

GTN Limited  
 ABN 38 606 841 801  
 Year ended 30 June 2023  
 (Previous corresponding period:  
 Year ended 30 June 2022)

**Results for Announcement to the Market**

|                                                                          |      |        |    | <i>\$'000</i> |
|--------------------------------------------------------------------------|------|--------|----|---------------|
| <b>Revenue</b> from ordinary activities                                  | up   | 10.6%  | to | 177,002       |
| <b>Profit</b> from ordinary activities after tax attributable to members | down | (6.0)% | to | 2,635         |
| <b>Net profit</b> for the period attributable to members                 | down | (6.0)% | to | 2,635         |
|                                                                          |      |        |    |               |

| <b>Dividends/distributions</b> | Amount per security | Franked amount per security |
|--------------------------------|---------------------|-----------------------------|
| Final dividend                 | -                   | -                           |
| Interim dividend               | \$0.014             | 0%                          |

**NTA Backing**

|                                                                                                                                                                           | 2023   | 2022   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Net tangible asset backing per ordinary share                                                                                                                             | \$0.46 | \$0.44 |
| Net tangible assets consist of net assets less goodwill and intangible assets without any adjustment for deferred tax liabilities related to purchased intangible assets. |        |        |

**Dividend/distribution reinvestment plans**

N/A



# GTN

GTN Limited  
ABN 38 606 841 801  
Annual Report 2023

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## CHAIR OF THE BOARD OF DIRECTOR'S LETTER

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present GTN Limited's ("**GTN**" or the "**Company**" and its subsidiaries (the "**Group**")) annual report for fiscal year ended 30 June 2023.

Overall, we are pleased with the significant ongoing improvement in our business performance. GTN reported annual net revenues of \$177.0 million which was an increase of 11% over the previous fiscal year. This is GTN's second consecutive year of double-digit revenue growth. As a result of the revenue increase, Adjusted EBITDA rose 13% to \$19.3 million for the fiscal year. The Company was able to increase Adjusted EBITDA while investing significantly in its drone light show opportunity.

Australia, Brazil and Canada each posted strong revenue and EBITDA growth during FY 2023. Canada posted the highest revenue in its history in FY 2023, increasing 28% (+25% in local currency). Australia revenue increased 13% (12% ex-drones) in FY 2023, which was significantly higher than our peer group, based on published industry data. Brazil increased revenue 30% (+19% in local currency) and improved EBITDA to virtually break-even for the period. We are delighted with this very solid performance in our core business which enabled us to invest in new opportunities such as drones.

We view FY 2023 as a proof-of-concept year with regard to the drone operations. We performed a large number of shows, built a leading market presence, established that there is sufficient demand for our shows and that we have the operational expertise to perform shows that are memorable and crowd pleasing. The next phase in the drone plan is to determine the revenue potential of the business and to combine this with a rigorous analysis of the costs of performing the shows to stage consistently profitable events. We have learned quite a bit in the past year and half and remain excited about the opportunity.

Our long-term strategy remains the same; protect our two most valuable assets, radio and television network contracts, and our experienced sales and management teams. This, combined with our strong balance sheet, enables our business to be resilient during any downturn while being positioned for ongoing growth. We will continue to pursue new opportunities in the future, such as expansion of the current drone operations.

As at 30 June 2023, we held a net cash balance (including lease liabilities recognised under AASB 16) of \$3.4 million with a total cash balance of \$30.6 million. We accomplished this while returning over \$11 million to shareholders in the form of dividends and share buybacks, retiring more than 11 million shares (over 5% of the outstanding shares at the beginning of the fiscal year) during FY 2023. The Board remains committed to a meaningful share buyback and a dividend 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 50% of 1H NPAT as an interim dividend with the final dividend approximating NPAT less the interim dividend. The Company also continued to reduce our bank debt facility during FY 2023, repaying \$6 million during the fiscal year. Since July 1, 2020, the Company has reduced its outstanding bank debt by \$36 million from \$60 million to \$24 million and anticipates further repayments during FY 2024.

We would like to recognise the outstanding efforts of our local management, operations, IT, sales and administrative staff during the past year. They attack their jobs with passion and zeal, in addition to exceptional skill. We would not have been able to continue to grow and thrive without their extraordinary efforts around the world especially through the recent transition from our previous global CEO.

We look forward to FY 2024 and expect our performance to continue to improve. We have maintained a strong balance sheet and excellent local management teams in all our markets. These factors position us favourably to continue to grow our business into the future.

A handwritten signature in blue ink, appearing to read 'Peter Tonagh', with a long horizontal flourish extending to the right.

Peter Tonagh  
Chair

# About GTN

## Overview of GTN

GTN provides a broad reach advertising platform that enables advertisers to reach large audiences frequently and effectively. GTN is one of the largest broadcast media advertising platforms by audience reach in Australia, Canada, the United Kingdom and Brazil.

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

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

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

GTN has successfully established itself within its Affiliates' operations by providing them with quality, timely and important information. In most cases, GTN also provides cash compensation to Affiliates in exchange for advertising spots, which, in many cases, allows Affiliates to convert an important programming segment from a cost centre to a profit centre. This stable income stream can constitute a material portion of the Affiliates' overall profits, further solidifying GTN's position within their operations.

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

In FY 2023, approximately 96% of GTN's revenues were generated through the sale of radio advertising spots and 4% were generated through the sale of television advertising spots.

During FY 2022, GTN commenced drone light show operations in Australia. 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. Drone related revenue was less than 1% of GTN's revenues in FY 2023.

## Overview of GTN's divisions

| Country                |  |            | Australia | Canada | United Kingdom | Brazil |
|------------------------|--|------------|-----------|--------|----------------|--------|
| Population             |  | (millions) | 26.5      | 38.8   | 67.8           | 216.5  |
| GTN years of operation |  | (years)    | 26        | 18     | 14             | 12     |
| FY 2023 revenue (1)    |  | (millions) | 88.6      | 34.2   | 42.4           | 11.9   |

|                                                                                                                                                                                                                                            |  |          |                             |                         |             |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|-----------------------------|-------------------------|-------------|-------------|
| <b>% of FY 2023 revenue (1)</b>                                                                                                                                                                                                            |  | (%)      | 50%                         | 19%                     | 24%         | 7%          |
| <b>GTN audience</b>                                                                                                                                                                                                                        |  | (#)      | 11.7m radio (2)<br>3.5 m TV | 15.6m radio<br>11.3m TV | 29.9m radio | 26.6m radio |
| <b>Number of affiliates</b>                                                                                                                                                                                                                |  | (#)      | 147 radio<br>8 TV           | 109 radio<br>6 TV       | 242 radio   | 96 radio    |
| <b>FY 2023 radio spots inventory</b>                                                                                                                                                                                                       |  | ('000's) | 1,102                       | 667                     | 20,582 (3)  | 495         |
| (1) Amounts may not add due to rounding                                                                                                                                                                                                    |  |          |                             |                         |             |             |
| (2) Includes approximately 817 thousand listeners in regional markets rated by GfK. Excludes listeners in markets not rated by GfK. The population of the markets not rated by GfK but serviced by ATN is approximately 8 million persons. |  |          |                             |                         |             |             |
| (3) The UK market measures inventory and units sold based on impacts instead of spots. An impact in a thousand listener impressions.                                                                                                       |  |          |                             |                         |             |             |
|                                                                                                                                                                                                                                            |  |          |                             |                         |             |             |

## Operating model

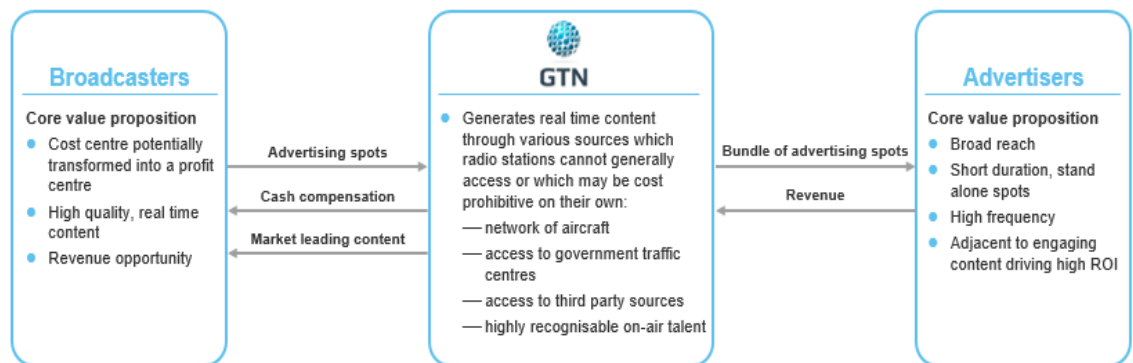
GTN provides an advertising platform designed to enable advertisers, generally large national advertisers, to reach high-value demographics cost effectively. The advertising spots GTN offers are adjacent to information reports that listeners are typically highly engaged with, as this content is “of use” to the consumer, such as traffic and news. The advertising spots are generally 10 seconds long and read live by well-known on-air personalities. GTN obtains radio spots that are primarily aired during peak listenership hours (i.e. during morning and afternoon commutes). The placement and format of GTN's advertising spots are designed to maximise efficacy, enhance recall and minimise switching during advertisements.

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

In order to provide this advertising platform, GTN must appeal to the radio and television stations that provide the advertising spots GTN sells to advertisers. GTN accomplishes this by providing Affiliates with information reports at no charge, and in most cases, provides cash compensation to the Affiliates in exchange for advertising spots. This allows Affiliates, in many cases, to turn an important programming segment from a cost centre into a profit centre. Affiliate contracts are typically multi-year, generally cover all of an Affiliate's stations across the relevant market and provide a fixed number of spots over the life of the agreement.

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

## GTN value proposition



## Revenue model

GTN primarily generates revenue by selling schedules of advertising spots to advertisers. The majority of GTN's advertising revenue is placed through advertising agencies who have been engaged by advertisers. In these situations, GTN attempts to maintain a relationship with the advertisers directly to assist with the sale process. GTN also sells some spots directly to advertisers.

Each of GTN's operating geographies has generally been able to grow its spots inventory each year. Inventory is grown either through expanding the Affiliate network (in existing or new markets) or growing the number of spots under contract with existing Affiliates.

GTN can accommodate orders from advertisers with short lead times, providing advertisers the flexibility to conduct timely and relevant campaigns. Advertisers book a significant portion of orders not more than four weeks in advance. This short forward sales pipeline is typical for the radio business.

## Value proposition to advertisers

GTN provides a different value proposition to advertisers in comparison with traditional advertising models as summarised below. This has enabled GTN to build a loyal customer base, comprised primarily of large advertisers.

- **Audience reach:** GTN operates one of the largest broadcast media advertising platforms by audience reach in Australia, Canada, the United Kingdom and Brazil. This enables advertisers to communicate with a large number and broad demographic of potential consumers.
- **High frequency:** GTN's advertisements are heard frequently throughout the day on every Affiliate in the purchased market or region, enabling advertisers to communicate their message repeatedly. This format is designed to maximise efficacy, enhance recall and minimise switching during advertisements.
- **High engagement:** GTN's advertising spots are adjacent to information reports that have been found to be useful and engaging for listeners. GTN has previously commissioned a research study conducted by Neuro Insight which measured brain activity and demonstrated that traffic update content was the most engaging content for listeners.
- **Ideal placement:** A large proportion of GTN advertising spots are aired during morning and afternoon commute periods, which generally have the largest audience.
- **High recall:** GTN's advertisements are designed to provide high recall rates by being short in duration (10 seconds), adjacent to information reports and standalone to other advertisements. A Neuro Insight study demonstrated that shorter messages create greater recall.

- **Audience consistency:** Advertisers using GTN's platform are less exposed to ratings swings of individual radio affiliate stations since GTN's customers receive spots on multiple radio station Affiliates.
- **Audience coverage:** GTN sells spots on a national, regional or specific market basis. This allows the product to be relevant for both nationally and regionally focused advertisers.

## Value proposition to broadcasters

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

- **Tailored content:** GTN customises the information reports that it provides to Affiliates by providing pertinent and geographically relevant information that meets the content and style requirements of each Affiliate. This helps to ensure that the reports appeal to each Affiliate's target audience;
- **Quality product:** GTN commits substantial resources to its information gathering and dissemination capabilities, including considerable training of its reporters and producers. Consequently, Affiliates receive more substantive and higher quality reports than they would likely be able to cost effectively produce themselves;
- **Cost efficiencies:** Affiliates utilise GTN's reports instead of having to procure this information on their own, which could require significant capital outlay in order to acquire aircraft and other information gathering infrastructure. This allows Affiliates to eliminate the non-core operating costs associated with real time content development, which is particularly helpful to Affiliates that are not large enough to cost effectively produce traffic reports on their own;
- **Contractual earnings:** GTN provides station compensation to most Affiliates in the form of cash payments. These station compensation payments represent stable recurring cash flows for these Affiliates and, in some instances, form a material part of that Affiliate's overall profits; and
- **Revenue opportunity:** Affiliates are permitted to sell sponsorships at the opening of an information report (i.e. "this report is brought to you by"), providing them with a revenue source without a cost base.

By addressing multiple needs of our radio and television station Affiliates and providing our advertising customers with a highly effective advertising vehicle, we are able to meet the needs of both constituencies and continue to grow our business.

## Corporate Governance

The Corporate Governance Statement outlining GTN Limited's corporate governance framework and practices in the form of a report against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition, is available on the GTN Limited website at <http://www.gtnetwork.com.au/home/?page=corporate-governance> in accordance with ASX listing rule 4.10.3. The Directors approved the 2023 Corporate Governance Statement on 29 August 2023.

## Directors' Report

The Directors present their report together with the consolidated financial statements of GTN Limited and its Controlled Entities ("**Group**"), for the year ended 30 June 2023 and the auditor's report thereon.

## Directors and Company Secretaries

The following persons were directors of GTN Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

### Peter Tonagh

Independent Non-Executive Chair

Chair of the Nomination and Remuneration Committee

Peter Tonagh has a background as a C-suite executive in large Australian media companies, including as CEO of Foxtel and News Corp Australia, interim-CEO of REA Group and Chairman of MCN.

Peter is a former partner of The Boston Consulting Group where he led the Asia Pacific Organisation Practice and worked across media, consumer and financial services businesses. Peter is currently Deputy Chair of the Australian Broadcasting Corporation (ABC), and Chair of Quantum Group Holdings Pty Limited. Peter was previously the lead independent director of Village Roadshow Limited.

Peter has a Bachelor of Commerce from the University of New South Wales and a Masters of Business Administration from INSEAD, Europe's leading business school. In 2012 he was named AFR's CFO of the Year.

### David Ryan AO

Independent Non-Executive Director

Chair of the Audit and Risk Committee and Member of the Nomination and Remuneration Committee

David Ryan AO has over 40 years of experience in commercial banking, investment banking and operational business management.

David is currently Chairman of Visit Sunshine Coast Limited, a director of First American Title Insurance Company of Australia Pty Ltd, a director of First Mortgage Services Pty Ltd, a director of Sunshine Coast Airport Pty Limited, Board member of the Sunshine Coast Events Board and a Board Member of the Ted Noffs Foundation.

David has previously held positions as a non-executive director of GetSwift Limited from April 2018 to April 2019, a non-executive director of Lendlease Corporation Limited from December 2004 until his retirement in November 2017, non-executive director of Aston Resources from 2011 until its merger with Whitehaven Coal and as non-executive chairman of Transurban Holdings (appointed director in 2003, chairman in 2007, and retired in 2010).

David holds a Bachelor of Business from the University of Technology, Sydney and is a Fellow of Australian Institute of Company Directors and of CPA Australia.

## **Robert Loewenthal**

Independent Non-Executive Director

Member of the Audit and Risk Committee and Nomination and Remuneration Committee

Robert Loewenthal has over 17 years of experience in the radio industry.

He is currently a Business Development Director for Spotify. He was the Founder and CEO of Whooshkaa, a Podcast Platform which was sold to Spotify in December 2021.

Robert formerly held the role of Managing Director of the Macquarie Radio Network Ltd, where he also acted as Chief Operating Officer and Company Secretary.

Robert is a Chartered Accountant and holds a Bachelor of Commerce degree from The University of Sydney.

## **Corinna Keller**

Independent Non-Executive Director

Member of the Audit and Risk Committee and Nomination and Remuneration Committee

Corinna Keller is the former Vice President of Advertising Sales for the Americas for CNN International Commercial (a WarnerMedia company), which she joined in 2016. Corinna oversaw the pan-regional ad sales business for CNN International, CNN en Español, CNN.com/international and CNNEspañol.com for Latin America and clients based in the U.S. and Canada who want to target international viewers.

From 1999 to 2015, Corinna was with Viacom in various roles, her last as Vice President, International Marketing Partnerships and Pan-regional Ad Sales, running the pan-regional advertising business for Nickelodeon, MTV, Comedy Central, Paramount Channel, VH1 and a diverse digital portfolio. She held a number of senior positions with Viacom in both the U.S. and Mexico and managed client relationships with Fortune 500 companies across the U.S., Latin America, Europe and Asia.

Prior to Viacom, Corinna was in the pay television industry at Turner Broadcasting, where she assisted in distribution for the newly launched CNN en Español.

Corinna holds a BAS from Kalamazoo College and speaks English, Spanish, German and Portuguese.

## **Alexandra Baker (“Alexi”)**

Non-Independent Non-Executive Director

Alexi Baker is Chief Digital and Customer Officer for National Rugby League which she joined in 2021.

Alexi was previously employed at Nine Entertainment Co. from 2011 to 2020, holding the positions of Strategy Manager, Corporate Development Director, Director of Strategy & Corporate Development and culminating as Managing Director, Commercial.

Alexi has previously held non-executive directorships with CarAdvice, Pedestrian TV, LiteracyPlanet, and RateCity as well as sitting on the industry boards of Commercial Radio and Freeview.

Alexi holds a Bachelor of Law and a Bachelor of Commerce (Finance) from the University of New South Wales and is a graduate of Australian Institute of Company Directors.

## **William Yde III (“Bill”)** (Resigned 30 June 2023)

Former Managing Director and Chief Executive Officer

Bill Yde has resigned as Managing Director and Chief Executive Officer effective 30 June 2023.

Bill has over 40 years of experience in the radio and media industry.

Bill co-founded The Australia Traffic Network (“ATN”) in 1997, later co-founding Global Traffic Network, Inc. and had served as Chief Executive Officer and President since its inception in 2005.

Prior to forming ATN, Bill founded Wisconsin Information Systems, Inc. (trading as the Milwaukee Traffic Network) in 1994 and expanded its operations to create traffic networks in Milwaukee, Oklahoma City, Omaha and Albuquerque before the business was sold to Metro Networks, Inc. (now part of iHeartMedia, Inc.). Bill had previously owned and operated radio and television stations in major markets in the United States.

Bill holds a Bachelor of Arts degree in Accounting from Indiana University and is a Certified Public Accountant.

## **Anna Sandham**

Joint Company Secretary

Anna Sandham is a Chartered Company Secretary employed by Company Matters Pty Limited. Anna is an experienced company secretary and governance professional with over 20 years' experience in various large and small, public and private, listed and unlisted companies.

Anna has previously worked for companies including AMP Financial Services, Westpac Banking Corporation, BT Financial Group and NRMA Limited.

Anna is a Fellow of the Governance Institute of Australia, in addition to being a member of their Legislative Review Committee.

## **Patrick Quinlan**

Joint Company Secretary

Patrick Quinlan is the finance manager for the Australian and Canadian entities, as well as being the joint company secretary for GTN Limited.

Patrick holds a Bachelor of Business degree from University of Western Sydney, is a Certified Practising Accountant and a Chartered Company Secretary.

## **Senior Executives**

The Senior Executives of the Company currently are:

### **Scott Cody**

Chief Operating Officer and  
Chief Financial Officer

Scott Cody has over 35 years of experience in the radio media industry.

Prior to joining Global Traffic Network, Scott held various positions with Metro Networks, Inc./ Westwood One, serving as Vice President of Finance from 1997 to 2002 and Senior Vice President of Business Development from 2002 to 2005.

Prior to joining Metro Networks, Inc./ Westwood One, Scott was Vice President of Finance for Tele-Media Broadcasting Company.

Scott graduated with a Bachelor of Arts in Accounting and Finance from Juniata College.

### **Gary Worobow**

Executive Vice President,  
Business and Legal  
Affairs

Gary Worobow has over 25 years of experience in the radio and media industry.

He was previously a member of the Global Traffic Network Board from 2006 to 2009. Prior to joining Global Traffic Network, Gary held the position of Executive Vice President and General Counsel of Five S Capital Management, Inc. from 2006 to 2009, Executive Vice President, Business Affairs and Business Development for Metro Networks Inc./ Westwood One, Inc. from 2003 to 2006 and as Senior Vice President and General Counsel from 1999 to 2002.

Gary was a founder and the General Counsel of Columbus Capital Partners and held the positions of Senior Vice President, General Counsel and board member for Metro Networks, Inc./ Westwood One from 1995 to 1999.

Gary holds a Bachelor of Arts from the University of Rochester, a Masters of Business Administration from the Simon School, University of Rochester and a Juris Doctor from the Fordham Law School.

## **Victor Lorusso (“Vic”)**

Chief Executive Officer  
ATN

Vic Lorusso has over 20 years of experience in the media industry, all of those with ATN in various operational and management positions.

Vic is currently Chief Executive Officer of ATN having been promoted into the position in July 2023. Vic joined ATN in 1999.

Vic was previously the Chief Operations Manager for ATN and is also an airborne traffic reporter for the Ten Network and various radio stations.

In addition to his role with ATN, Vic is associated with a number of charities throughout the country including the Variety Children’s Charity, Redkite, Miracle Babies Foundation, Diabetes Association NSW, Cure Cancer Foundation and the Special Olympics Foundation.

Vic has a Business Licence for Real Estate.

## **John Quinn**

Chief Operating Officer  
United Kingdom Traffic Network  
("UKTN")

John Quinn has over 30 years of experience in the radio and media industry.

John is currently the Chief Operating Officer of Global Traffic Network’s United Kingdom operations after joining Global Traffic Network in 2009 following its acquisition of UBC Media’s commercial division.

Prior to the acquisition, John was the Chief Operating Officer and a director of UBC Media (a company listed on AIM, a sub-market of the London Stock Exchange) and has held numerous other sales and management positions within the United Kingdom commercial radio industry.

## **Donna Gardener**

President  
Canadian Traffic Network ULC  
("CTN")

Donna Gardener has over 25 years of advertising and marketing experience.

Immediately prior to joining CTN, Donna operated her own advertising and marketing consulting business, DG Consulting representing Brunswick Newspaper Group and Berenson Decorative Hardware.

Prior to launching her own consulting business, Donna was VP, Sales & GM for Trico Evolution, a printing and packaging company in Ottawa, Ontario from 2017 to 2018. From 2014 to 2017, Donna was the VP, Sales for TC Media Newspapers (a division of Transcontinental Printing) managing the advertising sales teams across Atlantic Canada. Donna served as a Regional Director of Advertising and then Publisher for Sun Media Corporations newspapers and magazine publishing divisions from 2009 to 2014.

Donna began her media career in the advertising department of TorStar Corporation where she held various management positions during her 19 years there.

## **Meetings of Directors**

The number of meetings of the Board of Directors and its committees that were held during the year and the number of meetings attended by each director are summarised in the table below.

|                   | Board |          | Audit and Risk Management Committee |          | Nomination and Remuneration Committee |          |
|-------------------|-------|----------|-------------------------------------|----------|---------------------------------------|----------|
|                   | Held  | Attended | Held                                | Attended | Held                                  | Attended |
| William Yde III   | 7     | 6        | -                                   | -        | -                                     | -        |
| Peter Tonagh      | 7     | 7        | -                                   | -        | 3                                     | 3        |
| David Ryan        | 7     | 7        | 4                                   | 4        | 3                                     | 3        |
| Robert Loewenthal | 7     | 7        | 4                                   | 4        | 3                                     | 3        |
| Corinna Keller    | 7     | 7        | 4                                   | 4        | 3                                     | 3        |
| Alexandra Baker   | 7     | 7        | -                                   | -        | -                                     | -        |

## Principal activities

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

## Operating Strategy

The Company's operating strategy is to grow its business through the obtaining of more advertising inventory and selling a higher proportion of and obtaining a higher price per unit for its advertising inventory. The Company strategy to obtain more advertising inventory consists of the following:

- Obtain more advertising inventory from existing radio and television stations for existing products. This is primarily accomplished by the payment of higher station compensation.
- Have existing radio stations provide advertising inventory outside traditional traffic reporting, such as the number of stations in Australia where we currently receive advertising inventory adjacent to news reports.
- Expansion into additional operating regions within our current countries, such as the expansion into additional regional markets in Australia and opening of additional markets in Brazil.

## Risk Factors

The business is subject to a number of risks, some of which are out of our control. Some of these risks and our strategy for mitigating them are as follows:

### *Loss of key radio station Affiliates*

In FY 2023, 96% of our revenue came from the sale of advertising inventory obtained from our radio station Affiliates. Loss of significant radio station Affiliates would have a material impact on our revenue. We attempt to defend against this risk in the following ways:

- Provide a high-quality product that resonates with stations' listeners and would be difficult for the stations to replicate in a cost-effective manner, if at all.

- For the most important radio stations, pay a significant amount of cash to the stations in the form of station compensation. For certain of our most important Affiliates, this amount has become a significant portion of their EBITDA based on our review of their public filings.

#### *Potential impact of Company's fixed cost structure*

A substantial majority of Company's costs are fixed and difficult to reduce in the short term, in particular, compensation paid to radio stations, which is the largest expense of the Group. In addition to being fixed, the majority of station compensation costs are contractual and often committed to for a number of years and thus cannot be reduced in the short run. These fixed costs mean that any decrease in revenue could largely flow through to earnings and therefore disproportionately adversely affect GTN's future financial performance and cash flows. The impact of the Group's fixed cost structure was demonstrated during the COVID-19 pandemic as Adjusted EBITDA and profit before tax both were negatively impacted by the lower revenue. The Company's strategy for dealing with the potential negative impact of its fixed cost structure is to maintain a low-leveraged balance sheet and substantial cash balances in order to be able to continue to operate the Group during periods of reduced revenue.

#### *Decline in demand for traffic reports on radio*

Individuals have other means of getting traffic information, including the internet, smart phone apps, navigation systems, etc. and we expect that such options will continue to proliferate in the future. It is possible that in the future that such other options will decrease the demand for our traffic reports from radio stations. We attempt to defend against this possibility in two ways:

- First, by paying significant station compensation, we attempt to make it a very difficult decision to reduce or eliminate the number of traffic reports broadcast.
- Second, since we sell our reports as a network of information reports, we are educating clients that the key element is that their spot be adjacent to high demand information content, rather than just traffic. In Australia, approximately 17% of our advertising inventory in the five metro markets is adjacent to news reports, with additional advertising spots adjacent to weather and sports reports.

We believe that combining high levels of compensation to stations to encourage their continued provision of advertising inventory with an advertiser base that understands that while traffic is a very effective area to place spots today, but is not the only attractive placement option, is the best way to protect against a decline in interest in traffic reports broadcast on traditional radio.

#### *Decline in popularity of radio and television in general*

Virtually all of our revenue is derived from the sale of advertising spots on radio and television stations. A decline in the popularity of these mediums as either an entertainment option or advertising medium would likely have a material negative impact on our revenues and profitability. While to a certain extent this risk is out of our control, we have employed several strategies to attempt to mitigate this risk:

- Our product is different from traditional radio advertising despite being broadcast on radio stations. We sell a broad reach across all demographics with the spots having the further advantage of sole placement adjacent to popular informational programming elements that are generally read live by the announcer. In our opinion, these things make our advertising product more effective than traditional radio advertising. We believe this contention is supported by the fact that our revenue growth on a compounded annual basis has historically surpassed that of the overall radio advertising industry in the markets in which we operate.
- We continue to explore other platforms where our content and sales ability would translate to. To date, these explorations have not been successful, but we continuously and proactively research additional opportunities outside of radio and television. During FY 2022 we launched drone light shows in Australia for both cash fees and advertising supported shows. While we believe this business has potential to be profitable, it is too early to determine the ultimate success of the endeavour.

#### *Decline in advertising market in general*

Our business model is currently virtually entirely based on the sale of advertising, which is cyclical in nature. While we cannot control the fluctuations in the advertising market, we attempt to mitigate this risk by providing a compelling advertising product that is both effective for advertisers and not easily replicated by “buying around” our networks. A certain level of advertising is still sold even in down business cycles, so we attempt to position ourselves as a key portion of an advertiser’s strategy, even if they are reducing their overall expenditures. However, the limitations of this approach were demonstrated during the COVID-19 pandemic, as advertisers in our markets sharply reduced their demand for advertising, which had a material impact on our revenue and profitability.

#### *Adverse economic conditions*

The advertising market is highly correlated to economic conditions in the markets we serve. Recessions, supply-chain disruptions, pandemics and other macro-economic factors can have a significant negative impact on our business, as was demonstrated by the COVID-19 pandemic. These factors are out of our control. We attempt to mitigate their negative impact by employing highly trained, talented sales staffs to attempt to maximise our share of a smaller advertising market while maintaining a strong balance sheet to position us to “ride out the storm” of weakened economic conditions until better markets prevail.

#### *Expansion into new markets*

Expansion into new markets entails risk as there is an upfront investment of monetary resources to purchase equipment (often helicopters) and to fund the initial operating losses and working capital requirements. There is also the opportunity cost of a diversion of management’s time and focus away from the current operations. The Company attempts to mitigate this risk by a thorough due diligence process prior to committing significant resources to a new market. In addition, the Company hires virtually all of its employees in the local market, which gives market insights that would not otherwise be readily available. The Company believes by training local personnel in the Company’s business model, the likelihood of success is increased. The Company does not currently have plans to enter new markets but may do so in the future.

#### *Expansion into new business lines*

Expansion beyond our core business of selling advertising attached to content that is broadcast on radio and television stations entails significant risk due to lack of experience in operating these new business opportunities. In FY 2022, GTN launched drone light show operations and significantly expanded the business during FY 2023, which led to significantly increased losses. GTN attempts to manage this risk by a thorough due diligence and approval process, but this process mitigates the risk but does not eliminate it. In addition to the risk that a new business line will not generate sufficient revenue to be profitable, there are additional foreseen and unforeseen risks. For example, in July 2023, due to a weather related incident, GTN lost over 400 drones in one show, leading to a loss of approximately \$1 million for both the net book value of the drones as well as clean-up, recovery and other costs to mitigate the impact of the incident.

#### *Foreign exchange fluctuations can have a negative impact on financial performance*

A significant portion of our revenues (50% in FY 2023) are generated outside of Australia and subject to currency exchange fluctuations between AUD and the local currency of those entities. We expect the portion of revenue subject to foreign exchange fluctuations will increase in the future as we anticipate that our Canada and Brazil operations will grow faster than the overall Group revenues. We do not hedge for foreign currency fluctuations at this time and while we currently do not have an intention to do so, we may enter into such hedging arrangements in the future. This risk is mitigated by each country incurring virtually all its expenses in local currency as well. The impact of this is should revenue be reduced by an unfavourable currency movement, expenses will also be reduced, which would be considered a favourable movement. The negative impact to the financial statements is only on the net difference between the revenue and expenses. However, this net amount can still be material based on the magnitude of the currency shifts and the profitability of the operating segment affected.

## Review and Results of Operations

### Operating and Financial Review

Revenue for FY 2023 increased 11% to \$177.0 million. Operating expenses increased \$14.6 million (+10%) which resulted in EBITDA increasing 25% and Adjusted EBITDA increasing 13% for FY 2023. The non-IFRS measurements used are defined in the table below and further discussed later in this report.

| (m) <sup>(4)</sup>      | FY23   | FY22   | % Difference |
|-------------------------|--------|--------|--------------|
| Revenue                 | 177.0  | 160.1  | +11%         |
| EBITDA (2)              | 11.3   | 9.1    | +25%         |
| Adjusted EBITDA (3)     | 19.3   | 17.1   | +13%         |
| NPAT                    | 2.6    | 2.8    | (6)%         |
| NPATA (1)               | 7.2    | 7.4    | (2)%         |
| NPATA per share (cents) | \$0.03 | \$0.03 | (1)%         |

- (1) NPATA is defined as net profit after tax (NPAT) adjusted for the tax effected amortisation arising from acquisition related intangible assets.
- (2) EBITDA is defined as net profit after tax (earnings) before the deduction of interest expense/income, income taxes, depreciation and amortisation.
- (3) Adjusted EBITDA 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 and losses, losses on debt refinancings, gains on lease forgiveness and transaction costs.
- (4) Amounts in tables may not add due to rounding. Percentage changes based on actual amounts prior to rounding.

### Revenue

Group revenue increased 11% compared to FY 2022 as the Group's business continues to rebound after the negative impact of the COVID-19 pandemic. Revenue increased across all of the Group's operating geographies except United Kingdom during the period.

The Australia market constituted 50% of the Group's revenue for FY 2023 compared to 49% in FY 2022.

### FY23 Revenue by Geographic Segment

| (m) <sup>(4)</sup>    | FY23         | FY22         | % Difference |
|-----------------------|--------------|--------------|--------------|
| Australia (ATN)       | 88.6         | 78.1         | 13.4%        |
| Canada (CTN)          | 34.2         | 26.8         | 27.6%        |
| United Kingdom (UKTN) | 42.4         | 46.0         | (8.0)%       |
| Brazil (BTN)          | 11.9         | 9.2          | 29.8%        |
| <b>Total</b>          | <b>177.0</b> | <b>160.1</b> | <b>10.6%</b> |

Revenue in local currency increased in Canada and Brazil while decreasing in the United Kingdom. Fluctuations in exchange rates contributed to revenue growth in Canada and Brazil while acting as a headwind in the United Kingdom.

## FY23 Revenue by Geographic Segment – Local Currency

| (m) <sup>(4)</sup>          | FY23 | FY22 | % Difference |
|-----------------------------|------|------|--------------|
| Australia (ATN) (AUD)       | 88.6 | 78.1 | 13.4%        |
| Canada (CTN) (CAD)          | 30.8 | 24.6 | 25.2%        |
| United Kingdom (UKTN) (GBP) | 23.7 | 25.1 | (5.6)%       |
| Brazil (BTN) (BRL)          | 41.3 | 34.8 | 18.8%        |

## 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 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) <sup>(2)</sup>                                                            | FY23        | FY22        |
|---------------------------------------------------------------------------------|-------------|-------------|
| <b>Reconciliation of EBITDA and Adjusted EBITDA to Profit before income tax</b> |             |             |
| Profit before income tax                                                        | 5.5         | 5.2         |
| Depreciation and amortisation                                                   | 12.3        | 10.6        |
| Finance costs                                                                   | 1.8         | 1.3         |
| Interest on bank deposits                                                       | (0.3)       | (0.0)       |
| Interest income on long-term prepaid affiliate contract                         | (7.9)       | (8.1)       |
| <b>EBITDA</b>                                                                   | <b>11.3</b> | <b>9.1</b>  |
| Interest income on long-term prepaid affiliate contract                         | 7.9         | 8.1         |
| Foreign currency transaction loss                                               | 0.0         | 0.0         |
| <b>Adjusted EBITDA</b>                                                          | <b>19.3</b> | <b>17.1</b> |

- **Normalised Adjusted EBITDA** is Adjusted EBITDA adjusted to a) eliminate the impact of Jobkeeper/Canadian Emergency Wage Subsidy ("CEWS"), b) add-back the one-time costs of the departure of the Company Chief Executive Officer and Managing Director, and c) add back revenues and operating expenses related to the Group's drone light show operations.

Management considers that Normalised EBITDA is an appropriate measure of the changes in performance from year to year since it excludes discontinued programs and

one-time expenses, as well as, in the case of drone light show operations, better reflects the performance of the Group's core business without the impact of the start-up losses of a new business line.

| (\$m) <sup>(2)</sup>                                                   | FY23        | FY22        |
|------------------------------------------------------------------------|-------------|-------------|
| <b>Reconciliation of Adjusted EBITDA to Normalised Adjusted EBITDA</b> |             |             |
| <b>Adjusted EBITDA</b>                                                 | 19.3        | 17.1        |
| Eliminate Jobkeeper/CEWS                                               | -           | (0.7)       |
| Drone network losses included in EBITDA                                | 2.6         | 0.7         |
| CEO/MD resignation                                                     | 0.7         | -           |
| <b>Normalised Adjusted EBITDA</b>                                      | <b>22.6</b> | <b>17.1</b> |

- **NPATA** is net profit (loss) 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.

| (\$m) <sup>(2)</sup>                                          | FY23       | FY22       |
|---------------------------------------------------------------|------------|------------|
| <b>Reconciliation of Net profit after tax (NPAT) to NPATA</b> |            |            |
| Profit for the year (NPAT)                                    | 2.6        | 2.8        |
| Amortisation of intangible assets<br>(tax effected)           | 4.6        | 4.6        |
| <b>NPATA</b>                                                  | <b>7.2</b> | <b>7.4</b> |

Non-IFRS information has not been audited.

## EBITDA and Adjusted EBITDA

| (m) <sup>(4)</sup>                                            | FY23           | FY22           | % Difference |
|---------------------------------------------------------------|----------------|----------------|--------------|
| <b>Revenue</b>                                                | <b>177.0</b>   | <b>160.1</b>   | 11%          |
| Network operations and station compensation expenses          | (122.8)        | (116.8)        | 5%           |
| Selling, general and administrative expenses                  | (42.5)         | (33.4)         | 27%          |
| Equity based compensation expense                             | (0.4)          | (0.8)          | (53)%        |
| <b>Operating expenses</b>                                     | <b>(165.6)</b> | <b>(151.0)</b> | 10%          |
| Net F/X losses                                                | (0.0)          | (0.0)          | 68%          |
| <b>EBITDA</b>                                                 | <b>11.3</b>    | <b>9.1</b>     | 25%          |
| Interest income on Southern Cross Austereo Affiliate Contract | 7.9            | 8.1            | (1)%         |
| Net F/X losses                                                | 0.0            | 0.0            | 68%          |
| <b>Adjusted EBITDA</b>                                        | <b>19.3</b>    | <b>17.1</b>    | 13%          |

Adjusted EBITDA for FY 2023 was \$19.3 million, an increase of 13% from FY 2022. Adjusted EBITDA growth was driven by 11% growth in revenue compared to FY 2022. If the impact of Jobkeeper and Canadian Emergency Wage Subsidy ("CEWS"), the loss-making start-up drone network and one-time costs related to the CEO/MD resignation are removed from both periods' results, Adjusted EBITDA increased 32% in FY 2023 compared to FY 2022. We believe that while the form of the drone losses is that of a profit and loss item, that these losses are more akin to an investment in the drone business.

Operating expenses (defined as the sum of network operations, station compensation, selling, equity based compensation, and general and administrative expenses) increased \$14.6 million (+10%) for the fiscal year. The material components of that increase are discussed below.

Network operations and station compensation expenses increased \$6.0 million (+5%). Station compensation increased \$1.7 million (+2%). Network operations expenses related to the drone network increased \$2.1 million when compared to FY 2022. The increase was primarily due to a ramping up of the drone operations during the year and that the operations had not commenced until 2H FY 2022, so there was not a full year of expense in the comparative period.

Selling, general and administrative expenses increased \$9.0 million (+27%) compared to FY 2022. Selling expenses accounted for \$4.5 million of the increase in selling, general and administrative expenses. The majority of the increase in selling expenses was due to higher personnel costs (+\$2.7 million) due primarily to commissions and bonuses earned on the increased revenue for the period. Travel and entertainment accounted for approximately \$1.8 million of the increase in sales, general and administrative expenses. Jobkeeper and CEWS accounted for \$0.7 million of the increase in general and administrative expenses as these programs were treated as a reduction in general and administrative expenses. The Group recorded \$0.7 million of benefit from these programs in FY 2022 (Australia: \$0.6 million, Canada: \$0.1 million) compared to no benefit in FY 2023. Corporate overhead accounted for \$2.4 million of the increase in general and administrative expenses. The primary components included a \$0.7 million increase in salaries and bonuses as well as \$1.0 million in costs related to the resignation of the former CEO/MD. A portion of the increase in salaries and bonuses related to changes foreign exchange rates between AUD and USD as all corporate salaries are paid in USD and the exchange rates used for the profit and loss statement was 8% higher in FY 2023 compared to FY 2022. The impact on operating expenses of the CEO/MD resignation is lower than the \$1.0 million impact to general and administrative expenses due to a reduction in equity based compensation expense, which was \$0.4 million lower in FY 2023 than FY 2022, primarily due to the former CEO/MD forfeiting 2.7 million unvested stock options.

## Segment Adjusted EBITDA

Adjusted EBITDA by segment increased across the Group's operating regions that posted a revenue increase while the United Kingdom Adjusted EBITDA decreased due to the revenue decrease for the period. The Group's drone operations are included in the Australia segment. EBITDA and Adjusted EBITDA from drone operations was \$(2.6) million and \$(0.7) million, respectively, in FY 2023 and FY 2022.

| (m) <sup>(4)</sup>    | FY23        | FY22        | % Difference |
|-----------------------|-------------|-------------|--------------|
| Australia (ATN)       | 17.7        | 16.9        | 5%           |
| Canada (CTN)          | 5.6         | 1.2         | 372%         |
| United Kingdom (UKTN) | 2.3         | 3.7         | (38)%        |
| Brazil (BTN)          | (0.0)       | (0.3)       | (90)%        |
| Other <sup>(6)</sup>  | (6.2)       | (4.4)       | 43%          |
| <b>Total</b>          | <b>19.3</b> | <b>17.1</b> | <b>13%</b>   |

(6) Primarily corporate overhead

## NPATA

The Group reported NPATA of \$7.2 million which is a decrease of 2% from FY 2022. The decrease is primarily related to increases in depreciation and amortisation, finance costs and income taxes offsetting the improved Adjusted EBITDA for the period. Depreciation and amortisation increased \$1.7 million primarily due to depreciation related to the drone fleet which was purchased in 2H FY 2022 and FY 2023. Finance costs increased \$0.4 million from FY 2022 primarily due to higher interest rates on the debt facility which offset the impact of the lower outstanding debt balances. Income taxes increased \$0.5 million due to both higher net profit before taxes and a higher effective tax rate.

The Group net loss related to the drone light show operations increased from \$0.5 million in FY 2022 to \$3.0 million in FY 2023, primarily due to both a significant expansion of operations and that the operations commenced in 2H FY 2022, so the previous year's results did not include a full year of operations.

## FY23 Cash Flow

The Group reported an increase in cash flow from its operations primarily due to the increase in Adjusted EBITDA and positive working capital movements compared to FY 2022.

| (m) <sup>(4)</sup>                                                | FY23        | FY22        |
|-------------------------------------------------------------------|-------------|-------------|
| <b>Adjusted EBITDA</b>                                            | <b>19.3</b> | <b>17.1</b> |
| Non-cash items in Adjusted EBITDA                                 | 0.4         | 0.8         |
| Change in working capital                                         | 0.7         | (4.6)       |
| Impact of Southern Cross Austereo<br>Affiliate Contract           | 2.1         | 2.0         |
| <b>Operating free cash flow before capital<br/>expenditure</b>    | <b>22.4</b> | <b>15.3</b> |
| Capital expenditure (excludes assets<br>acquired under leases)    | (5.6)       | (4.1)       |
| <b>Net free cash flow before financing, tax<br/>and dividends</b> | <b>16.7</b> | <b>11.2</b> |

As a result of the Group's strong cash generation, the Group was able to

- Pay \$5.8 million in dividends, constituting FY 2022 final dividend and FY 2023 interim dividend;
- Repurchase and retire 11.1 million shares (5% of the shares outstanding at the beginning of the fiscal year) for \$5.4 million, and
- Repay \$6 million of the bank facility, reducing the outstanding debt from \$30 million to \$24 million at 30 June 2023;

while maintaining a strong balance sheet including net cash of \$3.4 million and cash balances of \$30.6 million at 30 June 2023. Since the beginning of FY 2021, the Group has reduced its outstanding bank debt by \$36 million, from \$60 million on 1 July 2020 to \$24 million on 30 June 2023.

The Company announced on 29 August 2023 that it has recommenced its on-market share buy-back 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.

## Debt Financing

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.

There are no scheduled principal payments prior to the due date. Facility C consisted of a \$30 million revolving line of credit. A commitment fee of 45% of the applicable margin (currently 2.50%) is incurred on any unutilised portion of Facility C. During FY 2023, the Group repaid \$6 million of Facility C and reduced its commitment by the same amount. The total amount of Facility C is \$24 million which is 100% drawn down and there is no existing borrowing capacity under the facility. The outstanding loan bears interest at BBSY plus the applicable margin (6.6668% (including the applicable margin) at 30 June 2023).

Distributions (including dividends and share buybacks) are restricted under the bank loan facility agreement to 100% of NPATA.

The ratio of net debt to Adjusted EBITDA is (0.18)x at 30 June 2023. The total gearing ratio ("TGR") used for debt compliance is based on gross leverage (debt balances prior to deduction of cash balances) divided by EBITDA. The EBITDA used for the calculation of the leverage under the debt facility differs from that of EBITDA or Adjusted EBITDA used in this report. Some of the differences include that the debt facility is based on the actual cash outlay under the SCA agreement, the exclusion of non-cash equity based compensation from EBITDA and the limited ability to include pro forma cost savings in certain instances. Based on the applicable covenants for the Group's debt facility, the leverage was 1.25x at 30 June 2023.

The Group is currently in compliance with the loan covenants by a wide margin and expects to continue to remain compliant in the future.

## Key operating metrics

Radio revenue increased in the Group's Australia, Brazil and Canada operating regions in FY 2023. The primary driver of this growth was an increase in the number of spots sold, which was driven by either more spots available or higher sell-out, or in most cases, a combination of both additional spots and higher sell-out rate.

United Kingdom revenue decreased for the period despite an increase in both the amount of impacts available for sale and an increase in rate per impact compared to FY 2022. This was due to a decrease in the number of impacts sold for the period.

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.

## Key operating metrics by jurisdiction (local currency)

|                               | Notes | FY23  | FY22  |
|-------------------------------|-------|-------|-------|
| <b>Australia</b>              |       |       |       |
| Radio spots inventory ('000s) | 1     | 1,102 | 1,031 |
| Radio sell-out rate (%)       | 2     | 56%   | 51%   |
| Average radio spot rate (AUD) | 3     | 132   | 134   |
| <b>Canada</b>                 |       |       |       |
| Radio spots inventory ('000s) | 1     | 667   | 681   |
| Radio sell-out rate (%)       | 2     | 56%   | 46%   |

|                                      |      |        |        |
|--------------------------------------|------|--------|--------|
| Average radio spot rate (CAD)        | 3    | 77     | 72     |
| <b>United Kingdom</b>                |      |        |        |
| Total radio impacts available ('000) | 4    | 20,582 | 19,284 |
| Radio sell-out rate (%)              | 5    | 85%    | 99%    |
| Average radio net impact rate (GBP)  | 6    | 1.4    | 1.3    |
| <b>Brazil</b>                        |      |        |        |
| Radio spots inventory ('000s)        | 1    | 495    | 486    |
| Radio sell-out rate (%)              | 2    | 46%    | 38%    |
| Average radio spot rate (BRL)        | 3, 7 | 210    | 217    |

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 Company's revenue and expenses are in a currency other than Australia dollars ("AUD"). The actual annual exchange rates utilised in preparing the annual consolidated statement of profit or loss and other comprehensive income are as follows:

|         | <b>FY 2023<br/>Actual</b> | <b>FY 2022<br/>Actual</b> |
|---------|---------------------------|---------------------------|
| AUD:USD | 0.67                      | 0.73                      |
| AUD:CAD | 0.90                      | 0.92                      |
| AUD:GBP | 0.56                      | 0.54                      |
| AUD:BRL | 3.47                      | 3.80                      |

## Dividends

An interim dividend of \$0.014 per share was paid 28 February 2023. The Board has not declared a final dividend for FY 2023.

## Likely developments and expected results

The Group's prospects and strategic direction are discussed in the Operating Strategy section of the Directors' Report.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in the report because disclosure of the information would be likely to result in prejudice to the Group.

## Significant changes in the state of affairs

Except as outlined elsewhere in this Directors' Report, there were no significant changes in the affairs of the Group during the fiscal year.

### **Events since the end of financial year**

On 14 July 2023, The Australia Traffic Network Pty Limited, a wholly owned indirect subsidiary of the Company, was conducting a drone light show in the Docklands Harbour area near the Melbourne CBD. An incident occurred, which resulted in approximately 420 of the 500 drones landing in the water in Docklands Harbour. There were no injuries and all the drones landed in the designated safe zone. The estimated net loss to ATN is approximately \$1 million as the individual drones did not carry in-flight hull insurance due to their low individual costs. However, ATN does carry liability insurance for its drone performances. The drone business revenues are not material to GTN's consolidated operations with revenues of approximately \$1 million in FY 2023.

Except as outlined in the Financial Statements and elsewhere in this Directors' Report, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected the Group's operations, results or state of affairs or may do so in future years.

### **Environmental regulation**

The operations of the Group are not subject to any particular or significant environmental regulation or law. In July 2023, the Group had an incident during a drone show that resulted in losing over 400 drones in Docklands Harbour. The Group immediately began remediation efforts to recover the drones. The Group notified the Environment Protection Agency ("EPA") and the EPA issued a Waste Abatement Notice. The Group believes it has complied with the notice and any environmental impact from the remaining unrecovered drones will be negligible.

### **Insurance of officers and Directors**

Pursuant to its constitution, GTN may indemnify Directors and officers, past and present, against liabilities that arise from their position as a Director or officer as allowed under law. Under the deeds of access, indemnity and insurance, GTN indemnifies each Director against liabilities to another person that may arise from their position as a director of GTN to the maximum extent permitted by law. The deeds of access, indemnity and insurance stipulate that GTN will reimburse and compensate each Director for any such liabilities, including reasonable legal costs and expenses, except where a Director's act is fraudulent, criminal, dishonest or a wilful default.

Pursuant to its constitution, GTN may arrange and maintain directors' and officers' insurance for its Directors to the maximum extent permitted by law. Under the deeds of access, indemnity and insurance, GTN must use reasonable endeavours to obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

GTN has obtained insurance in respect to directors' and officers' liability for the year ended 30 June 2023 and thereafter. These insurance policies insure against certain liabilities (subject to exclusions) of persons that have been directors or officers of GTN or its direct or indirect subsidiaries to the extent allowed by the *Corporations Act 2001*. The expense related to this insurance was \$650 thousand for FY 2023.

### **Indemnity and insurance of the auditor**

GTN has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the consolidated entity or any related entity.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of GTN, or to intervene in any proceedings to which GTN is a party, for the purposes of taking responsibility on behalf of GTN for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of GTN with leave of the Court under section 237 of the *Corporations Act 2001*.

### **Non-audit services**

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are included in Note 10 of the Consolidated Financial Report.

The Group has not engaged its auditor for non-audit services since engaging the auditor in FY 2020.

During the fiscal year the following fees were paid or payable for non-audit services provided by the auditor of GTN and its related practices:

|                                           | 2023<br>\$ | 2022<br>\$ |
|-------------------------------------------|------------|------------|
| Total remuneration for non-audit services | -          | -          |

## Remuneration Report (audited)

The directors present the GTN 2023 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- a) Key management personnel (KMP) covered in this report
- b) Remuneration policy and link to performance
- c) Elements of remuneration
- d) Link between remuneration and performance
- e) Remuneration expenses for executive KMP
- f) Contractual arrangements with executive KMP
- g) Non-executive director arrangements
- h) Additional statutory information

### (a) Key management personnel covered in this report

|                                                                                            |
|--------------------------------------------------------------------------------------------|
| Non-executive and executive directors (see pages 7 to 9 - for details about each director) |
|--------------------------------------------------------------------------------------------|

The following persons were Directors of GTN Limited for the whole of the financial year and up to the date of this report unless otherwise stated:

|                   |                       |
|-------------------|-----------------------|
| William Yde III   | Resigned 30 June 2023 |
| Peter Tonagh      |                       |
| David Ryan AO     |                       |
| Robert Loewenthal |                       |
| Corinna Keller    |                       |
| Alexandra Baker   |                       |

Other key management personnel

| Name         | Position                                             |
|--------------|------------------------------------------------------|
| Scott Cody   | Chief Operating Officer and Chief Financial Officer  |
| Gary Worobow | Executive Vice President, Business and Legal Affairs |

Key management personnel are those executive management members that have responsibility and authority for planning, controlling and directing resources for the entire group. Other senior executives, such as jurisdictional management, are not considered to be key management personnel for the purposes of the remuneration report as their duties are related to their geographic area of operation only and do not extend to strategic direction and control of resources of the Group.

*Changes since the end of the reporting period*

None

### (b) Remuneration policy and link to performance

Our Nomination and Remuneration committee is made up of non-executive directors (all of whom are independent). The committee reviews and makes recommendations to the Board about our remuneration policy and structure annually to align it to business needs and meet our business principles. From time to time, the committee may also engage external remuneration consultants to assist with this review (see *section (h)(v) Reliance on external remuneration consultants*). In particular, the policies and practices are designed to:

- enable the Group to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework by providing remuneration packages that are equitable and externally competitive;

- be fair and appropriate having regard to the performance of the Group and the relevant director, executive or employee;
- foster exceptional human talent and motivate and support employees to pursue the growth and success of the Group in alignment with the Group's values; and
- equitably and responsibly reward employees, having regard to the performance of the Group, individual performance and statutory and regulatory requirements.

#### *Remuneration Framework*

| <b>Element</b>             | <b>Purpose</b>                           | <b>Performance metrics</b>              | <b>Potential Value</b> | <b>Changes for FY24</b>                              |
|----------------------------|------------------------------------------|-----------------------------------------|------------------------|------------------------------------------------------|
| Fixed Remuneration (FR)    | Provide competitive market salary        | N/A                                     | Varies                 | Contractual increases of 5% effective 1 October 2023 |
| Short-term incentive (STI) | Reward for in year performance           | See discussion in (c)(ii) below         | Varies                 | Targets adjusted on an annual basis                  |
| Long-term incentive (LTI)  | Alignment to long-term shareholder value | Vesting based on continued service only | Varies                 | Annual grants anticipated during FY24.               |

#### *Balancing short-term and long-term performance*

Annual incentives are set at levels designed to maximise performance. Long-term incentives consist of share options that vest one third after two years and two thirds after three years and are designed to align management's interests with those of the shareholders and encourage retention.

#### *Assessing performance*

The Board has overall responsibility for executive remuneration and receives recommendations from the Nomination and Remuneration Committee. To assist with its assessment of executive compensation the committee receives reports on performance from management which are based on independently verifiable data such as financial measures and independent market data. There are no "claw-back" provisions in any of the performance-based remuneration plans.

#### **(c) Elements of remuneration**

##### *(i) Fixed annual remuneration (FR)*

Executives may receive their fixed remuneration as cash or cash with non-monetary benefits such as health insurance and similar benefits. FR is reviewed annually or upon promotion or change in circumstance. Superannuation is included for Australia based employees and directors only.

##### *(ii) Short-term incentives (STI)*

| <b>Feature</b>      | <b>Description</b>                                                                         |
|---------------------|--------------------------------------------------------------------------------------------|
| Maximum bonus       | CEO (former) – \$467,422, other executive management \$155,488 to \$240,555.               |
| Performance Metrics | See discussion below.                                                                      |
| Delivery of STI     | 100% paid upon conclusion of fiscal year after completion of audit of financial statements |

|                                                                                                                                                                                  |                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Board discretion                                                                                                                                                                 | The Board has discretion to adjust remuneration outcomes up or down in certain situations to prevent any inappropriate reward outcomes. |
| Note: Amounts are paid in USD and amounts to be paid are based on estimated USD/AUD exchange rate of 1.5004:1 at 30 June 2023. The STI has not changed in USD from FY22 to FY23. |                                                                                                                                         |

Previously, the sole metric considered was Adjusted EBITDA. The Board has determined that it would be best to expand the performance metrics in order to achieve the following:

1. Metrics should be skewed towards key financial outcomes although some non-financial outcomes could be considered;
2. The STI framework should be simple and easy to understand;
3. Financial metrics should be aligned with shareholder value drivers;
4. Financial targets should be set so that meeting budget is a qualifier with upside for outperformance but no reward for not meeting budget;
5. Metrics should be as objective as possible but with allowance for Board discretion; and
6. Any adjustments to metrics should be identified and agreed with the Board as soon as identified so that the Board can agree or disagree with the proposed change in advance.

With this in mind, the framework was changed to incorporate a combination of financial and non-financial metrics whereby the financial targets are set to align with the budget and the non-financial metrics are set by the board to reflect the key areas of focus for the year ahead.

For FY 2023:

1. Financial metrics account for 70% of the STI potential. There were two financial metrics with equal weighting:
  - a. Gross Revenue (35% of STI potential) – As the business is judged based on growth in revenues it makes sense to align incentives around revenue. For FY 2023 the target was set at \$173m in line with budget. The bonus increases by 5% for every \$2m of revenue earned above target with a cap of 150%.
  - b. Adjusted EBITDA Margin (35% of STI potential) – Adjusted EBITDA is the key metric tracked by the investment community. By adding Adjusted EBITDA Margin as a metric there is incentive for management to balance cost and revenue to deliver Adjusted EBITDA. The target for Adjusted EBITDA Margin for 2023 was set at 12.1% (in line with budget) with payout increasing by 5% for every 0.25% increase beyond 12.1% with a cap of 150%.

Based on these two metrics, the financial component of STI would pay out at 100% if the target of \$173m of revenue at a 12.1% Adjusted EBITDA Margin is achieved.

- c. Non-Financial Metrics (30% of STI potential) –The non-financial components emphasise key areas that the Board would like particular management focus on over the course of the year. For FY 2023:
  - i. A comprehensive, board approved drone plan (10%);
  - ii. A succession plan for key executives together with associated staff development plans for identified successors (10%); and
  - iii. An agreed investor relations plan including participation at agreed investor events (10%).

This combination of metrics emphasises the key focus areas of the board, rewards the Executive Team for outperforming budget and ensures that the importance of key non-financial areas can be clearly flagged.

(iii) *Long-term incentives ("LTIP")*

Executive key management personnel participate in the LTIP comprising of annual grants of options which vest one third after two years and two thirds after three years and are subject to the conditions summarised below.

| Feature                     | Description                                                                                                                                                                                                                                                                                       |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allocation                  | Grants to the CEO are discretionary with grants to other executive management determined as a percentage of the CEO's grant.                                                                                                                                                                      |
| Current Performance Metrics | Vesting is subject to continued employment only.                                                                                                                                                                                                                                                  |
| Exercise Price              | Exercise price equal to share price on date of grant.                                                                                                                                                                                                                                             |
| Forfeiture and termination  | Options will lapse if the service conditions are not met. Any unvested options granted will be forfeited where the participant resigns or is dismissed during the performance period. However, if the participant is considered a good leaver their unvested options will vest or remain on foot. |

(d) *Link between remuneration and performance*

FY 2023

Based on the criteria outlined in (c) (ii) above, the following STI bonus criteria were achieved for FY 2023:

|                        | STI achieved (%) |  |
|------------------------|------------------|--|
| Revenue                | 36.75%           |  |
| Adjusted EBITDA Margin | 0%               |  |
| Approved Drone Plan    | 0%               |  |
| Succession Plan        | 0%               |  |
| Investor Relations     | 0%               |  |

Due to Mr. Yde no longer being employed by the Group, none of his FY 2023 bonus was awarded. Due to the extraordinary efforts of Mr. Cody and Mr. Worobow during the Managing Director/CEO exit process, the Board awarded Messrs. Cody and Worobow 100% of their FY 2023 bonus potential.

Prior Periods

The Group's Adjusted EBITDA performance for FY 2022 reached 92% of the target set by the board (the target was a 33% increase over FY 2021) and the board awarded executive management 25% of their bonus potential for the period.

The Group's Adjusted EBITDA performance for FY 2021 reached 1,365% of the target set by the board (the target was a 93% decrease over FY 2020) and the board awarded executive management 50% of their bonus potential for the period. The Adjusted EBITDA target for FY 2021 was set during the significant uncertainty of the onset of the COVID-19 pandemic and the Board discretionarily reduced the bonuses to reflect the relatively low amount of Adjusted EBITDA achieved compared to fiscal years prior to the COVID-19 pandemic.

The Group reached 37% of its targeted Adjusted EBITDA for FY 2020 and executive management received 0% of their short-term incentive potential for the year. The Group's performance was significantly negatively impacted by the onset of the COVID-19 pandemic.

The Group reached 82% of its target Adjusted EBITDA for FY 2019 and executive management received 0% of their short-term incentive potential for the year.

*Performance against key measures and impact on variable remuneration*

| (m)                                                                                                                                                                                                                                                |                        |                    |                    |                    |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                                                                                                                                                                                    | <b>FY<br/>2023 (1)</b> | <b>FY<br/>2022</b> | <b>FY<br/>2021</b> | <b>FY<br/>2020</b> | <b>FY<br/>2019</b> |
| Adjusted EBITDA                                                                                                                                                                                                                                    | 19,314                 | 17,089             | 14,020             | 14,248             | 37,549             |
| Increase/(decrease)                                                                                                                                                                                                                                | +13%                   | +22%               | (2)%               | (62)%              | (22)%              |
| STI paid (% of potential)                                                                                                                                                                                                                          | 0% - 100%<br>Avg. 46%  | 25%                | 50%                | 0%                 | 0%                 |
| '(1) For FY 2023, the criteria for executive bonuses was modified and Adjusted EBITDA was removed as a bonus metric. However, since Adjusted EBITDA was previously used as the sole criteria, the information is being provided for comparability. |                        |                    |                    |                    |                    |

*Statutory key performance indicators of the Company over the past five years*

|                                                                            | <b>FY<br/>2023</b> | <b>FY<br/>2022</b> | <b>FY<br/>2021</b> | <b>FY<br/>2020</b> | <b>FY<br/>2019</b> |
|----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Profit (loss) from continuing operations attributable to owners (\$'000's) | 2,635              | 2,802              | (89)               | 319                | 15,732             |
| Basic earnings (loss) per share                                            | \$0.01             | \$0.01             | \$0.00             | \$0.00             | \$0.07             |
| Dividends paid (\$'000's)                                                  | 2,985              | 2,799              | -                  | 3,015              | 12,561             |
| Dividend pay-out ratio (%)                                                 | 113%               | 100%               | 0%                 | 945%               | 80%                |
| Increase/(decrease) in share price (%)                                     | +14%               | (12)%              | +10%               | (55)%              | (58)%              |

**(e) Remuneration expenses for executive KMP**

| Name                 | Year | Fixed remuneration |                       |                          |            | Variable Remuneration |                   | Total |
|----------------------|------|--------------------|-----------------------|--------------------------|------------|-----------------------|-------------------|-------|
|                      |      | Cash Salary        | Non-monetary benefits | Post-employment benefits | Other      | STI - Cash bonus      | Equity based comp |       |
|                      |      | (1)(2)(6)          | (2)                   |                          | (4)(6)(10) | (6)                   | (3)(7)(8)(9)      | (5)   |
| Executive Management |      |                    |                       |                          |            |                       |                   |       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      |           |   |   |           |         |         |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|---|---|-----------|---------|---------|-----------|
| William Yde III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2023 | 1,341,116 | - | - | 1,636,160 | -       | 7,224   | 2,984,500 |
| (4)(6)(7)(8)(10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2022 | 1,184,852 | - | - | 33,072    | 107,323 | 342,118 | 1,667,365 |
| Scott Cody                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2023 | 864,583   | - | - | 35,651    | 240,555 | 155,525 | 1,296,314 |
| (4)(6)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2022 | 763,843   | - | - | 33,072    | 55,233  | 216,880 | 1,069,028 |
| Gary Worobow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2023 | 716,605   | - | - | 35,651    | 155,488 | 129,050 | 1,036,794 |
| (4)(6)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2022 | 633,108   | - | - | 33,072    | 35,701  | 179,861 | 881,742   |
| (1) Includes superannuation where applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |           |   |   |           |         |         |           |
| (2) Payments for annual leave are considered a component of cash salaries unless paid in addition to salary.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      |           |   |   |           |         |         |           |
| (3) Amounts based on expense recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      |           |   |   |           |         |         |           |
| (4) United States based executive management receives cash stipend in lieu of the provision of health insurance and similar employee benefits. The amount of the stipend is USD 2,000 per month.                                                                                                                                                                                                                                                                                                                                                                                                           |      |           |   |   |           |         |         |           |
| (5) All USD amounts translated into AUD at the average exchange rate for the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |           |   |   |           |         |         |           |
| (6) Paid in United States dollars (USD) except for equity based compensation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |           |   |   |           |         |         |           |
| (7) Includes amounts expensed for financial statement purposes related to cancelled stock options.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |           |   |   |           |         |         |           |
| (8) Mr. Yde was paid \$260,000 in FY 2021 related to the cancellation of his existing options and the issuance of replacement options. Since the fair value of the replacement options at cancellation date, plus the cash consideration, was together less than the fair value of the original options valued at cancellation date, the expense recognised for financial statement purposes equates to that of the original options, which continued to be expensed during FY 2023 and FY 2022. No expense has been recognised in relation to the fair value of the replacement options, being \$189,230. |      |           |   |   |           |         |         |           |
| (9) Equity based compensation consists solely of stock options.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      |           |   |   |           |         |         |           |
| (10) Mr. Yde's other compensation for FY 2023 is detailed in the table below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |           |   |   |           |         |         |           |

| Other Compensation – William Yde III – FY 2023 |           |
|------------------------------------------------|-----------|
| Mutual separation payment                      | 1,017,956 |
| Health care cash stipend                       | 35,651    |
| Airline flights for spouse                     | 241,770   |
| Fringe benefit tax on spousal flights          | 236,377   |
| Vacation pay                                   | 104,406   |
| Total Other compensation                       | 1,636,160 |

**(f) Contractual arrangements with executive KMP**

| Component                | CEO Description                                                                                                                  | Other executive management description                                                                                           |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Fixed remuneration (1)   | \$1,370,918 from 1 October 2022 to 30 June 2023.                                                                                 | Range between \$732,530 and \$883,796 from 1 October 2022 to 1 October 2023, minimum 5% increase per annum thereafter.           |
| Contractual term         | Terminated 30 June 2023                                                                                                          | Ongoing contract                                                                                                                 |
| Notice by the individual | By the Employee voluntarily upon at least twelve (12) months written notice to the Company. Should the executive terminate their | By the Employee voluntarily upon at least twelve (12) months written notice to the Company. Should the executive terminate their |

|                                                                                           |                                                                                                                                                                                                                        |                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                           | employment, they will be entitled to up to one-year severance. Severance is calculated based on a formula that subtracts the required transition time (as determined by the Company) from the maximum one-year period. | employment, they will be entitled to up to one-year severance. Severance is calculated based on a formula that subtracts the required transition time (as determined by the Company) from the maximum one-year period. |
|                                                                                           | Eligible for pro-rata STI for the year                                                                                                                                                                                 |                                                                                                                                                                                                                        |
| Termination of employment (without cause)                                                 | By the Company without Cause upon twelve (12) months written notice to Employee.                                                                                                                                       | By the Company without Cause upon twelve (12) months written notice to Employee.                                                                                                                                       |
|                                                                                           | Eligible for pro-rata STI for the year                                                                                                                                                                                 |                                                                                                                                                                                                                        |
| Termination of employment (with cause) or by the individual                               | Immediately                                                                                                                                                                                                            | Immediately                                                                                                                                                                                                            |
|                                                                                           | No STI entitlement.                                                                                                                                                                                                    |                                                                                                                                                                                                                        |
|                                                                                           |                                                                                                                                                                                                                        |                                                                                                                                                                                                                        |
| (1) Based on USD/AUD exchange rate of 1.5004:1 which is the exchange rate at 30 June 2023 |                                                                                                                                                                                                                        |                                                                                                                                                                                                                        |

**(g) Non-executive director arrangements**

Non-executive directors receive a fixed monthly fee for participating on the board. They do not receive performance-based fees or retirement allowances. The directors' fees are inclusive of superannuation where applicable.

The current base fees were reviewed in November 2018. At that time the chair fee was increased to \$200,000 per annum (from \$128,000) and the independent non-executive director base fee was increased to \$100,000 per annum (from \$90,000). Fees will be reviewed annually by the board taking into account comparable roles at comparable sized companies and other available market data. The board may engage an independent remuneration advisor at its discretion. Effective 1 April 2020 the directors agreed to a voluntary 20% reduction of their fees to be reviewed on a regular basis due to the impact of COVID-19 on the Company's business. Effective 1 December 2021 the directors' fees reverted to the pre-1 April 2020 levels.

Directors are contractually required to purchase Company shares equal to one year's initial salary within three years of joining the board. Currently all directors are in compliance with their obligations to purchase Company shares. Due to the voluntary reduction in directors' fees discussed above, the Board deemed Corinna Keller to be in compliance with her share purchase obligation as her share purchases exceeded her previously reduced base fee. Ms. Keller's has subsequently purchased shares so that the purchase price of her current shares in the Company stock exceed her current annual director fee. Alexandra Baker was appointed to the Board on 1 June 2022 and has until 1 June 2025 to complete her obligation to purchase shares.

The maximum annual aggregate directors' fee pool limit is \$1,000,000 and was approved by the shareholders on 8 November 2017.

|                                               |                  |
|-----------------------------------------------|------------------|
|                                               |                  |
| <b>Director compensation plans:</b>           | <b>Base Fees</b> |
| Chair                                         | \$200,000        |
| Other independent non-executive directors     | \$100,000        |
|                                               |                  |
| <b>Additional fees</b>                        |                  |
| Audit and risk committee – Chair              | \$40,000         |
| Audit and risk committee – member             | -                |
| Nomination and remuneration committee – Chair | -                |

|                                                |   |
|------------------------------------------------|---|
| Nomination and remuneration committee – member | - |
|                                                |   |

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

| <i>Non-executive director remuneration</i>                                                                                       |             |                 |                                 |                                              |              |  |
|----------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|---------------------------------|----------------------------------------------|--------------|--|
| <b>Name</b>                                                                                                                      | <b>Year</b> | <b>Base fee</b> | <b>Audit and Risk Committee</b> | <b>Remuneration and Nomination Committee</b> | <b>Total</b> |  |
| P Tonagh                                                                                                                         | 2023        | 200,000         | -                               | -                                            | 200,000      |  |
|                                                                                                                                  | 2022        | 183,333         | -                               | -                                            | 183,333      |  |
| R Loewenthal                                                                                                                     | 2023        | 100,000         | -                               | -                                            | 100,000      |  |
|                                                                                                                                  | 2022        | 91,667          | -                               | -                                            | 91,667       |  |
| D Ryan                                                                                                                           | 2023        | 100,000         | 40,000                          | -                                            | 140,000      |  |
|                                                                                                                                  | 2022        | 91,667          | 36,666                          | -                                            | 128,333      |  |
| C Keller (1)                                                                                                                     | 2023        | 106,952         | -                               | -                                            | 106,952      |  |
|                                                                                                                                  | 2022        | 91,091          | -                               | -                                            | 91,091       |  |
| A Baker (2)                                                                                                                      | 2023        | 100,000         | -                               | -                                            | 100,000      |  |
|                                                                                                                                  | 2022        | 8,333           | -                               | -                                            | 8,333        |  |
| Total non-executive director remuneration                                                                                        | 2023        | 606,952         | 40,000                          | -                                            | 646,952      |  |
|                                                                                                                                  | 2022        | 466,091         | 36,666                          | -                                            | 502,757      |  |
| (1) Paid in United States dollars (USD). Amount translated into AUD based on same exchange rates as annual financial statements. |             |                 |                                 |                                              |              |  |
| (2) Appointed to Board 1 June 2022.                                                                                              |             |                 |                                 |                                              |              |  |
|                                                                                                                                  |             |                 |                                 |                                              |              |  |

Whooshkaa Podcasting Platform, a company controlled by Robert Loewenthal up until its sale in December 2021, provided podcasting hosting services to the Group at no charge. The fair-market value of the service provided was de minimus and the Group no longer provides podcasts.

Spotify, a company which Robert Loewenthal serves as Business Development Director, sells advertising time on its platform in Canada to the Group. The amount purchased for the past two fiscal years was as follows:

|         |            |
|---------|------------|
| FY 2023 | \$ 162,193 |
| FY 2022 | \$ nil     |

Australian Broadcasting Corporation, a company of which Peter Tonagh is deputy chair of the board of directors, has purchased traffic reporting services from the Group's Australian subsidiary. The amount purchased for the past two fiscal years was as follows:

|         |           |
|---------|-----------|
| FY 2023 | \$ 57,456 |
| FY 2022 | \$ 57,456 |

National Rugby League, a company of which Alexandra Baker is employed, has purchased advertising from the Group's Australian subsidiary. The amount purchased for the past two fiscal years was as follows:

|         |           |
|---------|-----------|
| FY 2023 | \$ 10,000 |
| FY 2022 | \$ 22,940 |

**(h) Additional statutory information**

*(i) Relative proportions of fixed vs variable remuneration expense*

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense above:

| <i>Relative proportions of fixed vs variable remuneration expense</i>                          |                           |                      |                       |
|------------------------------------------------------------------------------------------------|---------------------------|----------------------|-----------------------|
|                                                                                                | <b>Fixed remuneration</b> | <b>At Risk – STI</b> | <b>At Risk – LTI*</b> |
| <b>Name</b>                                                                                    | <b>2023</b>               | <b>2023</b>          | <b>2023</b>           |
| <b>Executive directors</b>                                                                     |                           |                      |                       |
| W Yde                                                                                          | 100%                      | 0%                   | 0%                    |
| <b>Other key management personnel of the group</b>                                             |                           |                      |                       |
| S Cody                                                                                         | 69%                       | 19%                  | 12%                   |
| G Worobow                                                                                      | 73%                       | 15%                  | 12%                   |
| *Where applicable, the expenses include negative amounts for expenses reversed during the year |                           |                      |                       |

*(ii) Performance based remuneration granted and forfeited during the year*

The following table shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited. It also shows the value of options that were granted, exercised and forfeited during FY 2023.

|                                                                                                                                          | Total STI bonus (cash)<br>(1)(2)(3) |         | LTI Options(5) |                 |               |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------|----------------|-----------------|---------------|
|                                                                                                                                          | Total Opportunity                   | Awarded | Value granted  | Value exercised | Forfeited (4) |
|                                                                                                                                          | \$                                  | %       | \$             | %               | %             |
|                                                                                                                                          | 2023                                | 2023    | 2023           | 2023            | 2023          |
| <b>Name</b>                                                                                                                              |                                     |         |                |                 |               |
| W Yde (1)                                                                                                                                | 462,770                             | 0%      | 168,473        | -               | 89%           |
| S Cody (2)                                                                                                                               | 238,161                             | 100%    | 84,237         | -               | 0%            |
| G Worobow (3)                                                                                                                            | 153,941                             | 100%    | 69,916         | -               | 0%            |
| (1) USD 311,537. Amounts in the table have been translated into AUD based on the exchange rate used to prepare the financial statements. |                                     |         |                |                 |               |
| (2) USD 160,330. Amounts in the table have been translated into AUD based on the exchange rate used to prepare the financial statements. |                                     |         |                |                 |               |

|                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (3) USD 103,633. Amounts in the table have been translated into AUD based on the exchange rate used to prepare the financial statements.                                                                                                                                                                                 |
| (4) Represents percentage of LTI Options forfeited during the period divided by LTI Options outstanding at 1 July 2022 (vested and unvested) plus options granted in FY 2023.                                                                                                                                            |
| (5) Unvested options vest on a service time-based vesting criterion. Options vest if the grantee is employed by the Group at the vesting date without further performance hurdles. One third of the options vest on the second anniversary of the grant whilst the remainder vest on the third anniversary of the grant. |

(iii) *Terms and conditions of equity based payment arrangements.*

| Name                                                                                         | Balance at the start of the year |           | Grants (1) | Forfeited (2) |      | Balance at the end of the year |           | Vested during the year (2) |     |
|----------------------------------------------------------------------------------------------|----------------------------------|-----------|------------|---------------|------|--------------------------------|-----------|----------------------------|-----|
|                                                                                              | Vested                           | Unvested  |            | #             | %    | Vested                         | Unvested  | #                          | %   |
| <b>FY2023</b>                                                                                |                                  |           |            |               |      |                                |           |                            |     |
| <i>W Yde</i>                                                                                 |                                  |           |            |               |      |                                |           |                            |     |
| (1)(3)                                                                                       | -                                | 2,000,000 | 1,000,000  | 2,666,667     | 133% | 333,333                        | -         | 333,333                    | 17% |
|                                                                                              |                                  |           |            |               |      |                                |           |                            |     |
| <i>S Cody</i>                                                                                |                                  |           |            |               |      |                                |           |                            |     |
| (1)                                                                                          | 1,112,065                        | 2,743,679 | 500,000    | -             | -    | 2,689,076                      | 1,666,668 | 1,577,011                  | 41% |
|                                                                                              |                                  |           |            |               |      |                                |           |                            |     |
| <i>G Worobow</i>                                                                             |                                  |           |            |               |      |                                |           |                            |     |
| (1)                                                                                          | 921,729                          | 2,275,816 | 415,000    | -             | -    | 2,229,211                      | 1,383,334 | 1,307,482                  | 41% |
|                                                                                              |                                  |           |            |               |      |                                |           |                            |     |
| (1) Options were granted on 17 November 2022.                                                |                                  |           |            |               |      |                                |           |                            |     |
| (2) Percentages based on options outstanding 1 July 2022.                                    |                                  |           |            |               |      |                                |           |                            |     |
| (3) Mr. Yde's unvested options expired on 30 June 2023 upon the cessation of his employment. |                                  |           |            |               |      |                                |           |                            |     |

| Ordinary Shares  | Balance at the start of year | Received during the year on exercise of stock options | Shares Purchased | Shares Sold | Balance at the end of the year |
|------------------|------------------------------|-------------------------------------------------------|------------------|-------------|--------------------------------|
| <b>FY2023</b>    |                              |                                                       |                  |             |                                |
| Name             |                              |                                                       |                  |             |                                |
|                  |                              |                                                       |                  |             |                                |
| W Yde (4)        | 2,803,408                    | -                                                     | -                | -           | N/A (4)                        |
|                  |                              |                                                       |                  |             |                                |
| D Ryan (2)       | 150,000                      | -                                                     | -                | -           | 150,000                        |
|                  |                              |                                                       |                  |             |                                |
| R Loewenthal (2) | 98,293                       | -                                                     | -                | -           | 98,293                         |
|                  |                              |                                                       |                  |             |                                |
| C Keller         | 140,450                      | -                                                     | 83,000           | -           | 223,450                        |
|                  |                              |                                                       |                  |             |                                |
| P Tonagh (3)     | 567,287                      | -                                                     | -                | -           | 567,287                        |
|                  |                              |                                                       |                  |             |                                |
| A Baker (2)      | 30,000                       | -                                                     | -                | -           | 30,000                         |
|                  |                              |                                                       |                  |             |                                |
| S Cody           | -                            | -                                                     | -                | -           | -                              |
|                  |                              |                                                       |                  |             |                                |
| G Worobow (1)    | 10                           | -                                                     | -                | -           | 10                             |

|                                                                                                                                                                                                |  |  |  |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|
|                                                                                                                                                                                                |  |  |  |  |  |
| (1) Initial shares upon forming GTN Limited.                                                                                                                                                   |  |  |  |  |  |
| (2) Shares held indirectly through superannuation fund.                                                                                                                                        |  |  |  |  |  |
| (3) Shares held indirectly by PT Ventures Pty Limited as trustee for The Tonagh Family Trust. Mr Tonagh is a director of PT Ventures Pty Limited and a beneficiary of The Tonagh Family Trust. |  |  |  |  |  |
| (4) Mr. Yde's employment and directorship ended effective 30 June 2023 therefore his shares are no longer included.                                                                            |  |  |  |  |  |

On 17 November 2022, the Company issued stock options to the following KMP as outlined in the following table:

| Grantee         | Number of Options Issued | Fair Value of Options Granted |
|-----------------|--------------------------|-------------------------------|
| William Yde III | 1,000,000                | \$168,473                     |
| Scott Cody      | 500,000                  | \$84,237                      |
| Gary Worobow    | 415,000                  | \$69,916                      |

The terms of the granted options are as follows:

*17 November 2022 Grant*

The Company employs a service time-based vesting criterion. Under this plan, options vest if the grantee is employed by the Group at the vesting date without further performance hurdles. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

|                                                                                     |                  |
|-------------------------------------------------------------------------------------|------------------|
| Grant date                                                                          | 17 November 2022 |
| Expiration date                                                                     | 17 November 2027 |
| Share price at grant date                                                           | \$0.405          |
| Fair value at grant date                                                            | \$0.168          |
| Exercise price                                                                      | \$0.405          |
| Expected volatility (based on historic and expected volatility of Company's shares) | 64.12%           |
| Expected life                                                                       | 3.83 years       |
| Expected dividends                                                                  | 3.21%            |
| Risk-free interest rate (based on government bonds)                                 | 3.31%            |

On 12 November 2021, the Company issued stock options to the following KMP as outlined in the following table:

| Grant Date      | Number of Options Issued | Fair Value of Options Granted |
|-----------------|--------------------------|-------------------------------|
| William Yde III | 1,000,000                | \$246,073                     |
| Scott Cody      | 500,000                  | \$123,037                     |

|              |         |           |
|--------------|---------|-----------|
| Gary Worobow | 415,000 | \$102,120 |
|--------------|---------|-----------|

The terms of the granted options are as follows:

*12 November 2021 Grant*

The Company employs a service time-based vesting criterion. Under this plan, options vest if the grantee is employed by the Group at the vesting date without further performance hurdles. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

|                                                                                     |                  |
|-------------------------------------------------------------------------------------|------------------|
| Grant date                                                                          | 12 November 2021 |
| Expiration date                                                                     | 12 November 2026 |
| Share price at grant date                                                           | \$0.52           |
| Fair value at grant date                                                            | \$0.246          |
| Exercise price                                                                      | \$0.52           |
| Expected volatility (based on historic and expected volatility of Company's shares) | 62.91%           |
| Expected life                                                                       | 3.83 years       |
| Expected dividends                                                                  | 0.00%            |
| Risk-free interest rate (based on government bonds)                                 | 1.11%            |

*(iv) Other transactions with key management*

In February 2020, in anticipation of spending additional time in the Australia market, the Group rented an apartment for Mr. Yde's use. During FY 2023 and FY 2022 the Group incurred expenses of \$127,397 and \$162,696, respectively related to the apartment. The costs related to the apartment have not been included in Mr. Yde's remuneration disclosures since these costs are intended to replace reimbursable hotel lodgings expense. Effective 26 July 2023, Mr. Yde assumed the lease on the apartment and the Group's obligations ceased. As part of the agreement to transfer the lease, Mr. Yde paid the Group \$16,750 USD for the apartment's furnishings.

In February 2021, the Group purchased a vehicle that was made available for Mr. Yde's use while in Australia. The purchase price of the vehicle was \$111,391. During FY 2023 and FY 2022, the Group recognised \$15,913 and \$15,913 of depreciation expense and \$22,929 and \$22,929 of fringe benefits tax related to the vehicle. The costs related to the vehicle have not been included in Mr. Yde's remuneration disclosures since the Group retained ownership of the vehicle and the vehicle is intended to replace rental car fees that would otherwise have been incurred. In July 2023, Mr. Yde purchased the car from the Group for \$60,300 USD.

In addition to the car and apartment furnishings, in July 2023 the Group sold certain computer equipment that had been used by Mr. Yde to him for \$3,000 USD.

Mr. Yde's daughter is employed by the Group with accounting and management duties. Her cash salary (translated from USD to AUD at the same exchange rates as the Group's financial statements) was:

|           |           |
|-----------|-----------|
| • FY 2023 | \$202,380 |
| • FY 2022 | \$186,163 |

The Board considers the compensation received by Mr. Yde's daughter to be consistent with the compensation that would be paid to unrelated third parties for a similar position and thus has not included any of these payments in Mr. Yde's remuneration disclosures.

(v) *Reliance on external remuneration consultants*

None during FY 2023.

(vi) *Voting of shareholders at last year's annual general meeting*

During the last annual general meeting, the shareholders voted 73.25% in favour of adoption of the remuneration report for the year ended 30 June 2022 which therefore constitutes a 'second strike' for the purposes of the *Corporations Act 2001 (Cth)*. As a result of the Company receiving a second strike, a conditional spill resolution was required to be put to the meeting. The resolution received 0.87% votes in favour of the resolution and therefore did not pass.

The Board is committed to ongoing and transparent engagement with all stakeholders. It will continue to review the effectiveness of the Company's remuneration practices and their alignment with strategic performance objectives to appropriately rewards its executives and deliver shareholder value.

**End of Remuneration Report**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set forth on page 37.

**Rounding of amounts**

GTN 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. Amounts in the Directors' 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' interests in shares and options of GTN**

The relevant interests of each Director in the equity of GTN as of the date of this Directors' Report are disclosed in the Remuneration Report.

This report was made in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to be 'Peter Tonagh', with a long horizontal stroke extending to the right.

Peter Tonagh  
Chair  
29 August 2023

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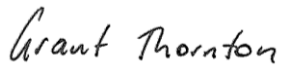
Grant Thornton Audit Pty Ltd  
Level 17  
383 Kent Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

## 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 audit of GTN Limited for the year ended 30 June 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



S M Coulton  
Partner – Audit & Assurance

Sydney, 29 August 2023

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# **GTN Limited**

**ACN 606 841 801**

**Consolidated Financial Report  
For the year ended 30 June 2023**

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

|                                                                           | Notes | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------------------------------------------------------|-------|----------------|----------------|
| Revenue                                                                   | 7     | 177,002        | 160,083        |
| Other income                                                              | 7     | 291            | 8              |
| Interest income on long-term prepaid affiliate contract                   | 7     | 7,946          | 8,052          |
| Gains on lease forgiveness                                                | 7     | -              | 41             |
| Network operations and station compensation expenses                      |       | (122,791)      | (116,836)      |
| Selling, general and administrative expenses                              |       | (42,483)       | (33,447)       |
| Equity based compensation expenses                                        | 23    | (360)          | (763)          |
| Depreciation and amortisation                                             | 8     | (12,329)       | (10,617)       |
| Finance costs                                                             | 8     | (1,753)        | (1,348)        |
| Foreign currency transaction loss                                         | 8     | (32)           | (19)           |
| <b>Profit before income tax</b>                                           |       | <b>5,491</b>   | <b>5,154</b>   |
| Income tax expense                                                        | 9     | (2,856)        | (2,352)        |
| <b>Profit for the year</b>                                                |       | <b>2,635</b>   | <b>2,802</b>   |
| <b>Other comprehensive income (loss) for the year, net of income tax:</b> |       |                |                |
| <i>Items that may be reclassified to profit or loss</i>                   |       |                |                |
| Foreign currency translation reserve                                      |       | 1,976          | (546)          |
| <b>Total other comprehensive income/(loss) for the year</b>               |       | <b>1,976</b>   | <b>(546)</b>   |
| <b>Total comprehensive income for the year</b>                            |       | <b>4,611</b>   | <b>2,256</b>   |
| <b>Earnings per share attributable to the ordinary equity holders:</b>    |       |                |                |
| Basic earnings per share                                                  | 21    | \$0.01         | \$0.01         |
| Diluted earnings per share                                                | 21    | \$0.01         | \$0.01         |

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

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

# Consolidated Statement of Financial Position

As at 30 June 2023

|                               | Notes | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------|-------|----------------|----------------|
| <b>Assets</b>                 |       |                |                |
| <b>Current</b>                |       |                |                |
| Cash and cash equivalents     | 11    | 30,606         | 34,844         |
| Trade and other receivables   | 12    | 41,194         | 37,751         |
| Current tax asset             | 16    | 4,385          | 4,086          |
| Other current assets          | 13    | 4,938          | 3,714          |
| Current assets                |       | 81,123         | 80,395         |
| <b>Non-current</b>            |       |                |                |
| Property, plant and equipment | 15    | 10,654         | 9,735          |
| Intangible assets             | 14    | 27,116         | 33,212         |
| Goodwill                      | 14    | 96,422         | 95,998         |
| Deferred tax assets           | 16    | 4,806          | 5,501          |
| Other assets                  | 13    | 90,863         | 92,373         |
| Non-current assets            |       | 229,861        | 236,819        |
| <b>Total assets</b>           |       | 310,984        | 317,214        |
| <b>Liabilities</b>            |       |                |                |
| <b>Current</b>                |       |                |                |
| Trade and other payables      | 17    | 39,244         | 35,148         |
| Contract liabilities          | 19    | 1,415          | 987            |
| Current tax liabilities       | 16    | 63             | 91             |
| Financial liabilities         | 20    | 1,215          | 1,376          |
| Provisions                    | 18    | 1,312          | 1,090          |
| Current liabilities           |       | 43,249         | 38,692         |
| <b>Non-current</b>            |       |                |                |
| Trade and other payables      | 17    | 78             | 75             |
| Financial liabilities         | 20    | 25,912         | 32,142         |
| Deferred tax liabilities      | 16    | 24,051         | 22,406         |
| Provisions                    | 18    | 318            | 330            |
| Non-current liabilities       |       | 50,359         | 54,953         |
| <b>Total liabilities</b>      |       | 93,608         | 93,645         |
| <b>Net assets</b>             |       | 217,376        | 223,569        |
| <b>Equity</b>                 |       |                |                |
| Share capital                 | 22    | 432,128        | 437,508        |
| Reserves                      |       | 8,159          | 10,214         |
| Accumulated losses            |       | (222,911)      | (224,153)      |
| <b>Total equity</b>           |       | 217,376        | 223,569        |

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

# Consolidated Statement of Changes in Equity

## For the year ended 30 June 2023

|                                                              | Notes | Issued<br>Capital<br>\$'000 | Common<br>Control<br>Reserve<br>\$'000 | Foreign Currency<br>Translation Reserve<br>\$'000 | Equity Based<br>Payments<br>Reserve<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Total<br>Equity<br>\$'000 |
|--------------------------------------------------------------|-------|-----------------------------|----------------------------------------|---------------------------------------------------|-----------------------------------------------|---------------------------------|---------------------------|
| <b>Balance at 30 June 2021</b>                               |       | <b>437,508</b>              | <b>(24,655)</b>                        | <b>29,642</b>                                     | <b>5,010</b>                                  | <b>(226,955)</b>                | <b>220,550</b>            |
| <b>Total comprehensive income (loss):</b>                    |       |                             |                                        |                                                   |                                               |                                 |                           |
| Net profit                                                   |       | -                           | -                                      | -                                                 | -                                             | 2,802                           | 2,802                     |
| Other comprehensive loss                                     |       | -                           | -                                      | (546)                                             | -                                             | -                               | (546)                     |
|                                                              |       | -                           | -                                      | (546)                                             | -                                             | 2,802                           | 2,256                     |
| <b>Transactions with owners in their capacity as owners:</b> |       |                             |                                        |                                                   |                                               |                                 |                           |
| Equity based compensation                                    |       | -                           | -                                      | -                                                 | 763                                           | -                               | 763                       |
|                                                              |       | -                           | -                                      | (546)                                             | 763                                           | 2,802                           | 3,019                     |
| <b>Balance at 30 June 2022</b>                               |       | <b>437,508</b>              | <b>(24,655)</b>                        | <b>29,096</b>                                     | <b>5,773</b>                                  | <b>(224,153)</b>                | <b>223,569</b>            |
| <b>Total comprehensive income (loss):</b>                    |       |                             |                                        |                                                   |                                               |                                 |                           |
| Net profit                                                   |       | -                           | -                                      | -                                                 | -                                             | 2,635                           | 2,635                     |
| Other comprehensive income                                   |       | -                           | -                                      | 1,976                                             | -                                             | -                               | 1,976                     |
|                                                              |       | -                           | -                                      | 1,976                                             | -                                             | 2,635                           | 4,611                     |
| <b>Transactions with owners in their capacity as owners</b>  |       |                             |                                        |                                                   |                                               |                                 |                           |
| Equity based compensation                                    | 23    | -                           | -                                      | -                                                 | 360                                           | -                               | 360                       |
| Dividends                                                    |       | -                           | -                                      | -                                                 | -                                             | (5,784)                         | (5,784)                   |
| Shares repurchased and retired                               |       | (5,380)                     | -                                      | -                                                 | -                                             | -                               | (5,380)                   |
| Reclass expired stock options                                |       | -                           | -                                      | -                                                 | (4,391)                                       | 4,391                           | -                         |
|                                                              |       | (5,380)                     | -                                      | 1,976                                             | (4,031)                                       | 1,242                           | (6,193)                   |
| <b>Balance at 30 June 2023</b>                               | 22    | <b>432,128</b>              | <b>(24,655)</b>                        | <b>31,072</b>                                     | <b>1,742</b>                                  | <b>(222,911)</b>                | <b>217,376</b>            |

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

# Consolidated Statement of Cash Flows

For the year ended 30 June 2023

|                                                     | Notes | 2023<br>\$'000  | 2022<br>\$'000  |
|-----------------------------------------------------|-------|-----------------|-----------------|
| <b>Operating activities</b>                         |       |                 |                 |
| Receipts from customers                             |       | 195,245         | 173,615         |
| Payments to suppliers and employees                 |       | (173,991)       | (160,054)       |
| Interest received                                   |       | 291             | 8               |
| Finance costs                                       |       | (1,666)         | (1,272)         |
| Income tax paid                                     |       | (853)           | (793)           |
| <b>Net cash from operating activities</b>           | 25    | <b>19,026</b>   | <b>11,504</b>   |
| <b>Investing activities</b>                         |       |                 |                 |
| Purchase of property, plant and equipment           |       | (5,640)         | (4,125)         |
| <b>Net cash used in investing activities</b>        |       | <b>(5,640)</b>  | <b>(4,125)</b>  |
| <b>Financing activities</b>                         |       |                 |                 |
| Shares repurchased                                  |       | (5,380)         | -               |
| Dividends                                           |       | (5,784)         | -               |
| Deferred financing costs                            |       | (52)            | -               |
| Debt repayment                                      |       | (6,000)         | (20,000)        |
| Principal elements of lease payments                |       | (1,626)         | (1,519)         |
| <b>Net cash used in financing activities</b>        |       | <b>(18,842)</b> | <b>(21,519)</b> |
| Net change in cash and cash equivalents             |       | (5,456)         | (14,140)        |
| Cash and cash equivalents, beginning of year        |       | 34,844          | 49,376          |
| Exchange differences on cash and cash equivalents   |       | 1,218           | (392)           |
| <b>Cash and cash equivalents, end of year</b>       | 11    | <b>30,606</b>   | <b>34,844</b>   |
| <b>Non-cash financing and investing activities:</b> |       |                 |                 |
| Property acquired under leases                      |       | 1,132           | 2,052           |

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

# Notes to the Consolidated Financial Statements

## **1 Corporate information**

### **Nature of operations**

GTN Limited (the “Company”) and its subsidiaries (the “Group”) derives a substantial majority of its revenues from the sale of commercial advertising commercials adjacent to traffic and news information reports that are broadcast on radio and/or television stations in Australia and international markets, including Canada, the United Kingdom and Brazil. The Group obtains these advertising commercials from radio and television stations.

### **General information**

GTN Limited is a company limited by shares, incorporated and domiciled in Australia. The address of GTN Limited’s registered office and its principal place of business is Level 42, Northpoint, 100 Miller Street North Sydney, NSW Australia 2060.

The consolidated financial statements for the year ended 30 June 2023 (including comparatives) were approved and authorised for issuance on 29 August 2023. The directors have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the periods presented unless otherwise stated. The financial statements are for the Group consisting of GTN Limited and its subsidiaries.

### 2.1 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. GTN Limited is a for-profit entity for the purpose of preparing the financial statements.

#### *(i) Compliance with IFRS*

The consolidated financial statements of GTN Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise stated.

#### *(ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities (including derivative instruments) – measured at fair value in profit or loss or fair value in other comprehensive income.

Certain amounts reported in prior years have been reclassified to conform to the current year presentation.

### 2.2 Basis of consolidation

The Group's financial statements consolidate those of GTN Limited and all of its subsidiaries as of 30 June 2023. The Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between the Group are eliminated on consolidation, including unrealised gains and losses on transactions amongst the Group and its subsidiaries. Where unrealised losses on “intra-group” asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

### 2.3 Business combinations

The Group applies the acquisition method in accounting for business combinations.

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred; (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

## **2.4 Foreign currency translation**

### **Functional and presentation currency**

The consolidated financial statements are presented in Australian dollars (AUD). ATN, Aus Hold Co and GTN Limited's functional currency is Australian dollars (AUD); CTN's functional currency is Canadian dollars (CAD); UK Hold Co, UKTN and UK Commercial's functional currency is British pounds (GBP); and BTN's functional currency is Brazilian real (BRL). The remaining subsidiaries functional currency is United States dollars (USD).

The presentation currency for these financial statements is AUD which is the functional currency of the largest portion of the Group's operations.

### **Foreign currency transactions and balances**

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Loans between Group entities are eliminated upon consolidation. Where the loan is between Group entities that have different functional currencies, the foreign exchange gain or loss is not eliminated and is recognised in the consolidated statement of profit and loss unless the loan is not expected to be settled in the foreseeable future and thus forms part of the net investment in the foreign operation. In such a case, the foreign exchange gain or loss is recognised in other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### **Foreign operations**

In the Group's financial statements, all assets, liabilities and transactions of entities with a functional currency other than AUD are translated into AUD upon consolidation. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

## **2.5 Revenue recognition**

The Group derives a substantial majority of its revenues from the sale of advertising commercials adjacent to traffic and news information reports that are broadcast on radio and/or television stations. The stations are suppliers of the advertising spots to the Group.

The Group provides advertising commercials to advertisers and their agencies. In situations where the advertisers engage advertising agencies in executing transactions with the Group, the Group records revenue based on the amount it expects to receive from the agency and follows the agency's directions in placing the advertisements. Cash considerations are received net of agency commissions provided and are typically due after the commercials are broadcast.

Advertising revenue is earned and recognised over time as the performance obligation - the delivery of the advertising commercial - is delivered on the basis that the customer simultaneously receives and consumes the benefits over the period of delivery of the advertisement.

Payments received in advance are deferred until the advertisements are broadcast and the amounts are included as a component of contract liabilities in the accompanying consolidated statement of financial position. Sales taxes, goods and service taxes, value added taxes and similar charges collected by the Group on behalf of government authorities are not included as a component of revenue. The Group's Brazilian subsidiary is charged sales tax by the governmental authorities on its revenue which is treated as a reduction of revenue for financial reporting. There is no variable consideration or financing components associated with revenue. The Group's revenue is disaggregated by geography based on where the advertisements are broadcast. See Note 29 (*Segment information*)).

## **2.6 Interest and dividend revenue recognition**

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, other than those from investments in associates, is recognised at the time the right to receive payment is established.

## **2.7 Network operations and station compensation expenses**

The cost of producing and distributing the radio and television traffic and news reports and services and the obtaining of advertising inventory are considered network operations and station compensation expenses. These consist mainly of personnel, aviation costs, facility costs, third party content providers and station compensation. Network operations and station compensation expenses are recognised when incurred.

The Group generally enters into multiyear contracts with radio and television stations. Station compensation is a component of network operations and station compensation expenses in the accompanying consolidated statement of profit or loss and other comprehensive income and is recognised over the terms of the contracts, which is not materially different than when the services are performed.

## **2.8 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are generally due for settlement within 30

days and are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. The loss allowance is based on expected lifetime credit losses. To measure the expected credit losses, trade receivables have been grouped based on the shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of five years before 30 June 2023 or 1 July 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The amount of the loss allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of any impairment loss is recognised in profit or loss as receivable impairment loss. When a trade receivable for which a loss allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the loss allowance account. Subsequent recoveries of amounts previously written off are credited against receivable impairment loss in profit or loss.

## **2.9 Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which is the operating segments.

## **2.10 Intangible assets**

Intangible assets are stated at cost (or fair value if acquired in a business combination) and subsequently carried at cost less accumulated amortisation and impairment losses. Intangible assets with definite lives are amortised over their expected useful lives on a straight-line basis, as follows:

- station contracts: 14 years
- advertising contracts: 4.5 years

Amortisation expense is not reflected for intangible assets with indefinite lives such as trade names and the Group annually tests these assets for impairment. Trade names are considered indefinite lived assets because there is not a predetermined time when they will be no longer be of value. There is no residual value recognised with regard to intangible assets subject to amortisation.

## 2.11 Property, plant and equipment

### IT equipment, motor vehicles, aircraft and other equipment

IT equipment, motor vehicles, aircraft and other equipment (comprising furniture and fittings) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by the Group's management.

IT equipment, motor vehicles, aircraft and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of computer equipment, motor vehicles, aircraft and other equipment. The following useful lives are applied:

- computer equipment: 3-5 years
- motor vehicles: 7 years
- helicopters and fixed wing aircraft: 6-8 years
- drones: 2 years
- helicopters engine rebuilds: 2-3 years
- furniture, equipment and other: 5-10 years
- recording, broadcasting and studio equipment: 5 years
- leasehold improvements: shorter of useful life or lease term
- right of use assets: shorter of useful life or lease term

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

### 2.12 Leased assets

The Group leases various properties and equipment. Rental contracts are typically made for fixed periods of one to five years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Contracts may contain both lease and non-lease components and the Group applies the practical expedient per AASB 16.15 to not separate these components out in the contract and are included in the liability in full.

Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group and are recognised on a present value basis. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term (generally one to five years) on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate

- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility of managing the contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT equipment and small items of office furniture and equipment.

### **2.13 Impairment testing of goodwill, other intangible assets and property, plant and equipment**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill and intangible assets that have an indefinite useful life (trade names) have been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets (including property, plant and equipment) or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an

impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

## **2.14 Financial instruments**

### **Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

General and specific borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

### **Classification and subsequent measurement of financial assets**

Financial assets are classified in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or loss or through profit and loss), and
- those to be measured at amortised cost. Currently the Group only has one category of financial instruments which is financial assets measured at amortised cost which includes cash and cash equivalents, trade and other receivables. See Note 2.8 (*Trade receivables*).

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within receivable impairment loss.

### **Classification and subsequent measurement of financial liabilities**

The Group's financial liabilities include borrowings, lease liabilities and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges that are reported in profit or loss are included within finance costs.

Deferred loan costs relate to the costs related to the debt financing and are amortised using the effective interest method over the life of the loan. Expense recognised related to the effective interest method is recognised as a component of finance costs in the Group's consolidated statement of profit or loss and other comprehensive income. Any deferred loan costs outstanding upon repayment or refinancing of debt balances are immediately expensed as a component of loss on refinancing.

## 2.15 Income taxes

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of the asset and liabilities and their carrying amount in the financial statements.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of income tax benefit or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### *Tax consolidation legislation*

GTN Limited and its wholly owned Australian controlled subsidiaries have implemented the tax consolidation legislation.

The head entity, GTN Limited, and the controlled subsidiaries in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, GTN Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled subsidiaries in the tax consolidated group.

The subsidiaries also entered into a tax funding arrangement under which the wholly owned entities fully compensate GTN Limited for any current tax payable assumed and are compensated by GTN Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are

transferred to GTN Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned subsidiaries' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with tax consolidated subsidiaries are recognised as amounts receivable or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated subsidiaries.

## **2.16 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.17 Employee Benefits**

### **Short-term employee benefits**

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits, annual leave and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

### **Other long-term employee benefits**

The Group's liabilities for long service leave are included in other long-term benefits when they are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds or government bonds for currencies for which there is no deep market in such high-quality corporate bonds, that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The obligations are presented as current liabilities on the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period regardless of when the actual settlement is expected to occur.

## **2.18 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

## 2.19 Earnings per share

### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the amounts used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 2.20 Equity and reserves

Issued capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from issued capital.

Other components of equity include the following:

- Foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Company's foreign entities into AUD.
- Equity based payments reserve – comprises the cumulative charge to the statement of profit or loss and other comprehensive income for employee equity-settled equity based remuneration.
- Common control reserve – represents difference between the fair value of the shares issued under the initial public offering net of transaction costs, plus carried forward reserves and accumulated losses and the book value of the total equity of the predecessor company.

Retained earnings include all current and prior period retained profits including those related to GTCR Gridlock Holdings (Cayman), L.P, the predecessor company to GTN Limited.

## 2.21 Equity based remuneration

The Company operates equity-settled equity based remuneration plans for certain of the Group's employees. All goods and services received in exchange for the grant of any equity based payment are measured at their fair values. Where employees are rewarded using equity based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All equity-settled equity based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity based payments reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if equity instruments ultimately exercised are different to that estimated on vesting.

Upon exercise of equity instruments, the proceeds received net of any directly attributable transaction costs are allocated to issued capital.

## **2.22 Provisions, contingent liabilities and contingent assets**

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, and management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

## **2.23 Goods and services taxes (GST)**

Revenues, expenses and assets are recognised net of any amount of associated GST, value added taxes (VAT), Quebec sales tax (QST), harmonized sales tax (HST) and similar taxes.

Receivables and payables are stated inclusive of the amount of GST and related taxes receivable or payable. The net amount of these taxes recoverable from, or payable to, the taxation authority is included in trade and other payables on the consolidated statement of financial position.

Cash flows are presented on a gross basis. The components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

## **2.24 Long-term prepaid affiliate contract**

Long term prepayments of station compensation are accounted for as a financing arrangement whereby non-cash interest income over the term of the contractual agreement is recognised based on an estimate of the radio stations' incremental borrowing rate with similar terms which will reduce over time as the prepayment is amortised. Station compensation expense is also recognised over the contract period equal to the prepayment amount plus the total non-cash interest income on a straight-line basis over the expected term of the contract including renewal periods, if it is more likely than not the contract will be extended. Additional

station compensation expense over the contract period is recognised equal to any cash payments, including an estimate of inflationary adjustments expected to be paid on a straight-line basis over the contract term.

## **2.25 Rounding of amounts**

The Group 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 financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## **2.26 Significant management judgement in applying accounting policies and estimation uncertainty**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

### **Significant management estimates and judgements**

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

#### ***Recognition of deferred tax balances***

The extent to which deferred tax balances are recognised is based on an assessment of the probability of the Group’s future taxable income against which the deferred tax assets can be utilised or liabilities assessed. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. See Note 16 (*Current and deferred tax assets and liabilities*).

#### ***Impairment***

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. See Note 14 (*Intangible assets*).

#### ***Useful lives of intangible assets***

Management reviews its estimate of the useful lives of definite lived intangible assets, which consist of the Group’s affiliate agreements with radio and television stations, at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the amount and length of expected future cash flows from these assets that may impact the value of the station contracts. See Note 14 (*Intangible assets*).

#### ***Recoverability of long-term prepaid station compensation***

Management reviews the recoverable amount of long-term prepaid station compensation at each reporting period, analysing such factors as number of advertising spots received, market conditions for the advertising spots, ratings of the stations, counter party risk (i.e. the financial viability of the provider of the advertising spots and its ability to continue to meet its obligations) and other relevant factors to determine the recoverability of long-term prepaid station compensation over its anticipated contractual term including renewal periods, if it is more likely than not the contract will be extended. See Note 13 (*Other assets*).

#### ***Uncertain tax positions***

Management determines the recognition and valuation of deferred tax assets and liabilities where there is uncertainty over tax treatment. Under IFRIC 23, this requires determining the likelihood that a tax treatment will be upheld by the relevant tax authorities assuming that position is examined by the tax authorities and the

tax authorities have full access to all the relevant facts and circumstances related to the tax position. Many tax positions are complex, and management must use judgement as to what the ultimate outcome of a tax position will be prior to filing returns or rulings from the relevant tax authorities. See Note 16 (*Current and deferred tax assets and liabilities*).

## **2.27 Parent Entity financial information**

The financial information for the Parent Entity, GTN Limited disclosed in Note 27 (*Parent Entity information*) has been prepared on the same basis as the consolidated financial statements except as set out below.

### *Investment in subsidiaries*

Investments in subsidiaries are accounted for at cost in the financial statements of GTN Limited. Dividends received are recognised when the right to receive the dividend is established.

## **2.28 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## **2.29 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

## **3 Changes in accounting policies**

### **3.1 New and revised standards that are effective for these financial statements**

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.

### **3.2 Accounting Standards issued but not yet effective and not 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.

There are no 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.

## **4 Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. The Group has used derivative financial instruments to manage interest rate risk exposures on borrowings but does not do so currently.

Risk management is carried out by the senior management team with oversight from the Audit and Risk Committee and the Board. The senior management team identifies, evaluates, reports and manages financial risks in close cooperation with the Group's operating units in accordance with the Board policy.

The Group holds the following financial instruments:

|                              | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------------|----------------|----------------|
| <b>Financial assets</b>      |                |                |
| Cash and cash equivalents    | 30,606         | 34,844         |
| Trade and other receivables  | 41,194         | 37,751         |
|                              | <b>71,800</b>  | <b>72,595</b>  |
| <b>Financial liabilities</b> |                |                |
| Trade and other payables     | 32,084         | 28,933         |
| Interest bearing liabilities | 27,127         | 33,518         |
|                              | <b>59,211</b>  | <b>62,451</b>  |

#### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial asset or financial liability will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange risk.

##### (i) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long term borrowings and cash. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group has previously utilised fixed rate interest rate swaps and interest rate collars to manage interest rate risk. Currently all the Group's outstanding debt is floating based on one-month BBSY and none of the debt is subject to derivatives.

As at the end of the reporting period, the Group had the following variable rate cash and borrowings outstanding:

|                                              | 2023                                      |                   | 2022                                      |                   |
|----------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------|-------------------|
|                                              | Weighted<br>average<br>interest rate<br>% | Balance<br>\$'000 | Weighted<br>average<br>interest rate<br>% | Balance<br>\$'000 |
| Cash and cash equivalents                    | 0.85%                                     | 30,606            | 0.02%                                     | 34,844            |
| Borrowings                                   | 5.52%                                     | (24,000)          | 3.26%                                     | (30,000)          |
| Net exposure to cash flow interest rate risk |                                           | <b>6,606</b>      |                                           | <b>4,844</b>      |

An official increase/decrease in interest rates of 100 (2022: 100) basis points would have favourable/adverse effect on profit before tax of \$66 thousand (2022: favourable/adverse \$48 thousand) per annum.

##### (ii) Foreign currency risk

Exposures to currency exchange rates arise from the sales and purchases by its subsidiaries that are denominated in currencies other than the subsidiaries' functional currency.

The Group does not enter into forward exchange contracts to mitigate the exposure to foreign currency risk. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing exchange rate:

|                       | Short Term Exposure |               |               |               |                 | Long Term Exposure |               |                |               |
|-----------------------|---------------------|---------------|---------------|---------------|-----------------|--------------------|---------------|----------------|---------------|
|                       | USD<br>\$'000       | GBP<br>\$'000 | CAD<br>\$'000 | BRL<br>\$'000 | Other<br>\$'000 | USD<br>\$'000      | GBP<br>\$'000 | CAD<br>\$'000  | BRL<br>\$'000 |
| <b>30 June 2023</b>   |                     |               |               |               |                 |                    |               |                |               |
| Financial assets      | 215                 | 21,130        | 21,697        | 2,938         | 13              | -                  | -             | -              | -             |
| Financial liabilities | (240)               | (6,162)       | (4,685)       | (1,425)       | (138)           | -                  | (83)          | (1,007)        | (137)         |
| <b>Total exposure</b> | <b>(25)</b>         | <b>14,968</b> | <b>17,012</b> | <b>1,513</b>  | <b>(125)</b>    | <b>-</b>           | <b>(83)</b>   | <b>(1,007)</b> | <b>(137)</b>  |
| <b>30 June 2022</b>   |                     |               |               |               |                 |                    |               |                |               |
| Financial assets      | 2,597               | 29,680        | 16,203        | 1,921         | 33              | -                  | -             | -              | -             |
| Financial liabilities | (204)               | (6,369)       | (3,959)       | (988)         | (51)            | -                  | (342)         | (1,398)        | (164)         |
| <b>Total exposure</b> | <b>2,393</b>        | <b>23,311</b> | <b>12,244</b> | <b>933</b>    | <b>(18)</b>     | <b>-</b>           | <b>(342)</b>  | <b>(1,398)</b> | <b>(164)</b>  |

There are no material transactions of subsidiary entities made in currencies other than the functional currency of the subsidiary. Therefore, no sensitivity analysis on foreign currencies affecting profit or loss has been prepared.

### (b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause a financial loss. The Group has exposures to credit risk on cash and cash equivalents and receivables. The maximum exposure to credit risk is based on the total value of our financial assets net of any loss allowance.

Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, a loss allowance is raised. The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables (see Note 2.8 (*Trade receivables*)). Debtor write-offs have historically been immaterial.

The Company's policy is to engage major financial institutions to provide financial facilities to the Group, thereby minimising credit risk on cash deposits. The Group does not have any cash balances instruments with any financial institution rated below "A".

### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to refinance borrowings.

#### (i) Financing arrangement

The Group did not have undrawn borrowing facilities at the end of the reporting period.

|                             | 2023<br>\$'000 | 2022<br>\$'000 |
|-----------------------------|----------------|----------------|
| <b>Total facilities</b>     |                |                |
| Bank debt facility          | 24,000         | 30,000         |
| <b>Used at balance date</b> |                |                |
| Bank debt facility          | 24,000         | 30,000         |

**Unused at balance date**

Bank debt facility

- -

*(ii) Maturities of financial liabilities*

Contractual maturities of financial liabilities

|                                                                               | Within<br>1 year<br>\$'000 | Between<br>1 and 2<br>years<br>\$'000 | Between<br>2 and 5<br>years<br>\$'000 | Over<br>5 years<br>\$'000 | Total<br>contractual<br>cash flows<br>\$'000 | Carrying<br>Amount<br>(assets)/<br>liabilities<br>\$'000 |
|-------------------------------------------------------------------------------|----------------------------|---------------------------------------|---------------------------------------|---------------------------|----------------------------------------------|----------------------------------------------------------|
| <b>At 30 June 2023</b>                                                        |                            |                                       |                                       |                           |                                              |                                                          |
| <b>Non-derivatives</b>                                                        |                            |                                       |                                       |                           |                                              |                                                          |
| <i>Non-interest bearing</i>                                                   |                            |                                       |                                       |                           |                                              |                                                          |
| Trade and other payables                                                      | 32,006                     | -                                     | 78                                    | -                         | 32,084                                       | 32,084                                                   |
| <i>Interest bearing</i>                                                       |                            |                                       |                                       |                           |                                              |                                                          |
| Bank loans (1)(2)                                                             | 1,600                      | 1,600                                 | 24,767                                | -                         | 27,967                                       | 23,936                                                   |
| Leases (1)                                                                    | 1,321                      | 1,639                                 | 440                                   | -                         | 3,400                                        | 3,191                                                    |
| <b>Total</b>                                                                  | <b>34,927</b>              | <b>3,239</b>                          | <b>25,285</b>                         | <b>-</b>                  | <b>63,451</b>                                | <b>59,211</b>                                            |
| (1) Cash flows include an estimate of future contractual payments of interest |                            |                                       |                                       |                           |                                              |                                                          |
| (2) Carrying amounts are net of capitalised transaction costs                 |                            |                                       |                                       |                           |                                              |                                                          |

|                                                                               | Within<br>1 year<br>\$'000 | Between<br>1 and 2<br>years<br>\$'000 | Between<br>2 and 5<br>years<br>\$'000 | Over<br>5 years<br>\$'000 | Total<br>contractual<br>cash flows<br>\$'000 | Carrying<br>Amount<br>(assets)/<br>Liabilities<br>\$'000 |
|-------------------------------------------------------------------------------|----------------------------|---------------------------------------|---------------------------------------|---------------------------|----------------------------------------------|----------------------------------------------------------|
| <b>At 30 June 2022</b>                                                        |                            |                                       |                                       |                           |                                              |                                                          |
| <b>Non-derivatives</b>                                                        |                            |                                       |                                       |                           |                                              |                                                          |
| <i>Non-interest bearing</i>                                                   |                            |                                       |                                       |                           |                                              |                                                          |
| Trade and other payables                                                      | 28,858                     | -                                     | 75                                    | -                         | 28,933                                       | 28,933                                                   |
| <i>Interest bearing</i>                                                       |                            |                                       |                                       |                           |                                              |                                                          |
| Bank loans (1)(2)                                                             | 1,107                      | 30,277                                | -                                     | -                         | 31,384                                       | 29,901                                                   |
| Leases (1)                                                                    | 1,467                      | 1,586                                 | 690                                   | 82                        | 3,825                                        | 3,617                                                    |
| <b>Total</b>                                                                  | <b>31,432</b>              | <b>31,863</b>                         | <b>765</b>                            | <b>82</b>                 | <b>64,142</b>                                | <b>62,451</b>                                            |
| (1) Cash flows include an estimate of future contractual payments of interest |                            |                                       |                                       |                           |                                              |                                                          |
| (2) Carrying amounts are net of capitalised transaction costs                 |                            |                                       |                                       |                           |                                              |                                                          |

**(d) Fair value measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

*(i) Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

- use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments a discounted cash flow analysis

All of the resulting fair value estimates are included in level 2. Level 2 estimates involve inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

## 5 Capital Management

### *Risk management*

The Group's objectives when managing capital are to

(i) safeguard its ability to continue as a going concern so it can continue to provide returns to the shareholders and

(ii) maintain an optimal capital structure to reduce the cost of capital.

In order to accomplish these goals, the Group has entered into a secured bank loan. Under the terms of the loan, the borrowers are required to comply with the following financial covenants:

- (a) Total gearing ratio (gross debt) ("TGR") (not greater than 2.75x at 30 June 2023 (actual 1.25x);
- (b) Interest coverage ratio (at least 3.50x at 30 June 2023) (actual 15.79x)

The borrowers were in compliance with these and all other requirements of the loan for all periods presented.

The Group targets to have a maximum total gearing ratio ("TGR") of less than 2.0x but does not target a minimum TGR.

## 6 Interests in subsidiaries

Set out below details of the subsidiaries held directly and indirectly by the Company:

| Name of the<br>Subsidiary                                                | Country of Incorporation &<br>Principal Place of Business | Proportion of Ownership<br>Interests Held by the<br>Company |              |
|--------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|--------------|
|                                                                          |                                                           | 30-June-2023                                                | 30-June-2022 |
| GTN Holdings Pty Limited ("LuxCo 1")                                     | Australia (NSW)                                           | 100%                                                        | 100%         |
| GTN US Holdco, Inc. ("US Hold Co")                                       | United States (Delaware) (1)                              | 100%                                                        | 100%         |
| Global Traffic Network, Inc. ("GTN")                                     | United States (Nevada) (1)                                | 100%                                                        | 100%         |
| Gridlock Holdings (Australia) Pty Limited ("Aus Hold Co")                | Australia (NSW)                                           | 100%                                                        | 100%         |
| The Australia Traffic Network Pty Limited ("ATN")                        | Australia (NSW)                                           | 100%                                                        | 100%         |
| GTN Management, Inc. ("US Management Co")                                | United States (Delaware)                                  | 100%                                                        | 100%         |
| GTCR Gridlock International (Luxembourg) S.a r.l. ("LuxCo 2")            | Luxembourg                                                | 100%                                                        | 100%         |
| Canadian Traffic Network ULC ("CTN")                                     | Canada (Alberta)                                          | 100%                                                        | 100%         |
| GTN Holdings (UK) Limited ("UK Hold Co")                                 | United Kingdom (England & Wales)                          | 100%                                                        | 100%         |
| Global Traffic Network (UK) Commercial Limited ("UK Commercial")         | United Kingdom (England & Wales)                          | 100%                                                        | 100%         |
| Global Traffic Network (UK) Limited ("UKTN")                             | United Kingdom (England & Wales)                          | 100%                                                        | 100%         |
| GTCR Gridlock Holdings (Brazil) S.a r.l. ("LuxCo 3")                     | Luxembourg                                                | 100%                                                        | 100%         |
| BTN Informacao do Transito E Servicos Aereos Especializados Ltda ("BTN") | Brazil                                                    | 100%                                                        | 100%         |
| Global Story Network LLC ("GSN")                                         | United States (Delaware)                                  | 100%                                                        | 100%         |
| Global Drone Network, LLC ("GDN") (2)                                    | United States (Delaware)                                  | 100%                                                        | N/A          |

(1) Resident of Australia for tax purposes but still subject to U.S. taxes. Principal place of business Australia.

(2) Formed 16 November 2022.

## 7 Revenue and other income

|                                                                                            | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------------------------------------------------------------|----------------|----------------|
| Revenue from contracts with customers                                                      |                |                |
| Sale of advertising commercials – net of agency commissions and taxes recognised over time | 177,002        | 160,083        |
|                                                                                            | <b>177,002</b> | <b>160,083</b> |
| <b>Other income</b>                                                                        |                |                |
| Interest on bank deposits                                                                  | 291            | 8              |
|                                                                                            | <b>291</b>     | <b>8</b>       |
| Interest income on long-term prepaid affiliate contract (see Note 13)                      | 7,946          | 8,052          |
| Gain on forgiveness of lease payments due                                                  | -              | 41             |

See Note 29 (*Segment information*) for the geographical allocation of the Group's revenue.

## 8 Expenses

|                                                                           | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------------------------------------------------------|----------------|----------------|
| <b>Profit before income tax includes the following specific expenses:</b> |                |                |
| Employee benefits expense                                                 | 45,765         | 38,926         |
| Defined contribution superannuation expenses                              | 1,253          | 1,146          |
| Depreciation                                                              | 5,982          | 4,267          |
| Amortisation                                                              | 6,347          | 6,350          |
| Finance costs - bank loan and line of credit                              | 1,630          | 1,231          |
| Finance costs - leases                                                    | 123            | 117            |
| Rental expenses relating to short-term and low value leases               | 1,347          | 648            |
| Foreign exchange loss on intercompany loans within the group              | 32             | 19             |

## 9 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:

|                                 | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------------|----------------|----------------|
| <b>Profit before income tax</b> | 5,491          | 5,154          |
| Tax rate: 30% (2022: 30%)       | 1,647          | 1,546          |
| Taxes on foreign earnings       | 26             | 39             |

|                                                     |               |               |
|-----------------------------------------------------|---------------|---------------|
| Tax effect of permanent differences                 | 725           | 441           |
| Unrecognised tax losses                             | 699           | 221           |
| State taxes                                         | -             | 2             |
| Under (over) provision for income tax in prior year | 84            | 14            |
| Impact of tax rate changes                          | (43)          | (28)          |
| Other                                               | (282)         | 117           |
| <b>Income tax expense</b>                           | <b>2,856</b>  | <b>2,352</b>  |
|                                                     | <b>2023</b>   | <b>2022</b>   |
|                                                     | <b>\$'000</b> | <b>\$'000</b> |
| Expense                                             |               |               |
| Current                                             | 516           | 1,899         |
| Deferred                                            | 2,340         | 453           |
| <b>Income tax expense</b>                           | <b>2,856</b>  | <b>2,352</b>  |
| Other comprehensive income                          |               |               |
| Current                                             | -             | -             |
| Deferred                                            | -             | -             |
|                                                     | -             | -             |

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 deferred tax asset of \$21,556 thousand (2022: \$20,125 thousand) in relation to the tax losses and deductible temporary differences as management does not anticipate the Group will make sufficient taxable profits in the foreseeable future to utilise this asset. The unrecognised deferred tax asset is primarily related to the United States. The net operating losses that have not been recognised do not expire.

## 10 Auditor's remuneration

Auditor remuneration details are as follows:

|                                                              | <b>2023</b>    | <b>2022</b>    |
|--------------------------------------------------------------|----------------|----------------|
|                                                              | <b>\$</b>      | <b>\$</b>      |
| <b>Grant Thornton</b>                                        |                |                |
| <b>Audit and other assurance services</b>                    |                |                |
| Auditors of the Group:                                       |                |                |
| Audit and review of financial statements                     | 538,879        | 393,183        |
| <b>Remuneration from audit and other assurance services</b>  | <b>538,879</b> | <b>393,183</b> |
| <b>Total remuneration of Grant Thornton</b>                  | <b>538,879</b> | <b>393,183</b> |
| <b>Network firms of Grant Thornton</b>                       |                |                |
| <b>Audit and other assurance services</b>                    |                |                |
| Auditors of the Group:                                       |                |                |
| Audit and review of financial statements                     | 60,477         | 124,981        |
| <b>Remuneration from audit and other assurance services</b>  | <b>60,477</b>  | <b>124,981</b> |
| <b>Total remuneration of network firms of Grant Thornton</b> | <b>60,477</b>  | <b>124,981</b> |
| <b>Total auditor's remuneration – Grant Thornton</b>         | <b>599,356</b> | <b>518,164</b> |

## 11 Cash and cash equivalents

Cash and cash equivalents consist of the following:

|                                  | 2023<br>\$'000 | 2022<br>\$'000 |
|----------------------------------|----------------|----------------|
| Cash at bank and in hand:        |                |                |
| Cash at bank and in hand         | 22,940         | 34,844         |
| Short term deposits              | 7,666          | -              |
| <b>Cash and cash equivalents</b> | <b>30,606</b>  | <b>34,844</b>  |

## 12 Trade and other receivables

Trade and other receivables consist of the following:

|                          | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------|----------------|----------------|
| Trade receivables        | 42,256         | 38,687         |
| Loss allowance           | (1,062)        | (936)          |
| <b>Trade receivables</b> | <b>41,194</b>  | <b>37,751</b>  |

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Impairment loss was \$89 thousand (2022: \$0 thousand) for the years ended 30 June 2023 and 2022, respectively.

The movement in the loss allowance can be reconciled as follows:

|                                     | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------------|----------------|----------------|
| Balance 1 July                      | (936)          | (1,005)        |
| Amounts written off (uncollectable) | -              | 87             |
| Translation differences             | (37)           | (18)           |
| Impairment loss                     | (89)           | -              |
| <b>Balance 30 June</b>              | <b>(1,062)</b> | <b>(936)</b>   |

|                                           | Current | Not more<br>than 3<br>months<br>past due | More than<br>3 months<br>past due | Total  |
|-------------------------------------------|---------|------------------------------------------|-----------------------------------|--------|
|                                           | \$'000  | \$'000                                   | \$'000                            | \$'000 |
| <b>At 30 June 2023</b>                    |         |                                          |                                   |        |
| <b>Expected loss rate</b>                 | -%*     | -%*                                      | 21%                               | 3%     |
| Gross carrying amount – trade receivables | 32,696  | 4,562                                    | 4,998                             | 42,256 |
| Loss allowance                            | -       | -                                        | 1,062                             | 1,062  |

\*Less than 1%. The expected loss rate on receivables not more than three months past due is less than one percent which is materially consistent with historical amounts written off.

|                                           | Current | Not more than 3 months past due | More than 3 months past due | Total  |
|-------------------------------------------|---------|---------------------------------|-----------------------------|--------|
|                                           | \$'000  | \$'000                          | \$'000                      | \$'000 |
| <b>At 30 June 2022</b>                    |         |                                 |                             |        |
| <b>Expected loss rate</b>                 | -%*     | -%*                             | 24%                         | 2%     |
| Gross carrying amount – trade receivables | 32,432  | 2,290                           | 3,965                       | 38,687 |
| Loss allowance                            | -       | -                               | 936                         | 936    |

\*Less than 1%. The expected loss rate on receivables not more than three months past due is less than one percent which is materially consistent with historical amounts written off.

### 13 Other assets

Other assets reflected on the consolidated statement of financial position consist of the following:

|                                        | 2023<br>\$'000 | 2022<br>\$'000 |
|----------------------------------------|----------------|----------------|
| <b>Current</b>                         |                |                |
| Prepaid station affiliate contracts(i) | 1,657          | 2,109          |
| Deposits on fixed assets               | 1,376          | -              |
| Prepays and other current assets       | 1,905          | 1,605          |
|                                        | <b>4,938</b>   | <b>3,714</b>   |
| <b>Non-Current</b>                     |                |                |
| Prepaid station affiliate contract(i)  | 90,636         | 92,112         |
| Other assets                           | 227            | 261            |
|                                        | <b>90,863</b>  | <b>92,373</b>  |

(i) ATN made a \$100 million prepayment of station compensation to a radio station group in February 2016. This is being accounted for as a financing arrangement whereby ATN will record non-cash interest income over the term of the contractual agreement, based on an estimate of radio station group's incremental borrowing rate with similar terms (estimated to be 8.5% per annum), which will reduce over time as the prepayment is amortised. ATN will also record station compensation expense over the contract period equal to the \$100 million prepayment plus the total non-cash interest income, which will be recognised on a straight-line basis over the 30-year contract term. ATN will make annual recurring cash payments commencing on 1 February 2017 of \$2.75 million payable on a monthly basis that will be indexed by the lower of CPI and 2.5%. ATN will record an additional station compensation expense over the contract period equal to the total recurring indexed cash payments, which will be recognised straight line over the 30-year contract term.

### 14 Intangible assets

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

|                              | Goodwill<br>\$'000 | Trade names<br>\$'000 | Station contracts<br>\$'000 | Advertising contracts<br>\$'000 | Total<br>\$'000 |
|------------------------------|--------------------|-----------------------|-----------------------------|---------------------------------|-----------------|
| <b>Gross carrying amount</b> |                    |                       |                             |                                 |                 |
| Balance at 1 July 2022       | 95,998             | 12,573                | 88,896                      | 65,916                          | 167,385         |
| Net exchange differences     | 424                | 120                   | 844                         | 627                             | 1,591           |
| Balance at 30 June 2023      | 96,422             | 12,693                | 89,740                      | 66,543                          | 168,976         |

|                                     |               |               |               |          |
|-------------------------------------|---------------|---------------|---------------|----------|
| <b>Amortisation</b>                 |               |               |               |          |
| Balance at 1 July 2022              | -             | -             | (68,257)      | (65,916) |
| Amortisation                        | -             | -             | (6,347)       | -        |
| Net exchange differences            | -             | -             | (713)         | (627)    |
| Balance at 30 June 2023             | -             | -             | (75,317)      | (66,543) |
| <b>Carrying amount 30 June 2023</b> | <b>96,422</b> | <b>12,693</b> | <b>14,423</b> | <b>-</b> |
| <b>Gross carrying amount</b>        |               |               |               |          |
| Balance at 1 July 2021              | 96,616        | 12,563        | 88,814        | 65,858   |
| Net exchange differences            | (618)         | 10            | 82            | 58       |
| Balance at 30 June 2022             | 95,998        | 12,573        | 88,896        | 65,916   |
| <b>Amortisation</b>                 |               |               |               |          |
| Balance at 1 July 2021              | -             | -             | (61,852)      | (65,858) |
| Amortisation                        | -             | -             | (6,350)       | -        |
| Net exchange differences            | -             | -             | (55)          | (58)     |
| Balance at 30 June 2022             | -             | -             | (68,257)      | (65,916) |
| <b>Carrying amount 30 June 2022</b> | <b>95,998</b> | <b>12,573</b> | <b>20,639</b> | <b>-</b> |

The Group expects to either renew or replace its advertiser contracts and renew its station contracts beyond their expected life. Amortisation expense for the years ended 30 June 2023 and 30 June 2022 was \$6,347 thousand and \$6,350 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.

## Impairment testing

For the purpose of annual impairment testing, goodwill and trade names are allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the goodwill and trade names pertain.

|                                                | 2023           | 2022           |
|------------------------------------------------|----------------|----------------|
|                                                | \$'000         | \$'000         |
| <b>Goodwill</b>                                |                |                |
| Australia                                      | 86,548         | 86,548         |
| Canada                                         | 2,603          | 2,586          |
| United Kingdom                                 | 7,271          | 6,864          |
| Goodwill allocation at 30 June                 | <b>96,422</b>  | <b>95,998</b>  |
| <b>Trade names</b>                             |                |                |
|                                                | \$'000         | \$'000         |
| Australia                                      | 9,564          | 9,564          |
| Canada                                         | 1,658          | 1,648          |
| United Kingdom                                 | 1,471          | 1,361          |
| Trade names allocation at 30 June              | <b>12,693</b>  | <b>12,573</b>  |
| Goodwill and trade names allocation at 30 June | <b>109,115</b> | <b>108,571</b> |

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

Growth rates and discount rates used in calculations:

|                | Discount Rates   |                  |
|----------------|------------------|------------------|
|                | 2023<br>Post-Tax | 2022<br>Post-Tax |
| Australia      | 11.8%            | 11.6%            |
| Canada         | 12.1%            | 12.1%            |
| United Kingdom | 12.0%            | 11.9%            |

|                | Average 5-Year Growth Rates Per Annum |      |        |      |
|----------------|---------------------------------------|------|--------|------|
|                | Revenue                               |      | EBITDA |      |
|                | 2023                                  | 2022 | 2023   | 2022 |
| Australia      | 6%                                    | 8%   | 12%    | 14%  |
| Canada         | 7%                                    | 8%   | 21%    | 51%  |
| United Kingdom | 3%                                    | 1%   | (2)%   | (6)% |

### Growth rates

The growth rates reflect lower than the historic revenue growth rate of respective cash-generating units in the local currency of the respective units. Expenses are then estimated based on a projected growth rate if fixed in nature or in relation to revenue if variable. The base year for each calculation is the Group's approved internal budget for the coming fiscal year. The long-term growth rate utilised was 1%.

The growth rates assume a continued recovery in the Group's markets and an eventual recovery to pre-COVID 19 pandemic revenue levels. Should the growth rates for the projection be measured from 30 June 2019 (the last fiscal year without COVID impact) the nine-year growth rates would be as follows:

|                | Average Growth Rates |        |
|----------------|----------------------|--------|
|                | Revenue              | EBITDA |
|                | 2023                 | 2023   |
| Australia      | 2%                   | 8%     |
| Canada         | 3%                   | 13%    |
| United Kingdom | 1%                   | (7)%   |

### Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit.

During the year ending 30 June 2020, the Group had an independent assessment of the CGU values. This valuation was completed prior to the outbreak of COVID. The discount rates for FY 2022 used were consistent with the rates used in the valuation and were updated to reflect the then current capital structures of the CGU's. The discount rates have been updated for FY 2023 to reflect the current capital structures of the CGU's as well as changes in the interest rate environment.

### Cash flow assumptions

The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

## Sensitivity Analysis

Based on management's assessment there are no reasonably possible scenarios that result in an impairment charge for the Canadian and United Kingdom CGUs.

For the Australian CGU, management has run various scenarios to assess the impact on the headroom and possible impairments which may be indicated:

- Scenario 1: decreasing forecast revenues by 5% in each year of the projection would not give rise to an impairment.
- Scenario 2: decreasing forecast revenues by 10% in each year of the projection results in the carrying amount of the CGU exceeding the recoverable amount of the CGU by approximately \$14 million.

## Significant estimate: Impact of possible changes in key assumptions

The COVID-19 pandemic has had an impact on the Group's revenue that was beyond what could have been reasonably anticipated. The projections used for impairment testing assume that the Group's markets operating performance will return to pre-COVID-19 pandemic levels in the future. Should the impact of the COVID-19 pandemic or a similar disruption extend beyond management's estimate or become more pronounced than the current impact it could render the assumptions of the impairment testing invalid.

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

## 15 Property, plant and equipment

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

|                                     | Helicopters,<br>drones and<br>fixed wing<br>aircraft<br>\$'000 | Recording,<br>broadcasting<br>and studio<br>equipment<br>\$'000 | Furniture,<br>equipment and<br>other<br>\$'000 | Right of use<br>assets – real<br>property<br>leases<br>\$'000 | Total<br>\$'000 |
|-------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------|-----------------|
| <b>Gross carrying amount</b>        |                                                                |                                                                 |                                                |                                                               |                 |
| Balance 1 July 2022                 | 32,272                                                         | 1,013                                                           | 3,451                                          | 7,372                                                         | 44,108          |
| Additions during period             | 5,325                                                          | 21                                                              | 294                                            | 1,132                                                         | 6,772           |
| Disposals                           | -                                                              | -                                                               | -                                              | (896)                                                         | (896)           |
| Net exchange differences            | 908                                                            | 27                                                              | 94                                             | 201                                                           | 1,230           |
| Balance 30 June 2023                | 38,505                                                         | 1,061                                                           | 3,839                                          | 7,809                                                         | 51,214          |
| <b>Depreciation and impairment</b>  |                                                                |                                                                 |                                                |                                                               |                 |
| Balance 1 July 2022                 | (26,775)                                                       | (943)                                                           | (2,790)                                        | (3,865)                                                       | (34,373)        |
| Disposals                           | -                                                              | -                                                               | -                                              | 896                                                           | 896             |
| Net exchange differences            | (865)                                                          | (23)                                                            | (79)                                           | (134)                                                         | (1,101)         |
| Depreciation                        | (4,045)                                                        | (45)                                                            | (306)                                          | (1,586)                                                       | (5,982)         |
| Balance 30 June 2023                | (31,685)                                                       | (1,011)                                                         | (3,175)                                        | (4,689)                                                       | (40,560)        |
| <b>Carrying amount 30 June 2023</b> | <b>6,820</b>                                                   | <b>50</b>                                                       | <b>664</b>                                     | <b>3,120</b>                                                  | <b>10,654</b>   |

|                                     | Helicopters,<br>drones and<br>fixed wing<br>aircraft<br>\$'000 | Recording,<br>broadcasting<br>and studio<br>equipment<br>\$'000 | Furniture,<br>equipment and<br>other<br>\$'000 | Right of use<br>assets – real<br>property<br>leases<br>\$'000 | Total<br>\$'000 |
|-------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------|-----------------|
| <b>Gross carrying amount</b>        |                                                                |                                                                 |                                                |                                                               |                 |
| Balance 1 July 2021                 | 27,521                                                         | 987                                                             | 3,063                                          | 6,602                                                         | 38,173          |
| Additions during period             | 3,764                                                          | 11                                                              | 350                                            | 2,052                                                         | 6,177           |
| Disposals                           | -                                                              | -                                                               | -                                              | (1,367)                                                       | (1,367)         |
| Net exchange differences            | 987                                                            | 15                                                              | 38                                             | 85                                                            | 1,125           |
| Balance 30 June 2022                | 32,272                                                         | 1,013                                                           | 3,451                                          | 7,372                                                         | 44,108          |
| <b>Depreciation and impairment</b>  |                                                                |                                                                 |                                                |                                                               |                 |
| Balance 1 July 2021                 | (23,533)                                                       | (873)                                                           | (2,419)                                        | (3,627)                                                       | (30,452)        |
| Disposals                           | -                                                              | -                                                               | -                                              | 1,244                                                         | 1,244           |
| Net exchange differences            | (827)                                                          | (15)                                                            | (36)                                           | (20)                                                          | (898)           |
| Depreciation                        | (2,415)                                                        | (55)                                                            | (335)                                          | (1,462)                                                       | (4,267)         |
| Balance 30 June 2022                | (26,775)                                                       | (943)                                                           | (2,790)                                        | (3,865)                                                       | (34,373)        |
| <b>Carrying amount 30 June 2022</b> | <b>5,497</b>                                                   | <b>70</b>                                                       | <b>661</b>                                     | <b>3,507</b>                                                  | <b>9,735</b>    |

## 16 Current and deferred tax assets and liabilities

Current taxes can be summarised as follows:

|                                      | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------|----------------|----------------|
| Current tax assets                   | 4,385          | 4,086          |
| Current tax liabilities              | (63)           | (91)           |
| Net current tax assets/(liabilities) | 4,322          | 3,995          |

Deferred taxes arising from temporary differences can be summarised as follows:

| Deferred Tax Assets                                                   | 1 July 2022<br>\$'000 | Recognised in<br>Profit<br>and Loss<br>\$'000 | 30 June 2023<br>\$'000 |
|-----------------------------------------------------------------------|-----------------------|-----------------------------------------------|------------------------|
| Annual leave accrual                                                  | 393                   | 47                                            | 440                    |
| Long service leave provision                                          | 368                   | 76                                            | 444                    |
| Audit accrual                                                         | 108                   | 80                                            | 188                    |
| Superannuation accrued                                                | 15                    | 1                                             | 16                     |
| Allowance for doubtful debts                                          | 205                   | 1                                             | 206                    |
| Leases                                                                | 38                    | (12)                                          | 26                     |
| Fringe benefit tax                                                    | 37                    | (12)                                          | 25                     |
| Deferred transaction costs                                            | 35                    | (10)                                          | 25                     |
| Fixed asset depreciation                                              | 2,062                 | (410)                                         | 1,652                  |
| Net tax losses                                                        | 4,059                 | (1,465)                                       | 2,594                  |
|                                                                       | <b>7,320</b>          | <b>(1,704)</b>                                | <b>5,616</b>           |
| Set-off of deferred tax liabilities<br>pursuant to set-off provisions | <b>(1,819)</b>        |                                               | <b>(810)</b>           |
| Net deferred tax assets                                               | <b>5,501</b>          |                                               | <b>4,806</b>           |

| Deferred Tax Liabilities                                         | 1 July 2022<br>\$'000 | Recognised<br>in Profit<br>and Loss<br>\$'000 | 30 June 2023<br>\$'000 |
|------------------------------------------------------------------|-----------------------|-----------------------------------------------|------------------------|
| Intangibles                                                      | 9,600                 | (1,748)                                       | 7,852                  |
| Prepaid expenses                                                 | 14,625                | 2,384                                         | 17,009                 |
|                                                                  | <b>24,225</b>         | <b>636</b>                                    | <b>24,861</b>          |
| Set-off of deferred tax assets<br>pursuant to set-off provisions | <b>(1,819)</b>        |                                               | <b>(810)</b>           |
| Net deferred tax liabilities                                     | <b>22,406</b>         |                                               | <b>24,051</b>          |

|                                      | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------|----------------|----------------|
| Deferred tax assets consist of:      |                |                |
| Current                              | 1,293          | 692            |
| Non-current                          | 4,323          | 6,628          |
|                                      | <b>5,616</b>   | <b>7,320</b>   |
| Deferred tax liabilities consist of: |                |                |
| Current                              | -              | -              |
| Non-current                          | 24,861         | 24,225         |
|                                      | <b>24,861</b>  | <b>24,225</b>  |

Recognised deferred tax assets relate primarily to the Group's CTN subsidiary. Based on FY 2023 utilisation, the NOL related to CTN would be fully utilised over the next two years and the remaining deferred tax assets thereafter.

The Group had a franking balance of \$867 thousand and \$117 thousand at 30 June 2023 and 2022, respectively.

## 17 Trade and other payables

Trade and other payables recognised consist of the following:

|                                        | 2023<br>\$'000 | 2022<br>\$'000 |
|----------------------------------------|----------------|----------------|
| <b>Current</b>                         |                |                |
| Trade payables                         | 20,842         | 19,087         |
| Accrued payroll expenses               | 5,733          | 5,047          |
| Accrued taxes not based on income      | 1,505          | 1,243          |
| Accrued expenses and other liabilities | 11,164         | 9,771          |
|                                        | <b>39,244</b>  | <b>35,148</b>  |
| <b>Non-current</b>                     |                |                |
| Other                                  | 78             | 75             |
|                                        | <b>78</b>      | <b>75</b>      |

All current amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

Goods and services, sales and value added taxes, which are charged by vendors to operating subsidiaries in Australia, Canada and United Kingdom are included in trade payables until paid. The net amount of goods and services, sales and value added tax payable (after deduction of amounts paid to vendors of the Group) is included as a component of trade and other payables on the consolidated statement of financial position.

## 18 Provisions

|                              | 2023<br>\$'000      | 2022<br>\$'000      |
|------------------------------|---------------------|---------------------|
| <b>Current</b>               |                     |                     |
| Long service leave provision | 1,312               | 1,090               |
|                              | <u>1,312</u>        | <u>1,090</u>        |
| <b>Non-Current</b>           |                     |                     |
| Long service leave provision | 169                 | 137                 |
| Lease restoration            | 149                 | 193                 |
|                              | <u>318</u>          | <u>330</u>          |
|                              | <u><b>1,630</b></u> | <u><b>1,420</b></u> |

The current portion of the long service leave provision includes all amounts that are either unconditional or scheduled to become unconditional within 12 months. The entire amount of the unconditional and scheduled to become unconditional long service leave are presented as current since the Group does not have the unconditional right to defer settlement. However, based on past experience the Group does not expect all employees to take the full amount of their long service leave or require payment within the next 12 months.

The Group has an obligation to restore certain of its leased premises back to their original condition at the end of their respective leases. As of 30 June 2023 and 30 June 2022, the Group had a liability of \$149 thousand and \$193 thousand, respectively, accrued which it anticipates to be the amount required to restore the premises at the end of the leases.

## 19 Contract liabilities

|                      | 2023<br>\$'000      | 2022<br>\$'000    |
|----------------------|---------------------|-------------------|
| Contract liabilities | 1,415               | 987               |
|                      | <u><b>1,415</b></u> | <u><b>987</b></u> |

|                          | 2023<br>\$'000      | 2022<br>\$'000      |
|--------------------------|---------------------|---------------------|
| Balance 1 July           | <u><b>987</b></u>   | <u><b>1,000</b></u> |
| Additions during period  | 1,137               | 785                 |
| Earned during period     | (773)               | (807)               |
| Net exchange differences | 64                  | 9                   |
| <b>Balance 30 June</b>   | <u><b>1,415</b></u> | <u><b>987</b></u>   |

Payments received or amounts invoiced in advance are deferred until earned and such amounts are included as a component of contract liabilities.

## 20 Financial liabilities

|                                      | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>Current</b>                       |                |                |
| Current portion of long-term debt    | -              | -              |
| Current portion of leases            | 1,215          | 1,376          |
|                                      | <b>1,215</b>   | <b>1,376</b>   |
| <b>Non-current</b>                   |                |                |
| Long-term debt, less current portion | 23,936         | 29,901         |
| Leases, less current portion         | 1,976          | 2,241          |
|                                      | <b>25,912</b>  | <b>32,142</b>  |

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.

There are no scheduled principal payments prior to the due date. Facility C consisted of a \$30 million revolving line of credit. A commitment fee of 45% of the applicable margin (currently 2.50%) is incurred on any unutilised portion of Facility C. During FY 2023, the Group repaid \$6 million of Facility C and reduced its commitment by a like amount. The total amount of Facility C is \$24 million which is 100% drawn down and there is no existing borrowing capacity under the facility. The outstanding loan bears interest at BBSY plus the applicable margin (6.6668% (including the applicable margin) at 30 June 2023).

Maturities of financial liabilities are included in Note 4 (c)(ii) (*Financial risk management/Liquidity risk/Maturities of financial liabilities*). Cash outflows related to financial liabilities are included in Note 25(b) (*Cash flow information/Net debt reconciliation*).

Distributions (including dividends and share buybacks) are restricted under the bank loan agreement to 100% of net profit after tax adjusted ("NPATA"). NPATA is defined as net profit after tax adding back the tax adjusted amortisation expense related to finite lived intangibles arising from acquisition accounting.

### Assets pledged as security

Bank loan facilities are secured by a first ranking charge over all GTN Limited, ATN, Aus Hold Co, UK Hold Co, UKTN, UK Commercial, LuxCo 1, LuxCo 2, LuxCo 3, US Hold Co, GTN, US Management Co, CTN, GSN and GDN assets.

## 21 Earnings per share

|                                                                                                                         | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit attributable to shareholders (basic and diluted):                                                                |                |                |
| Profit for the year                                                                                                     | 2,635          | 2,802          |
| Weighted average number of ordinary shares used in calculating basic earnings per share                                 | 211,926        | 215,279        |
| Common stock equivalents arising from stock options outstanding                                                         | 431            | 312            |
| Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share | 212,357        | 215,591        |
| Basic earnings per share (cents per share)                                                                              | \$0.01         | \$0.01         |
| Diluted earnings per share (cents per share)                                                                            | \$0.01         | \$0.01         |

At 30 June 2023 and 2022, the Company had common stock equivalents of 9,601,622 and 9,453,289, respectively, outstanding in the form of stock options. For the years ended 30 June 2023 and 2022, 430,565 and 311,678, respectively, of these options were included in the calculation of diluted shares. The remaining of these common stock equivalents are excluded from the calculation of diluted earnings per share since they are anti-dilutive due to either the exercise price of the options exceeding the Company's average share price for the years ending 30 June 2023 and 2022, respectively and/or the fair value of the compensation for future services per option to be provided plus the option exercise price exceeding the Company's average share price for the years ending 30 June 2023 and 2022, respectively.

## 22 Share capital

|                                    | 2023<br>'000's  | 2023<br>\$'000 | 2022<br>'000's  | 2022<br>\$'000 |
|------------------------------------|-----------------|----------------|-----------------|----------------|
|                                    | Ordinary shares | Issued capital | Ordinary shares | Issued capital |
| At beginning of reporting period   | 215,279         | 437,508        | 215,279         | 437,508        |
| Share repurchased and retired      | (11,132)        | (5,380)        | -               | -              |
| At the end of the reporting period | 204,147         | 432,128        | 215,279         | 437,508        |

The Company's ordinary shares have no par value, are all fully paid, have equal rights to dividends and other distributions and represent one vote per share at shareholder meetings. There are currently no authorised but unissued shares of the Company.

## 23 Equity based compensation

As of 30 June 2023 and 2022 there were 9,601,622 and 9,453,289 stock option grants to purchase shares of GTN Limited outstanding, respectively under the Company's Long-term Incentive Plan ("the Plan"). Options granted under the Plan vest (subject to performance conditions) on an annual basis over three years (one third after two years and the remaining grant after three years) and expire after five years from the date of the grant. The Plan allows for cashless exercise under which employees surrender shares in lieu of paying the cash exercise price and remitting the required amounts to satisfy tax withholding obligations. The Group does not anticipate incurring cash costs under the Plan (other than de minimus employer payroll tax expense) since it does not currently repurchase shares issued with regards to the Plan.

### Stock Options

Under AASB 2, share-based compensation benefits are provided to employees via the Plan. The maximum term of the options granted under the Plan is five years. The fair value of rights granted under the Plan is recognised as equity based compensation expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the rights.

### *FY 2023 Option Grants*

The Company employs a service time-based vesting criterion. Under this plan, options vest if the grantee is employed by the Group at the vesting date without further performance hurdles. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Grant date                | 17 November 2022 | 27 February 2023 |
| Expiration date           | 17 November 2027 | 27 February 2028 |
| Options granted           | 1,915,000        | 900,000          |
| Share price at grant date | \$0.405          | \$0.59           |

|                                                                                     |            |            |
|-------------------------------------------------------------------------------------|------------|------------|
| Fair value at grant date                                                            | \$0.168    | \$0.260    |
| Exercise price                                                                      | \$0.405    | \$0.59     |
| Expected volatility (based on historic and expected volatility of Company's shares) | 64.12%     | 64.52%     |
| Expected life                                                                       | 3.83 years | 3.83 years |
| Expected dividend yield                                                             | 3.21%      | 2.47%      |
| Risk-free interest rate (based on government bonds)                                 | 3.31%      | 3.67%      |

The Company's outstanding stock options as of 30 June 2023 and 2022 were as follows:

|                           | <u>Options</u> | <u>Weighted<br/>Average<br/>Exercise<br/>Price</u> | <u>Weighted<br/>Average<br/>Remaining<br/>Contractual<br/>Term</u> |
|---------------------------|----------------|----------------------------------------------------|--------------------------------------------------------------------|
| Balance, 1 July 2022      | 9,453,289      | \$ 0.71                                            | 3.19 years                                                         |
| Exercisable, 1 July 2022  | 2,033,794      | \$ 1.37                                            | 1.93 years                                                         |
| Grants                    | 2,815,000      | \$ 0.46                                            | 4.47 years                                                         |
| Exercised                 | -              | \$ -                                               | -                                                                  |
| Forfeitures               | (2,666,667)    | \$ -                                               | -                                                                  |
| Expirations               | -              | \$ -                                               | -                                                                  |
| Balance, 30 June 2023     | 9,601,622      | \$ 0.71                                            | 2.49 years                                                         |
| Exercisable, 30 June 2023 | 5,251,620      | \$ 0.92                                            | 1.45 years                                                         |

|                           | <u>Options</u> | <u>Weighted<br/>Average<br/>Exercise<br/>Price</u> | <u>Weighted<br/>Average<br/>Remaining<br/>Contractual<br/>Term</u> |
|---------------------------|----------------|----------------------------------------------------|--------------------------------------------------------------------|
| Balance, 1 July 2021      | 7,398,819      | \$ 0.84                                            | 3.69 years                                                         |
| Exercisable, 1 July 2021  | 559,358        | \$ 2.42                                            | 1.49 years                                                         |
| Grants                    | 2,315,000      | \$ 0.52                                            | 4.36 years                                                         |
| Exercised                 | -              | \$ -                                               | -                                                                  |
| Expirations               | (260,530)      | \$ -                                               | -                                                                  |
| Balance, 30 June 2022     | 9,453,289      | \$ 0.71                                            | 3.19 years                                                         |
| Exercisable, 30 June 2022 | 2,033,794      | \$ 1.37                                            | 1.93 years                                                         |

The expense with regards to stock options for the years ended 30 June 2023 and 2022 is \$360 thousand and \$763 thousand, respectively and is included in equity based compensation expenses. The Group recognised \$0 of income tax benefit related to share-based compensation for the years ended 30 June 2023 and 2022.

## 24 Operating agreements

The Group's UK Commercial subsidiary outsources the majority of its radio traffic and entertainment news operations pursuant to contracts with unrelated third parties. These expenses are a component of network operations and station compensation expense on the accompanying consolidated statement of profit or loss and other comprehensive income and are recognised over the term of the applicable contracts, which is not materially different than when the services are provided. The minimum future payments under these contracts are as follows:

|  | <b>Minimum Payments Due</b> |                     |                      |              |
|--|-----------------------------|---------------------|----------------------|--------------|
|  | <b>Within 1 year</b>        | <b>1 to 5 years</b> | <b>After 5 years</b> | <b>Total</b> |

|              | \$'000 | \$'000 | \$'000 | \$'000 |
|--------------|--------|--------|--------|--------|
| 30 June 2023 | 3,484  | 860    | -      | 4,344  |
| 30 June 2022 | 3,270  | 3,976  | -      | 7,246  |

The Group generally enters into multiyear contracts with radio and television stations. These contracts call for the provision of various levels of service (including, but not limited to providing professional broadcasters, gathering of information, communications costs and aviation services) and, in most cases, cash compensation or reimbursement of expenses. Station compensation is a component of network operations and station compensation expenses on the accompanying consolidated statement of profit or loss and other comprehensive income and is recognised over the terms of the contracts, which is not materially different than when the services are performed. Contractual station commitments consist of the following:

|              | Minimum Payments Due |              |               |         |
|--------------|----------------------|--------------|---------------|---------|
|              | Within 1 year        | 1 to 5 years | After 5 years | Total   |
|              | \$'000               | \$'000       | \$'000        | \$'000  |
| 30 June 2023 | 54,760               | 42,620       | 23,335        | 120,715 |
| 30 June 2022 | 42,369               | 48,341       | 25,778        | 116,488 |

The Group had no contingent liabilities at 30 June 2023.

## 25 Cash flow information

(a) Details of the reconciliation of cash flows from operating activities are listed in the following table:

|                                                                         | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>Cash flows from operating activities</b>                             |                |                |
| Profit for the period                                                   | 2,635          | 2,802          |
| Adjustments for:                                                        |                |                |
| Allowance for doubtful accounts                                         | 126            | (50)           |
| Equity based compensation expenses                                      | 360            | 763            |
| Amortisation of deferred borrowing costs                                | 87             | 76             |
| Depreciation and amortisation                                           | 12,329         | 10,617         |
| Foreign currency loss                                                   | 32             | 19             |
| Non-cash station compensation from long-term prepaid affiliate contract | 13,142         | 13,142         |
| Interest income on long-term prepaid affiliate contract                 | (7,946)        | (8,052)        |
| Write-off of leases                                                     | -              | (118)          |
| Net changes in working capital:                                         |                |                |
| Change in trade and other receivables                                   | (3,569)        | (6,698)        |
| Change in other assets                                                  | 286            | 351            |
| Change in deferred tax assets                                           | 396            | 164            |
| Change in trade and other payables                                      | (1,107)        | (2,568)        |
| Change in contract liabilities                                          | 428            | (13)           |
| Change in current tax liabilities                                       | (28)           | (58)           |
| Change in provisions                                                    | 210            | 30             |
| Change in deferred tax liabilities                                      | 1,645          | 1,097          |
| <b>Net cash from operating activities</b>                               | <b>19,026</b>  | <b>11,504</b>  |

(b) Net debt reconciliation

|                                                 | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------------------------|----------------|----------------|
| Cash and cash equivalents                       | 30,606         | 34,844         |
| Borrowings                                      | (27,191)       | (33,617)       |
| Net cash                                        | 3,415          | 1,227          |
| Borrowings consist of:                          |                |                |
| Financial liabilities                           | (23,936)       | (29,901)       |
| Deferred loan costs and original issue discount | (64)           | (99)           |
| Leases                                          | (3,191)        | (3,617)        |
|                                                 | (27,191)       | (33,617)       |

|                                    | Cash and cash<br>equivalent<br>\$'000 | Borrowings<br>\$'000 | Leases<br>\$'000 | Net (debt)/cash<br>\$'000 |
|------------------------------------|---------------------------------------|----------------------|------------------|---------------------------|
| Net (debt)/cash as at 30 June 2021 | 49,376                                | (50,000)             | (3,150)          | (3,774)                   |
| Cash flows                         | (14,140)                              | -                    | -                | (14,140)                  |
| Borrowings                         | -                                     | -                    | (2,052)          | (2,052)                   |
| Repayments                         | -                                     | 20,000               | 1,519            | 21,519                    |
| Write-offs                         | -                                     | -                    | 118              | 118                       |
| Net exchange differences           | (392)                                 | -                    | (52)             | (444)                     |
| Net (debt)/cash as at 30 June 2022 | 34,844                                | (30,000)             | (3,617)          | 1,227                     |
| Cash flows                         | (5,456)                               | -                    | -                | (5,456)                   |
| Borrowings                         | -                                     | -                    | (1,132)          | (1,132)                   |
| Repayments                         | -                                     | 6,000                | 1,626            | 7,626                     |
| Net exchange differences           | 1,218                                 | -                    | (68)             | 1,150                     |
| Net (debt)/cash as at 30 June 2023 | 30,606                                | (24,000)             | (3,191)          | 3,415                     |

## 26 Transactions with Key Management Personnel

Key Management Personnel remuneration includes the following expenses:

|                                    | 2023<br>\$       | 2022<br>\$       |
|------------------------------------|------------------|------------------|
| Total short-term employee benefits | 5,672,761        | 3,382,032        |
| Total equity based compensation    | 291,799          | 738,859          |
| <b>Total remuneration</b>          | <b>5,964,560</b> | <b>4,120,891</b> |

The majority Key Management Personnel compensation is paid in USD so a portion of the change in compensation from the year ended 30 June 2022 to the year ended 30 June 2023 was due to changes in foreign exchange rates between AUD and USD.

Whooshkaa Podcasting Platform, a company controlled by Robert Loewenthal (a Company director) up until the sale of the company in December 2021, provided podcasting hosting services to the Group at no charge. The fair-market value of the service provided was de minimus and the Group no longer provides podcasts.

Spotify, a company which Robert Loewenthal serves as Business Development Director, sells advertising time on its platform in Canada to the Group. The amount purchased for the past two fiscal years was as follows:

|          |                |
|----------|----------------|
| ●FY 2023 | \$162 thousand |
| ●FY 2022 | \$nil          |

Australian Broadcasting Corporation, a company of which Peter Tonagh (a Company director) is deputy chair of the board of directors, has purchased traffic reporting services from the Group's Australian subsidiary. The amount purchased for the past two fiscal years was as follows:

|          |               |
|----------|---------------|
| ●FY 2023 | \$57 thousand |
| ●FY 2022 | \$57 thousand |

National Rugby League, a company of which Alexandra Baker (a Company director) is employed as Chief Digital and Customer Officer, has purchased advertising from the Group's Australian subsidiary. The amount purchased for the past two fiscal years was as follows:

|          |                |
|----------|----------------|
| ●FY 2023 | \$ 10 thousand |
| ●FY 2022 | \$ 23 thousand |

The daughter of William Yde (former chief executive officer and managing director) is employed by the Group with accounting and management duties. Her cash salary (translated from USD to AUD at the same exchange rates as the Group's financial statements) was:

|          |                |
|----------|----------------|
| ●FY 2023 | \$202 thousand |
| ●FY 2022 | \$186 thousand |

In February 2020, in anticipation of spending additional time in the Australia market, the Group rented an apartment for Mr. Yde's use. During FY 2023 and FY 2022 the Group incurred expenses of \$127 thousand and \$163 thousand, respectively related to the apartment. The costs related to the apartment have not been included in Mr. Yde's remuneration disclosures since these costs were expected to replace reimbursable hotel lodgings expense. Effective 26 July 2023, Mr. Yde assumed the lease on the apartment and the Group's obligations ceased. As part of the agreement to transfer the lease, Mr. Yde paid the Group \$17 thousand USD for the apartment's furnishings.

In February 2021, the Group purchased a vehicle that was made available for Mr. Yde's use while in Australia. The purchase price of the vehicle was \$111 thousand. During FY 2023 and FY 2022, the Group recognised \$16 thousand and \$16 thousand of depreciation expense and \$23 thousand and \$23 thousand of fringe benefits tax related to the vehicle. The costs related to the vehicle have not been included in Mr. Yde's remuneration disclosures since the Group retained ownership of the vehicle and the vehicle was intended to replace rental car fees that would otherwise have been incurred. In July 2023, Mr. Yde purchased the car from the Group for \$60 thousand USD.

In addition to the car and apartment furnishings, in July 2023 the Group sold certain computer equipment that had been used by Mr. Yde to him for \$3 thousand USD.

## 27 Parent Entity information

The below information relates to GTN Limited (the "Parent Entity") which was incorporated on 2 July 2015.

|                                                                   | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------------------------------------------|----------------|----------------|
| <b>Statement of financial position</b>                            |                |                |
| Current assets                                                    | 4,602          | 151            |
| Total assets                                                      | 354,722        | 351,623        |
| Current liabilities                                               | 1,733          | 419            |
| Total liabilities                                                 | 1,760          | 453            |
| Net assets                                                        | 352,962        | 351,170        |
| Share capital                                                     | 432,128        | 437,508        |
| Accumulated losses                                                | (86,909)       | (86,909)       |
| Accumulated profit – Dividend Profit Reserve                      | 7,743          | 571            |
| Total equity                                                      | 352,962        | 351,170        |
| <b>Statement of profit or loss and other comprehensive income</b> |                |                |
| Profit (loss) for the year                                        | 12,957         | (2,422)        |
| Other comprehensive income (loss)                                 | -              | -              |
| Total comprehensive income (loss)                                 | 12,957         | (2,422)        |

*Guarantees entered into by the parent entity*

In addition, there are cross guarantees given by GTN Limited (as holding entity), GTN Holdings Pty Limited (“LuxCo 1”), Gridlock Holdings (Australia) Pty Limited (“Aus Hold Co”), The Australia Traffic Network Pty Limited (“ATN”), GTN US Holdco, Inc. (“US Hold Co”) and Global Traffic Network, Inc. (“GTN”) as described in Note 28 (*Deed of cross guarantee*).

No liability was recognised by the parent entity or the group in relation to the above guarantees, as the fair value of the guarantees is immaterial.

*Contingent liabilities and capital commitments of the parent entity*

The parent entity did not have any contingent liabilities or capital commitments as at 30 June 2023 or 30 June 2022. For information about guarantees given by the parent entity, please see above.

## 28 Deed of cross guarantee

GTN Limited (as holding entity), GTN Holdings Pty Limited (“LuxCo 1”), Gridlock Holdings (Australia) Pty Limited (“Aus Hold Co”), The Australia Traffic Network Pty Limited (“ATN”), GTN US Holdco, Inc. (“US Hold Co”) and Global Traffic Network, Inc. (“GTN”) are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors’ report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a ‘closed group’ for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by GTN Limited, they also represent the ‘extended closed group’.

*Consolidated statement of profit or loss and other comprehensive income, summary of movements in consolidated retained earnings and consolidated statement of financial position*

Set out below is a consolidated statement of profit or loss and other comprehensive income for the years ended 30 June 2023 and 2022 of the closed group consisting of the above companies.

*Consolidated statement of profit or loss and other comprehensive income*

|                                                            | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------------------------------------------|----------------|----------------|
| Revenue                                                    | 88,556         | 78,097         |
| Other income                                               | 61             | -              |
| Interest income on long-term prepaid affiliate contract    | 7,946          | 8,052          |
| Network operations and station compensation expenses       | (58,379)       | (52,795)       |
| Selling, general and administrative expenses               | (24,668)       | (18,988)       |
| Equity based compensation expenses                         | (360)          | (763)          |
| Finance costs                                              | (1,682)        | (1,286)        |
| Depreciation and amortisation                              | (7,938)        | (6,186)        |
| Foreign currency transaction loss                          | (3)            | (20)           |
| <b>Profit before income tax</b>                            | <b>3,533</b>   | <b>6,111</b>   |
| Income tax expense                                         | (1,777)        | (2,239)        |
| <b>Profit for the year</b>                                 | <b>1,756</b>   | <b>3,872</b>   |
| Other comprehensive income for the year, net of income tax | -              | -              |
| <b>Total other comprehensive income for the year</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total comprehensive profit for the year</b>             | <b>1,756</b>   | <b>3,872</b>   |

*Summary of movement in consolidated retained earnings*

|                                                                  |                  |                  |
|------------------------------------------------------------------|------------------|------------------|
| <b>Accumulated losses at the beginning of the financial year</b> | (121,013)        | (124,885)        |
| Profit for the period                                            | 1,756            | 3,872            |
| Dividends                                                        | 1,429            | -                |
| <b>Accumulated losses at the end of the financial year</b>       | <b>(117,828)</b> | <b>(121,013)</b> |

Set out below is a consolidated statement of financial position as at 30 June 2023 and 2022 of the closed group consisting of the above companies.

*Consolidated statement of financial position*

|                                      | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>Assets</b>                        |                |                |
| <b>Current</b>                       |                |                |
| Cash and cash equivalents            | 8,306          | 7,581          |
| Trade and other receivables          | 17,514         | 16,953         |
| Current tax assets                   | 4,385          | 4,086          |
| Other current assets                 | 2,117          | 2,406          |
| <b>Current assets</b>                | <b>32,322</b>  | <b>31,026</b>  |
| <b>Non-current</b>                   |                |                |
| Property, plant and equipment        | 6,651          | 3,658          |
| Intangible assets                    | 19,805         | 24,839         |
| Goodwill                             | 86,548         | 86,549         |
| Investment in subsidiaries           | 77,692         | 75,014         |
| Other assets                         | 104,744        | 103,452        |
| <b>Non-current assets</b>            | <b>295,440</b> | <b>293,512</b> |
| <b>Total assets</b>                  | <b>327,762</b> | <b>324,538</b> |
| <b>Liabilities</b>                   |                |                |
| <b>Current</b>                       |                |                |
| Trade and other payables             | 23,777         | 21,257         |
| Contract liabilities                 | 755            | 588            |
| Financial liabilities                | 426            | 597            |
| Provisions                           | 1,312          | 1,090          |
| <b>Current liabilities</b>           | <b>26,270</b>  | <b>23,532</b>  |
| <b>Non-current</b>                   |                |                |
| Financial liabilities                | 24,650         | 30,282         |
| Deferred tax liabilities             | 23,253         | 21,530         |
| Provisions                           | 318            | 287            |
| <b>Total non-current liabilities</b> | <b>48,221</b>  | <b>52,099</b>  |

|                          |           |           |
|--------------------------|-----------|-----------|
| <b>Total liabilities</b> | 74,491    | 75,631    |
| <b>Net assets</b>        | 253,271   | 248,907   |
| <b>Equity</b>            |           |           |
| Share capital            | 432,128   | 437,508   |
| Reserves                 | (61,029)  | (67,588)  |
| Accumulated losses       | (117,828) | (121,013) |
| <b>Total equity</b>      | 253,271   | 248,907   |

## 29 Segment information

The Group's chief operating decision maker, its chief executive officer, analyses the Group's performance by geographic area and has identified four reportable segments: Australia, Brazil, Canada and United Kingdom. The Group's drone light show operations are included in the Australia segment.

The segments' revenues are as follows:

|                | 2023           | 2022           |
|----------------|----------------|----------------|
|                | \$'000         | \$'000         |
| Australia      | 88,556         | 78,097         |
| United Kingdom | 42,353         | 46,014         |
| Canada         | 34,201         | 26,813         |
| Brazil         | 11,892         | 9,159          |
|                | <b>177,002</b> | <b>160,083</b> |

The chief operating decision maker 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, gains on lease forgiveness, losses on refinancing and other unusual non-recurring items.

|                                                               | 2023          | 2022          |
|---------------------------------------------------------------|---------------|---------------|
|                                                               | \$'000        | \$'000        |
| <b>Adjusted EBITDA by Segments</b>                            |               |               |
| Australia                                                     | 17,729        | 16,901        |
| United Kingdom                                                | 2,265         | 3,653         |
| Canada                                                        | 5,596         | 1,186         |
| Brazil                                                        | (27)          | (274)         |
| Other                                                         | (6,249)       | (4,377)       |
| <b>Adjusted EBITDA</b>                                        | <b>19,314</b> | <b>17,089</b> |
| Foreign exchange loss                                         | (32)          | (19)          |
| Gain on lease forgiveness                                     | -             | 41            |
| Less: Interest income on long-term prepaid affiliate contract | (7,946)       | (8,052)       |
| <b>EBITDA</b>                                                 | <b>11,336</b> | <b>9,059</b>  |
| Depreciation and amortisation                                 | (12,329)      | (10,617)      |
| Interest income on long-term prepaid affiliate contract       | 7,946         | 8,052         |
| Financing costs net of interest income                        | (1,462)       | (1,340)       |
| Profit before taxes                                           | 5,491         | 5,154         |

Segment assets and liabilities are classified by their physical location.

|                                  | 2023           | 2022           |
|----------------------------------|----------------|----------------|
|                                  | \$'000         | \$'000         |
| <b>Segment assets</b>            |                |                |
| Total Assets:                    |                |                |
| Australia                        | 230,441        | 234,396        |
| United Kingdom                   | 33,449         | 42,042         |
| Canada                           | 31,263         | 27,842         |
| Brazil                           | 5,047          | 3,223          |
| <b>Total segment assets</b>      | <b>300,200</b> | <b>307,503</b> |
| Unallocated:                     |                |                |
| Deferred tax assets              | 4,806          | 5,501          |
| Others                           | 5,978          | 4,210          |
| <b>Total assets</b>              | <b>310,984</b> | <b>317,214</b> |
| <b>Segment liabilities</b>       |                |                |
| Total liabilities                |                |                |
| Australia                        | 79,625         | 79,124         |
| United Kingdom                   | 6,438          | 7,126          |
| Canada                           | 5,275          | 4,465          |
| Brazil                           | 3,568          | 2,299          |
| <b>Total segment liabilities</b> | <b>94,906</b>  | <b>93,014</b>  |
| Unallocated:                     |                |                |
| Deferred tax liabilities         | 24,051         | 22,406         |
| Borrowings                       | 27,127         | 33,518         |
| Intercompany eliminations        | (68,055)       | (66,436)       |
| Others                           | 15,579         | 11,143         |
| <b>Total liabilities</b>         | <b>93,608</b>  | <b>93,645</b>  |

The Group's non-current assets are allocated to the following segments:

|                                         | 2023           | 2022           |
|-----------------------------------------|----------------|----------------|
|                                         | \$'000         | \$'000         |
| <b>Non-current segment assets</b>       |                |                |
| Australia                               | 203,862        | 207,317        |
| United Kingdom                          | 11,347         | 11,484         |
| Canada                                  | 8,999          | 11,545         |
| Brazil                                  | 847            | 972            |
| <b>Total segment non-current assets</b> | <b>225,055</b> | <b>231,318</b> |
| Unallocated:                            |                |                |
| Deferred tax assets                     | 4,806          | 5,501          |
| <b>Total non-current assets</b>         | <b>229,861</b> | <b>236,819</b> |

### 30 Capital commitments

At 30 June 2023, the Group had \$1,376 of deposits related to the rebuilding of its helicopters. These rebuilds will be completed during FY 2024.

### **31 Events subsequent to the reporting period**

Subsequent to the end of the financial year, on 29 August 2023, the Company announced that it has recommenced its on-market share buy-back 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.

On 14 July 2023, ATN, a wholly owned indirect subsidiary of the Company, was conducting a drone light show in the Docklands Harbour area near the Melbourne CBD. An incident occurred, which resulted in approximately 400 of the 500 drones for the show landing in the water in Docklands Harbour. There were no injuries and all the drones landed in the designated safe zone. The estimated net loss to ATN is approximately \$1 million as the individual drones did not carry in-flight hull insurance due to their low individual costs. However, ATN does carry liability insurance for its drone performances. The drone business revenues are not material to GTN's consolidated operations with revenues of approximately \$1 million in FY23.

No other matters or circumstances have arisen since the end of the financial 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:

- (a) The financial statements, set out on pages 38 to 82 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in Note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject to virtue of the deed of cross guarantee described in Note 28.

Note 2.1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.



**Peter Tonagh**  
Chair

Dated, this 29th day of August 2023

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## Independent Auditor's Report

### To the Members of GTN Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of GTN Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recoverable amount of goodwill and intangible assets</b><br><b>Refer to Notes 2.9, 2.10, 2.13, 2.26 and 14</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>As at 30 June 2023, the Group's goodwill and other intangible assets total \$123.5 million.</p> <p>AASB 136 <i>Impairment of Assets</i> requires that goodwill acquired in a business combination be allocated to each of the Group's cash-generating units (CGUs) for impairment testing purposes. Each CGU to which goodwill is allocated must be tested for impairment annually.</p> <p>Management has assessed that the group has three CGUs to which goodwill and other intangible assets must be allocated. Management has tested the CGUs for impairment by comparing their carrying amounts with their recoverable amounts. The recoverable amounts were determined using value-in-use models.</p> <p>We have determined this is a key audit matter due to the judgements and estimates required in determining the appropriate CGUs and calculating the recoverable amount.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Enquiring with management to obtain and document an understanding of the processes and controls related to the assessment of impairment, including identification of CGUs and the calculation of the recoverable amount for each CGU;</li><li>• Obtaining management's value-in-use calculations to:<ul style="list-style-type: none"><li>- Test the mathematical accuracy;</li><li>- Evaluate management's ability to perform accurate estimates by comparing historical forecasting to actual results;</li><li>- Test forecast cash inflows and outflows to be derived by the CGUs' assets; and</li><li>- Assess the discount rates applied to forecast future cash flows;</li></ul></li><li>• Evaluating the value-in-use models against the requirements of AASB 136, including consultation with our valuations experts;</li><li>• Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing the calculations, including those specifically related to the recovery from the impact of COVID-19; and</li><li>• Assessing the adequacy of financial report and accounting policy disclosures.</li></ul> |

## Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf) This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 23 to 35 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of GTN Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd  
Chartered Accountants

S M Coulton  
Partner – Audit & Assurance

Sydney, 29 August 2023

## SHAREHOLDER INFORMATION AS AT 1 AUGUST 2023

### Number of security holders and securities on issue

#### Quoted equity securities

GTN has 204,146,982 fully paid ordinary shares on issue which are held by 535 shareholders.

#### Unquoted equity securities

GTN has 9,601,622 unquoted options on issue held by 8 option holders as follows:

- 298,828 options exercisable at \$2.15 after 9 November 2020;
- 597,718 options exercisable at \$2.15 after 9 November 2021;
- 1,137,248 options exercisable at \$0.76 after 15 November 2021,
- 2,274,495 options exercisable at \$0.76 after 15 November 2022,
- 333,333 options exercisable at \$0.42 after 13 November 2022,
- 609,998 options exercisable at \$0.32 after 25 June 2023,
- 1,220,002 options exercisable at \$0.32 after 25 June 2024,
- 438,332 options exercisable at \$0.52 after 12 November 2023,
- 876,668 options exercisable at \$0.52 after 12 November 2024,
- 304,999 options exercisable at \$0.405 after 17 November 2024,
- 610,001 options exercisable at \$0.405 after 17 November 2025,
- 299,999 options exercisable at \$0.59 after 27 February 2025, and
- 600,001 options exercisable at \$0.59 after 27 February 2026.

### Voting rights

#### Quoted equity securities

The voting rights attached to fully paid ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

#### Unquoted equity securities

There are no voting rights attached to options. Options will rank equally with the company's fully paid ordinary shares if and when the options vest and are thereafter exercised (prior to the applicable expiry date).

### Distribution of security holders

#### Quoted equity securities

#### *Fully paid ordinary shares*

| Holding   | No. of shares | % of shares | No. of shareholders | % of shareholders |
|-----------|---------------|-------------|---------------------|-------------------|
| 1 – 1,000 | 35,405        | 0.02        | 113                 | 21.12             |

|                  |                    |               |            |               |
|------------------|--------------------|---------------|------------|---------------|
| 1,001 – 5,000    | 444,294            | 0.22          | 197        | 36.82         |
| 5,001 – 10,000   | 521,950            | 0.26          | 63         | 11.78         |
| 10,001 – 100,000 | 4,268,803          | 2.09          | 128        | 23.93         |
| 100,001 and over | 198,876,530        | 97.42         | 34         | 6.36          |
| <b>Total</b>     | <b>204,146,982</b> | <b>100.00</b> | <b>535</b> | <b>100.00</b> |

#### Unquoted equity securities

#### *Options*

| <b>Holding</b>   | <b>No. of options</b> | <b>% of Options</b> | <b>No. of holders</b> | <b>% of holders</b> |
|------------------|-----------------------|---------------------|-----------------------|---------------------|
| 1 – 1,000        | 0                     | 0                   | 0                     | 0                   |
| 1,001 – 5,000    | 0                     | 0                   | 0                     | 0                   |
| 5,001 – 10,000   | 0                     | 0                   | 0                     | 0                   |
| 10,001 – 100,000 | 100,000               | 1.04                | 1                     | 12.50               |
| 100,001 and over | 9,501,622             | 98.96               | 7                     | 87.50               |
| <b>Total</b>     | <b>9,601,622</b>      | <b>100.00</b>       | <b>8</b>              | <b>100.00</b>       |

#### **Unmarketable parcel of shares**

The number of shareholders holding less than a marketable parcel of fully paid ordinary shares is 165.

1,176 fully paid ordinary shares comprise a marketable parcel at GTN's closing share price of \$0.4250 as at 1 August 2023.

#### **Substantial shareholders (as notified to ASX)**

The number of securities held by substantial shareholders and their associates (as notified to ASX) are set out below:

#### *Fully paid ordinary shares*

| <b>Name</b>                                                            | <b>Number of Shares</b> | <b>Current Interest*</b> | <b>Notice Date</b> |
|------------------------------------------------------------------------|-------------------------|--------------------------|--------------------|
| Viburnum Funds Pty Limited and subsidiaries and funds                  | 66,127,448              | 31.97%                   | 24/04/2023         |
| Spheria Asset Management Pty Ltd                                       | 28,927,825              | 13.84%                   | 06/04/2023         |
| Perennial Value Management Limited                                     | 24,278,591              | 11.61%                   | 28/03/2023         |
| Superannuation and Investments HoldCo Pty Limited ***                  | 23,604,669              | 11.55%                   | 28/06/2023         |
| CBA and related bodies corporate                                       | 23,604,669              | 11.41%                   | 26/04/2023         |
| First Sentier Investors Holdings**                                     | 23,634,833              | 11.31%                   | 28/03/2023         |
| Smallco Investment Manager Limited                                     | 13,702,318              | 6.10%                    | 29/06/2018         |
| Microequities Asset Management Pty Limited                             | 10,845,661              | 5.06%                    | 25/10/2022         |
| *As reported by the substantial shareholder at the time of lodgement   |                         |                          |                    |
| **Same as Mitsubishi UFJ Financial Group, Inc. lodged on 28 March 2023 |                         |                          |                    |

\*\*\*Same as Comet Asia Holdings II Pte Ltd, Comet Asia Holdings I Pte Ltd, KKR Asia III Fund Investments Pte Ltd and KKR Asian Fund III L.P lodged on 30 June 2023

## Twenty largest shareholders

### Fully paid ordinary shares

Details of the 20 largest shareholders of quoted securities by registered shareholding are:

| Rank                       | Name                                      |                               | 1 Aug 2023         | %IC           |
|----------------------------|-------------------------------------------|-------------------------------|--------------------|---------------|
| 1                          | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED |                               | 68,282,356         | 33.45         |
| 2                          | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED |                               | 56,640,086         | 27.74         |
| 3                          | CITICORP NOMINEES PTY LIMITED             |                               | 36,774,729         | 18.01         |
| 4                          | NATIONAL NOMINEES LIMITED                 |                               | 15,739,126         | 7.71          |
| 5                          | BNP PARIBAS NOMS PTY LTD                  | <DRP>                         | 6,257,594          | 3.07          |
| 6                          | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | <NT-COMNWLTH SUPER CORP A/C>  | 2,911,976          | 1.43          |
| 7                          | MR WILLIAM L YDE III                      |                               | 2,803,408          | 1.37          |
| 8                          | VIBURNUM FUNDS PTY LTD                    | <VIBURNUM INV FUND 2 A/C>     | 2,500,000          | 1.22          |
| 9                          | COWOSO CAPITAL PTY LTD                    | <COWOSO SUPER FUND A/C>       | 1,007,707          | 0.49          |
| 10                         | MR CRAIG GRAEME CHAPMAN                   | <NAMPAC DISCRETIONARY A/C>    | 1,000,000          | 0.49          |
| 11                         | INVIA CUSTODIAN PTY LIMITED               | <THE TONAGH FAMILY A/C>       | 567,287            | 0.28          |
| 12                         | MR CRAIG COLEMAN & MRS PHYLLIS COLEMAN    | <COLEMAN SUPER FUND A/C>      | 500,000            | 0.24          |
| 13                         | MRS NELLY MICHELLE CUNNINGHAM             |                               | 470,671            | 0.23          |
| 14                         | COFLINK PTY LIMITED                       |                               | 315,000            | 0.15          |
| 15                         | MRS EVA XIRADIS                           |                               | 300,000            | 0.15          |
| 16                         | HEAVENLY STAR PTY LTD                     | <HEAVENLY STAR S/FUND A/C>    | 292,800            | 0.14          |
| 17                         | WILLRYAN PTY LIMITED                      |                               | 200,000            | 0.10          |
| 17                         | VIVRE INVESTMENTS PTY LTD                 |                               | 200,000            | 0.10          |
| 17                         | TRUTEC PTY LTD                            | <TRUCE SUPER FUND A/C>        | 200,000            | 0.10          |
| 18                         | COMCERC INVESTMENTS PTY LTD               | <LOBBAN FAMILY A/C>           | 188,895            | 0.09          |
| 19                         | MR PAUL XIRADIS & MRS EVA XIRADIS         | <PEX SUPERANNUATION FUND A/C> | 163,258            | 0.08          |
| 20                         | FARR PTY LTD                              |                               | 149,679            | 0.07          |
| <b>Total</b>               |                                           |                               | <b>197,464,572</b> | <b>96.73</b>  |
| <b>Balance of register</b> |                                           |                               | <b>6,682,410</b>   | <b>3.27</b>   |
| <b>Grand total</b>         |                                           |                               | <b>204,146,982</b> | <b>100.00</b> |

### **On-market buy-back**

On 29 August 2023, the Company announced that it has recommenced its on-market share buyback of up to 10% of its outstanding shares for a period of up to twelve months.

### **Calendar of key dates**

|                   |                                                  |
|-------------------|--------------------------------------------------|
| 14 September 2023 | Closing date for receipt of Director nominations |
| 16 November 2023  | 2023 Annual General Meeting                      |

## Corporate Directory

|                        |                                                                                                                                                                                                                                                                                   |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors              | Peter Tonagh – Independent Non-Executive Chair<br>Robert Loewenthal – Independent Non-Executive Director<br>David Ryan AO – Independent Non-Executive Director<br>Corinna Keller – Independent Non-Executive Director<br>Alexandra Baker – Non-Independent Non-Executive Director |
| Company secretaries    | Anna Sandham<br>Patrick Quinlan                                                                                                                                                                                                                                                   |
| Registered office      | Level 42, Northpoint<br>100 Miller Street<br>North Sydney NSW 2060<br>Telephone: +61 2 9955 3500                                                                                                                                                                                  |
| Share register         | Link Market Services Limited<br>Level 12<br>680 George Street<br>Sydney, NSW 2000<br>Share registry telephone: +61 1300 554 474                                                                                                                                                   |
| Auditor                | Grant Thornton<br>Level 17 383 Kent Street<br>Sydney, NSW 2000                                                                                                                                                                                                                    |
| Stock exchange listing | GTN Limited shares are listed on the Australian Securities Exchange (ASX code: GTN)                                                                                                                                                                                               |
| Website                | <a href="http://www.gtnetwork.com.au">www.gtnetwork.com.au</a>                                                                                                                                                                                                                    |
| ABN                    | 38 606 841 801                                                                                                                                                                                                                                                                    |