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Sky completes Placement & Institutional Entitlement Offer, with strong interest well in excess of the offer amount

Sky Network Television Limited (**Sky**) is pleased to announce that it has successfully completed the \$110.1m institutional component (**Institutional Entitlement Offer**) of its fully underwritten 2.83 for 1 pro-rata accelerated entitlement offer (**Entitlement Offer**) and its NZ\$9.1 million placement (**Placement**), announced on Thursday, 21 May 2020. A total of approximately NZ\$157 million will be raised under the Entitlement Offer and Placement.

The Institutional Entitlement Offer and Placement closed on Friday, 22 May 2020 and raised combined gross proceeds of approximately NZ\$119.2 million. Both tranches received strong support from Sky's existing institutional shareholders and the broader market, with the Placement and shortfall attracting bids well in excess of the offer amount. 82% of the Institutional Entitlement Offer and Placement were allocated to existing eligible institutional shareholders. The balance of new Shares were allocated to new investors.

Sky's Chief Executive, Martin Stewart commented: "We are delighted with the strong support for the Institutional Entitlement Offer and Placement from Sky's existing shareholders and a number of new shareholders from New Zealand and overseas who we are pleased to welcome to our share register. The level of interest was significantly higher than the available offer amount."

"The proceeds will help ensure Sky is well capitalised to withstand the impacts of COVID-19 and positioned to execute on future growth opportunities once conditions improve."

Sky's shares are expected to resume normal trading on the NZX and ASX today on an ex-entitlement basis. The new ordinary shares in Sky (**New Shares**) offered under the Institutional Entitlement Offer and Placement are expected to be allotted and commence trading on the NZX and ASX on Tuesday, 2 June 2020 and will rank equally with existing ordinary shares.

Placement allocation information

94.2% of Sky's NZ\$157m equity raise announced 21 May 2020 will be raised via a pro-rata entitlement offer, and 5.8% was raised via a Placement.

The Placement was made available to eligible institutional investors, being both existing eligible shareholders and certain new institutional investors. Sky used best endeavours to allocate existing eligible shareholders their pro-rata share of the Placement, to the extent existing eligible shareholders bid for it. For the remaining shares under the Placement and the institutional offer shortfall shares, Sky sought to allocate to new institutional investors and existing eligible shareholders who are expected to be aligned to Sky's long-term business plan to return Sky to growth. As far as Sky is aware, there were no significant exceptions or deviations from those objectives and criteria.

Several members of Sky's senior management have participated in the Placement (which did not include any directors of Sky). Eleven individuals have subscribed personally for an aggregate amount of NZ\$450,000 which represents 3.3% of New Shares to be issued under the Placement and 0.1% of total shares on issue following completion of the equity raise. Senior management's participation was determined according to criteria applying to all persons participating in the Placement.

So far as Sky is aware, no New Shares under the Placement will be issued to any person identified within ASX Listing Rule 10.11 (related parties).

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open on Wednesday, 27 May 2020 and close at 5.00pm (NZST) or 3.00pm (AEST), on Tuesday, 9 June 2020. The Retail Entitlement Offer will be offered to certain eligible retail shareholders with an address shown in Sky's share register as being in New Zealand or Australia and who will be able to subscribe for 2.83 New Shares for every 1 share held at 7.00pm (NZST) or 5.00pm (AEST), on Monday, 25 May 2020 (**Record Date**). The Retail Entitlement Offer has the same application price as the Placement and Institutional Entitlement Offer of NZ\$0.12 per New Share (or the A\$ Price of A\$0.11 per New Share) (**Application Price**).

An offer document (**Offer Document**) (accompanied by a personalised entitlement and acceptance form) will be sent to eligible retail shareholders on Wednesday, 27 May 2020 and will be available on the website established for the Entitlement Offer at www.shareoffer.co.nz/sky.

The Entitlement Offer is being made pursuant to a waiver by NZX granted on 21 May 2020 and class waivers by ASX granted on 31 March 2020 and as amended on 23 April 2020.

Eligible retail shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to complete an online application (via the website noted above) or complete their personalised entitlement and acceptance form. Retail shareholders are strongly encouraged to complete applications online via www.shareoffer.co.nz/sky given the likelihood of delays with the postal system at this time.

Eligible retail shareholders may choose to take up their entitlements in whole, in part or not at all. Those who have taken up all of their entitlements in full may apply for additional New Shares at the Application Price up to an additional 20% of their pro-rata entitlement by completing the appropriate section on the entitlement and acceptance form, or as directed via the online application. Payment must be made for both the entitlements and any additional New Shares for which shareholders wish to apply.

Those eligible retail shareholders who do not take up their entitlements under the Retail Entitlement Offer, or who are ineligible to do so, will receive no value for those entitlements not exercised, and their shareholding will be diluted.

Further information

For any questions in respect of the Retail Entitlement Offer, please call the Sky Offer Information Line on 0800 650 034 (within New Zealand) or +61 03 9415 5000 (within Australia) between 8.30am and 5pm Monday to Friday during the Retail Entitlement Offer Period. For other questions, investors should consult their broker, solicitor, accountant, financial adviser or other professional adviser.

Authorised by: Sophie Moloney, Company Secretary

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