

MARKET ANNOUNCEMENT

HT&E settles ATO branch matter for \$71m

SYDNEY, 29 October 2021 – HT&E Limited [ASX: HT1] today announced it has reached a binding heads of agreement to settle the taxation dispute with the Australian Taxation Office (ATO) for the sum of \$71 million.

Whilst HT&E remains satisfied that its treatment of the branch matter was consistent with relevant taxation legislation, the Board views the settlement arrangement reached with the ATO as being in the best interests of shareholders. The settlement of \$71 million was made in consultation with HT&E's taxation advisers and is considered a fair and reasonable outcome for the company.

The dispute has already been protracted with assessments first issued in 2018 and as part of assessing the best outcome the Board took into consideration the length of any ongoing dispute, potentially costly litigation and the overall level of ongoing uncertainty.

As previously disclosed, the taxation dispute regarded a New Zealand branch and involved the financial years ended 31 December 2009 to 31 December 2016. The matter involved \$102.5 million of tax adjustments, \$49 million of penalties and interest of \$43 million, together totalling \$195 million. Formal settlement agreement will be made with the ATO to finalise the matter.

The difference between the \$71 million settlement and the \$50.7 million deposit paid of \$20.3 million will be funded from HT&E's existing cash reserves.

HT&E's balance sheet remains in a strong position post settlement. The resolution of this historic tax dispute removes potential liability for a substantial amount of tax, interest and penalties, and allows HT&E to look forward with certainty.

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