



12 November 2020

CHAIRMAN'S ADDRESS – 2020 ANNUAL GENERAL MEETING

Good morning ladies and gentlemen. I am Rob Loewenthal, the Chairman of GTN.

On behalf of the GTN Board, I would like to welcome you here to our virtual 2020 Annual General Meeting. A quorum is present and I declare the meeting open.

We are joined today by GTN's Board of Directors and Senior Executives, including the Founder and CEO Bill Yde.

The COVID-19 pandemic has had a significant negative impact on both the global broadcast media industry and our business. GTN advertising revenue declined by 13% in FY20. Given the Company's high fixed cost business model, the decline in revenue caused a 62% decrease in Adjusted EBITDA.

Despite the high fixed cost nature of the business we were able to identify some material cost savings including the non-renewal of the Nine Radio contract, which had an immediate positive effect on EBITDA. The Company has not required additional capital and will continue to weather the pandemic with its strong balance sheet and low level of net debt.

The Notice of Meeting includes six items of business that I will discuss when we move into the formal part of the meeting. But before that I will make some general observations about the previous financial year and the current financial year to date, then Bill Yde will provide us with an update and business outlook. I will then return to open the formal proceedings.

Revenue grew 1.4% in the first half of FY20 and was on track to achieve solid growth in the third quarter until COVID-19 related cancellations occurred in March 2020. Despite this loss of revenue, third quarter revenue still increased 4% compared to the previous year, leading to a 2% increase in revenue for the nine months up to 31 March 2020. Unfortunately, the pandemic, including lockdowns in most of our markets, led to a 57% decrease in revenue for the fourth quarter and a 13% decrease in revenue for the 2020 financial year.



The Company has a good track record of generating cash from its operations and the first nine months of FY 2020 were no exception. During this period over \$16.7 million was returned to shareholders in the form of dividends and share buy-backs.

Revenue for the first quarter in FY21 was down by 33% compared to the previous corresponding period, an improvement over the quarter ending 30 June. The first quarter adjusted EBITDA in the current year was negative \$1 million and the current quarter is trending towards a positive EBITDA result.

Finally, I'd like to thank the Executive team lead by Bill Yde who responded quickly to the pandemic. The team immediately rolled out global business continuity plans and successfully renegotiated the debt facility, on favourable terms. The Board is confident in Bill's ability to navigate the current challenging environment and is pleased to announce that Bill has returned to live in Australia and will lead the local recovery alongside our seasoned sales staff.

The Board has, in my view, a good balance of experience and the skills required for strong governance and local industry knowledge. We recently appointed Peter Tonagh to the Board of Directors. Peter has a great deal of experience with major media companies in Australia including Foxtel and News Corp Australia. We look forward to his insights as we deal with the uncertainty brought on by the COVID-19 pandemic.

Most importantly, I'd like to thank shareholders, for your ongoing support. It is very much appreciated. You have been supportive of the company and we never lose sight that you are the owners of GTN.

I would now like to introduce our CEO Bill Yde who will provide an update on each of the Group's operating divisions.

Please now welcome the Chief Executive Officer of GTN, Mr Bill Yde.