



ASX RELEASE

6 May 2020

Completion of Equity Raising and Trading Update

COMPLETION OF EQUITY RAISING

Southern Cross Media Group Limited (ASX: SXL) (**SCA**) announces successful completion of the fully underwritten equity raising (**Equity Raising**) announced to the ASX on Monday, 6 April 2020. The Equity Raising comprised a placement to institutional and sophisticated investors (**Placement**) and a 1.75 for 1 accelerated pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares in the Company (**New Shares**). The Equity Raising raised approximately \$169 million (before transaction costs).

In conducting the Placement, SCA relied on the class waiver decision “Temporary Extra Placement Capacity” issued by ASX on 31 March 2020 (**Class Waiver**) which lifted the limit on the number of New Shares that SCA can issue without obtaining prior shareholder approval pursuant to ASX Listing Rule 7.1 from 15% to 25%. The class waiver also permitted the Company to include in its calculation for the purposes of Listing Rule 7.1 the number of New Shares that may be issued under the fully underwritten Entitlement Offer. On 22 April 2020, ASX amended the Class Waiver, among other things, to require an entity relying on the Class Waiver in respect of a capital raising announced after that date to provide reasonable details of the approach taken by the entity in identifying investors to participate in a placement and in allocating shares under the placement. Although these amendments to the Class Waiver do not apply to the Equity Raising, SCA nevertheless provides details of these matters below.

SCA appointed Macquarie Capital (Australia) Limited (**MCAL**) as the Lead Manager and Underwriter of the Equity Raising. In accordance with the Underwriting Agreement entered into between SCA and MCAL in respect of the Equity Raising and on behalf of SCA, MCAL invited SCA’s existing institutional shareholders and certain other institutional and sophisticated investors to participate in the Placement and to act as sub-underwriters to the Entitlement Offer. In selecting the other institutional and sophisticated investors that were invited to express interest in participating in the Placement or to act as sub-underwriters to the Entitlement Offer, SCA and MCAL gave greater weight to investors considered likely to become a long term shareholder in SCA.

SCA’s approval was required for the appointment of all sub-underwriters. SCA also structured sub-underwriting allocations such that no sub-underwriter would acquire more than an additional 5% of the voting power in SCA as a result of the Equity Raising.

The institutional component of the Entitlement Offer had a take up rate by eligible institutional shareholders of approximately 92%.

Two thousand five hundred and two of the 5,563 eligible retail shareholders took up some or all of their entitlements in the retail component of the Entitlement Offer. This resulted in 143,136,890 (approximately 66%) of entitlements in the retail component of the Entitlement Offer being taken up by SCA's existing retail shareholders.

Allocations of New Shares under the Placement, the shortfall of the Institutional Entitlement Offer, and to the sub-underwriters of the Retail Entitlement Offer were determined by agreement between SCA and MCAL. As a result of this process, all New Shares allocated under the Placement and shortfall shares under the Institutional Entitlement Offer were allocated to existing institutional shareholders of SCA. New Shares under the Placement were offered to existing institutional shareholders of SCA ensuring that they received a Placement allocation at a minimum pro-rata to their existing shareholdings in SCA. Excess New Shares under the Retail Entitlement Offer were allocated to those institutional investors who acted as sub-underwriters largely pro rata to their sub-underwriting commitment.

As far as SCA is aware, no New Shares were issued or agreed to be issued under the Placement to any person referred to in ASX Listing Rule 10.11.

TRADING UPDATE

SCA provides the following update on key trading matters.

Operating performance

SCA achieved positive EBITDA¹ in April. Revenue declines were partially offset by operating cost reductions.

SCA considers itself eligible for the JobKeeper Allowance for approximately 1,750 of its employees and this subsidy is included in the operating cost reductions for April.

Cashflow and working capital

For the month of April 2020, EBITDA less capex was breakeven.

Receivables collections have performed in line with expectations, with limited payment deferral requests. At this point, there is no change to the assumption made in the SCA's announcement to ASX on 6 April 2020 that bad and doubtful debt provisions for H2 FY20 could reach \$5M.²

Net Debt

At 4 May 2020, SCA's Net Debt was \$161.8M. This includes receipt of the full net proceeds of the Equity Raising.

¹ EBITDA is prior to AASB16 adjustments

² Capital Structure and Operational Initiatives ASX release (6 April 2020)

Approved for release by SCA's board of directors.

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About Southern Cross Austereo

Southern Cross Austereo (SCA) is one of Australia's leading media companies reaching more than 95% of the Australian population through its radio, television and digital assets. Under the Triple M and Hit network brands, SCA owns 98 stations across FM, AM and DAB+ radio. SCA provides national sales representation for 23 other regional radio stations. SCA broadcasts 92 free to air TV signals across regional Australia, reaching 4.4 million people a week, with Nine Network programming and advertising representation across Australia's East Coast, Seven Network programming in Tasmania and Darwin, and Seven, Nine and Ten programming in Spencer Gulf. SCA operates Australia's leading premium podcasting network - PodcastOne Australia – and provides Australian sales representation for global open audio platform SoundCloud. SCA's premium brands are supported by social media, live events, video, online and mobile assets that deliver national and local entertainment and news content. <https://www.southerncrossaustereo.com.au/>

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