GTN Limited
ABN 38 606 841 801
ASX Half-year information
31 December 2023

GTN Limited
Half-year ended 31 December 2023
(Previous corresponding period:
Half-year ended 31 December 2022)

Results for Announcement to the Market

				$ (,000's)
Revenue *from ordinary activities*	*up*	*5.0%*	*to*	*94,777*
Net profit *for the period attributable to members*	*up*	*46.3%*	*To*	*4,381*

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – Year ended 30 June 2023	N/A	N/A
Interim FY2024 dividend	$0.011	$0.00

Ex-dividend date: 7 March 2024
Record date: 8 March 2024
Payment date: 28 March 2024

Net tangible assets / (liabilities) per security

	31 December 2023	**31 December 2022**
Net tangible assets / (liabilities) per security (cents per share)	$0.49	$0.45

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 2023. 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 2023 and up to the date of this report:

- Peter Tonagh (Chair)
- 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 $94.8 million for the six-month period ended 31 December 2023, an increase of 5.0% from $90.3 million for the same period in the prior year. Revenue increased in the Group's Brazil and United Kingdom markets while decreasing in the Australia and Canada markets compared to the previous year period. Australia made up 46% of the Group's revenue for 1H FY24 compared to 51% in 1H FY23.

Revenue		**31 December**	**31 December**	
		2023	**2022**	**%**
		'000	**'000**	**Change**
Australia		43,861	45,825	(4.3)%
United Kingdom		24,523	21,367	14.8%
Canada		16,953	17,735	(4.4)%
Brazil		9,440	5,369	75.8%
Total		94,777	90,296	5.0%

Changes in foreign exchange rates had a positive impact on reported revenue from the Group's international markets.

Revenue: Local Currency		**31 December**	**31 December**	
		2023	**2022**	**%**
		$'000	**$'000**	**Change**
Australia	AUD	43,861	45,825	(4.3)%
United Kingdom	GBP	12,772	12,179	4.9%
Canada	CAD	14,962	15,823	(5.4)%

Brazil	BRL	30,317	18,896	60.4%

Non-IFRS measurements

- **EBITDA** is earnings before interest, tax, depreciation and amortisation.

  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 it 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 excludes foreign exchange gains or losses, losses on refinancings, gains and losses on asset disposals, gains on lease forgiveness and transaction costs.

  Management considers that Adjusted EBITDA is an appropriate measure of GTN's underlying EBITDA performance. Otherwise, the EBITDA would reflect significant non-cash station compensation charges without offsetting non-cash interest income arising from the treatment of the Southern Cross Austereo contract as a financing arrangement.

($m)[1]	**1H FY24**	**1H FY23**
Reconciliation of EBITDA and Adjusted EBITDA to Profit before income tax		
Profit before income tax	5.3	5.4
Depreciation and amortisation	6.5	5.8
Finance costs	0.9	0.8
Interest on bank deposits	(0.3)	(0.1)
Interest income on long-term prepaid affiliate contract	(3.9)	(4.0)
EBITDA	**8.4**	**8.0**
Interest income on long-term prepaid affiliate contract	3.9	4.0
Foreign currency transaction loss	0.1	0.0
Loss on fixed asset disposal	0.8	-
Adjusted EBITDA	**13.3**	**12.0**

(1) Amounts in tables may not add due to rounding.

- **NPATA** is net profit after tax adjusted to add-back the tax effected impact of amortisation of intangible assets related to the purchase accounting arising from GTCR's acquisition of Global Traffic Network, Inc. in September 2011.

  Management considers it appropriate to disclose NPATA because the amortisation of the intangibles related to purchase accounting is both a non-cash charge and there will be no future cash outlays to "replace" these assets once fully amortised.

  In addition. NPATA is the criteria the Group's lender uses when determining permitted distributions (including dividends and share buybacks) under the facility agreement.

($m)[1]	**1H FY24**	**1H FY23**
Reconciliation of Net profit after tax (NPAT) to NPATA		
Profit for the period (**NPAT**)	4.4	3.0

Amortisation of intangible assets (tax effected)	2.3	2.3
NPATA	**6.7**	**5.3**

(1) Amounts in tables may not add due to rounding.

Non-IFRS information has not been reviewed.

EBITDA for the six months ended 31 December 2023 increased 5.8% to $8.4 million compared to $8.0 million for the six months ended 31 December 2022. Adjusted EBITDA increased 11.3% to $13.3 million for the current period compared to $12.0 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 3.7% to $85.4 million compared to $82.3 million for the six months ended 31 December 2022. Included in the operating expense increase is approximately $2.1 million in costs (including severance, recruitment fees and duplicative costs) related to the terminations of the current Chief Financial Officer/Chief Operating Officer and the Executive Vice President, Business and Legal Affairs.

The increase in operating expenses included a $2.2 million (4.3%) increase in station compensation and a $1.1 million (10.8%) increase in network operations expense. The increase in station compensation is primarily related to increased costs relating to the United Kingdom market, consisting primarily of additional variable expense based on the revenue increase in the period as well as a significant strengthening of GBP relative to AUD, which results in higher reported expenses in AUD than if the exchange rates had remained constant for both periods. Approximately $0.4 million of the increase in network operations expense is related to foreign exchange rate changes.

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. In July 2023, during a show at Docklands Harbour, an accident occurred which resulted in the loss of over 400 drones and a casualty loss of $0.8 million which is reflected as a loss on disposal of assets. Due to the timing of the incident and the subsequent grounding of the Australia based drones, the Group did not generate any Australia related revenue during 1H FY24. The Group received revenue from its first shows sold in Canada as well as rental fees to third parties. For the half year ended 31 December 2023, revenue was $0.3 million, operating expenses were $1.2 million, EBITDA was $(1.8) million and Adjusted EBITDA (after adding back the casualty loss related to the drone incident) was $(1.0) million. 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.

Operating metrics

The Group has continued to maintain its advertising inventory across all its operating regions. We believe that there is an opportunity to continue to increase revenue by higher sell-out of our existing inventory across all our operating regions.

Operating metrics by jurisdiction (local currency)

	Notes	1H FY24	1H FY23
Australia			
Radio spots inventory ('000s)	1	546	543

Radio sell-out rate (%)	2	59%	55%
Average radio spot rate (AUD)	3	129	137

Canada			
Radio spots inventory ('000s)	1	319	339
Radio sell-out rate (%)	2	59%	59%
Average radio spot rate (CAD)	3	78	76

United Kingdom			
Total radio impacts available ('000)	4	11,085	10,034
Radio sell-out rate (%)	5	85%	88%
Average radio net impact rate (GBP)	6	1.4	1.4

Brazil			
Radio spots inventory ('000s)	1	277	247
Radio sell-out rate (%)	2	60%	42%
Average radio spot rate (BRL)	3, 7	212	210

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 FY24 Actual	1H FY23 Actual
AUD:USD	0.65	0.67
AUD:CAD	0.88	0.89
AUD:GBP	0.52	0.57
AUD:BRL	3.21	3.52

Cash Resources and Liquidity

The Group continues to maintain significant cash resources with $23.6 million of cash and cash equivalents at 31 December 2023 and net debt (debt less cash) of $0.5 million. Debt consists of a $20 million bank debt facility (fully drawn) and $4.1 million of leases that are considered debt under AASB 16. The Group's total gearing ratio ("TGR") was 0.02x net debt (1.17x gross debt) to trailing 12-month Adjusted EBITDA at 31 December 2023.

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 1H FY24, the Company made $4 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 $1.2 million. Working capital was a $5.6 million use of funds for the period. This was primarily due to a $7.4 million increase in accounts receivable from 30 June 2023 to 31 December 2023. The increase in accounts receivable relates to the seasonal revenue increase during 2Q FY24 and is expected to be collected primarily during 3Q FY24. 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 use of cash provided from operating activities.

Bank debt facility

On 22 December 2022, the Group extended its current debt facility to 22 December 2025.

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. In recognition of the Group's low leverage and cash resources, the lender has granted permission for a $10 million additional distribution for FY24. To date, no additional distribution has occurred. No decision as to whether the Company will make additional distributions or as to the form of any additional distribution has been made.

Share buyback

On 29 August 2023, the Company announced that it had recommenced 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. During 1H FY24, the Company repurchased and retired 2,309,839 shares for $0.8 million, which is an average price per share repurchased of $0.36.

Dividend Policy

The Board has established a dividend target of approximately 100% of NPAT for FY24. In order to more evenly distribute the dividend, given the seasonality of our business, we plan to distribute approximately 50% of 1H NPAT as an interim dividend with the final dividend approximating annual NPAT less the interim dividend. 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 interim FY24 dividend is consistent with the target dividend policy.

Distributions and Dividends

The directors have declared an interim dividend in the current period of $0.011 per share for holders of record on 8 March 2024. 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 2023 is as follows:

Director	23 February 2024	30 June 2023
David Ryan	150,000	150,000
Robert Loewenthal	98,293	98,293
Corinna Keller	223,450	223,450

Peter Tonagh	567,287	567,287
Alexandra Baker	30,000	30,000
Total	1,069,030	1,069,030

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 9.

This report is made in accordance with a resolution of directors.

Peter Tonagh
Chairman
GTN Limited
Sydney, Australia
23 February 2024

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 2023, 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, 23 February 2024

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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 2023 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 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Revenue	3	94,777	90,296
Other income	3	348	61
Interest income on long-term prepaid affiliate contract	3	3,940	3,996
Network operations and station compensation expenses		(64,105)	(60,815)
Selling, general and administrative expenses		(21,039)	(21,204)
Equity based compensation expenses		(247)	(302)
Depreciation and amortisation		(6,549)	(5,778)
Finance costs		(877)	(814)
Loss on asset disposal		(845)	-
Foreign currency transaction loss		(115)	(9)
Profit before income tax		5,288	5,431
Income tax expense	5	(907)	(2,437)
Profit for the half year		**4,381**	**2,994**
Other comprehensive loss for the half year, net of income tax:			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		(1,108)	(1,005)
Total other comprehensive loss for the half year		(1,108)	(1,005)
Total comprehensive income for the half year		3,273	1,989
		Cents	Cents
Earnings per share attributable to the ordinary equity holders:			
Basic earnings per share (cents)		2.2	1.4
Diluted earnings per share (cents)		2.2	1.4

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 2023

	Notes	31 December 2023 $'000	30 June 2023 $'000
Assets			
Current			
Cash and cash equivalents		23,626	30,606
Trade and other receivables		48,558	41,194
Current tax asset		5,300	4,385
Other current assets		7,601	4,938
Current assets		85,085	81,123
Non-current			
Property, plant and equipment	7	10,737	10,654
Intangible assets	6	23,792	27,116
Goodwill	6	96,329	96,422
Deferred tax assets		4,865	4,806
Other assets		90,079	90,863
Non-current assets		225,802	229,861
Total assets		310,887	310,984
Liabilities			
Current			
Trade and other payables		41,029	39,244
Contract liabilities		396	1,415
Current tax liabilities		176	63
Financial liabilities		1,474	1,215
Provisions		1,364	1,312
Current liabilities		44,439	43,249
Non-current			
Trade and other payables		76	78
Financial liabilities		22,631	25,912
Deferred tax liabilities		23,360	24,051
Provisions		327	318
Non-current liabilities		46,394	50,359
Total liabilities		90,833	93,608
Net assets		220,054	217,376
Equity			
Share capital		431,286	432,128
Reserves		6,718	8,159
Accumulated losses		(217,950)	(222,911)
Total equity		220,054	217,376

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 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)
Total comprehensive income		-	-	(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
Total transactions with owners		(809)	-	-	302	(2,799)	(3,306)
Balance at 31 December 2022		**436,699**	**(24,655)**	**28,091**	**6,075**	**(223,958)**	**222,252**
Balance at 1 July 2023		**432,128**	**(24,655)**	**31,072**	**1,742**	**(222,911)**	**217,376**
Total comprehensive income:							
Net profit		-	-	-	-	4,381	4,381
Other comprehensive loss		-	-	(1,108)	-	-	(1,108)
Total comprehensive income		-	-	(1,108)	-	4,381	3,273
Transactions with owners in their capacity as owners:							
Shares repurchased and retired		(842)	-	-	-	-	(842)
Reclass expired stock options		-	-	-	(580)	580	-
Equity based compensation		-	-	-	247	-	247
Total transactions with owners		(842)	-	-	(333)	580	(595)
Balance at 31 December 2023		**431,286**	**(24,655)**	**29,964**	**1,409**	**(217,950)**	**220,054**

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 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Operating activities			
Receipts from customers		98,064	96,510
Payments to suppliers and employees		(93,754)	(89,169)
Interest received		348	61
Finance costs		(849)	(775)
Income tax paid		(2,570)	(2,802)
Net cash from operating activities		**1,239**	**3,825**
Investing activities			
Purchase of property, plant and equipment		(2,734)	(3,165)
Proceeds from sale of property, plant and equipment		131	-
Net cash used in investing activities		**(2,603)**	**(3,165)**
Financing activities			
Debt repayment		(4,000)	-
Principal element of lease payments		(802)	(796)
Shares repurchased		(842)	(809)
Dividends		-	(2,799)
Net cash used in financing activities		**(5,644)**	**(4,404)**
Net change in cash and cash equivalents		(7,008)	(3,744)
Cash and cash equivalents, beginning of year		30,606	34,844
Exchange differences on cash and cash equivalents		28	(344)
Cash and cash equivalents, end of half year		**23,626**	**30,756**
Property acquired under leases		**1,996**	**783**

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 2023 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 2023 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 2023.

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 2023 $'000	31 December 2022 $'000
Sales revenue		
Sale of advertising commercials – net of agency commissions	94,777	90,296
	94,777	**90,296**
Other income		
Interest on cash balances	348	61
	348	**61**
Interest income on long-term prepaid affiliate contract	**3,940**	**3,996**

4 Expenses

	31 December 2023 $'000	31 December 2022 $'000
Profit before income tax includes the following specific expenses:		
Defined contribution superannuation expenses	629	585
Depreciation	3,341	2,606
Amortisation	3,208	3,172
Finance costs of bank loan and leases	877	814
Rental expenses relating to leases	220	472
Foreign exchange losses	115	9

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% (2022: 30%) and the reported tax expense in profit or loss are as follows:

	31 December 2023 $'000	31 December 2022 $'000
Profit before tax	5,288	5,431
Tax rate: 30%	1,586	1,629
Taxes on foreign earnings	(162)	11
Tax effect of permanent differences	196	468
(Recognition of previously unrecognised tax losses)/unrecognised tax losses	(756)	219
Under provision for income taxes in prior years	29	74
Impact of tax rate changes	-	31
Other	14	5
Income tax expense	**907**	**2,437**

	31 December 2023 $'000	31 December 2022 $'000
Expense		
Current	1,657	564
Deferred	(750)	1,873
Income tax expense	**907**	**2,437**

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 $23,994 thousand (30 June 2023: $21,556 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.

The Group recognised $745 thousand of tax benefit related to previously unrecognised tax losses related to its Brazilian subsidiary. The Brazil subsidiary became a tax paying entity during the current period and management expects to utilise these tax assets against future taxes in Brazil.

The Australia tax group had franking credits of $2,767 thousand at 31 December 2023. It is expected that the franking credits will be offset by the FY23 tax refund that is expected to be received prior to the end of the fiscal year.

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 2023	96,422	12,693	89,740	66,543	168,976
Net exchange differences	(93)	(63)	(451)	(332)	(846)
Balance at 31 December 2023	**96,329**	**12,630**	**89,289**	**66,211**	**168,130**
Amortisation					
Balance at 1 July 2023	-	-	(75,317)	(66,543)	(141,860)
Amortisation	-	-	(3,208)	-	(3,208)
Net exchange differences	-	-	398	332	730
Balance at 31 December 2023	-	-	(78,127)	(66,211)	(144,338)
Carrying amount 31 December 2023	**96,329**	**12,630**	**11,162**	**-**	**23,792**

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 2023 and 31 December 2022 was $3,208 thousand and $3,172 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 2023	38,505	1,061	3,839	7,809	51,214
Additions during period	2,400	9	325	1,996	4,730
Disposals	(1,019)	-	(181)	(3,467)	(4,667)
Net exchange differences	(620)	(13)	(15)	(202)	(850)
Balance at 31 December 2023	39,266	1,057	3,968	6,136	50,427
Depreciation and impairment					
Balance at 1 July 2023	(31,685)	(1,011)	(3,175)	(4,689)	(40,560)
Disposals	180	-	54	3,280	3,514
Net exchange differences	608	12	45	32	697
Depreciation	(2,418)	(17)	(133)	(773)	(3,341)
Balance at 31 December 2023	(33,315)	(1,016)	(3,209)	(2,150)	(39,690)
Carrying amount 31 December 2023	**5,951**	**41**	**759**	**3,986**	**10,737**

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 2023 $'000	31 December 2022 $'000
Australia	43,861	45,825
United Kingdom	24,523	21,367
Canada	16,953	17,735
Brazil	9,440	5,369
	94,777	**90,296**

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 or losses on asset disposals, gains on lease forgiveness, losses on refinancings, transaction costs and other unusual non-recurring items.

	31 December 2023 $'000	31 December 2022 $'000
Adjusted EBITDA by Segments		
Australia	10,536	10,152
United Kingdom	1,410	1,442
Canada	2,867	3,429
Brazil	2,094	(199)
Other	(3,581)	(2,853)
Adjusted EBITDA	**13,326**	**11,971**
Foreign exchange loss	(115)	(9)
Loss on asset disposals	(845)	-
Less: Interest income on long-term prepaid affiliate contract	(3,940)	(3,996)
EBITDA	8,426	7,966
Depreciation and amortisation	(6,549)	(5,778)
Interest income on long-term prepaid affiliate contract	3,940	3,996
Financing costs net of interest income	(529)	(753)
Profit before income tax	5,288	5,431
Income tax expense	(907)	(2,437)
Profit	4,381	2,994

Segment assets and liabilities are classified by their physical location.

	31 December 2023 $'000	31 December 2022 $'000
Segment assets		
Total Assets:		
Australia	226,136	237,183
UK	35,728	41,936
Canada	32,205	28,766
Brazil	6,208	3,624
Total segment assets	**300,277**	**311,509**
Unallocated:		
Deferred tax assets	4,865	4,793

Others	5,745	1,693
Total assets	**310,887**	**317,995**
Segment liabilities		
Total liabilities:		
Australia	77,046	82,159
UK	7,745	6,287
Canada	5,555	4,560
Brazil	3,376	2,189
Total segment liabilities	**93,722**	**95,195**
Unallocated:		
Deferred tax liabilities	23,360	23,571
Borrowings	24,105	33,490
Intercompany eliminations	(65,022)	(69,778)
Others	14,668	13,265
Total liabilities	**90,833**	**95,743**

9 Events subsequent to the reporting period

Subsequent to the end of the half-year period, on 23 February 2024, the Directors have declared the payment of an interim fiscal year 2024 dividend of $0.011 per share (0% franked). This dividend will be paid to holders on record as of 8 March 2024.

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 11 to 19 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 2023 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 23th day of February 2024

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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 2023, 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 2023 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 2023 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, 23 February 2024