GTN Limited
ABN 38 606 841 801
ASX Half-year information
31 December 2022

GTN Limited
Half-year ended 31 December 2022
(Previous corresponding period:
Half-year ended 31 December 2021)

Results for Announcement to the Market

				$ (,000's)
Revenue *from ordinary activities*	*up*	*11.4%*	*to*	*90,296*
Net profit *for the period attributable to members*	*up*	*11.8%*	*To*	*2,994*

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – Year ended 30 June 2022	$0.013	$0.00
Interim FY2023 dividend	$0.014	$0.00

Ex-dividend date: 9 March 2023
Record date: 10 March 2023
Payment date: 31 March 2023

Net tangible assets / (liabilities) per security

	31 December 2022	**31 December 2021**
Net tangible assets / (liabilities) per security (cents per share)	$0.45	$0.42

Directors' Report

The Directors of GTN Limited (the "Company") submit the following report for GTN Limited and its subsidiaries (the "Group") for the half-year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001,* the Directors report as follows:

Directors

The following people were Directors of the Company for the entire half year ended 31 December 2022 and up to the date of this report:

- Peter Tonagh (Chairman)
- William Yde III (Managing Director)
- David Ryan
- Corinna Keller
- Robert Loewenthal
- Alexandra Baker

Principal Activities

The principal activity of the Group during the financial half year was that of provider of an advertising platform to advertisers in Australia, United Kingdom, Canada and Brazil.

Review and Results of Operations

The Group reported revenue of $90.3 million for the six-month period ended 31 December 2022, an increase of 11.4% from $81.0 million for the same period in the prior year. Revenue increased in all markets except the United Kingdom. Revenue has increased significantly since its low point at the onset of the COVID-19 pandemic.

Revenue		**31 December**	**31 December**	
		2022	**2021**	**%**
		$'000	**$'000**	**Change**
Australia		45,825	37,948	20.8%
United Kingdom		21,367	24,080	(11.3)%
Canada		17,735	14,095	25.8%
Brazil		5,369	4,898	9.6%
Total		90,296	81,021	11.4%

Changes in foreign exchange rates had a positive impact on reported revenue from Brazil and Canada and a negative impact on United Kingdom reported revenue, which decreased 6% in local currency but decreased 11% in AUD.

Revenue: Local Currency		**31 December**	**31 December**	
		2022	**2021**	**%**
		$'000	**$'000**	**Change**
Australia	AUD	45,825	37,948	20.8%

United Kingdom	GBP	12,179	12,926	(5.8)%
Canada	CAD	15,823	12,996	21.8%
Brazil	BRL	18,896	19,364	(2.4)%

EBITDA for the six months ended 31 December 2022 increased 30.3% to $8.0 million compared to $6.1 million for the six months ended 31 December 2021. Adjusted EBITDA, (as defined below) increased 17.8% to $12.0 million for the current period compared to $10.2 million for the prior half-year period. EBITDA and Adjusted EBITDA were positively impacted by the revenue increase for the current period. Combined network operations and station compensation expenses, non-cash compensation and selling and general and administrative expenses ("operating expenses") increased 9.9% ($7.4 million).

The increase in operating expenses included a $1.2 million (2.4%) increase in station compensation, a $1.5 million (17.9%) increase in network operations expense, a $3.0 million increase in sales costs (31.1%), a $0.7 million (100%) reduction in Jobkeeper/Canada Emergency Wage Subsidy ("CEWS") benefits and a $1.2 million (20.2%) increase in general and administrative expenses. The increase in station compensation is primarily related to increased costs relating to the renewal of two key affiliates in Australia, which occurred on 1 November 2021 and 1 July 2022, respectively and thus were mostly not included in the prior period results. The increase in station compensation for the Group was mitigated by a decrease in station compensation in the UK which was lower due to the variable cost model as well as foreign exchange fluctuations. Network operations expense includes $0.6 million of costs related to aerial drone light shows. Drone operations commenced in 2H FY22 and there were no expenses related to drones in the prior period. General and administrative costs increased primarily due to the accrual of year end executive management bonuses related to the increased performance as well as foreign currency fluctuations. There was no accrual in 1H FY22 for executive management bonuses as the Group was behind its internal targets at 31 December 2021. Most of the Group's corporate executive costs are denominated in USD and the AUD/USD exchange rate has decreased ~600 basis points from 1H FY22 to 1H FY23.

The Group recognised no Jobkeeper and CEWS benefit for the half-year period ending 31 December 2022 compared to a benefit of $0.7 million for the half-year period ending 31 December 2021. Jobkeeper and CEWS are reflected as a reduction in general and administrative expenses in the Group's consolidated statement of profit and loss and other comprehensive income. The Group received no similar benefits in its other jurisdictions (Brazil, United Kingdom and United States). Both programs have been discontinued and the Group does not expect to receive Jobkeeper or CEWS subsidies in 2H FY23. Excluding the impact of Jobkeeper/CEWS from the prior period results, EBITDA and Adjusted EBITDA increased 46% and 26%, respectively.

The Group commenced aerial drone light show operations in 2H FY22. Drone light shows involve the operation of many drones simultaneously to create images that are viewed by audiences in a manner similar to traditional fireworks shows. GTN's revenue model consists of both advertising supported shows (where the sponsor's logo is incorporated into the display) and cash fees. To date, the financial results of the Group's aerial drone light shows have not been material to the Group's financials. For the half year ended 31 December 2022, revenue was $0.4 million, operating expenses were $0.9 million and EBITDA and Adjusted EBITDA was $(0.4) million.

EBITDA is defined as earnings before interest, tax, depreciation, amortisation and intangible impairment charges. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges, which are significantly affected by the capital structure and historical tax position of the Group. EBITDA can be useful to help understand the cash generation potential of the business because it does not include the non-cash charges for depreciation and amortisation. However, management believes that EBITDA should not be considered as an alternative to net free cash flow from operations and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the Group's results of operations. Adjusted EBITDA is EBITDA adjusted to include the non-cash interest income arising from the long-term prepaid Southern Cross Austereo affiliate contract and exclude transaction costs, foreign exchange gains and losses, gains on lease forgiveness and loss on refinancing. The Directors consider that Adjusted EBITDA is an appropriate measure of the Group's underlying EBITDA performance. Otherwise, EBITDA would reflect significant non-cash station compensation charges without offsetting non-cash interest income arising from the treatment of the Southern Cross Austereo affiliate contract as a financing arrangement, one-off costs related to purchasing businesses and raising capital and the non-operating impact of the fluctuation in foreign exchange rates. See Note 8 for a reconciliation of EBITDA and Adjusted EBITDA to profit before taxes.

Operating metrics

The Group has continued to maintain its advertising inventory across all its operating regions. Consistent with the increased demand for its advertising inventory (as reflected in the increase in Group revenue for the period), sell-out and spot rates have generally increased in the operating regions achieving revenue growth for the half-year period ending 31 December 2022 compared to the half-year period ended 31 December 2021.

Operating metrics by jurisdiction (local currency)

	Notes	1H FY23	1H FY22
Australia			
Radio spots inventory ('000s)	1	543	498
Radio sell-out rate (%)	2	55%	53%
Average radio spot rate (AUD)	3	137	132
Canada			
Radio spots inventory ('000s)	1	339	340
Radio sell-out rate (%)	2	59%	50%
Average radio spot rate (CAD)	3	76	71
United Kingdom			
Total radio impacts available ('000)	4	10,034	9,758
Radio sell-out rate (%)	5	88%	100%
Average radio net impact rate (GBP)	6	1.4	1.3
Brazil			
Radio spots inventory ('000s)	1	247	240
Radio sell-out rate (%)	2	42%	44%
Average radio spot rate (BRL)	3, 7	210	208

1. Available radio advertising spots (primarily adjacent to traffic, news and information reports).
2. The number of radio spots sold as a percentage of the number of radio spots available.
3. Average price per radio spot sold net of agency commission.
4. The UK market measures inventory and units sold based on impacts instead of spots. An impact is a thousand listener impressions.
5. The number of impressions sold as a percentage of the number of impressions available.

6. Average price per radio impact sold net of agency commission.
7. Not adjusted for taxes or advertising agency incentives that are deducted from net revenue.

Foreign exchange rates

A significant portion of the Group's revenue and expenses are in a currency other than Australian dollars. The actual exchange rates used in preparing the half-year consolidated statement of profit or loss and other comprehensive income are as follows:

	1H FY23 Actual	1H FY22 Actual
AUD:USD	0.67	0.73
AUD:CAD	0.89	0.92
AUD:GBP	0.57	0.54
AUD:BRL	3.52	3.95

Cash Resources and Liquidity

The Group continues to maintain significant cash resources with $30.8 million of cash and cash equivalents at 31 December 2022 and net debt (debt less cash) of $2.8 million. Debt consists of a $30 million bank debt facility (fully drawn) and $3.6 million of leases that are considered debt under AASB 16. The Group's total gearing ratio ("TGR") was 0.15x net debt (1.78x gross debt) to trailing 12-month Adjusted EBITDA at 31 December 2022.

The repayment date of the bank debt facility is 22 December 2025 and there are no scheduled mandatory principal payments prior to that date. During FY22, the Company made $20 million of voluntary repayments under the bank debt facility and intends to make further repayments in the future.

Net cash from operating activities for the period was $3.8 million. Working capital was a $2.9 million use of funds for the period. This was primarily due to a $4.2 million increase in accounts receivable from 30 June 2022 to 31 December 2022. The increase in accounts receivable relates to the higher revenue in 1H FY23 which increased $9.3 million compared to 1H FY22. We expect, should revenue continue to grow compared to previous periods in the future, that accounts receivable will continue to grow and act as a drag on net cash provided from operating activities.

Bank debt facility

On 22 December 2022, the Group extended its current debt facility to 22 December 2025. Previously, the debt facility was scheduled to mature on 30 September 2023. Other than the repayment date, there were no material modifications to the previous debt facility.

The Company's distributions under the debt facility, including the payment of dividends and repurchasing its shares, are limited to 100% of NPATA. NPATA is defined as net profit after tax ("NPAT") adjusted to add back the non-cash impact of amortisation expense related to intangible assets net of any related tax benefit.

Share buyback

On 25 August 2022, the Company announced that it had initiated an on-market share buyback of up to 10% of its outstanding shares for a period of up to twelve months. No target share price or minimum repurchase amount has been set. As of 31 December 2022, the Company had repurchased and retired 1,946,205 shares for $0.8 million, which is an average price per share repurchased of $0.42.

Dividend Policy

The Board has adopted a target dividend policy of approximately 100% of net profit after tax ("NPAT") to be paid as an interim and final dividend annually. The policy can be altered at any time based on the liquidity needs and performance of the Company and is subject to adjustment for non-recurring or non-cash items that may impact NPAT. The final FY22 and interim FY23 dividends are consistent with the target dividend policy.

Distributions and Dividends

A final dividend of $0.013 per share was paid for the fiscal year ended 30 June 2022 which was unfranked. The directors have declared an interim dividend in the current period of $0.014 per share for holders of record on 10 March 2023. The interim dividend will be unfranked.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and annual report. Amounts in the directors' report and annual report have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Directors Holdings of Shares

The aggregate number of fully paid ordinary shares in the Company held directly, indirectly or beneficially by Directors of the Company at the date of this report and 30 June 2022 is as follows:

Director	24 February 2023	30 June 2022
William Yde III	2,803,408	2,803,408
David Ryan	150,000	150,000
Robert Loewenthal	98,293	98,293
Corinna Keller	140,450	140,450
Peter Tonagh	567,287	567,287
Alexandra Baker	30,000	30,000
Total	3,789,438	3,789,438

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.
This report is made in accordance with a resolution of directors.

Peter Tonagh
Chairman
GTN Limited
Sydney, Australia
24 February 2023

Grant Thornton

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Auditor's Independence Declaration

To the Directors of GTN Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of GTN Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Coulton
Partner – Audit & Assurance

Sydney, 24 February 2023

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by GTN Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

GTN Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Level 42, Northpoint, 100 Miller Street, North Sydney, NSW. Its shares are listed on the Australian Securities Exchange.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2022

	Notes	31 December 2022 $'000	31 December 2021 $'000
Revenue	3	90,296	81,021
Other income	3	61	1
Interest income on long-term prepaid affiliate contract	3	3,996	4,047
Gains on lease forgiveness	3	-	31
Network operations and station compensation expenses		(60,815)	(58,130)
Selling, general and administrative expenses		(21,204)	(16,343)
Equity based compensation expenses		(302)	(434)
Depreciation and amortisation		(5,778)	(5,297)
Finance costs		(814)	(802)
Foreign currency transaction loss		(9)	(30)
Profit before income tax		5,431	4,064
Income tax expense	5	(2,437)	(1,386)
Profit for the half year		**2,994**	**2,678**
Other comprehensive income (loss) for the half year, net of income tax:			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		(1,005)	446
Total other comprehensive income (loss) for the half year		(1,005)	446
Total comprehensive income (loss) for the half year		1,989	3,124
		Cents	Cents
Earnings per share attributable to the ordinary equity holders:			
Basic earnings per share (cents)		1.4	1.2
Diluted earnings per share (cents)		1.4	1.2

Total profit for the year and other comprehensive income are fully attributable to members of the Group

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

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	31 December 2022 $'000	30 June 2022 $'000
Assets			
Current			
Cash and cash equivalents		30,756	34,844
Trade and other receivables		41,980	37,751
Current tax asset		6,087	4,086
Other current assets		6,007	3,714
Current assets		84,830	80,395
Non-current			
Property, plant and equipment	7	10,954	9,735
Intangible assets	6	29,893	33,212
Goodwill	6	95,867	95,998
Deferred tax assets		4,793	5,501
Other assets		91,658	92,373
Non-current assets		233,165	236,819
Total assets		317,995	317,214
Liabilities			
Current			
Trade and other payables		36,488	35,148
Contract liabilities		440	987
Current tax liabilities		177	91
Financial liabilities		1,357	1,376
Provisions		1,148	1,090
Current liabilities		39,610	38,692
Non-current			
Trade and other payables		76	75
Financial liabilities		32,133	32,142
Deferred tax liabilities		23,571	22,406
Provisions		353	330
Non-current liabilities		56,133	54,953
Total liabilities		95,743	93,645
Net assets		222,252	223,569
Equity			
Share capital		436,699	437,508
Reserves		9,511	10,214
Accumulated losses		(223,958)	(224,153)
Total equity		222,252	223,569

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

Consolidated Statement of Changes in Equity

	Notes	Issued Capital $'000	Common Control Reserve $'000	Foreign Currency Translation Reserve $'000	Equity Based Payments Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2021		**437,508**	**(24,655)**	**29,642**	**5,010**	**(226,955)**	**220,550**
Total comprehensive income:							
Net profit		-	-	-	-	2,678	2,678
Other comprehensive income		-	-	446	-	-	446
		-	-	446	-	2,678	3,124
Transactions with owners in their capacity as owners:							
Equity based compensation		-	-	-	434	-	434
		-	-	-	434	-	434
Balance at 31 December 2021		**437,508**	**(24,655)**	**30,088**	**5,444**	**(224,277)**	**224,108**
Balance at 1 July 2022		**437,508**	**(24,655)**	**29,096**	**5,773**	**(224,153)**	**223,569**
Total comprehensive income:							
Net profit		-	-	-	-	2,994	2,994
Other comprehensive loss		-	-	(1,005)	-	-	(1,005)
		-	-	(1,005)	-	2,994	1,989
Transactions with owners in their capacity as owners:							
Shares repurchased and retired		(809)	-	-	-	-	(809)
Dividends		-	-	-	-	(2,799)	(2,799)
Equity based compensation		-	-	-	302	-	302
		(809)	-	-	302	(2,799)	(3,306)
Balance at 31 December 2022		**436,699**	**(24,655)**	**28,091**	**6,075**	**(223,958)**	**222,252**

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

Consolidated Statement of Cash Flows

For the half year ended 31 December 2022

	Notes	31 December 2022 $'000	31 December 2021 $'000
Operating activities			
Receipts from customers		96,510	84,034
Payments to suppliers and employees		(89,169)	(82,058)
Interest received		61	1
Finance costs		(775)	(764)
Income tax paid		(2,802)	(3,526)
Net cash from (used) in operating activities		**3,825**	**(2,313)**
Investing activities			
Purchase of property, plant and equipment		(3,165)	(1,402)
Net cash used in investing activities		**(3,165)**	**(1,402)**
Financing activities			
Debt repayment		-	(13,000)
Principal element of lease payments		(796)	(752)
Shares repurchased		(809)	-
Dividends		(2,799)	-
Net cash used in financing activities		**(4,404)**	**(13,752)**
Net change in cash and cash equivalents		(3,744)	(17,467)
Cash and cash equivalents, beginning of year		34,844	49,376
Exchange differences on cash and cash equivalents		(344)	578
Cash and cash equivalents, end of half year		**30,756**	**32,487**
Property acquired under leases		**783**	**518**

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

Notes to the Consolidated Financial Statements

1 Basis of preparation of half year report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by GTN Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of new and amended standards as set out below:

2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

Standards adopted during the period

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. As such, no significant changes are required to the Group's current accounting policies from those disclosed in the financial report for the year ended 30 June 2022.

2.2 Accounting Standards issued but not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published, but are not yet effective, and have not been adopted early by the Group. Management anticipates that all the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. None of these new standards and interpretations are expected to have a material impact on the Group's financial statements.

3 Revenue

	31 December 2022 $'000	31 December 2021 $'000
Sales revenue		
Sale of advertising commercials – net of agency commissions	90,296	81,021
	90,296	**81,021**
Other income		
Interest on cash balances	61	1
	61	**1**
Interest income on long-term prepaid affiliate contract	**3,996**	**4,047**

4 Expenses

	31 December 2022 $'000	31 December 2021 $'000
Profit before income tax includes the following specific expenses:		
Defined contribution superannuation expenses	585	538
Amortisation and depreciation	5,778	5,297
Finance costs of bank loan and leases	814	802
Rental expenses relating to leases	472	314
Foreign exchange losses	9	30

5 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the statutory tax rate at 30% (2021: 30%) and the reported tax expense in profit or loss are as follows:

	31 December 2022 $'000	31 December 2021 $'000
Profit before tax	5,431	4,064
Tax rate: 30%	1,629	1,219
Taxes on foreign earnings	11	(142)
Tax effect of permanent differences	468	218
Unrecognised tax losses	219	34
Under provision for income taxes in prior years	74	12
Impact of tax rate changes	31	(19)
Other	5	64
Income tax expense	**2,437**	**1,386**

	31 December 2022 $'000	31 December 2021 $'000
Expense		
Current	564	877
Deferred	1,873	509
Income tax expense	**2,437**	**1,386**

The recognition of deferred tax assets is limited to the extent that the Group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The Group has an unrecognised net deferred tax asset of $20,601 thousand (30 June 2022: $20,125 thousand) in relation to the tax losses as management does not anticipate the Group will make sufficient taxable profits in the foreseeable future to utilise this asset in those jurisdictions.

6 Intangible assets

Detail of the Group's intangible assets and their carrying amounts are as follows:

	Goodwill $'000	Trade names $'000	Station contracts $'000	Advertising contracts $'000	Total $'000
Gross carrying amount					
Balance at 1 July 2022	95,998	12,573	88,896	65,916	167,385
Net exchange differences	(131)	(56)	(420)	(308)	(784)
Balance at 31 December 2022	**95,867**	**12,517**	**88,476**	**65,608**	**166,601**
Amortisation					
Balance at 1 July 2022	-	-	(68,257)	(65,916)	(134,173)
Amortisation	-	-	(3,172)	-	(3,172)
Net exchange differences	-	-	329	308	637
Balance at 31 December 2022	-	-	(71,100)	(65,608)	(136,708)
Carrying amount 31 December 2022	**95,867**	**12,517**	**17,376**	**-**	**29,893**

The Group expects to either renew or replace its advertiser contracts and renew its station contracts beyond their expected life. Amortisation expense for the half-years ended 31 December 2022 and 31 December 2021 was $3,172 thousand and $3,179 thousand, respectively.

Due to the long term and indefinite nature of goodwill and trade names, amortisation expense is not reflected and the Group annually reviews goodwill and trade names for impairment or more frequently should there be indicators of possible impairment.

Management is not currently aware of any other reasonably possible changes in key assumptions that would result in an impairment.

7 Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Helicopters, fixed wing and drone aircraft $'000	Recording, broadcasting and studio equipment $'000	Furniture, equipment and other $'000	Right of use assets – real property $'000	Total $'000
Gross carrying amount					
Balance at 1 July 2022	32,272	1,013	3,451	7,372	44,108
Additions during period	3,049	4	112	783	3,948
Disposals	-	-	-	(582)	(582)
Net exchange differences	(582)	(8)	(33)	(200)	(823)
Balance at 31 December 2022	34,739	1,009	3,530	7,373	46,651
Depreciation and impairment					
Balance at 1 July 2022	(26,775)	(943)	(2,790)	(3,865)	(34,373)
Disposals	-	-	-	582	582
Net exchange differences	585	8	72	35	700
Depreciation	(1,765)	(24)	(166)	(651)	(2,606)
Balance at 31 December 2022	(27,955)	(959)	(2,884)	(3,899)	(35,697)
Carrying amount 31 December 2022	**6,784**	**50**	**646**	**3,474**	**10,954**

Right of use assets consist of leases of premises.

8 Segment information

The Group's management analyses the Group's performance by geographic area and has identified four reportable segments: Australia, Brazil, Canada and United Kingdom.

The segments' revenues are as follows:

	31 December 2022 $'000	31 December 2021 $'000
Australia	45,825	37,948
United Kingdom	21,367	24,080
Canada	17,735	14,095
Brazil	5,369	4,898
	90,296	**81,021**

Management tracks performance primarily by Adjusted EBITDA which is defined as EBITDA adjusted for any foreign exchange profit or loss, interest income on the long-term prepaid affiliate agreement, gains on lease forgiveness, losses on refinancings, transaction costs and other unusual non-recurring items.

	31 December 2022 $'000	31 December 2021 $'000
Adjusted EBITDA by Segments		
Australia	10,152	8,553
United Kingdom	1,442	2,049
Canada	3,429	1,398
Brazil	(199)	389
Other	(2,853)	(2,228)
Adjusted EBITDA	**11,971**	**10,161**
Foreign exchange loss	(9)	(30)
Gains on lease forgiveness	-	31
Less: Interest income on long-term prepaid affiliate contract	(3,996)	(4,047)
EBITDA	7,966	6,115
Depreciation and amortisation	(5,778)	(5,297)
Interest income on long-term prepaid affiliate contract	3,996	4,047
Financing costs net of interest income	(753)	(801)
Profit before income tax	5,431	4,064
Income tax expense	(2,437)	(1,386)
Profit	2,994	2,678

Segment assets and liabilities are classified by their physical location.

	31 December 2022 $'000	31 December 2021 $'000
Segment assets		
Total Assets:		
Australia	237,183	238,742
UK	41,936	43,237
Canada	28,766	27,056
Brazil	3,624	3,705
Total segment assets	**311,509**	**312,740**

Unallocated:		
Deferred tax assets	4,793	4,873
Others	1,693	4,166
Total assets	**317,995**	**321,779**
Segment liabilities		
Total liabilities:		
Australia	82,159	79,883
UK	6,287	7,087
Canada	4,560	4,064
Brazil	2,189	1,856
Total segment liabilities	**95,195**	**92,890**
Unallocated:		
Deferred tax liabilities	23,571	21,834
Borrowings	33,490	39,685
Intercompany eliminations	(69,778)	(66,768)
Others	13,265	10,030
Total liabilities	**95,743**	**97,671**

9 Events subsequent to the reporting period

Subsequent to the end of the half-year period, on 24 February 2023, the Directors have declared the payment of an interim fiscal year 2023 dividend of $0.014 per share (0% franked). This dividend will be paid to holders on record as of 10 March 2023.

Other than the matters referred to above, no matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' declaration

In the directors' opinion:

1. The financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act* 2001, including:

   (a) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date and

2. There are reasonable grounds to believe that GTN Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Peter Tonagh
Chairman
GTN Limited
Sydney, Australia

Dated 24th day of February 2023

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Independent Auditor's Review Report

To the Members of GTN Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of GTN Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GTN Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors’ responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group’s financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Coulton
Partner – Audit & Assurance

Sydney, 24 February 2023

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