Darwin

PNW launched SENTrack, Australia's first independent horse racing, harness racing and greyhound racing radio service as a 'pop-up' concept in March 2020 to support Australia's horse racing, harness racing and greyhound racing industries while those were the only remaining sports still able to operate under COVID-19 guidelines. The concept was due to launch later in 2020 however the COVID-19 pandemic presented an opportunity to launch early in Melbourne on 1377 SEN+, in Perth on the 657AM frequency, in Wollongong, NSW, on 1575AM and on the SEN app. The launch was supported by Harness Racing Victoria who became the inaugural rights partner, an extension of PNW's long and successful partnership with the sporting body.

In the few months since the launch, the 'pop-up' concept has been extended to include 801AM Gosford, 96.9FM Ingham and 99.1FM Atherton, with 1539AM Sydney to launch in July 2020 and 1053AM Brisbane and 1620AM Gold Coast to launch in September 2020.

PNW has introduced and produced a portfolio of new content including "Saturday Morning Chasing and Pacing", "The Lids Fly", "Talking Harness in WA", "Breakfast with Joel and Jimmy" and "Breakfast with Pat and Heals" to coincide with the launch of 1053AM Brisbane.

The acquisition of 1593AM Melbourne, 1539AM Sydney and 90.7FM Darwin will form part of the SENTrack network and further extend its audience reach nationally.

Sale of 1377AM Melbourne Radio Licence (3MP)

With the acquisition of 1593AM Melbourne, PNW has taken the opportunity to divest 1377AM Melbourne (3MP) to the ACE Radio Network. The sale consideration was \$4.5 million cash, inclusive of future commitments. The sale was completed on 1 July 2020.

Acquisition of Spirit 621AM Radio Licence

On 1 May 2020 PNW completed the acquisition of the Spirit 621AM radio broadcasting licence in Southwest/Bunbury, Western Australia (**Spirit**) from Southern Cross Austereo Group.

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

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, expanding its owned radio platforms and mass audience reach, and provides opportunities to leverage PNW's national sales team, broadcast rights and content portfolio.

Spirit is expected to deliver an incrementally positive yet immaterial contribution to earnings in FY21.

2.4 Placement update

On 26 June 2020 PNW completed the issue of 8,777,778 new Shares at \$0.225 per new Share to raise \$1,975,000 before costs (**Placement Shares**). The proceeds were used to replenish the working capital previously used to fund the acquisitions of Rapid TV (July 2019), Precision Talent Management (August 2019) and Spirit.

2.5 Debt facility update

On 22 June 2020 PNW signed a \$13.5 million increase to its existing \$15.0 million debt facility with the Commonwealth Bank of Australia (**CBA**) (**Debt Facility**). The additional funding provides a pro-forma cash liquidity of \$21.1, inclusive of \$7.6 million cash on hand as of 30 June 2020.

As at 30 June, 2020 \$15 million of the \$28.5 million Debt Facility was drawn.

Available liquidity under the Debt Facility will predominantly support:

1. incremental working capital requirements associated with the COVID-19 pandemic disruptions to sporting seasons and events; and
2. replenishment of existing working capital used to fund recent acquisitions of Rapid TV (July 2020), Precision Talent Management (August 2019) and Spirit 621AM radio licence (May 2020).

PNW has been granted temporary relief from complying with its financial covenant undertakings under the Debt Facility until 31 March 2021 due to the ongoing impacts of COVID-19. Any further relief will be reviewed and considered closer to 31 March 2021. There is a risk that CBA will not continue to provide relief from PNW's financial covenant undertakings at this time.

The term of the Debt Facility ends on 31 August 2021. PNW will need to refinance at this time (or possibly earlier if further covenant relief is required, but not granted) and there is a risk it may not be able to refinance on acceptable terms to PNW or at all.

3. Financial information

The Financial Information set out in this Section comprises PNW's Consolidated Statement of Financial Position as at 31 December 2019 (audited) and Pro-forma Consolidated Financial Statement of Financial Position as at the date of this Prospectus, assuming completion of the Entitlement Offer (unaudited) (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all of the disclosures that are present in annual financial reports as required by Australian Accounting Standards (AAS) adopted by the AASB, which are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and PNW's accounting policies. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Half Year Report for the half year ended 31 December 2019.

The Consolidated Pro-Forma Statement of Financial Position as at 31 December 2019 (unaudited) has been prepared on the basis that there are no material movements in the assets and liabilities of PNW between 31 December 2019 and the completion of the Entitlement Offer except for:

- the issue of 6,777,778 New Shares at \$0.225 each (subject to rounding and assuming that no performance rights vest before the Record Date) under the Entitlement Offer to raise \$1,525,000 (before associated costs estimated to be approximately \$87,904;
- the issue of 8,777,778 new Shares at \$0.225 each under the Placement to raise \$1,975,000;
- the acquisition of Lifestyle1, 621AM Spirit Bunbury, 2CH and 1593AM Melbourne, 1539 Sydney and 90.7FM Darwin; and
- the disposal of 1377AM radio licence.

The accounting policies adopted in the preparation of the pro forma balance sheet are consistent with the accounting policies adopted and described in the Company's Half Year Report for the half year ended 31 December 2019 and should be read in conjunction with that financial report.

No allowance has been made for expenditure incurred in the normal course of business from the date of this Prospectus to the Closing Date.

	1H20 (Dec-19)	Acquisitions				Disposals	Equity Raise	Pro forma post Equity Raising & Transactions
		Lifestyle ¹	621AM Bunbury	2CH ²	1593AM, 1539AM, 90.7FM	1377AM 3MP		
Current Assets								
Cash & Cash Equivalents ¹	4,538	(80)	(3,243)	(4,671)	(6,180)	4,478	3,500	(1,658)
Trade & Other Receivables	9,573			382				9,955
Prepayments	4,737		1					4,738
Total Current Assets	18,848	(80)	(3,242)	(4,290)	(6,180)	4,478	3,500	13,034
Non-Current Assets								
Property, Plant & Equipment	8,904	17	288	1,189				10,398
Right of Use Assets	13,581		301	1,822				15,704
Investments accounted for using the equity method	933							933
Intangibles	48,293	134	2,985	4,290	6,180	(5,021)		56,861
Other Assets	920		4			772		1,696
Total Non-Current Assets	72,631	150	3,577	7,301	6,180	(4,249)	0	85,591
Total Assets	91,479	70	335	3,012	0	229	3,500	98,625
Current Liabilities								
Trade & Other Payables	9,788			492				10,280
Borrowings	4,288	46						4,334
Lease Liabilities	1,243		308	215				1,766
Other	2,555	24		99				2,679
Total Current Liabilities	17,874	70	308	806	0	0	0	19,057
Non-Current Liabilities								
Borrowings	9,040							9,040
Lease Liabilities	12,200			1,648				13,848
Other	6,311		27	729				7,067
Total Non-Current Liabilities	27,551	0	27	2,377	0	0	0	29,955
Total Liabilities	45,425	70	335	3,183	0	0	0	49,012
Net Assets	46,054	0	0	(171)	0	229	3,500	49,613
Issued Capital	55,243			2,000			3,500	60,743
Share-based Payment Reserve	1,206							1,206
Accumulated Losses	(10,395)			(2,171)		229		(12,337)
Equity	46,054	0	0	(171)	0	229	3,500	49,613

¹ Does not include any operating working capital movements since 31 December, 2019

² Completion balance sheet not yet available

4. Details of the Entitlement Offer

4.1 Entitlement Offer

The entitlement offer is an accelerated non-renounceable pro rata offer of 1 New Share for every 33 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.225 per New Share to raise approximately \$1.5 million (before costs) (**Entitlement Offer**). The Entitlement Offer opens on Friday 10 July 2020 and will close at 5.00pm (AEST) on Tuesday 21 July 2020.

The Entitlement Offer is non-renounceable, meaning that Entitlements cannot be traded on ASX, nor can they be sold, transferred or otherwise disposed of.

The Entitlement Offer is fully underwritten by Viburnum Funds Pty Ltd (**Underwriter**). Refer to Section 7.1 for further details.

All New Shares under the Entitlement Offer will rank equally with the Shares on issue as at the date of this Prospectus. For further information regarding the rights and liabilities attaching to Shares, please see Section 9.1.

You should note that not all PNW shareholders will be eligible to participate in the offer of New Shares.

Please consider the Entitlement Offer in the light of your particular investment objectives and circumstances. Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

4.2 Removal of Secondary Trading Restrictions

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months after the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

A secondary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to the Consideration Shares and Placement Shares issued by the Company so that the holders of the Consideration Shares and Placement Shares (as applicable), if they choose to, may sell those Consideration Shares and Placement Shares (as applicable) within the twelve months following their issue, without the issue of a prospectus. The Company did not issue the Consideration Shares and Placement Shares with the purpose of the persons to whom they were issued selling or transferring the Consideration Shares and Placement Shares, or granting, issuing or transferring interests in the Consideration Shares and Placement Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

4.3 Purpose of this Prospectus

The purpose of this Prospectus is to:

- (a) make the Entitlement Offer; and
- (b) ensure that the on-sale of the Consideration Shares and Placement Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

4.4 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Entitlement Offer by the Closing Date, your Entitlement will lapse.

4.5 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

4.6 Opening and closing dates

The Company will accept payment in respect of the Entitlement Offer from Eligible Shareholders from the Opening Date until 5.00pm (AEST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

Please note that payment made by BPAY® must be received no later than 5.00pm (AEST) on the Closing Date. It is the responsibility of all Eligible Shareholders to ensure that their BPAY® payments are received by the Company on or before the Closing Date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the closing dates of the Entitlement Offer without prior notice. If a Closing Date is varied, subsequent dates may also be varied accordingly.

4.7 Shortfall Offer and allocation policy

Any New Shares under the Entitlement Offer that are not applied for will form the Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of \$0.225 per New Share as that offered under the Entitlement Offer. The Shortfall Shares will have the same rights as the New Shares as detailed in Section 9.1. Eligible Shareholders may apply for Shortfall Shares (refer to Section 5 for further details).

The Company will allocate Shortfall Shares according to the following priority:

- (a) to each Eligible Shareholder who has applied for Shortfall Shares through the Shortfall Offer (except to the extent the issue of Shortfall Shares may be restricted by law or it would have an effect on Control of the Company); and
- (b) if following the allocation in paragraph (a) there remains unallocated Shortfall Shares, the Shortfall Shares will be allocated to the Underwriter who may allocate these Shortfall Shares to the Sub-Underwriters.

This shortfall allocation policy has been structured to allow each Eligible Shareholder to participate in priority to the Underwriter and Sub-Underwriters to try to reduce the number of New Shares that may be issued to the Underwriter and Sub-Underwriters. The Company reserves the right to issue, at its sole discretion, to an Eligible Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.

The Directors reserve, in consultation with the Underwriter and subject to compliance with the Corporations Act and the ASX Listing Rules, the right to place the Shortfall Shares within three months of the Closing Date at a price not less than the offer price of \$0.225.

4.8 Fractional Entitlements

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements, to the extent permitted by the ASX Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the ASX Listing Rules.

4.9 Underwriting

The Entitlement Offer is fully underwritten under the terms of the Underwriting Agreement. A summary of the Underwriting Agreement (including the circumstances in which it may be terminated) is set out in Section 7.1.

4.10 Risks of the Offer

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the matters detailed in Section 2 and the risks applicable to the Company and its business detailed in Section 8, Eligible Shareholders should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 8), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

4.11 Application Forms and BPAY® payments

Payment by an Eligible Shareholder creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

4.12 Issue and Dispatch

All New Shares under the Entitlement Offer are expected to be issued on or before the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

Shortfall Shares may be issued within three months after the Closing Date.

4.13 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

4.14 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Shares offered under this Prospectus. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted under the Entitlement Offer and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or its Securities.

4.15 Withdrawal and Cooling-Off Rights

Cooling off rights do not apply to an investment in New Shares under the Entitlement Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.

The Directors may at any time decide to withdraw this Prospectus and the Entitlement Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

4.16 Eligible Shareholders

Eligible Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on the Record Date; and
- have a registered address on the PNW share register in Australia or New Zealand, or are, in the opinion of the Company otherwise eligible to receive an offer of New Shares under the Entitlement Offer,

(an **Eligible Shareholder**).

If you are a shareholder who does not satisfy each of the criteria listed above, you are an **"Ineligible Shareholder"**. Where this Prospectus has been despatched to Ineligible Shareholders, this Prospectus is provided for information purposes only. PNW reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. PNW may (in its absolute discretion) extend the Entitlement Offer to shareholders who have registered addresses outside Australia or New Zealand in accordance with applicable law.

This Prospectus and the Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such offers.

4.17 Nominees

The Entitlement Offer is only being made to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Entitlement Offer).

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Any person that is in a jurisdiction outside Australia and New Zealand with a holding through a nominee may not participate in the Entitlement Offer and the nominee must not take up any Entitlement on behalf of such person or send any materials into any jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries as the Company may permit in compliance with applicable law.

4.18 Foreign Jurisdiction

This Prospectus and the accompanying Entitlement and Acceptance Form does not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of Australia except to the extent permitted below:

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain

4.19 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

4.20 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

4.21 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2019 is contained in the Annual Report which is available on the Company's website at www.pacificstarnetwork.com.

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2019 is contained in the Half Yearly Report which is available on the Company's website at www.pacificstarnetwork.com.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report for the year ended 30 June 2019 with ASX on 22 October 2019 are detailed in Section 10.1.

Copies of these documents are available free of charge from the Company or the Company's website: www.pacificstarnetwork.com. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

4.22 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

4.23 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 9:00 am to 5.00pm (AEST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

5. Actions required by Applicants

5.1 How to apply

Your Entitlement is detailed on the accompanying personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) and has been calculated as 1 New Share for every 33 Shares you held as at the Record Date of 5.00pm (AEST) on Tuesday 7 July 2020. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

If you are an Eligible Shareholder, you may do any one of the following:

- (a) take up all of your Entitlement and also apply for additional New Shares under the Shortfall Offer;
- (b) take up all of your Entitlement but not apply for additional New Shares under the Shortfall Offer;
- (c) take up part of your Entitlement, the part not taken up will lapse; or
- (d) do nothing, in which case all of your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

1. **If you wish to take up all of your Entitlement and also apply for additional New Shares in the Shortfall Offer or if you wish to take up all of your Entitlement only**

If you decide to take up all of your Entitlement, or take up all of your Entitlement and participate in the Shortfall Offer, please pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the Share Registry by no later than 5.00pm (AEST) on Tuesday 21 July 2020 (**Closing Date**).

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Shortfall Offer. Amounts received by PNW in excess of the offer price of \$0.225 multiplied by your Entitlement may be treated as an Application to apply for as many additional Shortfall Shares as your Application Monies will pay for in full.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up all of your Entitlement and apply for additional New Shares under the Shortfall Offer and if your application is successful (in whole or in part) you will be issued your New Shares on or about Tuesday 28 July 2020. PNW's decision on the number of New Shares to be issued to you will be final. Additional New Shares under the Shortfall Offer will only be allocated first to Eligible Shareholders if available and to the extent that PNW so determines, in accordance with the Shortfall Offer allocation policy (refer to Section 4.7) and then to the Underwriter and Sub-Underwriters. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Shortfall Offer. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Shortfall Offer, or any. Additional New Shares under the Shortfall Offer will only be allocated to Eligible Shareholders if available and to the extent that PNW so determines, in its absolute discretion.

PNW also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if PNW believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to PNW's satisfaction.

2. If you wish to take up part of your Entitlement

If you decide to take up part of your Entitlement, and allow the balance to lapse, please pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form, such that they are received by the Share Registry by no later than 5.00pm (AEST) on Tuesday 21 July, 2020.

PNW will treat you as applying for as many New Shares as your payment will pay for in full. Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up and pay part of your Entitlement before the close of the Entitlement Offer you will be issued your New Shares on or about Tuesday 28 July 2020. PNW's decision on the number of New Shares to be issued to you will be final.

PNW also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if PNW believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to PNW's satisfaction.

Eligible Shareholders who do not participate fully in the Entitlement Offer will have their percentage holding in PNW reduced.

You will not receive any value for the Entitlements you choose not to take up and they will lapse worthless.

4. If you take no action:

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

Eligible Shareholders who do not participate fully in the Entitlement Offer will have their percentage holding in PNW reduced.

5.2 Ineligible Shareholders – Foreign Shareholders

If you are a Foreign Shareholder, you may not accept any of, or do anything in relation to, your Entitlement. Refer to Section 4.18 for treatment of Foreign Shareholders.

5.3 Payment

Payment may only be made by BPAY®. Payments by cash, cheque, bank draft or money order will not be accepted. PNW will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

Please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are a Shareholder with a registered address in New Zealand and do not have access to BPAY® please contact the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 9:00am to 5:00pm (AEST), Monday to Friday.

Please note that:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and under this Prospectus; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your payment is received by the Share Registry by no later than 5:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Please make sure you use the specific Biller Code and your unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

Any Application Monies received for more than your final allocation of New Shares will be refunded to you. No interest will be paid on any Application Monies received or refunded.

5.4 Representations by Applicants

By making payment to acquire New Shares, you will be deemed to have represented to PNW that you are an Eligible Shareholder and:

- (a) acknowledge that you have received a copy of this Prospectus and an accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus and the Constitution;
- (c) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once any payment of Application Monies via BPAY® is made, you may not withdraw your application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the offer price of \$0.225 per New Share;

- (h) authorise PNW, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in PNW and is given in the context of PNW's past and ongoing continuous disclosure announcements to ASX;
- (l) acknowledge the statement of risks in Section 8 of this Prospectus and that investments in PNW are subject to risk;
- (m) acknowledge that none of PNW, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of PNW, nor do they guarantee the repayment of capital;
- (n) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (p) you and each person on whose account you are acting understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and accordingly that the New Shares may not be offered or, sold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. You are subscribing for or purchasing New Shares outside the United States in an "offshore transaction" (as defined in and in compliance with Regulation S under the US Securities Act);
- (q) you have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (r) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are applying for New Shares is resident in Australia or New Zealand and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

5.5 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

6. Purpose and Effect of the Entitlement Offer

6.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise approximately \$1.5 million (before costs). The funds raised from the Entitlement Offer are expected to be used to replenish working capital after the Acquisitions.

This purpose represents the Board's current intentions as at the date of this Prospectus. However, the Board reserves the right to alter the way funds are applied, taking into account that PNW's budget and circumstances may change depending on a number of factors, including the ongoing impact of the COVID-19 pandemic, the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors.

6.2 Effect of the Entitlement Offer

The principal effect of the Entitlement Offer will be to:

- (a) increase the cash reserves of the Company by approximately \$1.5 million (before costs); and
- (b) increase the number of Shares on issue from 223,604,963 as at the date of this Prospectus to up to 230,382,741 following completion of the Entitlement Offer.

If any of the performance rights issued by the Company vest and are exercised before the Record Date, the Shares issued in respect of such performance rights will be eligible to participate in the Entitlement Offer.

6.3 Capital Structure

On the basis that the Company completes the Entitlement Offer, the Company's capital structure following completion will be as follows:

	Number of Shares	Number of Options	Number of Performance Rights
Balance as at the date of this Prospectus	223,604,963	-	6,807,659
Entitlement Offer	6,777,778	-	-
TOTAL	230,382,741	-	6,807,659

6.4 Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have Voting Power in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Viburnum Funds Pty Ltd	49,913,497	22.32%
Craig Hutchison Media Pty Ltd	49,410,736	23.10%
Chase Properties & Development Pty Ltd	27,104,543	12.12%
Tosca Boxer Pty Ltd	20,109,998	8.99%

6.5 Dilution

Shareholders should also be aware that if they do not participate in the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding at Record Date	% at Record Date	Entitlements	Holdings if Entitlement not taken up	% post offer
Shareholder 1	2,148,272	1.00%	71,609	2,148,272	0.97%
Shareholder 2	4,296,544	2.00%	143,218	4,296,544	1.94%
Shareholder 3	6,444,816	3.00%	214,827	6,444,816	2.91%
Shareholder 4	8,593,087	4.00%	286,436	8,593,087	3.88%
Shareholder 5	10,741,359	5.00%	358,045	10,741,359	4.85%

6.6 Effect on Control

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in an Australian listed company if, because of the transaction in relation to securities, a person's Voting Power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

There are exceptions to that prohibition, including:

- (a) an acquisition pursuant to a rights issue (including an acquisition by an underwriter or sub-underwriter of that rights issue) if the conditions of item 10 of section 611 of the Corporations Act are satisfied; or
- (b) an acquisition that results from the issue of securities under a disclosure document to an underwriter or sub-underwriter provided the disclosure document discloses the effect that the acquisition would have on the person's Voting Power in the company (item 13 of section 611 of the Corporations Act).

The Directors consider, having regard to all available options, that entry into the Underwriting Agreement provides the Company with the highest degree of certainty in the time available that the Entitlement Offer will be successful.

Following the Entitlement Offer, it is possible that the maximum holding of Viburnum may rise from 22.32% to a maximum of 24.61%, as further detailed below. Viburnum may increase its holding to this extent by relying on the exceptions contained in item 9 of section 611 of the Corporations Act, as well as any other applicable exceptions.

The following tables show the number of Shares held by, and approximate Voting Power of, Viburnum following completion of the Entitlement Offer:

(i) Entitlement Offer is fully subscribed

Shareholder	Date of Offer Document		Entitlement Offer is fully subscribed	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
Viburnum	49,913,497	22.32%	51,426,330	22.32%

(ii) **Entitlement Offer is not fully subscribed**

Shareholder	75% acceptance of Entitlements		50% acceptance of Entitlements		25% acceptance of Entitlements		0% acceptance of Entitlements	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
Viburnum	51,607,941	22.40%	53,302,386	23.14%	54,996,830	23.87%	56,691,275	24.61%

If Eligible Shareholders (other than the Underwriter) or the Sub-Underwriters take up New Shares by participating in the Shortfall Offer, the proportion of New Shares that the Underwriter holds will decrease by the proportion of New Shares under the Shortfall Offer. Refer to Section 4.7 for details in respect to the Shortfall Offer allocation policy.

6.7 Description of Viburnum

Viburnum Funds is an active ownership investment manager of public and private equities targeting consistent and absolute returns for high net worth individuals, family offices and institutional investors.

6.8 Viburnum's commitments

Viburnum Funds has committed to underwriting any shortfall of the Entitlement Offer. Refer to Section 7.1 for a summary of the Underwriting Agreement.

6.9 Viburnum's intentions

Following completion of the Entitlement Offer (**Completion**), Viburnum has confirmed to the Company that it is supportive of the Company pursuing its current announced strategy.

If Completion occurs Viburnum has also confirmed that it has no intention to:

- (a) make any changes to the business of the Company;
- (b) make any changes to the Company's existing employees; or
- (c) change the Company's financial or dividend distribution policies.

The statements are based on information known to Viburnum at the date of this Prospectus regarding the Company, its business and the prevailing business environment. The statements set out above are statements of the current intention of Viburnum only and may vary as new information becomes available or circumstances change. Any final decisions regarding these matters will only be made by Viburnum in light of information and circumstances at that time.

7. Material Contracts

7.1 Underwriting Agreement

The Entitlement Offer is fully underwritten pursuant to an underwriting agreement (**Underwriting Agreement**) entered into between PNW and Viburnum Funds Pty Ltd (**Viburnum** or **Underwriter**).

The Underwriting Agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedent, representations and warranties and termination rights.

Customary with these types of agreements:

- (i) The Underwriter may terminate the Underwriting Agreement on the occurrence of certain events, including:
 - (A) ASX refuses to grant official quotation for the New Shares, or materially modifies that approval (once granted).
 - (B) PNW ceases to be admitted to the official list of ASX or its Shares are suspended from trading or cease to be quoted (other than voluntary suspension of no more than 5 Business Days or with the consent of the Underwriter).
 - (C) All or part of the Entitlement Offer is withdrawn without the Underwriter's prior written consent.
 - (D) PNW is or there is an act or omission, or a circumstance arises, which will result in PNW becoming insolvent.
 - (E) The Prospectus, ASX Announcement or Appendix 3B omits any material information or contains a statement which is or becomes misleading or deceptive or is likely to mislead or deceive or otherwise fails to comply with the Corporations Act.
 - (F) It becomes illegal for the Underwriter to underwrite any part of the Entitlement Offer.
 - (G) Certain determinations, applications, investigations or prosecutions are commenced or threatened by ASIC in relation to the Entitlement Offer.
 - (H) A director of PNW is disqualified from managing a corporation under the Corporations Act, or a director, the chief executive officer or chief financial officer of PNW commits an act of fraud or is charged with an indictable offence relating to any financial or corporate matter.
 - (I) PNW is prevented from allotting New Shares within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules or other applicable law.
 - (J) The Takeovers Panel makes a declaration that there are unacceptable circumstances in relation to the Entitlement Offer, or an application for such a declaration is made.
- (ii) The following termination events are qualified by the event having a material adverse effect on the success, settlement or marketing of the Entitlement Offer, or giving rise to a contravention of law by, or a liability of, the Underwriter:

- (A) the Company fails to comply with the ASX Listing Rules, the Corporations Act, or other applicable laws;
 - (B) trading in all securities quoted or listed on ASX is suspended or limited for one or substantially all of a day on which that exchange is open for trading.
 - (C) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries.
 - (D) there is an outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, United States of America, Japan or United Kingdom.
 - (E) the Company breaches the Underwriting Agreement.
 - (F) there is a change (or a change is announced) in the directors, the chief executive officer or the chief financial officer of the Company.
 - (G) there is a change of law, or a proposal to adopt a new policy in Australia that is likely to prohibit or adversely affect the Entitlement Offer, capital issues or stock markets.
 - (H) a representation or warranty made or given by the Company under the Underwriting Agreement is breached or is misleading or deceptive.
 - (I) there are errors in due diligence documentation prepared in connection with the Entitlement Offer.
 - (J) litigation, arbitration or industrial proceedings are commenced or threatened against the Company or its subsidiaries.
 - (K) there is a delay in any specified date in the timetable of more than 3 Business Days.
- (iii) The Underwriting Agreement contains a number of undertakings, representations and warranties from the Company and the Underwriter that are considered customary for an agreement of this type.
 - (iv) There is a customary indemnity in favour of Viburnum and associated parties in relation to claims and liabilities in connection with the Entitlement Offer.
 - (v) The obligations of the Underwriter under the Underwriting Agreement to underwrite the Entitlement Offer are conditional on certain customary matters, such as the timely lodgement of documents by PNW in accordance with the timetable

8. Risks

New Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks described in, and others not specifically referred to, in this Section 8 may in the future materially affect the financial performance and position of the Company and the value of New Shares offered under this Prospectus. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risks described in this Section 8 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantees the Company's performance, the performance of the New Shares the subject of the Entitlement Offer or the market price at which the New Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 8, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for New Shares.

8.1 Risks specific to the Company

(a) COVID-19 Risk

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals and governments to operate.

Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 pandemic on PNW's business (or on the operations of other businesses on which it relies), and there is no guarantee that PNW's efforts to address the adverse impacts of COVID-19 will be effective.

There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions.

The impact of some or all of these factors could cause significant disruption to PNW's operations and financial performance.

Refer to Section 2.2 for a summary of the steps PNW has taken in response to the COVID-19 pandemic and Section 8.1(g) for more information about the risk of the COVID-19 pandemic to the advertising market.

(b) Acquisition Risks

While PNW conducted due diligence on Spirit and 2CH, PNW is unable to verify the accuracy or the completeness of the information provided to it by Spirit and 2CH and there is no assurance that the due diligence was conclusive and that all material issues and risks in relation to Spirit and 2CH has been identified. To the extent that this information is incomplete, incorrect, inaccurate or misleading, or the actual results achieved by Spirit or 2CH are weaker than those indicated by PNW's analysis, there is a risk that the profitability and future results of the operations of PNW may differ (including in a materially adverse way) from PNW's expectations, or that additional liabilities may emerge.

On completion of the acquisition of 2CH, PNW will assume the liabilities of 2CH, including legal and regulatory liabilities, for which it may not be adequately indemnified. The share purchase agreement contains a number of representations, warranties and indemnities. However, the warranties and indemnities may not be sufficient to cover the actual liabilities incurred in connection with any known or unknown liabilities of 2CH and PNW may not be able to recover sufficient funds from 2CH's vendor under the indemnities. Any material unsatisfied warranty or indemnity claims could adversely affect PNW's business, results of operations or financial condition and performance.

There is also a risk that PNW is unable to achieve appropriate levels of earnings required to generate a return on the capital investments made.

(c) Material Contract Risks

Key to PNW's business is the ability to retain PNW's media rights post their current contracted terms. A material proportion of PNW's revenue will be dependent on retaining these rights. There is always a risk that the media rights contracts will be awarded to a competitor or be retained but on less favourable terms. Any inability to retain the existing media rights contracts may adversely impact PNW's future operating and financial performance, its cash flow and depending on the reason for the loss, may have an adverse impact on its reputation.

A material proportion of PNW's revenue will be dependent on media rights for sporting events. The COVID-19 pandemic has resulted in delays, cancellations and revisions to these sporting events and may result in further delays, cancellations and revisions. Any such delay, cancellation or revision could adversely impact advertising spend associated with these events, and in turn the operating and financial performance of PNW.

(d) Key Personnel Risks

The media industry is highly dependent on the talent, creative abilities and technical skills of the personnel of its employees and contractors and their relationships with clients. PNW has an established reputation in the media industry that attracts talented personnel. Any inability to attract, retain and motivate key employees and contractors could impact PNW's operations which could adversely impact PNW's future operating and financial performance.

(e) Market Risks

A significant proportion of PNW's business is reliant on audience preferences. If PNW misjudges these preferences or fails to convert market trends into appealing brand offerings, this may result in lower revenues and margins that could adversely impact PNW's future financial performance.

PNW operates in the highly competitive media sector, with a number of operators competing for market share through similar, the same or substitute products. The broadcasting, publishing, digital/on-line, stadium and event markets in which PNW operates are characterised by relatively low barriers to entry, and the entry of new competitors or the issue of new broadcasting licences in either a media sector in which the PNW participates or generally may have an adverse effect on PNW's financial and operating performance.

Growth in online advertising is underpinned by a range of factors including growth in internet penetration in Australia and migration from more traditional forms of media.

(f) Intellectual Property Risks

PNW has developed intellectual property. Any loss of PNW's ability to exclusively use its intellectual property may adversely impact PNW's future operating and financial performance.

(g) Advertising Risks

The amount of advertising revenue generated by PNW is dictated by advertising market conditions. Since businesses generally reduce or relocate their advertising budgets during economic recessions or downturns, the strong reliance on advertising revenue by PNW makes its operating results susceptible to prevailing economic conditions.

There can be no assurance that advertising spend in the media industries in Australia will not contract in the future. Any contraction in advertising spend in Australia could have a materially adverse effect on the radio and online advertising markets as a whole, and in turn the operating and financial performance of PNW.

The advertising industry is experiencing volatile market conditions due to the COVID-19 pandemic. Any contraction in advertising spend in Australia due to the COVID-19 pandemic could have a materially adverse effect on the radio and online advertising markets as a whole, and in turn the operating and financial performance of PNW.

The COVID-19 pandemic may adversely impact the business of PNW's clients and suppliers, and in turn the operating and financial performance of PNW.

(h) Regulatory Risks

Media assets in most jurisdictions are subject to regulatory regimes including, for some media assets, licensing requirements. There is a risk that PNW's returns from investments in media assets may be adversely affected by failure to comply with, or changes to, such regulatory regimes.

PNW will be subject to local laws and regulations in each of the jurisdictions in which it operates. Future laws or regulations may be introduced concerning media companies and if this occurred, these could restrict or complicate PNW's activities. Any such impacts may adversely impact PNW's future operating and financial performance.

PNW operates in the broadcasting industry within Australia. This industry is closely regulated and new broadcasting licences can only be issued by the ACMA following an extensive public consultation process.

A loss of one or more radio broadcasting licences may have a material adverse effect on PNW, its business and prospects. PNW currently has no reason to expect and does not expect the suspension or cancellation or non-renewal of any of its broadcasting licences. PNW is not aware of any instance of the ACMA or its predecessor the Australian Broadcasting Authority suspending, cancelling or failing to renew a commercial broadcasting licence.

PNW's commercial radio licences are valid for five years and narrowcast licences are valid for 12 months. Both are renewed by the ACMA upon application and payment of renewal fees. If the application is made and the renewal fees are paid within the time period specified by the ACMA, the ACMA may renew the licence. PNW has no reason to believe that any of PNW's licences will not be renewed (so long as the administrative requirements of the licence renewal process are met).

Breaches of regulatory requirements by the Company may also result in fines or penalties.

Any changes to legislation and the operations of the ACMA or any successor may have substantial impacts on PNW's investments, financial and operating performance.

(i) Litigation Risks

As with all businesses, PNW will be exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. Further, the media industry in which PNW operates involves particular risks associated with defamation litigation and litigation to protect media and intellectual property rights. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may have a materially adverse impact on the financial performance of PNW.

(j) Industry Risks

PNW's business may be affected by changes in the nature of the media industry, such as changes to demand for different media products and services.

The media industry is subject to rapid and significant change in technology and the impact of this change on PNW and its businesses cannot be predicted. The cost of implementing emerging and

future technologies could be significant. The development or anticipated development of new technology, or use, or anticipated use, of existing technology may have a materially adverse effect on PNW.

(k) Financial Risks

PNW's ability to increase earnings and to make interest and principal payments on its debt will depend, in part, on its ability to source sufficient capital to operate its businesses and meet its debt obligations. There can be no assurance that this capital will be available on acceptable terms, or at all.

(l) Macroeconomic Risks

PNW's revenue and profitability will be highly correlated to spending levels by Australian and overseas businesses, which in turn could be affected by changes in macroeconomic conditions in Australia and internationally. Changes in the macroeconomic environment are beyond the control of PNW and include, but are not limited to:

- (i) changes in inflation and interest rates;
- (ii) changes in employment levels and labour costs, which will affect the cost structure of PNW;
- (iii) changes in aggregate investment and economic output; and
- (iv) other changes in economic conditions which may affect the revenue or costs of PNW.

In particular, PNW will directly or indirectly generate the majority of its revenue from advertising, and will be dependent upon the strength of the overall advertising market in Australia. Advertising expenditure is closely tied to consumer confidence, the level of gross domestic product growth and the performance of the economy as a whole. Deterioration in macroeconomic conditions in Australia could adversely impact the financial performance of PNW.

(m) Refinancing Risk

PNW has been granted temporary relief from complying with its financial covenant undertakings until 31 March 2021 due to the ongoing impacts of COVID-19 and any further relief will be reviewed and considered at that time.

There is a risk that the financier will not continue to provide further relief at this time.

The term of the debt facility ends on 31 August 2021. PNW will need to refinance at this time (or possibly earlier if further covenant relief is required but not granted) and there is a risk it may not be able to refinance on acceptable terms to PNW or at all.

(n) Shares were Suspended for an Extended Period of Time

On 20 March 2020 PNW entered a two-week period of voluntary suspension to enable the review and assessment of the effects of COVID-19 on the business. Due to the continued volatility and unpredictability of the COVID-19 pandemic, PNW continued the voluntary suspension for a further six weeks and was reinstated to official quotation on 1 May 2020 at which time it also announced the acquisition of Spirit.

(o) Underwriting Risk

The Company has entered into an underwriting agreement pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement (refer to Section 7.1 for further details). If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement.

(p) **Future Capital Requirements**

Whilst the Entitlement Offer is expected to leave the Company well positioned, the Company may require further financing to continue to operate in the future. Any additional equity financing that the Company may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operation activities.

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Company. This may have an adverse effect on the Company's financial position and prospects.

(q) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(r) **Contractual Disputes**

As with any contractual arrangement, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally.

(s) **Competition**

The Company has no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

(t) **Risk of Shareholder Dilution**

If Eligible Shareholders elect not to take up their Entitlements or only take up part of their Entitlements, they will be subject to dilution as a result of the issue of Shares under the Entitlement Offer. In addition, Ineligible Shareholders will be subject to dilution under the Entitlement Offer.

8.2 General Risks

(a) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, including but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and

- (vii) natural disasters, social upheaval or war.

(b) Trading Price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(c) Legal Proceedings

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners or employees could negatively affect the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(d) Taxation Risk

The acquisition and disposal of New Shares will have tax consequences that will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring New Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for New Shares under this Prospectus.

(e) Accounting Standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

8.3 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its New Shares.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

9. Rights attaching to New Shares

9.1 Rights attaching to New Shares

A summary of the rights attaching to Shares is set out below. The Shares issued pursuant to the exercise of the New Shares will rank *pari passu* in all respects with existing Shares. This summary is qualified by the full terms of Company's Constitution (a full copy of the Constitution is available from Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a shareholder or a representative of a shareholder has one vote in respect of each share carrying the right to vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend rights

The Directors may from time to time declare a dividend be paid to Shareholders. The dividend is payable to Shareholders out of profits of the Company or as otherwise permitted by law. The Company is not required to pay any interest on a dividend.

(d) Winding-up

If the Company is wound up and a surplus remains, such surplus must be distributed to the Shareholders in proportion to the number of Shares held by them, irrespective of the amounts paid up on the Shares.

(e) Shareholder liability

As the Shares to be issued under the Entitlement Offer contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Variation of rights**

Pursuant to Part 2F.2 of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

9.2 Dividend policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

10. Additional information

10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Offer:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2019 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) the half year financial report of the Company for the six months ended 31 December 2019 lodged with ASIC after the lodgement of the annual financial report mentioned in paragraph (i) and before the issue of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its Annual Report on 22 October 2019.

Date	Description of Announcement
01/07/2020	Appendix 2A – Application for quotation of securities
01/07/2020	Completion of Radio Licences Acquisition and Sale Agreements
26/06/2020	Appendix 2A Application for quotation of securities
24/06/2020	Signing of Radio Licences Acquisition and Sale Agreements
17/06/2020	Proposed issue of Securities - PNW
17/06/2020	Completion of \$1.975m Placement of Ordinary Shares
05/06/2020	Proposed issue of Securities – PNW
05/06/2020	Acquisition of 2CH 1170AM Radio Licence (Sydney)
05/05/2020	Syndication Contract Announcement
01/05/2020	Reinstatement to official quotation
01/05/2020	Resumption of Trading on ASX
30/04/2020	Performance Rights Forfeited
17/04/2020	Continuation of Voluntary Suspension
03/04/2020	Continuation of Voluntary Suspension
02/04/2020	Shares Released from Escrow
20/03/2020	Voluntary Suspension
18/03/2020	Trading Halt
18/03/2020	Pause in Trading
06/03/2020	Proposed issue of Securities - PNW
26/02/2020	1H20 Financial Results and FY20 Guidance
26/02/2020	Half Yearly Report and Accounts
10/12/2019	Change in Directors' Interest Notice
09/12/2019	Change in Auditor
25/11/2019	Results of 2019 Annual General Meeting
25/11/2019	Chairman's and CEO's Address to Shareholders

10.2 Market Prices of existing Shares on ASX

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.30 (22 June 2020)

Lowest: \$0.20 (4 June 2020)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.28 per Share on 1 July 2020.

10.3 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Entitlement Offer; or
- (c) the Offer;

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Entitlement Offer.

10.4 Directors' Interests

As at the date of this Prospectus, the relevant interests of the Directors and their related entities in securities in the Company, are detailed in the table below.

Director	Shares	Options	Performance Rights
Craig Coleman	49,913,497	-	-
Chris Giannopoulos	8,845,980	-	1,027,525
Craig Hutchison	49,410,736	-	2,055,050
Colm O'Brien	301,209	-	-
Andrew Moffat	3,002,700	-	-
Ronald Hall (Alternate Director)	20,109,998	-	-

10.5 Directors' Remuneration

The remuneration (including superannuation) of existing Directors for the past two financial years (30 June year-end) are as follows:

Director	Title	Financial Year to 30 June 2018 \$	Financial Year to 30 June 2019 \$
Craig Coleman	Non-Executive Chairman	47,292	75,000
Chris Giannopoulos	Executive Director	138,364	565,928
Craig Hutchison	Chief Executive Officer, Managing Director	178,372	767,405
Colm O'Brien	Non-Executive Director	54,750	54,750
Andrew Moffat	Non-Executive Director	34,523	54,750
Ronald Hall	Alternate Director	18,749	-

Director	Title	Financial Year to 30 June 2018 \$	Financial Year to 30 June 2019 \$
TOTAL		472,050	1,517,833

10.6 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows:

- (d) DLA Piper has acted as the Australian lawyers to the Company for the Entitlement Offer. In respect of this work the Company will pay DLA Piper approximately \$55,000 (exclusive of GST). During the two years before the date of this Prospectus, DLA Piper has provided the Company with legal services and was paid approximately \$100,000 for these services;
- (e) Computershare conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant to this Prospectus. Computershare will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of GST.

10.7 Related party transactions

The Entitlement Offer is fully underwritten by Viburnum pursuant to the Underwriting Agreement. Viburnum is an associate of PNW's Chairman, Craig Coleman.

10.8 Costs of the Entitlement Offer

The costs of the Entitlement Offer payable by the Company (exclusive of GST) are as follows:

	(\$)
ASX quotation fee	\$7,353
Legal expenses	\$55,000
Printing and other expenses (not including disbursements)	\$22,345
ASIC lodgement fee	\$3,206

	(\$)
TOTAL	\$87,904

10.9 Taxation Implications

The acquisition and disposal of Shares will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Shares.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for New Shares.

10.10 Litigation and Claims

So far as the Directors are aware, other than as disclosed by the Company to ASX, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

10.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Shares), the Directors, persons named in this Prospectus with their consent as proposed Directors of the Company, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
DLA Piper Australia	Lawyers
Computershare Investor Services Pty Ltd	Share Registry
Viburnum Funds Pty Ltd	Underwriter

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Entitlement Offer;
- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

None of the parties referred to in this Section 10.11 has authorised or caused the issue of this Prospectus or the making of the Entitlement Offer.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

10.12 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Constitution.

10.13 Privacy Act

If you complete an Application, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your New Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act, the Corporations Act and certain rules. You should note that if you do not provide the information required on the Application the Company may not be able to accept or process your Application.

10.14 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

10.15 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

10.16 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

11. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

A handwritten signature in blue ink, appearing to read 'Mr Craig Hutchison', is written over a faint, light blue circular stamp or watermark.

Mr Craig Hutchison
Managing Director

2 July 2020

12. Glossary

In this Prospectus, unless the context otherwise requires:

ACMA means the Australian Communications and Media Authority.

AEST means Australian Eastern Standard Time.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2019 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2019, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2019.

Applicant means a person who applies for New Shares pursuant to the Entitlement Offer.

Application means a valid application for New Shares under the Entitlement Offer made pursuant to an Entitlement and Acceptance Form.

Application Form means an Entitlement and Acceptance Form.

Application Monies means Application Monies for New Shares received by the Company from an Applicant.

Acquisitions means the acquisitions of EON 2CH Pty Ltd (the owner of the 2CH 1170AM radio broadcasting licence in Sydney) and the 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin narrowband radio licences.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, excluding public holidays Australia and any other day that ASX declares is not a trading day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the closing date of the Entitlement Offer, as outlined in the Indicative Timetable.

Company or **PNW** means Pacific Star Network Limited ACN 009 221 630.

Consideration Shares has the meaning given in Section 2.3.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Facility has the meaning given in section 2.5.

Director means a director of the Company.

Eligible Shareholder has the meaning given in section 4.16.

Entitlement means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement Offer has the meaning given in Section 4.1.

Foreign Shareholder means a Shareholder who is not an Eligible Shareholder.

Indicative Timetable means the indicative timetable on page 5.

Ineligible Shareholder has the meaning given in Section 4.16.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the official listing rules of ASX.

New Share means a Share offered pursuant to this Prospectus.

Official Quotation means quotation of Shares on the official list of ASX.

Opening Date means the opening date of the Entitlement Offer, as detailed in the Indicative Timetable.

Option means an option to acquire a Share.

Placement Shares has the meaning given in Section 2.4.

Prospectus means this prospectus dated Thursday, 2 July 2020.

Record Date means the date referred to as such in the Indicative Timetable.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Shortfall means the New Shares not applied for under the Entitlement Offer before the Closing Date.

Shortfall Offer has the meaning given to that term in Section 4.7.

Shortfall Shares means the New Shares constituting the Shortfall.

Statements has the meaning given in section 3.

Sub-Underwriters means sub-underwriters who may be engaged by the Underwriter to subscribe for Shortfall Shares.

Underwriter means Viburnum Funds Pty Ltd.

US Securities Act means the United States Securities Act of 1933.

Voting Power has the meaning given in section 610 of the Corporations Act.