GTN Limited
ABN 38 606 841 801
ASX Half-year information
31 December 2019

GTN Limited
Half-year ended 31 December 2019
(Previous corresponding period:
Half-year ended 31 December 2018)

Results for Announcement to the Market

				$ (,000's)
Revenue *from ordinary activities*	*up*	*1.4%*	*To*	*95,674*
Net profit *for the period attributable to members*	*down*	*28.5%*	*To*	*7,611*

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – Year ended 30 June 2019	$0.032	70%
Interim FY2020 dividend	$0.014	70%

Ex-dividend date: 12 March 2020
Record date: 13 March 2020
Payment date: 31 March 2020

Net tangible assets / (liabilities) per security

	31 December 2019	**31 December 2018**
Net tangible assets/ (liabilities) per security (cents per share)	$0.41	$0.38

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 2019. 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 2019 and up to the date of this report:

- Robert Loewenthal (Chairman)
- William Yde III (Managing Director)
- David Ryan
- Corinna Keller

Principal Activities

The principal activity of the Group during the course of 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 $95.7 million for the six-month period ended 31 December 2019, an increase of 1.4% from $94.4 million for the same period in the prior year. The Group's revenue was negatively impacted by a 3.7% revenue decrease in Australia, which is the Group's largest segment. Revenue increased in each of the remaining segments for the period.

Revenue		**31 December**	**31 December**	
		2019	**2018**	
		$'000	**$'000**	
Australia		46,769	48,576	(3.7)%
United Kingdom		23,339	22,454	+3.9%
Canada		16,731	16,418	+1.9%
Brazil		8,835	6,927	+27.5%
Total		95,674	94,375	+1.4%

Changes in foreign exchange rates had a positive impact on reported revenue from the United Kingdom, Canada and Brazil.

Revenue: Local Currency		**31 December**	**31 December**	
		2019	**2018**	

		$'000	$'000	
Australia	AUD	46,769	48,576	(3.7)%
United Kingdom	GBP	12,682	12,555	+1.0%
Canada	CAD	15,123	15,631	(3.2)%
Brazil	BRL	24,442	19,430	+25.8%

EBITDA for the six months ended 31 December 2019 decreased 23.8% to $13.8 million compared to $18.1 million for the six months ended 31 December 2018. Adjusted EBITDA, which is defined as EBITDA adding back the non-cash interest income related to the long-term prepaid affiliation agreement with Southern Cross Austereo which is treated as a financing transaction, foreign exchange gains or losses and transaction costs decreased 19.6% to $18.0 million for the current period compared to $22.3 million for the prior half-year period. EBITDA and Adjusted EBITDA were negatively impacted by a 7.4% increase in combined network operations and station compensation expenses and selling and general and administrative expenses. A significant portion of the cost increase can be explained by changes in foreign exchange rates as the weakening of the AUD increased reported expenses in the markets outside Australia which consist of a large portion of overall Group costs. Network operations and station compensation costs were also negatively impacted by a full half-year of costs for Rogers Toronto compared to less than two months in the previous period and additional costs in Brazil, mainly pertaining to the opening of new markets as well as increased station compensation related to both new and existing affiliates. In addition to foreign exchange fluctuations, sales, general and administrative expenses were impacted by additional sales costs in Australia and Canada related to additional and revised staffing to attempt to increase revenue and additional sales costs in Brazil related to additional sales representatives as well as incentive pay for the sales staff due to the strong increase in revenue.

EBITDA is 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 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 excluding transaction costs and foreign exchange gains and losses. The Directors consider that Adjusted EBITDA is an appropriate measure of the Group'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, 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.

Key operating metrics

Key operating metrics by jurisdiction (local currency)

	Notes	1H FY20	1H FY19
Australia			
Radio spots inventory ('000s)	1	540	531
Radio sell-out rate (%)	2	62%	65%
Average radio spot rate (AUD)	3	135	138
Canada			
Radio spots inventory ('000s)	1	342	335
Radio sell-out rate (%)	2	61%	68%
Average radio spot rate (CAD)	3	68	67
United Kingdom			
Total radio impacts available ('000)	4	9,806	9,717
Radio sell-out rate (%)	5	99%	99%
Average radio net impact rate (GBP)	6	1.3	1.3
Brazil			
Radio spots inventory ('000s)	1	209	139
Radio sell-out rate (%)	2	60%	60%
Average radio spot rate (BRL)	3, 7	224	272

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 Australia dollars ("AUD"). The actual annual exchange rates utilized in preparing the half-year consolidated statement of profit or loss and other comprehensive income are as follows:

	1H FY2020 Actual	1H FY2019 Actual
AUD:USD	0.68	0.72
AUD:CAD	0.90	0.95
AUD:GBP	0.54	0.56
AUD:BRL	2.77	2.81

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.

Distributions and Dividends

A final dividend of $0.032 per share was paid for the fiscal year ended 30 June 2019 which was 70% franked. The directors have declared an interim dividend in the current period of $0.014 per share for holders of record on 13 March 2020. The interim dividend will be 70% franked.

Directors Holdings of Shares

The aggregate number of Company fully paid shares held directly, indirectly or beneficially by Directors of the Company at the date of this report and 30 June 2019 is as follows:

Director	**27 February 2020**	**30 June 2019**
William Yde III	3,603,408	3,603,408
David Ryan	75,475	75,475
Robert Loewenthal	98,293	17,417
Corinna Keller	58,100	10,500
Total	3,835,276	3,706,800

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 7.

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

Robert Loewenthal
Chairman
GTN Limited
Sydney, Australia
27 February 2020

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Auditor's Independence Declaration

As lead auditor for the review of GTN Limited for the half-year ended 31 December 2019, 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.

This declaration is in respect of GTN Limited and the entities it controlled during the period.

MW Chiang
Partner
PricewaterhouseCoopers

Sydney
27 February 2020

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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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 2019 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 2019

	Notes	31 December 2019 $'000	31 December 2018 $'000
Revenue	3	95,674	94,375
Other income	3	137	109
Interest income on long-term prepaid affiliate contract	3	4,139	4,179
Network operations and station compensation expenses		(61,028)	(57,492)
Selling, general and administrative expenses		(20,516)	(18,471)
Equity based compensation expenses		(319)	(252)
Depreciation and amortisation		(5,860)	(5,519)
Finance costs		(1,569)	(1,842)
Foreign currency transaction gain/(loss)		4	(29)
Profit before income tax		10,662	15,058
Income tax expense	5	(3,051)	(4,406)
Profit for the half year		**7,611**	**10,652**
Other comprehensive income for the half year, net of income tax:			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		1,405	1,044
Total other comprehensive income for the half year		1,405	1,044
Total comprehensive income for the half year		9,016	11,696
		Cents	Cents
Earnings per share attributable to the ordinary equity holders:			
Basic and diluted earnings per share (cents)		3.4	4.7

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 2019

	Notes	31 December 2019 $'000	30 June 2019 $'000
Assets			
Current			
Cash and cash equivalents		50,705	50,728
Trade and other receivables		40,053	38,091
Current tax asset		4,058	2,479
Other current assets		5,569	3,481
Current assets		100,385	94,779
Non-current			
Property, plant and equipment	7	11,329	10,459
Intangible assets	6	49,292	52,172
Goodwill	6	96,531	96,179
Deferred tax assets		2,869	2,975
Other assets		95,585	96,139
Non-current assets		255,606	257,924
Total assets		355,991	352,703
Liabilities			
Current			
Trade and other payables		32,188	32,596
Deferred revenue		593	534
Current tax liabilities		256	306
Financial liabilities		1,394	1,155
Provisions		1,010	939
Current liabilities		35,441	35,530
Non-current			
Trade and other payables		73	73
Financial liabilities		62,605	61,393
Deferred tax liabilities		19,675	18,997
Provisions		447	454
Non-current liabilities		82,800	80,917
Total liabilities		118,241	116,447
Net assets		237,750	236,256
Equity			
Share capital		443,367	444,041
Reserves		10,942	9,218
Accumulated losses		(216,559)	(217,003)
Total equity		237,750	236,256

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 2018		**444,981**	**(24,655)**	**28,281**	**2,914**	**(202,823)**	**248,698**
Total comprehensive income:							
Net profit		-	-	-	-	10,652	10,652
Other comprehensive income		-	-	1,044	-	-	1,044
		-	-	1,044	-	10,652	11,696
Transactions with owners in their capacity as owners:							
Equity based compensation		-	-	-	252	-	252
Dividends		-	-	-	-	(24,719)	(24,719)
		-	-	-	252	(24,719)	(24,467)
Balance at 31 December 2018		**444,981**	**(24,655)**	**29,325**	**3,166**	**(216,890)**	**235,927**
Balance at 1 July 2019		**444,041**	**(24,655)**	**30,390**	**3,483**	**(217,003)**	**236,256**
Total comprehensive income:							
Net profit		-	-	-	-	7,611	7,611
Other comprehensive income		-	-	1,405	-	-	1,405
		-	-	1,405	-	7,611	9,016
Transactions with owners in their capacity as owners:							
Shares repurchased and retired		(674)	-	-	-	-	(674)
Dividends		-	-	-	-	(7,167)	(7,167)
Equity based compensation		-	-	-	319	-	319
		(674)	-	-	319	(7,167)	(7,522)
Balance at 31 December 2019		**443,367**	**(24,655)**	**31,795**	**3,802**	**(216,559)**	**(237,750)**

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 2019

	Notes	31 December 2019 $'000	31 December 2018 $'000
Operating activities			
Receipts from customers		106,041	106,522
Payments to suppliers and employees		(91,553)	(87,640)
Interest received		137	109
Finance costs		(1,244)	(1,495)
Income tax paid		(3,949)	(4,115)
Net cash from operating activities		**9,432**	**13,381**
Investing activities			
Purchase of property, plant and equipment		(1,731)	(2,295)
Net cash used in investing activities		**(1,731)**	**(2,295)**
Financing activities			
Principal element of lease payments		(804)	(544)
Shares repurchased		(674)	-
Dividends		(7,167)	(24,719)
Net cash used in financing activities		**(8,645)**	**(25,263)**
Net change in cash and cash equivalents		(944)	(14,177)
Cash and cash equivalents, beginning of year		50,728	52,232
Exchange differences on cash and cash equivalents		921	561
Cash and cash equivalents, end of half year		**50,705**	**38,616**
Property acquired under leases		**2,030**	**3,704**

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 2019 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 2019 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 of the 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 2019.

The following Accounting Standards and Interpretations are most relevant to the Group:

Interpretation 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23")
IFRIC 23 explains how to recognize and measure deferred tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it covers:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts resolution of the uncertainty
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
- the judgments and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgments.

The interpretation is effective for annual periods beginning on or after 1 January 2019. The adoption of IFRIC 23 did not have a material impact on income tax expenses, tax assets and liabilities and deferred tax balances as the clarifications are consistent with the Company's current policies.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 of 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 2019 $'000	31 December 2018 $'000
Sales revenue		
Sale of advertising commercials – net of agency commissions	95,674	94,375
	95,674	**94,375**
Other income		
Interest	137	109
	137	**109**
Interest income on long-term prepaid affiliate contract	**4,139**	**4,179**

4 Expenses

	31 December 2019 $'000	31 December 2018 $'000
Profit before income tax includes the following specific expenses:		
Defined contribution superannuation expenses	543	485
Amortisation and depreciation	5,860	5,519
Finance costs of bank loan and leases	1,569	1,842
Rental expenses relating to leases	317	532
Foreign exchange losses/(gains)	(4)	29

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% (2018: 30%) and the reported tax expense in profit or loss are as follows:

	31 December 2019 $'000	31 December 2018 $'000
Profit before tax	10,662	15,058
Tax rate: 30%	3,199	4,517
Taxes on foreign earnings	(100)	(158)
Tax effect of permanent differences	194	166
(Recognition of previously unrecognized tax losses)/unrecognized tax losses	(219)	188
State taxes	3	28
Other	(26)	(335)
Income tax expense	**3,051**	**4,406**

	31 December 2019 $'000	31 December 2018 $'000
Expense		
Current	2,266	3,216
Deferred	785	1,190
Income tax expense	**3,051**	**4,406**

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 $22,780 thousand (30 June 2019: $22,994 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 2019	96,179	12,553	88,744	65,808	263,284
Net exchange differences	352	75	524	389	1,340
Balance at 31 December 2019	**96,531**	**12,628**	**89,268**	**66,197**	**264,624**
Amortisation					
Balance at 1 July 2019	-	-	(49,125)	(65,808)	(114,933)
Amortisation	-	-	(3,182)	-	(3,182)
Net exchange differences	-	-	(297)	(389)	(686)
Balance at 31 December 2019	-	-	(52,604)	(66,197)	(118,801)
Carrying amount 31 December 2019	**96,531**	**12,628**	**36,664**	**-**	**145,823**

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 2019 and 31 December 2018 was $3,182 thousand and $3,152 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 and fixed wing 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 1 July 2019	25,279	1,016	2,434	4,806	33,535
Additions during period	1,360	34	337	2,030	3,761
Disposals	-	-	-	(610)	(610)
Net exchange differences	(98)	(9)	(24)	(9)	(140)
Balance 31 December 2019	26,541	1,041	2,747	6,217	36,546
Depreciation and impairment					
Balance 1 July 2019	(19,244)	(766)	(1,729)	(1,337)	(23,076)
Disposals	-	-	-	510	510
Net exchange differences	20	3	(45)	49	27
Depreciation	(1,615)	(47)	(200)	(816)	(2,678)
Balance 31 December 2019	(20,839)	(810)	(1,974)	(1,594)	(25,217)
Carrying amount 31 December 2019	**5,702**	**231**	**773**	**4,623**	**11,329**

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 2019 $'000	31 December 2018 $'000
Australia	46,769	48,576
United Kingdom	23,339	22,454
Canada	16,731	16,418
Brazil	8,835	6,927
	95,674	**94,375**

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, transaction costs and other unusual non-recurring items.

	31 December 2019 $'000	31 December 2018 $'000
Adjusted EBITDA by Segments		
Australia	14,415	17,153
United Kingdom	2,015	1,824
Canada	1,822	3,692
Brazil	1,845	1,521

Other	(2,147)	(1,851)
Adjusted EBITDA	**17,950**	**22,339**
Foreign exchange gain/(loss)	4	(29)
Less: Interest income on long-term prepaid affiliate contract	(4,139)	(4,179)
EBITDA	13,815	18,131
Depreciation and amortization	(5,860)	(5,519)
Interest income on long-term prepaid affiliate contract	4,139	4,179
Financing costs net of interest income	(1,432)	(1,733)
Profit before income tax	10,662	15,058
Income tax expense	(3,051)	(4,406)
Profit	7,611	10,652

Segment assets and liabilities are classified by their physical location.

	31 December 2019	**31 December 2018**
	$'000	**$'000**
Segment assets		
Total Assets:		
Australia	258,859	257,799
UK	41,024	35,816
Canada	34,773	31,177
Brazil	8,034	7,174
Total segment assets	**342,690**	**331,966**
Unallocated:		
Deferred tax assets	2,869	3,413
Other	10,432	10,346
Total assets	**355,991**	**345,725**
Segment liabilities		
Total liabilities:		
Australia	80,510	79,509
UK	7,016	6,665
Canada	4,116	3,013
Brazil	2,840	2,287
Total segment liabilities	**94,482**	**91,474**
Unallocated:		
Deferred tax liabilities	19,675	18,130
Borrowings	63,999	61,830
Intercompany eliminations	(67,563)	(69,899)
Others	7,648	8,263
Total liabilities	**118,241**	**109,798**

9 Events subsequent to the reporting period

Subsequent to the end of the half-year, on 27 February 2020, the Directors have declared the payment of an interim 2020 dividend of $0.014 per share (70% franked). The amount of the interim dividend is approximately $3,124 thousand, excluding any shares repurchased prior to the dividend record date of 13 March 2020.

Subsequent to the end of the half-year, on 27 February 2020, the Group filed an Appendix 3D announcing that it has extended its on-market share buy-back of up to 10% of its outstanding shares for an additional period of up to twelve months. No target share price or minimum repurchase amount has been set.

At the time of the release of the half-year report, the Group's bank debt would be classified as short-term as the current repayment date is 21 February 2021. However, the lenders have agreed to modify and extend the loan until 21 February 2025 but the documentation of this has not been finalized as of 27 February 2020. It is anticipated that the new loan will be collateralized by the entire group. The current loan is only collateralized by the assets of Australia and the United Kingdom.

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 9 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 2019 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.

Robert Loewenthal
Chairman
GTN Limited
Sydney, Australia

Dated 27th day of February 2020

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Independent auditor's review report to the members of GTN Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of GTN Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

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 Australian 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 2019 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*. As the auditor of GTN Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

1. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

MW Chiang
Partner

Sydney
27 February 2020