



ASX Limited  
Market Announcements Office  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

9 October 2024

Dear Sir/ Madam

**GTN Limited (ASX: GTN) – off-market takeover bid by Viburnum Holdings Pty Ltd – lodgement of Target’s Statement**

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), attached is a copy of the target’s statement (**Target’s Statement**) of GTN Limited (ACN 606 841 801) (**GTN**) in response to the off-market takeover bid by Viburnum Holdings Pty Ltd (ACN 680 363 268) (**Viburnum**), a wholly owned subsidiary of Viburnum Funds Pty Ltd (ACN 126 348 990) (**Viburnum Funds**), for all of the fully paid ordinary shares in GTN (**Offer**).

As announced on 9 September 2024, the GTN board has established a sub-committee of independent directors (**GTN Independent Board Committee**) for the purposes of considering and responding to the Offer and preparing the Target’s Statement. The GTN Independent Board Committee is chaired by the Chair of GTN, Mr Peter Tonagh, and comprises the other GTN directors who are independent of Viburnum, being Mr David Ryan and Ms Corinna Keller.

**The Target’s Statement sets out the reasons for the GTN Independent Board Committee unanimously recommending that GTN shareholders REJECT the Offer.**

The Target’s Statement also includes an Independent Expert’s Report prepared by RSM Corporate Australia Pty Ltd in connection with the Offer which concludes that the Offer is **NEITHER FAIR NOR REASONABLE** to GTN shareholders not associated with Viburnum.

The Target’s Statement has been sent to Viburnum and lodged with the Australian Securities and Investments Commission today. In accordance with section 110D of the *Corporations Act*, despatch of the Target’s Statement to GTN shareholders will occur today by the following means:

1. GTN shareholders who have nominated an email address to receive communications from GTN will receive an email to their nominated email address, providing a link to an electronic copy of the Target’s Statement; and
2. GTN shareholders who have not nominated an email address to receive communications from GTN will receive a letter from GTN to their registered postal address, providing details of a link to an electronic copy of the Target’s Statement.

Equivalent communications will be sent to holders of GTN options.

GTN shareholders are encouraged to read the Target’s Statement (including the Independent Expert’s Report at Annexure A) in its entirety as it will assist them in making an informed decision with respect



to the Offer. GTN shareholders may also wish to seek independent legal, financial, taxation or other professional advice in relation to the Offer.

GTN shareholders who have any queries in relation to the Offer can also contact the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time).

The GTN Independent Board Committee will keep GTN shareholders fully informed of any key developments.

Authorised by Peter Tonagh, Chair of GTN.

**For further information:**

Peter Tonagh  
Independent Chairman  
Mobile: 0409 555 734

GTN Limited (ACN 606 841 801)  
Level 42, Northpoint Tower,  
100 Miller Street,  
North Sydney, NSW, 2060  
Phone: +61 2 9963 6700



**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to its contents, you should contact your financial, tax or other professional adviser immediately

# Target's Statement

This Target's Statement has been issued by GTN Limited (ASX:GTN) (ABN 38 606 841 801) (**GTN**) in response to the unsolicited off-market cash takeover bid made by Viburnum Holdings Pty Ltd (ACN 680 363 268) (**Viburnum**), a wholly owned Subsidiary of Viburnum Funds Pty Ltd (ACN 126 348 990) (**Viburnum Funds**)

**REJECT** the Offer

The GTN Independent Board Committee unanimously recommends that you **REJECT** the Offer and **DO NOTHING** in relation to any documents received from Viburnum

If you have any questions in relation to the Offer you can contact the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time).

Financial adviser



Legal adviser



## Important notices

This document is the Target's Statement dated 9 October 2024 given by GTN under Part 6.5 Division 3 of the Corporations Act. This Target's Statement is given in response to the Bidder's Statement dated 9 September 2024 which Viburnum served on GTN on 9 September 2024 in relation to the Offer by Viburnum to acquire all of your GTN Shares. The purpose of this Target's Statement is to provide you, as a GTN Shareholder, with information in response to the Bidder's Statement to assist you in your decision as to whether or not to accept the Offer.

You should read this Target's Statement in its entirety before making a decision as to whether or not to accept the Offer for your GTN Shares.

### **Interpretation**

Capitalised terms and certain abbreviations used in this Target's Statement have the meanings set out in the glossary in Section 9 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

Unless otherwise specified, all references to \$, A\$, AUD and cents are references to Australian currency.

All references to times in this Target's Statement are references to time in Sydney, unless otherwise stated.

Section 9.2 sets out some additional rules of interpretation that apply to this Target's Statement.

### **No account of personal circumstances**

This Target's Statement and the recommendations and other information contained in it do not constitute financial product advice and should not be taken as personal financial or tax advice, as each GTN Shareholder's deliberations and decision will depend upon their own financial situation, tax position, investment objectives and particular needs.

The GTN Independent Board Committee encourages you to seek independent financial and tax advice before making a decision as to whether or not to accept the Offer for your GTN Shares.

### **Disclaimer regarding forward looking statements**

This Target's Statement contains forward looking statements. Forward looking statements generally relate to future events or future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as "aim", "may", "might", "will", "likely", "shall", "should", "expects", "foresee", "plans", "anticipates", "could", "is confident", "intends", "target", "projects", "contemplates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these words or other similar terms or expressions that convey expectations, strategy, plans or intentions.

You should be aware that these statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements

of GTN to be materially different from future results, performance or achievements expressed or implied by those statements. Those risks and uncertainties include factors and risks specific to the industry in which GTN operates as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of GTN, any of its officers or employees, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation, warranty, assurance or guarantee (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Subject to any continuing obligations under the Listing Rules or the Corporations Act, GTN and its officers disclaim any obligation or undertaking to update or revise any forward looking statements to reflect any change in expectations in relation to them or any change in events, conditions or circumstances on which any forward looking statement is based.

### **ASIC and ASX disclaimer**

A copy of this Target's Statement was lodged with ASIC and given to ASX on 9

October 2024. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Target's Statement.

### ***Disclaimer as to information***

The information in this Target's Statement about Viburnum has been compiled from or is otherwise based on information obtained from publicly available sources and has not been independently audited or verified by GTN or its advisers. Accordingly, GTN does not, subject to the Corporations Act, make any representation or warranty (either express or implied), as to the accuracy or completeness of this information. If the information obtained or the public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement. In particular, if the information has been used as the basis for forward looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward looking statements.

### ***Foreign jurisdictions***

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in other jurisdictions and persons who come into possession of it should seek advice on and observe any restrictions. Any failure to comply with these restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this

Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

### ***Charts, diagrams and rounding***

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement. A number of amounts, percentages, prices, estimates and other figures in this Target's Statement are subject to the effect of rounding. Accordingly, actual numbers may differ from those set out in this Target's Statement.

### ***Websites***

The content of GTN's website does not form part of this Target's Statement and GTN Shareholders should not rely on this content.

Any website links in this Target's Statement are textual references only. Information contained in, or otherwise accessible from, those websites does not form part of this Target's Statement.

### ***Privacy***

GTN has collected your information from the GTN Share Registry for the purpose of providing you with this Target's Statement. The type of information GTN has collected about you includes your name, contact details and information on your shareholding in GTN. Without this information, GTN would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed

on a confidential basis to GTN's Related Bodies Corporate and external service providers (such as the GTN Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by GTN, please contact [privacy@trafficnet.com.au](mailto:privacy@trafficnet.com.au). GTN's privacy policy is available at <https://www.gtnetwork.com.au/FormBuilder/Resource/module/sGsmQsi2oE6q0dzYN AADzA/file/GTN-Privacy-Policy.pdf>. The registered address of GTN is Level 42, 100 Miller St, North Sydney, New South Wales, Australia.

### ***GTN Shareholder Information Line***

GTN has established a GTN Shareholder Information Line which GTN Shareholders should call if they have any queries in relation to the Offer. The telephone number for the GTN Shareholder Information Line is 1800 990 475 and it is available Monday to Friday between 8.30am and 5.30pm (Sydney time).

## Key dates

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<b>Date of Offer</b>	7 October 2024
<b>Date of this Target's Statement</b>	9 October 2024
<b>Scheduled close of Offer Period (unless withdrawn or extended)</b>	7.00pm (Sydney time) on 7 November 2024

Note: the closing date for the Offer may change as permitted by the Corporations Act.

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## Letter from the Chair of GTN Independent Board Committee

9 October 2024

Dear GTN Shareholder

### THE GTN INDEPENDENT BOARD COMMITTEE RECOMMENDS THAT YOU REJECT THE OFFER

You would have recently received a Bidder's Statement from Viburnum Holdings Pty Ltd (**Viburnum**), a wholly owned Subsidiary of Viburnum Funds Pty Ltd (**Viburnum Funds**), in relation to its unsolicited offer to acquire your shares in GTN Limited (**GTN**) (**Offer**) for \$0.465 cash per GTN Share.

The GTN Board has established an independent committee (the **GTN Independent Board Committee**) for the purposes of considering and responding to the Offer. The GTN Independent Board Committee is chaired by the Chair of GTN, Mr Peter Tonagh, and comprises the other GTN Directors who are independent of Viburnum Funds, being Mr David Ryan and Ms Corinna Keller.

This Target's Statement, which I encourage you to read in its entirety, sets out the recommendation of the GTN Independent Board Committee in relation to the Offer and the key reasons for its recommendation to **REJECT** the Offer.

The GTN Independent Board Committee has carefully assessed the Offer and believes the Offer does not represent an appropriate value for GTN Shareholders.

The GTN Independent Board Committee unanimously recommends that you **REJECT** the Offer and simply **TAKE NO ACTION** in relation to all documents sent to you by Viburnum. Each of the Directors on the GTN Independent Board Committee intend to **REJECT** the Offer in relation to the GTN Shares they hold or control.

### Independent Expert's Report

The GTN Independent Board Committee has appointed RSM Corporate Australia Pty Ltd (**RSM**) as the Independent Expert to provide an independent opinion as to whether the Offer is fair and reasonable to GTN Shareholders.

The Independent Expert has concluded the Offer is neither fair nor reasonable. The Independent Expert has estimated the fair value of GTN Shares to be in the range of \$0.848 to \$0.949 per GTN Share as compared to the Offer Consideration of \$0.465 per GTN Share.

This Target's Statement includes a full copy of the Independent Expert's Report at Annexure A.

### Key reasons for the GTN Independent Board Committee's recommendation

The GTN Independent Board Committee recommends that you **REJECT** the Offer for the key reasons set out below:

- the Independent Expert has determined the Offer is neither fair nor reasonable and undervalues GTN;
- the implied value of the Offer is inadequate and represents no premium for control of GTN;
- the Offer does not reflect the meaningful progress that GTN is making on its strategy that is expected to continue to deliver value for GTN Shareholders through earnings growth and free cash flow generation;



- if you accept the Offer, you will lose the ability to sell your GTN Shares on market and benefit from any potential long term GTN Share price appreciation and future dividends; and
- if you accept the Offer, you may be unable to accept a superior proposal if one emerges.<sup>1</sup>

While the GTN Independent Board Committee recommends that GTN Shareholders **REJECT** the Offer, it recognises that there are risks associated with continued ownership of GTN Shares, and depending on your risk tolerance, acknowledges some GTN Shareholders may wish to accept the Offer.

The Independent Expert's assessment of reasonableness is complex and includes significant risks to GTN Shareholders, including holding a minority interest in a listed entity with a controlling shareholder and the risk of GTN being delisted from the ASX. The Independent Expert notes that this assessment of reasonableness needs to be weighed having regard for the risk appetite, investment preferences and tax position of each GTN Shareholder, and could vary depending on the evolving circumstances of the Offer, such as the level of acceptances or the prevailing market price of GTN Shares.

### **How to REJECT the Offer**

To **REJECT** the Offer, you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Viburnum.

### **Further information**

You are encouraged to read this Target's Statement (including the Independent Expert's Report set out at Annexure A) in full and to consider the Offer having regard to your personal circumstances. You should also seek any independent financial, legal, tax or other professional advice that you require prior to deciding what action you should take in respect of the Offer.

If you have any queries in relation to this Target's Statement or the Offer, you can call the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time).

We will continue to keep you informed of all material developments in relation to the Offer.

Yours sincerely



**Peter Charles Tonagh**  
Chair of GTN Independent Board Committee and GTN Limited

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<sup>1</sup> As at the date of this Target's Statement, no superior proposal has emerged.

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## How to **REJECT** the Offer

1. To **REJECT** the Offer, **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Viburnum.
2. You should read this Target's Statement which contains the GTN Independent Board Committee's recommendation to **REJECT** the Offer and the reasons for this recommendation.
3. If you have any queries in relation to the Offer, please contact the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time).

To **REJECT** the Offer, **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Viburnum.

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## GTN Independent Board Committee's recommendation and intention to **REJECT** the Offer

### GTN Independent Board Committee

The GTN Independent Board Committee as at the date of this Target's Statement, being the GTN Directors who have considered the Offer, comprises:

- Mr Peter Charles Tonagh, Chair of GTN and chair of the GTN Independent Board Committee;
- Mr David John Ryan, non-executive Director; and
- Ms Corinna Keller, non-executive Director.

### Recommendations and intentions

In assessing the Offer, the GTN Independent Board Committee has had regard to a number of considerations, including the information set out in this Target's Statement (including the Independent Expert's Report at Annexure A) and the Bidder's Statement.

Based on this assessment and for the reasons set out in this Target's Statement (in particular those set out in Section 1), **each of the GTN Independent Board Committee members recommend that you REJECT the Offer.**

Each of the GTN Independent Board Committee members intend to **REJECT** the Offer in relation to the GTN Shares which they hold or control (refer to Section 8.1(a) for more information on the respective GTN shareholdings of the GTN Independent Board Committee).

To **REJECT** the Offer you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Viburnum.

### Mr Coleman's, Mr Martino's and Ms Baker's reason for not making a recommendation

Mr Craig Coleman is a director of Viburnum Funds and a non-executive Director of GTN. Mr Robert Martino is a partner at Viburnum Funds and was appointed as an alternate Director of GTN for Mr Coleman effective from 21 June 2024. Ms Alexi Baker is a non-executive Director of GTN whose nomination to the Board in 2022 was proposed by Viburnum Funds.

For these reasons, Mr Craig Coleman, Mr Robert Martino and Ms Alexi Baker have not participated in the GTN Independent Board Committee nor made a recommendation on whether the Offer should be accepted and have not at any time been involved in any GTN Board decisions in relation to the Offer.

# Target's Statement

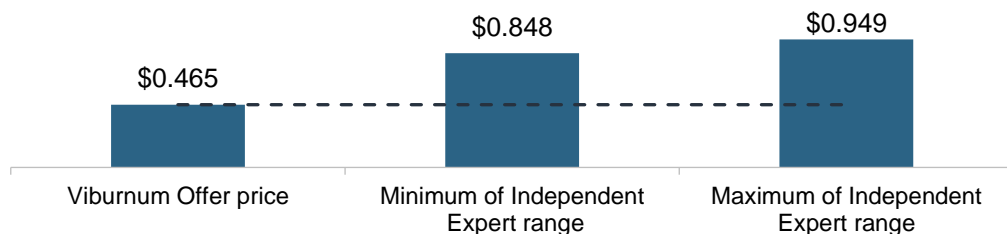
## 1 Reasons to REJECT the Offer

1.	The Independent Expert has determined the Offer is neither fair nor reasonable and undervalues GTN
2.	The implied value of the Offer is inadequate and represents no premium for control of GTN
3.	The Offer does not reflect the meaningful progress that GTN is making on its strategy that is expected to continue to deliver value for GTN Shareholders through earnings growth and free cash flow generation
4.	If you accept the Offer you will lose the ability to sell your GTN Shares on market and benefit from any potential long term GTN Share price appreciation and future dividends
5.	If you accept the Offer, you may be unable to accept a superior proposal if one emerges <sup>2</sup>

### 1.1 The Independent Expert has determined the Offer is neither fair nor reasonable and undervalues GTN

RSM has been retained by GTN as the Independent Expert to provide to GTN the Independent Expert's Report as required under section 640 of the Corporations Act. RSM has:

- estimated the fair market value of the GTN Shares to be in the range of \$0.848-\$0.949 per GTN Share; and
- concluded that the Offer is neither fair nor reasonable.



A full copy of the Independent Expert's Report accompanies this Target's Statement at Annexure A. The GTN Independent Board Committee encourages GTN Shareholders to read the Independent Expert's Report in its entirety before making a decision as to whether to reject or accept the Offer.

### 1.2 The implied value of the Offer is inadequate and represents no premium for control of GTN

The Offer Consideration represented a nil premium to the undisturbed GTN Share price of \$0.465 as at 6 September 2024 (**Undisturbed Date**), being the last trading date on ASX before the announcement of the Offer by Viburnum. This is significantly lower than historical premia experienced in public takeover situations which typically range from 30 – 35%<sup>3</sup> and

<sup>2</sup> As at the date of this Target's Statement, no superior proposal has emerged.

<sup>3</sup> According to page 41 of the Independent Expert's Report (see Annexure A), the 30 – 35% premium is the premium applied by RSM for the purposes of assessing a control transaction valuation, supported by the RSM Control Premium Study datapoints in Table 20 of the Independent Expert's Report.

does not represent any premium to the 5-day VWAP, 1-month VWAP and 52-week high trading prices of GTN prior to the Offer. It also represents a slim premium of 1.2% to the 3 and 6 month VWAPs of GTN Shares.

The Offer of \$0.465 per GTN Share represents:

- a 2.7% discount to the 5-day VWAP of GTN Shares up to and including the Undisturbed Date;
- a 2.0% discount to the 1-month VWAP of GTN Shares from and including 7 August 2024 up to and including the Undisturbed Date;
- a 1.2% premium to the 3-month VWAP of GTN Shares from and including 7 June 2024 up to and including the Undisturbed Date;
- a 1.2% premium to the 6-month VWAP of GTN Shares from and including 7 March 2024 up to and including the Undisturbed Date; and
- an 8.8% discount to the 52-week pre-Undisturbed Date GTN Share price high of \$0.51, recorded on 2 September 2024.



### 1.3 The Offer does not reflect the meaningful progress that GTN is making on its strategy that is expected to continue to deliver value for GTN Shareholders through strong earnings growth and free cash flow generation

The GTN Independent Board Committee is of the view that the Offer does not reflect the medium to long term prospects of GTN to GTN Shareholders, driven by earnings growth and free cash flow generation.

GTN performed strongly in FY24, recording \$184.2m in revenue (4.1% revenue growth from FY23), \$22.3m adjusted EBITDA<sup>4</sup> (15.4% growth from FY23), \$5.7m NPAT (114.9% growth from FY23) and \$26.6m net free cash flow before financing, tax and dividends (59.2% growth from FY23). GTN has a solid balance sheet and is in a strong liquidity position with the removal of financial covenants creating an environment to increase value for GTN Shareholders. GTN also remains committed to a target dividend policy of ~100% NPAT.

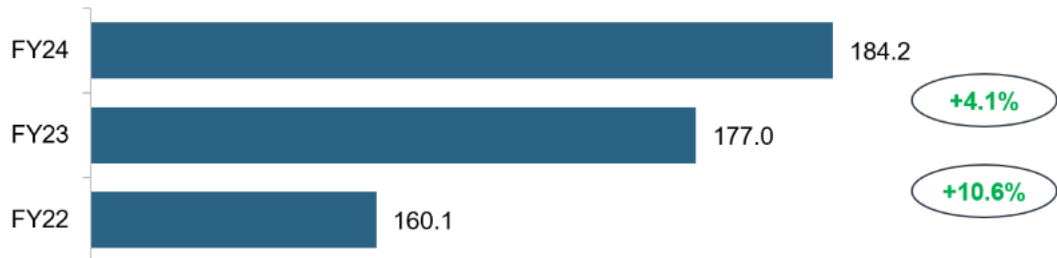
GTN continues to focus on driving revenue and effectively managing operating expenses while exploring growth opportunities. The potential benefits of the growth initiatives which, if

<sup>4</sup> Adjusted EBITDA is EBITDA adjusted to include the non-cash interest income arising from the Affiliate contract with Southern Cross Austereo and excluding transaction costs, foreign exchange gains / losses, gains and losses on asset disposing, gains on lease forgiveness and losses on refinancing.

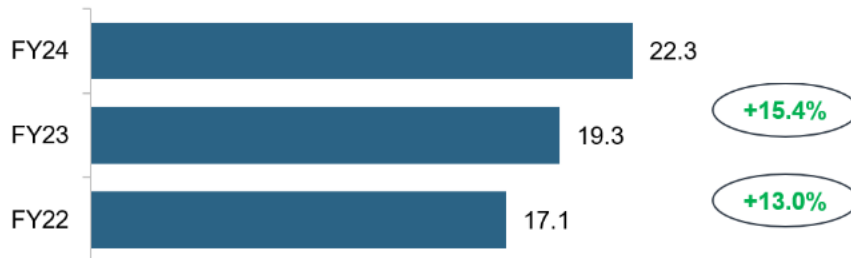
delivered, would provide better outcomes for GTN Shareholders in the long-term, are yet to be realised.

If you accept the Offer, you will no longer hold an interest in GTN and you will therefore forego the opportunity to potentially benefit from the potential future growth of GTN.

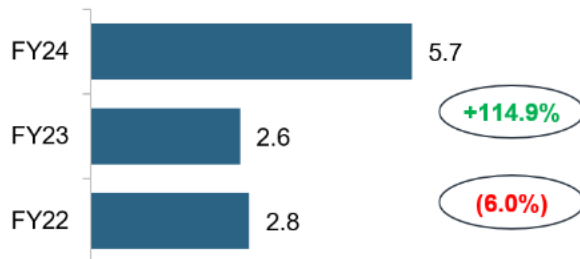
### GTN revenue (A\$m)



### GTN adjusted EBITDA (A\$m)



### GTN NPAT (A\$m)



Financial metrics	FY24	FY23	FY22
	\$m	\$m	\$m
Adjusted EBITDA	22.3	19.3	17.1
Non-cash items in adjusted EBITDA	0.5	0.4	0.8
Change in working capital	6.3	0.7	(4.6)
Impact of Affiliate contract with Southern Cross Austereo	2.1	2.1	2.0
<b>Operating free cash flow before capital expenditure</b>	<b>31.1</b>	<b>22.4</b>	<b>15.3</b>
Capital expenditure	(4.6)	(5.6)	(4.1)
<b>Net free cash flow before financing, tax and dividends</b>	<b>26.6</b>	<b>16.7</b>	<b>11.2</b>
<b>Net cash / (debt) – post AASB16</b>	<b>20.0</b>	<b>3.4</b>	<b>1.2</b>
<b>Dividend paid</b>	<b>0.028</b>	<b>0.014</b>	<b>0.013</b>

#### 1.4 If you accept the Offer you will lose the ability to sell your GTN Shares on market and benefit from any potential long term GTN Share price appreciation and future dividends

You may wish to realise your investment in GTN through the sale of some or all of your GTN Shares on the ASX. However, if you accept the Offer, you will no longer be able to trade your GTN Shares on market or receive dividends.

There is a possibility that the combination of future dividends and the future GTN Share price may exceed the value of the Offer Consideration. If you accept the Offer, you will be unable to sell your GTN Shares on market and realise any higher price at which the GTN Shares may trade (although the GTN Independent Board Committee can give no assurances on future dividends or that the GTN Share price will exceed the Offer Consideration in the future).

#### 1.5 If you accept the Offer, you may be unable to accept a superior proposal if one emerges

Given the Offer is unconditional, in the event a superior proposal emerges and you have accepted the Offer, you will not be able to withdraw your acceptance and therefore not be able to accept or participate in the benefits of that superior proposal.

GTN Shareholders should however be aware that GTN has not received a superior proposal since the Announcement Date.

**The GTN Independent Board Committee will advise you if there are any material developments in relation to the Offer during the Offer Period.**

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## **2 Reasons why GTN Shareholders may consider accepting the Offer**

### **2.1 The Offer provides GTN Shareholders with certainty of value for their GTN Shares, being \$0.465 cash consideration for each GTN Share**

The GTN Independent Board Committee recognises that the all-cash Offer provides an opportunity for immediate cash return to GTN Shareholders. GTN Shareholders with a short-term view of their investment and lower risk investment profile may find the cash certainty of \$0.465 per GTN Share attractive.

If you accept the Offer, you will:

- be paid \$0.465 cash for each of your GTN Shares in respect of which you accept the Offer;
- not incur any brokerage fees which would likely be incurred if you were to sell your GTN Shares on market; and
- receive your cash consideration within the earlier of 1 month after your acceptance of the Offer and 21 days after the end of the Offer Period.

### **2.2 Viburnum may have the capacity to exert greater influence over the manner in which GTN's business is conducted**

If Viburnum does not proceed to Compulsory Acquisition, but obtains effective control of GTN (for example by, together with its Associates, acquiring a Relevant Interest in more than 50% of GTN Shares), Viburnum will have greater influence over matters including:

- if Viburnum appoints further nominees to the GTN Board which constitute a majority of GTN Directors (as per its stated intention at Section 7.5(a) of the Bidder's Statement), Viburnum will have control over GTN's capital allocation policy, including the payment of dividends; and
- if Viburnum (together with its Associates) were to acquire a Relevant Interest in 75% or more of GTN Shares, it would be in a position to cast the votes required to determine the outcome of a special resolution. The ability to pass a special resolution would enable Viburnum to, amongst other things, amend GTN's Constitution without the need for support from other GTN Shareholders.

### **2.3 If Viburnum acquires a controlling stake in GTN, there could potentially be adverse consequences for non-accepting GTN Shareholders, namely becoming a minority GTN Shareholder**

Viburnum (together with its Associates) currently has a Relevant Interest in 47.27% of GTN Shares.

Section 7 of the Bidder's Statement sets out Viburnum's intentions as it relates to GTN, including Viburnum's intentions where it acquires some, but not all, of GTN Shares.

The Viburnum Offer is unconditional and not subject to a minimum acceptance condition. If Viburnum obtains control of GTN but does not proceed to Compulsory Acquisition, non-accepting GTN Shareholders risk becoming minority GTN Shareholders in a company which would be controlled by one large GTN Shareholder, being Viburnum (together with its Associates). This may reduce the liquidity of GTN Shares and may make it more difficult to sell your GTN Shares outside the Offer at current price levels. Refer to Section 5.7 in relation to the potential implications of becoming a minority GTN Shareholder.



### 3 Frequently asked questions

This Section 3 answers some commonly asked questions in relation to the Offer. It is not intended to address all relevant issues for GTN Shareholders. This Section 3 should be read together with the rest of this Target's Statement.

#	Question	Answer	Further information
<b>Information about the Offer</b>			
3.1	<b>What is this Target's Statement?</b>	This Target's Statement has been prepared by GTN and provides GTN's response to the Bidder's Statement to help you decide whether to accept or reject the Offer, including the recommendation of the GTN Independent Board Committee to <b>REJECT</b> the Offer.	N/A
3.2	<b>What is the Bidder's Statement?</b>	<p>The Bidder's Statement was prepared by Viburnum for distribution to GTN Shareholders. The Bidder's Statement describes the terms of the Offer for your GTN Shares and information relevant to your decision whether or not to accept the Offer.</p> <p>Viburnum lodged the Bidder's Statement with ASIC on 9 September 2024 and served it on GTN on the same date. The Bidder's Statement was sent to GTN Shareholders on 7 October 2024.</p>	N/A
3.3	<b>Who is Viburnum?</b>	<p>Viburnum is a wholly owned Subsidiary of Viburnum Funds, incorporated in Australia for the purposes of making the Offer.</p> <p>Viburnum Funds is a boutique investment management company. It is the investment manager of the VF Strategic Equities Fund (<b>VFSEF</b>) and a number of other funds that mirror the investment strategy and portfolio of the VFSEF.</p> <p>Mr Craig Coleman, who is currently a GTN Director, is also a director and the co-founder of Viburnum Funds.</p> <p>As at the date of the Bidder's Statement, Viburnum had Voting Power of 35.6% in GTN. As at the Last Practicable Date, Viburnum had Voting Power of 47.27% in GTN.</p>	Section 5.1
3.4	<b>What is Viburnum offering for my GTN Shares under the Offer?</b>	Viburnum is offering \$0.465 cash for every GTN Share that you hold.	Section 5.2(a)
3.5	<b>When does the Offer close?</b>	The Offer is currently scheduled to close at 7.00pm (Sydney time) on 7 November 2024 unless withdrawn or extended in accordance with the Corporations Act.	Section 5.2(b)

#	Question	Answer	Further information
		<p>The GTN Independent Board Committee will keep you informed if there are any material developments in relation to the Offer.</p> <p>If you wish to follow the GTN Independent Board Committee's recommendation and <b>REJECT</b> the Offer, you do not need to do anything.</p>	
3.6	<b>Can Viburnum extend the closing date of the Offer?</b>	<p>Yes. Viburnum can extend the Offer in accordance with the Corporations Act.</p> <p>In addition, the Offer Period may be extended automatically in certain circumstances.</p> <p>However, the Offer Period cannot exceed 12 months.</p>	Section 5.2(c)
<b>The recommendation of the GTN Independent Board Committee</b>			
3.7	<b>What is the recommendation of the GTN Independent Board Committee?</b>	<p>The GTN Independent Board Committee unanimously recommends that you <b>REJECT</b> the Offer.</p> <p>To follow the GTN Independent Board Committee's recommendation, you should <b>DO NOTHING</b>. If there is a change in this recommendation or any material developments in relation to the Offer, GTN will lodge a supplementary target's statement.</p>	Page 9 and Section 1
3.8	<b>Who are the GTN Independent Board Committee members?</b>	<p>The GTN Independent Board Committee members are each of the Directors on the GTN Board who are independent of Viburnum Funds, being Mr Peter Tonagh, Mr David Ryan and Ms Corinna Keller.</p> <p>Mr Craig Coleman is a director of Viburnum Funds and a non-executive Director of GTN. Mr Robert Martino is a partner at Viburnum Funds and was appointed as an alternate Director of GTN for Mr Coleman effective from 21 June 2024. Ms Alexi Baker is a non-executive Director of GTN whose nomination to the Board in 2022 was proposed by Viburnum Funds.</p> <p>For these reasons, Mr Craig Coleman, Mr Robert Martino and Ms Alexi Baker have not participated in the GTN Independent Board Committee nor made a recommendation on whether the Offer should be accepted and have not at any time been involved in any GTN Board decisions in relation to the Offer.</p>	Page 9
3.9	<b>Why does the GTN Independent Board Committee recommend you REJECT the Offer?</b>	<p>The key reasons why the GTN Independent Board Committee recommends that you <b>REJECT</b> the Offer are:</p> <ol style="list-style-type: none"> <li>1. the Independent Expert has determined the Offer is neither fair nor reasonable and undervalues GTN;</li> </ol>	Section 1

#	Question	Answer	Further information
		<ol style="list-style-type: none"> <li>2. the implied value of the Offer is inadequate and represents no premium for control of GTN;</li> <li>3. the Offer does not reflect the meaningful progress that GTN is making on its strategy that is expected to continue to deliver value for GTN Shareholders through earnings growth and free cash flow generation;</li> <li>4. if you accept the Offer you will lose the ability to sell your GTN Shares on market and benefit from any potential long term GTN Share price appreciation and future dividends; and</li> <li>5. if you accept the Offer, you may be unable to accept a superior proposal if one emerges.</li> </ol>	
3.10	<b>What is the opinion of the Independent Expert?</b>	<p>RSM Corporate Australia Pty Ltd has been appointed as the Independent Expert to prepare an Independent Expert's Report assessing the Offer, and to provide an opinion on whether or not the Offer is fair and reasonable to GTN Shareholders.</p> <p>The Independent Expert has concluded that the Offer is neither fair nor reasonable.</p> <p>Annexure A of this Target's Statement includes a copy of the Independent Expert's Report. You should read the report carefully and in its entirety as part of your assessment of the Offer.</p>	Annexure A
3.11	<b>What do each of the GTN Independent Board Committee members intend to do with their own GTN Shares?</b>	<p>Each GTN Independent Board Committee member intends to <b>REJECT</b> the Offer in respect of the GTN Shares which they hold or control.</p> <p>Section 8.1(a) contains more information on the GTN Shares held by the members of the GTN Independent Board Committee.</p>	Section 8.1(a)
3.12	<b>What happens if the Offer Consideration is improved?</b>	<p>If Viburnum improves the Offer Consideration, the GTN Independent Board Committee will carefully consider the revised Offer and advise you accordingly.</p>	Section 5.2(e)
3.13	<b>What will happen if a superior proposal emerges?</b>	<p>The GTN Independent Board Committee will carefully consider any competing or superior proposal and will advise GTN Shareholders accordingly.</p>	Section 7.2(b)
3.14	<b>Why might GTN Shareholders consider accepting the Offer?</b>	<p>Notwithstanding the recommendation of the GTN Independent Board Committee to <b>REJECT</b> the Offer and the conclusion of the Independent Expert that the Offer is neither fair nor reasonable to GTN Shareholders, you may consider that accepting the Offer is in your individual best interests, including for the following reasons:</p>	Section 2

#	Question	Answer	Further information
		<ol style="list-style-type: none"> <li>1. the Offer provides GTN Shareholders with certainty of value for their GTN Shares, being \$0.465 cash consideration for each GTN Share;</li> <li>2. Viburnum may have the capacity to exert greater influence over the manner in which GTN's business is conducted; and</li> <li>3. if Viburnum acquires a controlling stake in GTN, there could potentially be adverse consequences for non-accepting GTN Shareholders, namely becoming a minority GTN Shareholder in a company which is controlled by one large GTN Shareholder, being Viburnum (together with its Associates).</li> </ol>	

### Your choices as a GTN Shareholder

3.15	<p><b>What choices do I have as a GTN Shareholder?</b></p>	<p>As a GTN Shareholder, you have three choices available:</p> <ol style="list-style-type: none"> <li>1. <b>REJECT the Offer and DO NOTHING</b> – and remain a GTN Shareholder (unless your GTN Shares are Compulsorily Acquired). If you agree with the GTN Independent Board Committee's recommendation to REJECT the Offer then do not fill in or return any of the Offer documentation. Ignore all correspondence, documents and communications received from Viburnum. You are not required to do anything;</li> <li>2. <b>sell your GTN Shares on the ASX</b> (unless you have already accepted the Offer) which may be at a higher or lower price than the Offer Consideration. If you wish to sell your GTN Shares on the ASX, you should not accept the Offer and should instruct your broker at the time you wish to sell; or</li> <li>3. <b>accept the Offer for some or all of your GTN Shares</b>. If you choose to accept the Offer you should follow the instructions in the Bidder's Statement. However, you should note that the GTN Independent Board Committee's recommendation is that you REJECT the Offer. Once you accept the Offer, you will not be able to withdraw your acceptance (see Section 5.5).</li> </ol> <p>GTN Shareholders should carefully consider the GTN Independent Board Committee's recommendation and other important issues set out in this Target's Statement. The GTN Independent Board Committee also encourages GTN Shareholders to seek any independent financial, legal, tax or other professional</p>	Section 4
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#	Question	Answer	Further information
		advice that they require prior to deciding what action to take in respect of the Offer.	
3.16	<b>What happens if I do nothing?</b>	<p>You will remain a GTN Shareholder.</p> <p>If Viburnum (together with its Associates) acquires a Relevant Interest in 90% or more of GTN Shares, Viburnum will be entitled to Compulsorily Acquire the outstanding GTN Shares. Viburnum has stated that it has not yet decided whether it will Compulsorily Acquire those GTN Shares.</p> <p>If Viburnum (together with its Associates) acquires a Relevant Interest in between 50% and 90% of GTN Shares, you will become a minority GTN Shareholder in a company which is controlled by one large GTN Shareholder, being Viburnum (together with its Associates).</p>	Sections 5.6 and 5.7
3.17	<b>How do I REJECT the Offer?</b>	To <b>REJECT</b> the Offer, you should <b>DO NOTHING</b> . You should <b>TAKE NO ACTION</b> in relation to all correspondence from Viburnum regarding the Offer.	Section 4
3.18	<b>How do I accept the Offer?</b>	To accept the Offer, you should refer to Section 11.3 of the Bidder's Statement for instructions on how to do so. However, the GTN Independent Board Committee recommends that you <b>REJECT</b> the Offer.	Section 4
3.19	<b>What are the risks of rejecting the Offer?</b>	<p>If you <b>REJECT</b> the Offer you will continue to hold GTN Shares and your investment will remain subject to the risks associated with GTN.</p> <p>This includes the risks of being a minority GTN Shareholder if Viburnum acquires a controlling stake in GTN.</p>	Sections 5.7 and 7.3
3.20	<b>What are the risks of accepting the Offer?</b>	<p>If you accept the Offer, you will forego the opportunity to benefit from any superior proposal by another party for your GTN Shares should a proposal eventuate.</p> <p>You will also forego the opportunity to sell your GTN Shares in the future for more valuable consideration than that offered under the Offer (although GTN can give no assurances and makes no forecast of whether this will occur).</p>	Section 7.2
3.21	<b>When do I have to make a decision?</b>	<p>If you wish to follow the GTN Independent Board Committee's recommendation and <b>REJECT</b> the Offer, you do not need to do anything.</p> <p>If you wish to accept the Offer, you should follow the instructions for acceptance set out in the Bidder's Statement and the Acceptance Form that accompanies it and ensure that your acceptance is received before the end of the Offer Period (currently</p>	N/A

#	Question	Answer	Further information
		scheduled to close at 7.00pm (Sydney time) on 7 November 2024).	
3.22	<b>What happens if I accept the Offer and a superior proposal is made for my Shares after I accept?</b>	<p>If you accept the Offer, you will not be able to withdraw your acceptance.</p> <p>Accordingly, if you accept the Offer, you will be unable to accept a superior proposal if one arises.</p> <p>As at the date of this Target's Statement, no superior proposal has emerged and the GTN Independent Board Committee can give no assurances that any such proposal will arise.</p>	Sections 1.5 and 5.4
3.23	<b>What are the consequences of accepting the Offer?</b>	<p>If you accept the Offer, you will:</p> <ul style="list-style-type: none"> <li>lose your right to sell your GTN Shares on the ASX (or any other trading platform) or otherwise deal with your GTN Shares (this would prevent you from accepting any superior proposal, if an offer were to emerge); and</li> <li>relinquish control of your GTN Shares.</li> </ul> <p>The effect of accepting the Offer is set out in the Section 11.6 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise rights attaching to your GTN Shares and the representations and warranties which you make if you accept the Offer.</p>	Section 5.4
3.24	<b>Can I accept the Offer for only some of my GTN Shares?</b>	Yes, the terms of the Offer allow you to accept the Offer for some or all of your GTN Shares.	Sections 5.2 and 5.3
3.25	<b>If I accept the Offer, can I later change my decision?</b>	No, once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to otherwise dispose of any GTN Shares you have accepted into the Offer.	Sections 5.4 and 5.5
3.26	<b>If I choose to accept the Offer, when will I be paid?</b>	<p>If you accept the Offer, you will have to wait until the earlier of:</p> <ul style="list-style-type: none"> <li>one month after the Offer is validly accepted by you; and</li> <li>21 days after the end of the Offer Period,</li> </ul> <p>before you receive your Offer Consideration. Section 11.8 of the Bidder's Statement describes in more detail the payment of the Offer Consideration to you.</p>	Section 5.2(a)

#	Question	Answer	Further information
3.27	<b>Can I be forced to sell my GTN Shares?</b>	<p>You cannot be forced to sell your GTN Shares unless Viburnum is legally entitled to proceed to Compulsory Acquire your GTN Shares.</p> <p>Viburnum (together with its Associates) will need to acquire a Relevant Interest in at least 90% of GTN Shares (under the Offer or otherwise) in order to exercise its Compulsory Acquisition rights. If Viburnum (together with its Associates) acquires a Relevant Interest in at least 90% of GTN Shares and proceeds to Compulsory Acquisition, and you have not accepted the Offer then your GTN Shares will be Compulsorily Acquired by Viburnum and you will receive the same consideration as is to be provided by Viburnum under the Offer.</p>	Section 5.6
3.28	<b>During the period of the Offer, can I sell my GTN Shares on the ASX?</b>	<p>You can sell your GTN Shares on the ASX unless you have accepted the Offer in respect of those GTN Shares. If you sell your GTN Shares on market:</p> <ul style="list-style-type: none"> <li>• you will not benefit from any possible increase in the value of GTN Shares; and</li> <li>• you will not benefit from any possible increase in the consideration that may be provided under the Offer or any other offer for your GTN Shares, should one emerge.</li> </ul>	Section 4
<b>Other</b>			
3.29	<b>What impact does the Offer have on any GTN dividends or other rights?</b>	<p>Viburnum will be entitled to all Rights (including any GTN dividends) declared, paid, made, or which arise or accrue after the Announcement Date in respect of any GTN Shares that it acquires pursuant to acceptances of the Offer. However, Viburnum will not obtain any right to receive the dividend on your GTN Shares announced by GTN on 27 August 2024 (being the final dividend for FY24 of \$0.017 per GTN Share) and GTN Shareholders entitled to receive that dividend will remain entitled to it, even if they accept the Offer.</p> <p>If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date, Viburnum will be entitled to reduce the Offer Consideration payable by it to any GTN Shareholders who accept the Offer by an amount equal to the value of the cash Rights in respect of their accepted GTN Shares (provided the same has not been paid to Viburnum). There will however be no such deduction in respect of the dividend of \$0.017 per GTN Share announced by GTN on 27 August 2024 and GTN Shareholders on the dividend record date will remain entitled to receive the dividend, without</p>	N/A

#	Question	Answer	Further information
		<p>any reduction in Offer Consideration if they accept the Offer.</p> <p>If any non-cash Rights are issued or made or arise or accrue after the Announcement Date, Viburnum will be entitled to reduce the Offer Consideration payable by it to any GTN Shareholders who accept the Offer by an amount equal to the value of the non-cash Rights (as reasonably assessed by Viburnum) in respect of their accepted GTN Shares (provided the same has not been issued to Viburnum).</p>	
3.30	<b>Are there any tax consequences of accepting the Offer?</b>	<p>A general description of the Australian tax considerations for certain GTN Shareholders accepting the Offer is set out in Section 5.9 of this Target's Statement and Section 9 of the Bidder's Statement.</p> <p>You should not rely on those outlines as advice on your own affairs.</p> <p>The GTN Independent Board Committee encourages you to seek your own professional independent financial and tax advice before making a decision whether or not to accept the Offer.</p>	Section 5.9
3.31	<b>Will I need to pay brokerage fees or stamp duty if I accept the Offer?</b>	<p>If your GTN Shares are registered in an issuer sponsored holding in your name on acceptance of the Offer, you will not incur any brokerage fees or stamp duty in connection with your acceptance of the Offer.</p> <p>If your GTN Shares are registered in a CHESS Holding, or if you are a beneficial owner whose GTN Shares are registered in the name of a bank custodian or other nominee, you will not be obliged to pay any brokerage fees or stamp duty if you accept the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p>	Section 5.10
3.32	<b>Can Viburnum withdraw its Offer?</b>	Viburnum may only withdraw the Offer with the written consent of ASIC in accordance with the requirements of the Corporations Act and subject to the conditions (if any) specified in this consent.	Section 5.2(d)
3.33	<b>Is the Offer open to exercised GTN Options?</b>	The Offer extends to GTN Shares that are issued or otherwise come into existence during the Offer Period due to the conversion of, or exercise of rights attached to, other securities convertible into GTN Shares (including GTN Options) that are on issue at the Register Date. Further details are set out in Sections 6.3 and 6.4 of the Bidder's Statement.	Section 8.6



#	Question	Answer	Further information
		You should obtain your own tax advice before taking any action in regard to your GTN Options.	
3.34	<b>Will GTN remain listed on the ASX?</b>	<p>That depends on the outcome of the Offer.</p> <p>Viburnum may decide to Compulsorily Acquire the GTN Shares (if it becomes entitled to do so) and may seek to delist GTN from the ASX at the conclusion of the Compulsory Acquisition process.</p> <p>Further information on Viburnum’s intentions are set out at Section 7 of the Bidder’s Statement.</p> <p>Any proposal to delist GTN from the ASX will require ASX’s consent and may be subject to conditions imposed by the ASX.</p> <p>Although there is a possibility of GTN being delisted if Viburnum (together with its Associates) obtains a Relevant Interest in less than 90% of GTN Shares, the GTN Independent Board Committee considers it unlikely for GTN to be delisted in this circumstance so long as there are a substantial number of minority GTN Shareholders.</p>	Section 5.8
3.35	<b>How can I get updates on the GTN Share price?</b>	You can receive updates by visiting the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a> using the code ‘GTN’.	Section 8.11
3.36	<b>If I have any questions who can I contact?</b>	<p>If you have any queries in relation to this Target’s Statement or the Offer, you can call the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time).</p> <p>Announcements made to ASX by GTN and other information relating to the Offer can be obtained from GTN’s website at <a href="https://www.gtnetwork.com.au/investor-centre/?page=asx-announcements">https://www.gtnetwork.com.au/investor-centre/?page=asx-announcements</a></p>	N/A

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## 4 Your choices as a GTN Shareholder

### The GTN Independent Board Committee unanimously recommends that you REJECT the Offer

However, as a GTN Shareholder you have three choices currently available to you.

The GTN Independent Board Committee encourages you to consider your personal risk profile, investment objectives and financial and tax circumstances before making a decision as to whether or not to accept the Offer for your GTN Shares.

<p><b>Option 1</b></p> <p><b>REJECT the Offer</b></p>	<p>If you do not wish to accept the Offer and wish to retain your GTN Shares, you should <b>DO NOTHING</b>. Simply disregard the documents sent to you by Viburnum. In particular, you should not complete or return the Acceptance Form that accompanied the Bidder's Statement nor should you respond to any documentation sent to you by Viburnum or any other communication from Viburnum (including telephone solicitation or canvassing by Viburnum or its representatives).</p> <p><b>This is the approach recommended by the GTN Independent Board Committee.</b></p> <p>You should note that:</p> <ul style="list-style-type: none"><li>• if you choose not to accept the Offer, you will not receive any of the Offer Consideration unless Viburnum (together with its Associates) acquires a Relevant Interest in at least 90% of the GTN Shares at the end of the Offer Period. In this event (subject to satisfaction of various legal requirements), Viburnum will become entitled to Compulsorily Acquire all those GTN Shares that it does not already own, and, if it exercises those rights, you will receive your Offer Consideration later than GTN Shareholders who choose to accept the Offer (see Section 5.6 for further information regarding Compulsory Acquisition). Viburnum is yet to decide whether it will proceed to Compulsorily Acquisition, should it be entitled to do so; and</li><li>• if Viburnum (together with its Associates) acquires a Relevant Interest in more than 50% but less than 90% of GTN Shares, and you continue to hold GTN Shares, you will be exposed to the risks associated with being a minority shareholder of GTN. Some of these risks are explained in Section 5.7.</li></ul>
<p><b>Option 2</b></p> <p><b>Sell your GTN Shares on market</b></p>	<p>During the Offer Period, you may sell some or all of your GTN Shares on market through ASX at the prevailing market price for cash (less any brokerage), provided you have not accepted the Offer for those GTN Shares.</p> <p>However, there is no guarantee that the price you will receive for your GTN Shares on market will be higher than the Offer Consideration. You should be aware that the market price of GTN Shares may rise or fall in the period during which the Offer remains open and following the close of the Offer. The latest trading price of GTN Shares may be obtained from the ASX website <a href="http://www.asx.com.au">www.asx.com.au</a> using the code 'GTN'.</p> <p>As at the Last Practicable Date, the closing price of GTN Shares was A\$0.470, being higher than the Offer Consideration of \$0.465 per GTN Share. See</p>

	<p>Section 6.5 for more information on the recent trading prices of GTN Shares on ASX.</p> <p>If you sell some or all of your GTN Shares on market, you:</p> <ul style="list-style-type: none"> <li>• may receive the consideration for those GTN Shares sooner than if you accept the Offer;</li> <li>• will lose the ability to accept the Offer and receive the Offer Consideration (and any subsequent improvement in the Offer Consideration), in relation to those GTN Shares;</li> <li>• will lose the ability to accept any superior proposal for those GTN Shares if one emerges;</li> <li>• will receive cash consideration for the sale of those GTN Shares which may be more or less than the Offer Consideration;</li> <li>• may incur a tax liability on the disposal of those GTN Shares;</li> <li>• may incur a brokerage charge; and</li> <li>• will lose the opportunity to receive future returns from GTN in relation to those GTN Shares.</li> </ul> <p>You should contact your broker for information on how to sell your GTN Shares on ASX and your tax advisor to determine your tax implications from a sale.</p>
<p><b>Option 3</b></p> <p><b>Accept the Offer</b></p>	<p>The GTN Independent Board Committee unanimously recommends that you <b>REJECT</b> the Offer.</p> <p>However, you can elect to accept the Offer for part or all of your GTN Shares. If you choose to accept the Offer:</p> <ul style="list-style-type: none"> <li>• you will not be able to withdraw your acceptance, meaning that you will not be able to sell your GTN Shares on market or accept a higher price as part of a superior proposal if one emerges; and</li> <li>• you may be liable for tax on the disposal of your GTN Shares as a result of your acceptance. An overview of the tax consequences for certain Australian resident GTN Shareholders of selling GTN Shares is provided in Section 9 of the Bidder's Statement. See also Section 5.9 of this Target's Statement for further information on the tax consequences of the Offer.</li> </ul> <p>If Viburnum increases the Offer Consideration, all GTN Shareholders who accept the Offer, whether or not they have already accepted the Offer before then, will be entitled to receive the increased Offer Consideration.</p> <p>Further information on the consequences of accepting the Offer are discussed in Sections 5.3 and 5.4 of this Target's Statement. See Section 11 of the Bidder's Statement and the Acceptance Form provided to you by Viburnum for instructions on how to accept the Offer.</p>

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## 5 Information about Viburnum and the Offer

### 5.1 Information about Viburnum

(a) **Overview<sup>5</sup>**

Viburnum Funds is a Perth based boutique investment management firm founded in 2007.

Viburnum is a company incorporated in Australia on 30 August 2024. Viburnum is a wholly owned Subsidiary of Viburnum Funds and was incorporated for the purposes of making the Offer.

Viburnum Funds is the investment manager of the VF Strategic Equities Fund (**VFSEF**) and a number of other funds that mirror the investment strategy and portfolio of the VFSEF (together referred to as the **Viburnum Strategic Equities Strategy**).

The size of the Viburnum Strategic Equities Strategy is approximately \$450 million as at 6 September 2024. The Viburnum Strategic Equities Strategy invests predominantly in Australian equity securities listed on ASX. The Viburnum Strategic Equities Strategy has approximately 70 investors, who are wholesale investors comprising Viburnum employees, family offices, self-managed super funds, high net worth individuals, endowments and institutional investors.

Viburnum Funds is an Australian Financial Services Licensee (AFSL No. 319640) and is 100% independently owned by entities controlled by Viburnum Funds' directors and employees.

(b) **Overview of Viburnum's interest in GTN**

According to Section 6.5 of the Bidder's Statement, at the date of the Bidder's Statement Viburnum had Voting Power of 35.6% in GTN (relating to 71,127,448 GTN Shares owned by funds managed by Viburnum Funds and its Associates).

As at the Last Practicable Date, Viburnum had Voting Power of 47.27% in GTN (relating to 92,632,823 GTN Shares owned by funds managed by Viburnum Funds and its Associates).<sup>6</sup>

### 5.2 Summary of the Offer

Viburnum has lodged with ASIC and served on GTN a copy of the Bidder's Statement, which contains the Offer to GTN Shareholders to acquire some or all of your GTN Shares, including any rights attaching to those GTN Shares.

(a) **Offer Consideration**

Viburnum is offering \$0.465 cash per GTN Share.

If you accept the Offer, you will have to wait until the earlier of the following before you receive the Offer Consideration:

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<sup>5</sup> This information regarding Viburnum has been collated from public sources, including the Bidder's Statement, and has not been independently verified. The information included should not be considered comprehensive.

<sup>6</sup> Based on 'Form 604 Notice of change of interests of substantial holder' lodged by Viburnum Funds on ASX market announcements platform on 10 September 2024 and GTN's issued share capital as at the Last Practicable Date of 195,978,364 GTN Shares.

- (i) one month after the Offer is validly accepted; and
- (ii) 21 days after the end of the Offer Period,

before you receive the Offer Consideration.

Refer to Section 11.8 of the Bidder's Statement for further details on when you will receive the Offer Consideration from Viburnum.

(b) **Offer Period**

The Offer Period is open for acceptance from 7 October 2024 until 7pm (Sydney time) on 7 November 2024, unless it is withdrawn or the Offer Period is extended in accordance with the Corporations Act. If you choose to accept the Offer, then your acceptance must be received by Viburnum before the end of the Offer Period. Instructions on how to accept the Offer are set out in the Bidder's Statement and on the Acceptance Form that accompanies the Bidder's Statement. If you want to accept the Offer, you should follow those instructions carefully to ensure that your acceptance is valid. Once you accept the Offer, you will not be able to withdraw your acceptance (see Section 5.5).

(c) **Extension of the Offer Period**

Viburnum may extend the Offer Period at any time before the end of the Offer Period.

There will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, Viburnum increases the Offer Consideration or Viburnum's Voting Power in GTN increases to more than 50%. If either event happens, the Offer Period is automatically extended so that it ends 14 days after the relevant event.

The maximum duration of the Offer Period is 12 months.

(d) **Withdrawal of the Offer**

Viburnum may withdraw the Offer at any time but only if it obtains the written consent of ASIC and subject to the conditions (if any) specified in that consent. See Section 11.10 of the Bidder's Statement for more information.

(e) **Variation of the Offer**

Viburnum may vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period or by increasing the Offer Consideration, provided the varied terms are not less favourable to GTN Shareholders than the Offer terms. If Viburnum varies the Offer in any of those ways, it must give written notice to ASIC and GTN and send you a copy of that notice (however Viburnum will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, and the variation merely extends the Offer Period).

### 5.3 How to accept the Offer

Instructions on how to accept the Offer are set out in 11.3 of the Bidder's Statement and on the Acceptance Form that accompanies the Bidder's Statement. If you want to accept the Offer, you should follow those instructions carefully to ensure that your acceptance is valid. Once you accept the Offer, you will not be able to withdraw your acceptance (see Section 5.5).

If your GTN Shares are in a CHES Holding and you want to accept the Offer in respect of some or all of your GTN Shares, you should accept the Offer in accordance with Section 11.3(b) of the Bidder's Statement either online, by completing and delivering the CHES

Acceptance Form or by giving instructions to your broker in sufficient time before the end of the Offer Period to allow your broker to initiate your acceptance under CHESS. If your GTN Shares are in an issuer sponsored holding and you want to accept the Offer, you should accept the Offer in accordance with Section 11.3(c) of the Bidder's Statement either online or by completing and delivering the Issuer Acceptance Form in sufficient time so that it is received by GTN before the end of the Offer Period.

#### 5.4 Effect of acceptance

If you accept the Offer you will be entitled to receive the Offer Consideration for your accepted GTN Shares from Viburnum in accordance with the terms of the Offer.

Accepting the Offer may:

- (a) **prevent you from accepting any superior proposal** that may be made or any alternative superior transaction that may be recommended by the GTN Independent Board Committee (noting that as at the date of this Target's Statement the GTN Independent Board Committee are not aware of any other takeover offer or transaction which may be made or announced for GTN Shares). Should another takeover offer or transaction be announced during the Offer Period, GTN will issue a supplementary target's statement providing further information to GTN Shareholders. However if Viburnum improves the Offer Consideration, all GTN Shareholders, whether or not they have accepted the Offer before that improvement of the Offer Consideration, will be entitled to the benefit of that improved Offer Consideration should they accept the Offer. Additionally, improvement of the Offer Consideration does not entitle a GTN Shareholder who has already accepted the Offer to withdraw their acceptance;
- (b) **prevent you from selling** or otherwise dealing with your GTN Shares on ASX during the Offer Period; and
- (c) **result in you being liable to pay tax** on the disposal of your GTN Shares which may have financial consequences (as discussed in Section 5.9).

The effect of acceptance of the Offer is set out in more detail in Section 11.7 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your GTN Shares and the representations and warranties that you are deemed by Viburnum to give to it by accepting the Offer.

#### 5.5 No withdrawal rights

If you accept the Offer, you will not have a right to withdraw your acceptance as the Offer is unconditional and the contract resulting from your acceptance of the Offer will be binding on you from the time you accept.

#### 5.6 Compulsory Acquisition

##### (a) Post-bid Compulsory Acquisition

Viburnum will be entitled to Compulsorily Acquire any outstanding GTN Shares for which it has not received acceptances, on the same terms as the Offer, if, during or at the end of the Offer Period, Viburnum (taken together with its Associates):

- (i) has a Relevant Interest in at least 90% (by number) of the GTN Shares on issue at the relevant time; and
- (ii) has acquired at least 75% (by number) of GTN Shares for which it has made an Offer.

Viburnum has stated that it has not yet decided whether it would proceed with Compulsory Acquisition of the outstanding GTN Shares if entitled to do so.

If the Compulsory Acquisition thresholds above are met and Viburnum decides to proceed with Compulsory Acquisition, it will have one month from the end of the Offer Period within which to give Compulsory Acquisition notices to GTN Shareholders who have not accepted the Offer, but it may choose to commence Compulsory Acquisition as soon as the relevant thresholds are satisfied (i.e. during the Offer Period). A copy of the notice must be lodged with ASIC and ASX. The consideration payable by Viburnum will be the Offer Consideration last offered under the Offer.

If the Compulsory Acquisition thresholds above are met, Viburnum must also give the remaining GTN Shareholders the right to be bought out on the same terms as the Offer. In these circumstances, Viburnum must give notice to those GTN Shareholders of their right to be bought out, during, or within one month after the end of, the Offer Period. A copy of the notice must be lodged with ASX and ASIC. Within one month after the notice is given by Viburnum, the relevant holders of those GTN Shares may choose to give Viburnum notice requiring it to acquire their GTN Shares.

In addition, if the Compulsory Acquisition thresholds above are met, Viburnum must also give the remaining holders of any outstanding securities that are convertible into GTN Shares (including any GTN Options) the right to be bought out on the same terms as the Offer. In these circumstances, Viburnum must give notice of the terms of the acquisition along with an expert's report to holders of those convertible securities of their right to be bought out, during, or within one month after the end of, the Offer Period. A copy of the notice must be lodged with ASX and ASIC. Within one month after the notice is given by Viburnum, the relevant holders of those convertible securities may choose to give Viburnum notice requiring it to acquire their securities.

A GTN Shareholder has statutory rights to challenge the Compulsory Acquisition, but this will require the relevant GTN Shareholder to establish to the satisfaction of a court that the Offer Consideration does not represent fair value for GTN Shares. GTN Shareholders should be aware that, if their GTN Shares are Compulsorily Acquired, they are not likely to receive any payment until at least one month after the Compulsory Acquisition notices are sent.

(b) **General Compulsory Acquisition**

If Viburnum does not become entitled to Compulsorily Acquire GTN Shares in accordance with Section 5.6(a), it may nevertheless become entitled to exercise general Compulsory Acquisition rights in relation to the GTN Shares and any securities that are convertible to GTN Shares under Part 6A.2 Division 1 of the Corporations Act.

Broadly, Viburnum will be entitled to Compulsorily Acquire:

- (i) all outstanding GTN Shares, if Viburnum (either alone or together with its Related Bodies Corporate) holds full beneficial interests in at least 90% (by number) of GTN Shares; and
- (ii) any outstanding securities that are convertible into GTN Shares (including GTN Options), if Viburnum's Voting Power in GTN is at least 90% and Viburnum (either alone or together with its Related Bodies Corporate) holds full beneficial interests in at least 90% (by value) of all securities in GTN that are GTN Shares or convertible into GTN Shares (including GTN Options).

Viburnum (either alone or together with its Related Bodies Corporate) will have six months after meeting the thresholds set out above within which to give Compulsory Acquisition notices to the relevant remaining holders of GTN Shares and

securities convertible into GTN Shares (including GTN Options). These Compulsory Acquisition notices must be accompanied by an expert's report and an objection form and be lodged with ASIC and ASX.

The expert's report must consider whether Viburnum's price for Compulsory Acquisition under this procedure gives 'fair value' for the GTN securities concerned and the expert's reasons for forming that opinion.

Any GTN securityholder who receives a Compulsory Acquisition notice may object to the Compulsory Acquisition. If GTN Shareholders who hold at least 10% of the securities covered by the Compulsory Acquisition notice challenge the Compulsory Acquisition relating to their securities, Viburnum must either confirm the Compulsory Acquisition will not occur or apply to a court for approval of the Compulsory Acquisition prior to the end of the objection period (which must be at least one month). This would require Viburnum to establish to the satisfaction of a court that the terms of the Offer represent 'fair value' for the GTN securities. The costs incurred by any securityholder who objects in legal proceedings in relation to the Compulsory Acquisition must be borne by Viburnum, unless the court is satisfied that the securityholder acted improperly, vexatiously or otherwise unreasonably.

## 5.7 Implications of Viburnum acquiring less than 90% of GTN Shares

If Viburnum (together with its Associates) acquires a Relevant Interest of more than 50% but less than 90%, of GTN Shares, GTN will become a controlled entity of Viburnum and GTN Shareholders who do not accept the Offer will become minority shareholders in GTN. There are a number of possible implications and risks of rejecting the Offer and remaining a GTN Shareholder in this regard, including:

- (a) the number of GTN Shares traded on ASX could be reduced, thereby potentially lessening the value of the shareholdings of GTN Shareholders who do not accept the Offer (i.e. these GTN Shareholders run the risk of being minority shareholders in a company with reduced share trading liquidity). GTN Shares could become a more illiquid and infrequently traded share and, as such, the ASX market price may be a less reliable indicator of value or be at a lower price should GTN Shareholders wish to sell them in the future;
- (b) Viburnum has noted that the ASX may seek to remove GTN from the official list of the ASX if GTN is not able to satisfy the relevant ASX requirements (see Section 5.8 for more information on the implications of a potential delisting). However, Viburnum has not decided if it would arrange for GTN to be removed from the official list of the ASX. If this occurs, GTN Shares will not be able to be traded on the ASX;
- (c) Viburnum will be in a position to cast the majority of votes at a general meeting of GTN Shareholders. This will enable it to control the composition of the GTN Board and senior management and control the strategic direction of GTN and its Subsidiaries;
- (d) Viburnum has stated in Section 7.5(a) of its Bidder's Statement that, subject to the Corporations Act and the constitution of GTN, Viburnum intends to appoint nominees of Viburnum to the GTN Board such that its proportion of nominees on the Board equals or exceeds its proportionate shareholding (but not to change the current Chair of the Board). There is a risk that GTN Shareholders may be dissatisfied with the altered strategic direction or the altered Board composition or that alterations may adversely impact the GTN business;
- (e) Viburnum has also stated in Section 7.5(b) of its Bidder's Statement that it intends to conduct a review of GTN's overall capital allocation, capital structure and dividend policy as part of a larger review of GTN's business operations and would ask that the Board consider and pursue the potential for mergers and the potential disposal of



GTN's non-core assets and operations. This could lead to adverse outcomes for existing GTN Shareholders;

- (f) if Viburnum acquires 75% or more of the GTN Shares, it will be able to pass special resolutions at meetings of GTN Shareholders. This will enable Viburnum to, among other things, change the GTN Constitution; and
- (g) it is possible that even if Viburnum is not entitled to proceed to Compulsory Acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general Compulsory Acquisition under Part 6A.2 of the Corporations Act (see Section 5.6(b) for further details). For example, it may be able to proceed to Compulsory Acquisition as a result of acquisitions of GTN Shares in reliance on the "3% creep" exception in item 9 of section 611 of the Corporations Act.

## 5.8 Potential delisting

Viburnum states in its Bidder's Statement that it has not yet decided whether, if it (together with its Associates) obtains a Relevant Interest in 90% or more of GTN Shares, it will proceed with Compulsory Acquisition and arrange for the delisting of GTN from ASX.

If Viburnum (together with its Associates) obtains a Relevant Interest in 90% or more of GTN Shares and does not proceed with Compulsory Acquisition or obtains a Relevant Interest of more than 50% but less than 90% of GTN Shares, the ability of GTN to remain listed on ASX will in any event be subject to ongoing requirements under the Listing Rules (including there being a sufficient number and spread of GTN Shareholders). If GTN is not able to satisfy these requirements, ASX may require GTN to be delisted, regardless of the result of any decision by Viburnum or review by the GTN Board. If GTN is delisted, GTN Shares will not be able to be bought or sold on ASX. Further information on Viburnum's intentions on delisting GTN are set out at Section 7.4 of the Bidder's Statement.

Although there is a possibility of GTN being delisted in these circumstances, the GTN Independent Board Committee considers it unlikely that GTN would be delisted in these circumstances so long as there are a substantial number of minority GTN Shareholders.

### (a) **Important legal protections concerning a delisting of GTN**

GTN Shareholders should note the following important legal protections regarding any potential delisting of GTN:

- (i) any decision to apply to ASX to delist GTN would need to be made by the GTN Board;
- (ii) the GTN Board, including any nominee Directors appointed by Viburnum, can only decide to seek a delisting if the Board concludes that this action is in the best interests of GTN and GTN Shareholders as a whole at the relevant time;
- (iii) ASX states that it will use its discretion to ensure that the delisting of any entity is being sought for acceptable reasons. For example, ASX notes that a request to remove an entity from ASX that is primarily or solely aimed at denying minority securityholders a market for their securities, in order to coerce them into accepting an offer from a controlling securityholder to buy their securities at an undervalue, would be an unacceptable reason for requesting removal from the official list of ASX;
- (iv) ASX applies a number of guidelines to safeguard the interests of minority shareholders in the context of any proposed delisting;

- (v) a key ASX guideline provides that the approval of minority GTN Shareholders would most likely be needed for ASX to allow delisting following a takeover bid unless each of the following 5 conditions are met:
  - (A) Viburnum having foreshadowed in the Bidder's Statement that it intended to cause GTN to apply for removal from the official list of the ASX;
  - (B) Viburnum has attained ownership or control of at least 75% of GTN Shares (but has not met the conditions to proceed to Compulsory Acquisition);
  - (C) there are fewer than 150 GTN Shareholders (excluding Viburnum and its Related Bodies Corporate) whose shareholding is worth at least \$500;
  - (D) the Offer remains open for at least an additional 2 weeks after Viburnum has attained ownership or control of at least 75% of GTN Shares; and
  - (E) GTN has applied for removal from the official list of ASX no later than one month after the close of the Offer.

(b) **Disadvantages to GTN Shareholders on delisting**

If, despite the above procedural protections, GTN is ultimately delisted at some point in the future, any remaining GTN Shareholders (i.e., those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of disadvantages for those GTN Shareholders, such as:

- (i) the absence of an orderly, transparent and timely mechanism for share trading;
- (ii) restricted information compared to that currently provided as GTN would no longer be subject to the continuous disclosure requirements of the Listing Rules. If GTN remains a public company after delisting and has at least 100 members, GTN would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and
- (iii) the ceasing of various requirements and protections for minority shareholders under the Listing Rules. Examples of provisions that would cease to apply include:
  - (A) restrictions on the issue of new securities;
  - (B) a governance framework for related party transactions; and
  - (C) requirements to seek shareholder approval for significant changes in the nature or scale of GTN's activities.

## 5.9 Tax consequences

(a) **Introduction**

The following is a brief outline of certain Australian tax consequences generally applicable to a GTN Shareholder who disposes of GTN Shares by accepting the Offer.

It is also relevant to those GTN Shareholders who do not accept the Offer, if Viburnum proceeds to Compulsorily Acquire those GTN Shares following Viburnum acquiring a Relevant Interest in at least 90% of the GTN Shares at any time during the Offer Period.

This summary does not consider the Australian tax considerations that may be relevant for GTN Shareholders who:

- (i) hold (or will hold) shares in GTN as trading stock or on revenue account, or who are exempt from Australian tax, or who are subject to the Taxation of Financial Arrangements provisions in Division 230 of the Tax Act or the Investment Manager Regime under Subdivision 842-I of the Tax Act;
- (ii) acquired (or are deemed to have acquired) their GTN Shares prior to 20 September 1985;
- (iii) hold GTN Options or any other rights in relation to GTN Shares pursuant to an employee share plan, employee share option plan or employee share rights plan or scheme;
- (iv) are under a legal disability;
- (v) are a financial institution, insurance or life insurance company, or superannuation or pension fund;
- (vi) are foreign residents who hold their GTN Shares in carrying on a business through a permanent establishment in Australia; or
- (vii) are temporary residents or who changed their tax residence while holding GTN Shares.

Except where specifically stated, this Section 5.9 does not consider the Australian tax considerations for GTN Shareholders that are partnerships, partners of partnerships or trusts or beneficiaries under trusts. If a GTN Shareholder is a partnership or trust, the partners of such partnership or the beneficiaries of such trust should obtain their own independent tax advice.

This section is general in nature and based on current Australian law and taking into account GTN's understanding of the current administrative practices of Australian revenue authorities as at the date of this Target's Statement. It is not advice to any particular GTN Shareholder and does not set out all the Australian tax considerations that may be applicable. Except where specifically stated, this outline does not take into account or anticipate changes to the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation or regulatory policies of countries apart from Australia.

You should seek your own tax advice that takes into account your personal circumstances. GTN Shareholders who are tax resident of another country other than Australia should also take into account the tax consequences of the Offer under the laws of their country of residence.

**(b) Taxation on the disposal of GTN Shares**

If you accept the Offer, or if Viburnum proceeds to Compulsorily Acquire your GTN Shares, the disposal of your GTN Shares will be a CGT event.

For GTN Shareholders who accept the Offer, the date of the CGT event will be the date the contract to dispose of your GTN Shares is formed, being the date the Offer is accepted.

For GTN Shareholders whose GTN Shares are Compulsorily Acquired, the date of the CGT event will be the date when Viburum becomes the owner of your GTN Shares.

The Australian tax consequences will differ depending on the tax residence of the GTN Shareholder.

(c) **Determination of capital gains and losses**

You may make a capital gain or loss on the disposal of the GTN Shares.

You will make a capital gain on a GTN Share to the extent that your capital proceeds from the disposal of a GTN Share are more than your cost base for that GTN Share.

You will make a capital loss on a GTN Share to the extent that your capital proceeds from the disposal of a GTN Share are less than your reduced cost base for that GTN Share.

Your capital proceeds generally should be equal to the amount you receive for the disposal of your GTN Share.

Broadly, your cost base for a GTN Share generally includes your cost of acquisition of the GTN Share and certain incidental costs of acquisition and disposal. The reduced cost base of a GTN Share is usually determined in a similar (but not identical) matter. There may be circumstances where the cost base or reduced cost base is determined differently. You should seek tax advice to confirm the cost base or the reduced cost base of your GTN Shares.

Any net capital gain in respect of an income year should be included in your assessable income for that income year. Broadly, your net capital gain in respect of an income year is calculated by aggregating all of your capital gains made in that income year and reducing that amount by your total amount of capital losses made in that income year and any net capital losses from prior years that can be utilised. The amount may be further reduced by other concessions, such as under the discount CGT rules (see below).

Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to the satisfaction of any applicable loss utilisation rules).

(d) **Australian resident GTN Shareholders**

Australian resident individuals and certain types of trusts may be eligible for discount capital gains treatment in respect of a GTN Share that has been held for at least 12 months at the time of the disposal of the GTN Share, meaning the capital gain (after taking into account capital losses) will be reduced by 50%. Different rates apply for certain complying superannuation funds. Companies are not eligible for discount capital gains tax treatment. You should seek specific tax advice on the availability for the CGT discount in your own circumstances.

(e) **Non-resident GTN Shareholders**

If you are not a resident of Australia for tax purposes, you will generally not be subject to Australian tax on any capital gain when you dispose of your GTN Shares, unless:

- (i) the GTN Shares were used at any time in carrying on a business in Australia through a permanent establishment; or

- (ii) at the time of the disposal of your GTN Shares, your GTN Shares are “indirect Australian real property interests”, meaning:
  - (A) you, together with your Associates, have held an interest of 10% or more in GTN at the time of disposal or for at least 12 months during the 2 years preceding the disposal (**non-portfolio interest**); and
  - (B) more than 50% of GTN’s assets are attributable to the market value of GTN’s assets are attributable to direct or indirect interests in “taxable Australian real property” (as defined in the Tax Act) (being direct and indirect interests in real property, including leases of land situated in Australia and mining, quarrying or prospecting rights in respect of material situated in Australia).

You should contact your tax adviser to determine if any capital gain on the disposal of your GTN Shares may be subject to tax in Australia.

(f) **Non-resident CGT withholding tax**

In certain circumstances under the “foreign resident capital gains withholding tax” (**FRCGWT**) regime, Viburnum may have an obligation to pay the Commissioner of Taxation an amount equal to 12.5% of the Offer Consideration.

These rules may apply to the Offer if the GTN Shares qualify as an “indirect Australian real property interest” and:

- (i) Viburnum knows or reasonably believes that the GTN Shareholder is a foreign resident;
- (ii) Viburnum does not reasonably believe that the GTN Shareholder is an Australian resident, and either:
  - (A) the GTN Shareholder has an address outside Australia; or
  - (B) Viburnum is authorised to provide a related financial benefit to a place outside Australia (whether to the GTN Shareholder or to anyone else); or
- (iii) the GTN Shareholder has a connection outside Australia of a kind specified in the regulations.

If Viburnum determines or reasonably believes that it has an obligation to pay FRCGWT, it may contact you so that you have an opportunity to complete a declaration (**FRCGWT Declaration**) to declare that:

- (iv) you are an Australian resident for Australian tax purposes; or
- (v) your GTN Shares are “membership interests” but not “indirect Australian real property interests” (as those terms are defined in the Tax Act).

If this occurs and you are able to give the declaration, you should promptly return the signed and completed FRCGWT Declaration in the form requested by Viburnum. GTN Shareholders should seek independent professional tax advice on the Australian tax implications of the FRCGWT regime and the making of a FRCGWT Declaration.

If you fail to provide a FRCGWT Declaration and Viburnum has determined or reasonably believes that it has an obligation to pay FRCGWT, Viburnum will withhold 12.5% of the Offer Consideration and remit that amount to the ATO. If this occurs, the amount payable to you will not be increased to reflect this withheld amount and the amount payable to you will be taken to be in full and final satisfaction of the

amounts owing to you. FRCGWT is not a final tax and any amount withheld by Viburnum should be able to be offset against the amount of Australian income tax payable by you in the relevant income year and should be refundable by the ATO to the extent that the amount of FRCGWT withheld exceeds the amount of income tax payable by you.

If you are a foreign resident and your GTN Shares are an “indirect Australian real property interest”, you should speak to your tax advisor to determine whether there is any scope to vary the withholding amount from 12.5% or the process for obtaining a credit in respect of any amount withheld.

(g) **Stamp duty**

No stamp duty should be payable by GTN Shareholders on the disposal of their GTN Shares to Viburnum under the Offer.

(h) **GST**

No GST should be payable by GTN Shareholders on the disposal of their GTN Shares to Viburnum under the Offer. GTN Shareholders who are registered for GST should seek advice on whether they are entitled to any input tax credits or reduced input tax credits for any GST incurred on costs associated with the disposal of their GTN Shares to Viburnum under the Offer.

GST may be payable on any fees or charges that a broker, Controlling Participant (in respect of CHESS Holding) or other similar entity may charge in connection with acceptance of the Offer (such as brokerage and adviser fees).

You should contact your tax adviser to determine the impact of GST in relation to your individual circumstances.

## 5.10 How to accept the Offer

Instructions on how to accept the Offer are set out in Section 11.3 of the Bidder’s Statement.

## 5.11 How to reject the Offer

To **REJECT** the Offer, you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Viburnum.

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## 6 Information on GTN

### 6.1 Overview

#### (a) Information about GTN

GTN provides a broad reach advertising platform that enables advertisers to reach large audiences frequently and effectively. GTN operates in four key geographies – Australia (ATN), Canada (CTN), UK (UKTN) and Brazil (BTN). GTN is one of the largest broadcast media advertising platforms by audience reach in each of these countries.

GTN is an advertising platform designed to enable advertisers, generally national advertisers, to reach high-value demographics cost effectively. GTN offers advertising spots on television and radio networks, adjacent to information reports that listeners are highly engaged with, such as traffic and news, as this content is "of use" to the consumer. Advertisers purchase a schedule of radio spots on a national, regional or specific market basis, or in the case of the UK, a minimum number of impacts, which are sold on a nationwide basis. Where spots are sold, the schedule includes spots on all of the Affiliates in the relevant market, and the spots are allocated on a percentage-based rotation such that each advertiser receives a pro rata share of advertising spots on each of the Affiliates throughout the relevant markets

GTN is an Australian public company listed on ASX. It was incorporated in 2015 and its head office is in North Sydney, New South Wales. ATN was established in 1997, CTN was established in 2005, UKTN was established in 2007 and BTN was established in 2012. GTN was initially listed on the NASDAQ stock exchange before being acquired by US private equity firm, GTCR, and later listing on the ASX in 2016.

#### (b) Overview of operations

GTN currently operates in Australia, Canada, the United Kingdom and Brazil, four of the 10 largest advertising markets in the world. GTN began operations in Australia in 1997 and has selectively and successfully expanded into other attractive markets.

GTN is one of the largest suppliers of traffic information reports to radio stations in its operating geographies. In exchange for providing these and other reports as well as cash compensation in most instances, GTN receives commercial advertising spots adjacent to a mix of traffic, news and information reports from its large network of radio and television stations. The spots are bundled together by GTN and sold to advertisers on a national, regional or specific market basis.

GTN's advertising platform provides advertisers with high impact campaigns. GTN aims to place advertisements during peak audience times on high frequency rotation across large audiences. GTN's advertisements are short in duration, adjacent to engaging information reports and are often read live on the air by well-known radio and television personalities. The product is designed to create high audience engagement and high recall among listeners, leading to a significant return on investment for advertisers.

This has enabled GTN to establish longstanding relationships with large, national advertisers, resulting in strong growth in revenue since GTN's inception.

GTN has close working relationships with its Affiliates' operations teams by providing them with quality, timely and important traffic information. In most cases, GTN also provides cash compensation to Affiliates in exchange for advertising spots, which, in many cases, allows Affiliates to convert an important programming segment from a cost centre to a profit centre. This stable income stream can constitute a material

portion of the Affiliates' overall profits, further solidifying GTN's position within their organisation.

In FY24, approximately 97% of GTN's revenues were generated through the sale of radio advertising spots and 3% were generated through the sale of television advertising spots.

Advertisers purchase a schedule of radio spots on a national, regional or specific market basis, or in the case of the UK, a minimum number of impacts. The schedule generally includes spots on all GTN radio Affiliates in the relevant market. Spots sold in advertising packages are allocated on a percentage-based rotation such that each advertiser receives a pro rata share of advertising spots on each Affiliate throughout the relevant markets. GTN does not sell spots on individual radio Affiliates.

In order to acquire the inventory to support this advertising platform, GTN provides its Affiliates with traffic information reports at no charge, and in most cases, provides cash compensation to its Affiliates in exchange for advertising spots. Affiliate contracts are typically multi-year, generally cover all of an Affiliate's stations across the relevant market and provide a fixed number of spots over the life of the agreement.

By focusing on traffic reports, GTN believes it provides a better product to its Affiliates than the stations could create on their own. GTN collates information for its traffic reports from a range of sources including aircraft, access to government traffic centres, third party providers, radio scanners and station listener lines, to provide up-to-the-minute information to Affiliates.

(c) **GTN strategy**

GTN's operating strategy is to grow its available advertising inventory through the acquisition of additional and higher quality advertising inventory, selling a greater proportion of its total advertising inventory and increasing the price per unit realised from that inventory.

The GTN strategy to obtain additional or higher quality advertising inventory consists of the following:

- acquisition of inventory from existing radio and television stations for GTN's existing products. This is primarily accomplished by the payment of station compensation and renegotiation of advertising inventory schedules with GTN's Affiliates;
- acquisition of additional advertising inventory outside traditional traffic reporting;
- expansion into additional operating regions within GTN's current operating countries, such as the expansion into additional markets in Brazil; and
- expanding the scope of GTN's Affiliate network in existing markets.

GTN provides a strong value proposition to broadcasters as summarised below. This has allowed GTN to develop longstanding relationships with Affiliates and consistently grow its network of Affiliates. GTN seeks to provide Affiliates with:

- **Tailored content:** GTN customises the information reports that it provides to Affiliates by providing pertinent and geographically relevant information that meets the content and style requirements of each Affiliate. This helps to ensure that the reports appeal to each Affiliate's target audience;



- **Quality product:** GTN commits substantial resources to its information gathering and dissemination capabilities, including considerable training of its reporters and producers. Consequently, Affiliates receive more substantive and higher quality reports than they would likely be able to cost effectively produce themselves;
- **Cost efficiencies:** Affiliates utilise GTN's reports instead of having to procure this information on their own, which could require significant capital outlay in order to acquire aircraft and other information gathering infrastructure. This allows Affiliates to eliminate the non-core operating costs associated with real time content development, which is particularly helpful to Affiliates that are not large enough to cost effectively produce traffic reports on their own; and
- **Contractual earnings:** GTN provides station compensation to most Affiliates in the form of cash payments. These station compensation payments represent stable recurring cash flows for these Affiliates and, in some instances, form a material part of that Affiliate's overall profits.

By addressing the multiple needs of GTN's radio and television station Affiliates and providing advertising customers with a highly effective advertising vehicle, GTN is able to meet the needs of both constituencies and continue to grow its business.

GTN seeks to sell a higher proportion of its advertising inventory at higher price per unit by offering a compelling proposition to its advertising clients. It does this through providing:

- **Extensive Reach:** By selling across a broad network of affiliates, GTN provides advertisers the opportunity to reach mass audiences that are unavailable through any other single source of audio advertising;
- **High Quality Placement:** All GTN advertising spots are in prime listening or viewing time. Radio spots all appear in Breakfast, Morning, Afternoon or Drive (BMAD) time slots. All are embedded in high quality, valuable content ensuring high listener/viewer engagement. GTN spots are generally solus spots within content and read in most cases by the host further boosting engagement; and
- **High Flexibility:** The host-read nature of GTN's advertising means that advertisers can change copy flexibly including last minute changes that would not be possible in other formats.

By offering these unique, engaging characteristics, GTN is able to develop deep, long-term, high value advertiser relationships.

## 6.2 Summary historical financial information

### (a) Basis of preparation

This section sets out selected historical financial information for the financial years FY23 and FY24 for GTN extracted from the audited consolidated financial statements of GTN for the financial year ended 30 June 2024.

The financial information has been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the AASB, and the Corporations Act. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

GTN Shareholders may view complete copies of the audited consolidated financial statements of GTN at [www.asx.com.au](http://www.asx.com.au) or on the GTN website at <https://www.gtnetwork.com.au/investor-centre/?page=reports>.

(b) **Historical statement of profit or loss and other comprehensive income**

Below is a summary of GTN's consolidated statements of profit or loss and other comprehensive income for FY24 and FY23.

	Notes	Year to 30 June 2024	Year to 30 June 2023
		<b>\$'000</b>	<b>\$'000</b>
Revenue	6	184,232	177,002
Other income	6	749	291
Interest income on long-term prepaid affiliate contract	6	7,828	7,946
Network operations and station compensation expenses		(129,960)	(122,791)
Selling, general and administrative expenses		(39,301)	(42,483)
Equity based compensation expenses	22	(511)	(360)
Depreciation and amortisation	7	(13,264)	(12,329)
Finance costs	7	(1,546)	(1,753)
Loss on asset disposal		(525)	-
Foreign currency transaction loss	7	(166)	(32)
<b>Profit before income tax</b>		<b>7,536</b>	<b>5,491</b>
Income tax expense	8	(1,873)	(2,856)
<b>Profit for the year</b>		<b>5,663</b>	<b>2,635</b>
<b>Other comprehensive (loss)/income for the year, net of income tax:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation reserve		(1,523)	1,976
<b>Total other comprehensive (loss)/income for the year</b>		<b>(1,523)</b>	<b>1,976</b>
<b>Total comprehensive income for the year</b>		<b>4,140</b>	<b>4,611</b>

**Earnings per share attributable to the ordinary equity holders:**

Basic earnings per share	20	\$0.03	\$0.01
Diluted earnings per share	20	\$0.03	\$0.01

Total profit for the year and other comprehensive (loss) / income are fully attributable to members of GTN

This statement should be read in conjunction with the notes to the financial statements for FY24.

(c) **Historical statement of financial position**

Below is a summary of GTN's consolidated financial position as at 30 June 2024 and 30 June 2023.

	Notes	30 June 2024	30 June 2023
		\$'000	\$'000
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	10	31,556	30,606
Trade and other receivables	11	39,181	41,194
Current tax asset	15	2,440	4,385
Other current assets	12	5,564	4,938
<b>Current assets</b>		<b>78,741</b>	<b>81,123</b>
<b>Non-current</b>			
Property, plant and equipment	14	9,258	10,654
Intangible assets	13	20,670	27,116
Goodwill	13	96,303	96,422
Deferred tax assets	15	5,058	4,806
Other assets	12	89,271	90,863
<b>Non-current assets</b>		<b>220,560</b>	<b>229,861</b>
<b>Total assets</b>		<b>299,301</b>	<b>310,984</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	16	42,936	39,244
Contract liabilities	18	1,552	1,415
Current tax liabilities	15	157	63
Financial liabilities	19	1,541	1,215
Provisions	17	1,242	1,312
<b>Current liabilities</b>		<b>47,428</b>	<b>43,249</b>
<b>Non-current</b>			
Trade and other payables	16	71	78
Financial liabilities	19	10,098	25,912
Deferred tax liabilities	15	23,441	24,051
Provisions	17	392	318
<b>Non-current liabilities</b>		<b>34,002</b>	<b>50,359</b>
<b>Total liabilities</b>		<b>81,430</b>	<b>93,608</b>
<b>Net assets</b>		<b>217,871</b>	<b>217,376</b>

	Notes	30 June 2024	30 June 2023
<b>Equity</b>			
Share capital	21	430,336	432,128
Reserves		6,420	8,159
Accumulated losses		(218,885)	(222,911)
<b>Total equity</b>		<b>217,871</b>	<b>217,376</b>

This statement should be read in conjunction with the notes to the financial statements for FY24.

(d) **Historical statement of cash flows**

Below is a summary of GTN's consolidated statement of cash flow for FY24 and FY23.

	Notes	Year to 30 June 2024	Year to 30 June 2023
		\$'000	\$'000
<b>Operating activities</b>			
Receipts from customers		209,199	195,245
Payments to suppliers and employees		(180,095)	(173,991)
Interest received		749	291
Finance costs		(1,509)	(1,666)
Income tax paid		(617)	(853)
<b>Net cash from operating activities</b>		<b>27,727</b>	<b>19,026</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(4,616)	(5,640)
Proceeds from sale of property, plant and equipment		340	-
<b>Net cash used in investing activities</b>		<b>(4,276)</b>	<b>(5,640)</b>
<b>Financing activities</b>			
Shares repurchased		(1,939)	(5,380)
Option exercise		147	-
Dividends		(2,217)	(5,784)
Deferred financing costs		(5)	(52)
Debt repayment		(16,000)	(6,000)
Principal elements of lease payments		(1,524)	(1,626)
<b>Net cash used in financing activities</b>		<b>(21,538)</b>	<b>(18,842)</b>
Net change in cash and cash equivalents		1,913	(5,456)
Cash and cash equivalents, beginning of year		30,606	34,844
Exchange differences on cash and cash equivalents		(963)	1,218
<b>Cash and cash equivalents, end of year</b>		<b>31,556</b>	<b>30,606</b>
<b>Non-cash financing and investing activities:</b>			
Property acquired under leases		2,181	1,132

This statement should be read in conjunction with the notes to the financial statements for FY24.

### 6.3 Trading update

GTN's combined revenue for July and August 2024 was 17% ahead of revenue for the same period in 2023 with Australia, Brazil and the UK delivering solid growth versus the previous year and Canada tracking slightly behind the previous year.

In addition, the new management team has identified opportunities in both overhead and administration costs, as well as across network operations to further enhance earnings in FY25.

In FY24, GTN decided to exit the drones business in Canada, selling the Drone swarm to a local provider, and scale back drone operations in Australia to a model designed to drive pull through radio revenue from key customers, with the anticipated result being improved earnings in FY25.

Given the growth experienced in Brazil in FY24, the business has commenced expansion into two new regions in FY25 being Florianopolis and Recife, internally funded by the sale of a redundant helicopter asset in late FY24.

The business is unable to forecast future revenue due to short lead times of the GTN Group's sales cycle with results beyond August 2024 likely to be highly dependent on market conditions.

### 6.4 GTN Board and management

#### (a) Board of Directors

The Directors of GTN as at the date of this Target's Statement are as follows:

Name	Position
<b>Peter Tonagh*</b>	Non-Executive Chair
<b>David Ryan*</b>	Non-Executive Director
<b>Corinna Keller*</b>	Non-Executive Director
<b>Alexi Baker</b>	Non-Executive Director
<b>Craig Coleman</b>	Non-Executive Director
<b>Robert Martino</b>	Alternate Director for Mr Craig Coleman

\* GTN IBC Director

#### (b) Key management

The key management of GTN as at the date of this Target's Statement are as follows:

Name	Position
<b>Victor Lorusso</b>	Chief Executive Officer, Australian Traffic Network
<b>John Quinn</b>	Chief Operating Officer, United Kingdom Traffic Network
<b>Brent Henley</b>	Global Chief Financial Officer
<b>Sophie Jackson</b>	Global General Counsel

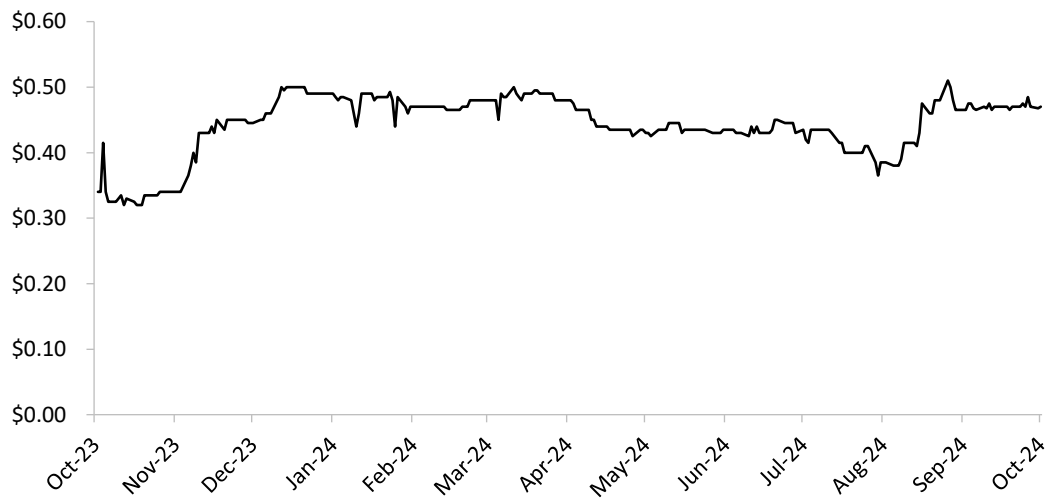
Name	Position
<b>Donna Gardener</b>	President, Canadian Traffic Network
<b>Fabio Luiz de Menezes</b>	Country Head, Brazilian Traffic Network

## 6.5 Recent GTN Share price performance

GTN Shares are listed on the ASX under the trading symbol 'GTN'. The chart below shows the closing price of GTN Shares over the 12 months up to and including the Last Practicable Date.

The closing GTN Share price on the Undisturbed Date was \$0.465 per GTN Share. The closing GTN Share price on the Last Practicable Date was \$0.470 per GTN Share.

GTN Share Price (Last Twelve Months)



The current price of GTN Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) using the code 'GTN'.



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## 7 Risk factors

### 7.1 Introduction

In considering the Offer, GTN Shareholders should be aware that there are a number of risk factors associated with either accepting the Offer or rejecting the Offer and continuing to hold GTN Shares. While some of these risks can be mitigated, some are outside the control of GTN and cannot be mitigated.

The risks set out in this Section 7 are general in nature and do not consider the individual investment objectives, financial situation, position or particular needs of GTN Shareholders or cover every risk that may be associated with an investment in GTN now or in the future.

In deciding whether to accept or reject the Offer, GTN Shareholders should read this Target's Statement and the Bidder's Statement carefully and consider these risks.

### 7.2 Risks associated with accepting the Offer

The GTN Independent Board Committee unanimously recommends that GTN Shareholders should **REJECT** the Offer for the reasons set out in Section 1.

GTN Shareholders should also be aware of the following risks associated with accepting the Offer:

(a) **Possible appreciation of value of GTN Shares in the future**

By accepting the Offer, you may forego future dividends and any ability to sell your GTN Shares in the future for more valuable consideration than the Offer Consideration (although the GTN Independent Board Committee can give no assurances and make no forecast of whether this will occur).

(b) **Possibility of superior proposal emerging**

A potential superior proposal may emerge. By accepting the Offer, you will not be able to accept any superior proposal that may be made. As such, you may not be able to obtain any potential benefit associated with any superior proposal.

As at the date of this Target's Statement, no superior proposal has emerged and the GTN Independent Board Committee can give no assurances that any such proposal will arise.

(c) **Tax consequences of accepting the Offer**

The tax consequences of disposing of your GTN Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of a disposal is set out in Section 5.9. You should seek your own specific professional tax advice as to the tax implications applicable to your circumstances.

### 7.3 Risks associated with an investment in GTN

There are risks which are specific to GTN and other risks which apply to similar investments generally which may materially and adversely affect the future operating and financial performance of GTN and the price or value of GTN Shares.

This Section 7.3 describes the material risks to which GTN Shareholders will continue to be exposed if they reject the Offer and retain their current investment in GTN Shares. While GTN has in place policies and procedures to help manage these risks, there is no guarantee that GTN will be able to manage these risks completely.

The risks described in this Section 7.3 are not the only risks that GTN faces. Other risks may not be known to GTN and some that the GTN Independent Board Committee currently believe to be immaterial may subsequently turn out to be material. One or more or a combination of these risks could materially impact GTN's businesses, its operating and financial performance, the price of GTN Shares or the dividends paid in respect of GTN Shares.

Additional risks may also arise depending on what shareholding Viburnum ultimately holds in GTN at the end of the Offer Period. To the extent you are left with a minority shareholding in GTN at the end of the Offer Period, you may face the risks set out at section 5.7 and 5.8 of this Target's Statement.

(a) **Risks specific to an investment in GTN**

(i) **(Business risks)** There are risks which have the potential to materially affect GTN's ability to meet its business objectives:

(A) **Loss of key radio station Affiliates:** in FY24, 97% of GTN's revenue came from the sale of advertising inventory obtained from the radio station Affiliates. GTN's competitive advantage lies in offering advertisers access to an entire radio market in a single buy. Loss of significant radio station Affiliates, or Affiliates material to a specific sub-market in a country, such as a province or state, would have a material impact on GTN's revenue. GTN has defended against this risk by providing a high-quality product that resonates with radio station listeners that would be difficult for those radio stations to replicate in a cost-effective manner, maintaining strong operational relationships with Affiliates and, where appropriate, by paying cash to the radio stations in the form of station compensation.

(B) **Potential impact of GTN's fixed cost structure:** a substantial majority of GTN's costs are fixed and difficult to reduce in the short term, in particular, compensation paid to radio stations, which is the largest expense of GTN. In addition to being fixed, the majority of station compensation costs are contractually committed for a number of years, and difficult to adjust in the short run. As such any decrease in revenue largely flows through to earnings and may adversely affect GTN's future financial performance and cash flows. GTN's strategy for dealing with the potential negative impact of its fixed cost structure is to maintain a low-leveraged balance sheet and substantial cash balances in order to be able to continue to operate the GTN Group during periods of reduced revenue.

(C) **Decline in demand for traffic reports on radio:** individuals have other means of getting traffic information, including the internet, smart phone apps, navigation systems, etc. and GTN expects that such options will continue to proliferate in the future. It is also possible that in the future such other options will decrease the demand for GTN's traffic reports from radio stations. GTN is attempting to defend against this possibility in the following ways:

(aa) by focusing on delivering valuable traffic information on why a particular traffic event is occurring by "telling the story";

(ab) by paying radio station compensation, GTN mitigates against the risk of an Affiliate reducing or eliminating the number of traffic reports broadcast, ensuring a continued pipeline of advertising inventory; and

- (ac) by increasingly selling its reports as a network of information reports, GTN is, in certain of its operating geographies, adjacent to high demand information content, rather than just traffic.

In Australia, approximately 10% of GTN's advertising inventory in the five metro markets is adjacent to news reports, with additional advertising spots adjacent to weather, fuel and sports reports.

- (D) **Decline in popularity of radio and television in general:** virtually all of GTN's revenue is derived from the sale of advertising spots on radio and television stations. A decline in the popularity of these mediums as either an entertainment option or advertising medium would likely have a material negative impact on GTN's revenues and profitability. While to a certain extent this risk is outside of GTN's control, GTN has employed several strategies to attempt to mitigate this risk:
  - (aa) GTN continues to explore other platforms where GTN's content and sales ability would translate. To date, these explorations have not been fruitful, but GTN continuously and proactively researches additional opportunities outside of radio and television; and
  - (ab) where possible, GTN supports its Affiliates in their respective markets to ensure that the regulatory environment for media continues to appropriately support the radio and television broadcasting industry.
- (E) **Sale of Advertising:** GTN's success depends on its ability to compete successfully with other forms of advertising. GTN competes with radio and television networks, including its Affiliates, as well as with other media including digital advertising, outdoor advertising, print advertising, mobile advertising, transit advertising, direct response advertising, and point of sale advertising. As a result, GTN may experience price competition which could require GTN to lower its spot rates and which could have a material adverse effect on its future revenue and prospects. To manage this risk, GTN invests in building and retaining a highly experienced sales team. In addition, and as required, GTN conducts reviews of, and improvements to, its product proposition.
- (F) **Decline in advertising market in general:** GTN's business model is currently entirely based on the sale of advertising, which is cyclical in nature. While GTN cannot control the fluctuations in the advertising market, GTN attempts to mitigate this risk by providing a compelling advertising product that is both effective for advertisers and not easily replicated by "buying around" its networks. A certain level of advertising is still sold even in down business cycles, so GTN attempts to position itself as a key portion of an advertiser's strategy, even if they are reducing their overall expenditures. However, a significant market decline in advertising spend will have a material impact on GTN's revenue and profitability.
- (G) **Adverse economic conditions:** The advertising market is highly correlated to economic conditions in the markets we serve. Recessions, supply-chain disruptions, pandemics such as the COVID-19 global pandemic, geopolitical unrest, and other macro-economic factors can have a significant negative impact on GTN's business. These factors are outside of GTN's control and GTN

attempts to mitigate the negative impact of such adverse economic conditions by employing highly trained, talented sales staff to seek to maximise its share of a smaller advertising market, while maintaining a strong balance sheet to position GTN to “ride out the storm” of weakened economic conditions until better market conditions prevail.

- (H) **Expansion into new markets:** Expansion into new markets entails risk as there is an upfront investment of monetary resources to purchase equipment (often helicopters) and to fund the initial operating losses and working capital requirements. GTN's inexperience in a new market increases the risk that such expansion will not be successful. There is also the opportunity cost of a diversion of GTN management's time and focus away from current operations. GTN attempts to mitigate this risk by a thorough due diligence process prior to committing significant resources to a new market. In addition, GTN looks to hire virtually all of its employees in the local market, which gives market insights that would not otherwise be readily available. By training local personnel in GTN's business model, the likelihood of success is, in GTN's view, increased. GTN does not currently have plans to enter any new country markets but may do so in the future and may also from time to time enter new local markets in countries where GTN has existing operations.
- (I) **Expansion into new business lines:** Expansion beyond GTN's core business of selling advertising attached to content that is broadcast on radio and television stations entails significant risk due to the GTN Group's lack of experience in operating these new business opportunities. In FY22, GTN launched drone light show operations and significantly expanded this business during FY23 to FY24, which led to significantly increased losses. The drone expansion losses have now been mitigated by GTN's decision to exit its drone operation in Canada and in Australia to provide a more limited offering as an advertiser incentive rather than as a stand-alone offering. GTN will manage new business expansion risk by a thorough due diligence and approval process. However, this will not eliminate all risks to new business expansion.
- (J) **Key Personnel:** GTN's success is dependent upon its ability to attract and retain qualified personnel in all areas of its business especially sales staff and on-air reporters. A loss of highly skilled sales staff may lead to a reduction in advertising revenue, and a loss of GTN's highly skilled reporters may result in Affiliate dissatisfaction and potentially the non-renewal of an Affiliate relationship and loss of advertising inventory for sale. This in turn may adversely impact GTN's revenue.
- (K) **Competitor Risk:** Third parties including past management of GTN may seek to establish competing operations using a similar business model to GTN by providing other information services to radio and television networks and acquiring advertising inventory for sale to advertisers in competition with GTN. If successful, this may negatively impact GTN's revenue and profitability.
- (L) **Failure to innovate and impact of new technology:** In addition to new technology such as smart applications potentially reducing the appeal of traffic reports on radio as referred to above, new technology may result in additional competition from other providers of information services where the opportunity to access and gather

information becomes more efficient or of higher quality. This may in turn reduce an Affiliate's desire to renew its contract with GTN or to do so on less favourable terms. A failure of GTN to innovate, modernise operations, uplift technology and adapt to changing market demands and technologies may lead to a loss of competitive edge and negatively impact revenue. GTN mitigates this risk through an ongoing assessment of new technologies and market analysis.

- (M) **Operations subject to regulation:** GTN's broadcasts including the advertising content are subject to various regulations in each country. Failure to comply with such regulations could have an adverse impact on GTN's balance sheet, GTN's relationships with its Affiliates, GTN's brand and reputation, and on the reputation of its Affiliates and advertisers, and consequently its ability to operate its business. In addition, the operation of its aircraft is subject to regulations in each country in which GTN operates aircrafts. A breach of these regulations could result in monetary penalties or adversely impact the capacity of GTN to operate its aircraft and conduct aerial surveillance of traffic. This may have an adverse impact on its business operations. GTN mitigates these regulatory risks through procedures and policies to support compliance.
- (N) **Aircraft operations:** The operation of aircraft inherently involves a degree of risk. Hazards such as harsh weather, mechanical failures, pilot error, crashes, acts of terrorism and emergency landings may impact GTN's business and could result in personal injury, damage to property or loss of life. Such an occurrence could also result in significant negative publicity for GTN, which could in turn impact its relationships with Affiliates and advertisers, and impact revenue. GTN operates in strict compliance with aircraft operational procedures and maintenance cycles and insures against those risks that are insurable.

(b) **General risks**

- (i) **(Inflation)** Inflation may have a significant adverse impact on GTN's financial performance where expenses such as third party service costs, interest rates, wages and overhead expenses rise as a result of rising inflation. While GTN monitors market conditions to ensure appropriate price increments are applied in line with an inflationary environment, expenses may increase at a rate faster than revenue, thus eroding overall profitability.
- (ii) **(Foreign exchange fluctuations)** A significant portion of GTN's revenues (53% in FY24) are generated outside Australia and subject to currency exchange fluctuations between AUD and the local currency of those entities. GTN expects the portion of revenue subject to foreign exchange fluctuations will increase in the future as it anticipates that its UK, Canada and Brazil operations will grow faster than the overall GTN Group revenues. GTN does not hedge for foreign currency fluctuations at this time and while it currently does not have an intention to do so, it may enter into such hedging arrangements in the future. This risk is mitigated by each country incurring virtually all its expenses in local currency. The impact of this is that should revenue be reduced by an unfavourable currency movement, expenses will also reduce. The negative impact to the financial statements is only on the net difference between the revenue and expenses. However, this net amount can still be material based on the magnitude of the currency shifts and the profitability of the operating segment affected.
- (iii) **(Investment in capital markets)** The price of GTN Shares on the ASX may rise or fall due to numerous factors, including:

- (A) the level of liquidity for GTN Shares;
- (B) Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates and currency exchange rates;
- (C) tensions and acts of terrorism in Australia and around the world; and
- (D) investor perceptions in the local and global markets for listed securities.

GTN Shares may trade below the Offer Consideration from time to time and no assurances can be given that GTN's market performance will not be materially adversely affected by any market fluctuations or factors.

- (iv) **(Tax changes)** Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on GTN Shareholder returns, as may a change to the tax payable by GTN Shareholders in general. Any other changes to Australian tax law and practice that impact GTN, or the advertising industry generally could also have an adverse effect on GTN Shareholder returns.
- (v) **(General economic risks)** The operating and financial performance of GTN is influenced by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, supply and demand, industry disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions could adversely impact the operating and financial performance of GTN.

## 8 Additional information

### 8.1 Interests of GTN Directors

#### (a) Interests of GTN Directors in GTN securities

The number and description of GTN securities in which each of the GTN Directors has a Relevant Interest as at the Last Practicable Date is set out in the table below:

GTN Director	Number of GTN Shares held directly or indirectly	Number of GTN Options held directly or indirectly
Mr Peter Charles Tonagh*	567,287	Nil
Mr David John Ryan*	150,000	Nil
Ms Corinna Keller*	223,450	Nil
Ms Alexi Baker	87,678	Nil
Mr Craig Coleman <sup>7</sup>	92,632,823	Nil
Mr Robert Martino (alternate for Mr Craig Coleman)	Nil	Nil

\* GTN IBC Director

As at the date of this Target's Statement, each GTN IBC Director intends to **REJECT** the Offer in respect of the GTN Shares they hold or control.

#### (b) Dealings by GTN Directors in GTN securities

Except as set out below, there have been no acquisitions or disposals of GTN Shares or other GTN securities (including GTN Options) by any GTN Directors in the four months ending on the Last Practicable Date:

GTN Director	Transaction type and date	Number of GTN Shares	Price paid	Name of purchaser/ seller
Ms Alexi Baker	Acquisition on market (29 August 2024)	31,536	\$0.475 per share	Hugbak Super Pty Ltd. Alexi Baker is a beneficiary of Hugbak Super Pty Ltd
Mr Craig Coleman	Acquisition on market (9 September 2024)	21,505,375	\$0.465 per share	Viburnum Funds and Associates. Mr Coleman is the owner of greater than 20% and Managing Partner of Viburnum Funds, which has the power (or control) to exercise the vote and/or dispose of the securities as discretionary investment manager.

#### (c) Interests and dealings in Viburnum securities

<sup>7</sup> Mr Coleman's interest includes GTN Shares owned by funds managed by Viburnum Funds and its Associates. Refer to 'Appendix 3Y Change of Director's Interest Notice' lodged on ASX market announcements platform on 11 September 2024.

As at the date of this Target's Statement, neither GTN nor any of the GTN IBC Directors has a Relevant Interest in any securities of Viburnum or any Related Body Corporate of Viburnum.

(d) **Benefits to GTN IBC Directors**

No benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act and compulsory superannuation entitlements) has been paid or will be paid to any GTN IBC Director or secretary of GTN in connection with the loss of, or their resignation from, their office in GTN or any Related Bodies Corporate of GTN as a result of the Offer.

(e) **Conditional agreements**

No agreement has been made between any of the GTN IBC Directors and any other person in connection with, or conditional upon, the outcome of the Offer, other than in their capacity as a holder of GTN Shares.

(f) **Interests in contracts with Viburnum**

No GTN IBC Director has any interest in any contract entered into by Viburnum or Viburnum Funds.

## 8.2 Substantial holders

Based on the holding information contained in substantial holder notices filed with the ASX and an issued share capital of 195,978,364 GTN Shares, as at the Last Practicable Date, the substantial shareholders of GTN and their interests are:

Name of holder	Relevant Interest in number of GTN Shares	Relevant Interest as a % of GTN Shares
Viburnum Funds and Associates	92,632,823	47.27%
Harvest Lane Asset Management	27,115,919	13.84%
Athos Capital Limited <sup>8</sup>	13,094,380	6.68%
Microequities Asset Management Pty Ltd	10,845,661	5.53%

## 8.3 Issued securities

As at the Last Practicable Date, GTN's issued capital comprises:

- (a) 195,978,364 GTN Shares; and
- (b) 7,690,076 GTN unquoted Options.

<sup>8</sup> In addition to the shares in which Athos Capital Limited has a Relevant Interest, it is also holding a cash-settled equity swap over 667,086 GTN Shares, representing 0.34% of GTN Shares. Together with the GTN Shares in which Athos Capital Limited has a Relevant Interest as described above, Athos Capital Limited has a total economic interest in 13,761,466 GTN Shares, representing 7.02% of GTN Shares. Refer to 'Form 603 Notice of initial substantial holder' lodged on ASX market announcements platform on 23 September 2024.



## 8.4 Potential impact of the Offer on financing arrangements and material contracts

The information below has been included in this Target's Statement because it may impact the future prospects of the GTN Group, which would be relevant to those GTN Shareholders who may remain as shareholders of GTN.

### (a) Financing arrangements

The current debt facility arranged by the Commonwealth Bank of Australia (**CBA**) for the GTN Group expires on 22 December 2025. The GTN Group's outstanding debt under the facility was \$8 million as at 30 June 2024.

The facility agreement includes a change of control clause which entitles CBA to trigger a consultation on the continuation of the facility over a 30-day consultation period. GTN and CBA are currently in discussions in relation to the impact of the Offer. If GTN and CBA fail to agree, CBA may cancel the facility on notice and require repayment following 90 days from the date of the notice. As previously disclosed, the GTN Group intends to fully pay down all debt during the remainder of the first half of FY25 in any event.

### (b) Material contracts

As far as the GTN Independent Board Committee are aware, none of GTN's other contracts, which are material in the context of GTN's business taken as a whole, contain change of control clauses which may be triggered if Viburnum is successful in acquiring control of GTN, and which give rise to:

- (i) that contract being terminated; or
- (ii) the business of GTN otherwise being materially adversely affected.

## 8.5 Material litigation

As at the Last Practicable Date, the GTN Independent Board Committee is not aware of any litigation or disputes of a material nature being undertaken, commenced or threatened against any member of the GTN Group.

## 8.6 Impact of the Offer on GTN Options

Under the terms of each of the GTN Options on issue, any unvested GTN Options will vest upon a change of control of GTN. If a change of control occurs as a result of the Offer and:

- (a) the Offer leads to Compulsory Acquisition, the exercise period for the GTN Options will end 10 Business Days after the Compulsory Acquisition notice is lodged with ASIC;
- (b) does not lead to Compulsory Acquisition, the exercise period for the GTN Options will end 60 days after the change of control.

Any GTN Options that are not exercised prior to the end of the applicable period will no longer be able to be exercised after this time and will lapse.

## 8.7 Reliance on ASIC relief generally

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX, provided the relevant statement is fairly represented. Pursuant to this ASIC Instrument, the consent of persons to whom statements are attributed is not required for the inclusion of these statements in this Target's Statement.

Any GTN Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time).

As permitted by the ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements fairly representing a statement by an official person, or from a public official document or a published book, journal or comparable publication. Pursuant to this ASIC Instrument, the consent of persons to whom statements or documents are attributed is not required for the inclusion of those statements in this Target's Statement. In addition, as permitted by this ASIC Instrument, this Target's Statement contains share price trading and financial data from IRESS without its consent.

ASIC has published various other class order instruments providing for modifications to, or exemptions from, the Corporations Act that apply generally to all persons, including GTN.

## 8.8 Other regulatory relief

ASIC has granted GTN an exemption from the requirements of section 638 of the Corporations Act so that this Target's Statement does not need to contain information to the extent that it is known only to Mr Craig Coleman, Mr Robert Martino or Ms Alexi Baker.

This is on the basis that:

- (a) Mr Craig Coleman is a director of Viburnum Funds and a non-executive Director of GTN;
- (b) Mr Robert Martino is a partner at Viburnum Funds and an alternate Director of GTN for Mr Coleman; and
- (c) Ms Alexi Baker is a non-executive Director of GTN whose nomination to the Board in 2022 was proposed by Viburnum Funds.

For these reasons, Mr Craig Coleman, Mr Robert Martino and Ms Alexi Baker have not participated in the GTN Independent Board Committee nor made a recommendation on whether the Offer should be accepted and have not at any time been involved in any GTN Board decisions in relation to the Offer.

Other than as specified above, GTN has not been granted any relief by ASIC or waivers by the ASX in relation to the Offer.

## 8.9 Transaction expenses

The Offer has resulted in GTN incurring expenses that would not otherwise arise from its ordinary operations. These expenses include fees of legal, financial and tax advisers engaged to assist in responding to the Offer and other transaction related expenses which will have a negative impact on GTN's after tax earnings in FY25. The total cost of the takeover response depends on the outcome of the Offer, the duration of the Offer and required response activities, as well as the complexity of the issues addressed in the response. Therefore, it is difficult to estimate the likely total cost to GTN. These costs will be reflected in GTN's financial results for the financial year ending 30 June 2025.

## 8.10 Consents

### (a) Consents to inclusion of a statement

Each GTN IBC Director as specified in section 6.4(a) consents to be named in this Target's Statement and to the inclusion of statements made by them in this Target's

Statement and has not, before the lodgement of this Target's Statement with ASIC, withdrawn their written consent to the inclusion of the statements in this Target's Statement in each case in the form and context in which the statements are included and to all references in this Target's Statement to those statements in the form and context in which they are included.

(b) **Consents to be named**

King & Wood Mallesons has given and has not, before the date of this Target's Statement, withdrawn its consent to the inclusion of its name in this Target's Statement as legal adviser to GTN.

Jarden Australia Pty Limited has given and has not, before the date of this Target's Statement, withdrawn its consent to the inclusion of its name in this Target's Statement as financial adviser to GTN.

Link Market Services Limited has given and has not, before the date of this Target's Statement, withdrawn its consent to the inclusion of its name in this Target's Statement as share registry to GTN.

(c) **Independent Expert consent**

RSM has given and has not before the date of this Target's Statement withdrawn its written consent to be named as the Independent Expert in this Target's Statement and to the inclusion in this Target's Statement of the Independent Experts Report set out in Annexure A and the references to the Independent Expert's Report elsewhere in this Target's Statement, in each case in the form and context in which they are included.

(d) **Disclaimer regarding statements made and responsibility**

Each person named above as having given its consent to the inclusion of a statement or to being named in this Target's Statement:

- (i) does not make, or purport to make, any statement or representation in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Target's Statement with the consent of that person; and
- (ii) to the maximum extent permitted by law, expressly disclaims and makes no representation regarding and takes no responsibility for any statement or material in or omission from this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

## 8.11 Miscellaneous and publicly available information

GTN is a listed disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations. Specifically, as a listed company, GTN is subject to the Listing Rules which require continuous disclosure of any information GTN has concerning it that a reasonable person would expect to have a material effect on the price or value of GTN Shares and other securities.

GTN Shareholders should have regard to material announcements that have been lodged with ASX since GTN's last published audited financial statements for FY24 were lodged with ASX on 27 August 2024.

A list of announcements released by GTN in the period from 27 August 2024 to the Last Practicable Date is set out at Schedule 1.

This Target's Statement also contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX by Viburnum or GTN.

Any GTN Shareholder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period by contacting the GTN Shareholder Information Line on 1800 990 475 which is available Monday to Friday between 8:30am to 5:30pm (Sydney time). Copies of ASX announcements by GTN may also be obtained from its website at <https://www.gtnetwork.com.au/investor-centre/?page=asx-announcements>.

## 8.12 Other material information

- (a) This Target's Statement is required to include all the information that GTN Shareholders and their professional advisers would reasonably require to make an informed assessment as to whether or not to accept the Offer, but:
  - (i) only to the extent to which it is reasonable for GTN Shareholders and their professional advisers to expect to find this information in this Target's Statement; and
  - (ii) only if the information is known to any GTN Director (other than those GTN Directors who are not GTN Independent Board Committee members in accordance with the ASIC exemption referred to in section 8.8).
- (b) The GTN IBC Directors are of the opinion that the information that GTN Shareholders and their professional advisers would reasonably require to make an informed assessment as to whether to accept the Offer is:
  - (i) the information contained in the Bidder's Statement;
  - (ii) the information contained in GTN's announcements to ASX prior to the date of this Target's Statement; and
  - (iii) the information contained in this Target's Statement.
- (c) The GTN IBC Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the GTN IBC Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken to be endorsing, in any way, any or all of the statements contained in it. In deciding what information should be included in this Target's Statement, the GTN IBC Directors have had regard to:
  - (i) the nature of GTN Shares;
  - (ii) the matters that GTN Shareholders may reasonably be expected to know;
  - (iii) the fact that certain matters may reasonably be expected to be known to GTN Shareholders' professional advisers; and
  - (iv) the time available to GTN to prepare this Target's Statement.

## 8.13 Date of Target's Statement

This Target's Statement is dated 9 October 2024, which is the date on which it was lodged with ASIC.

#### 8.14 Approval of Target's Statement

This Target's Statement has been approved by a resolution passed by the GTN Independent Board Committee on 4 October 2024.



Peter Charles Tonagh  
Chair of GTN Independent Board Committee and GTN Limited

## 9 Glossary

### 9.1 Definitions

Term	Meaning
<b>AASB</b>	the Australian Accounting Standards Board.
<b>ABN</b>	Australian Business Number.
<b>Acceptance Form</b>	the acceptance form enclosed with the Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Viburnum (including both the CHESSE Acceptance Form and the Issuer Acceptance Form).
<b>ACN</b>	Australian Company Number.
<b>Affiliate</b>	a member of GTN's network of radio and television stations.
<b>Announcement Date</b>	the date of the announcement of the Offer by Viburnum, being 9 September 2024.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in section 12 of the Corporations Act.
<b>ASX</b>	as the context requires, ASX Limited (ABN 98 008 624 691) or the securities market conducted by it.
<b>ASX Settlement</b>	ASX Settlement Pty Limited (ABN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	the operating rules of the ASX Settlement which govern the administration of CHESSE.
<b>Bidder's Statement</b>	the bidder's statement in relation to the Offer, prepared by Viburnum and dated 9 September 2024.
<b>Business Day</b>	a day on which banks are open for business in Sydney, New South Wales, excluding a Saturday, Sunday or public holiday.
<b>CGT</b>	capital gains tax.
<b>Chair</b>	the chair of GTN.
<b>CHESSE</b>	the Clearing House Electronic Subregister System, which provides for electronic security transfer in Australia.
<b>CHESSE Acceptance Form</b>	the acceptance form enclosed with the Bidder's Statement for GTN Shareholders with a CHESSE Holding.
<b>CHESSE Holding</b>	a number of GTN Shares which are registered on GTN's share register, being a register administered by ASX Settlement and which records uncertificated holdings of shares.
<b>Commissioner of Taxation</b>	has the meaning given in the <i>Taxation Administration Act 1953</i> (Cth).
<b>Commonwealth Government or Commonwealth</b>	the Commonwealth of Australia.
<b>Compulsory Acquisition or Compulsorily Acquire</b>	the compulsory acquisition process in respect of the GTN Shares held by GTN Shareholders who do not accept the Offer under Part 6A.1 and/or Part 6A.2 of the Corporations

Term	Meaning
	Act that is expected to occur after successful completion of the Offer (as described in Section 5.6).
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act.
<b>Controlling Participant</b>	in relation to your GTN Shares, has the same meaning as in the ASX Settlement Operating Rules.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>FY23</b>	the financial year ended 30 June 2023.
<b>FY24</b>	the financial year ended 30 June 2024.
<b>FY25</b>	the financial year ending 30 June 2025.
<b>GST</b>	goods and services tax.
<b>GTN</b>	GTN Limited (ABN 38 606 841 801).
<b>GTN Board</b> or <b>Board</b>	the board of Directors of GTN from time to time.
<b>GTN Constitution</b>	the constitution of GTN from time to time.
<b>GTN Directors</b> or <b>Directors</b>	the directors of GTN and <b>GTN Director</b> or <b>Director</b> means any one of them.
<b>GTN Group</b>	GTN and each of its Subsidiaries.
<b>GTN IBC Director</b>	a GTN Director who is a member of the GTN Independent Board Committee.
<b>GTN Independent Board Committee</b> or <b>IBC</b>	the GTN Board committee to consider the Offer, comprising the GTN Directors who are independent of Viburnum and its Associates which, as at the date of this Target's Statement, means each of Mr Peter Tonagh, Mr David Ryan and Ms Corinna Keller.
<b>GTN Long Term Incentive Plan</b>	the incentive plan governed by the GTN Long Term Incentive Plan rules dated 12 May 2016 and associated rules adopted by the GTN Board.
<b>GTN Option</b>	an option to acquire a GTN Share granted pursuant to the GTN Long Term Incentive Plan.
<b>GTN Share</b>	a fully paid ordinary share in GTN, including those shares on issue at the end of the Offer Period.
<b>GTN Share Registry</b>	Link Market Services Limited (ACN 083 214 537).
<b>GTN Shareholder</b>	a person who is registered as the holder of GTN Shares in the GTN register of members.
<b>GTN Shareholder Information Line</b>	the information line set up for the purposes of answering enquiries from GTN Shareholders in relation to this Target's Statement. The information line number is 1800 990 475 and is available between Monday to Friday from 8:30am to 5:30pm (Sydney time).
<b>Independent Expert</b>	RSM, the independent expert appointed by GTN in respect of the Offer.
<b>Independent Expert's Report</b>	the report prepared by the Independent Expert in accordance with section 640 of the Corporations Act as to whether the Offer is fair and reasonable, as set out in Annexure A.

<b>Term</b>	<b>Meaning</b>
<b>Issuer Acceptance Form</b>	the acceptance form enclosed with the Bidder's Statement for GTN Shareholders with a holding of GTN Shares on GTN's issuer sponsored sub register.
<b>Last Practicable Date</b>	the last practicable trading date on the ASX prior to the finalisation of the Target's Statement, being 8 October 2024.
<b>Listing Rules</b>	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
<b>NPAT</b>	means net profit after tax.
<b>Offer</b>	the off-market takeover offer by Viburnum for all of the GTN Shares under Chapter 6 of the Corporations Act as described in the Bidder's Statement.
<b>Offer Consideration</b>	the consideration offered under the Offer. As at the date of this Target's Statement, the Offer Consideration is \$0.465 cash for each GTN Share.
<b>Offer Period</b>	the period within which the Offer is open for acceptance in accordance with the Bidder's Statement and the Corporations Act, as set out in Section 5.2(b) of this Target's Statement.
<b>Register Date</b>	the date set by Viburnum under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on 9 September 2024.
<b>Related Bodies Corporate</b>	has the meaning given in section 50 of the Corporations Act.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Rights</b>	all accreditations, rights or benefits of whatever kind attaching or arising from GTN Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid, made or issued by GTN or any of its Subsidiaries).
<b>RSM</b>	RSM Corporate Australia Pty Ltd (ABN 82 050 508 024).
<b>Subsidiary</b>	has the meaning given in section 9 of the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is Controlled by that entity and, without limitation: <ul style="list-style-type: none"> <li>(a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;</li> <li>(b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and</li> <li>(c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.</li> </ul>
<b>Target's Statement</b>	this document being the statement of GTN under Part 6.5 of the Corporations Act in relation to the Offer.



Term	Meaning
<b>Tax Act</b>	the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Undisturbed Date</b>	the last trading date on the ASX before the announcement of the Offer by Viburnum, being 6 September 2024.
<b>Viburnum</b>	Viburnum Holdings Pty Ltd (ACN 680 363 268).
<b>Viburnum Funds</b>	Viburnum Funds Pty Ltd (ACN 126 348 990).
<b>Voting Power</b>	has the meaning given in the Corporations Act.
<b>VWAP</b>	volume weighted average price.

## 9.2 Interpretation

Unless the context otherwise requires:

- (a) headings used in this Target's Statement are inserted for convenience and do not affect the interpretation of this Target's Statement;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- (c) a reference to a section is a reference to a section of this Target's Statement;
- (d) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (e) the singular includes the plural and vice versa;
- (f) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency; and
- (g) Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia.

## Schedule 1 - ASX Announcements

The table below contains a list of all GTN ASX announcements released in the period from 27 August 2024 (being the date GTN's last published audited financial statements for FY24 were lodged with ASX) to the Last Practicable Date:

No.	Description of announcement	Date of announcement
1	Bidder's Statement despatch completed	7 October 2024
2	Viburnum Bidder's Statement despatch - Offer Open	7 October 2024
3	Ceasing to be a substantial holder from PNI	24 September 2024
4	Becoming a substantial holder from PNI	24 September 2024
5	Ceasing to be a substantial holder	24 September 2024
6	Becoming a substantial holder	24 September 2024
7	Ceasing to be a substantial holder	23 September 2024
8	Becoming a substantial holder	23 September 2024
9	Change in substantial holding	20 September 2024
10	Ceasing to be a substantial holder	20 September 2024
11	Change in substantial holding	19 September 2024
12	Ceasing to be a substantial holder	19 September 2024
13	Ceasing to be a substantial holder	19 September 2024
14	Notification of cessation of securities - GTN	19 September 2024
15	Ceasing to be a substantial holder	18 September 2024
16	Ceasing to be a substantial holder	17 September 2024
17	Ceasing to be a substantial holder from CBA	16 September 2024
18	Change in substantial holding	16 September 2024
19	Ceasing to be a substantial holder	13 September 2024
20	Change in substantial holding	12 September 2024
21	Change in substantial holding	12 September 2024
22	Change in substantial holding from CBA	12 September 2024
23	Ceasing to be a substantial holder from MQG	12 September 2024
24	Change of Alternate Director's Interest Notice - R Martino	11 September 2024

No.	Description of announcement	Date of announcement
25	Change of Director's Interest Notice - Craig Coleman	11 September 2024
26	Becoming a substantial holder	11 September 2024
27	Change in substantial holding	10 September 2024
28	Change in substantial holding	10 September 2024
29	Becoming a substantial holder	10 September 2024
30	Change in substantial holding	10 September 2024
31	Update - Notification of buy-back - GTN	10 September 2024
32	GTN Limited Holding Statement in Response to Off-Market Bid	09 September 2024
33	Bidder's Statement	09 September 2024
34	Update - Notification of buy-back - GTN	09 September 2024
35	Cleansing Notice	06 September 2024
36	Update - Notification of buy-back - GTN	06 September 2024
37	Update - Notification of buy-back - GTN	05 September 2024
38	Application for quotation of securities - GTN	05 September 2024
39	Update - Notification of buy-back - GTN	04 September 2024
40	Update - Notification of buy-back - GTN	03 September 2024
41	Update - Notification of buy-back - GTN	02 September 2024
42	Change of Director's Interest Notice - Alexi Baker	30 August 2024
43	Appendix 4G and Corporate Governance Statement	27 August 2024
44	FY24 Full Year Results Presentation	27 August 2024
45	FY24 Full Year Results Announcement	27 August 2024
46	Dividend/Distribution - GTN	27 August 2024
47	Appendix 4E and 2024 Annual Report	27 August 2024

# Target's Statement

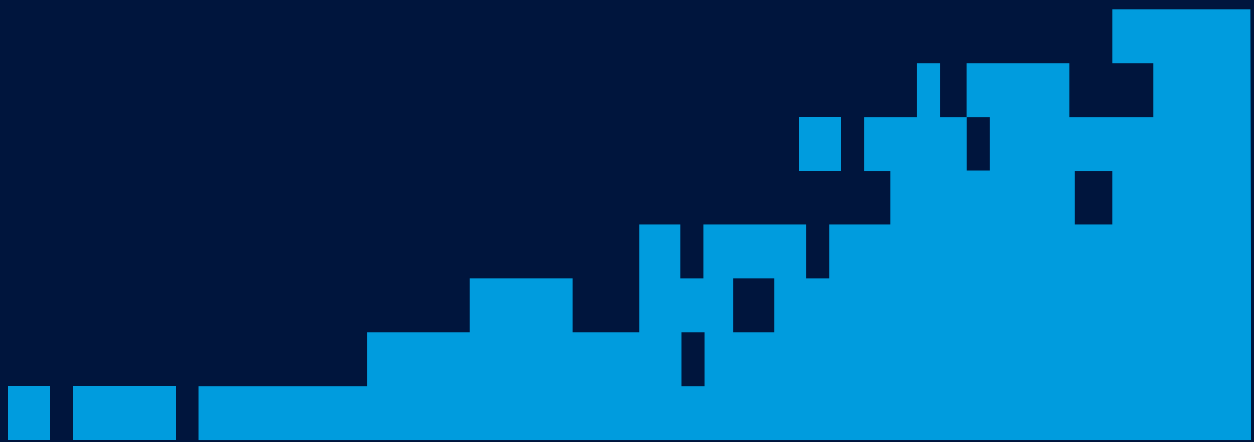
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## Annexure A - Independent Expert's Report

# GTN Limited

## Financial Services Guide and Independent Expert's Report

08 October 2024



## Financial Services Guide

08 October 2024

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“**RSM**” or “**we**” or “**us**” or “**our**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The financial services that we will be providing you under our Australian Financial Services Licence (“**AFSL**”), Licence No 255847;
- Remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- Any relevant associations or relationships we have; and
- Our complaints handling procedures and how you may access them.

### Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; GTN Limited (“**GTN**” or “**the Target**”) will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

## Remuneration or other benefits received by our employees

All our employees receive a salary.

## Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

From time to time, RSM Australia Partners, RSM Australia and/or RSM Australia related entities have been engaged to provide professional services to companies affiliated with Viburnum Funds Pty Ltd, by virtue of them being portfolio companies within private equity funds managed by Viburnum Funds Pty Ltd or its affiliated entities, including audit and valuation services. RSM has considered the nature and value of these services and does not consider that these services represent a conflict to our independence in the preparation of this Report.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

### Referral to external dispute resolution Offer

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (“**AFCA**”). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au). You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

## Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

08 October 2024

The Non-Associated Shareholders  
GTN Limited  
Level 42, Northpoint Tower, 100 Miller Street  
North Sydney, NSW, 2060

Dear Shareholders,

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street  
Sydney, NSW 2000  
GPO Box 5138  
Sydney, NSW 2001  
T +61 (0) 2 8226 4500  
F +61 (0) 2 8226 4501

www.rsm.com.au

## Independent Expert's Report

### Introduction

On 9 September 2024, Viburnum Holdings Pty Ltd ("**Viburnum**"), a wholly owned subsidiary of Viburnum Funds Pty Ltd ("**Viburnum Funds**") announced an unconditional off-market takeover offer (the "**Offer**") to acquire all of the ordinary shares in GTN Limited ("**GTN**" or the "**Target**") for a cash consideration of \$0.465 per GTN Share ("**Offer Price**"). Viburnum lodged a copy of its bidder's statement and offer ("**Bidder's Statement**") in relation to the Offer with the Australian Securities and Investments Commission ("**ASIC**") on the same date. The Bidder's Statement was despatched to GTN shareholders ("**GTN Shareholders**") on 7 October 2024 ("**Offer Date**").

The Offer is unconditional and is not subject to any defeating conditions. The Offer extends to all GTN Shares as at 7:00pm Australian Eastern Standard Time ("**AEST**") on 9 September 2024 ("**Record Date**") and GTN Shares issued during the Offer Period pursuant to the exercise of GTN Options on issue as at the Record Date, and is open for acceptance until 7:00pm AEST on 7 November 2024 (the "**Closing Date**", and combinedly the "**Offer Period**").

As at the close of trading on 6 September 2024, being the last trading date before the date of the Bidder's Statement, Viburnum (together with its Associates) had a relevant interest in 71,127,448 GTN Shares and voting power in GTN of 35.6%. As at the date of the Report (or as close as practically possible) Viburnum (together with its Associates) has increased its relevant interest in GTN to 92,632,823 GTN Shares through on-market share purchases, reflecting voting power of 47.3%.

GTN will issue a Target's Statement, being a document prepared by the Independent Board Committee of GTN, to assist the GTN shareholders not associated with the Offer ("**Non-Associated Shareholders**") in making an informed assessment in relation to the Offer.

### Purpose of the report

Our Report has been prepared in accordance with the requirements of Section 640 of the Corporation's Act (2001) (Cth) ("**Corporations Act**"), whereby a Target's Statement is required to include an independent expert's report ("**Report**" or "**IER**") to shareholders if:

- The bidder's voting power in the target is 30% or greater; or
- The bidder and the target have directors in common.

The first of these criteria is satisfied in respect of the Offer.

The Independent Board Committee of GTN has requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Offer is fair and reasonable to the Non-Associated Shareholders.

Accordingly, we have prepared this Report for the purpose of stating, in our opinion, whether or not the Offer is fair and reasonable to the Non-Associated Shareholders and to set out the reasons for that opinion

### Summary of opinion

In the absence of any other relevant information and/or a superior proposal, RSM considers the Offer to be **not fair and not reasonable** to the Non-Associated Shareholders

We have formed this opinion for the reasons set out below.



## Approach

In assessing whether the Offer is fair and reasonable to Non-Associated Shareholders, we have considered Australian Securities and Investment Commission (“ASIC”) Regulatory Guide 111 – Content of expert reports (“RG 111”), which provides specific guidance as to how an expert is to appraise a takeover offer.

RG 111 provides ASIC’s views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

Therefore, consistent with the guidance set out in RG 111, we have considered whether the Offer is “fair” to Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a share in GTN (“GTN Share”) on a controlling basis prior to the Offer; with
- The Fair Value of the Offer Price.

Our assessment of the Fair Value of a GTN Share has been prepared on the following basis:

*“the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm’s length”.*

In accordance with RG 111, we have considered whether the Offer is “reasonable” to Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Non-Associated Shareholders, in their decision as to whether to accept or not accept the Offer.

Further information on the approach we have employed in assessing whether the Offer is fair and reasonable to Non-Associated Shareholders is set out in Sections 7 and 8 of this report.

## Fairness opinion

In assessing whether we consider the Offer to be fair to Non-Associated Shareholders, we have valued a GTN Share prior to the Offer on a controlling basis and compared it to the Offer Price, to determine whether a Non-Associated Shareholder would be better or worse off should the Offer be accepted.

Our assessment is set out in the table below.

**Table 1. Valuation Summary**

	Low	High	Preferred
Fair Value of a GTN Share prior to the Offer (controlling basis)	\$0.848	\$0.949	\$0.898
Offer Price (100% cash)	\$0.465	\$0.465	\$0.465

Source: RSM Analysis

The above comparison is presented graphically below.

**Figure 1. Assessed Fair Value of a GTN Share prior to the Offer on a controlling basis and the Offer Price**



Source: RSM Analysis

We have utilised the capitalisation of future maintainable earnings (“CFME”) methodology as our primary methodology in our assessment of the Fair Value of a GTN Share prior to the Offer and, accordingly, have assessed the Fair Value of a GTN Share prior to the Offer, on a controlling basis, to be in the range of \$0.848 to \$0.949 with a preferred value at the mid-point of the range of \$0.898.

We have also assessed the Fair Value of a GTN Share prior to the Offer using the quoted market price of listed securities (“QMP”) as a secondary methodology. We have assessed the value of a GTN Share under the QMP methodology, on a controlling basis, as being in the range of \$0.554 to \$0.630, with a preferred value at the mid-point of the range of \$0.592, which is lower than the range assessed under the CFME methodology.

We consider that the lower traded share price of GTN Shares prior to the announcement of the Offer is reflective of a number of factors, including:

- Viburnum’s substantial shareholding in GTN; and
- The overall low liquidity of GTN Shares as observed in the relatively low volumes of shares traded on the ASX.

We note that our assessed Fair Value of a GTN Share prior to the Offer on a controlling basis based on both the CFME primary methodology and QMP secondary methodology is higher than the Offer Price per GTN Share.

Accordingly, given the Offer Price is lower than the assessed Fair Value of a GTN Share prior to the Offer on a controlling basis, and in the absence of any other relevant information, in our opinion, the Offer is **not fair** to the Non-Associated Shareholders.

## Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the offer closes.

As such, we have also considered the following factors in relation to the reasonableness aspect of the Offer:

- The future prospects of GTN if the Offer does not proceed;
- Viburnum’s pre-existing shareholding in GTN of approximately 47.3% as at the date of this Report, increasing the likelihood of Viburnum holding a majority stake in GTN, and the implications of this for Non-Associated Shareholders;
- Viburnum’s intentions depending upon the level of ownership it obtains;
- The potential advantages and disadvantages of the Offer for the Non-Associated Shareholders, including the specific terms of the Offer;

- The liquidity the Offer provides;
- The extent to which a control premium is being paid;
- The likely price of GTN Shares post announcement of the Offer;
- The existence of alternative proposals; and
- The likelihood of a superior proposal emerging.

## Future prospects of GTN if the offer is not accepted

In the event the Offer is not accepted by Non-Associated Shareholders, GTN will continue to operate as an ASX listed company such that Viburnum does not proceed to compulsory acquisition, unless delisting requirements are met, and Viburnum chooses to delist. The protections and risks for Non-Associated Shareholders of GTN delisting are discussed further in section 8. Otherwise, GTN Shareholders will retain their GTN Shares and will continue to have the benefits of their current GTN investment. Shareholders also will continue to be exposed to the risks of holding their GTN Shares.

We note that, as at the date of the Report (or as close as practically possible) the closing share price of GTN was \$0.470, in line with the opening price on the day of the announcement of the Offer of \$0.465. The historical 10-day, 60-day, 90-day and 120-day volume weighted average price (“VWAP”) of GTN’s Shares in the period prior to announcement of the Offer was \$0.474, \$0.429, \$0.429, and \$0.426 respectively. Since the announcement of the Offer, the GTN share price has traded broadly in line with the Offer Price. Therefore, should the Offer not be accepted by Non-Associated Shareholders, we consider it unlikely that, in the absence of an alternative proposal, GTN’s share price would be affected in the short to medium term.

## Implications of Viburnum obtaining control

### Viburnum’s ownership interest

As at the date of this Report, Viburnum (together with its Associates) has a relevant interest in GTN of approximately 47.3%. Consequently, Viburnum’s relevant interest in GTN will likely act as an impediment to any alternative, superior offers, as another bidder will likely not succeed without Viburnum’s agreement.

We note that Viburnum may obtain a controlling interest in GTN during the Offer Period or as a result of the Offer being accepted. The size of Viburnum’s interest in GTN may result in decreased liquidity in GTN Shares and the presence of a controlling shareholder may impact the market appetite for GTN Shares at the current price. Furthermore, Viburnum’s objectives as a controlling shareholder may be different to the objectives of Non-Associated Shareholders.

### Potential consequences of Viburnum obtaining a controlling interest in GTN (greater than 50% but less than 90%)

In the event that Viburnum obtains a controlling stake in GTN, it will have the capacity to carry out its intentions as set out above and also may implement other actions not foreseen at this time.

If Viburnum reaches a shareholding of less than 90% under the Offer, it will remain entitled to increase its interest in GTN under the ‘creep’ provisions of the Corporations Act, which permit acquisitions of no more than 3% of a public company’s issued capital every 6 months. To the extent that Viburnum continues to grow its interest in GTN, this will further reduce the free float of GTN and would likely impact on future liquidity in GTN Shares which may affect the GTN Share price. If Viburnum reaches a shareholding of 90% or greater under the ‘creep’ provisions, it will be entitled to acquire the remaining shares it does not own under the general compulsory acquisition provisions of the Corporations Act (discussed below).

If Viburnum reaches a shareholding of 50% it will have the ability to pass ordinary resolutions (50% of votes cast). If it reaches a shareholding of 75% it will have the ability to pass special resolutions (at least 75% of votes cast and 50% of shareholders voting and present). The ability to pass special resolutions includes the ability to change the GTN constitution.

## Potential consequences of Viburnum obtaining a 90% (or greater) interest in GTN

### Compulsory acquisition rights

In addition to the post-bid compulsory acquisition of GTN Shares discussed above, if Viburnum reaches a shareholding of 90% or greater it may become entitled to exercise general compulsory acquisition rights in relation to GTN Shares and any securities that are convertible to GTN Shares under Part 6A.2 Division 1 of the Corporations Act. GTN would have 6 months from the date it becomes a 90% holder of GTN Shares to give compulsory acquisition notices to the remaining holders of GTN Shares and securities convertible into GTN Shares.

If Viburnum reaches a 90% shareholding but does not proceed with compulsory acquisition, remaining Non-Associated Shareholders and GTN Option holders will have buyout rights under Chapter 6A of the Corporations Act. In the case of Non-Associated Shareholders, unless Viburnum and the Non-Associated Shareholders agree on different terms, the terms that applied to the Offer at the end of the Offer Period will apply to the buyout.

### Risk of delisting GTN from the ASX

If Viburnum reaches a shareholding of 90% or greater it may arrange for GTN to be removed from the official list of the ASX. There are also circumstances where a shareholder with less than a 90% interest could seek to delist a company from the ASX. However, there are significant safeguards in place in this circumstance to protect the interests of minority shareholders, including:

- A board of directors can only decide to seek a delisting if it concludes that delisting is in the best interests of the company and company shareholders as a whole at the relevant time.
- The ASX Guidance Note 33 (“GN33”) states that the ASX will use its discretion to ensure that the delisting of any entity is being sought for ‘acceptable reasons’. GN33 states that a request to remove an entity from ASX that is primarily or solely aimed at denying minority securityholders a market for their securities or in order to coerce them into accepting an offer from a controlling securityholder to buy their securities at an undervalue, would be an unacceptable reason for requesting removal from the official list of ASX. Further details regarding the protections in place are presented in section 8.

If GTN is ultimately delisted at some point in the future, any remaining Non-Associated Shareholders (i.e. those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of disadvantages for those Non-Associated Shareholders, such as:

- The absence of an orderly, transparent and timely mechanism for share trading;
- Restricted information compared to that currently provided as GTN would no longer be subject to the continuous disclosure requirements of the Listing Rules. We note, if GTN remains a public company after delisting and has at least 100 members, GTN would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and
- The ceasing of various requirements and protections for minority shareholders under the Listing Rules.

## Viburnum’s intentions

Viburnum has stated its intentions in relation to GTN depending upon the level of ownership it obtains. We set out below a summary of Viburnum’s stated intentions and consider that the level of interest obtained by Viburnum may impact the future position of Non-Associated Shareholders, including share price, depending on Viburnum’s level of influence or control.

- In the event that Viburnum acquires less than 50% of GTN Shares, Viburnum’s current intention is to continue to manage its stake in GTN with a view to maximising returns from its investment, and it may seek to acquire additional GTN Shares to the extent permitted by the law.
- In the event that Viburnum acquires more than 50% but less than 90% of GTN Shares, Viburnum’s current stated intentions are:
  - Subject to the Corporations Act and GTN’s constitution, appoint that number of nominees to the GTN Board such that the proportion which Viburnum nominees represent of the total number of directors on the GTN Board equals or exceeds the proportionate ownerships interest of Viburnum in GTN. Viburnum does not intend to change the Chairperson of the GTN Board.

- Viburnum intends to propose the GTN Board that it conduct a general strategic review of the Company’s capital structure, capital allocation, dividend policy, debt levels, assets, businesses and operations. Viburnum has stated that it does not intend to make changes to management, core operations or GTN’s business model. As part of the strategic review, Viburnum would ask the GTN Board to consider the potential for mergers and acquisitions and the potential disposal of GTN’s non-core assets and operations. Viburnum intends, subject to the approval of the GTN Board, to participate in this review.
- The ability of GTN to retain its listing on the ASX will be subject to ongoing requirements under ASX Listing Rules (including there being a sufficient number and spread of shareholders). If GTN is not able to satisfy these requirements, the ASX may require GTN to be delisted, regardless of the result of the review undertaken by the GTN Board.
- Viburnum may, at some later time, acquire further GTN Shares, in a manner consistent with and permitted by the Corporations Act.
- If Viburnum becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it may exercise those rights.
- We note, if Viburnum acquires more than 90% (by number) of GTN Shares at completion of the Offer and acquires at least 75% (by number) of GTN Shares for which it has made an offer, it is entitled to proceed with a post-bid compulsory acquisition of the outstanding GTN Shares and any securities that are convertible to GTN Shares and at its discretion delist GTN. As at the date of the Bidder’s Statement, Viburnum has not decided if it would proceed with compulsory acquisition of GTN shares or delist the Company from the ASX. In the event that Viburnum acquires more than 90% and more than 75% of GTN Shares for which it has made an offer, and Viburnum decided to maintain GTN’s ASX listing, the listing would be subject to the ability to maintain sufficient shareholder spread.



## Advantages and disadvantages of accepting the Offer

The key advantages of the Offer are outlined below.

**Table 2. Advantages of the Offer**

Advantage	Details
Realisation of value in the form of cash	<p>As the Offer is for 100% cash consideration, it provides Non-Associated Shareholders who accept the Offer with certainty of value and removes the risks and uncertainties of remaining a GTN Shareholder, including;</p> <ul style="list-style-type: none"> <li>• The ability of GTN to execute its strategy (including any strategy resulting from a strategic review);</li> <li>• Potential competitive threats and potential adverse shifts in the market for GTN's products and services; and</li> <li>• General market and macroeconomic conditions.</li> </ul> <p>Historically, the liquidity of GTN's shares have been low, with 8.3% of issued capital traded in the 90-days pre-announcement. Depending on the size of a Non-Associated Shareholder's stake, in the absence of the Offer, the level of liquidity of GTN Shares may be an impediment to crystallising a Non-Associated Shareholder's interest at the current trading price.</p> <p>The Offer provides Non-Associated Shareholders the ability to exit their holdings at the Offer Price which is comparable to the recent trading price of GTN Shares prior to the Offer.</p>
No stamp duty or brokerage fees in accepting the Offer	<p>Non-Associated Shareholders will not pay stamp duty or brokerage fees on the sale of their GTN Shares if they accept the Offer, when compared to selling directly via the share market (ASX). We note beneficial owners whose GTN Shares are registered in the name of a bank, custodian or other nominee, may incur transaction fees or service charges in connection with their acceptance of the Offer.</p> <p>We note an alternative offer may also allow Non-Associated Shareholders the ability to exit their investment without the need to pay any stamp duty or brokerage fees.</p>
Exit opportunity for minority shareholders	<p>In the event that Viburnum obtains a controlling stake in GTN, it will have the capacity to carry out its intentions as discussed above and also may implement other actions not foreseen at this time. Viburnum's objectives as a controlling shareholder may be different to the objectives of Non-Associated Shareholders.</p> <p>We note that Viburnum will control the dividend policy which may impact on the future dividend payout ratio, control the appointment of directors, and have the ability to block resolutions. Non-Associated Shareholders who accept the Offer will mitigate the risk of being a minority shareholder with a limited collective ability to influence decisions.</p>
Guaranteed liquidity event	<p>If Viburnum reaches a shareholding of less than 90% under the Offer, it will remain entitled to increase its interest in GTN under the 'creep' provisions of the Corporations Act. To the extent that Viburnum continues to grow its interest in GTN, this will further reduce the free float of GTN and would likely impact on future liquidity in GTN Shares which may affect the GTN Share price. The level of Viburnum's interest in GTN may result in decreased liquidity in GTN Shares and the presence of a controlling shareholder may impact the market's appetite for GTN shares at the current price. The Offer provides Non-Associated Shareholders with a guaranteed liquidity option, and the opportunity to mitigate the risk of further reduced liquidity of GTN Shares should Viburnum's interest in GTN increase.</p>

Advantage	Details
Avoid the risks of becoming a minority shareholder of an unlisted company	<p>If Viburnum acquire more than 90% (by number) of GTN Shares and at least 75% (by number) of GTN Shares for which it has made an Offer, at completion of the Offer, it is entitled to proceed with a compulsory acquisition of the outstanding GTN Shares. As at the date of the Bidder's Statement, it has not yet been decided if Viburnum will proceed with the compulsory acquisition of outstanding shares and/or arrange for GTN to be removed from the official list of the ASX.</p> <p>As discussed above, a controlling shareholder with less than a 90% interest may also seek to delist a public company, subject to certain safeguards for minority shareholders.</p> <p>Accordingly, Non-Associated Shareholders who have not accepted the Offer may become minority shareholders of an unlisted company with limited opportunities to realise their investment. The Offer provides Non-Associated Shareholders with an opportunity to mitigate this risk.</p>

Source: RSM Analysis

The key disadvantages of the Offer are set below.

**Table 3. Disadvantages of the Offer**

Disadvantage	Details
The Share Offer is not fair	The Offer Price falls below the low end of our assessed Fair Value range for GTN shares on a 100% controlling interest basis.
No or limited implied premium for control	As illustrated below, the Offer Price does not include a premium for control over the recent trading price of GTN Shares (based on the 30-day VWAP). The Offer Price implies a premium of 7.8% and 7.7% over the 60-day VWAP and 90-day VWAP respectively, which is lower than our assessment of a reasonable control premium range of between 30% and 35% in the circumstances (as set out in our analysis in Section 6).
Participation in future growth	<p>Shareholders who elect to receive the Offer Price will no longer hold an interest in GTN and will therefore not participate in any future value created by GTN over and above that reflected in the Offer Price.</p> <p>Notwithstanding the risks and potential disadvantages to Non-Associated Shareholders of the presence of a controlling shareholder, in the event that Viburnum obtain control of GTN, the results of the intended strategic review, and its subsequent implementation may result in improved outcomes for Non-Associated Shareholders, including an increased share price.</p>
Potential tax considerations	<p>Acceptance of the Offer and the disposal of GTN Shares will trigger a capital gains tax ("CGT") event for Non-Associated Shareholders.</p> <p>The tax implications will vary between Non-Associated Shareholders depending on their personal circumstances and, therefore, individual taxation advice should be obtained.</p>
Change in investment profile	Acceptance of the Offer may result in disadvantages to those who wish to maintain their current investment profile. GTN Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of GTN and may incur transaction costs in undertaking a new investment.
Loss of potential superior proposal	Notwithstanding the impediments implied by Viburnum's current shareholding level, it is possible that a superior proposal which is more attractive for Non-Associated Shareholders than the Offer, may be made in the future. We are not aware of any superior proposal as at the date of this Report.

Source: RSM Analysis

## The extent to which a control premium is being paid

An analysis of the volume-weighted average price (“VWAP”) of GTN Shares based on trading on the ASX over the 30, 60 and 90 days prior to the Offer is set out in the table below, indicating the implied discount of the Offer of 0.4% on the 30 day VWAP and premium of the Offer of 7.8% and 7.7% on the 60 and 90 day VWAP respectively.

**Table 4. Assessment of implied premium/discount being offered**

Implied discount	30-Day	60-Day	90-Day
Offer price	\$0.465	\$0.465	\$0.465
GTN VWAP	\$0.467	\$0.429	\$0.429
<b>Implied discount/(premium)</b>	<b>0.4%</b>	<b>(7.8%)</b>	<b>(7.7%)</b>

Source: S&P Capital IQ

## Alternative proposals to the Offer

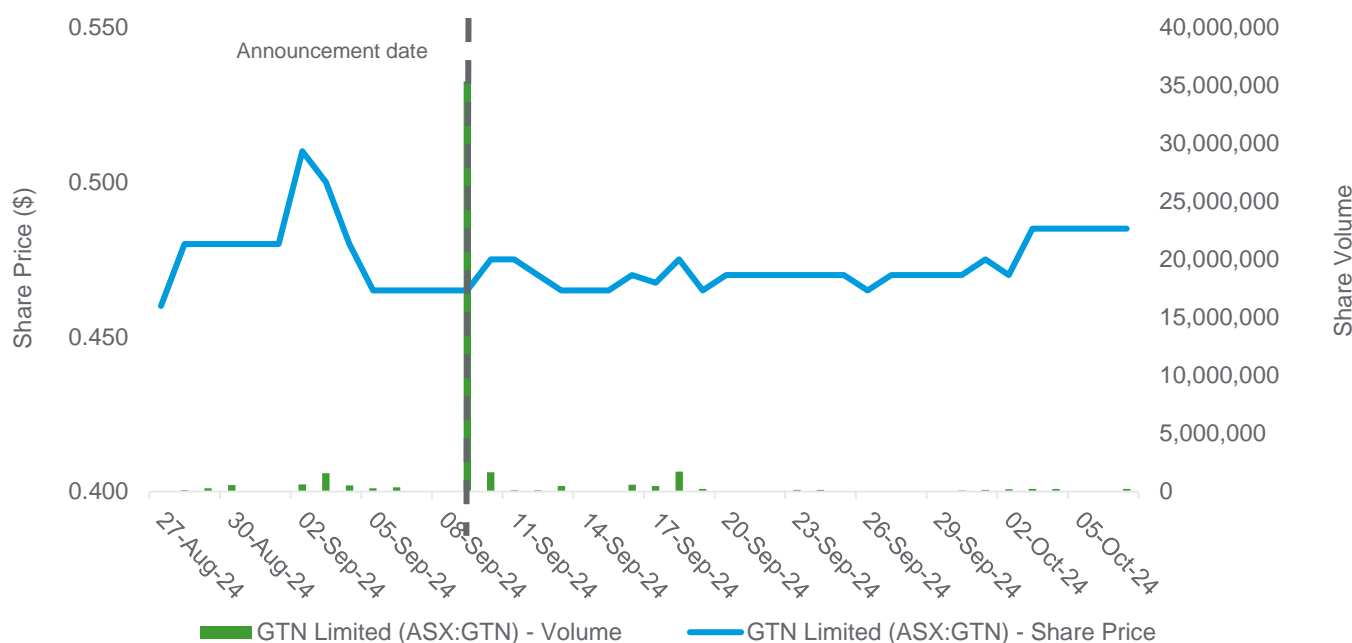
The Independent Board Committee of GTN have advised that no formal alternative offers or approaches by potential acquirers had been received prior to the announcement of the Offer on the date of the Report (or as close as practically possible).

## The price of GTN’s shares after the announcement of the Offer

We have reviewed the movements in the GTN share price since the Offer was announced on 9 September 2024.

A graph of the closing share price in the two weeks prior to and the four weeks following the announcement is shown below.

**Figure 2. GTN share price pre- and post-announcement**



Source: RSM Analysis and S&P Capital IQ

The Share price closed at \$0.465 on the day of the announcement of the Offer, unchanged from its opening price of \$0.465, and in the period since the Offer has traded in the range of \$0.465 to \$0.485.

The 20-day VWAP of GTN’s shares for the period after the announcement was \$0.471, which was 0.7% lower than the 10-day VWAP prior to the announcement of the Offer of \$0.474, 9.8% higher than the 60-day VWAP prior to the announcement of the Offer of \$0.429, 9.7% higher than the 90-day VWAP prior the announcement of the Offer of \$0.429 and 10.4% higher than the 120-day VWAP prior to the announcement of the offer of \$0.429.



## Conclusion on Reasonableness

The key factors we have considered in assessing the reasonableness of the Offer are:

- The Offer Price is below the low end of our assessed value range for a GTN Share on a controlling basis and is therefore, not fair.
- No control premium is reflected in the Offer Price based on the most recent trading price and 30-day VWAP.
- By accepting the Offer, Non-Associated Shareholders would be foregoing the opportunity to participate in any upside associated with the future performance of GTN, including possible benefits arising from the outcome of the strategic review that Viburnum intend to propose.
- At the date of the Offer, Viburnum and its associates had a 35.6% interest in GTN. Since the announcement of the Offer, Viburnum has increased its interest in GTN to approximately 47.3% through on-market share purchasers. We have had regard to the various consequences of Viburnum's current ownership interest in GTN including its effect on the likelihood of GTN receiving an alternative offer.
- The risks to Non-Associated Shareholders with the potential presence of a controlling shareholder, including but not limited to the future dividend policy.
- The risks to Non-Associated Shareholders of becoming a minority shareholder of an unlisted company should Viburnum be in a position to, and proceed with, a de-listing of GTN from the ASX.

In the absence of any other relevant information and/or a superior proposal and having regard to the relative advantages and disadvantages we consider the Offer to be **not reasonable** to Non-Associated Shareholders.

Whilst we have, on balance, assessed the Offer to be not reasonable to Non-Associated Shareholders, the assessment of reasonableness is complex and includes significant risks to Non-Associated Shareholders, including holding a minority interest in a listed entity with a controlling shareholder and the risk of GTN being delisted from the ASX. The assessment of reasonableness could therefore vary depending on the evolving circumstances of the Offer, such as the level of acceptances or the prevailing market price of GTN Shares. The factors set out in the assessment of reasonableness also need to be weighed having regard for the risk appetite, investment preferences and tax position of each Non-Associated Shareholder. If in doubt, Non-Associated Shareholders should consult an independent advisor.

## General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders.

The ultimate decision whether to accept the Offer should be based on each of Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations of future market conditions.

Non-Associated Shareholders should read and have regard to the contents of the Target's Statement issued by the Independent Board Committee of GTN to Non-Associated Shareholder's in response to the Bidder's Statement.

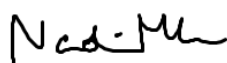
Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Offer and the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

**RSM CORPORATE AUSTRALIA PTY LTD**



Andrew Clifford  
Partner – Corporate Finance



Nadine Marke  
Partner – Corporate Finance

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# 1. Summary of the Offer

## 1.1 Overview

On 9 September 2024, Viburnum announced that it was making an all-cash off-market takeover bid to acquire all of the shares in GTN it does not already currently own at \$0.465 per share. The Offer is unconditional and is not subject to any defeating conditions.

The offer encompasses all GTN Shares with all rights attached to them on the Record Date (other than the right to the final dividend for FY24 of \$0.017 per GTN Share announced by GTN on 27 August 2024), and all GTN Shares that are issued as a result of the exercise of GTN Options on issue as at the Record Date, during the Offer Period.

As at the date of the Report (or as close as practically possible) Viburnum (together with its Associates) had a relevant interest in 92,632,823 GTN Shares and voting power of approximately 47.3% in GTN.

## 1.2 Consideration

The consideration for the acquisition of the shares subject to the Offer will be entirely fulfilled in cash. As at 9 September 2024, there were 199,978,364<sup>1</sup> GTN Shares on issue (taking into account GTN Shares cancelled pursuant to the buyback up to and including that date). As such, the maximum monetary obligation that Viburnum would be required to pay under the Offer, assuming acceptances are received on all GTN Shares in circulation as at 9 September 2024, based on the shareholding of Viburnum (together with its Associates) as at the launch of the Offer, is projected to amount to \$59.9m<sup>1</sup>.

In addition, if holders of all the GTN Options on issue as at 9 September 2024 proceed to exercise these instruments, or if they vest and convert to GTN Shares, and subsequently accept the Offer, an additional sum of \$3.6m<sup>1</sup> will be liable for payment by Viburnum under the terms of the Offer.

Accordingly, the maximum amount of cash payable by Viburnum to settle all acceptances under the Offer is \$63.5m<sup>1</sup>, along with any transaction costs.

## 1.3 Key conditions of the Offer

The Offer is unconditional and is not subject to any defeating conditions.

## 1.4 Funding of the Offer

The Offer is not subject to any financing condition, and Viburnum intends to fund the Offer consideration from money provided from funds under management by Viburnum Funds.

- **Cash reserves and other assets**

As at 6 September 2024, Viburnum Funds had approximately \$450m of funds under management, including approximately \$10m cash on deposit and cash equivalents, none of which have been allocated solely towards satisfying the payment obligations of Viburnum under the Offer, but which are available for use for that purpose. In addition, Viburnum Strategic Equities Strategy, managed by Viburnum Funds has ASX listed shares valued at approximately \$440m in aggregate (based on their closing price at 6 September 2024), which may be sold readily on-market which Viburnum Funds intends to sell as required in order to provide funding to Viburnum to satisfy its obligations to pay the Offer Price and associated transaction costs.

- **Intra-group credit facility agreement**

Viburnum received a binding commitment from Viburnum Funds, to fund the payment of the total consideration payable under the Offer from its funds under management. In return Viburnum has given a binding undertaking to, following close of the Offer, distribute any GTN Shares it acquires to the funds comprising the Viburnum Strategic Equity Strategy which have provided the money.

Having regard to the above, Viburnum is of the opinion that it has reasonable basis for forming the view, and holding the view, that it will be able to satisfy its payment obligations under the Offer.

<sup>1</sup> Per the despatched Bidder's Statement dated 7 October 2024. We note, as at the date of the Report, 195,978,364 GTN Shares and 7,690,076 GTN Options on issue.

## 2. Scope of the Report

### 2.1 Purpose of this Report

The Independent Board Committee GTN have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Offer is fair and reasonable to Non-Associated Shareholders. Accordingly, this report has been prepared to accompany the Target's Statement which will be provided to GTN Shareholders in relation to the Offer.

Our Report has been prepared as a requirement of Section 640 of the Corporation's Act, whereby a Target's Statement is required to include an IER to shareholders if:

- The bidder's voting power in the target is 30% or greater; or
- The bidder and the target have directors in common.

The first of these criteria is satisfied in respect of Viburnum's off-market takeover offer of GTN.

### 2.2 Regulatory guidance

In assessing whether the Offer is "fair" and "reasonable", we have given regard to the views expressed by ASIC in RG 111.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

RG 111 states that the expert's report should focus on:

- The issues facing the security holders for whom the report is being prepared; and
- The substance of the transaction rather than the legal mechanism used to achieve it.

RG 111 applied the "fair and reasonable" test as two distinct criteria in the circumstance of a takeover offer, stating:

- A takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- A takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer.

### 2.3 Adopted basis of evaluation

Consistent with the guidelines in RG 111 as summarised above, we have considered whether the Offer is "fair" to Non-Associated Shareholders by assessing and comparing:

- The Fair Value of a Share in GTN on a controlling basis prior to the Offer; with
- The Fair Value of the Offer Price.

Our assessment of the Fair Value of a Share in GTN has been prepared on the following basis:

*"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".*

In accordance with RG 111, we have considered whether the Offer is "reasonable" to GTN Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Non-Associated Shareholders in their decision as to whether or not to accept the Offer.

We have also considered whether the Offer is “reasonable” by undertaking an analysis of the following factors:

- The future prospects of GTN if the Offer does not proceed;
- Viburnum’s pre-existing shareholding in GTN of approximately 47.3% as at the date of this Report, increasing the likelihood of Viburnum holding a majority stake in GTN, and the implications of this for Non-Associated Shareholders;
- Viburnum’s intentions depending upon the level of ownership it obtains;
- The potential advantages and disadvantages of the Offer for the Non-Associated Shareholders, including the specific terms of the Offer;
- The liquidity the Offer provides;
- The extent to which a control premium is being paid;
- The price of GTN Shares post announcement of the Offer;
- The likely price of GTN Shares post close of the Offer;
- The existence of alternative proposals; and
- The likelihood of a superior proposal emerging.

Our assessment of the Offer is based on economic, market and other conditions prevailing at the date of this Report.

### 3. Profile of GTN

#### 3.1 Background

##### Overview

GTN (ASX:GTN) is an ASX listed Company, which was incorporated in 2015. The original business was founded in 1997 and is headquartered in Sydney, Australia. GTN gained admission to the official listing of ASX on 1 June 2016

The Company operates broadcast media advertising platforms that supply traffic and news information reports to radio stations in Australia, Canada, the United Kingdom, and Brazil. It primary generates revenue by selling traffic and news information adjacent advertising spots on television and radio networks to advertisers and advertising agencies. During FY22, GTN commenced drone light show operations in Australia.

GTN operates through its subsidiaries:

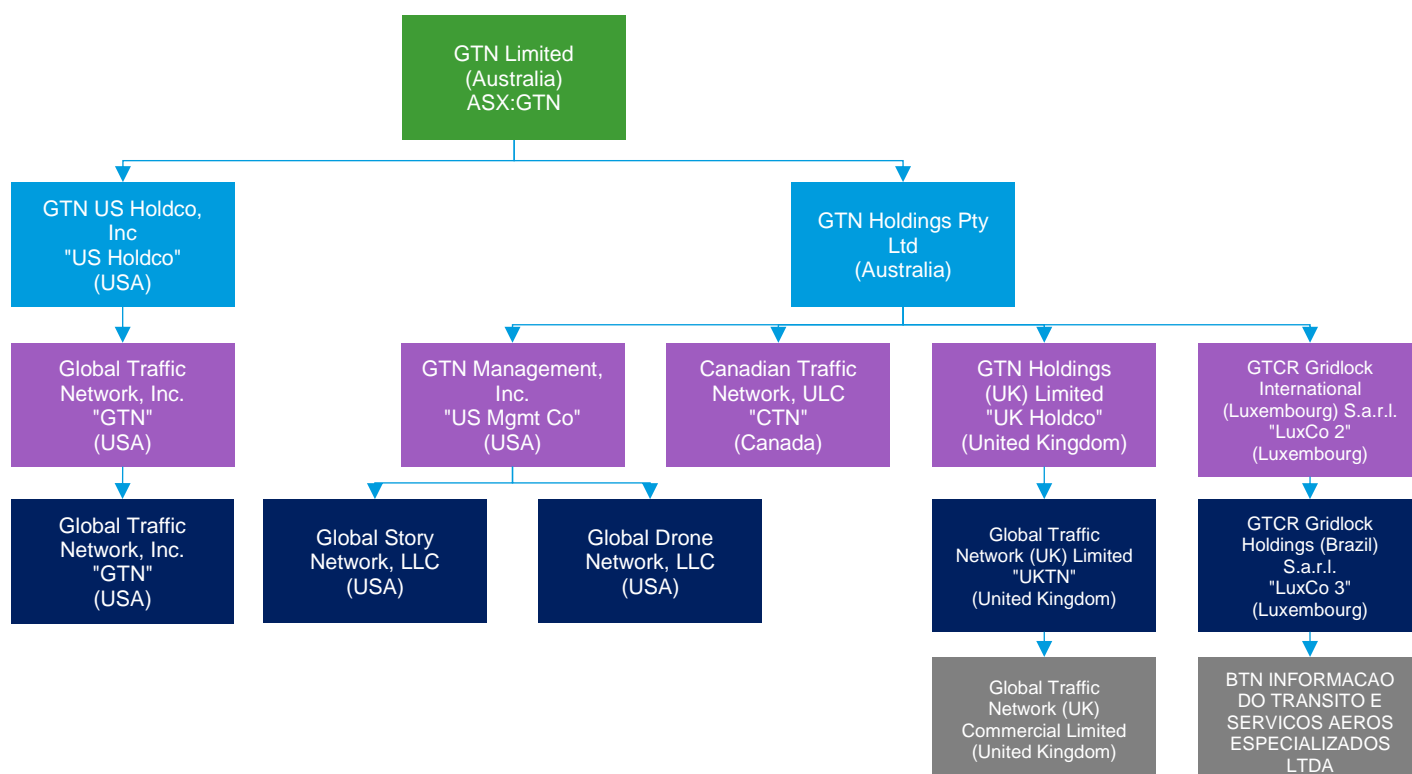
- Australian Traffic Network (“**ATN**”);
- Brazil Traffic Network (“**BTN**”);
- Canadian Traffic Network (“**CTN**”); and
- Global Traffic Network UK (“**UKTN**”)

GTN's customers span across many industries such as retail, automotive and travel servicing small-scale organisations to large national clients including both national and local government departments.

#### 3.2 Legal structure

The current legal structure of GTN is shown in the figure below. We note all subsidiaries are wholly owned by GTN.

Figure 3. GTN legal structure



### 3.3 Directors and management

The directors and key management of GTN are summarised in the table below.

**Table 5. GTN directors and key management personnel**

Name	Title	Experience
Peter Tonagh	Chairman	Peter Tonagh has a background as a C-suite executive in large Australian media companies, including as CEO of Foxtel and News Corp Australia, interim-CEO of REA Group and Chairman of MCN. Peter is a former partner of The Boston Consulting Group where he led the Asia Pacific Organisation Practice and worked across media, consumer and financial services businesses. Peter is currently Deputy Chair of the Australian Broadcasting Corporation (ABC), and Chair of Quantum Group Holdings Pty Limited. Peter was previously the lead independent director of Village Roadshow Limited. Peter has a Bachelor of Commerce from the University of New South Wales and a Masters of Business Administration from INSEAD, Europe's leading business school. In 2012 he was named AFR's CFO of the Year.
David Ryan AO	Independent Non-Executive Director	David Ryan AO has over 40 years of experience in commercial banking, investment banking and operational business management. David is currently Chairman of Visit Sunshine Coast Limited, a director of First American Title Insurance Company of Australia Pty Ltd, a director of First Mortgage Services Pty Ltd, a director of Sunshine Coast Airport Pty Limited, Board member of the Sunshine Coast Events Board and a Board Member of the Ted Noffs Foundation. David has previously held positions as a non-executive director of GetSwift Limited from April 2018 to April 2019, a non-executive director of Lendlease Corporation Limited from December 2004 until his retirement in November 2017 non-executive director of Aston Resources from 2011 until its merger with Whitehaven Coal and as non-executive chairman of Transurban Holdings (appointed director in 2003, chairman in 2007, and retired in 2010). David holds a Bachelor of Business from the University of Technology, Sydney and is a Fellow of Australian Institute of Company Directors and of CPA Australia.
Corinna Keller	Independent Non-Executive Director Member of the Audit and Risk Committee and Nomination and Remuneration Committee	Corinna Keller is the former Vice President of Advertising Sales for the Americas for CNN International Commercial (a WarnerMedia company), which she joined in 2016. Corinna oversaw the pan-regional ad sales business for CNN International, CNN en Español, CNN.com/international and CNNEspañol.com for Latin America and clients based in the U.S. and Canada who want to target international viewers. From 1999 to 2015, Corinna was with Viacom in various roles, her last as Vice President, International Marketing Partnerships and Pan-regional Ad Sales, running the pan-regional advertising business for Nickelodeon, MTV, Comedy Central, Paramount Channel, VH1 and a diverse digital portfolio. She held a number of senior positions with Viacom in both the U.S. and Mexico and managed client relationships with Fortune 500 companies across the U.S., Latin America, Europe and Asia. Prior to Viacom, Corinna was in the pay television industry at Turner Broadcasting, where she assisted in distribution for the newly launched CNN en Español. Corinna holds a BAS from Kalamazoo College and speaks English, Spanish, German and Portuguese.

Name	Title	Experience
Alexandra Baker ("Alexi")	Non-Independent Non-Executive Director	Alexi is a director and executive with 20 years' experience across media, digital, sport and finance. Alexi was most recently Chief Customer and Digital Officer of the National Rugby League (NRL) where she was responsible for all consumer revenue streams, digital, marketing and customer experience. Prior to the NRL, Alexi spent nine years across various roles with Nine Entertainment Co including Managing Director Commercial and Director of Strategy and M&A. Prior to this she worked as an equities analyst at Deutsche Bank and Credit Suisse. Alexi is currently a Non-Executive Director of Rugby Australia and Healthy Bones Australia. Alexi holds Bachelor of Law and Bachelor of Commerce (Finance) Degrees from the University of New South Wales. Alexi has also completed the Executive Program at Stanford and is a graduate of the Australian Institute of Company Directors (GAICD).
Craig Coleman	Non-Independent Non-Executive Director	Craig is an experienced senior executive and director, with a 30-year career spanning banking and finance, corporate advisory, and funds management. His experience in Australian public securities includes leadership of an ASX publicly listed company and many public company directorships. Craig is Co-Founder and Managing Partner of Viburnum Funds where he has primary responsibility for the management and performance of the Strategic Equities Fund. Prior to Viburnum Funds, Craig was Managing Director of the ASX listed Home Building Society Ltd and prior to this held several senior executive positions during a ten-year career with ANZ Banking Group Ltd, including Managing Director Banking Products, Managing Director Wealth Management, Non-Executive Director E*TRADE Australia Ltd and Head of Retail Banking New Zealand. Craig holds a Bachelor of Commerce from the University of Western Australia.
Anna Sandham	Joint Company Secretary	Anna Sandham is a Chartered Company Secretary employed by Company Matters Pty Limited. Anna is an experienced company secretary and governance professional with over 20 years' experience in various large and small, public and private, listed and unlisted companies. Anna has previously worked for companies including AMP Financial Services, Westpac Banking Corporation, BT Financial Group and NRMA Limited. Anna holds a Bachelor of Economics degree (University of Sydney) and a Graduate Diploma of Applied Corporate Governance (Governance Institute of Australia). Anna is a Fellow of the Governance Institute of Australia, in addition to being a member of their Legislative Review Committee.
Patrick Quinlan	Joint Company Secretary	Patrick Quinlan is Group Financial Controller for the Australian entity, as well as being the joint company secretary for GTN Limited. Patrick holds a Bachelor of Business degree from University of Western Sydney, is a Certified Practising Accountant and a Chartered Company Secretary.
Victor Lorusso	Chief Executive Officer ATN	Vic Lorusso has over 20 years of experience in the media industry, all of those with ATN in various operational and management positions. Vic is currently Chief Executive Officer of ATN having been promoted into the position in July 2023. Vic joined ATN in 1999. Vic was previously the Chief Operations Manager for ATN and is also an airborne traffic reporter for the Ten Network and various radio stations. In addition to his role with ATN, Vic is associated with a number of charities throughout the country including the Variety Children's Charity, Redkite, Miracle Babies Foundation, Diabetes Association NSW, Cure Cancer Foundation and the Special Olympics Foundation. Vic has a Business Licence for Real Estate.
John Quinn	Chief Operating Officer – UKTN	John Quinn has over 30 years of experience in the radio and media industry. John is currently the Chief Operating Officer of Global Traffic Network's United Kingdom operations after joining Global Traffic Network in 2009 following its acquisition of UBC Media's commercial division. Prior to the acquisition, John was the Chief Operating Officer and a director of UBC Media (a company listed on AIM, a sub-market of the London Stock Exchange) and has held numerous other sales and management positions within the United Kingdom commercial radio industry.



Name	Title	Experience
Brent Henley	Global Chief Financial Officer GTN Limited	Appointed 11th December 2023 Brent Henley has over 25 years' experience working for both US multinationals and ASX listed organisations in Australia, across Asia Pacific and globally. Brent is currently the Group Chief Financial Officer of GTN Limited responsible for Finance, capital management and investor relations at GTN Limited in its four operating markets being Australia, Canada, the UK and Brazil. Prior to joining Global Traffic Network, Brent was the CFO of ASX listed Bravura Solutions. From 2016-2022 Brent was the Group CFO of Macquarie Technology Group (ASX: MAQ), before moving into a Group Executive and Chief Commercial Officer role within the group. Prior to joining MAQ, Brent was CFO of NetApp A/NZ from 2010 to 2014, and then from 2014-2016 was Global Business Operations Director for the newly formed NetApp Global Managed Services team. Brent has a bachelor of Business in Accounting and Marketing, is a CPA and holds an MBA in International Business from UTS.
Sophie Jackson	Global General Counsel GTN Limited	Appointed 12th February 2024 Sophie has over 25 years of experience in the media and digital industry with substantial in-house legal experience in both the UK, as Head of Legal at Sky Active, a division of Sky, and in Australia, as Principal Legal Counsel at Foxtel. Her expertise spans legal, compliance, corporate governance, regulatory and policy. Sophie is currently the Group General Counsel of GTN Limited, responsible for legal and compliance at GTN Limited in its four operating markets, Australia, Canada, the UK and Brazil. Sophie began her career at UK Magic Circle firm, Allen & Overy. She has worked in a number of legal, compliance and regulatory roles in Australia, the UK and Hong Kong primarily for private sector media and technology businesses. She also worked for the Telecommunications Regulator in the UK and Gilbert + Tobin in Australia. Sophie is admitted to practice in the Supreme Court of NSW and in England and Wales.
Donna Gardener	President - CTN	Donna Gardener has over 25 years of advertising and marketing experience. Immediately prior to joining CTN, Donna operated her own advertising and marketing consulting business, DG Consulting representing Brunswick Newspaper Group and Berenson Decorative Hardware. Prior to launching her own consulting business, Donna was VP, Sales & GM for Trico Evolution, a printing and packaging company in Ottawa, Ontario from 2017 to 2018. From 2014 to 2017, Donna was the VP, Sales for TC Media Newspapers (a division of Transcontinental Printing) managing the advertising sales teams across Atlantic Canada. Donna served as a Regional Director of Advertising and then Publisher for Sun Media Corporations newspapers and magazine publishing divisions from 2009 to 2014. Donna began her media career in the advertising department of TorStar Corporation where she held various management positions during her 19 years there.
Fabio Menzes	Country Head - BTN	Fabio Luiz de Menezes serves as the Country Head at BTN, where he has made significant contributions for the past 10 years in his former role as Sales Director. With over 20 years of experience in the media and advertising sector, Fabio brings extensive knowledge gained from working at major advertising agencies across Brazil. Holding a degree in Advertising, Fabio also has a postgraduate degree in Marketing and Business, further solidifying his expertise in the field. Throughout his career, Fabio has excelled in leading teams and developing effective strategies, driving the success of the companies he has worked for.

Source: GTN FY24 Annual Report

### 3.4 Financial information

The information in the following section provides a summary of the financial performance of GTN for the financial years ended 30 June 2021 (“FY21”), 30 June 2022 (“FY22”), 30 June 2023 (“FY23”), and 30 June 2024 (“FY24”) (collectively the “Historical Period”), extracted from the audited financial statements of GTN for FY21, FY22, FY23 and FY24.

The auditors of GTN, Grant Thornton, provided an unqualified audit opinion as at 30 June 2024.

### 3.5 Financial performance

The following table sets out a summary of the financial performance of GTN over the Historical Period.

**Table 6. GTN historical financial performance**

\$'000	FY21 Audited	FY22 Audited	FY23 Audited	FY24 Audited
Revenue	143,341	160,083	177,002	184,232
Other income	161	41	-	-
<b>Total revenue</b>	<b>143,502</b>	<b>160,124</b>	<b>177,002</b>	<b>184,232</b>
<b>Operating expenses</b>	<b>(137,471)</b>	<b>(151,046)</b>	<b>(165,634)</b>	<b>(169,772)</b>
Network operations and station compensation expenses	(109,675)	(116,836)	(122,791)	(129,960)
Selling, general and administrative expenses	(26,864)	(33,447)	(42,483)	(39,301)
Equity compensation	(932)	(763)	(360)	(511)
Loss on asset disposal	-	-	-	(525)
<b>EBITDA</b>	<b>6,031</b>	<b>9,078</b>	<b>11,368</b>	<b>13,935</b>
Depreciation <sup>1</sup>	(10,820)	(4,267)	(5,982)	(6,861)
Amortisation	-	(6,350)	(6,347)	(6,403)
<b>Operating profit / (loss)</b>	<b>(4,789)</b>	<b>(1,539)</b>	<b>(961)</b>	<b>671</b>
Finance costs	(2,002)	(1,348)	(1,753)	(1,546)
Interest income	8,237	8,060	8,237	8,577
Foreign exchange movements	(22)	(19)	(32)	(166)
<b>Profit / (loss) before income tax</b>	<b>1,424</b>	<b>5,154</b>	<b>5,491</b>	<b>7,536</b>
Income tax expense	(1,513)	(2,352)	(2,856)	(1,873)
<b>Profit / (loss) after income tax expense</b>	<b>(89)</b>	<b>2,802</b>	<b>2,635</b>	<b>5,663</b>
Other comprehensive income / (expense)	861	(546)	1,976	(1,523)
<b>Total comprehensive profit / (loss) for the year</b>	<b>772</b>	<b>2,256</b>	<b>4,611</b>	<b>4,140</b>

Source: Audited Financial Statements

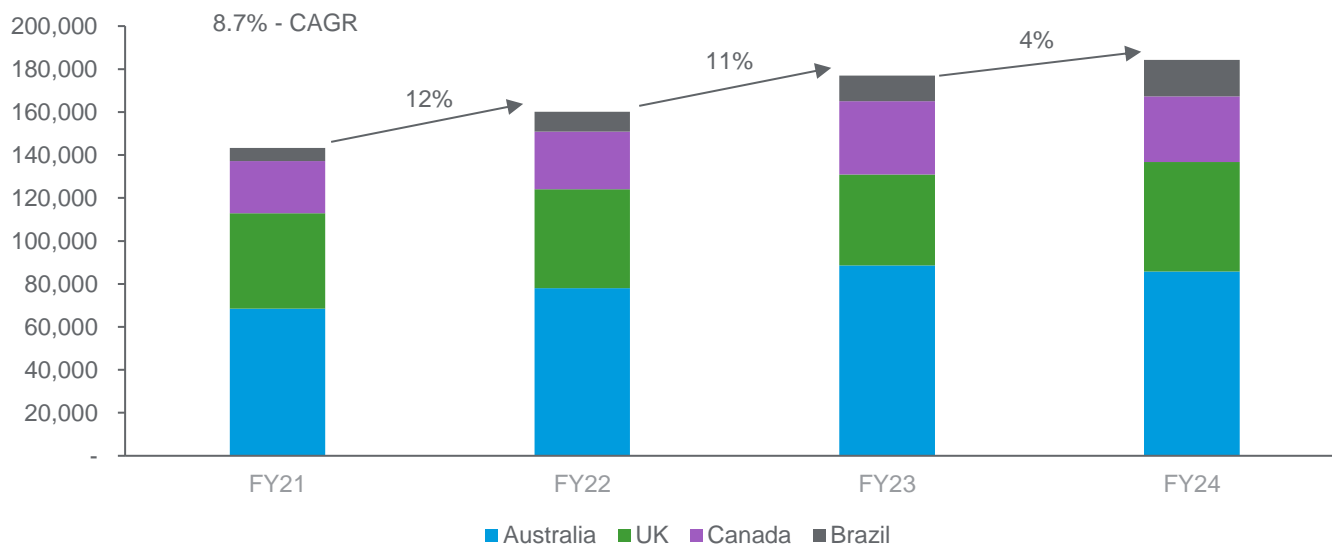
<sup>1</sup>Depreciation and Amortisation have not been separated in the Annual Reports prior to FY22

We note the following in relation to GTN’s historical financial performance:

- Revenue over the Historical Period comprised primarily of revenues from the sale of commercial advertising timeslots adjacent to traffic and news information reports that are broadcast on radio and/or television stations in Australia and across the globe including Canada, the United Kingdom and Brazil.
- Approximately 46.6% of the revenue generated in FY24 was generated in the Australian segment, with 27.7% generated in the UK, and 16.6% and 9.2% in Canada and Brazil respectively, with the balance of revenue constituting non-recurring revenue from hardware sales, funded software development and other non-recurring revenue.
- Revenue increased from \$143.3m in FY21 to \$184.2m in FY24, representing a Compound Annual Growth Rate (“CAGR”) of 8.7%, as presented in Figure 4 below. The increase in revenue from FY21 to FY24 was primarily driven by significant growth in the Australia, Canada and Brazil segments, with revenues growing by 25%, 26% and 172% respectively between FY21 and FY24.

- The growth in revenue in FY24 was largely driven by increased radio spot inventories in Brazil (495k FY23 to 555k FY24) and the UK (20.6m FY23 to 22.8 FY24), along with increased radio sell out rates in Brazil (46% FY23 to 54% FY24) and Australia (56% FY23 to 60% FY24).

**Figure 4. GTN revenue breakdown**



- Operating expenses for FY24 primarily comprised of network operation and station compensation expenses of \$130.0m (77% of operating expenses) and selling, general and administrative expenses of \$39.3m (23% of operating expenses). Operating expenses increased from \$137.7m in FY21 to \$151.0m in FY22, to \$165.6m in FY23 and to \$169.7m in FY24 decreasing from 96% to 92% of total revenues over the Historical Period.
- Other operating expenses incurred over the Historical Period relates to equity compensation and has decreased from \$0.9m in FY21 to \$0.7m in FY22, and to \$0.4m in FY23, before increasing to \$0.5m in FY24.

### 3.6 Financial position

The table below sets out a summary of the financial position of GTN as at 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024.

**Table 7. GTN historical financial position**

\$'000	30-Jun-21 <i>Audited</i>	30-Jun-22 <i>Audited</i>	30-Jun-23 <i>Audited</i>	30-Jun-24 <i>Audited</i>
<b>Current Assets</b>				
Cash and cash equivalents	49,376	34,844	30,606	31,556
Trade and other receivables	31,003	37,751	41,194	39,181
Income tax receivable	4,894	4,086	4,385	2,440
Other current assets	2,702	3,714	4,938	5,564
<b>Total current assets</b>	<b>87,975</b>	<b>80,395</b>	<b>81,123</b>	<b>78,741</b>
<b>Non-current assets</b>				
Property, plant & equipment	7,721	9,735	10,654	9,258
Intangible assets	39,525	33,212	27,116	20,670
Goodwill	96,616	95,998	96,422	96,303
Deferred tax asset	4,857	5,501	4,806	5,058
Other assets	93,736	92,373	90,863	89,271
<b>Total non-current assets</b>	<b>242,455</b>	<b>236,819</b>	<b>229,861</b>	<b>220,560</b>
<b>Total assets</b>	<b>330,430</b>	<b>317,214</b>	<b>310,984</b>	<b>299,301</b>
<b>Current liabilities</b>				
Trade and other payables	32,988	35,148	39,244	42,936
Contract liabilities	1,000	987	1,415	1,552
Tax liabilities	149	91	63	157
Financial liabilities	1,286	1,376	1,215	1,541
Provisions	987	1,090	1,312	1,242
<b>Total current liabilities</b>	<b>36,410</b>	<b>38,692</b>	<b>43,249</b>	<b>47,428</b>
<b>Non-current liabilities</b>				
Trade and other payables	69	75	78	71
Financial liabilities	51,689	32,142	25,912	10,098
Deferred tax liability	21,309	22,406	24,051	23,441
Provisions	403	330	318	392
<b>Total non-current liabilities</b>	<b>73,470</b>	<b>54,953</b>	<b>50,359</b>	<b>34,002</b>
<b>Total liabilities</b>	<b>109,880</b>	<b>93,645</b>	<b>93,608</b>	<b>81,430</b>
<b>Net assets</b>	<b>220,550</b>	<b>223,569</b>	<b>217,376</b>	<b>217,871</b>
<b>Equity</b>				
Share capital	437,508	437,508	432,128	430,336
Reserves	9,997	10,214	8,159	6,420
Accumulated losses	(226,955)	(224,153)	(222,911)	(218,885)
<b>Total equity</b>	<b>220,550</b>	<b>223,569</b>	<b>217,376</b>	<b>217,871</b>

Source: Audited Financial Statements

We note the following in relation to GTN's financial position:

- At 30 June 2024, GTN reported net assets of \$217.9m attributable to equity holders of the Group. GTN's net assets remained relatively stable across the Historical Period.
- Current assets as at 30 June 2024 totalled \$78.7m, comprised primarily of cash and cash equivalents of \$31.6m, and trade and other receivables of \$39.2m, Other current assets of \$5.6m relate to prepaid Southern Cross Austereo Affiliate Contract, deposits on fixed assets and prepayments.

- Non-current assets at 30 June 2024 comprised goodwill of \$96.3m, other assets of \$89.3m (relating primarily to the long-term prepaid Southern Cross Austereo Affiliate Contract), intangible assets of \$20.7m, property, plant and equipment (“PPE”) of \$9.3m, and deferred tax assets of \$5.1m.
  - The long-term prepayment of \$89.3m relates to a \$100m prepayment of station compensation to Southern Cross Austereo in February 2016 under the Southern Cross Austereo Affiliate Contract, which is accounted for as a financing arrangement whereby GTN record non-cash interest income over the 30-year contract agreement based on an estimate of radio station group’s incremental borrowing rate with similar terms. The prepayment is amortised over the contract term. Under the Southern Cross Austereo Affiliate Contract, GTN will make annual recurring cash payments commencing on 1 February 2017 of \$2.75m payable on a monthly basis that will be indexed by the lower of CPI and 2.5%. GTN will record an additional station compensation expense over the contract period equal to the total recurring indexed cash payments, which will be recognised straight line over the 30 year contract term.
- Intangible assets of \$20.7m as at 30 June 2024 comprised of:
  - Trade names of \$12.7m; and
  - Station contracts of \$8.0m with an estimated useful life of five years.
- Goodwill of \$96.3m as of 30 June 2024 relates to prior business combinations.
- Current liabilities as at 30 June 2024 comprised of trade and other payables of \$42.9m, contract liabilities of \$1.6m, \$0.2m of tax liabilities, \$1.5m of financial liabilities and \$1.2m of provisions. Contract liabilities largely relate to payments received in advance and are deferred until earned.
- Non-current liabilities as at 30 June 2024 comprised of deferred tax liabilities of \$23.4m, financial liabilities of \$10.1m, a net deferred tax liability of \$4.4m, and other liabilities of \$0.2m. Further we note that:
  - The deferred tax liability relates primarily to prepaid expenses of \$19.4m and intangibles of \$6.0m;
  - Financial liabilities relate largely to long-term debt of \$8.0m and \$2.1m of leases; and
  - Other non-current liabilities relate to trade and other payables of \$0.1m and provisions of \$0.4m.
- At 30 June 2024, GTN had a net working capital asset balance of \$0.1m as per the table below:

**Table 8. Historical working capital**

\$'000	30-Jun-21 Audited	31-Jun-22 Audited	30-Jun-23 Audited	31-Jun-24 Audited
Trade and other receivables	31,003	37,751	41,194	39,181
Other current assets	2,702	3,714	4,938	5,564
Trade and other payables	(33,057)	(35,223)	(39,322)	(43,007)
Provisions	(1,390)	(1,420)	(1,630)	(1,634)
<b>Net working capital</b>	<b>(742)</b>	<b>4,822</b>	<b>5,180</b>	<b>104</b>

Source: GTN audited financial statements

The net working capital position as at 30 June each year has ranged from a net liability position of \$0.7m to a net asset position of \$5.2m.

At 30 June 2024, GTN had a net cash position of \$15.2m on a post-AASB 16 basis as per the table below:

**Table 9. Historical Net Cash**

\$'000	30-Jun-21 Audited	30-Jun-22 Audited	30-Jun-23 Audited	30-Jun-24 Audited
Cash	49,376	34,844	30,606	25,917
Income tax receivable	4,894	4,086	4,385	2,440
Financial liabilities	(52,975)	(33,518)	(27,127)	(11,639)
Contract liabilities	(1,000)	(987)	(1,415)	(1,552)
<b>Net Cash - post-AASB 16</b>	<b>295</b>	<b>4,425</b>	<b>6,449</b>	<b>15,166</b>

Source: Management information and RSM Analysis

We note the following regarding GTN's historical net cash:

- Cash and cash equivalents as at 30 June 2024 have been adjusted for the working capital requirements as presented in Table 9 below;
- GTN has repaid significant debt over the Historical Period, primarily from cash flow; and
- The contract liabilities balance of \$1.5m was established through the receipt of cash. As such, it has been included in the net debt balance, and not considered in net working capital calculations.

**Table 10. Adjusted cash and cash equivalents**

\$'000	30-Jun-24 Audited
Cash and cash equivalents	31,556
Less	
Cash required for working capital	(3,755)
Total consideration paid for share buybacks	(1,884)
<b>Adjusted cash and cash equivalents</b>	<b>25,917</b>

Source: Audited Financial Statements and RSM Analysis

Noting the net working capital liability position as at 30 June 2024, the cash required for working capital has been calculated as the net of trade and other payables and trade and other receivables, resulting in \$3.8m in cash required to service working capital.

We have considered the total amount of shares bought back between 30 June 2024 to the date of the Report, as an adjustment to the cash balance, as presented in the table below:

**Table 11. Share buy-back reconciliation**

Date of announcement	Description	No. of shares on issue	Total consideration paid (if applicable)
30-Jun-24	Opening balance per Annual Report	199,699,860	NA
30-Aug-24	Share buy back	(500,000)	242,200
2-Sep-24	Share buy back	(200,000)	96,000
3-Sep-24	Share buy back	(300,000)	144,000
4-Sep-24	Exercise of options	278,504	NA
4-Sep-24	Share buy back	(500,000)	239,882
5-Sep-24	Share buy back	(200,000)	93,091
6-Sep-24	Share buy back	(300,000)	139,500
9-Sep-24	Share buy back	(2,000,000)	930,000
<b>Total</b>		<b>195,978,364</b>	<b>1,884,472</b>

Source: ASX announcements

### 3.7 Capital structure

As at the date of the Report, GTN had 195,978,364 ordinary shares on issue. The top 20 shareholders as at the date of the Report (or as close as practically possible) are set out in the table below.

**Table 12: GTN Limited Top 20 Shareholders**

Shareholder	Number of ordinary shares	% holding
J P MORGAN NOMINEES AUSTRALIA PTY LTD	48,603,719	24.80%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	47,381,152	24.18%
VIBURNUM HOLDINGS PTY LTD	21,505,375	10.97%
BNP PARIBAS NOMS PTY LTD	19,340,150	9.87%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,094,380	6.68%
CITICORP NOMINEES PTY LIMITED	11,846,622	6.04%
PALM BEACH NOMINEES PTY	8,118,021	4.14%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,661,247	1.36%
VIBURNUM FUNDS PTY LTD	2,500,000	1.28%
SCOTT CODY	260,969	0.13%
BUTTONWOOD NOMINEES PTY LTD	2,214,803	1.13%
MR GARY WOROLOW	278,514	0.14%
COWOSO CAPITAL PTY LTD	1,732,707	0.88%
BNP PARIBAS NOMINEES PTY LTD	1,144,434	0.58%
MR CRAIG GRAEME CHAPMAN	1,000,000	0.51%
MORGAN STANLEY AUSTRALIA	684,207	0.35%
BERGER EQUITIES PTY LTD	600,000	0.31%
INVIA CUSTODIAN PTY LIMITED	567,287	0.29%
MR CRAIG COLEMAN & MRS PHYLLIS COLEMAN	500,000	0.26%
MRS NELLY MICHELLE CUNNINGHAM	457,885	0.23%
<b>Top 20 shareholders</b>	<b>184,491,472</b>	<b>94.14%</b>
Other shareholders	11,486,892	5.86%
<b>Total</b>	<b>195,978,364</b>	<b>100.00%</b>

Source: GTN Limited share register as at 3 October 2024

As at the date of the Report, (or as close as practically possible) the substantial holders of GTN Shares are presented in the table below.

**Table 13: GTN Limited Substantial Holdings (incl. associates)**

Shareholder	Number of ordinary shares	% holding
Viburnum Funds and Associates	92,632,823	47.27%
Harvest Lane Asset Management	27,115,919	13.84%
Athos Capital Limited	13,094,380	6.68%
Microequities Asset Management Pty Ltd	10,845,661	5.53%
Other shareholders	52,289,581	26.68%
<b>Total</b>	<b>195,978,364</b>	<b>100.00%</b>

Source: GTN ultimate shareholding register as at 23 September 2024

Under the GTN Long Term Incentive Plan (the “Plan”), options were issued to eligible employees (“GTN Options”) with varying exercise prices, vesting dates, expiry dates and conditions for vesting. As at the date of this Report, there were 7,690,076 GTN Options on issue, as summarised in the table below.

**Table 14: Summary of Options**

Recipients	No. of options	Issue date	Vesting date	Exercise Price	Expiry date
Cody & Worobow	1,137,248	15-Nov-19	15-Nov-21	\$0.76	15-Nov-24
Cody & Worobow	2,274,495	15-Nov-19	15-Nov-22	\$0.76	15-Nov-24
Yde	333,333	13-Nov-20	13-Nov-22	\$0.42	13-Nov-25
Various	438,332	12-Nov-21	12-Nov-23	\$0.52	12-Nov-26
Various	876,668	12-Nov-21	12-Nov-24	\$0.52	12-Nov-26
Cody & Worobow	304,999	17-Nov-22	17-Nov-24	\$0.41	17-Nov-27
Cody & Worobow	610,001	17-Nov-22	17-Nov-25	\$0.41	17-Nov-27
Various	266,666	27-Feb-23	27-Feb-25	\$0.59	27-Feb-28
Various	533,334	27-Feb-23	27-Feb-26	\$0.59	27-Feb-28
Cody & Worobow	304,999	17-Nov-23	17-Nov-25	\$0.39	17-Nov-28
Cody & Worobow	610,001	17-Nov-23	17-Nov-26	\$0.39	17-Nov-28
<b>Total</b>	<b>7,690,076</b>				

Source: Management and ASX announcements

We understand that each GTN Option entitles the participant to receive a GTN Share upon exercise subject to service vesting conditions. The GTN Board has determined that all unvested options automatically vest if a person obtains control of GTN.

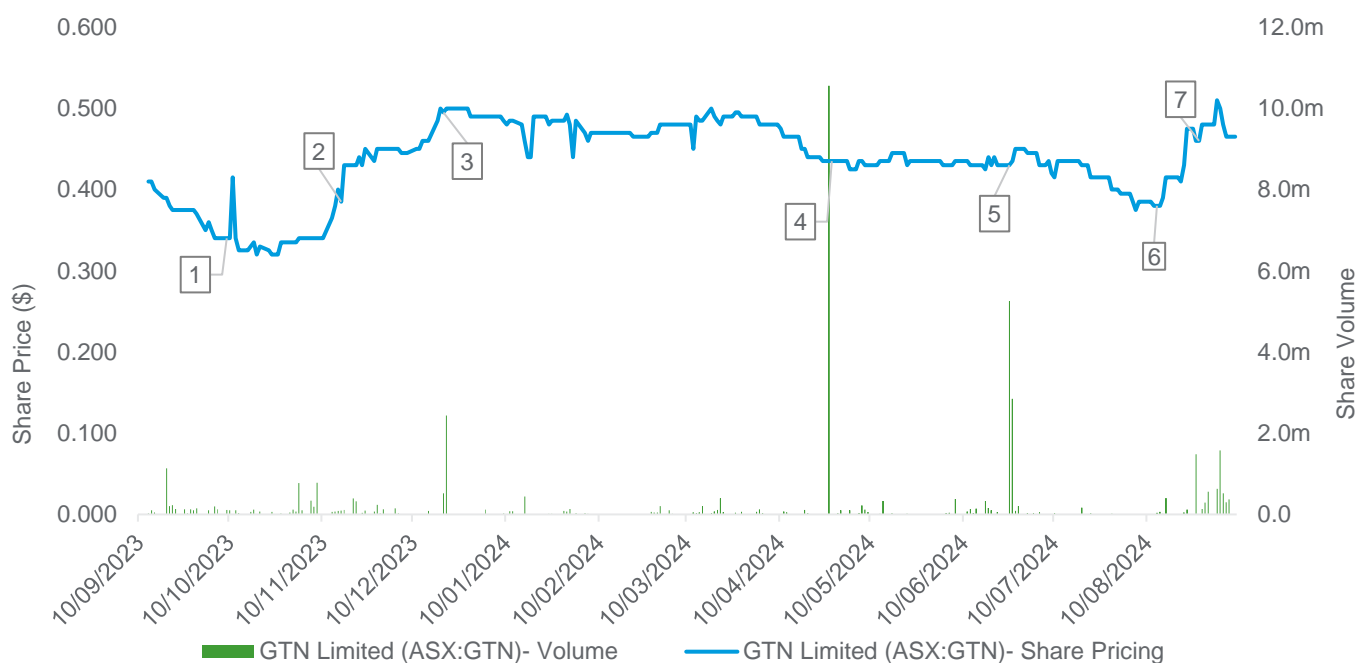
While, the Offer does not extend to GTN Options, the Offer will extend to any new GTN Shares issued during the Offer Period, resulting from the exercise of the GTN Options which were on issue as at the Record Date.



### 3.8 Share Price Performance

A summary of GTN's share price movement as traded on the ASX from 8 September 2023 to 8 September 2024 is set out in the figure below.

**Figure 5. Historical share price performance of GTN**



Source: S&P Capital IQ

Over the period between 8 September 2023 and 8 September 2024, GTN shares traded at a low of \$0.320 to a high of \$0.510.

The table below sets out a summary of recent announcements of GTN which impacted its share price performance.

**Table 15. GTN selected announcements**

Ref	Date	Comment
1	10/10/2023	<b>Share Buyback</b> GTN buyback of securities on market, with a maximum of 20.4m securities to be bought back before 12 September 2024. These buybacks occurred throughout the following 12 months.
2	16/11/2023	<b>AGM Results</b> GTN announced the AGM results, detailing the re-election of Peter Tonagh and David Ryan AO, and a recap of FY23 results overview
3	21/12/2023	<b>H1 Earnings Update</b> GTN announced H124 Earnings update, advising of expected adjusted EBITDA ranging from \$12.5m to \$13.5m.
4	26/04/2024	<b>FY24 Earnings Update</b> GTN released FY24 earnings and trading update, with expected EBITDA increased from \$19.3m to \$21m - \$23m. 10.6m shares were traded on the day of the announcement.
5	25/06/2024	<b>Director Appointment</b> GTN announced the appointment of Mr Robert Martino, a Partner at Viburnum Funds Pty Ltd, as an alternate director for Mr Craig Coleman
6	15/08/2024	<b>FY24 Results</b> GTN announced FY24 results were to be published on 27 August 2024
7	27/08/2024	<b>FY24 Results</b> GTN announced FY24 full year results with revenue growth of 4% on FY23, NPAT growth of 115% on FY23 and Adjusted EBITDA growth of 15% on FY23

Source: S&P Capital IQ and GTN ASX announcement

### 3.9 Recent share buy-backs

During September 2024, GTN has undertaken a series of share buy-backs. The details of the share buy-backs undertaken prior to the date of this Report is set out in the table below:

**Table 16. Share buy-back reconciliation**

Date of announcement	Description	No. of shares bought back-	Price per share
30-Aug-24	Share buy back	500,000	0.490
2-Sep-24	Share buy back	200,000	0.480
3-Sep-24	Share buy back	300,000	0.480
4-Sep-24	Share buy back	500,000	0.480
5-Sep-24	Share buy back	200,000	0.465
6-Sep-24	Share buy back	300,000	0.465
10-Sep-24	Share buy back	2,000,000	0.465

Source: ASX announcements

## 4. Profile of Viburnum

### 4.1 Background

#### Overview

Viburnum Holdings is a wholly owned subsidiary of Viburnum Funds incorporated in Australia and is the bidder in relation to the Offer.

Viburnum Funds is a boutique investment management company established in 2007 and is based in Perth with additional offices in Victoria and Singapore.

Viburnum Funds is the investment manager of the VF Strategic Equities Fund (“VFSEF”), which invests predominantly in Australian equity securities listed on the ASX. Additionally, Viburnum Funds manages other funds that align with its investment strategy and portfolio of VFSEF. On a combined basis, the size of VFSEF and these other funds is approximately \$450m as at 6 September 2024.

### 4.2 Legal structure

The current legal structure of Viburnum is presented in the figure below.

**Figure 6. Viburnum legal structure**



## 4.3 Directors and management

The directors and key management of Viburnum Holdings and Viburnum Funds are summarised in the table below.

**Table 17. Viburnum Holdings and Viburnum Funds directors**

Name	Title	Experience
<b>Viburnum Holdings</b>		
Jason Korman	Sole Director	Jason is a partner at Viburnum. Prior to joining Viburnum in 2020, Jason had spent 10 years in the private equity industry at firms including BGH Capital, Argand Partners and CHAMP Private Equity (now known as CPE Capital). Jason began his career in the investment banking division of Credit Suisse in Melbourne where he worked on a variety of M&A and capital market transactions for clients in the oil and gas, metals and mining sectors. Jason graduated from the University of Melbourne with a Bachelor of Commerce (Honors).
<b>Viburnum Funds</b>		
Craig Coleman	Managing Director – Public Equities	Craig is an experienced senior executive and director, with a 30-year career spanning banking and finance, corporate advisory, and funds management. His experience in Australian public securities includes leadership of an ASX publicly listed company and many public company directorships. Craig is Co-Founder and Managing Partner of Viburnum Funds where he has primary responsibility for the management and performance of the Strategic Equities Fund. Prior to Viburnum Funds, Craig was Managing Director of the ASX listed Home Building Society Ltd and prior to this held several senior executive positions during a ten-year career with ANZ Banking Group Ltd, including Managing Director Banking Products, Managing Director Wealth Management, Non-Executive Director E*TRADE Australia Ltd and Head of Retail Banking New Zealand. Craig holds a Bachelor of Commerce from the University of Western Australia.
Marshall Allen	Managing Director – Private Equities	Marshall co-founded Viburnum Funds along with Craig Coleman in 2007. Marshall has worked for investment banks and private equity firms during his career, including ANZ Private Equity, Deutsche Bank, Société Générale and equity derivatives boutique Credit Agricole Lazard Financial. His initial work experience started in the 1991 UK recession working in the UK leveraged and acquisition financing for Dai-ichi Kangyo Bank (now Mizuho) where he developed interests in contrarian investment and behavioural decision-making processes. Marshall holds a Bachelor of Commerce from the University of Western Australia and a Masters in Business Administration from Cornell University.
Anthony Howarth	Non-Executive Director	Anthony Howarth is an experienced company director, with over 30 years of experience in the international banking and finance industry. He currently holds non-executive director roles with Alinta Energy, BWP Trust and Viburnum Funds, and has previously held board and executive roles with Wesfarmers (non-executive director), UWA Business School (Board Deputy Chair), Challenge Bank Limited (CEO) and Hartley's Limited (CEO).

Source: Viburnum Funds website

## 5. Valuation Approach

### 5.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following valuation methodologies:

- The discounted cash flow (“**DCF**”) method and the estimated realisable value of any surplus and non-operating assets and liabilities;
- The application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets surplus and non-operating assets and liabilities;
- The amount which would be available for distribution on an orderly realisation of assets;
- The quoted price for listed securities; and
- Any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

#### Market based methods

Market based methods estimate the fair value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;

- The quoted price for listed securities; and
- Industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company’s securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

#### Income based methods

Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- Discounted cash flow; and
- Capitalisation of future maintainable earnings (“**CFME**”).

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

CFME is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“**FME**”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable target companies and the trading multiples of comparable listed companies. This methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax (“**NPAT**”). The earnings from any surplus and non-operating assets and liabilities are excluded from the estimate of FME and the value of such assets and liabilities is separately added/subtracted to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples

of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).

### Asset based methods

Asset based methodologies estimate the fair value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

## 5.2 Selection of valuation methodologies

### Valuation of GTN prior to the Offer

The valuation methodologies we have adopted for assessing the Fair Value of a GTN Share prior to the Offer have been selected having regard to the following:

- GTN has experienced relatively stable earnings at an EBITDA level over the Historical Period, allowing for the use of the CFME methodology;
- RG 111 states that an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, "**Forward-Looking Information**") in its report unless there are reasonable grounds for the forward-looking information. In our opinion, forward-looking information is inherently uncertain, and is only applied where both the use of current FME and multiples do not accurately reflect the value of a business and there are reasonable grounds to rely on the forward-looking information. In this instance, GTN's recent historical financial performance and the observed trading multiples are considered adequate in estimating the Fair Value of the Company, and accordingly budgets or long-term forecasts prepared by GTN's Management have not been relied on;
- GTN's securities are listed on the ASX, which provides an indication of the market value where an observable market for the securities exists; and
- Due to the nature of its operations, GTN is not an asset intensive business. Accordingly, an asset-based approach will not capture the future earnings potential of the business and will likely understate its value.

Having regard to the above, we consider it appropriate to utilise the CFME methodology as our primary valuation methodology. We have then utilised the quoted market price as our secondary valuation methodology, given the listed status of GTN.

### ***CFME methodology***

In valuing an ordinary share of GTN prior to the Offer we have utilised the CFME methodology having regard to the following:

- Normalised EBITDA over the Historical Period, with particular consideration of FY24 normalised EBITDA; and
- The trailing EV/EBITDA multiples of comparable companies.

### ***QMP methodology***

Prices at which a company's shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.

As a secondary methodology, we have considered the quoted market price by considering the historical VWAP of GTN Shares and the volatility of the share price prior to the announcement of the Offer.

In accordance with RG 111, we have assessed the value of GTN Shares on the basis of a 100% controlling interest.

### ***Analyst consensus price estimates***

We note that GTN is covered by multiple investment analysts who provide regular market updates on the financial performance of the Company and of the industry as a whole.

As a tertiary crosscheck, we have considered the consensus price estimates of GTN, as released by investment analysts.

## 6. Valuation of GTN

As stated in Section 5 of the Report, we have assessed the Fair Value of GTN on a 100% controlling interest basis, prior to the Offer, using the following valuation methodologies:

- CFME methodology; and
- Recent quoted price of listed securities.

### 6.1 Capitalisation of future maintainable earnings methodology

The table below sets out our assessment of the Fair Value of GTN on a 100% controlling interest basis, prior to the Offer, using the CFME methodology.

**Table 18. Valuation summary – Capitalisation of Future Maintainable Earnings**

\$'000	Low	High	Preferred
Maintainable EBITDA	27,500	28,500	28,000
Assessed multiple	5.50x	6.00x	5.75x
<b>Enterprise value (controlling basis)</b>	<b>151,250</b>	<b>171,000</b>	<b>161,000</b>
Add: net cash	15,166	15,166	15,166
Less: Dilutionary impact of options	(230)	(230)	(230)
<b>Equity value (control)</b>	<b>166,185</b>	<b>185,935</b>	<b>175,935</b>
No. of ordinary shares ('000)	195,978	195,978	195,978
<b>Equity Value per share</b>	<b>\$0.848</b>	<b>\$0.949</b>	<b>\$0.898</b>

Source: RSM Analysis

After adjusting for the number of options which service vesting conditions have passed as at the date of this Report (or as close as practically possible), our assessed value per GTN Share ranges between \$0.848 and \$0.949, with a preferred value at the mid-point of \$0.898.

Refer to Appendix D for our assessment of the dilutionary impact of the GTN employee share options.

#### Key assumptions

The CFME methodology estimates the value of the equity of a company by capitalising the future maintainable earnings of the business at an appropriate multiple, which reflects the underlying risk profile and growth prospects of the business, applying a premium for control where necessary, adding any surplus or non-operating assets (or deducting any excess or non-operating liabilities) and deducting net debt (or adding net cash). Accordingly, valuing GTN using the CFME methodology requires the determination of the following variables:

- Future maintainable earnings;
- An appropriate capitalisation multiple;
- An appropriate premium for control;
- The dilutionary impact of outstanding options;
- The current level of net cash or net debt; and
- The value of surplus assets and excess liabilities.

Our considerations with regard to each of these factors are presented below.



## Assessment of future maintainable earnings

In assessing the future maintainable earnings of GTN we have considered and reviewed the following:

- GTN's audited financial performance for FY21 to FY24;
- Changes in the nature of GTN's operations and financial performance;
- Any abnormal or non-recurring revenue or expense items discussed below;
- The market conditions and outlook of the general, broadcasting and advertising industries; and
- Our correspondence with GTN's Management.

We have selected the FY24 normalised EBITDA for GTN as the FME, since the performance of GTN has trended upwards during the Historical Period, and we consider this period to be the most relevant indicator of future maintainable performance. Our normalisation adjustments are presented in the table below.

**Table 19. Normalised EBITDA**

\$'000	FY24
<b>Operating profit / (loss)</b>	7,536
<i>Add back:</i>	
Depreciation and amortisation	13,264
Finance costs	1,546
<i>Less:</i>	
Interest income	(8,577)
<b>Reported EBITDA</b>	<b>13,769</b>
RSM adjustments:	
Foreign currency transaction losses	166
Loss on disposal of assets	525
Loss relating to GTN drone light show operations	1,700
CFO/General Counsel transition	2,100
Station Affiliate Contract Compensation amortisation expense	9,305
Station Affiliate Contract Compensation variance between accounting expense and cash payment	648
<b>Normalisation adjustments</b>	<b>14,444</b>
<b>Normalised EBITDA</b>	<b>28,213</b>

Source: GTN Annual Report and RSM Analysis

We note the following with respect to the normalisation adjustments:

- Added back foreign currency transaction losses of \$166k, which are considered non-recurring in nature;
- Added back \$525k losses recognised on the disposal of assets, which are considered non-recurring in nature;
- Added back \$1.7m relating to the losses incurred by the GTN drone light show operations in FY24. Given the early stage of development of the drone light show operations, we consider it prudent to exclude these losses in our assessment of normalised EBITDA in order to provide a reasonable representation of the future maintainable earnings of GTN. We understand from correspondence with Management that GTN anticipates approximately \$500k of expenses for the Australian drone light show operations in FY25, which is expected to be offset by any revenue generated. The Canadian drone light show business has been discontinued;
- Added back one-off transition costs of \$2.1m relating to the departure of the Chief Operating Officer / Chief Financial Officer and Executive Vice President, Business and Legal Affairs; and

- Adjusted for other non-cash expenses relating to the Southern Cross Austereo Affiliate Contract included in EBITDA, including:
  - Added back the station compensation expense of \$9.3m relating to the amortisation of the prepayment asset (and accumulated non-cash interest), which is a non-cash item; and
  - Adjusted for the difference of \$0.6m between the station compensation expense recognised in EBITDA of \$3.8m, relating to the straight lining of the contractually agreed annual station compensation expense, and the actual station compensation cash payment of (\$3.2m).

The above adjustments pertaining to the Southern Cross Austereo Affiliate Contract, in combination with the interest income deducted above in calculating the reported EBITDA, of which \$7.8m relates to the non-cash interest income recognised on the prepayment asset, ensures that our assessed normalised EBITDA of GTN is representative of the cash earnings (EBITDA) of GTN for FY24.

Based on the above, we have assessed an applicable FME to be in the range of \$27.5m to \$28.5m.

### **Assessment of capitalisation multiple**

The assessment of an appropriate earnings multiple to be applied in the assessment of the Fair Value of GTN requires consideration of a number of factors including:

- Stability and continuity of earnings;
- Size and lifecycle of the business;
- Capital structure and leverage of the Company;
- Expected growth prospects of the Company;
- Expected growth prospect of the broader industry;
- Trading multiples attributed by the market to other industry participants; and
- Multiples paid by the market in recent acquisitions of industry participants.

We note that GTN operates in a relatively narrow niche within the advertising and broadcasting industries. Consequently, directly comparable listed companies are not available. In considering an appropriate multiple to be applied, we have had regard to the listed trading multiples of a selection of companies operating in the advertising and broadcasting industries that are exposed to similar risks and industry dynamics as GTN.

The table below summarises the LTM EBITDA multiples of publicly listed comparable companies, including GTN. A description of each company is set out in Appendix F of the Report.

**Table 20. Comparable companies trading multiples**

Ticker	Company	Market Cap \$m	Enterprise Value \$m	LTM EBITDA \$m	EV/EBITDA multiple LTM
ASX:GTN <sup>1</sup>	GTN Limited	91.6	71.7	14.5	5.0x
<b>Generalist advertising comparable companies</b>					
XTRA:SAX	Ströer SE & Co. KGaA	5,133.6	7,930.7	897.3	8.7x
NYSE:CCO	Clear Channel Outdoor Holdings, Inc.	1,084.2	11,455.4	1,558.2	7.5x
ASX:OML	oOh!media Limited	695.0	1,594.6	204.4	7.8x
ASX:IGL	IVE Group Limited	317.5	559.7	104.5	5.4x
ASX:EGG	Enero Group Limited	117.5	95.4	39.5	2.4x
SEHK:1993	Asiaray Media Group Limited	83.7	486.4	136.6	3.6x
TSE:2411	Gendai Agency Inc.	43.6	15.6	2.7	5.5x
TSE:2156	Saylor Advertising, Inc.	32.2	31.2	0.5	59.2x
ENXTPA:ALPRI	Prismaflex International, S.A.	13.2	31.3	5.7	5.6x
	<b>Min</b>	<b>43.6</b>	<b>15.6</b>	<b>2.7</b>	<b>2.4x</b>
<b>Selected (Generalist advertising)</b>	<b>Max</b>	<b>5,133.6</b>	<b>11,455.4</b>	<b>1,558.2</b>	<b>8.7x</b>
	<b>Mean</b>	<b>1,231.9</b>	<b>3,608.6</b>	<b>467.8</b>	<b>6.2x</b>
	<b>Median</b>	<b>506.3</b>	<b>1,077.2</b>	<b>154.4</b>	<b>6.5x</b>

Source: S&P Capital IQ as at 7 October 2024

<sup>1</sup>GTN has been presented for illustrative purposes only. GTN's observed multiple and other metrics have been excluded from calculations, and EV and LTM EBITDA have been presented as reported.

Note: Purple shading denotes comparable companies excluded on the basis of an outlier multiple, share price volatility or other factors that impact the relevance and comparability to GTN

**Table 21. Comparable companies trading multiples (cont'd)**

Ticker	Company	Market Cap \$m	Enterprise Value \$m	LTM EBITDA \$m	EV/EBITDA multiple LTM
ASX:GTN <sup>1</sup>	GTN Limited	91.6	71.7	14.5	5.0x
<b>Generalist broadcasting comparable companies</b>					
XTRA:RRTL	RTL Group S.A.	7,620.2	11,236.8	1,467.8	7.6x
TSE:9404	Nippon Television Holdings, Inc.	5,852.3	4,369.3	546.9	7.5x
TSE:2433	Hakuhodo DY Holdings Inc	4,386.4	4,311.1	550.9	7.3x
TSE:9409	TV Asahi Holdings Corporation	2,084.7	1,526.1	274.6	5.2x
ASX:NEC	Nine Entertainment Co. Holdings Limited	1,947.2	3,131.2	422.5	7.4x
NYSE:GTN	Gray Television, Inc.	774.3	10,807.6	1,251.5	8.8x
NasdaqGS:IHRT	iHeartMedia, Inc.	454.7	8,836.1	1,087.0	8.2x
KOSE:A034120	Seoul Broadcasting System	326.1	343.2	74.9	4.5x
NasdaqGS:SSP	The E.W. Scripps Company	311.9	5,328.9	624.4	8.7x
TSE:9405	Asahi Broadcasting Group Holdings Corporation	267.1	216.4	37.7	5.4x
ASX:SWM	Seven West Media Limited	265.9	727.0	146.1	5.0x
ASX:A1N	ARN Media Limited	225.4	542.5	58.7	9.2x
LSE:STVG	STV Group plc	207.0	278.4	40.0	6.8x
NasdaqGM:SGA	Saga Communications, Inc.	130.0	111.8	20.9	5.4x
ASX:SXL	Southern Cross Media Group Limited	114.0	349.2	53.0	6.6x
NasdaqCM:UONE.K	Urban One, Inc.	82.4	850.7	141.8	6.1x
ASX:SEG	Sports Entertainment Group Limited	72.1	105.4	9.6	11.0x
TSX:TVA.B	TVA Group Inc.	54.5	147.8	18.0	8.3x
NasdaqGM:CMLS	Cumulus Media Inc.	34.8	1,143.1	122.0	9.5x
NasdaqCM:BBGI	Beasley Broadcast Group, Inc.	27.9	429.3	44.3	9.8x
	<b>Min</b>	<b>27.9</b>	<b>111.8</b>	<b>18.0</b>	<b>4.5x</b>
<b>Selected (Generalist broadcasting)</b>	<b>Max</b>	<b>7,620.2</b>	<b>11,236.8</b>	<b>1,467.8</b>	<b>9.8x</b>
	<b>Mean</b>	<b>1,324.6</b>	<b>2,878.2</b>	<b>367.5</b>	<b>7.2x</b>
	<b>Median</b>	<b>267.1</b>	<b>850.7</b>	<b>141.8</b>	<b>7.4x</b>
	<b>Min</b>	<b>27.9</b>	<b>15.6</b>	<b>2.7</b>	<b>2.4x</b>
<b>Selected (All)</b>	<b>Max</b>	<b>7,620.2</b>	<b>11,455.4</b>	<b>1,558.2</b>	<b>9.8x</b>
	<b>Mean</b>	<b>1,302.3</b>	<b>3,053.5</b>	<b>391.6</b>	<b>7.0x</b>
	<b>Median</b>	<b>311.9</b>	<b>850.7</b>	<b>141.8</b>	<b>7.4x</b>
	<b>Min</b>	<b>114.0</b>	<b>95.4</b>	<b>39.5</b>	<b>2.4x</b>
<b>Selected (ASX listed comparable)</b>	<b>Max</b>	<b>1,947.2</b>	<b>3,131.2</b>	<b>422.5</b>	<b>9.2x</b>
	<b>Mean</b>	<b>526.1</b>	<b>1,000.0</b>	<b>147.0</b>	<b>6.3x</b>
	<b>Median</b>	<b>265.9</b>	<b>559.7</b>	<b>104.5</b>	<b>6.6x</b>

Source: S&P Capital IQ as at 7 October 2024

<sup>1</sup>GTN has been presented for illustrative purposes only. GTN's observed multiple and other metrics have been excluded from calculations, and EV and LTM EBITDA have been presented as reported.

Note: Purple shading denotes comparable companies excluded on the basis of an outlier multiple, share price volatility or other factors that impact the relevance and comparability to GTN

We make the following observations in relation to the comparable companies and trading multiples considered above:

- Based on size, business activity, earnings profile and geography, we have considered the Australian listed companies to be the most comparable to GTN and consequently have placed more reliance on those multiples when selecting an appropriate capitalisation multiple for GTN. The mean and median LTM EBITDA multiples of the selected ASX listed companies are 6.3x and 6.6x, respectively.
- The mean and median LTM EBITDA multiples for the generalist advertising comparable companies are 6.2x and 6.5x, respectively.
- The mean and median LTM EBITDA multiples of the generalist broadcasting comparable companies are 7.2x and 7.4x, respectively.

- The share prices of the listed companies presented above represent the market value of a non-controlling interest. The EBITDA multiples derived from those share prices are consequently on a non-controlling interest basis and do not include a premium for control.

Based on our analysis, we have selected a comparable listed company EBITDA multiple range of 6.5x to 7.0x, which we have adjusted for control, size and other business specific risks of GTN as set out below.

### Premium for control

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- Access to potential synergies
- Control over decision making and strategic direction;
- Access to underlying cash flows; and
- Control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020 (“**RSM Control Premium Study**”). In determining the control premium, RSM compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the offer.

The table below sets out a summary of average control premiums relevant to the proposed transaction, as per the RSM Control Premium Study, of which all are applied at the equity level.

**Table 22. RSM Control Premium Study**

	Number of transactions	20 days pre	5 days pre	2 days pre
<b>Industry</b>				
Average control premium (Other)	125	29.6%	23.4%	21.7%
Average control premium (all industries)	605	34.7%	29.2%	27.1%
<b>Size</b>				
Average control premium (market capitalisation \$50 to \$100 million)	102	36.7%	32.6%	28.6%
<b>Other</b>				
Average control premium (Off-market bids)	282	37.3%	NA	NA
Average control premium (Cash consideration)	420	36.2%	30.9%	28.1%

Source: RSM Control Premium Study 2021

As the Offer represents a control transaction, in assessing the value of 100% of GTN and a share in GTN (on a controlling interest basis), we have applied a premium for control ranging between 30.0% and 35.0% with a preferred premium of 32.5%.

## Discount for size and business specific risk

In assessing the appropriate capitalisation multiple for GTN, we have considered the following:

- GTN is listed on the ASX and has a diversified geographical spread, with revenues generated in Australia, the UK, Canada and Brazil;
- GTN operates in a narrow niche of the broadcasting and advertising industry compared to the more diversified offerings of some of the comparable companies;
- The historical growth in earnings of GTN relative to the peer group; and
- The relative comparability of size between GTN and the peer group. GTN has a market capitalisation of circa \$91.1m which is smaller than the median market capitalisation of the selected comparable companies of \$272.0m.

On the basis of the above, we have assessed an appropriate discount for size and other business specific risk factors applicable to GTN to be 35.0%. We discuss the research that we have referenced in determining an appropriate size and business specific risk factor below.

- The discount for size represents the discount an investor will demand for investing in a small business relative to market peers. A number of studies have been undertaken attempting to establish the existence of and measure the size discount or size premium applied in the calculation of the cost of capital, in particular in the US. The most notable US study is the *Valuation Handbook* published by Kroll (formerly known as Duff & Phelps), which contains calculations of the size premium for each decile of market capitalisation of US companies.

Several Australian studies have also been undertaken demonstrating the existence of the size premium, including the most recent study by Macquarie University as set out in their Business Valuation paper entitled *The Size Premium: Australian Evidence*, which found evidence supporting the existence of a size premium. The application of size premiums in Australia is however somewhat subjective and largely based on professional judgement.

We have applied a discount for business specific risks based on our professional judgement, having considered the factors mentioned above.

On the basis of the above, we have assessed a controlling multiple range for GTN of 5.50x to 6.00x with a midpoint of 5.75x as set out in the table below.

**Table 23. Assessed EBITDA multiple**

	Multiple range		
	Low	High	Preferred
Historic multiple for comparable listed companies (Post AASB16)	6.50	7.00	6.75
Control premium %	30%	35%	33%
Control premium	1.95	2.45	2.19
<b>Controlling multiple</b>	<b>8.45</b>	<b>9.45</b>	<b>8.94</b>
Size and business specific discount	35% (2.96)	(3.31)	(3.13)
<b>Assessed EBITDA multiple</b>	<b>5.49</b>	<b>6.14</b>	<b>5.81</b>
<b>Rounded EBITDA multiple</b>	<b>5.50</b>	<b>6.00</b>	<b>5.75</b>

Source: S&P Capital IQ as at 7 October 2024 and RSM Analysis

## Multiple Cross Checks

As a cross check of our assessed earnings multiple, based on the observed multiples of publicly listed comparable companies, we have also considered the earnings multiples implied by transactions involving companies operating in the broadcasting and advertising industries in Australia and internationally. We note that due to the lower degree of comparability between GTN and the selected transactions, we have placed less reliance on the implied EV/EBITDA multiples based on transactions, than the multiples of comparable listed trading companies.

Details of the target companies' business descriptions are set out in Appendix G of the Report.

The table below summarises the historical earnings multiples of the observed comparable transactions.

**Table 24. Comparable Transaction EBITDA Multiples**

Date	Target Company	Buyer	Country	Implied Enterprise Value \$m (incl. control premium)	EBITDA LTM \$m	Adjusted implied EV/EBITDA Multiple LTM
<b>Generalist advertising</b>						
31/07/2024	Jun Group Productions, LLC	Verve Group SE	United States	283.4	58.0	4.9x
20/04/2020	Sanoma Media Netherlands B.V.	DPG Media Group NV	Netherlands	783.9	120.6	6.5x
<b>Generalist broadcasting</b>						
7/07/2022	Mediaset España Comunicación, S.A.	MFE-Mediaforeurope N.V.	Spain	1,855.4	339.7	5.5x
2/08/2021	Quincy Media, Inc.	Gray Television, Inc.	United States	1,255.1	181.9	6.9x
19/12/2019	PRT Company Limited	Seven West Media Limited	Australia	91.9	28.1	3.3x
31/10/2019	RedWave Media Ltd.	Southern Cross Austereo Pty Limited	Australia	28.3	3.5	8.0x
<b>Min</b>				<b>28.3</b>	<b>3.5</b>	<b>3.3x</b>
<b>Max</b>				<b>1855.4</b>	<b>339.7</b>	<b>8.0x</b>
<b>Average</b>				<b>716.4</b>	<b>122.0</b>	<b>5.8x</b>
<b>Median</b>				<b>533.7</b>	<b>89.3</b>	<b>6.0x</b>

Source: S&P Capital IQ as at 7 October 2024 and RSM Analysis

Note: Purple shading reflects transactions for a minority stake, to which we have applied a control premium of 32.5%

The observed transaction multiples relate to targets engaged in either advertising or broadcasting activities. Majority of the transactions involve the acquisitions of controlling stakes in the targets and therefore include a premium for control. We have applied a control premium of 32.5% to those transactions which involved the acquisition of minority interests in the targets.

We have placed limited reliance on the selected multiples due to the limited number of transactions available in Australia post the COVID-19 Pandemic ("COVID-19"). Further, the selected transactions offer varied business offerings with none of the targets in the transactions deemed to be directly comparable to GTN.

The six identified transactions have an implied EV/EBITDA range of 3.3x to 8.8x with mean and median multiples of 5.8x and 6.0x respectively. As the observed mean and median of transaction multiples are largely in line with our selected EV/EBITDA range of 5.5x to 6.0x, we consider that the transaction multiple analysis to be broadly supportive of the selected multiple range.

## Valuation of GTN – Enterprise Value

We have assessed the Enterprise Value of GTN to be in the range of \$151.3m to \$171.0, with a preferred value of \$161.0m, as detailed in the table below.

**Table 25. GTN Enterprise Value**

\$'000	Low	High	Preferred
Future Maintainable EBITDA	27,500	28,500	28,000
Assessed EBITDA Multiple	5.50x	6.00x	5.75x
<b>Enterprise Value (controlling interest basis)</b>	<b>151,250</b>	<b>171,000</b>	<b>161,000</b>

Source: RSM Analysis

## Net cash

We have calculated the net cash position of GTN to be \$15.2m as at 30 June 2024, as set out in [Table 9](#).

GTN's net cash consists of cash and cash equivalents of \$25.9m, which has been adjusted for operational/working capital requirements and the total consideration paid for share buybacks, income tax receivables of \$2.4m, financial liabilities of \$11.6m, and \$1.5m of contract liabilities which are established predominantly through cash receipts rather than the recognition of trade debtors.

The cash required for working capital has been calculated as the net of trade and other payables and trade and other receivables, of \$3.8m.

The total cash consideration paid for share buybacks since 30 June 2024 of \$1.9m is presented in [Table 11](#).

## Share capital

As at the date of the Report, GTN had a total of 195,978,364 ordinary shares on issue.

## GTN Options

As at the date of the Report, there were 7,690,076 GTN Options on issue, as detailed in the table below.

**Table 26. Summary of Options**

Recipients	No. of options	Issue date	Vesting date	Exercise Price	Expiry date	Vested %
Cody & Worobow	1,137,248	15-Nov-19	15-Nov-21	\$0.76	15-Nov-24	100%
Cody & Worobow	2,274,495	15-Nov-19	15-Nov-22	\$0.76	15-Nov-24	100%
Yde	333,333	13-Nov-20	13-Nov-22	\$0.42	13-Nov-25	100%
Various	438,332	12-Nov-21	12-Nov-23	\$0.52	12-Nov-26	100%
Various	876,668	12-Nov-21	12-Nov-24	\$0.52	12-Nov-26	0%
Cody & Worobow	304,999	17-Nov-22	17-Nov-24	\$0.41	17-Nov-27	0%
Cody & Worobow	610,001	17-Nov-22	17-Nov-25	\$0.41	17-Nov-27	0%
Various	266,666	27-Feb-23	27-Feb-25	\$0.59	27-Feb-28	0%
Various	533,334	27-Feb-23	27-Feb-26	\$0.59	27-Feb-28	0%
Cody & Worobow	304,999	17-Nov-23	17-Nov-25	\$0.39	17-Nov-28	0%
Cody & Worobow	610,001	17-Nov-23	17-Nov-26	\$0.39	17-Nov-28	0%
<b>Total</b>	<b>7,690,076</b>					

Source: FY24 annual report, Management and ASX announcements

We have included the dilutionary impact of 4,183,408 out of a total 7,690,076 GTN Options, which relates exclusively to those options where vesting conditions have passed, in our assessment of the Fair Value of a GTN Share prior to the Offer.



We note that, in the absence of the Offer, the GTN Options are subject to service vesting conditions, whereby the recipients need to remain employees of GTN over the vesting period for the GTN Options to vest.

On the basis that the recipients of the GTN Options are effectively “earning” the benefit of the GTN Options over time, we have only included within our valuation of GTN the dilutionary impact of the proportion of GTN Options which service vesting conditions have passed as at the date of the Report. We consider that the remaining GTN Options, and their potential dilutionary impact, is representative of future services that GTN will receive, being part of the future remuneration of the option recipients which, therefore, should not be reflected within our valuation of GTN prior to the Offer.

We have determined the dilutionary impact of the GTN Options to be \$230k as per the table below:

**Table 27. Fair value of GTN Options**

\$	Group 1	Group 2	Group 3	Group 4	Total
Number of Options	1,137,248	2,274,495	333,333	438,332	4,183,408
Vested	100%	100%	100%	100%	100%
<b>Hurdle (weighted number of options)</b>	<b>1,137,248</b>	<b>2,274,495</b>	<b>333,333</b>	<b>438,332</b>	<b>4,183,408</b>
Fair value per Option	0.0129	0.0129	0.2642	0.2221	
<b>Fair value of the Options</b>	<b>14,725</b>	<b>29,449</b>	<b>88,079</b>	<b>97,354</b>	<b>229,607</b>

Source: Management and RSM Analysis

Details of the assumptions and inputs we have used to value the potential dilutionary impact of the options are set out in Appendix D of the Report.

#### Treatment of excluded assets / liabilities

Based on our analysis of the GTN balance sheet as at 30 June 2024, we do not consider GTN to have any surplus assets or liabilities that require adjustment.

#### Assessed value of a GTN Share prior to the Offer under CFME

Our assessed Fair Value of a GTN Share prior to the Offer under the CFME methodology is in the range of \$0.848 to \$0.949, with a preferred value of \$0.898, on a controlling interest basis, as set out in the table below.

**Table 28. Valuation summary – capitalisation of future maintainable earnings**

\$'000	Low	High	Preferred
Maintainable EBITDA	27,500	28,500	28,000
Assessed multiple	5.50x	6.00x	5.75x
<b>Enterprise value (controlling basis)</b>	<b>151,250</b>	<b>171,000</b>	<b>161,000</b>
Add: net cash	15,166	15,166	15,166
Less: Dilutionary impact of options	(230)	(230)	(230)
<b>Equity value (control)</b>	<b>166,185</b>	<b>185,935</b>	<b>175,935</b>
No. of ordinary shares ('000)	195,978	195,978	195,978
<b>Equity Value per share - control</b>	<b>\$0.848</b>	<b>\$0.949</b>	<b>\$0.898</b>

Source: RSM Analysis

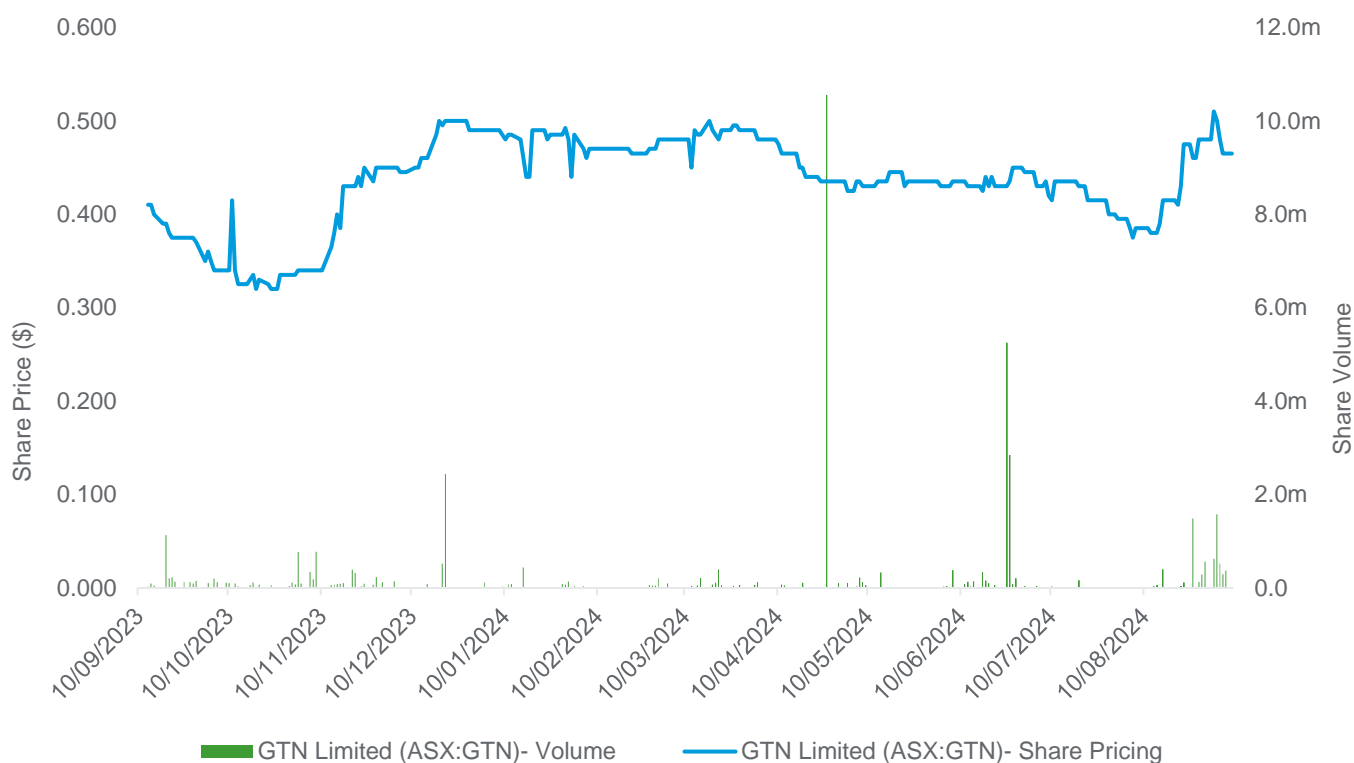
## 6.2 Quoted Price of Listed Securities Methodology

As a secondary methodology to assess the Fair Value of a GTN share, we have also assessed the Fair Value based on the quoted market price methodology.

The assessment only reflects trading prior to the announcement of the Offer in order to avoid the influence of any movement in price that may occur as a result of the announcement.

The chart below sets out a summary of GTN's closing share prices and traded volumes over the period 8 September 2023 to 8 September 2024, with the latter being the last day GTN shares traded prior to the announcement of the Offer.

**Figure 7. GTN's share price and volumes traded prior to the announcement of the Offer**



Source: S&P Capital IQ

RG 111.62 indicates that for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of a company's securities traded on a weekly basis;
- The bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in share price.

To provide further analysis of the quoted market prices for GTN's shares, we have considered the Volume Weighted Average Price ("VWAP") for the 5, 10, 30, 60, 90, 120, and 180 calendar days prior to the announcement of the Offer on 9 September 2024, as summarised in the following table.

**Table 29. VWAP of GTN shares**

No of Days	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	0.47786	0.4739	0.4668	0.4288	0.4292	0.4262	0.4356
Total Volume (000's)	3,392	5,867	6,568	15,945	17,685	29,581	34,553
Total Volume as a % of Total Shares (free float)	0.19%	1.71%	2.96%	3.32%	8.05%	8.93%	14.94%
Low Price	0.4500	0.4500	0.3750	0.3350	0.3350	0.3350	0.3350
High Price	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.5150

Source: S&P Capital IQ and RSM Analysis

As set out in the table above, GTN's shares traded at between \$0.335 and \$0.515 per share over the 180-day period before the announcement of the Offer.

We note the following:

- During the 180 days leading up to 8 September 2024, 15.0% of the issued capital of GTN was traded, and in the 60 days leading up to 8 September 2024, 3.3% of the issued outstanding share capital of GTN was traded;
- The bid/ask spread is often used to measure efficiency. For the 180-day period, the closing bid/ask spread of GTN averaged 6.0% of the midpoint price. On the basis that, over a comparable period, all stocks trading on the ASX had an effective average bid-ask spread of 0.17%<sup>2</sup>, we consider the bid/ask spread of GTN to be comparatively wide; and
- Notwithstanding the low levels of liquidity, GTN complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of GTN.

Based on the above, we have assessed the value of a GTN Share using the QMP method to be in the range of \$0.426 to \$0.467 (on a non-controlling basis), having specific regard to minimum and maximum VWAP over the historical 30 to 120 day period prior to the announcement of the Offer due to the low liquidity level of GTN.

### Control Premium

The quoted market price of listed securities methodology applied represents the value of a portfolio interest (non-controlling shareholding). Accordingly, we adjusted GTN's non-controlling value per the QMP methodology with a control premium ranging between 30.0% and 35.0% as discussed in Section 6.1 to determine a controlling interest value per share.

The table below sets out our assessment of the value of a GTN Share on a controlling interest basis, utilising the quoted price of listed securities methodology to be in the range of \$0.554 to \$0.630 with a preferred value of \$0.592.

**Table 30. Valuation of a GTN Share using Quoted Market Prices**

\$ per Share	Low	High	Preferred
Quoted market price (non-controlling interest basis)	\$0.426	\$0.467	\$0.446
Control premium	30.0%	35.0%	32.5%
<b>Assessed value per share (controlling interest basis)</b>	<b>\$0.554</b>	<b>\$0.630</b>	<b>\$0.592</b>

Source: RSM Analysis

<sup>2</sup> Equity market data for the quarter ended 30 June 2024 - ASIC

### 6.3 Investment analyst consensus price estimates

Due to the divergence of the Fair Value implied by the CFME methodology and the quoted market price methodology, we have performed a further tertiary cross check by considering the consensus price estimates as released by investment analysts covering GTN.

We note that GTN is covered by multiple investment analysts who provide regular market updates on the financial performance of the Company and of the industry as a whole.

The available investment analyst consensus price estimates for GTN are set out in the table below.

**Table 31. Consensus price estimates**

Analyst	Report Date	Target Price
Analyst 1	29/08/2024	\$0.710
Analyst 2	28/08/2024	\$0.750
Analyst 3	28/08/2024	\$0.750
Analyst 4	8/09/2024	N/A
Analyst 5 <sup>1</sup>	6/08/2024	\$0.350
<b>Mean</b>		<b>\$0.640</b>
<b>Mean (excl. outliers)</b>		<b>\$0.740</b>
<b>Median</b>		<b>\$0.730</b>
<b>Median (excl. outliers)</b>		<b>\$0.750</b>

Source: Analyst reports

<sup>1</sup> Analyst 5 has been excluded as an outlier

The share price estimate of GTN based on recent analyst reports range from \$0.35 to \$0.75, with a mean and median (excl. outliers) of \$0.74 and \$0.75 per share, on a minority basis.

As the consensus price estimates are calculated on a minority basis, we have adjusted them for a control premium range of 30% to 35%, as set out in the table below.

**Table 32. Consensus price estimates on a controlling basis**

\$	Per Share		
	Low	High	Preferred
<b>Median consensus price estimate (excl. outliers)</b>	<b>\$0.700</b>	<b>\$0.750</b>	<b>\$0.725</b>
Control premium	30.0%	35.0%	32.5%
<b>Median consensus price estimates on a controlling basis</b>	<b>\$0.910</b>	<b>\$1.013</b>	<b>\$0.961</b>

Source: RSM Analysis

The table above sets out the value of a GTN Share on a controlling interest basis, utilising the consensus price estimates, to be in the range of \$0.910 to \$1.013, with a preferred value of \$0.961.

The implied value per GTN Share, on a controlling basis, based on the available analyst consensus price estimates, aligns with our range of the Fair Value per GTN Share assessed under the CFME methodology.

## 6.4 Valuation summary

A summary of our assessed values of a GTN Share on a controlling interest basis prior to the Offer, derived under the two valuation methodologies and analyst consensus price estimates cross check, is set out in the table below.

**Table 33. GTN Valuation Summary**

\$	Per Share (on a controlling basis)		
	Low	High	Preferred
CFME (diluted) – primary methodology	\$0.848	\$0.949	\$0.898
Quoted price of listed securities – secondary method	\$0.554	\$0.630	\$0.592
Investment analyst consensus price estimates – tertiary cross check	\$0.910	\$1.013	\$0.961

Source: RSM Analysis

We have utilised the CFME methodology as our primary methodology in our assessment of the Fair Value of a GTN Share prior to the Offer and, accordingly, have assessed the Fair Value of a GTN Share prior to the Offer, on a controlling basis, to be in the range of \$0.848 to \$0.949 with a preferred value at the mid-point of the range of \$0.898.

We have also assessed the Fair Value of a GTN Share prior to the Offer using the quoted market price of listed securities (“QMP”) as a secondary methodology. We assessed the value of a GTN Share under the QMP methodology, on a controlling basis, as being in the range of \$0.554 to \$0.630, with a preferred value at the mid-point of the range of \$0.592, which is lower than the range assessed under the CFME methodology.

We consider that the lower traded share price of GTN Shares prior to the announcement of the Offer was reflective of a number of factors, including:

- Viburnum’s substantial shareholding in GTN; and
- The overall low liquidity of GTN Shares as observed in the relatively low volumes of shares traded on the ASX.

As a tertiary cross check, we have considered the consensus price estimates as released by investment analysts covering GTN. The implied value per GTN Share, on a controlling basis, based on the available analyst consensus price estimates, is in the range of \$0.910 to \$1.013, with a preferred value of \$0.961, and aligns with our range of the Fair Value per GTN Share assessed under the CFME methodology.

We note that our assessed Fair Value of a GTN Share prior to the Offer on a controlling basis based on both the CFME primary methodology, QMP secondary methodology and further investment analyst consensus price estimates is higher than the Offer Price per GTN Share.

In our opinion, we consider the Fair Value of a GTN Share to be between \$0.848 (84.8 cents) and \$0.949 (94.9 cents), with a preferred value at the mid-point of \$0.898 (89.8 cents) on a controlling interest basis.

## 7. Is the Offer Fair to the Non-Associated Shareholders?

RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer is equal to or greater than the value of the securities being the subject of the offer.

In assessing whether we consider the Offer to be fair to the Non-Associated Shareholders, we have valued a Share in GTN on a controlling interest basis prior to the implementation of the Offer and compared it to the value of the Offer Price to determine if a Non-Associated Shareholder would be better or worse off should the Offer be accepted.

Our assessed values are summarised in the table below.

**Table 34. Assessed Fair Value of a GTN Share prior to the Offer and the Offer Price**

	Low	High	Preferred
Fair Value of a GTN Share prior to the Offer (controlling basis)	\$0.848	\$0.949	\$0.898
Offer Price (100% cash)	\$0.465	\$0.465	\$0.465

Source: RSM Analysis

The above comparison is presented graphically below.

**Figure 8. Assessed Fair Value of a GTN Share prior to the Offer on a Controlling basis and the Offer Price**



Source: RSM Analysis

We have utilised the CFME methodology as our primary methodology in our assessment of the Fair Value of a GTN Share prior to the Offer and, accordingly, we concluded that the assessed Fair Value of a GTN Share prior to the Offer (controlling basis), is in the range of \$0.848 to \$0.949 with a preferred value at the mid-point of the range of \$0.898.

We also had regard to our assessment of the value of a GTN Share prior to the Offer using the quoted price of listed securities methodology as a secondary methodology. We assessed the value of a GTN Share under the QMP methodology as being in the range of \$0.554 to \$0.630, with a preferred value at the mid-point of the range of \$0.592, which sits below the Fair Value assessed under the CFME methodology.

We note that our assessed Fair Value of a GTN Share prior to the Offer on a controlling interest basis is higher than the Offer Price per GTN Share.

Accordingly, given the Offer Price per GTN Share is lower than the Fair Value of a GTN Share prior to the Offer (controlling interest basis), and in the absence of any other relevant information, in our opinion, the Offer is not fair to the Shareholders.

## 8. Is the Offer Reasonable to Non-Associated Shareholders

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the offer closes.

As such, we have also considered the following factors in relation to the reasonableness aspect of the Offer:

- The future prospects of GTN if the Offer does not proceed;
- The potential advantages and disadvantages of the Offer for the Non-Associated Shareholders, including the specific terms of the Offer;
- Viburnum's pre-existing shareholding in GTN, which is approximately 47.3% as at the date of this Report, increasing the likelihood of Viburnum holding a majority stake in GTN, and the implications of this for Non-Associated Shareholders;
- The liquidity the Offer provides;
- The extent to which a control premium is being paid;
- The likely price of GTN Shares post announcement of the Offer;
- The existence of alternative proposals; and
- The likelihood of a superior proposal emerging.

### 8.1 Future prospects of GTN if the offer is not accepted

In the event the Offer is not accepted by Non-Associated Shareholders, GTN will continue to operate as an ASX listed company such that Viburnum does not proceed to compulsory acquisition, unless delisting requirements are met, and Viburnum chooses to delist. The protections and risks for Non-Associated Shareholders of GTN delisting are discussed further in section 8. Otherwise, GTN Shareholders will retain their GTN Shares and will continue to have the benefits of their current GTN investment. Shareholders also will continue to be exposed to the risks of holding their GTN Shares.

We note that, as at the date of the Report (or as close as practically possible) the closing share price of GTN was \$0.470, in line with the opening price on the day of the announcement of the Offer of \$0.465. The historical 10-day, 60-day, 90-day and 120-day volume weighted average price ("VWAP") of GTN's Shares in the period prior to announcement of the Offer was \$0.474, \$0.429, \$0.429, and \$0.426 respectively. Since the announcement of the Offer, the GTN share price has traded broadly in line with the Offer Price. Therefore, should the Offer not be accepted by Non-Associated Shareholders, we consider it unlikely that, in the absence of an alternative proposal, GTN's share price would be affected in the short to medium term.

### 8.2 Implications of Viburnum obtaining control

#### Viburnum's ownership interest

As at the date of this Report, Viburnum (together with its Associates) has a relevant interest in GTN of approximately 47.3%. Consequently, Viburnum's relevant interest in GTN will likely act as an impediment to any alternative, superior offers, as another bidder will likely not succeed without Viburnum's agreement.

We note that Viburnum may obtain a controlling interest in GTN during the Offer Period or as a result of the Offer being accepted. The size of Viburnum's interest in GTN may result in decreased liquidity in GTN Shares and the presence of a controlling shareholder may impact the market appetite for GTN Shares at the current price. Furthermore, Viburnum's objectives as a controlling shareholder may be different to the objectives of Non-Associated Shareholders.

#### Potential consequences of Viburnum obtaining a controlling interest in GTN (greater than 50% but less than 90%)

In the event that Viburnum obtains a controlling stake in GTN, it will have the capacity to carry out its intentions as set out above and also may implement other actions not foreseen at this time.

If Viburnum reaches a shareholding of less than 90% under the Offer, it will remain entitled to increase its interest in GTN under the 'creep' provisions of the Corporations Act, which permit acquisitions of no more than 3% of a public company's issued capital every 6 months. To the extent that Viburnum continues to grow its interest in GTN, this will further reduce the free float of GTN and would likely impact on future liquidity in GTN Shares which may affect the GTN Share price. If Viburnum reaches a shareholding of 90% or greater under the 'creep' provisions, it will be entitled to acquire the remaining shares it does not own under the general compulsory acquisition provisions of the Corporations Act (discussed below).

If Viburnum reaches a shareholding of 50% it will have the ability to pass ordinary resolutions (50% of votes cast). If it reaches shareholding of 75% it will have the ability to pass special resolutions (at least 75% of votes cast and 50% of shareholders voting and present). The ability to pass special resolutions includes the ability to change the GTN constitution.

## **Potential consequences of Viburnum obtaining a 90% (or greater) interest in GTN**

### Compulsory acquisition rights

In addition to the post-bid compulsory acquisition of GTN Shares discussed above, if Viburnum reaches a shareholding of 90% or greater it may become entitled to exercise general compulsory acquisition rights in relation to GTN Shares and any securities that are convertible to GTN Shares under Part 6A.2 Division 1 of the Corporations Act. GTN would have 6 months from the date it becomes a 90% holder of GTN Shares to give compulsory acquisition notices to the remaining holders of GTN Shares and securities convertible into GTN Shares.

If Viburnum reaches a 90% shareholding but does not proceed with compulsory acquisition, remaining Non-Associated Shareholders and GTN Option holders will have buyout rights under Chapter 6A of the Corporations Act. In the case of Non-Associated Shareholders, unless Viburnum and the Non-Associated Shareholders agree on different terms, the terms that applied to the Offer at the end of the Offer Period will apply to the buyout.

### Risk of delisting GTN from the ASX

If Viburnum reaches a shareholding of 90% or greater it may arrange for GTN to be removed from the official list of the ASX. There are also circumstances where a shareholder with less than a 90% interest could seek to delist a company from the ASX. However, there are significant safeguards in place in this circumstance to protect the interests of minority shareholders, including any decision to apply to ASX to delist GTN would need to be made by the board of directors;

- A board of directors can only decide to seek a delisting if it concludes that delisting is in the best interests of the company and company shareholders as a whole at the relevant time;
- The ASX (Guidance Note 33) states that it will use its discretion to ensure that the delisting of any entity is being sought for 'acceptable reasons'. ASX states that a request to remove an entity from ASX that is primarily or solely aimed at denying minority securityholders a market for their securities or in order to coerce them into accepting an offer from a controlling securityholder to buy their securities at an undervalue, would be an unacceptable reason for requesting removal from the official list of ASX;
- ASX applies a number of guidelines to safeguard the interests of minority shareholders in the context of any proposed delisting; and
- A key ASX guideline relates to whether the approval of minority shareholders is required. In a post-takeover scenario (where shareholders have had the opportunity to sell their shares into the bid), ASX says that a vote would most likely not be needed if each of the following four conditions are met;
  - Viburnum has attained ownership or control of at least 75% of GTN Shares;
  - There are fewer than 150 GTN Shareholders (excluding Viburnum and its Related Bodies Corporate) whose shareholding is worth at least \$500;
  - The Offer remains open for at least an additional 2 weeks after Viburnum has attained ownership or control of at least 75% of GTN Shares; and
  - GTN has applied for removal from the official list of ASX no later than one month after the close of the Offer.

If GTN is ultimately delisted at some point in the future any remaining GTN Shareholders (i.e., those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of disadvantages for those GTN Shareholders, such as:



- The absence of an orderly, transparent and timely mechanism for share trading;
- Restricted information compared to that currently provided as GTN would no longer be subject to the continuous disclosure requirements of the Listing Rules. We note, if GTN remains a public company after delisting and has at least 100 members, GTN would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and
- The ceasing of various requirements and protections for minority shareholders under the Listing Rules.

### 8.3 Viburnum's intentions

Viburnum has stated its intentions in relation to GTN depending upon the level of ownership it obtains. We set out below a summary of Viburnum's stated intentions and consider that the level of interest obtained by Viburnum may impact the future position of Non-Associated Shareholders, including share price, depending on Viburnum's level of influence or control.

- In the event that Viburnum acquire less than 50% of GTN Shares, Viburnum's current intention is to continue to manage its stake in GTN with a view to maximising returns from its investment, and it may seek to acquire additional GTN Shares to the extent permitted by the law.
- In the event that Viburnum acquires more than 50% but less than 90% of GTN Shares, Viburnum's current stated intentions are:
  - Subject to the Corporations Act and GTN's constitution, appoint that number of nominees to the GTN Board such that the proportion which Viburnum nominees represent of the total number of directors on the GTN board equals or exceeds the proportionate ownerships interest of Viburnum in GTN. Viburnum does not intend to change the Chairperson of the GTN board.
  - Viburnum intends to propose the GTN Board that it conduct a general strategic review of the Company's capital structure, capital allocation, dividend policy, debt levels, assets, businesses and operations. Viburnum has stated that it does not intend to make changes to management, core operations or GTN's business model. As part of the strategic review, Viburnum would ask the GTN Board to consider the potential for mergers and acquisitions and the potential disposal of GTN's non-core assets and operations. Viburnum intends, subject to the approval of the GTN board, to participate in this review.
  - The ability of GTN to retain its listing on the ASX will be subject to ongoing requirements under ASX Listing Rules (including there being a sufficient number and spread of shareholders). If GTN is not able to satisfy these requirements, the ASX may require GTN to be delisted, regardless of the result of the review undertaken by the GTN Board.
  - Viburnum may, at some later time, acquire further GTN Shares, in a manner consistent with, and permitted by, the Corporations Act.
  - If Viburnum becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it may exercise those rights.
- We note, if Viburnum acquire more than 90% (by number) of GTN Shares at completion of the Offer and acquire at least 75% (by number) of GTN Shares for which it has made an offer, it is entitled to proceed with a post-bid compulsory acquisition of the outstanding GTN Shares and any securities that are convertible to GTN Shares and at its discretion delist GTN. As at the date of the Bidder's Statement, Viburnum has not decided if it would proceed with compulsory acquisition of GTN shares or delist the Company from the ASX. In the event that Viburnum acquire more than 90% and more than 75% of GTN Shares for which it has made an offer, and Viburnum decided to maintain GTN's ASX listing, the listing would be subject to the ability to maintain sufficient shareholder spread.

## 8.4 Advantages and disadvantages of accepting the Offer

The key advantages of the Offer are outlined below.

**Table 35. Advantages of the Offer**

Advantage	Details
Realisation of value in the form of cash	<p>As the Offer is for 100% cash consideration, it provides Non-Associated Shareholders who accept the Offer with certainty of value and removes the risks and uncertainties of remaining a GTN Shareholder, including;</p> <ul style="list-style-type: none"> <li>• The ability of GTN to execute its strategy (including any strategy resulting from a strategic review);</li> <li>• Potential competitive threats and potential adverse shifts in the market for GTN's products and services; and</li> <li>• General market and macroeconomic conditions.</li> </ul> <p>Historically, the liquidity of GTN's shares have been low, with 8.3% of issued capital traded in the 90-days pre-announcement. Depending on the size of a Non-Associated Shareholder's stake, in the absence of the Offer, the level of liquidity of GTN Shares may be an impediment to crystallising a Non-Associated Shareholder's interest at the current trading price.</p> <p>The Offer provides Non-Associated Shareholders the ability to exit their holdings at the Offer Price which is comparable to the recent trading price of GTN Shares prior to the Offer.</p>
No stamp duty or brokerage fees in accepting the Offer	<p>Non-Associated Shareholders will not pay stamp duty or brokerage fees on the sale of their GTN Shares if they accept the Offer, when compared to selling directly via the share market (ASX).</p> <p>We note an alternative offer may also allow Non-Associated Shareholders the ability to exit their investment without the need to pay any stamp duty or brokerage fees.</p>
Exit opportunity for minority shareholders	<p>In the event that Viburnum obtains a controlling stake in GTN, it will have the capacity to carry out its intentions as discussed above and also may implement other actions not foreseen at this time. Viburnum's objectives as a controlling shareholder may be different to the objectives of Non-Associated Shareholders.</p> <p>We note that Viburnum will control the dividend policy which may impact on the future dividend payout ratio, control the appointment of directors, and have the ability to block resolutions. Non-Associated Shareholders who accept the Offer will mitigate the risk of being a minority shareholder with a limited collective ability to influence decisions.</p>
Guaranteed liquidity event	<p>If Viburnum reaches a shareholding of less than 90% under the Offer, it will remain entitled to increase its interest in GTN under the 'creep' provisions of the Corporations Act. To the extent that Viburnum continues to grow its interest in GTN, this will further reduce the free float of GTN and would likely impact on future liquidity in GTN Shares which may affect the GTN Share price. The level of Viburnum's interest in GTN may result in decreased liquidity in GTN Shares and the presence of a controlling shareholder may impact the market's appetite for GTN shares at the current price. The Offer provides Non-Associated Shareholders with a guaranteed liquidity option, and the opportunity to mitigate the risk of further reduced liquidity of GTN Shares should Viburnum's interest in GTN increase.</p>
Ability to block special resolutions	<p>If Viburnum reaches a shareholding of 50% or 75% it will have the ability to block ordinary resolutions and special resolutions, respectively. The Offer provides Non-Associated Shareholders with the option to exit GTN before Viburnum reaches both the 50% and 75% threshold.</p>

Advantage	Details
Avoid the risks of becoming a minority shareholder of an unlisted company	<p>If Viburnum acquire more than 90% (by number) of GTN Shares and at least 75% (by number) of GTN Shares for which it has made an Offer, at completion of the Offer, it is entitled to proceed with a compulsory acquisition of the outstanding GTN Shares. As at the date of the Bidder's Statement, it has not yet been decided if Viburnum will proceed with the compulsory acquisition of outstanding shares and/or arrange for GTN to be removed from the official list of the ASX.</p> <p>As discussed above, a controlling shareholder with less than a 90% interest may also seek to delist a public company, subject to certain safeguards for minority shareholders.</p> <p>Accordingly, Non-Associated Shareholders who have not accepted the Offer may become minority shareholders of an unlisted company with limited opportunities to realise their investment. The Offer provides Non-Associated Shareholders with an opportunity to mitigate this risk.</p>

Source: RSM Analysis

The key disadvantages of the Offer are set below.

**Table 36. Disadvantages of the Offer**

Disadvantage	Details
The Share Offer is not fair	The Offer Price falls below the low end of our assessed Fair Value range for GTN shares on a 100% controlling interest basis. Furthermore, the Offer Price does not include a premium for control over the recent trading price of GTN Shares.
No or limited implied premium for control	As illustrated below, the Offer Price does not include a premium for control over the recent trading price of GTN Shares (based on the 30-day VWAP). The Offer Price implies a premium of 7.8% and 7.7% over the 60-day VWAP and 90-day VWAP respectively, which is lower than the average control premium of between 30% and 35% which we have assessed as being reasonable in the circumstances (as set out in our analysis in Section 6).
Participation in future growth	<p>Shareholders who elect to receive the Offer Price will no longer hold an interest in GTN and will therefore not participate in any future value created by GTN over and above that reflected in the Offer Price.</p> <p>Notwithstanding the risks and potential disadvantages to Non-Associated Shareholders of the presence of a controlling shareholder, in the event that Viburnum obtain control of GTN, the results of the intended strategic review, and its subsequent implementation may result in improved outcomes for Non-Associated Shareholders, including an increased share price.</p>
Potential tax considerations	<p>Acceptance of the Offer and the disposal of GTN Shares will trigger a capital gains tax ("CGT") event for Non-Associated Shareholders.</p> <p>The tax implications will vary between Non-Associated Shareholders depending on their personal circumstances and, therefore, individual taxation advice should be obtained.</p>
Change in investment profile	Acceptance of the Offer may result in disadvantages to those who wish to maintain their current investment profile. GTN Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of GTN and may incur transaction costs in undertaking a new investment.
Loss of potential superior proposal	Notwithstanding the impediments implied by Viburnum's current shareholding level, it is possible that a superior proposal which is more attractive for Non-Associated Shareholders than the Offer, may be made in the future. We are not aware of any superior proposal as at the date of this Report.

Source: RSM Analysis

## 8.5 The extent to which a control premium is being paid

An analysis of the volume-weighted average price (“VWAP”) of GTN Shares based on trading on the ASX over the 30, 60 and 90 days prior to the Offer is set out in the table below, indicating the implied discount of the Offer of 0.4% over the 30 day VWAP and premium of the Offer of 7.8% and 7.7% on the 60 and 90 day VWAP respectively.

**Table 37. Assessment of implied premium/discount being offered**

Implied discount	30-Day	60-Day	90-Day
Offer price	\$0.465	\$0.465	\$0.465
GTN VWAP	\$0.467	\$0.429	\$0.429
<b>Implied discount/(premium)</b>	<b>0.4%</b>	<b>(7.8%)</b>	<b>(7.7%)</b>

Source: S&P Capital IQ

## 8.6 Alternative proposals to the Offer

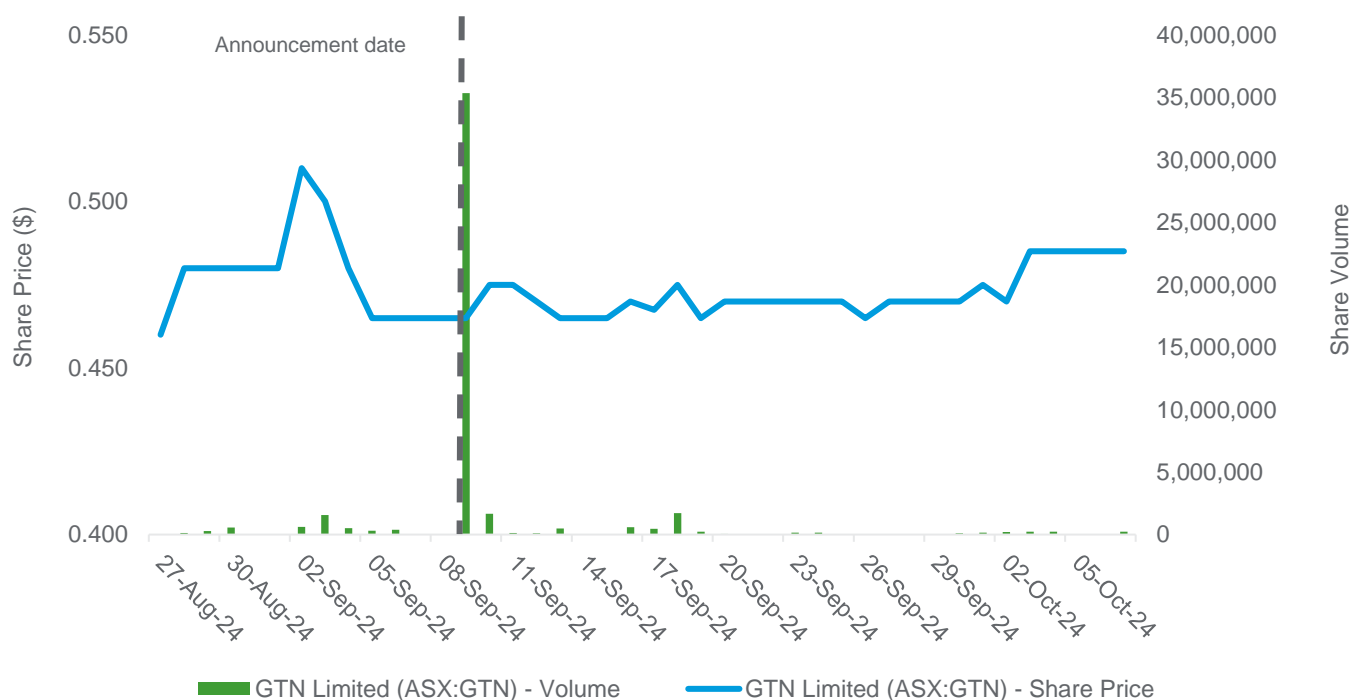
The Independent Board Committee of GTN have advised that no formal alternative offers or approaches by potential acquirers had been received prior to the announcement of the Offer on the date of the Report (or as close as practically possible).

## 8.7 The price of GTN Shares after the announcement of the Offer

We have reviewed the movements in the GTN share price since the Offer was announced on 9 September 2024.

A graph of the closing share price in the two weeks prior to and the four weeks following the announcement is shown below.

**Figure 9. GTN share price pre- and post-announcement**



Source: RSM Analysis and S&P Capital IQ

The Share price closed at \$0.465 on the day of the announcement of the Offer, unchanged from its opening price of \$0.465, and in the period since the Offer has traded in the range of \$0.465 to \$0.485.

The 20-day VWAP of GTN's shares for the period after the announcement was \$0.471, which was 0.7% lower than the 10-day VWAP prior to the announcement of the Offer of \$0.474, 9.8% higher than the 60-day VWAP prior to the announcement of the Offer of \$0.429, 9.7% higher than the 90-day VWAP prior the announcement of the Offer of \$0.429 and 10.4% higher than the 120-day VWAP prior to the announcement of the offer of \$0.429.

## 8.8 Conclusion on Reasonableness

The key factors we have considered in assessing the reasonableness of the Offer are:

- The Offer Price is below the low end of our assessed value range for a GTN Share on a controlling basis and is therefore, not fair.
- No control premium is reflected in the Offer Price based on the most recent trading price and 30-day VWAP.
- By accepting the Offer, Non-Associated Shareholders would be foregoing the opportunity to participate in any upside associated with the future performance of GTN, including possible benefits arising from the outcome of the strategic review that Viburnum intend to propose.
- At the date of the Offer, Viburnum and its associates had a 35.6% interest in GTN. Since the announcement of the Offer, Viburnum has increased its interest in GTN to approximately 47.3% through on-market share purchasers. We have had regard to the various consequences of Viburnum's current ownership interest in GTN including its effect on the likelihood of GTN receiving an alternative offer.
- The risks to Non-Associated Shareholders with the potential presence of a controlling shareholder, including but not limited to the future dividend policy.
- The risks to Non-Associated Shareholders of becoming a minority shareholder of an unlisted company should Viburnum be in a position to, and proceed with, a de-listing of GTN from the ASX.

In the absence of any other relevant information and/or a superior proposal, and having regard to the relative advantages and disadvantages, we consider the Offer to be **not reasonable** to Non-Associated Shareholders.

Whilst we have, on balance, assessed the Offer to be not reasonable to Non-Associated Shareholders, the assessment of reasonableness is complex and includes significant risks to Non-Associated Shareholders, including holding a minority interest in a listed entity with a controlling shareholder and the risk of GTN being delisted from the ASX. The assessment of reasonableness could therefore vary depending on the evolving circumstances of the Offer, such as the level of acceptances, the prevailing market price of GTN Shares. The factors set out in the assessment of reasonableness also need to be weighed having regard for the risk appetite, investment preferences and tax position of each Non-Associated Shareholder. If in doubt, Non-Associated Shareholders should consult an independent advisor.

# APPENDICES

## A. Declarations and Disclaimers

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Nadine Marke have extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of GTN in considering the Offer. We do not assume any responsibility or liability to any party as a result of reliance on the Report for any other purpose.

### Reliance on Information

The statements and opinions contained in the Report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of GTN and Viburnum, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of the Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of the Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of the Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Offer, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of \$50,000 (excluding goods and services tax ("GST")) based on time occupied at normal professional rates for the preparation of the Report. The fees are payable regardless of whether the Non Associated Shareholders accept the Offer.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of the Report in the form and context in which it is included with the Target's Statement to be issued to Shareholders. Other than the Report, neither of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Target's Statement. Accordingly, we take no responsibility for the content of the Target's Statement.

## B. Sources of Information

In preparing the Report, we have relied upon the following principal sources of information:

- The Bidder's Statement;
- The Draft Target's Statement;
- GTN's audited financial statements for the years ended 30 June 2021, 30 June 2022, 30 June 2023, and 30 June 2024;
- Details of GTN Shareholders;
- GTN Limited ASX announcement dated 9 September 2024 in relation to the Offer proposed by Viburnum;
- ASX announcements of GTN and Viburnum;
- S&P Capital IQ database;
- Connect4 database;
- IBISWorld;
- Information provided to us throughout correspondence with the Directors and Management of GTN and Viburnum; and
- GTN and Viburnum websites.



## C. Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
\$ or AUD	Australian dollar
Act or Corporations Act	Corporations Act 2001 (Cth)
Advertising Agencies	Advertising Agencies in Australia Industry
AEST	Australian Eastern Standard Time
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES	Accounting Professional & Ethical Standards
ASIC	Australian Securities and Investments Commission
Associate	Has the meaning given in section 12 of the Corporations Act
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the Australian Stock Exchange amended from time to time
ATN	Australian Traffic Network
ATO	The Australian Taxation Office
Bidder's Statement	The statement issued by Viburnum on 9 September 2024 in relation to the unconditional off-market takeover offer to acquire all the ordinary shares in GTN.
bn	Billion
BTN	Brazil Traffic Network
C\$	Canadian dollar
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CFME	Capitalisation of future maintainable earnings
CFO	Chief Financial Officer
CGT	Capital gains tax
Controlling Interest Basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held.
Corporations Act	The Corporation's Act of 2011
COVID-19	Coronavirus disease declared a global pandemic by the World Health Organisation on 11 March 2020
CTN	Canadian Traffic Network
DCF	Discounted Cash Flow
DLOC	Discount for lack of control
DSR	Deferred share rights
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the Enterprise Value.
FME	Future Maintainable Earnings
Forward-looking information	Prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters.
Free-to-Air Television Broadcasting	Free-to-Air Television Broadcasting in Australia Industry
FSG	Financial Services Guide
FX	Foreign Exchange
FY21	Financial year ended 30 June 2021
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
FY24	Financial year ended 30 June 2024
GN33	ASX Guidance Note 33
GST	Goods and services tax
GTN Board	The board of Directors of GTN from time to time
GTN Options	The options on issue in GTN Limited
GTN or Target, the	GTN Limited
GTN Shareholders	Shareholders in GTN Limited
GTN Shares or Shares	The ordinary shares on issue in GTN Limited
Historical Period, the	FY21, FY22, FY23 and FY24
IFRS	International Financial Reporting Standards
Independent Board Committee	The GTN Board committee formed to consider the Offer, comprising the GTN directors who are independent of Viburnum and its Associates which, as at the date of this Report, means each of Mr Peter Tonagh, Mr David Ryan and Ms Corinna Keller.
IT	Information Technology
k	Thousands
LTM	Last twelve months

Term or Abbreviation	Definition
m	Millions
M&A	Merger & acquisition
Management, or Mgmt.	The management of GTN
Market Value or Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length.
Minority or Non-Controlling Interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
Non-Associated Shareholders or Shareholders	Shareholders who are not a party, or associated to a party, of the Offer
NPAT	Net profit after tax
Offer Participants	Each person who is a GTN Shareholder on the Offer Record Date
Offer Price	For each Offer Share held by the Offer Participant, the component of the Offer Price which comprises cash, calculated in accordance with, and subject to, the terms and conditions of the Offer. For the purposes of the Offer, this comprises a cash consideration of \$0.465 for each GTN share.
Offer, the	The proposed unconditional off-market takeover offer by Viburnum to acquire all the ordinary shares in GTN.
Options	Employee share options
the Plan	GTN Long Term Incentive Plan
PLEO	Proliferated Low Earth Orbit
PPE	Property plant and equipment
QMP	Quoted market price of listed securities
Radio Broadcasting	Radio Broadcasting in Australia Industry
RBA	Reserve Bank of Australia
Record Date or Offer Period, the relevant interest	The date and time on which the entitlements to receive the Offer Price under the Offer will be determined being 7:00pm Australian Eastern Standard Time on 9 September 2024. Has the meaning given in the Corporations Act
Report, the or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
ROU	Right-of-use
RSM Control Premium Study	RSM study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020
RSM, we, us or our	RSM Corporate Australia Pty Ltd
RSU	Restricted share units
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
SME	Small and medium enterprises
Superior Proposal	Has the meaning given to the term as defined in the Bidder's Statement
SVOD	Subscription video on demand
Target's Statement	The statement issued by GTN attached to the Report in relation to Viburnum's unconditional off-market takeover offer to acquire all the ordinary shares in GTN
Undisturbed Share Price	the closing price of GTN Shares on the Last Undisturbed Closing Date, being \$0.47.
TV	Television
UKTN	Global Traffic Network UK
VFSEF	Viburnum Funds Strategic Equities Fund
Viburnum	Viburnum Holdings Pty Ltd
Viburnum Funds	Viburnum Funds Pty Ltd
Voting power	Has the meaning given in the Corporations Act
VWAP	Volume weighted average share price

## D. Assessment of impact on Fair Value of the potential dilutive impact of GTN Options

### GTN Long Term Incentive Plan – Prior to the Offer

At the date of this Report, GTN has 7,690,076 unquoted Options on issue. The GTN Board, at their discretion can decide whether the unvested Options will vest upon the acceptance of the Offer. Therefore, per discussions with Management, we have assessed the Fair Value of a GTN share prior to the Offer factoring in the dilutionary impact of the Plan, ignoring the impact of the early vesting and exercise that will occur only as a result of the Offer being accepted. As a result, total unlisted Options on issue with vesting conditions passed and included in our dilutionary impact assessment is 4,183,408.

We note that, in the absence of the Offer, the Plan is subject to service vesting conditions, whereby the recipients need to remain as employees of GTN over the vesting period to enable the unlisted Options to vest. On the basis that the recipients of the Plan are effectively “earning” the benefit of the Plan over time, we have only included within our valuation of GTN, the dilutionary impact of the proportion of unlisted Options for which the vesting condition has passed as at the most recent practical date for the Report. We consider that the remaining balance of the potential dilutionary impact of the Plan to represent the future services that GTN will receive, being part of the future remuneration of the Plan recipients which, therefore, should not be reflected within our valuation of GTN prior the Offer.

### Options

As the GTN Options are American options (may be exercised at any time before the expiration date), we have utilised the binomial options valuation model to enable expected early exercise of the unlisted Options to be factored into the valuation.

The binomial model uses either a binomial or a trinomial distribution process to derive value by separating the total maturity period of the option into discrete periods. When progressing from one time period, or node, to another, the underlying common stock price is assumed to have an equal probability of increasing and/or decreasing by upward and downward price movements.

The key inputs and assumptions we have used in the binomial model to value the potential dilutionary impact of the unlisted options are set out in the next table.

**Table 38. Key inputs in the valuation of the GTN options**

GTN Options - Vested	Group 1	Group 2	Group 3	Group 4
Valuation Date	22/09/2024	22/09/2024	22/09/2024	22/09/2024
Vesting Date	15/11/2021	15/11/2022	13/11/2022	12/11/2023
Expiry Date	15/11/2024	15/11/2024	13/11/2025	12/11/2026
Exercise price	\$0.76	\$0.76	\$0.42	\$0.52
Current share price	\$0.68	\$0.68	\$0.68	\$0.68
Maximum option life in years	0.1	0.1	1.1	2.1
Volatility	38.77%	38.77%	47.24%	46.86%
Risk free rate	3.55%	3.55%	3.55%	3.55%
Dividend yield	5.6%	5.6%	5.6%	5.6%
Early Exercise Factor	2.5	2.5	2.5	2.5
Vesting Period (Years)	0.00	0.00	0.00	0.00
Trinomial steps	200	200	200	200
<b>Option Value</b>	<b>0.0129</b>	<b>0.0129</b>	<b>0.2642</b>	<b>0.2221</b>
Number of Options	1,137,248	2,274,495	333,333	438,332
Portion Vested	100%	100%	100%	100%
<b>Total Value</b>	<b>14,725</b>	<b>29,449</b>	<b>88,079</b>	<b>97,354</b>

Source: Management information and RSM Analysis.

**Valuation date and option life** – we have valued the options as at the date of the Report (or as close as practically possible) and accordingly, have calculated the remaining option life in years based on the date of the Report to the expiry date.

**Exercise price** – All options have an exercise price ranging from \$0.42 to \$0.76, with Group 1 and Group 2 having an exercise price of \$0.77. Group 3 has an exercise price of \$0.42, and Group 4 has an exercise price of \$0.52

**Current share price** – we have adopted a share price of \$0.68, being the preferred share price of a GTN Share as per our valuation summary set out in Section 6.3, adjusted for a discount for lack of control (“**DLOC**”) <sup>3</sup>, which is the inverse of our preferred control premium, as set out in the table below:

**Table 39. Discount for lack of control**

\$	Preferred value
<b>Equity Value per ordinary share on a controlling basis</b>	<b>\$0.90</b>
Discount for lack of control	24.5%
<b>Equity Value per ordinary share on a minority basis</b>	<b>\$0.68</b>

Source: RSM Analysis

**Volatility** – the volatility of the share price is a measure of the uncertainty about the returns provided by GTN shares. Generally, it is possible to predict future volatility of a stock by reference to its historical volatility. A share with a greater volatility has a greater time component of the total value.

Our assumption is predicated on the fact that historical volatility is representative of expected future volatility.

Based on the above, and having regard to the liquidity and historical volatility of GTN’s shares, we have included a volatility of 38.77% for Group 1 and Group 2, 47.24% for Group 3 and 46.86% for Group 4 respectively in our assessment, based on the average daily and weekly share price volatility of GTN for the preceding three years.

**Risk free rate** – we have determined the risk-free rate based on the yield of appropriate Commonwealth bond rates as at 24 September 2024 that cover the period that best match the life of the options for each group as at the valuation date as set out above.

**Dividend yield** – an annual average dividend yield of 5.6% was paid over the last two years and has been utilised as the assumed dividend yield going forward.

**Early exercise factor** – Expected early exercise is factored into the valuation by our application of the binomial model. The model incorporates an exercise factor, which determines the conditions under which an option holder is expected to exercise their options. It is defined as a multiple of the exercise price (e.g., 2.5 would mean that on average option holders tend to exercise their options when the stock price reaches 2.5 times the exercise price).

This is considered more reliable than trying to guess the average time to exercise. For example, trying to estimate an average time after which option holders exercise is likely to be inaccurate as during periods when the market is high option holders are more likely to exercise early as opposed to times when the market is low. Using an exercise multiple, which is based on a robust theory of stock price behaviour/distribution overcomes these problems.

We have assumed that the exercise factor for these options is 2.5. There have been a number of historical studies that indicate that option holders early exercise options generally at between 2 to 3 times the exercise price, with the higher multiples generally attributable to more senior employees within the company.

<sup>3</sup> DLOC is calculated as  $1 - \left[ \frac{1}{(1 + \text{Control premium})} \right]$ , of which mid-point control premium of 32.5% is used (refer Section 6.3)

## GTN Options valuation summary

Based on the inputs and assumptions above, our assessed value of the potential dilutionary impact of the GTN Options prior to the Offer is set out in the table below.

**Table 40. GTN Options valuation summary**

\$	Group 1	Group 2	Group 3	Group 4	Total
Number of Options	1,137,248	2,274,495	333,333	438,332	4,183,408
Vested	100%	100%	100%	100%	100%
<b>Hurdle (weighted number of options)</b>	<b>1,137,248</b>	<b>2,274,495</b>	<b>333,333</b>	<b>438,332</b>	<b>4,183,408</b>
Fair value per Option	0.0129	0.0129	0.2642	0.2221	
<b>Fair value of the Options</b>	<b>14,725</b>	<b>29,449</b>	<b>88,079</b>	<b>97,354</b>	<b>229,607</b>

Source: Management, RSM Analysis

## E. Industry Overview

In evaluating the industries in which GTN operates, we have had regard to the following industries:

- Radio Broadcasting in Australia;
- Free-to-Air Television broadcasting in Australia; and
- Advertising Agencies in Australia

### Radio Broadcasting in Australia Industry

#### General overview

The following industry information has been extracted from IBISWorld report J5610 – Radio Broadcasting in Australia (“**Radio Broadcasting**”) – published June 2024.

The Radio Broadcasting industry has suffered dwindling listener numbers due to smartphones and tablets rising prominence making alternatives more accessible. COVID-19 had an adverse impact on advertising demand, with restrictions on people movement curbing radio listenership during peak commuting times. Improving economic conditions and an environment similar to pre-COVID-19 conditions are expected to generate a slight revenue recovery.

The key segments within the Radio Broadcasting industry include metropolitan commercial radio broadcasts (36.5%), regional commercial radio broadcasts (29.0%), public radio broadcasts (20.4%), and community radio broadcasts (14.1%).

Radio Broadcasting industry revenue dropped by an estimated CAGR of 1.5% in 2024 as traditional radio broadcasters faced increasing competition from alternative media platforms such as YouTube, Spotify, and Apple Music, leading to a decline in listenership. While radio still commands a loyal audience during commute hours, the rise of customisable playlists and personalised experiences on streaming platforms has drawn younger demographics away from traditional radio. Additionally, the accessibility of smartphones and tablets has further contributed to the shift in consumer preferences, impacting advertising revenue for radio broadcasters.

The key drivers that influence the Radio Broadcasting industry include:

- Demand from media buying agencies;
- Number of motor vehicles;
- Consumer sentiment index; and
- Mobile telecommunications density.

The factors leading to the current performance of the Radio Broadcasting industry include:

- Alternative media platforms diverting listeners from radio broadcasts;
- Radio broadcasters struggle to maintain profit margins amid tough conditions;
- Radio’s interactivity remains a attractor as changing trends urge broadcaster innovation; and
- Public radio benefits from government aid and community radio from strong local engagement.

#### Outlook

Australia’s Radio Broadcasting industry’s revenue is expected to increase at an annualised rate of 1.4% over the five years from \$1.6 billion in 2024 to \$1.7 billion in 2029. This growth can be attributed to the increasing adoption of technology in Australia’s online

radio industry is driving growth and accessibility for listeners. Stable economic growth is providing a supportive environment for radio profitability amidst intense competition and high wage costs. Online broadcasting is expanding radio's reach and variety, improving the listener experience.

## Free-to-Air Television Broadcasting in Australia Industry

### General overview

The following industry information has been extracted from IBISWorld report J5621 – Free-to-Air Television Broadcasting in Australia (“Free-to-Air Television Broadcasting”) – published June 2024.

Free-to-Air Television Broadcasting companies are grappling with shifts in consumer preferences as Australians increasingly consume television (“TV”) content online. This shift has precipitated a trend where advertising budgets gravitate more towards online platforms. Australia's sports broadcasting market is set for modest growth, with industry leaders planning to transform live sports viewing. Complemented by continuous government funding for other large broadcasters, this progress promises to support the industry over the coming years.

The key products and services within the Free-to-Air Television Broadcasting industry include Australian sport (35.7%), Australian light entertainment (30.2%), news and current affairs (16.4%), overseas drama and other programs (14.0%), and children's programs, local dramas and other content (3.7%).

Free-to-Air Television Broadcasting industry revenue declined by an estimated CAGR of 0.9% in 2024 as advertising spending in the broadcasting industry is declining as viewership shifts towards digital platforms like subscription video on demand (“SVOD”) services. Despite this, major broadcasters are adapting by launching their own streaming platforms and implementing cost-saving measures. Live sports and locally focused TV programs are maintaining viewership, while social media platforms are scooping up advertising budgets away from traditional broadcasters. Public free-to-air TV stations are gaining market share due to government funding, while regional TV advertising is seeing a downturn exacerbated by the global pandemic.

The key drivers of the Free-to-Air Television Broadcasting industry include:

- Demand from media buying agencies;
- Internet subscribers;
- Total minutes of television watched; and
- Pay-TV density.

The factors leading to the current performance of the Free-to-Air Television Broadcasting industry include:

- Advertising spending is dropping as broadcasting viewership declines;
- Live sports and locally focused TV maintain industry viewership; and
- Advertising budgets are increasingly focused on social media;

### Outlook

Australia's Free-to-Air Television Broadcasting industry's revenue is expected to increase at an CAGR of 0.7% over the next five years from \$4.8 billion in 2024 to \$4.9 billion in 2029. This growth can be attributed to enhancements in internet connectivity and speed are expected to increase accessibility to subscription video on demand services, while regulatory support and innovative industry strategies are set to propel significant growth in Australian sports broadcasting. Proposed subscription-video-on-demand service quotas may foster industry growth, and industry consolidation is likely to intensify, presenting challenges and opportunities for new entrants.

## Advertising Agencies in Australia Industry

### General overview

The following industry information has been extracted from IBISWorld report M6941 – Advertising Agencies in Australia (“Advertising Agencies”) – published December 2023.

The transition to digital advertising is underpinning growth for advertising agencies. Digital advertising services are increasing at the expense of traditional print and broadcast advertising services. Many larger advertising firms are focusing on providing integrated services for clients. This is generating an increase in merger and acquisition activity.

The key products and services within the Advertising Agencies industry include online and mobile advertising campaigns (53.6%), broadcast advertising campaigns (26.7%), print advertising campaigns (10.3%), billboard advertising campaigns (6.2%), and other advertising services (3.2%).

Advertising Agencies industry revenue declined by an estimated CAGR of 1.2% to 2024 as the advertising industry faced challenges with COVID-19 affecting demand and revenue. However, the industry has since seen a rebound in revenue alongside the recovery from the COVID-19 pandemic which has seen a recovery of demand, particularly in the online advertising sector. The recovery of the industry has been limited due to high interest rates and economic uncertainty affecting business confidence and revenue.

The key drivers of the Advertising Agencies industry include:

- Growth and profit generated by the business community;
- Demand from internet publishing and broadcasting;
- Business confidence index;
- Household consumption expenditure;
- Demand from broadcasting; and
- Demand from newspaper, periodical, book, and directory publishing.

The factors leading to the current performance of the Advertising Agencies industry include:

- Shifting media consumption habits are altering agencies’ service offerings;
- Data-driven advertising campaigns are reshaping the industry’s structure;
- Advertising agencies are expanding their value-added services to differentiate themselves from competitors;
- Employment numbers are growing while profitability is declining; and
- In-house advertising teams are reducing their reliance on traditional advertisement agencies.

### Outlook

Australia’s Advertising Agencies industry’s revenue is expected to increase at an CAGR of 1.4% over the next five years from \$3.6 billion in 2024 to \$3.8 billion in 2029. This growth can be attributed to Improving business confidence, recovery from the COVID-19 pandemic, and the shift towards online advertising models are set to drive the expansion and demand for advertising services.



## F. Comparable companies

Table 41. GTN comparable companies' business description

Trading comparable	Business description
<b>Generalist advertising comparable</b>	
Ströer SE & Co. KGaA	Ströer SE & Co. KGaA provides out-of-home (OOH) media and online advertising solutions in Germany and internationally. It operates through three segments: Out-of-Home Media, Digital & Dialog Media, and Data As A Service (DaaS) & E-Commerce. The company offers various OOH advertising media services, such as traditional posters media and advertisements at bus and tram shelters and on public transport; and digital advertising services. It also operates t-online.de, which publishes news, analyses, reports and interviews through digital channels; information services for digital natives through special interest portals, such as giga.de, kino.de, desired, familie.de, spieletipps.de, and SpielAffe.de; and call centers focus on customer experience and sales for telecommunications, energy, retail, financial services, and medica sectors. In addition, the company provides Statista, a platform for business data as a service that offers market and consumer data, and bundles statistical data; and asambeauty, a streaming-based live shopping beauty platform. Ströer SE & Co. KGaA was incorporated in 2016 and is based in Cologne, Germany.
Clear Channel Outdoor Holdings, Inc.	Clear Channel Outdoor Holdings, Inc. operates as an out-of-home advertising company in the United States, Europe, and internationally. It operates through America, Airports, Europe-North, and Other segments. The company provides advertising services through billboards, including bulletins and posters, as well as spectaculars, which are customized display structures with videos, multi-dimensional lettering and figures, mechanical devices, moving parts, and other embellishments; street furniture displays, such as advertising surfaces on bus shelters, information kiosks, news racks, and other public structures; transit displays for rail stations and on various types of vehicles; retail displays; and airport advertising displays. It offers solutions, such as RADARView, an audience and campaign planning tool, which analyzes historical mobile location data; RADARConnect, a campaign amplification solution that delivers ads across mobile and other devices to re-target audience groups exposed to an out-of-home advertisement; RADARProof, a campaign measurement and attribution solutions which analyzes anonymized and/or aggregated data; and RADARSync, a data integration platform that uses customer data across the tools for customized application of solutions to customers' specific audience targets and goals. In addition, the company sells street furniture equipment; provides cleaning and maintenance services; and operates public bike programs, a public bicycle rental program that offers bicycles for rent to the public. The company was formerly known as Eller Media Company and changed its name to Clear Channel Outdoor Holdings, Inc. in August 2005. Clear Channel Outdoor Holdings, Inc. was incorporated in 1995 and is headquartered in San Antonio, Texas.
oOh!media Limited	oOh!media Limited operates as an out of home media company primarily in Australia and New Zealand. The company's portfolio includes large format classic and digital roadside screens; large and small format digital and classic signs located in retail precincts, such as shopping centers, as well as airport terminals, lounges, and in-flight; digital and classic street furniture signs; and digital and classic format advertising in public transport corridors, including rail, as well as high dwell time environments, such as universities and office buildings. It also provides advertising creative and digital printing services. oOh!media Limited was founded in 1989 and is based in North Sydney, Australia.
IVE Group Limited	IVE Group Limited engages in the marketing business in Australia. The company offers conceptual and creative design across print, mobile, and interactive media; and personalized communications, including marketing automation, marketing mail, publication mail, e-communications, and multi-channel solutions. It also prints and distributes catalogues, magazines, marketing, and corporate communications materials and stationery; and manufactures point-of-sale display material and large format banners for retail applications. In addition, the company provides data analytics, customer experience strategy, and CRM; and outsourced communication solutions for large organizations, such as development of customized multi-channel management models covering creative and digital services, supply chain optimization, inventory management, warehousing, and logistics. Additionally, it provides fibre-based packaging. The company serves various industry sectors comprising financial services, publishing, retail, communications, property, clubs and associations, not-for-profit, utilities, manufacturing, education, and government. IVE Group Limited was founded in 1921 and is based in Homebush, Australia.

Trading comparable	Business description
Enero Group Limited	Enero Group Limited engages in the provision of integrated marketing and communication services in Australia, Asia, the United States, the United Kingdom, and rest of Europe. The company provides strategy, market research and insights, advertising, public relations, communications planning, designing, events management, direct marketing, and programmatic media services. Enero Group Limited was incorporated in 2000 and is based in Pymont, Australia.
Asiaray Media Group Limited	Asiaray Media Group Limited, an investment holding company, operates as an out-of-home media company in the People’s Republic of China, Hong Kong, Macau, and Southeast Asia. The company operates through Airports Business, Metro and Billboards Business, and Bus and Other Business segments. It develops and operates out-of-home advertising media, including advertising in airports, metro lines, and billboards and building solutions. In addition, the company offers advertising services in bus exterior and interior, and bus shelter, as well as advertising services from other media spaces. Further, it provides design, consultancy, construction, and maintenance services; advertising production, installation, and dismantling services; and design engineering and consulting services, signage, and street furniture activities, as well as invests in properties. The company was founded in 1993 and is headquartered in Quarry Bay, Hong Kong. Asiaray Media Group Limited is a subsidiary of Media Cornerstone Limited.
Gendai Agency Inc.	Gendai Agency Inc. engages in planning and production of advertising and promotion services in Japan. The company provides advertising services, online and mass media advertising, newspaper flyers, and sales promotions. Its services include video and web content production; and research and development. The company also engages in the planning and management of store events; and real estate activities. The company was incorporated in 1995 and is headquartered in Tokyo, Japan.
Saylor Advertising.Inc.	Saylor Advertising.Inc. operates as an advertising company. The company offers TV and radio commercial, newspaper, magazine, outdoor, transportation, poster, pamphlet/catalog, flyer, and other advertising services; and event, Web or digital promotion, and sale promotion and campaign services. Saylor Advertising.Inc. was incorporated in 1951 and is headquartered in Takamatsu, Japan.
Prismaflex International, S.A.	Prismaflex International, S.A. designs, manufactures, and sells various advertising supports and wide format digital printing products and solutions worldwide. It offers billboards and digital screens, such as roadside screens, digital out of home, outdoor LED displays, light-emitting signs, indoor LED screens, electronic information displays, and digital banners, as well as LED services; Prismaflex Billboard Manager, a remote LED display control software; and Prismaflex Content Manager, a web interface for remote content management and content change for display network. The company also provides street furniture and advertising products, including city lights, bus shelters, display columns, scrolling signs, trivision signs, static signs and lightboxes, posting kits, and Blue tech energy autonomous city lights. In addition, it offers print and pop products comprising mobile store-front displays, static zip-in store-front signs, backlit lightboxes, PVC advertising banners, stickers, large format products, mid format print products, wall hangings and posters, pictures, and privacy screens, as well as printed floor solutions, such as floor decals, PVC tiling, and flexible flooring; and printing services. The company was incorporated in 1988 and is based in Haute-Rivoire, France.

**Generalist broadcasting comparable**

RTL Group S.A.	RTL Group S.A., an entertainment company, operates television (TV) channels and radio stations, and provides streaming services in Germany, France, the Netherlands, Belgium, the United Kingdom, the United States, and internationally. The company’s RTL Deutschland segment offers TV, streaming, radio, digital, and publishing services; owns TV channels, magazines, podcasts, and various digital offerings; and operates radio groups, including Antenne Bayern and Radio Hamburg. Its Groupe M6 segment operates television channels and radio stations, as well as offers digital services. The company’s Fremantle segment is involved in the content production, such as distribution and licensing. Its Other segment includes RTL Hungary; RTL Luxembourg; We are Era; Atresmedia; and Broadcasting Center Europe, a technical services provider that offers media-as-a-service solutions for customers to build a customized set of media solutions, products, and services. The company was founded in 1924 and is based in Luxembourg, Luxembourg. RTL Group S.A. is a subsidiary of Bertelsmann Capital Holding GmbH.
Nippon Television Holdings, Inc.	Nippon Television Holdings, Inc. operates as a media and content company in Japan. The company engages in the production of broadcasting programs; digital broadcasting; technical production related to studios, live broadcasting, master technology, EJ news gathering, editing, postproduction, etc.; and programming, content production, closed captioning, library, etc. It is also involved in

Trading comparable	Business description
	<p>sporting and various NTV events; the management of NTV school; art design, and lighting and sound effects; design of sets, flip charts, and TV graphics; production of pamphlets, posters, etc.; intellectual property management; management of music publishing, CD master, and merchandising rights; production CDs and DVDs; rental of recording studios; and operation of fitness clubs, museums, and insurance agencies. In addition, the company engages in the production and construction of exhibitions, sales promotion events, international sports events, theme parks, amusement facilities, national ceremonies, etc.; production of program-related merchandise goods; commercial building maintenance; race track, concerts, and events management; ICT, development of apps for business, web development, video streaming, infrastructure solutions, and advertising; shopping portal sites management; production of animation, TV programs, commercial films, graphic designs, illustrations, characters, social games, and other content; copyright management; and internet content streaming. Further, it engages in the provision of software and systems for VOD and live streaming platforms and players; news gathering, reporting, and production of information, sports programs, etc.; 3D computer graphics; services to program and technology production, clerical, and management duties; e-commerce, esports, and talent production agency businesses; contractual production of programs for broadcasters; and influencers network and production business. The company was incorporated in 1952 and is based in Tokyo, Japan.</p>
<p>Hakuhodo DY Holdings Inc</p>	<p>Hakuhodo DY Holdings Inc. provides marketing and communications services in Japan and internationally. The company engages in the advertising and digital marketing business; and planning, production, buying, and media traffic in media and contents businesses, as well as provision of marketing solutions for advertisers, media companies, and content holders. It also provides brand building services; and specializes in business development in the entertainment field, including animated programs and live events. The company was incorporated in 2003 and is headquartered in Tokyo, Japan.</p>
<p>TV Asahi Holdings Corporation</p>	<p>TV Asahi Holdings Corporation, together with its subsidiaries, engages in television (TV) broadcasting business in Japan and internationally. The company operates through TV Broadcasting Business, Internet Business, Shopping Business, and Other Businesses segments. It engages in the video distribution with advertisements using the internet, production of video distribution content, and licensing of rights; mail-order sales on TV shopping programs and EC sites; and other businesses, including music publishing, event, equipment sales and leasing, and investment in film business. TV Asahi Holdings Corporation was incorporated in 1957 and is headquartered in Tokyo, Japan.</p>
<p>Nine Entertainment Co. Holdings Limited</p>	<p>Nine Entertainment Co. Holdings Limited engages in the broadcasting and program production businesses across free to air television, video on demand, and metropolitan radio networks in Australia. It operates through Broadcasting, Digital and Publishing, Domain Group, and Stan segments. The company provides television services under the brands, including 9Network, Channel 9, 9Gem, 9Go!, 9Life, and 9Rush; video on demand platform under 9Now brand; radio stations under 2GB, 3AW, 4BC, and 6PR brands; and publishes newspapers, news-inserted magazines, digital, and events, as well as nine.com.au, a site of news, lifestyle, sport, and entertainment content. It also offers mastheads under The Sydney Morning Herald, The Age, Brisbane Times, WAtoday, The Sun-Herald, The Sunday Age, Drive, and Pedestrian group brands. In addition, it provides real estate media and technology services. The company was founded in 1956 and is headquartered in North Sydney, Australia.</p>
<p>Gray Television, Inc.</p>	<p>Gray Television, Inc., a television broadcasting company, owns and/or operates television stations and digital assets in the United States. It also broadcasts secondary digital channels affiliated to ABC, CBS, NBC, and FOX, as well as various other networks and program services, including CW Plus Network, MY Network, the MeTV Network, Circle, Telemundo, THE365, and Outlaw; and local news/weather channels in various markets. It owns and operates television stations and digital assets that serve television markets in the United States. The company was formerly known as Gray Communications Systems, Inc. and changed its name to Gray Television, Inc. in August 2002. Gray Television, Inc. was founded in 1891 and is headquartered in Atlanta, Georgia.</p>
<p>iHeartMedia, Inc.</p>	<p>iHeartMedia, Inc. operates as an audio media company in the United States and internationally. It operates through three segments: Multiplatform Group, Digital Audio Group, and Audio &amp; Media Services Group. The Multiplatform Group segment offers broadcast radio stations, sponsorship and events, and live and virtual events; and operates Premiere Networks, a national radio network that produces, distributes, or represents syndicated radio programs and services to radio station affiliates. It also delivers real-time traffic flow and incident information, and weather updates, sports,</p>

Trading comparable	Business description
	<p>and news. The Digital Audio Group segment provides podcasting, digital sites, newsletters, digital services, and programs; and iHeartRadio, a mobile app and web based service for radio stations, digital only stations, custom artist stations, and podcasts. The Audio and Media Services Group segment engages in the media representation business; and provides scheduling and broadcast software and services. This segment also provides RCS, a cloud and on-premises broadcast software, such as radio and television automation, music scheduling, newsroom automation, advertising sales management, disaster recovery solutions; and real-time audio recognition technology to radio and television stations, cable channels, record labels, advertisers, and agencies, as well as media streaming and research services. The company was formerly known as CC Media Holdings, Inc. and changed its name to iHeartMedia, Inc. in September 2014. The company is headquartered in San Antonio, Texas.</p>
Seoul Broadcasting System	<p>Seoul Broadcasting System engages in the broadcasting, cultural service, and advertising businesses in South Korea and internationally. It provides terrestrial TV and radio advertisements, as well as program sales services. The company was founded in 1990 and is headquartered in Seoul, South Korea.</p>
The E.W. Scripps Company	<p>The E.W. Scripps Company, together with its subsidiaries, operates as a media enterprise through a portfolio of local television stations, national news, and entertainment networks in the United States. It operates through Local Media, Scripps Networks, and Other segments. The Local Media segment operates broadcast television stations, which produce news, information, sports, and entertainment content, as well as its related digital operations; runs network, syndicated, and original programming, and local sporting events; and provides core and political advertising services. The Scripps Networks segment offers national television networks through free over-the-air broadcast, cable/satellite, connected TV, and digital distribution. This segment also provides Scripps News, a national news network, which provides politics, entertainment, science, and technology news; Court TV, which showcases live trials; entertainment brands, such as Bounce, Defy TV, Grit, ION Mystery, and Laff; and ION, a national network of broadcast stations and broadcast television spectrum, which distributes programming through Federal Communications Commission-licensed television stations, as well as affiliated TV stations through over-the-air broadcast and pay TV platforms. In addition, it provides content and services through digital platforms, including the Internet, smartphones, and tablets; Nuvyvo, which offers consumers DVR product solutions to watch and record free over-the-air HDTV on connected devices; and Scripps National Spelling Bee, which shows educational programs. The company serves audiences and businesses through cable and satellite service providers. The E.W. Scripps Company was founded in 1878 and is headquartered in Cincinnati, Ohio.</p>
Asahi Broadcasting Group Holdings Corporation	<p>Asahi Broadcasting Group Holdings Corporation engages in television and radio broadcasting activities in Japan and internationally. It produces network and local TV programs; broadcasts news and informational programs, as well as live radio and TV coverage of professional baseball games, golf tournaments, soccer matches, and various other sporting events; and hosts various events. The company is also involved in the mail-order, video archive, licensing, character, music production, rights management, music publication, animated content planning/production and sale, videogram sale, digital content and subtitles production, technical production agency, event planning and management, game content planning/development/management, audio and post-production, golf course management, and corporate venture capital management activities. In addition, it engages in the housing exhibition management, housing design center planning/management, advertising agency, insurance agency, and real estate operations, as well as provision of safety and security, and facility management services. The company was formerly known as Asahi Broadcasting Corporation and changed its name to Asahi Broadcasting Group Holdings Corporation in April 2018. Asahi Broadcasting Group Holdings Corporation was incorporated in 1951 and is headquartered in Osaka, Japan.</p>
Seven West Media Limited	<p>Seven West Media Limited engages in the free to air television broadcasting and digital streaming in Australia and internationally. It operates through three segments: Television; The West; and Other Business and New Ventures. The company is involved in producing and operating of commercial television programming and stations; distribution of programming content; and publishing of newspapers and insert magazines, colourpress, digital publishing, west australian publishers, and perth now. It engages in leasing of property. Seven West Media Limited was incorporated in 1991 and is based in Perth, Australia.</p>

Trading comparable	Business description
ARN Media Limited	ARN Media Limited, together with its subsidiaries, operates as a media and entertainment company in Australia and Hong Kong. The company operates through Australian Radio Network, HK Outdoor, and Investments segments. It owns and operates Australian Radio Network under the KIIS, Pure Gold, iHeartRadio, iHeartPodcast, and CADA brands. The company engages in audio and digital businesses. It operates a network of outdoor advertising panels across Hong Kong tunnels, as well as provides mobile messaging technology services. The company was formerly known as HT&E Limited and changed its name to ARN Media Limited in May 2023. ARN Media Limited was incorporated in 1988 and is based in Sydney, Australia.
STV Group plc	STV Group plc, together with its subsidiaries, produces and broadcasts television programs in the United Kingdom. The company operates through Broadcast, Digital, and Studios segments. It offers news, information, and entertainment and drama programs. The company delivers its content on air, online, and on demand. It provides internet services; and sells advertising airtime and space in its media. STV Group plc was founded in 1957 and is based in Glasgow, the United Kingdom.
Saga Communications, Inc.	Saga Communications, Inc., a media company, engages in acquiring, developing, and operating broadcast properties in the United States. The company's radio stations employ various programming formats, including classic hits, country, classic country, hot/soft/urban adult contemporary, oldies, classic rock, rock, and news/talk. It owns and operates FM and AM radio stations, and metro signals serving various markets. Saga Communications, Inc. was incorporated in 1986 and is headquartered in Grosse Pointe Farms, Michigan.
Southern Cross Media Group Limited	Southern Cross Media Group Limited, together with its subsidiaries, creates audio content for distribution on broadcast and digital networks in Australia. It operates in three segments: Broadcast Radio, Digital Audio, and Television. The company owns 99 radio stations in FM, AM, and DAB+ radio, as well as 34 regional radio stations; broadcasts 93 free to air TV signals in regional Australia; operates LiSTNR, an audio destination for consumers housing radio, podcasts, music, and news; and offers sales representation for open audio platform SoundCloud and Sonos Radio. It also provides radio, digital, and television advertising services; and social media, live events, and digital platforms that deliver national and local entertainment, and news content. The company was formerly known as Macquarie Media Group. Southern Cross Media Group Limited was incorporated in 2005 and is based in South Melbourne, Australia.
Urban One, Inc.	Urban One, Inc., together with its subsidiaries, operates as an urban-oriented multi-media company in the United States. The company operates through four segments: Radio Broadcasting, Cable Television, Reach Media, and Digital. The Radio Broadcasting segment includes radio broadcasting operations that primarily target African-American and urban listeners. It owns and operates broadcast stations, including FM or AM stations, HD stations, and low power television stations under the Radio One tradename located in urban markets. The Cable Television segment operates TV One, an African-American targeted cable television network; and CLEO TV, a lifestyle and entertainment network. The Reach Media segment operates syndicated programming, including the Get Up! Mornings with Erica Campbell Show, Rickey Smiley Morning Show, the Russ Parr Morning Show, and the DL Hughley Show. This segment also operates BlackAmericaWeb.com, an African-American targeted news and entertainment website, as well as other event related activities. The Digital segment owns Interactive One, a digital platform serving the African-American community through social content, news, information, and entertainment websites, including Cassius and Bossip, HipHopWired, and MadameNoire digital platforms and brands. The company was formerly known as Radio One, Inc. and changed its name to Urban One, Inc. in May 2017. Urban One, Inc. was founded in 1979 and is based in Silver Spring, Maryland.
Sports Entertainment Group Limited	Sports Entertainment Group Limited engages in sports media content and entertainment business in Australia and New Zealand. The company operates through Media Australia, Media New Zealand, Complementary Services, and Sports Teams segments. It also operates various live sports channels, TV shows, and podcasts. The company operates various radio stations, such as SEN 1116, SEN 1170, SEN 1629, SEN WA, SENQ, SENZ, SEN App, SENTrack, and SEN Spirit. In addition, it operates Perth Wildcats basketball team. The company delivers its brand content stories to national, metropolitan, and regional audiences through various platforms, such as radio, print, television, online, in-stadium, and events. Sports Entertainment Group was formerly known as Pacific Star Network Limited and changed its name to Sports Entertainment Group Limited in November 2020. The company was incorporated in 1987 and is headquartered in Southbank, Australia.

Trading comparable	Business description
TVA Group Inc.	TVA Group Inc. operates a communications company in Canada. The company operates through Broadcasting, Film Production & Audiovisual Services, Magazines, and Production & Distribution segments. The Broadcasting segment engages in marketing digital products associated with various televisual brands; digital products associated with various televisual brands, as well as engages in commercial production. The Film Production & Audiovisual Services segment offers soundstage, mobile, and equipment rental services; and provides dubbing and described video, virtual and postproduction. The Magazines segment publishes magazines in various fields, such as the arts, entertainment, television, fashion, and decoration; and markets digital products associated with various magazine brands. The Production & Distribution segment produces and distributes television shows, movies, and television series worldwide. TVA Group Inc. was incorporated in 1960 and is headquartered in Montreal, Canada. TVA Group Inc. operates as a subsidiary of Quebecor Media Inc.
Cumulus Media Inc.	Cumulus Media Inc., an audio-first media company, owns and operates radio stations in the United States. It owns and operates stations in various markets, as well as affiliated stations through Westwood One. The company's content portfolio includes sports, news, talk, and entertainment programming from various brands, including the NFL, the NCAA, the Masters, CNN, AP News, the Academy of Country Music Awards, and other partners. In addition, the company provides digital marketing services, such as email marketing, geo-targeted display and video solutions, website and microsite building, hosting, social media management, reputation and listing management, and search engine marketing and optimization; influencers, audio solutions, research and insights, and live event services; and advertising performance guarantee services. The company serves advertisers through broadcast and on-demand digital, mobile, social, and voice-activated platforms. Cumulus Media Inc. was founded in 2002 and is based in Atlanta, Georgia.
Beasley Broadcast Group, Inc.	Beasley Broadcast Group, Inc., a multi-platform media company, owns and operates radio stations in the United States. The company offers local and national advertisers integrated marketing solutions across audio, digital, and event platforms. It operates Houston Outlaws, an esports team that competes in the Overwatch League; and an esports team that competes in the Rocket League. Beasley Broadcast Group, Inc. was founded in 1961 and is based in Naples, Florida.

Source: S&P Capital IQ

## G. Comparable transactions

**Table 42. GTN comparable companies' business descriptions**

Target	Target business description
<b>Generalist advertising comparable</b>	
Sanoma Media Netherlands B.V.	Sanoma Media Netherlands B.V., a media company, provides advertising services. It offers print, digital, television, and events advertising services. The company also publishes magazines. The company is based in Hoofddorp, the Netherlands. Sanoma Media Netherlands B.V. operates as a subsidiary of Sanoma Oyj. As of April 20, 2020, Sanoma Media Netherlands B.V. operates as a subsidiary of DPG Media NV.
Jun Group Productions, LLC	Jun Group Productions, LLC provides mobile video and branded content advertising services. It offers native video placements that allow advertisers to reach their target audiences; SightSoundEmotion, a destination that promotes videos from causes and creates a brand-safe environment for advertisers to reach their consumers; traffic products that drive visitors to websites, social media pages, branded content, and mobile destination; a machine learning campaign optimization tool; and a creative studio to produce custom digital assets, including videos, rich media units, microsites, and displays. It also provides traffic products for publishers by driving visitors to social media pages. It serves Fortune 500 brands, entertainment companies, and media agencies. The company was founded in 2005 and is based in New York, New York with additional offices in Los Angeles, Capistrano Beach, California; Chicago, Illinois; and Boston, Massachusetts. Jun Group Productions, LLC operates as a subsidiary of Advantage Solutions Inc. As of July 31, 2024, Jun Group Productions, LLC operates as a subsidiary of Verve Group SE.
<b>Generalist broadcasting comparable</b>	
RedWave Media Ltd.	RedWave Media Ltd. operates regional commercial radio broadcast networks in Western Australia. The company broadcasts to regional towns, remote mine sites, and oil and gas platforms to entertain locals, fly in and fly out workers, and people living in remote townships with music, news, fun, contests, weather, road conditions, and emergency information. It also provides advertising opportunities. The company was incorporated in 1998 and is based in Perth, Australia. As of October 31, 2019, RedWave Media Ltd. operates as a subsidiary of Southern Cross Austereo Pty Limited.
Mediaset España Comunicación, S.A.	Mediaset España Comunicación, S.A., together with its subsidiaries, engages in the television broadcasting business in Spain. The company operates seven television channels comprising TELECINCO, Factoría de Ficción, BOING, Cuatro, Divinity, Energy, and Be Mad. It is also involved in the production and broadcast of audiovisual content; provision of news agency services; exploitation of advertising space on television channels; and advertising promotion activities. The company was formerly known as Gestevisión Telecinco, S.A. and changed its name to Mediaset España Comunicación, S.A. in May 2011. Mediaset España Comunicación, S.A. was incorporated in 1989 and is based in Madrid, Spain. Mediaset España Comunicación, S.A. is a subsidiary of MFE-MediaForEurope NV.
RedWave Media Ltd.	RedWave Media Ltd. operates regional commercial radio broadcast networks in Western Australia. The company broadcasts to regional towns, remote mine sites, and oil and gas platforms to entertain locals, fly in and fly out workers, and people living in remote townships with music, news, fun, contests, weather, road conditions, and emergency information. It also provides advertising opportunities. The company was incorporated in 1998 and is based in Perth, Australia. As of October 31, 2019, RedWave Media Ltd. operates as a subsidiary of Southern Cross Austereo Pty Limited.
PRT Company Limited	PRT Company Limited does not have significant operations. Previously, it was engaged in the provision of commercial television services in Australia. The company was formerly known as Prime Media Group Limited and changed its name to PRT Company Limited in December 2021. The company was incorporated in 1970 and is based in Watson, Australia.

Source: S&P Capital IQ

**RSM Corporate Australia Pty Ltd**

Level 13, 60 Castlereagh Street

Sydney, NSW 2000

GPO Box 5138

Sydney, NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)

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