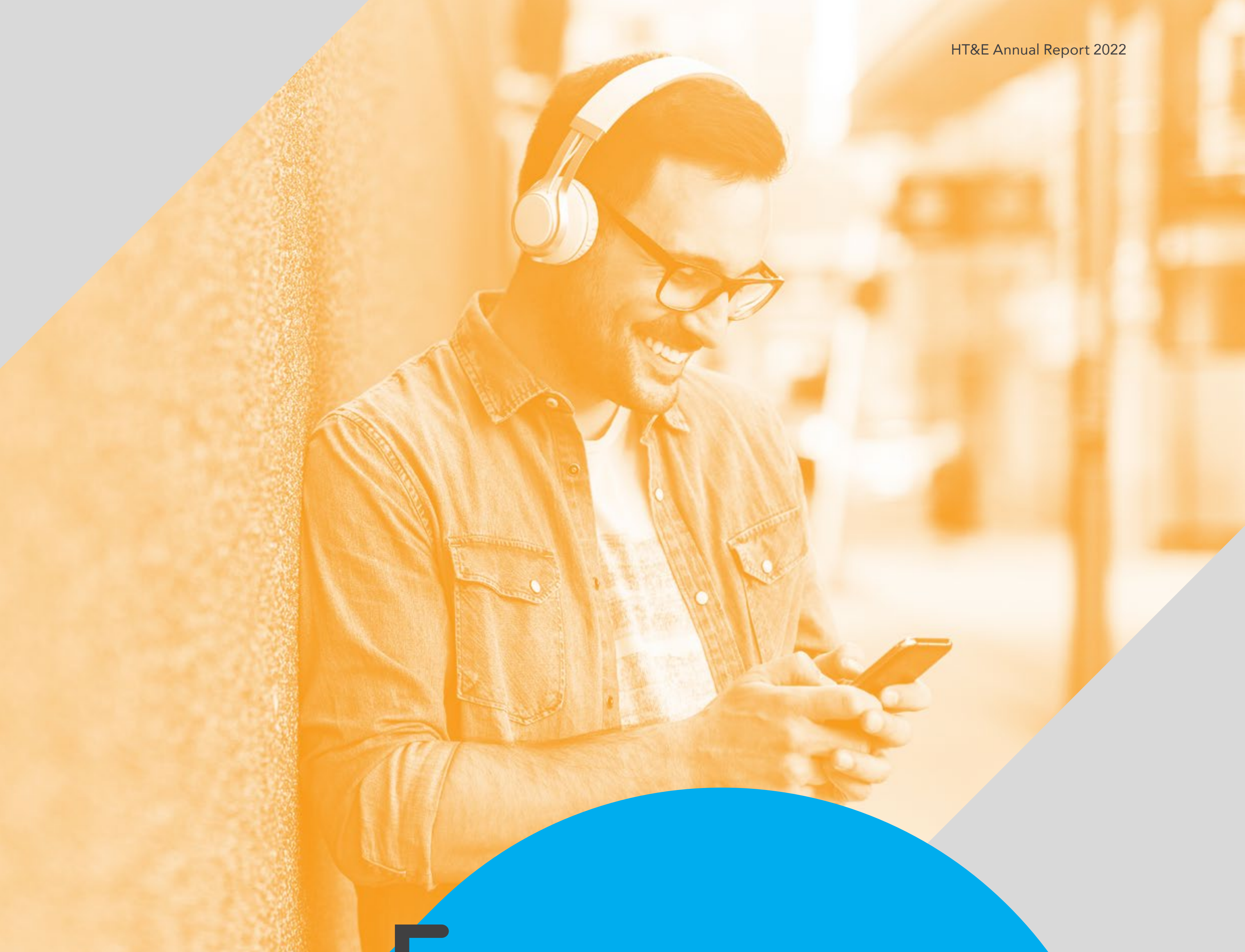
HT&E

ANNUAL REPORT 2022

ALL AUDIO



More Connections that Count

HT&E owns Australia's leading audio company, ARN, connecting with over 8 million people[1] each week through broadcast and digital audio, across every state and territory in Australia. ARN delivers creative solutions for advertisers that take advantage of the full Audiosphere – from radio to music streaming, podcasting and beyond. The Group also maintains a number of other investments across the media and advertising sector.

In this report

2023 was ARN's best year ever.

#1

Metro Radio Network[1]

(12.7% YoY increase) and highest annual cume average)

5.9m

#1

Podcast Publisher[2]

download growth YoY[3]

+45%

Kian, Avneesha, Yaz – CADA

1. GfK CY2022 Metro Radio, People 10+, Mon–Sun 0530–12mn #1 based on share, increase based on cumulative reach unless otherwise stated ratings, Xtra Insights regional ratings, most recent surveys.
2. Triton Digital Podcast Ranker, December 2022 (excludes New York Times).
3. Triton Australian Podcast Ranker, CY2022 vs CY2021.

About

HT&E

arn

Creating quality connections for audiences and advertisers.

ARN's ambition is to build the best radio and digital audio business in Australia, offering our audiences and clients a gateway to develop deeper connections in the booming world of audio.

Content

Connecting Australian communities through Australia's greatest depth and breadth of audio content across live, local and on-demand formats.

Broadcast Networks

KIIS, PURE GOLD, CADA

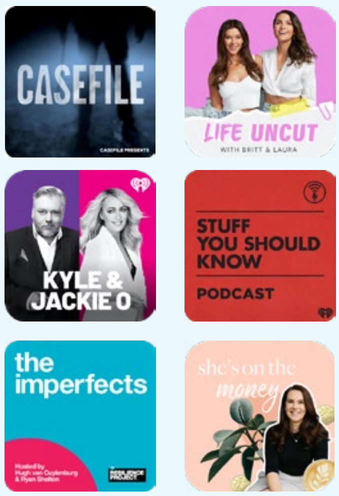
arn regional

POWER 100, 102.9 fm hot tomato, WAVE FM 96.5, 91.1 HOT, RIVER 1467AM

We are committed to maintaining the 46 local brands that act as a pillar of the community they broadcast in. Just some of those are represented here.

On-air talent

Podcasting



A leading enabler for enterprise communications within the CPaaS industry, Soprano delivers secure business mobile messaging software solutions for large organisations worldwide.[1]

A creative agency creating ideas that change the way people feel about brands.

Pioneer of the highest quality innovation and premium connected on-the-go advertising solutions in Hong Kong.

Commercialisation & Partnerships

Enabling access to our audience through effective all-of-audio solutions and partnerships.

Distribution

Everywhere our listeners are connecting: Broadcast Radio, DAB+ and Digital Streaming.

ARN is focused on creating the content that our audience seek, delivering it in the format they want to hear it and enabling access to those audiences for advertisers.

1. ARN announced the signing of a binding share sale agreement on 3 January 2023, with the sale conditional on the Foreign Investment Review Board (FIRB) approval and expected to complete in the first half of 2023.

Jase & Lauren – KIIS 101.1 Melbourne

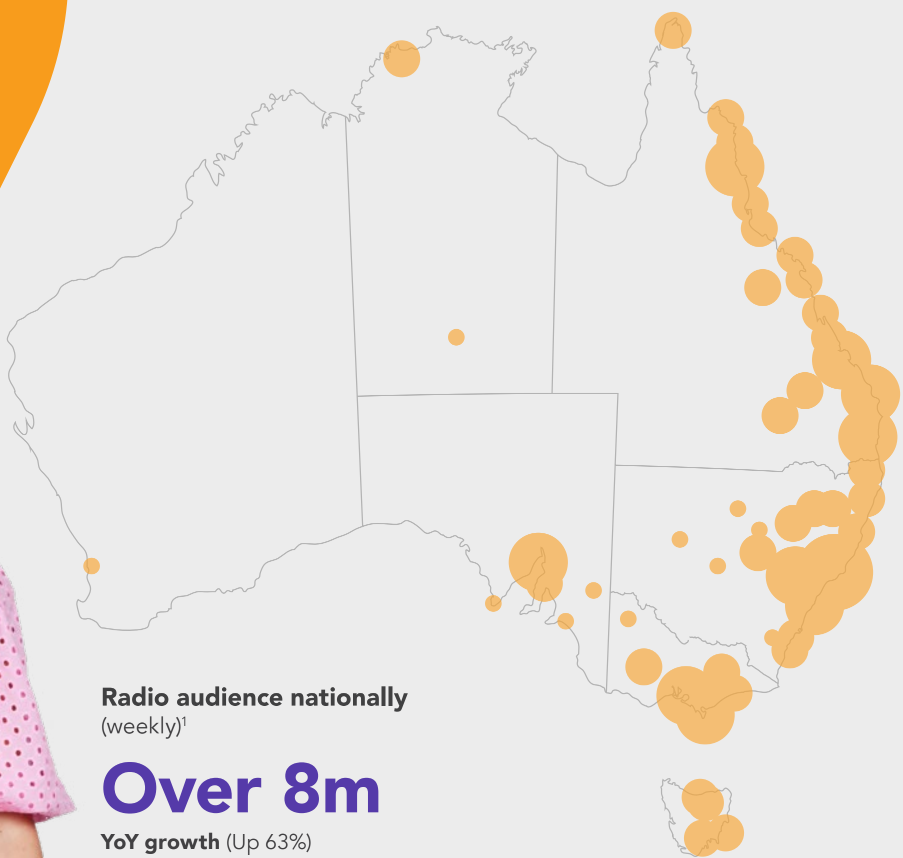
Creating over 8 million connections every day

We are everywhere our listeners are, providing the greatest breadth and depth of audio content across every state and territory in Australia.

At ARN we deliver unparalled live and local content to over 8 million people[1] each week, connecting them to their communities.

We enrich 4.7 million podcast listeners[2] lives, who access our podcasts on-demand via every available major digital audio platform.

And through offering a curated listening experience, more than 2.4 million people[3] have registered on iHeartRadio to date.



Galey & Emily Jade – Hot Tomato Gold Coast

Radio audience nationally (weekly)[1]

Over 8m

YoY growth (Up 63%)

Digital websites reach (monthly)[4]

1.5m

Streaming listening hours (+5% YoY)[5]

124m

A strategic focus on delivering a variety of content and listening options enabled by digital audio has contributed to increasing our total audience footprint across the last 12 months.

#1

ARN Regional Stations[1]

Hot Tomato
in the Gold Coast

Hitz 93.9
in Bundaberg

Hot 100
in Darwin

Star 102.7
in Cairns

Zinc 96.1
in Gympie

Power FM
in Ballarat

River 94.9
in Ipswich

Chilli FM
in Launceston

Star 101.9
in Mackay

#1 Network[6]

5.9m
Best ever cume

12.7%
YoY growth

#1FM

Melbourne Breakfast[1]
for GOLD 104.3's Christian O'Connell
(21 in a row)

#1FM

Sydney Breakfast[1]
for KIIS 1065's Kyle & Jackie O
(32 in a row)

1. Broadcast Radio, People 10+, Mon–Sun 0530–12mn unless otherwise stated – Gfk Metro radio ratings, Survey 8, 2022, Xtra Insights regional ratings, most recent surveys.
2. Triton Digital Podcast metrics, December 2022 (excludes New York Times).
3. Adobe Analytics, iHeartRadio Australia Registration Data, Lifetime Users, Unique Visitors, 2022.
4. Google Analytics – ARN Metro Web Assets – Dec 2022.
5. AdsWizz/StreamGuys, Total Radio Streaming, Total Listening Hours 2022 vs 2021.
6. GfK CY2022 Metro Radio, People 10+, Mon–Sun 0530–12mn #1 based on share, increase based on cumulative reach unless otherwise stated ratings, Xtra Insights regional ratings, most recent surveys.

Delivering our strategy

Christian O'Connell – GOLD 104.3 Melbourne

ARN's goal is to build the best broadcast radio and digital audio business in Australia, offering our audiences and advertisers a gateway to develop deeper connections in the booming world of audio.

Following the acquisition of a portfolio of 46 regional radio stations (ARN Regional) from Grant Broadcasters on 4th January 2022, we were focused on integrating ARN Regional while continuing to grow our leading metro and podcast network positions.

We did this in a considered and deliberate way that ensured a strengthening of core operations under the strategic focus areas maintained from 2021, with additional focus on improving our culture through building an engaged and thriving workforce.

Our strategic focus areas	Our critical priorities
Scale of audiences	We continued to grow our audience across broadcast radio, digital audio streaming and podcasting though a considered content strategy that deliver Australia's most popular content from world class talent.
Multi-platform content delivery	Continued evolution of the 'podcast to broadcast' strategy, launch of youth based brand CADA and continued investment in the iHeart streaming platform have leveraged digital channels to expand our total audience footprint and meet our audiences' audio needs, wherever they may be.
Increasing digital data and targeting capabilities	Improved technical and operational capabilities has allowed for better performance monitoring and to deliver more robust total audio targeting solutions for clients.
Ease of transaction	Optimisation of the Commercial team structure and national commercial products along with the digital platforms that enables them, has improved our overall service delivery for clients.
Engaged and thriving workforce	Continued embedding of our Culture In Action and development programs across leadership and other critical capabilities has improved operational efficiencies and team engagement.

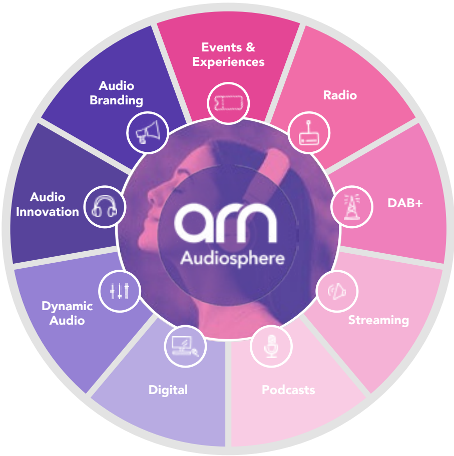
Three pillars for growth

Content
Connecting Australian communities through Australia's greatest depth and breadth of audio content across live, local and on-demand formats.

Distribution
Everywhere our listeners are connecting:

Broadcast Radio, DAB+ and Digital Streaming.

Innovation
Enabling access to our audience through effective all-of-audio solutions and partnerships.



ARN's Audiosphere delivers the most complete audio solutions in Australia

ARN Key Performance Indicators (KPIs)

ARN listenership (surveyed stations)[1]

6.8m
Metro Network
(Up 24% YoY)

2.1m
Regional Network

Registered users (lifetime)[2]

2.4m
(Up 13% YoY)

2.44m	2022
2.17m	2021
1.88m	2020

CADA brand growth (total audience connections)[1]

+35%
P18–39

59k	2022
43k	2021
57k	2020

ARN revenue

$314.8m
(Up 61% YoY)

$314.8m	2022
$195.6m	2021
$171.5m[4]	2020

Podcast downloads (Dec 2021 to Dec 2022)[3]

290m

290m	2022
207m	2021
126m	2020

ARN EBITDA

$86.5m
(Up 61% YoY)

$86.5m	2022
$53.8m	2021
$46.0m[4]	2020

ARN digital revenue

$14.6m
(Up 56% YoY)

$14.6m	2022
$9.4m	2021
$6.3m[4]	2020

1. Broadcast Radio, People 10+, Mon–Sun 0530–12mn unless otherwise stated – Gfk Metro radio ratings, Survey 8, 2022, GfK Regional Ratings Survey 3, 2022, Xtra Insights regional ratings, most recent surveys.
2. Adobe Analytics, iHeartRadio Australia Registration Data, Lifetime Users, Unique Visitors, 2022 vs 2021 vs 2020.
3. Triton, ARN Network Total, Jan–Dec 2022 vs Jan–Dec 2021 vs Jan–Dec 2020.
4. Excluding disposed businesses.

Chairman's letter 2022

2022 has been a transformational year for HT&E as we continued to deliver on our goal to be the best audio business in Australia.

I am pleased to report another strong performance for your business in a year of considerable change. The Company successfully completed the acquisition of the largest regional radio network in the country creating a truly national broadcasting offering and the integration programme is already delivering ahead of expectations. We enhanced our position as the leading radio broadcaster in the country, we continued to expand our digital audio content and monetisation programme, and at the end of the year, considerable value was unlocked for shareholders through the sale of our minority stake in Soprano for $66.3m cash subject to FIRB approval.

ARN Regional acquisition

The Company has always focused on identifying the right opportunities to drive shareholder value and the acquisition of 46 regional stations from Grant Broadcasters, which became part of ARN on 4th January 2022, has proven to be an outstanding acquisition.

Our combined network is made up of 58 stations, 46 DAB+ stations across 33 markets. We represent an additional 77 stations which combined, delivers more than 8 million listeners[1] across every state and territory in the country.

Exceptional progress was made with the integration program as we secured our target of approximately $7 million revenue synergies in the year, whilst also growing already strong regional revenues by +7%. The new commercial structure is now established and sales training programs in place and together with the first phase of the IT integration complete, we are very pleased with the progress made and are confident of concluding other major integration components by the end of 2023.

The Board has also benefited from the contributions of new director, Alison Cameron, who was previously Chief Executive of Grant Broadcasters and provided strategic guidance and insight on the business as we have progressed through this last 12 months.

Unique position

What sets our new regional network apart is our strong belief in the power of local voices and the need to maintain local programming and the connections with regional communities across the country.

Our unique and critical role in regional communities was again highlighted early in the year during the floods in Queensland. It was our stations that kept vital information flowing and saved lives as communities rallied together in times of need. This vital contribution we make to Australian life is a responsibility we take very seriously and are committed to enhancing.

Our belief in local content also extends into our news service. At a time when regional newsrooms are disappearing, we are elevating our offering across the network by taking a 'Local News First' approach for regional markets, with local news leading every bulletin between 6am – 9am workdays. This ensures we create capacity amongst our journalists to highlight key issues impacting local audiences and make intimate connections with listeners.

ARN is delivering a superior audio offering for audiences and advertisers across its portfolio of brands – KIIS, Pure Gold, CADA, iHeartRadio and local brands, which now entertain and influence more than a third of Australians each week.

Platform for growth in 2023

The best content attracts the greatest audiences which creates the most fruitful commercial opportunities for advertisers and in 2022, ARN delivered the best outright ratings performance across the category. This has laid the foundation for the business to capitalise on commercial opportunities from growth in total audio consumption across 2023 and beyond.

We are focusing on creating even better content across our networks. Part of our strategy will mirror what has been developed in our regional news offering which lays the foundation for our Future of News strategy to elevate news content and position ARN as the industry leader in short and longform audio news across broadcast and digital platforms.

HT&E has an enviable owned and represented podcast portfolio which is incredibly important to us, and we will consider further investment where the content and audience align with our radio brands, or where we perceive there to be a commercially attractive under serviced audience.

This forms part of our strategy to continue to invest in reaching new audiences along with our new multi-platform youth brand CADA.

Strong capital management focus

Considerable value was realised for shareholders through the sale of our long-held investment in Soprano for $66.3 million in cash to Potentia Capital, a leading Australian private equity group focused on technology.

This was a great result given global CPaaS and technology markets have been challenged over the past 12 months and HT&E views this transaction to be a positive outcome in today's market, with Potentia better placed to support Soprano in its next phase of growth.

The all-cash deal is expected to receive FIRB approval in March 2023 and enables the company to focus on its position as a leading provider of audio services in Australia, effectively eliminates existing debt under the current financing facilities and puts the Group in an enviable position to take advantage of future audio entertainment opportunities.

The Board is committed to maintaining strong dividends for shareholders thanks to the high cash generating nature of our business and announced a fully franked dividend of 5.2 cents per share to be paid in March 2023. This dividend is paid from parent entity profits since 1 January 2023.

In addition, HT&E's accretive share buy-back was maintained through the second half delivering improved returns for shareholders.

The year ahead

As we navigate an uncertain macroeconomic environment, HT&E is incredibly well placed to withstand any potential short-term impacts to advertising revenues.

We finished the year in a very strong position with the best outright ratings performance ever which reflects our continued commitment to deliver quality connections through a considered content strategy, executed by world class talent.

ARN is delivering a superior audio offering for audiences and advertisers across its portfolio of brands – KIIS, Pure Gold, CADA, iHeartRadio and local brands, which now entertain and influence more than a third of Australians each week. There is genuine excitement and belief in what we are creating amongst our team and our customers.

Investment in content and platforms is what we do well, and we will continue to explore growth initiatives where appropriate and given the strength of our balance sheet. We remain particularly focused on the expanding digital audio streaming and podcasting sectors where we have already established a very strong offering.

Our Board has the right mix of skills and experience to navigate the opportunities and challenges which may emerge in 2023 and I would like to thank the directors for their contribution and dedication.

I would also like to sincerely thank our people, clients, and shareholders for their continued support and look forward to working with you all in the year ahead.

Hamish McLennan
Chairman

1. Broadcast Radio, People 10+, Mon–Sun 0530–12mn unless otherwise stated – Gfk Metro radio ratings, Survey 8, 2022, Xtra Insights regional ratings, most recent surveys.

CEO's letter 2022

We have extended our lead as Australia's best performing audio business across a range of key metrics.

Despite global and inflationary concerns impacting H2 consumer and advertising sentiment, HT&E's full year results were in-line with market expectations and considerable progress was made delivering on our strategic intent to build the best broadcast radio and digital audio business in Australia.

2022 revenue significantly improved on last year, up 5% to $344.9 million, on a pro forma basis had HT&E owned ARN Regional for the 12 months to 31 December 2021.

Costs before interest, tax, depreciation and amortisation, and significant items were up 9% to $266.2 million on a pro forma basis, impacted by cost of sales on improved revenues, the launch of new youth platform, CADA in March, further investment in digital audio capability and macroeconomic inflationary pressures driving a level of cost inflation.

Earnings before interest, tax, depreciation and amortisation (EBITDA) before significant items were down 4% to $91.8 million on a pro forma basis. Operating cash flows before income taxes of $54.7 million grew 60% on the prior period.

In ARN, an impairment charge of $249.9 million was taken in the second half, reflecting uncertainty associated with the current macro-economic environment.

ARN performance

In a highly competitive market, ARN finished 2022 as the #1 metropolitan network for people 10+, the #1 network for people 25–54, and our highest ever 25–54 audience share and largest cumulative audience. Across our metropolitan network, overall listeners increased by close to 12.7% year on year.

Consistency remains a key part of our ratings success as ARN continues to be the #1 metropolitan radio network, reaching over 6 million people a week and culminating with our strongest ever ratings performance in a survey during 2022.

ARN dominates in the key metropolitan markets with #1FM stations in Sydney and Melbourne. In Melbourne, GOLD104.3 is #1FM in all dayparts, holding the overall leadership for FM stations for the 24th consecutive survey, led by The Christian O'Connell Show. In Sydney, ARN has maintained its Breakfast duopoly leadership with KIIS 1065's Kyle & Jackie O and WSFM's Jonesy & Amanda finishing in the #1FM and #2FM spots respectively.[1]

Regionally, we delivered equally impressive audience results. In the largest non-metropolitan market, Gold Coast, ARN's Hot Tomato increased cume year-on-year and remained a strong #1. Of the other regional markets surveyed featuring ARN stations, ARN increased cume in five and holds the #1 position in Bundaberg, Darwin, Cairns, Mackay, Gympie, Ballarat, Ipswich and Launceston.[2]

Australian's insatiable appetite to consume more audio showed no signs of slowing during the year, with the percentage of the population now regularly listening to podcasts overtaking that of the US during the year.

Launched under three years ago, the iHeart Podcast Network Australia has grown at scale and maintained its position as the #1 Publisher on the Australian Podcast Ranker for 32 consecutive months. Every month, we now reach 4.7 million listeners via the podcast network.[3]

In 2022, we launched several new radio programs with established podcast creators, including 'Life Uncut' and 'She's on the money', as part of our 'Podcast to Broadcast strategy', with the aims being to bring new younger audiences into radio and create a path for the uncovering the next generation of radio talent.

In 2023 we will continue to invest in both our owned and represented podcast portfolio, ad tech & simplify our product offering for advertisers.

Bigger, Better Together

We were really pleased to complete the acquisition of what we now call 'ARN Regional' on 4th January 2022, and in doing so, grew our network to deliver over 8 million listeners across 135 stations in every state and territory in the country. We purchased ARN Regional from Grant Broadcasters, Australia's most successful, oldest and family owned regional radio business. It was critical that through the integration we maintained the elements that made it such a success.

We have fiercely protected the localised nature of the individual regional station brands and the connections to the communities they serve, while providing them with additional tools, opening up access to centralised resources such as people and culture, research and marketing to improve on the ground operations.

Australian's insatiable appetite to consume more audio showed no signs of slowing during the year, with the percentage of the population now regularly listening to podcasts overtaking that of the US during the year.

We are unique in Australia as we strongly believe in the power of local voices and have maintained local programming, with a particular focus on key day parts; breakfast and drive. We broadcast 226 live and local shows across the network and where syndicated programming makes sense, we adapt it to introduce local voices, ensuring the connection to the community is never broken.

The acquisition has also allowed us to expand the distribution of some of our most successful radio shows. In January, we replaced all previously licensed content across the regional network with ARN original content. This saw us grow distribution and audiences for key properties and in turn deliver greater value for our national commercial partners.

Our commitment to delivering localised, quality connections has proven the investment case for ARN Regional. We secured approximately $7 million of revenue synergies in the year, whilst growing already strong regional revenues by +7%. Whilst the integration program of work is substantial, we made significant progress during the year and remain on-track to conclude the major components by the end of 2023.

Building the next generation of content creators and audiences

With a vision to create a national multi-platform youth media brand we launched CADA on 31st March 2022, delivered by talent representative of the diversity of young Australia today. Targeting Australia's underserviced youth audience, CADA is consumed in Sydney on the 96.1FM frequency and around Australia on iHeartRadio, DAB+ and across podcast, social and digital.

Our focus for CADA this year has been on building brand awareness, refining the content offering and growing the cross-platform audience. We have been pleased with the support from our key commercial partners, with CADA delivering major integrated campaigns for marquee clients including Bonds, Netflix and Collarts.

Return on Investments

Materially improved local market conditions and strong management of our network of tunnel advertising contracts, Cody Outdoor revenue and earnings increased 9% and 31% respectively, and the business returned to cashflow profitability.[4] The reopening of international borders and removal of quarantine requirements expected in the first half of 2023 will further assist the business.

Emotive, an independent creative agency in which HT&E holds a 51% stake, had its most successful year to date, further expanding its client base, improving revenues and earnings.

Looking to 2023

HT&E is in a strong position to drive continued shareholder value in 2023 and beyond and we have a powerful platform for future commercial growth following our best outright ratings performance in 2022.

We believe we have the right formula to continue to grow our audiences across both our metropolitan and regional networks and in digital audio and are encouraged by Australian's continued appetite to consume more audio, and the increasing willingness of advertisers to connect with these new audiences.

Building a great place to work

Finally, investment in our people is part of our DNA and during the year we further embedded our "Culture in Action" employee behaviours framework. Just 18 months into a multi-year program focused on creating a constructive workplace culture and are very pleased with the progress made.

We prioritised investment in a structured Environmental, Social and Governance (ESG) program, named 'Intune @ARN', focusing on our Team, Communities, Planet and Governance. We aim to advance the right behaviours to support equity, inclusion, diversity and belonging, and create a workplace environment that enables our people to do their best work and make a difference.

I am very proud to work with such a passionate, creative and motivated group of people and thank them all for their efforts in another tough year. I would also like to acknowledge and thank the great management team that we have, our Board for their guidance our shareholders for their continued support. See you all in 2023.

Ciaran Davis
CEO & Managing Director

1. GfK Radio Ratings, SMBAP, AM/FM/DAB+, p10+, Mon–Sun, 0530–2359, S8 2022, CY22 vs CY21 YoY comparison.
2. Gfk Radio Ratings Regional, Xtra Insights regional ratings, most recent surveys.
3. Triton Australian Podcast Ranker, December 2023.
4. Adjusted for the loss of HK Tramways contract from May 2022.

Operating and Financial Review

This Operating and Financial Review should be read in conjunction with the Chairman's letter and the Chief Executive Officer's letter.

Overview

HT&E Limited (HT&E) results for the year ending 31 December 2022 were impacted by the acquisition of ARN Regional in January 2022. Statutory results for the year benefited from the consolidation of ARN Regional results. To enable comparability, this overview discusses both statutory and pro forma results which have been adjusted as if HT&E owned ARN Regional for the year ending 31 December 2021.

The operating results of ARN Metro and ARN Regional are now presented as a single operating segment reflective of the interdependent nature of the underlying assets and cashflows of the integrated business. Cody Outdoor and Investments, containing Emotive and Soprano, remain separate operating segments in the financial report.

On a statutory basis, Group revenues from ordinary activities of $344.9 million increased $119.9 million on the prior period. $111.5 million is directly attributable to ARN Regional, with the balance predominately due to strengthening digital audio & Emotive revenues, offset by lower revenues for Cody Outdoor following the loss of the HK Tramways contract in May 2022.

Total group costs were up 52% to $266.2 million from $175.0 million; the majority of the increase was attributable to ARN Regional, further investment in digital audio, including the launch of new youth brand, CADA in March 2022, and expansion of ARN's podcast and streaming capability and commercial offering.

Underlying group earnings before significant items, interest, tax, depreciation and amortisation (EBITDA) of $91.8 million increased by 53% in the period.

The statutory loss attributable to HT&E shareholders of $176.3 million was impacted by an impairment charge on goodwill and other intangible asset balances in ARN of $249.9 million taken in the second half.

Summary of financial performance

AUD million[1]	2022	2021	Change
Revenue	344.9	225.0	53%
Other income	3.4	0.7	>100%
Share of profits of associates	9.7	9.1	7%
Costs	(266.2)	(175.0)	52%
EBITDA[2]	**91.8**	**59.8**	**53%**
Depreciation	(17.8)	(13.1)	36%
Amortisation	(2.4)	(0.8)	>100%
EBIT[3]	**71.6**	**46.0**	**56%**
Net interest expense	(5.6)	(3.5)	60%
Profit before tax	**66.0**	**42.5**	55%
Tax expense	(17.5)	(9.9)	78%
Profit after tax	**48.5**	**32.6**	**49%**
Less: non-controlling interests	(3.4)	(3.8)	(12%)
NPAT attributable to HT&E shareholders	**45.1**	**28.8**	**57%**
Significant items net of tax[4]	(221.5)	(13.9)	>100%
NPAT attributable to HT&E shareholders	**(176.3)**	**14.9**	**(>100%)**
EBITDA margin	26.6%	26.6%	
Underlying basic EPS (cents)	14.6	10.4	
Dividend per share (cents)	5.0	7.4	
Dividend per share from 2023 profits (cps)[5]	5.2	–	

1. Totals may not add due to rounding.
2. EBITDA from continuing operations and before significant items, represents the Group's total segment result.
3. EBIT from continuing operations and before significant items.
4. Commentary on significant items is included in note 1.3 to the consolidated financial statements.
5. Subsequent event: Dividend declared in February 2023 of 5.2cps to be paid from parent entity profits since 1 January 2023.

Underlying Drivers of Performance

HT&E completed the acquisition of ARN Regional on 4 January 2022. If HT&E had owned ARN Regional for the year ending 31 December 2021, pro forma revenues in 2022 would have been up 5%, from $329.5 million. On the same pro forma basis, earnings before interest, tax, depreciation and amortisation (EBITDA) before significant items would have been down 4% from $96.0 million.

Metropolitan broadcast advertising revenues grew 3.4% to $192.5 million, with increasing audiences further strengthening ratings positions and driving revenue onto key eastern seaboard stations. Increased revenue contribution from digital audio on a pro forma basis, up 8% to $14.6 million also assisted overall growth.

Regional advertising revenues grew 7% on a pro forma basis, assisted by federal government election related spend and buoyant economic conditions in our key regional markets of operation.

On a pro forma basis, Group operating costs increased 9%, with people and operating expenditure growth reflecting our continued investment in digital audio, including the launch of CADA in the period, and the impacts of macroeconomic factors driving cost inflation, labour shortages and salary pressures.

Depreciation and amortisation expense of $20.2 million increased by 1% in the year on a pro forma basis. This resulted in EBIT before significant items of $71.6 million compared with $76.0 million in the prior year on a pro forma basis, and net profit after tax attributable to shareholders, before significant items (NPAT) of $45.1 million.

Details on the significant items totalling $221.5 million (net of tax), including an impairment charge on goodwill and other intangible asset balances in the current year of $251.8 million are included in note 1.3 to the Financial Report.

Financial Position

The Group had net assets at 31 December 2022 of $359.4 million, $133.7 million lower than December 2021 net assets of $493.1 million, driven largely by the acquisition of ARN Regional, offset by the impairment of goodwill and other intangible assets in the current year.

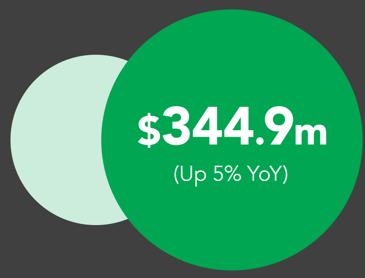
The acquisition was finalised on 4 January 2022, funded through a combination of existing cash reserves and undrawn debt totalling $249.0 million and the issuance of 35.9 million new HT&E shares with a fair value of $74.4 million.

The acquisition accounting for ARN Regional was finalised in the period, with intangible balances comprising radio licences ($125.6 million), brands ($31.3 million), customer relationships ($16.6 million) and residual goodwill ($156.8 million) recognised, along with first year amortisation of customer relationships.

These intangible asset balances were subsequently impacted by an impairment charge recorded in the year.

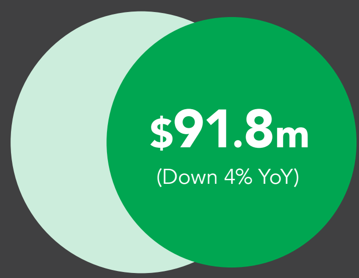
During the year, the Group also paid the remaining $20.0 million owing under the binding heads of agreement reached with the Australian Tax Office as part of the New Zealand Branch matter, completed the sale of its 4KQ Brisbane radio station and licence for $12.0 million, disposed its remaining interest in Lux Group Limited for $8.8 million and announced the signing of a binding share sale agreement to sell its 25% interest in Soprano Design Limited (Soprano) for $66.3 million cash. The Soprano sale is conditional upon receiving FIRB approval and is expected to be completed in the first half of 2023.

HT&E revenue[6]



2021	$329.5m
2022	$344.9m

HT&E EBITDA[6]



2021	$96.0m
2022	$91.8m

5. Podcast – Triton Digital Podcast Ranker, December 2022 (excludes New York Times).
6. On a pro forma basis, as if HT&E had owned ARN Regional for the year ending 31 December 2021.

Operating and Financial Review
(cont)

Cash flow generation

AUD million[1]	2022	2021	Change $
Operating cash flows and lease payments[2]	54.7	34.2	20.6
Tax payments and receipts	(25.4)	(9.8)	(15.6)
ATO settlement (including interest and penalties)	(22.3)	–	(22.3)
Cash flow from operating activities and lease payments	**7.0**	**24.4**	**(17.3)**
Investing cash flows[3]	(221.4)	70.6	(292.0)
Borrowings	17.0	65.0	(48.0)
Short-term deposits	–	50.0	(50.0)
Dividends paid to shareholders	(27.6)	(9.7)	(18.0)
Share buy back	(2.3)	(5.0)	2.7
Other financing cash flows	(6.0)	(3.3)	(2.7)
Cash at the beginning of the year	257.1	65.1	192.0
Effect of foreign exchange of the year	0.1	0.0	0.1
Cash at end of year[4]	**23.9**	**257.1**	**(233.2)**
Bank loans	(85.0)	(68.0)	(17.0)
Net (debt)/cash	(61.1)	189.1	(250.2)

1. Totals may not add due to rounding.
2. Operating cash flows, plus principal repayments on finance leases accounted for under AASB 16 *Leases* from 1 January 2019.
3. 2021 includes proceeds from the disposal of OML and Luxury Escapes investments. Excluding amounts transferred (to)/from short-term deposits.
4. Excludes amounts held in short-term deposit with banking institutions.

Cash and capital management

The balance sheet of the Group is in a very strong position, with net debt of $61.1m and leverage on a pro forma pre AASB-16 basis 0.8 times EBITDA.

Cash proceeds from the disposal of HT&E's investment in Soprano[5] expected to be received in the first half of 2023 will be used to pay down debt, effectively eliminating existing debt under the current financing facilities, providing significant flexibility for HT&E to pursue future growth opportunities as they arise.

The Group retains debt facilities with undrawn limits of $141.6 million, most of which expire in 2026.

Impacting operating cashflows in the period include payments to the ATO of $22.3 million and transaction and integration costs associated with the acquisition of ARN Regional of $8.7 million. The tax payments made were part of finalising settlements of two long running taxation disputes with the Australian Tax Office, announced in 2021.

Investing cashflows include $239.1 million for the acquisition of ARN Regional, offset by proceeds received on disposal of 4KQ and the Group's remaining investment in Lux Group totalling $20.8 million.

The accretive share buy-back was maintained through the second half delivering improved returns for shareholders.

In consideration of the trading result for the period and current economic environment, the Company declared a dividend of 5.2 cents per share. This dividend is paid from parent entity profits since 1 January 2023.

Will & Woody – KIIS Network Drive

5. The sale is conditional upon receiving FIRB approval.

Review of operations

2022 has been a year characterised by growth at ARN and we extended our lead as Australia's best performing audio business across a range of key metrics.

In a highly competitive market, ARN finished 2022 as the #1 metropolitan network for people 10+, the #1 network for people 25–54, and with our highest ever 25–54 audience share and largest cumulative audience, while the iHeart Podcast Network Australia maintained its position as the #1 Publisher.

Even MORE Connections that count

In 2022, we expanded our content slate and touchpoints across all audio formats, integrating 46 regional radio stations acquired from Grant Broadcasters (ARN Regional) and rolling out the iHeart digital audio platform to regional areas. We invested in the creation of original podcast content, digital music formats and a new multi-platform youth brand, CADA, which has helped deliver valuable new audiences to the network.

Our strategic intent remains to build the best broadcast radio and digital audio business in Australia and offer audiences and advertisers a gateway to develop deeper connections in the booming world of audio. We do this by delivering on our three pillars for growth.

Three pillars for growth

Content

Live and local content delivered by Australia's best talent, and supported by brands that people know and trust.

Real People
Creating meaningful relationships and environments for shared and trusted brand experiences.

Real Influence
ARN's unique deep connections drive an unmatched halo of influence.

Real Results
Boosting ROI within an audiosphere of real human connections at every touchpoint.

Distribution

Distributed across our comprehensive network of broadcast radio stations and on iHeartRadio, Australia's most established digital audio platform.

Double digit audience growth across radio, podcast, streaming[1]

#1 radio stations across key markets: FM Syd, FM Melb, FM Adl, national DAB+ station

#1
Radio streaming app[1]

#1
Podcast publisher[2]

#1
Radio network share[3]
p10+ and p25–54

Innovation

Commercialised through a suite of innovative, data and technology led products and partnerships.

Continued momentum in digital audio revenue growth

H222 digital audio revenue
(vs H122)

+28%

1. The Infinite Dial, Edison Research, 2022, p12+.
2. Triton digital/Digital – Adobe, Google Analytics, December 2022.
3. Gfk Radio Ratings, S8, SMBAP, Comm Radio Gps (AM/FM/DAB+), Mon–Sun 5:30am–12:00mn, Share % P10+ and P 25–54.

Bigger, Better Together

On 4th January 2022, ARN completed the acquisition of ARN Regional from Grant Broadcasters, growing the network to over 8 million listeners across 135 stations in every state and territory in the country. Grant Broadcasters is Australia's oldest, family owned and successful regional radio business and it was critical that the integration of ARN Regional into the core business maintained the elements that made it such a success.

People first:

Crucial to the ongoing success of the business has been a 'people first' integration effort. To ensure the success of combining the two businesses in February, we brought together over 120 leaders from across the business, for the purpose of creating a shared vision and generating strong working relationships. This exercise was replicated with a core group of leaders in September, as a way of health checking our progress and establishing the foundations for continued integration efforts.

The program of work was substantial and we remain on-track to conclude the major components by the end of 2023. The integration consisted of numerous individual workstreams encompassing organisational structures, processes and systems. The timeline below illustrates the key milestones achieved in 2022 and remaining for 2023.

Leaders in local:

We have fiercely protected the localised nature of the individual regional station brands and the connections to the communities they serve, while providing our teams with additional tools, opening up access to centralised resources such as people and culture, research and marketing to improve on the ground operations.

We are unique in Australia as we strongly believe in the power of local voices and have maintained local programming, with a particular focus on key dayparts; breakfast and drive. We broadcast 226[1] live and local shows across the network and where syndicated programming makes sense, we adapt it to introduce local voices, ensuring the connection to the community is never broken.

Delivering on the acquisition business case:

Through providing our clients with the ability to access more than a third of Australian consumers, we identified the potential for material revenue synergies for ARN of up to $20 million per annum within three years of completing the acquisition of ARN Regional.

We set an ambitious revenue synergy target of between $6–8 million in 2022 and despite the significant focus required on the integration program were able to secure approximately $7 million of new revenues into the business.

With the Commercial structure now set, training programs in place and first phase IT integration complete, we are confident we can deliver further synergies in 2023 to meet the acquisition business case.

Our Integration Timeline

- **Jan 2022** – Acquisition completed
- **Feb 2022** – iHR regional digital expansion; ARN syndicated shows launched
- **Mar 2022** – Agency upfront presentations
- **Jun 2022** – Enabling teams and systems integrated
- **Jul 2022** – Disposal of 4KQ for $12m
- **Aug 2022** – Integration of TRSN into ARN Agency Sales team
- **Sep 2022** – Hot Tomato (Gold Coast) integration into metro structure
- **Apr 2023** – Selling@ARN
- **May 2023** – Merger of metro and regional revenue & inventory systems
- **Jul 2023** – Capability@ARN
- **Oct 2023** – Single accounting system go-live

1. Total show count is based on live and local shows across all ARN owned stations across Metro & Regional.

Review of operations
(cont)

ARN continues to have the #1 metropolitan radio network share in Australia, with reach of over 6 million people a week. Consistency remains a key part of our ratings success, culminating with our strongest ever metropolitan ratings performance in the final survey of 2022.

Growing our connections through content

Growth from the core

ARN continues to be #1 metropolitan radio network in Australia reaching over 6 million people a week. Consistency remains a key part of our ratings success, culminating with our strongest ever metropolitan ratings performance in the final survey of 2022.

In a highly competitive market, ARN finished 2022 as the #1 metropolitan network for people 10+, the #1 network for people 25–54, and with our highest ever 25–54 audience share and largest cumulative audience. Across our metropolitan network, overall listeners increased by close to 12.7% year on year.

ARN continues to lead key metropolitan markets with #1FM stations in Sydney, Melbourne and Adelaide. In Melbourne, GOLD104.3 is #1FM in all dayparts for the 24th consecutive survey, led by The Christian O'Connell Show.

In Sydney, ARN has maintained its Breakfast duopoly leadership with KIIS 1065's Kyle & Jackie O and WSFM's Jonesy & Amanda finishing in the #1FM and #2FM spots respectively, and in Adelaide, Mix102.3 remains the #1FM Station and Cruise1323 the #1 Commercial AM Station.[1]

In the less regularly surveyed but equally important regional markets, ARN drove impressive results. In the largest non-capital market of the Gold Coast, ARN's Hot Tomato increased cume YoY and remained a strong overall #1. Of the eight of ARN's other major regional markets surveyed in 2022, ARN increased cume in five and held #1 rankings in Cairns, Mackay & Gympie. Cume also increased strongly in Wollongong and Hobart from prior surveys.[2]

Expanding our most powerful shows

The acquisition of ARN Regional has allowed us to expand the distribution of some of our most successful radio shows. In February, we replaced all previously licensed content across the regional network with ARN original content. This saw us grow distribution and audiences for key properties and in turn deliver greater value for our national commercial partners.

Elevating our news offering

News is a key element in radio programming and in September, recognising the importance of local news stories to the communities we serve, changes were made to how we create and deliver news across the network. These changes better reflect who we are, strengthen our news service delivery, and enhance the quality of the content we produce.

The benefits of the changes made have been extensive, and include:

- A Local News First approach for regional markets, with local news leading every bulletin between 6am – 9am workdays. This ensures we free-up our journalists to highlight key issues impacting local audiences and make intimate connections with listeners.
- Creating a consistent approach to news gathering across the network and maximising the productivity of ARN's news force to generate bespoke content for digital first distribution, as audience behaviours shift to on-demand listening.

The News Review lays the foundation for our Future of News strategy to elevate news content and position ARN as the industry leader in short and longform audio news across broadcast and digital platforms.

Will & Woody – more than quadrupling their audience footprint across Australia

2021 # of stations	2022 # of stations
5	24

Total Audience Reach Number[3]

1,623,700

+40% Growth (465,700)

Kyle & Jackie O – record breaking cume, reaching more listeners than any other show in the country

2021 # of stations	2022 # of stations
5	41

Total Audience Reach Number[3]

1,362,500

+34% Growth (348,500)

Jonesy & Amanda – substantial audience growth off a very strong base

2021 # of stations	2022 # of stations
4	27

Total Audience Reach Number[3]

805,100

+15% Growth (103,100)

Christian O'Connell – extending the lead in Australia's biggest radio market

2021 # of stations	2022 # of stations
5	35

Total Audience Reach Number[3]

925,100

+29% Growth (208,100)

1. GfK CY2022 Metro Radio, People 10+, Mon–Sun 0530–12mn #1 based on share, increase based on cumulative reach unless otherwise stated ratings, Xtra Insights regional most recent surveys I GfK, S8 2022, SMBAP, p10+, p25–54, 0530–2359, Share/Cume I Xtra Insights, most recent Surveys 10+.
2. GFK Gold Coast surveys 1–3 2021 vs surveys 1–3 2022, 10+ Share/Cume, Mon–Sun 530am–12mn I Xtra Insights most recent surveys, 10+ Station Listened to Most, Cume, Mon–Sun 12mn–12mn.
3. GFK Metro Survey 8 2021 vs Survey 8 2022, 10+ All People Cume, Kyle & Jackie O Syd Mon–Fri 5.30am–9am & 6pm–7pm, SMBAP Mon–Fri 6pm–7pm, Will & Woody SMBAP Mon–Fri 4pm–6pm, Jonesy & Amanda SMA Mon–Fri 5:30am-9am & 6pm–7pm, Christian O'Connell SMBAP Mon–Fri 5:30am-9am & 7pm–8pm I Xtra Insights All People 10+ Cume (markets selected specific to show, most recent surveys), Kyle & Jackie O Nights Mon–Fri 7pm–12mn, Will & Woody Drive Mon–Fri 4pm–7pm, Jonesy & Amanda Nights Mon–Fri 7pm–12mn, Christian O'Connell, Nights Mon–Fri 7pm–12mn.

Review of operations
(cont)

Building the next generation of content creators and audiences

Launch of CADA

We launched CADA on 31st March 2022, with the vision to create a national multi-platform youth media brand, delivered by talent representative of the diversity of young Australia today.

Targeting Australia's underserviced youth audience (aged 18–29), CADA is consumed in Sydney on the 96.1FM frequency and around Australia on iHeartRadio, DAB and across podcast, social and digital.

Our focus this year has been on building brand awareness, refining the content offering and growing the cross-platform audience. We have been pleased with the support from our key commercial partners, with CADA delivering major integrated campaigns for marquee clients including Bonds, Netflix and Collarts. Bonds "Big Icon Energy" campaign saw Flex & Froomes record their show in front of a live studio audience with 170 attendees, prize winners and influencers.

We have seen more success with the Flex & Froomes podcast reaching 1 million downloads in six months and becoming ARN's 4th biggest catch-up podcast within three months of launch. CADA also presented some of the biggest tours in Australia across the year – including Kendrick Lamar, The Grass Is Greener Festival, Central Cee and Tyga, and launched CADA:Live as part of BIGSOUND in Brisbane in September, allowing hundreds of audience members to experience CADA in real life.

Podcast listening continues to grow

Australians' insatiable appetite to consume more audio showed no signs of slowing in 2022, with the percentage of the population now regularly listening to podcasts overtaking that of the US across the year.

Consumers have an infinite number of podcasts at their disposal, and therefore the way we think about investing in a particular genre or creator of content across both our owned and represented podcast portfolio is incredibly important. We will consider investment where the content and audience align with our radio brands, or where we perceive there to be a commercially attractive under serviced audience.

At this point in time, we do not believe the commercial opportunity attached to long-form, investigative style podcast content, justifies the investment for our business.

Launched under three years ago, the iHeart Podcast Network Australia has grown at scale and maintained its position as the #1 Publisher on the Australian Podcast Ranker for 32 consecutive months. Every month, we now reach a further 4.7 million listeners via the podcast network.

In 2022, we launched several new radio programs with established podcast creators, including 'Life Uncut', 'She's On The Money' and 'Collective Noun', as part of our 'Podcast to Broadcast strategy', aiming to bring new younger audiences into radio and create a path for uncovering the next generation of radio talent.

In 2023 we will continue to invest in both our owned and represented podcast portfolio, ad tech and simplify our product offering for advertisers.

Roadmap to building a constructive workplace culture

Investment in our people is part of our DNA and during the year we further embedded our "Culture in Action" employee behaviours framework. Just 18 months into a multi-year program focused on creating a constructive workplace culture, we remeasured our culture using the Human Synergistics Organisational Culture Index, with pleasing progress made.

We prioritised investment in a structured Environment Social and Governance (ESG) program, named 'InTune @ARN', focusing on our Team, Communities, Planet and Governance. We aim to advance the right behaviours to support equity, inclusion, diversity and belonging, and create a workplace environment that enables our people to do their best work and make a difference.

Our focus on recruiting and retaining the best people continued to deliver results, with ARN achieving strong performance in two key industry measures, being the bi-annual Media-i Industry Survey (Media-i) and the annual Australian Commercial Radio Awards (ACRAs).

The Media-i survey provides an important perspective on key attributes of our commercial offering relative to our audio peers through sampling over 2000 media agency professionals.

On the most important measure, the Net Promoter Score (NPS), ARN ranked #1, a noteworthy achievement for our entire team and testament to the investment we continue to make in people, product, and process.

Our people also achieved significant industry recognition at the ACRA's securing our best ever results with 24 winners across 21 categories, and Kyle and Jackie O being inducted into the Commercial Radio Hall of Fame.

Looking to the future

Our focus for 2023 continues to be delivering improved returns for HT&E shareholders and we have a strong platform for future commercial growth this year following our best outright ratings performance in 2022.

We are strongly placed to deliver on our strategic intent to build the best broadcast radio and digital audio business in Australia and offer audiences and advertisers a gateway to develop deeper connections in the booming world of audio through;

1. Creating live and local content delivered by Australia's best talent and supported by brands that people know and trust.
2. Distributed across our comprehensive network of broadcast radio stations and on iHeartRadio, Australia's most established digital audio platform.
3. Commercialised through a suite of innovative, data and technology led products and partnerships.

HT&E is confident that it will deliver on its integration objectives, including second year revenue synergy targets.

Recruiting and retaining the best people will continue to be our focus and we are confident that our investment in a structured ESG program, 'InTune @ARN' will have a positive impact. We aim to advance the right behaviours to support equity, inclusion, diversity and belonging, and create a workplace environment that enables our people to do their best work and make a difference.

Having concentrated on growth from the core, as we head into an uncertain economic period we believe we have the right formula to capitalise on the strengths of radio, while meeting the demand created by Australians' insatiable appetite to consume more audio via digital formats.

Investments

Soprano

In early January 2023, we announced the signing of a binding share sale agreement to dispose of our long held 25% interest in Soprano Design Limited (Soprano) to Potentia Capital (Potentia), a leading Australian based technology focused private equity firm for $66.3 million in cash consideration.

After an extensive outreach process with various interested parties, the Potentia proposal was considered to be the most attractive for HT&E shareholders. Global CPaaS and technology markets have been challenged over the past 12 months and HT&E views this transaction to be a positive outcome in today's market, with an all-cash deal enabling the company to focus on its position as a leading provider of audio services in Australia.

This transaction delivers HT&E shareholders a meaningful return on investment and provides further balance sheet strength and financial flexibility for HT&E to continue to invest in its core media assets.

The sale is conditional upon receiving FIRB approval and is expected to be completed in the first half of 2023.

Cody Outdoor

With materially improved local market conditions and strong management of our network of tunnel advertising contracts, Cody Outdoor revenue and earnings before interest, tax,depreciation and amortisation (EBITDA) before significant items increased 9% and 31% respectively, and the business returned to cashflow profitability.[1]

The reopening of international borders and removal of quarantine requirements expected in the first half of 2023 will further assist the business.

Cody continues to operate a network of profitable tunnel advertising contracts, including the Eastern and Western Harbour Tunnels, Tai Lam Tunnel, Tate Cairns Tunnel and a number of smaller assets.

Emotive

Emotive, an independent creative agency in which HT&E holds a 51% stake, had its most successful year to date, further expanding its client base, improving revenues and earnings.

As a full-service creative agency, Emotive is uniquely structured to respond to its clients' business needs, offering strategy, creative and design, production, creative amplification and brand experience services.

Emotive entered the next exciting phase of its growth in 2022, further expanding the team and securing new premises by the beach in Coogee.

Emotive works with an enviable roster of local and international clients, including; Optus, Audible, Google, Breville, Danone, Pernod Ricard, ARN, Revlon, Unilever and The NRL.

1. Adjusted for the loss of HK Tramways contract from May 2022.

Robin, Terry & Kip – KIIS 97.3 Brisbane

2022 Awards

In 2022 our people lived our values of "aim high" and "own it" with a number of sought-after achievements recognised across Radio, Podcasting and beyond. We celebrated the following award wins across the business.

Australian Commercial Radio Awards (ACRAs)

In its 33rd year, the ACRAs are a celebration of the wealth of talent that drives the Australian commercial radio industry. Winners are awarded across 39 categories and cover all areas of radio broadcasting.

In 2022, we reinforced our position as Australia's leading audio company, taking home an astounding 25 awards, the best year for ARN on record. The standout achievement of the night was the induction of KIIS 1065's Kyle & Jackie O into the Commercial Radio Hall of Fame, a true reflection of the calibre and excellence ARN maintains.

Ciaran Davis, Jackie O, Kyle Sandilands, Duncan Campbell – 2022 ACRAs

Categories won by ARN

- Hall of Fame Inductees – Kyle & Jackie O, KIIS Network
- Best On-Air Team (Metro) – Kyle & Jackie O, KIIS 106.5 Sydney
- Best On-Air Team (Country & Provincial) – Brooke & Bob, Magic 93.1 Berri
- Best Talk Presenter (Provincial) – Katie Woolf, Mix 104.9/Hot 100 Darwin
- Best Networked Program (Metro) – Kyle & Jackie O Hour of Power, KIIS Network
- Best Networked Program (Provincial) – Tasmania Talks with Mike O'Loughlin, ARN
- Best Current Affairs Presenter (Non-Metropolitan) – Katie Woolf, Mix 104.9/Hot 100 Darwin
- Best Entertainment Presenter (Country) – Dana Hamilton, Power 98.1 Muswellbrook
- Best Entertainment Presenter (Metro) – Kyle Sandilands, KIIS 106.5 Sydney
- Best Music Presenter (Metro) – Mitch Churi, KIIS Network
- Best Station Produced Comedy Segment (Country) – Tracksuit Boys 'Everybody', Power FM Bega Bay
- Best Station Produced Comedy Segment (Metro) – Barb Scams the Summer, KIIS Network
- Brian White Award for Journalism (Non-Metro) – Katie Woolf, Mix 104.9 Darwin
- Best Radio Show Podcast (Metro) – Jonesy & Amanda's Time Travellers Podcast, WSFM Sydney
- Best Sport Event Coverage (Non-Metro) – Raiders On Mix – Raiders v Titans Comeback Match, Mix 106.3, Canberra, ARN/Southern Cross Austereo
- Best Music Special (Provincial) – 30th Anniversary of Nevermind, Power 100 Townsville
- Best Multimedia Execution – Station (Metro) – Kyle & Jackie O's Get Vaxxed Baby! KIIS 106.5 Sydney
- Best Station Promotion (Metro) – Kyle and Jackie O's Set You Up For Life, The Kyle & Jackie O Breakfast Show, KIIS 1065 Sydney
- Best Show Producer – Talk/Current Affairs (Non-Metro) – Rhea Gillie, LAFM Launceston
- Best Program Director (Metro) – Mike Byrne, WSFM Sydney
- Best Music Director (Metro) – Brad McNicol, KIIS 106.5 Sydney
- Engineering Excellence – ARN's VPlayer, Bryan Amos, ARN
- Best Direct Salesperson (Non-Metro) – Caroline Lowe, Magic 899 & 5CC, Port Lincoln SA
- Best Station Sales Achievement (Non-Metro) – Gold FM98.3 & AM1071 Sales Team, Bendigo VIC
- Best Newcomer Off-Air (Provincial) – Scott Gilchrist; Hot 104.7 & Mix 106.3, Canberra ARN/Southern Cross Austereo

Media i Awards

The Media i Awards provide recognition in sales excellence for teams and individuals across all media channels. The awards are the culmination of over 2,000 media agency peers voting for the individuals and teams they believe achieved excellence in the discipline and are the only awards program of its kind in Australia.

Categories won by ARN

- QLD Sales Team of the Year – ARN Agency Team
- QLD Radio Sales Representative of the Year – Liam Armstrong
- VIC Radio Sales Representative of the Year – Tess McLeod
- NSW Radio Sales Representative of the Year – Tom Bonnell

Radio Today Podcast Awards

Radio Today's Annual Podcast Awards, recognise the most innovative podcasts in Australia and the people driving success behind the scenes. ARN was extremely pleased that Kyle & Jackie O took out the Radio Show Podcast of the Year for the second year running, with a total of 3 out of 16 category wins.

Categories won by ARN

- Radio Show Podcast of The Year – Kyle & Jackie O
- Podcast Executive Leader of The Year – Corey Layton
- Podcast Publisher of The Year (Indie) – Victoria Devine, She's On The Money

LearnX Summit and Awards

The LearnX Awards are an international and professional awards program that recognises multiple fields of learning and talent development. In 2022, ARN was recognised for two of their learning programs that were developed entirely in house by our People & Capability team.

Categories won by ARN

- Leadership Training – Gold Winner, ARN People & Culture
- Sales Training – Gold Winner, ARN People & Culture

Australian Podcast Awards

Recognising the Australian podcast industry's 2022 achievements, These Awards celebrate amazing content, campaigns and talent – both on the mic and behind the scenes. Chosen by a panel of over 60 independent international and Australian judges working in the sector, ARN were recognised across 7 categories in 2022.

Categories won by ARN

Gold Winners

- Listeners Choice – Life Uncut
- Best Creative Campaign – She's On The Money & Budget Direct, Victoria Devine

Silver Winners

- Spotlight Award – Life Uncut
- Best Sex & Relationship Podcast – Hooked, Hitched & Hung Up
- Best Creative Campaign – Queens of the Drone Age

Bronze Winners

- Best New Podcast – Flex & Froomes
- Rising Star – Indianna Symons
- Best Podcast Sales House – ARN

B&T Women in Media Awards

B&T's Women in Media Awards recognises those exceptional women who have achieved success in their professional arenas and celebrates their invaluable contribution through their leadership, innovation and courage to their industry. In 2022, our Chief Strategy & Connections Officer, Lauren Joyce was awarded Marketer of the Year.

Radio Today 30 under 30 Awards

Radio Today's 30 under 30 Awards unearth Australia's youngest and brightest minds in radio, audio and podcasting. In 2022, year ARN secured one third of the awards with 10 rising stars recognised for their excellence in the industry.

Awards won by ARN

- Jake Powell – CADA
- Brooke Humble – Magic 93.1
- Brooke Taylor – CADA
- Juan Estapa – ARN
- Michael Gallo – ARN
- Liam Armstrong – ARN
- Kate Valance – KIIS
- Lachlan Perry – 2ST/949 Power
- Tom Bonnell – ARN
- Ben McDowell – KIIS

Agency Sales Team Individual Awards

Across the Advertising Industry in Australia, some of the major Ad Agencies acknowledge their media partners with awards to recognise excellence in innovation or partnership throughout the year.

Awards won by ARN

- Carat Sales Rep, Q1 – Adelaide
- Mindshare Rep of the Month – March – Melbourne
- Initiative Sales Person of the Month – July – Melbourne
- Initiative Sales Person of the Month – Sept – Melbourne
- Initiative Sales Person of the Year 2022 – Melbourne
- Initiative Media of the Year 2022 – Melbourne
- Starcom Rep of the Quarter, Q3 – Sydney
- Media Partners Rep of the Year – Metro
- Media Partners Rep of the Year – Regional

Ipswich Chamber of Commerce Business Excellence Awards

Celebrating the bold work that propels their business community forward, inspiring a competitive marketplace and fostering meaningful connections within and across business and industry sectors.

- The President's Award – River 949

Mediaweek Power List

In its second year, Mediaweek released its annual Power 100 list. The list recognises the media executives who control the content across the Media industry in Australia.

Mediaweek 100 Power List

- Ciaran Davis
- Peter Whitehead
- Duncan Campbell
- Corey Layton

Mediaweek Star Power 25 List

- Kyle & Jackie O
- Christian O'Connell
- Laura Byrne and Brittany Hockley
- Amanda Keller and Brendan Jones
- Will and Woody

Environmental, Social & Governance: InTune @ARN

Positively Impacting Our People and Planet

We are contributing to the achievement of local and global Environmental, Social and Governance (ESG) goals by making sustainable, measurable, continuous improvements across our businesses with a focus on ARN.

To do this, we have developed an ESG strategy, translated into practical actions to make a positive and tangible impact to people and the planet. We call this program of work "InTune @ARN".

Our InTune efforts are focused in four areas:

Our Communities
By supporting our audiences and communities.

Our Team
By building the most constructive workplace culture possible.

Our Planet
By measuring and mitigating our environmental footprint.

Best Practice
By ensuring robust and transparent governance structures, reporting and controls.

We call ESG "InTune @ARN".

Flex & Froomes – CADA

InTune with

Our Communities

Building quality connections with our communities (audiences, clients, partners), by understanding what's important to them and giving back in big and small ways.

Key programs of work undertaken in 2022

IPG Mediabrands' Media Responsibility Index

OMG's Sustainability and DE&I Partner Survey

Read more on page 26

InTune with

Our Team

Our people are the reason for our success. We believe diverse teams who collaborate constructively find even more ways to grow, innovate, achieve and do their life's best work.

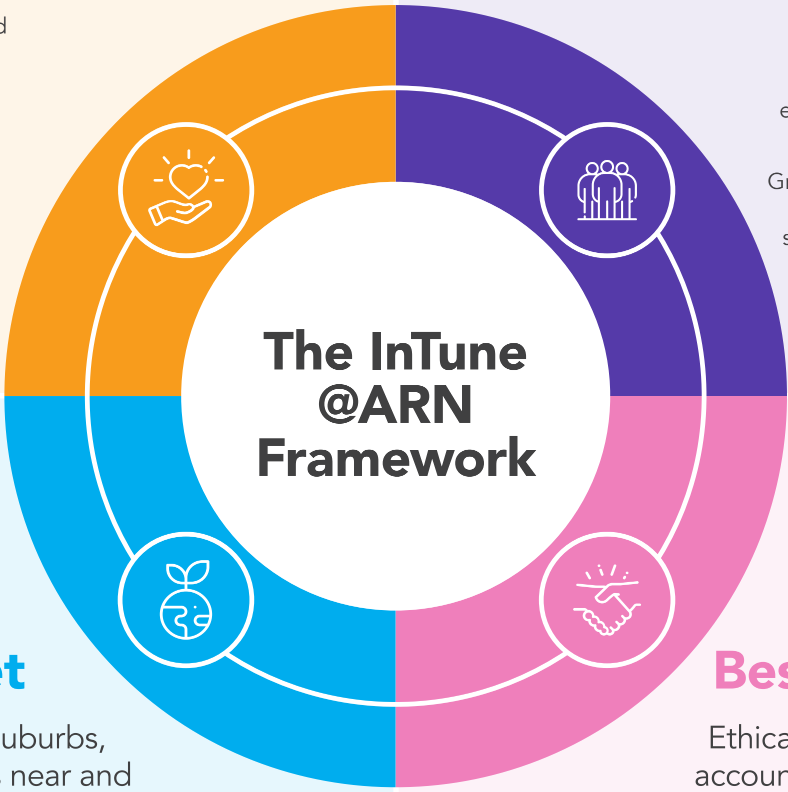
Key programs of work undertaken in 2022

Award-winning capability programs, including: Leadership@ARN and Selling@ARN

Establishing an evidence-based Diversity and Inclusion Strategy

Group-wide culture survey re-test with statistically significant improvements

Read more on page 30



InTune with

Our Planet

We are heard in suburbs, cities and regions near and far, so we strive to protect and regenerate those communities today to sustain tomorrow.

Key programs of work undertaken in 2022

Decarbonisation strategy, plus scope 1&2 carbon auditing

Founding membership of 'Green Ears' audio industry sustainability program

Read more on page 32

InTune with

Best Practice

Ethical, transparent and accountable governance structures and controls are the foundation of our success.

Key programs of work undertaken in 2022

ISS ESG's Corporate Ratings

Consolidated and redrafted the HT&E Code of Conduct

Read more on page 34

Environmental, Social & Governance: InTune @ARN

InTune with Our Communities

As a media broadcaster, ARN is in a unique position to support social issues important to vast and diverse groups of people from our audiences, to customers, communities, shareholders, partners and team members.

Community Service Announcements

In 2022, we supported 254 different community service organisations by supplying airtime and digital inventory to promote causes including Movember, Starlight Children's Foundation, Clean Up Australia, Bravehearts, The Salvation Army, Polished Man and R U OK? Day.

In this arena, we delivered over 1.4m impressions and 211,395 radio spots which equates to over $18.7m in value. We also supported some of these charities with airtime vouchers to the value of $396k to auction off at fundraising events throughout the year.

Impressions

1.4m

Radio spots

211k

+441% YoY

Value

$18.7m

+153% YoY

Airtime auction vouchers

$396k

Mel & Chris Dzelde with Ali Clarke, Mix 102.3 Adelaide

Damien Leith, WAVE FM Illawarra

On Air Activities

With loyal and engaged listeners, our talent consistently use their platforms for good, bringing awareness to those whose stories need to be heard. From Christian O'Connell raising the money to give a car to a loyal listener with a disability so she could take her kids to school, to Paul 'Galey' Gale raising money for Gold Coast families with "Galey to the rescue", the end goal is always the same – giving people a voice, raising money for charities or groups in need whilst, bringing our audience something heartfelt and meaningful – with community at the forefront.

Kyle & Jackie O's Givebacks

"Givebacks" are one of our most popular content segments as Kyle & Jackie O get to use their radio powers for good, in 2022 they helped raise and giveaway over $250,000 to those in need. Kyle & Jackie O ran several giveback segments in 2022, one of the most heart-warming being for the family of Jaclyn Michelle who tragically died after being struck by a train, leaving behind six children. Our listeners and clients overwhelmingly dug deep, raising close to $100,000 for Jaclyn's family.

Christian O'Connell's Hamper Claus

Throughout November, Christian ran an on-air fundraiser, the goal was to raise $32,500 to provide 500 hampers for the Charity Mum's Supporting Families in need and ended up raising close to $80,000!

Bravehearts Day

In its 26th year, Bravehearts Day is Australia's largest and longest-running campaign, dedicated to preventing child sexual abuse. We supported this initiative with social posts/stories and on air messaging across 43 regional stations, delivering over $460,000 in value.

Camp Quality

For over 10 years, the teams at Mix 104.9 and Hot 100 in Darwin have been running this charity day in partnership with Camp Quality. This year we ran an all-day radio auction, clothing collections, an outside broadcast and of course putting our listeners on the air and playing requests for donations all day long. In 2022 a massive $35,000 was raised for NT families.

R U OK? Day

The KIIS Network once again went silent for 10 seconds every hour and encouraged listeners to use that silence to ask each other 'R U OK?' Our team at Townsville's Power 100 received a call from a listener to thank announcers Archie, Bretz, Karina and Wildy who in his words said, "you guys saved my life". After having had a major setback in his life, it was Power 100 that got him through. Reinforcing the meaningful way that our teams connect with our listeners.

Mix 102.3's Spirit of Christmas

Mix 102.3 along with Power FM in South Australia told the story of Mel Dzelde who has been diagnosed with stage 4 rectal cancer and late last year was diagnosed with MND. As the sole carer for Mel, her husband Chris could no longer work. In an Adelaide first, the two stations combined forces simulcasting their breakfast shows, with the aim to raise $50,000 to help clear Mel & Chris's debts, and any additional money going to Mary Potter Hospice. Joined by icons such as Kate Ceberano, Hans the German and Erin Phillips – as well as special guest Oprah Winfrey (who also contributed $15,000) they raised a total of $75,000 for Mel and her family.

Koinz 4 Kids

Throughout the month of July, SeaFM Devonport, Burnie, 7AD and 7BU raised money via Koinz for Kids for The Cancer Council Tasmania, helping children who are impacted by Cancer on the Northwest Coast. With the help of businesses, schools, and the community, they were able to raise over $36,000.

Hoodies for the Homeless

Over the course of four weeks, WAVE FM in the Illawarra collected and donated an overwhelming *12,000* items to St Vincent De Paul through their "Hoodies for the Homeless" campaign. The donations were distributed out to anyone experiencing homelessness within the Illawarra and South Coast area so that they could stay warm during the winter months.

All in for Aspen

Sunshine Coast's Hot91 urged listeners to roll up their sleeves (or get their speedos on) in support of two-year-old Aspen, who had been diagnosed with leukemia. Sam & Ash in Breakfast asked listeners to pledge blood instead of money with the goal of 1000 litres of blood pledges. In turn they would swim 100km in a day at Cotton Tree Pool. On the event day 850km in total were swum across 12 hours and 100 blood donations registered.

Will & Woody's "Most Distant Shave" for Movember

In support of Movember, KIIS Drive hosts Will & Woody attempted the World Record for the most 'distant' shave. They used their platform to start the conversation about men's mental health, attempting to shave Will's mo from a 20 metre drop off a building.

Environmental, Social & Governance: InTune @ARN

InTune with Our Communities (cont)

Disaster Reporting

The power of radio is undisputed during times of crisis. When people want to feel a sense of community, connection and hope, audio plays a vital role regardless of whether audiences access content via broadcast, on-demand audio or social media.

The resilience of broadcast radio is unparalleled particularly during times of natural disaster. As phone and wifi networks faulter, radio waves become the most reliable format for communication and are crucial for disseminating life saving information to the affected communities.

Our networks came together in a major way with the flood coverage during February and March 2022 where so many communities were affected. Robin Bailey from KIIS 97.3 in Brisbane broadcast live from her balcony while the Brisbane River lapped at her front door, the local stations in affected areas such as Ipswich, Gympie, Sunshine Coast, Brisbane and Wollongong worked double-time as they increased their news, weather and live bulletins, as well as social updates.

One example of this was in Ipswich where River 94.9 covered the emergency in their area like no other station could. They provided the community with updates as they happened and with how to access assistance. They had a direct line to evacuation centres as a way of updating listeners as soon as their doors opened with information direct from SEQ water, councillors and mayors across the region, as it became available.

On the first day of the floods they put between 150–200 callers to air, the priority was getting information to their listeners that could help the community. Some of the stories the station heard that day were remarkable, from people stuck on the roofs of their house to narrowly escaping cars on the major highway. The live updates were critical for helping the community to navigate the changing weather conditions in real time.

Radio is incredibly agile and all relevant shows across our network pivoted their normal programming to provide our listeners with the most accurate updates from government agencies and emergency services, as well as satisfying our audience's desire for light-hearted escapism and sharing stories of hope.

Volunteering and Donating

At ARN every staff member has been allocated one day a year of paid leave to use to support their charity of choice by volunteering. A number of staff took up this offer in 2022, in addition to organised activities, supporting charities and allowing staff to 'be their best selves'. With COVID restrictions easing in 2022, we saw a 500% increase in the amount of Charity Days that staff took.

Supporting Charities

ARN supports various charities through donations and organised events across the year, coordinated by our local "ARNSocial" teams. This serves to raise money but also awareness of the causes. Some examples of this activity in 2022 include:

- Biggest Morning Tea for Cancer Council
- AusMusic T-Shirt Day
- Remembrance Day
- Movember
- Mater Chicks in Pink
- Lifeline
- Perrin Institute for Research

Ipswich Floods, February 2022

Partnerships

In 2022 ARN invested in programmes to support select charities aligned to our key values. A long-time partner is UnLtd; a social purpose organisation connecting the media, marketing and creative industries with charities helping children and young people at risk.

Through this partnership our people can immerse themselves in a range of charities and contribute their time and expertise through a series of events across the year.

In 2022 we

- Engaged over 100 participants in 38 events across all metro markets
- Sponsored five activations across 4 x golf days and 2 x soccer tournaments helping to raise $305,000
- Raised $7,000 for Support Act at the Ricochet Ball
- Partnered with UnLtd as a Gold Sponsor to the value of $250,000 value in media airtime
- Played a critical role in raising $284,000 across their cricket, Three Peaks (hiking) and golf events
- Contributed to over $565,000 being raised for BackTrack at the Unltd Big Dream Ball

As part of the UnLtd Partnership ARN specifically supports Musicians Making A Difference (MMAD), an Australian charity that transforms young lives through music. In 2022, we supported MMAD day nationally to help deliver the organisation their most successful to date.

Our support included a campaign valued at $200,000 that spanned consumer and trade audiences.

As a result of the campaign MMAD experienced 18,000 interactions on the 'Get Help' website page on MMAD Day alone and a total campaign reach of almost 20 million people worldwide.

Salvation Army Street Level Mission – Surry Hills

"My husband & I are both lucky enough to work at places where they see value allowing staff to utilise a "volunteer day" and we always spend the day working at The Salvation Army Street Level Mission in Surry Hills with our two eldest daughters. Our day consists of many things including, cooking lunch for the homeless, cleaning up, serving the homeless their lunch or just chatting with them. Volunteering has opened up our eyes to a world we never understood or even knew existed and it's given us the opportunity to meet a wide range of different people from different backgrounds and to see that everybody has a story. It's a great eyeopener for our kids and a fantastic way to do our little bit to give back and realise just how lucky we are. We wouldn't be able to do this without the support of ARN."

Karen Harris,
Strategy Manager

Samaritan's Purse – Operation Christmas Child

"We are so lucky at ARN to get access to one day a year to give back in any way we like. I chose to use my day this year helping Samaritan's Purse in Western Sydney – they check and pack thousands of boxes of donated presents for kids in Cambodia, who would otherwise not get anything for Christmas at all. The thought of putting a smile on some little one's faces from all the way over here is heart-warming and I feel so blessed to be able to help!"

Tegan Kirkby,
Client Strategy Director

"We are so lucky at ARN to get access to one day a year to give back in any way we like."

Tegan Kirkby
Client Strategy Director

Environmental, Social & Governance: InTune @ARN (continued)

InTune with Our Team

Our sustained focus and investment in our people reaped many rewards for our business and teams in 2022.

Mix 102.3 & Cruise1323 staff enjoyed a staff gathering, including a smoking ceremony

With the acquisition of Grant Broadcasters early in the year, ARN's workforce and operational complexity increased. In response our people stepped up and delivered on their business-as-usual work whilst executing the full integration of our metro and regional stations.

We continued to build on the foundations set in 2021 and made progress against our plan of building the most constructive culture possible. This is brought to life through our 'Culture in Action' framework – a set of behaviours hardwired into every day which articulate what constructive culture looks like.

At the beginning of 2021, we benchmarked our culture using Human Synergistics' Organisational Culture Index (OCI) which measures the current culture of an organisation through shared behavioural norms (behaviours people believe are required to "fit in"). Using the same model, we set an ambition for our ideal future culture.

18 months later, and at the end of a year of significant change and integration work, we retested our culture, with pleasing progress made. The interventions to shift the culture had the desired impact with all constructive (blue) styles increasing and defensive (red and green) styles decreasing.

Investment in People Capability

An essential part of our constructive culture is investment in people. In 2022 this included succession planning for existing team members, as well as recruiting new team members to close current and future capability gaps. This was delivered across most functions of the business but with a primary focus on Digital & Technology, Finance & Legal and People & Culture.

Key appointments in 2022 include

- Chief Digital & Technology Officer
- Chief Legal Officer & Company Secretary
- Head of Organisational Effectiveness
- Director – Commercial Strategy & Growth

Further Developing and Embedding Capability

Continuously developing our people's knowledge and capability remained a core focus – and while it is our view the best learning happens across a multitude of touchpoints (formal and informal), two significant and structured programs were delivered in 2022.

1. Leadership@ARN

Because leaders have the greatest impact on culture and results, we continued to develop our leaders' capabilities to achieve measurable outcomes including but not limited to:

1. Cascading and delivering strategic goals
2. Driving success and achieving ambitious commercial outcomes
3. Increasing engagement, performance and effectiveness
4. Reducing attrition and attracting high caliber talent

Our program received a participant Net Promoter Score of 70, a reported 20% increase in leadership confidence and an uplift on all ROI metrics. Leadership@ARN is also the winner of a 2022 Gold LearnEx Award for Leadership Training.

2. Selling@ARN

To capitalise on the opportunities of 2022, we also turned our focus to our sales teams, developing a new learning solution giving every salesperson increased capability to connect with customers.

In addition to increased sales revenue, Selling@ARN achieved in all key impact areas identified as measures of success and the highest rating on the Kirkpatrick Training Evaluation model.

Selling@ARN is also the winner of the Gold LearnEx Award for Sales Training.

Establishing an Evidence-Based Diversity and Inclusion Strategy

We also continued to build on our culture work by developing a diversity and inclusion (D&I) strategy which draws on an evidence-base we access as members of the Diversity Council of Australia (DCA).

In addition, we participated in the DCA Member Survey, accessed open programs and attended the Annual Diversity Debate. Further, we have registered to participate in the 2023 DCA national 'Inclusion at Work Index' tracking the state of inclusion in Australian workplaces. ARN's ELT has also made a commitment to developing their D&I capability by participating in DCA knowledge programs and cascading learnings across the business.

Workplace flexibility is brought to life through the behaviours of our constructive culture and we encourage each team member to work with their leader to agree the best processes and places for them to deliver their agreed outcomes.

ARN is also proud to have formalised our commitment to embedding the principles and purpose of reconciliation by registering with Reconciliation Australia to commence developing a Stage One "Reflect" Reconciliation Action Plan for implementation in 2023.

Health, Safety and Wellbeing

In 2021 we renewed our Workplace Health and Safety Management System (WHSMS). Now in place for over 12 months, and we have maintained our industry-low incident record, with zero serious incidents.

Since the onset of COVID-19, we have focused on keeping our people, safe, well and informed by complying with government requirements including encouraging vaccination and enabling people to work flexibly and from home as/when necessary – and will continue to do so if/when required.

Our Social Committees coordinate a range of opportunities for our teams to connect and celebrate. The 'feel good philosophy' these volunteers creates many moments of joy for our people online and face-to-face. With the need for interpersonal and social connection at an all-time high, the significance of our Social Committees' work has increased and we continue to support them with budget and resource allocations to bring this important and unique part of our culture to life.

Another support structure in place for our people's health, safety and wellbeing is an Employee Assistance Program (EAP) providing confidential and free counselling support for team members and their immediate family.

We continued to build on the strength of the foundations set in 2021 and made progress against our plan of building the most constructive culture possible.

Britt, Laura & Mitch – THE PICK UP, KIIS Network

Environmental, Social & Governance: InTune @ARN

InTune with Our Planet

In 2022 we have taken significant steps to understand our carbon profile and identify steps to reduction.

To understand our emissions and potential in this area, we partnered with a specialist sustainability advisory, Edge Environment, to calculate our Greenhouse Gas (GHG) emissions and identify our impacts and opportunities.

Immediate Objectives

1. Quantify and understand ARN and Emotive's carbon footprint in line with the Greenhouse Gas Protocol.
2. Improve internal understanding of carbon outputs and impact, plus pathways to decarbonisation.
3. Understand our emissions profile including areas for priority attention.
4. Increase stakeholder understanding of sustainability.
5. Consider longer-term opportunities for carbon reductions and communicating progress.

2022 Project Scope

We measured our carbon emissions across the reporting period 1 October 2021 – 30 September 2022:

1. Emissions from the use of fuels and refrigerants (Scope 1)
2. Emissions from the use of electricity (Scope 2)

* Note: Assets where we have no operational control over utilities are with Scope 3 and not included within this assessment.

Results and Emissions Breakdowns

On completion of analysis, data was split into several specific areas of impact and opportunity.

This chart sets our base benchmark for improvement. As more corporations monitor their environmental impact and industry comparisons become available, we will establish targets commensurate to our size and ambitions.

Emissions by Scope	Carbon Output	% Total Operational Emissions
Scope 1	569 tCO_2-e	12%
Scope 2	4,354 tCO_2-e	88%
Emissions by Asset Type	**Carbon Output**	**% Total Asset Emissions**
Offices	3,008 tCO_2-e	61%
Transmission Sites	1,915 tCO_2-e	39%
Emissions by Office Control	**Carbon Output**	**% Total Office Emissions**
Leased Offices	2,388 tCO_2-e	78%
Owned Offices	663 tCO_2-e	22%
Emissions by Vehicles	**Carbon Output**	**% Total Operational Emissions**
Owned Vehicles	240 tCO_2-e	5%

Summary

This carbon footprint highlights opportunities to be addressed in our next phase of work which may include: more robust data collection; mitigation and reduction planning; target trajectories; opportunities for stakeholder influencing; internal knowledge-building; investor communication packs; and leveraging opportunities within existing operations to reduce our carbon footprint.

One such example of reducing our carbon footprint is the development of our new Port Lincoln studio. Within this facility almost all major components of the broadcast technology were sourced from other decommissioned studios and then successfully "upcycled" to create a new broadcast facility. This included studio on-air consoles, Broadcast and IT servers, phone system and computer hardware – thus providing the blueprint for a more sustainable, replicable solution for a wide range of future studio builds and re-builds.

In addition to these initiatives, in 2022 ARN became founding members of the audio industry's inaugural sustainability committee 'Green Ears' which will work toward the continued improvement of each member's and our industry's environmental performance and impact as a whole with the goal of establishing a 'green audio checklist'.

Almost all major components of the broadcast technology were sourced from other decommissioned studios and then successfully "upcycled" to create a new broadcast facility.

Environmental, Social & Governance: InTune @ARN

InTune with Best Practice

HT&E's long-term success requires strong governance, across both corporate and media areas of operation.

Corporate Governance

HT&E is an ASX listed company with an objective of increasing shareholder value within an appropriate framework of corporate governance. The Company has considered the best practice recommendations established by the ASX Corporate Governance Council and complied with those ASX recommendations.

The documents detailing the Company's corporate governance framework are available at **htande.com.au/corporate-governance/**. Most relevant are the Corporate Governance Statement and Code of Conduct.

Charters also exist to guide the Board, the Audit and Risk Committee and the Remuneration, Nomination and Governance Committee.

The Company also has detailed policies regarding Market Disclosure, Risk Management, Securities Trading, Fraud, Diversity, Conflict of Interest, Modern Slavery and Whistleblowers.

The Whistleblower program ensures people can raise concerns regarding actual or suspected contravention of the Company's ethical and legal standards without fear of reprisal or feeling threatened by doing so. It includes an externally managed hotline to give whistleblowers confidence and the ability to make complaints on an anonymous basis.

These policies were reviewed during 2022 and updated accordingly.

Media Governance

ARN takes its obligations as a provider of news content to its audiences and the Australian community seriously. We operate under strict editorial controls to ensure fair representation and accuracy. The company has expertise in regulatory and pre-publication review including defamation, content regulation, privacy and anti-surveillance, advertising restrictions and consumer protection legislation.

ARN is committed to ethical journalism – news content produced by our journalists is subject to both the MEAA Code of Ethics and the Commercial Radio Code of Practice requiring high standards of integrity, honesty, independence and impartiality.

Digital content is carefully moderated by online content producers and vetted to ensure published material meets ARN's policies and legislative requirements governing news content.

ARN understands the significance of the news, current affairs and emergency information that it broadcasts to its audiences. This has become even more important following the acquisition of ARN Regional, which services many regional communities that rely on radio, particularly after the floods that occurred during 2022.

ARN is a participant in the ACMA's co-regulatory complaints handling framework which ensures accountability to prevailing community standards. The company expects its journalists and digital content producers to act with integrity and professionalism in news gathering and production activities.

ARN understands the significance of the news, current affairs and emergency information that it broadcasts to its audiences. This has become even more important following the acquisition of ARN Regional, which services many regional communities that rely on radio, particularly after the floods that occurred during 2022.

ARN also understands the critical role of news information in contributing to civic life, political engagement and an effective democracy and are committed to delivering news across all settings without political agenda or commercial influence. The company delivers a trusted news service that can be relied upon as a timely and credible source of information. At peak times, bulletins are compiled and broadcast half hourly by its radio stations in order to bring the most up to date news to its audiences.

Approach to Intellectual Property Protection

HT&E has a well-developed intellectual property protection program designed to ensure compliance with laws and following industry best practice. Each day, ARN delivers content to its audiences across multiple platforms. Radio's inimitable ability to connect with its audiences, to generate emotion and to create lasting impact requires a unique mix of music, personalities, talk and information to produce a sense of connection beyond geographical boundaries.

ARN relies on intellectual property to continually create best-in-class content requires a constant focus on intellectual property governance that safeguards its copyright and other intellectual property interests, as well as that of its partners, suppliers and consumers in order to keep pace with a rapidly changing intellectual property economy.

A framework of intellectual property rights management is required to produce ARN's radio shows, podcasts and website content. All licences, consents, clearances and permissions that may be required in separate copyrights in underlying musical, literary or dramatic works or subsisting in audio/visual recordings is obtained prior to publication by ARN. The company ensures its obligations in relation to moral rights, performers' consents and crediting sources are carefully observed at all times and that content does not violate any applicable laws, impersonate any person or infringe the intellectual property rights of any third party.

ARN is committed to providing clear processes, performance protocols and policy transparency for all of its clients and partners and operates at all times subject to its published terms of trade. These terms of trade include its Standard Advertising Terms and Conditions, Terms of Use and Privacy Statement, which are designed to provide transparency regarding intellectual property ownership, avoid unfair trade practices, protect the interests of its clients, and to enable informed choices about the services being provided by ARN. These terms of trade promote the proper and accountable treatment of intellectual property and functioning of ARN's media services to its clients. All of ARN's terms of trade are published on its websites and readily accessible.

Its Standard Advertising Terms and Conditions are communicated to its clients at the time of booking or can be made available on request.

ARN takes its brand protection very seriously and is committed to the protection and integrity of its intellectual property to ensure its brands remain strong and resonate with audio consumers. Its portfolio of influential brands resonate with the Australian public through its highly recognisable talent and identifiers in the form of registered trade marks, logos, business and domain names that appear on its platforms and properties and identify the KIIS, Gold and iHeartRadio networks as leading audio brands in their respective markets. Listeners of all ages and demographics associate the ARN brands with best in class content, unforgettable moments with the familiar voices of ARN's unrivalled stable of talent, and a sense of connection to community that can overcome distance and geography. Piracy, copyright and trade mark infringements are continually monitored by ARN as part of its brand protection program. The company believes that strong intellectual property protection is essential for it to be able to deliver on its strategic objectives and to continue to resonate with its audiences.

Radio's unique mix of music, personalities, talk and information create an unrivalled connection with audiences which we unequivocally protect.

Board of Directors

Hamish McLennan

Chairman of the Board and Non-executive Director

(since 30 Oct 2018)

Hamish McLennan is an experienced media and marketing executive who brings unparalleled expertise to the Board, given the global roles he has held and his depth of understanding of the changing media landscape and the demands of advertisers.

He has a proven track record as an outstanding leader across the media and advertising sectors.

Previous roles Hamish has held include Executive Chairman and Chief Executive Officer of Ten Network Holdings from 2013 to 2015, Executive Vice President for News Corporation in Sydney and New York from 2012 and 2013 and Global Chairman and CEO of Young & Rubicam, a division of WPP, the world's largest communications services group from 2006 to 2011.

Committees

Audit & Risk, Remuneration, Nomination and Governance.

Other Directorships and offices

Director of REA Group Ltd (Chairman), Rugby Australia Limited (Chairman), Magellan Financial Group Limited (Chairman), Claim Central Pty Limited, Scientific Games Corporation (US company) and Garvan Institute of Medical Research (Fundraising Board).

Previous directorships of other Australian listed companies (last three years)

iProperty Group Pty Ltd (from 16 February 2016 to 6 February 2019) (delisted).

Ciaran Davis

CEO & Managing Director

(since 24 Aug 2016)

Ciaran Davis is responsible for the strategic and operational direction of the business. He has transformed a business with large debt and a declining asset portfolio centred on traditional publishing, into one of the most exciting media businesses in Australia today.

Prior to becoming CEO of HT&E, Ciaran spent five years as CEO of ARN repositioning the business to become the number one metropolitan radio operator in Australia.

He has over 20 years media experience working in over 15 countries throughout Europe and the Middle East.

In 2022, Ciaran became Chair of Commercial Radio and Audio in Australia – the industry body representing the interests of commercial radio broadcasters throughout Australia.

Other Directorships and offices

Director of a number of HT&E subsidiaries and joint venture companies and The Australian Ireland Fund Ltd.

Previous directorships of other Australian listed companies (last three years)

Nil.

Roger Amos FCA, FAICD

Non-executive Director

(since 30 Nov 2018)

Roger Amos is an experienced non-executive Director with extensive finance and management experience.

He was formerly Chairman of Contango Asset Management Limited and a non-executive Director of 3P Learning Limited. He was formerly a non-executive Director at REA Group Ltd, where he was the Chairman of the Audit, Risk and Compliance Committee and a member of its Human Resources Committee. At 3P Learning Limited, he was the Chairman of the Audit and Risk Committee and a member of its Nominations and Remuneration Committee. Roger was also previously a Director of Austar United Communications Limited and Enero Group Limited as well as Governor on the Cerebral Palsy Alliance Research Foundation.

He had a long and distinguished career with international accounting firm KPMG for 25 years as a partner in the Assurance and Risk Advisory Services Division. While with KPMG, he led the Australian team specialising in the information, communications and entertainment sectors and held a number of global roles.

Committees

Audit & Risk (Chair), Remuneration, Nomination and Governance.

Other Directorships and offices

Nil.

Previous directorships of other Australian listed companies (last three years)

Enero Group Limited (from 23 November 2010 to 18 October 2018), REA Group Ltd (from 4 July 2006 to 17 December 2020), Contango Asset Management Limited (from 7 June 2007 to 31 January 2022) and 3P Learning Limited (from 2 June 2014 to 28 May 2021).

Alison Cameron B Ec

Non-executive Director

(since 5 Jan 2022)

Alison is an experienced media executive with a 34 year career spanning finance, sales and management in commercial radio. From 1993–2021, Alison worked for her family's business, privately owned Grant Broadcasters Pty Ltd and was part of multiple acquisitions over the last 15 years, culminating in the ownership of 48 commercial radio stations in regional Australia. She has a deep understanding of media and regional communities. Alison's most recent role was CEO of Grant Broadcasters and was responsible for the negotiation of the sale of 46 regional stations to ARN.

Alison is also a Director of the government's National Film and Sound Archive, and Chair of their Finance Committee and a member of the Audit and Risk Committee. Alison was also Director of Grant Broadcasters Pty Ltd from 18 February 2004 to 4 January 2022.

Committees

Audit & Risk Committee.

Other Directorships and offices

Director of National Film and Sound Archive since May 2020. Director of private companies Craigieburn Resort Pty Ltd, Golden Labrador Pty Ltd, G-Agri Pty Ltd and Gordie Pty Ltd.

Previous directorships of other Australian listed companies (last three years)

Nil.

Paul Connolly BComm, FCA

Non-executive Director

(since 18 Oct 2012)

Paul Connolly has over 30 years' experience advising on mergers and acquisitions, takeovers, disposals, fundraisings and initial public offerings. Since 1991, Paul has been Chairman of Connolly Capital Limited, a Dublin-based corporate finance advisory firm focused on the telecom, media and technology sectors. He was a Director of Esat Telecommunications Limited, an Irish telecommunications company, from 1997 to 2000, and then a Director of Digicel Limited from 2000 to 2006, a Caribbean and Pacific based telecommunications Company – he continues to serve as a Senior Advisor to Digicel. In addition, he was a Director of Melita Cable PLC from 2007 to 2016 and a Director of Independent News & Media PLC from 2009 to 2018. From 1987 to 1991, he held the position of Financial Controller of Hibernia Meats Limited and prior to that, he worked with KPMG as an accountant.

Committees

Remuneration, Nomination and Governance (Chair), Audit & Risk.

Other Directorships and offices

Chairman of private Irish companies Connolly Capital Ltd., Tetrarch Capital Ltd., FrameSpace Ltd., Business & Finance Ltd. (Irish business media group), Polaris Principal Navigator Ltd. and UNICEF Ireland.

Previous directorships of other Australian listed companies (last three years)

Nil.

Belinda Rowe BA

Non-executive Director

(since 5 Feb 2019)

Belinda Rowe has extensive experience across the marketing, communications, digital and media sectors. She held leadership roles in global companies such as Telefonica O2 UK, a significant UK telecommunications company as head of their Brand and Marketing Communications. She was one of the top global executives at Publicis Media, one of the largest media communications groups in the world. She led a business and digital transformation capability along with a successful client practice in her global role at Zenith. She also created a unique content marketing business across 32 markets with Publicis Media, advising on digital capabilities such as digital content marketing including social and the application of data and technology for dynamic creative solutions. Prior to moving to the UK in 2009 she was CEO of ZenithOptimedia (now Zenith) and Executive Director at Mojo, for 10 years in Australia.

Committees

Audit & Risk, Remuneration, Nomination and Governance.

Other Directorships and offices

Nominated Director of Soprano Design Limited, Non-Executive Director of Sydney Swans Limited, Temple & Webster Group Ltd and 3P Learning, SecondBite NSW Chair Advisory Committee.

Previous directorships of other Australian listed companies (last three years)

Nil.

Senior management team

Ciaran Davis

CEO & Managing Director

(since 24 Aug 2016)

Refer to biography above.

Andrew Nye BBus, CA

Chief Financial Officer

(since 14 Aug 2019)

In August 2019, Andrew Nye was appointed Chief Financial Officer of ARN, with dual responsibility for both ARN and HT&E. He joined HT&E in 2015 as General Manager of Finance and was appointed Chief Financial Officer of Adshel in 2017.

At HT&E, Andrew was the operational finance lead across a period of significant corporate activity, including the demerger of NZME, disposal of Australian Regional Media and acquisition of Adshel. While at Adshel, Andrew was a member of the executive team, responsible for the development and execution of the strategic and operational plans of the company. Andrew led the finance team through the successful sale of Adshel to oOh!media in 2018.

Andrew is a Chartered Accountant and has a broad range of experience accumulated through a combination of commercial roles and over 11 years consulting at PwC. Andrew is a Director of a number of HT&E subsidiaries and joint venture entities.

Jeremy Child BBus LLB MSc

Chief Legal Officer & Company Secretary

(since 14 Aug 2019)

Jeremy Child joined HT&E Limited in 2015 as Group Taxation Manager and took on the expanded role of Company Secretary in August 2019.

He previously worked at the Royal Bank of Scotland (formerly ABN AMRO) dealing in a range of tax matters including advising on transactions, products, governance and managing tax audits. Jeremy also consulted at tax firms such as providing R&D advice with MJ&A and GST advice with PwC.

Jeremy is a legal practitioner holding a BBus/LLB from UTS, a MSc from the Stockholm School of Economics and is an Associate of the Governance Institute of Australia.

Directors' Report and Financial Report

Directors' Report

Corporate Governance Statement

The Board of HT&E endorses good corporate governance practices and oversees an organisation-wide commitment to high standards of legislative compliance and financial and ethical behaviour.

The Directors' overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders and ensures the Company is properly managed.

The Company has considered the best practice recommendations established by the ASX Corporate Governance Council Corporate Governance Principles and Recommendations 4th Edition, February 2019 and has complied with the ASX recommendations for the entire reporting period (unless otherwise indicated in the Company's Corporate Governance Statement).

A description of how the Company's main corporate governance practices and policies, together with the policies and charters referred to in it, is available on the Company's website, www.htande.com.au/corporate-governance.

Directors' Report

Your Directors present their report on the consolidated entity consisting of HT&E and the entities it controlled at the end of, or during, the year ended 31 December 2022. Throughout this report, the consolidated entity is also referred to as the Group.

1. Directors

The Directors of HT&E Limited during the financial year and up to the date of this report consisted of:

Hamish McLennan (Chairman) (appointed 30 October 2018)

Roger Amos (appointed 30 November 2018)

Paul Connolly (appointed 18 October 2012)

Ciaran Davis (CEO & Managing Director) (appointed 24 August 2016)

Belinda Rowe (appointed 5 February 2019)

Alison Cameron (appointed 5 January 2022)

Details of the current Directors' qualifications, experience and responsibilities are set out on pages 36 and 37.

2. Company Secretary

The Company Secretary of HT&E Limited is Jeremy Child (appointed 14 August 2019)

Details of the current Company Secretary's qualifications, experience and responsibilities are set out on page 38.

3. Principal Activities

HT&E is a leading media and entertainment company listed on the Australian Securities Exchange which operates audio and digital businesses in Australia as well as outdoor assets in Hong Kong.

HT&E owns Australian Radio Network (ARN), Australia's leading metropolitan and regional radio broadcaster and home to the national KIIS and Pure Gold networks and youth radio network The Edge. On 4 January 2022, ARN acquired regional radio and digital operations (ARN Regional) from Grant Broadcasters (refer note 6.1 for more details).

ARN also operates under a long term licence agreement, music, streaming and podcasting distribution platform iHeartRadio, along with a content creation business Emotive.

HT&E also owns Cody Out-of-Home in Hong Kong, which has a network of over 370 outdoor advertising panels across major Hong Kong tunnels as well as the iconic tram shelters on Hong Kong Island.

Other HT&E investments included global provider of secure mobile messaging technology Soprano Design. On 31 December 2022, the Group signed a binding share sale agreement to sell its 25% interest in Soprano Design Limited (Soprano) to Potentia Capital (Potentia), a leading Australian technology focused private equity firm.

Under the agreement the Group will receive approximately $66.3 million in cash as consideration for the sale of its entire interest. The sale is conditional upon receiving FIRB approval and is expected to be completed in the first half of 2023.

Directors' Report
(Continued)

Dividends

Dividends paid to owners of HT&E Limited during the financial year were as follows:

Dividends

Type	Cents per share	AUD million	Date of Payment
Final 2021	3.9	12.1	23 March 2022
Interim 2022	5.0	15.6	15 Sept 2022

Since the end of the financial year, the Directors have declared the payment of a fully franked dividend of 5.2 cents per ordinary share. This dividend is paid from parent entity profits since 1 January 2023. This dividend is payable on 23 March 2023.

4. Consolidated Result and Review of Operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Chairman's letter, Chief Executive Officer's letter and Operating & Financial Review on pages 8 to 21.

5. Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review not otherwise disclosed in this Directors' Report or the consolidated financial statements.

6. Matters Subsequent to the End of The Financial Year

Events occurring after balance date are outlined in note 6.7 to the consolidated financial statements.

7. Likely Developments and Expected Results of Operations

Overall strategic direction and prospects are discussed in the Chairman's and Chief Executive Officer's letters on pages 8 to 11 and the Operating & Financial Review on pages 12 to 21.

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this Directors' Report because, in the opinion of the Directors, it would prejudice the interests of the consolidated entity.

8. Risk Management

The Board plays an active role in the setting and oversight of HT&E's Risk Management Framework.

The Australian advertising industry is subject to inherent risks including, but not limited to, exposure to macroeconomic factors, technological and social changes impacting consumer behaviours and advertiser spending, market competition and impacts of changes in government regulations.

The process of identifying, monitoring and mitigating significant business risks under the Group's Risk Management Framework is outlined in further detail in the Corporate Governance Statement which is available on the Company website, www.htande.com.au/corporate-governance.

Directors' Report
(Continued)

The Group has identified a number of key business and financial risks which may impact on HT&E's achievement of its strategic and financial objectives. They include, but are not limited to:

Risk	Description
Changes in radio audience share	In Australia, the Group operates within the radio and digital advertising sectors. Any decline in radio audience share could affect advertising revenue and financial results. The Group mitigates this risk by investing in its on-air talent and total audio offering, which span across radio, music streaming and podcasting, in addition to the attraction and retention of experienced and high performing executives and employees.
Loss of key on-air talent	Recruiting and retaining the best on-air talent is integral to being able to maintain and grow audience share. Fixed term contracts are in place, with terms reviewed and contracts renewed with sufficient regularity to mitigate the risk of losing key on-air talent.
Changes in advertiser and/or audience preferences	Remaining relevant to advertisers and audiences is critical to meeting the Group's strategic objectives. Changes in audience preferences leading to audience fragmentation could over time, result in revenue declines. The Group remains focused on improving commercial revenue share through its "Defining Audio through Connections that Count" commercial proposition. The Group's relevance to agencies and advertisers has been further enhanced with the acquisition of ARN Regional. The Group continues to invest in digital audio innovation, podcasting, music streaming and data capabilities. Further, investment in capabilities include retaining experienced media executives, hiring proven on-air talent, participation in industry bodies, advertising and market research.
Macroeconomic factors	The ability for the Group to execute its strategy is linked to ongoing economic stability in those markets in which it operates. If economic conditions were to deteriorate, there could be a significant reduction in Group revenues and earnings. Advertising spend has improved in 2022 and the Group maintains a sound capital structure with sufficient undrawn financing facilities in place and will continue to monitor performance and market developments to reassess plans and strategies as required.
Tax matters	A number of tax matters as previously disclosed, have been settled through binding agreements with the Australian Taxation Office in 2021. Further details are provided in note 4.1 to the consolidated financial statements.
Loss of broadcasting licence	While considered unlikely, the loss of an Australian radio broadcasting licence would have a material impact on Group revenues and earnings. The Group has long-standing controls in place to minimise the risk of legislation compliance breaches.
Disruption of technology systems, security breaches and data privacy	There are a number of technology systems that are critical to the operations of the Group and protection of privacy of data. The Group continues to invest in cyber security and strengthening its IT Risk Management Framework to reduce the occurrence of outages, enable early detection of issues and mitigate operating and financial impacts. During the year, training on cyber security awareness was completed for all staff.

Directors' Report
(Continued)

9. Corporate Social Responsibility

The Directors recognise the corporate social responsibilities of the Group, including the importance of environmental matters, occupational health and safety issues and diversity initiatives. The Directors are committed to compliance with all relevant laws and regulations to ensure the protection of the environment, the community and the health and safety of employees. The operations of the consolidated entity are not subject to any particular and significant environmental regulation under the laws of Australia or Hong Kong.

10. Remuneration Report

The Remuneration Report is set out on pages 46 to 61 and forms part of this Directors' Report.

11. Directors' Meetings

The number of meetings of the full Board of Directors and Board Committees held in the period each Director held office during the financial year and the number of those meetings attended by each Director in their capacity as a member of the Board or Board Committee were:

	Board of Directors		Audit & Risk Committee		Remuneration, Nomination and Governance Committee	
	Held	Attended	Held	Attended	Held	Attended
Hamish McLennan	6	6	4	4	3	3
Roger Amos	6	6	4	4	3	3
Paul Connolly	6	6	4	4	3	3
Ciaran Davis	6	6	N/A[1]	N/A[1]	N/A	N/A
Alison Cameron	6	6	3	3	N/A	N/A
Belinda Rowe	6	6	4	4	3	3

[1] Ciaran Davis attended all Audit & Risk Committee meetings

Committees were formed for purposes of approving the half-year financial statements, annual financial statements, 2021 Annual Report and 2022 Notice of Annual General Meeting. These meetings were attended as follows (Held/Attended): Hamish McLennan (2/2), Ciaran Davis (2/2).

12. Directors' Interests

The Remuneration Report on pages 46 to 61 contains details of shareholdings of the Directors and Executive Key Management Personnel for the year ended 31 December 2022.

13. Shares Under Option

There were no unissued shares of HT&E Limited under option at 31 December 2022 and no shares issued during the financial year as a result of the exercise of options. No options have been granted since the end of the financial year.

14. Indemnification of Directors and Officers

The parent entity's Constitution provides for an indemnity for officers of the Company against any liability incurred by an officer of the Company in their capacity as an officer. Under the *Corporations Act 2001*, this indemnity does not extend to a liability to the parent entity or a related body corporate of the parent entity, a liability for a pecuniary penalty or compensation order under certain provisions of the *Corporations Act 2001* or a liability that is owed to someone other than the parent entity or a related body corporate of the parent entity, which did not arise out of conduct in good faith.

An Access, Indemnity and Insurance Deed is also provided to each Director and officer who serves as a director or officer of the Company, a subsidiary or an associated entity. The deed is consistent with the Constitution and indemnifies these persons to the extent permitted by law for liabilities and legal costs incurred as a director of these entities (subject to some limitations).

Directors' Report
(Continued)

15. Insurance of Directors and Officers

The parent entity has paid for an insurance policy for the benefit of all persons who are or have been directors or officers of the parent entity or any other company in the consolidated entity against liabilities incurred during any one policy period. The insured persons include current and former directors, officers and company secretaries of the parent entity and any other company in the consolidated entity. The insurance policy specifically prohibits the disclosure of the nature of the liability covered and the premium paid.

16. 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 the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

17. Non-Audit Services

The Group may decide to employ its auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

For the financial year, the Company's auditor, PricewaterhouseCoopers, received or is due to receive $632,436 for the provision of non-audit services. Full details of the amounts paid or payable to the auditors for audit and non-audit services provided during the financial year are set out in note 6.4 to the consolidated financial statements.

The Company auditor has provided the Directors with an Auditor's Independence Declaration in relation to the audit, a copy of which is provided on page 62. The auditor has also confirmed to the Directors that it has in place independence quality control systems which support its assertions in relation to its professional and regulatory independence as auditor of the consolidated entity (including the requirements of APES 110 Code of Ethics for Professional Accountants).

The Audit & Risk Committee has reviewed the fees provided to the auditor for non-audit services in the context of APES 110, the requirements of the Audit & Risk Committee Charter, the Audit Firm Service Provider Policy and general corporate governance practices adopted by the consolidated entity.

Based on the above factors, the Audit & Risk Committee has no reason to believe that there has been any compromise in the independence of the auditor due to the provision of these non-audit services and has advised the Board accordingly.

In accordance with the advice of the Audit & Risk Committee, the Directors are therefore satisfied that the provision of non-audit services during the financial year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and that the provision of non-audit services during the financial year did not compromise the auditor independence requirements of the *Corporations Act 2001*.

18. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is provided on page 62.

Directors' Report
(Continued)

19. Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in this Directors' Report and the financial report. Amounts in this Directors' Report and the financial report have been rounded off to the nearest thousand dollars, or in certain cases to the nearest dollar, in accordance with that instrument.

This Directors' Report is issued in accordance with a resolution of the Directors.

Hamish McLennan
Chairman

Sydney
21 February 2023

Remuneration Report

Dear Shareholders

On behalf of the Remuneration, Nomination and Governance Committee and the Board of Directors, I am pleased to present HT&E's Remuneration Report for 2022.

The Chairman's and CEO & Managing Director's reports outline the performance of the Group in 2022. In a year of significant transformation, the Group maintained its market leading metropolitan radio audience share, successfully delivered on key milestones in the integration of ARN Regional and advanced several long-term strategic projects.

Key projects furthered included the expansion of the Group's digital audio capability, launch of multi-platform youth media brand, CADA, continued investment in the 'Culture in Action' employee behaviours framework and the launch of InTune@ARN, our ESG program.

The sale of HT&E's long-held investment in Soprano for $66.3 million (subject to FIRB approval) following a lengthy process, represents a significant return on investment and places the Group in a strong position to reduce existing debt and take advantage of future audio opportunities.

HT&E's financial performance for 2022 finished behind ambitious revenue targets, and the remuneration outcomes set out below reflect this performance.

Remuneration Approach and Changes For 2022

Following the acquisition of ARN Regional which significantly increased the revenues, EBITDA, cost base and complexity of the Group, and the critical role of KMP in managing the integration, the below changes were enacted in 2022;

- the CEO & Managing Director's Total Financial Remuneration ('TFR') reinstated to $1.2 million (equal to 2017 TFR), and the target TIP opportunity reduced from 137.5% to 115%;
- the CFO's TFR increased to $575,000, with the TIP threshold remaining unchanged at 100%;
- Non-executive Director Board Member fees increased to $135,000 per annum; and
- the Chairman's fees increased to $320,000 per annum

The structure and financial metrics of the Group's Total Incentive Plan (TIP) in 2022 remained consistent with the 2021 plan.

Performance and Remuneration Outcomes For 2022

As previously outlined, HT&E's financial performance in 2022 fell short of ambitious revenue targets and accordingly the financial performance thresholds below were not met;

- Reported EBITDA before significant items and discontinued operations, of $91.8 million was up 53% verses 2021 and 12.1% below target;
- EPS on a post-tax basis, before significant items, of 14.6 cents was 18.5% below target; and
- ROIC, calculated based on earnings before interest and tax (EBIT) and before significant items, of 10.7%, compared to target of 12.5%.

Executive KMP also met some of their key performance indicator (KPIs) targets.

A review of KMP remuneration was undertaken in late 2021, with the support of Mercer Consulting Australia. This review involved benchmarking the Executive KMP Remuneration framework and outcomes against a peer group of similar companies. The review confirmed that the Executive KMP Remuneration framework is market competitive, acts as a reward and retention tool, and strongly aligns executives with the interests of shareholders.

The Board believes the Group's total remuneration and incentive plan continues to strongly align our management team with the interests of shareholders.

Paul Connolly
Chair of the Remuneration,
Nomination and Governance Committee

Remuneration Report
(Continued)

Our Detailed Remuneration Report

This Remuneration Report for the year ended 31 December 2022 outlines key aspects of our remuneration framework and has been audited in accordance with the *Corporations Act 2001*.

Our Remuneration Report contains the following sections:

A. Who this report covers
B. Remuneration governance and framework
C. How 2022 reward was linked to performance
D. Total remuneration for Executive KMP
E. Actual remuneration for 2022
F. Contractual arrangements with Executive KMP
G. Non-executive Director arrangements
H. Share-based remuneration
I. Non-executive Director and Executive KMP shareholdings
J. Other statutory disclosures.

A. Who This Report Covers

This report covers Key Management Personnel (KMP), comprising Executive Key Management Personnel (Executive KMP) and Non-executive Directors.

Name	Role
Executive KMP	
Ciaran Davis	Chief Executive Officer (CEO & Managing Director)
Andrew Nye	Chief Financial Officer (CFO)
Non-executive Directors	
Hamish McLennan	Non-executive Chairman
Roger Amos	Non-executive Director
Paul Connolly	Non-executive Director
Belinda Rowe	Non-executive Director
Alison Cameron	Non-executive Director (from 5 January 2022)

No other changes have occurred to the composition of KMP since 31 December 2022 up to the date of this report.

Remuneration Report
(Continued)

B. Remuneration Governance and Framework

Remuneration Governance

The role of the Remuneration, Nomination and Governance Committee is to oversee HT&E's remuneration policies and practices, so they are consistent with and relevant to the achievement of the strategic goals of the Group. Amongst other objectives, the Committee is tasked with reviewing, and recommending to the Board, reward outcomes and any significant changes to remuneration arrangements for the Chief Executive Officer (CEO) & Managing Director and other Executive KMP.

The Committee reviews KMP remuneration on a periodic basis, often with the assistance of external remuneration specialists. A review was last undertaken in 2021, with the support of Mercer Consulting Australia. The review involved determining an appropriate peer group of companies to benchmark our remuneration framework against, reviewing our TIP against key competitor STI and LTI plans, reviewing both Non-Executive Director fee structures and Executive KMP remuneration (TFR and TIP) against the peer group of companies, and developing recommendations for adjustments based on market competitiveness and business performance.

Remuneration Framework

We believe that building and maintaining a primarily constructive culture enables business success, drives internal engagement, and allows us to attract and retain the best people. Our remuneration framework has a key role to play and is structured in alignment with the following principles:

Market competitive through alignment against a peer group of companies of a similar size and complexity

Rewards the creation of shareholder value through the sustainable delivery of short and long-term business outcomes

A holistic "total reward" offering across financial and non-financial elements that balances reward with retention

A focus on stretch goal achievement, leveraging financial and non-financial KPIs to balance the "what" with the "how"

HT&E aims to reward Executive KMPs with a level and mix of remuneration appropriate to their position, responsibilities and performance within the Group and aligned with market practice. Executive KMP remuneration is comprised of two main elements, Total Fixed Remuneration (TFR) and Total Incentive Plan (TIP). The TIP is a simple and effective plan that encompasses both long and short-term reward.

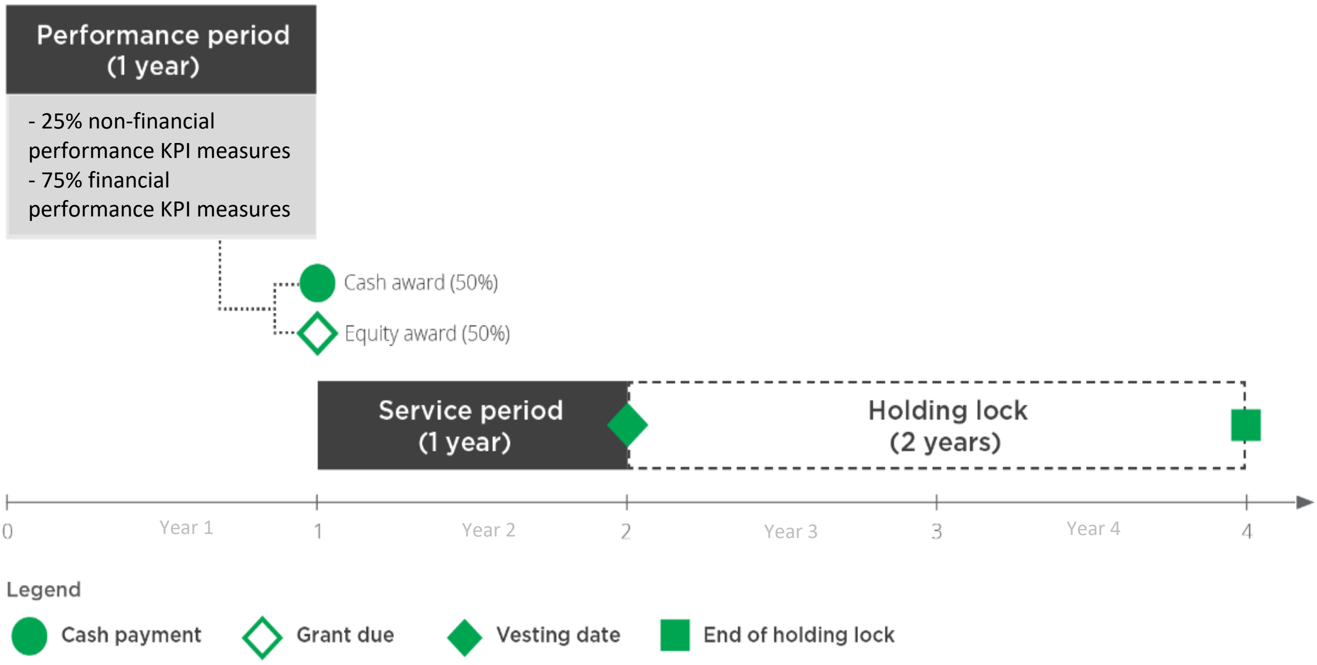
HT&E aims to position total remuneration for KMP Executives principally within a competitive range of a peer group. This includes Australian listed companies with characteristics most like HT&E when compared against a set of financial and qualitative metrics. Total reward opportunity is intended to provide the opportunity to earn median to top quartile reward for outstanding performance against set stretch targets.

Remuneration Report
(Continued)

The Executive KMP remuneration framework is summarised below.

	Element	Delivery	Structure
Fixed	Total Fixed Remuneration (TFR)	Cash and Superannuation Contributions	– Base pay aligned to market, role scope and complexity, and skills, knowledge, and experience of the individual – Superannuation aligned to SGC
Variable *'At risk' and linked to performance*	Total Incentive Plan (TIP) *Financial performance of the company and individual performance over the year*	Cash 50% *Delivered at the end of the financial year* Equity 50% *Delivered in rights to acquire ordinary shares in the company at nil consideration, subject to a further 1-year service period and 2-year holding lock*	– KPIs set at the start of the financial year – 75% financial KPIs (weighted equally between ROIC, EBITDA, and EPS) – 25% non-financial KPIs (delivery of strategic business initiatives/priorities) – Retention element through long-term focus of KPIs, target setting process and structure of delivery of equity – The higher weighting of financial to non-financial metrics emphasises the importance the Board places on HT&E's financial performance

The TIP provides Executive KMPs with the opportunity to receive cash and equity following an assessment against specified financial and non-financial performance KPIs based on a one-year performance period. The following diagram illustrates the operation of the TIP.



Other remuneration arrangements will be entered into on an 'as needs' basis as determined by the Board. These may include retention and transaction/project completion incentives.

Remuneration Report
(Continued)

Performance Measures

Financial Key Performance Indicators (KPIs) make up 75% of the target TIP with performance measured based on Group earnings before interest, tax, depreciation and amortisation (EBITDA) (25%), Group earnings per share (EPS) (25%) and Group return on invested capital (ROIC) (25%), before significant items, per the table below.

EBITDA and EPS		ROIC	
EBITDA and EPS performance	Percentage of target opportunity awarded	ROIC performance	Percentage of target opportunity awarded
<95% of budget	0%	Below threshold[1]	0%
95% of budget	25%	At threshold	25%
>95% to <100% of budget	Pro-rata between 25% and 100%	Between threshold and budget	Pro-rata between 25% and 100%
100% of budget	100%	At budget	100%
>100% to <110% of budget	Pro-rata between 100% and 150%	Between budget and stretch	Pro-rata between 100% and 150%
At or above 110% of budget	150%	At or above stretch	150%

The financial performance award schedule is designed to provide only limited awards where performance is below budget, with upside for performance above budget, up to a maximum cap of 150%.

EPS in 2022 was derived from Net Profit After Tax (NPAT) attributable to owners of the parent as a percentage of weighted average number of shares on issue. ROIC in 2022 was derived from EBIT as a percentage of adjusted total equity. Both measures were on a pre-significant items basis.

(1) Threshold will be determined with reference to prior year ROIC, next 12-months expected earnings and forecast changes to capitalisation in the annual Group budget.

Remuneration Report
(Continued)

Non-financial KPIs make up 25% of the target TIP and are aligned to key strategic priorities for the Group. For 2022, the Executive KMPs were accountable for delivering the following outcomes to achieve their non-financial KPIs:

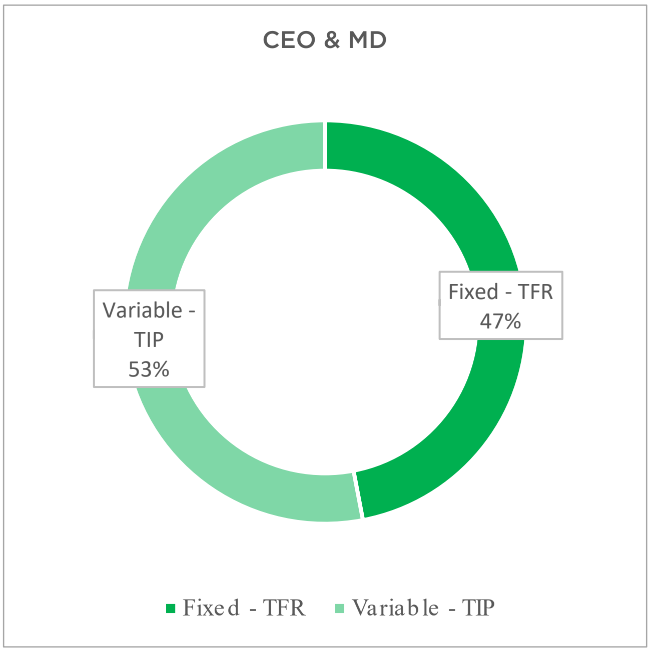
Strategic Priority	Outcomes Delivered
Leadership of ARN people and culture transformation	• Strong shifts in culture as measured through the Human Synergistics OCI and OEI tools. All styles improved and key areas targeted (leadership, collaboration, communication) improved significantly • Improvement in leadership capability through ongoing investment in development programmes • Development and implementation of a sales capability programme
ARN Regional integration	• Successful integration of TRSN into national sales and all enabling functions (Finance, IT, P&C, etc), with core technology and payroll / people systems integrated by 1st May • ARN Regional Business Area established and business performance maintained under new leadership
Digital business development	• Development of a 2-year business transformation programme • Digital transformation team established focused on 4 areas – Product Development; Listener Experience; Sales & Fulfillment; People Experience • Ongoing investment in cyber security capability and data management
Balance sheet, cost and capital management	• Successful disposals of 4KQ and non-core investments in Lux Group Limited and Soprano Design (subject to FIRB approval) • Creation of appropriate capital structure for the Group on completion of ARN Regional acquisition • Continued in-sourcing of key processes and investment in systems to gain efficiencies

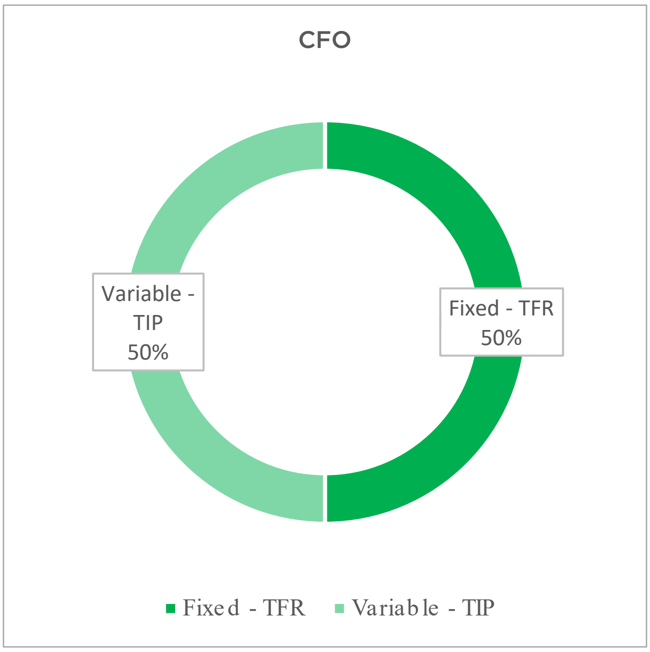
Remuneration Report
(Continued)

KMP Remuneration Mix

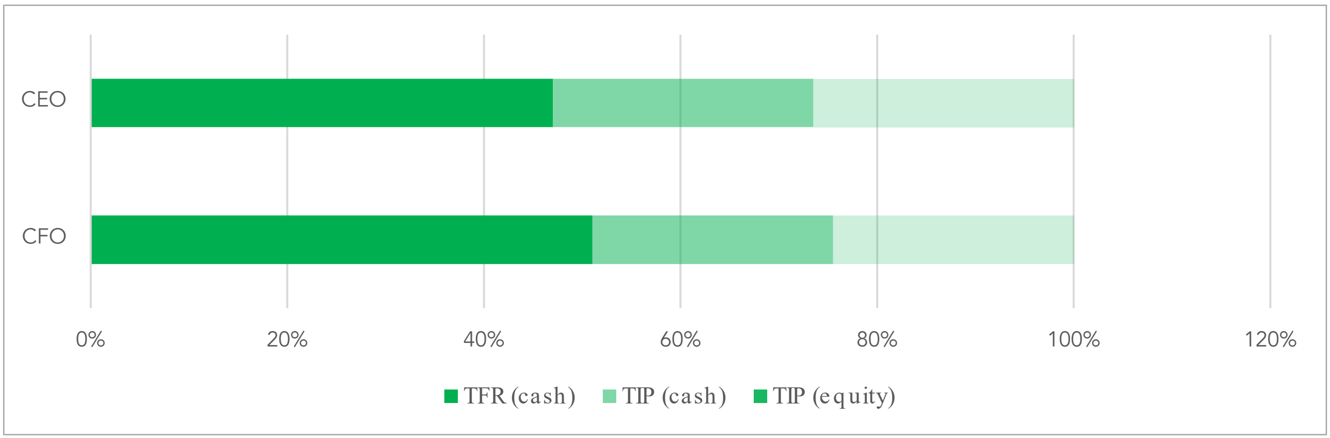
The remuneration mix between fixed and variable pay incentivises executives to focus on the Group's short and long-term performance, with a portion of remuneration at risk.

There has been no change to the target remuneration mix for Executive KMP in 2022.





To further reinforce the alignment of Executive KMPs to shareholder interests, 50% of the TIP is delivered as rights to acquire ordinary shares, with a 1-year service period and further 2-year holding lock. This serves as a strong retention driver, as well as providing further incentive for effective long-term decision-making. The following diagram shows the mix of cash (short-term reward) and equity (long-term reward) delivered at target across total remuneration for Executive KMPs.



Remuneration Report
(Continued)

Other plan features

Feature	Description
Dividends	At the discretion of the Board participants will receive an additional allocation of fully paid ordinary shares or a cash payment at vesting equal to the dividends paid on vested rights over the performance and service periods.
Equity allocation methodology	Equity is granted based on the face value of the rights calculated at the commencement of the performance period.
Clawback	The Company may reduce unvested equity awards in certain circumstances such as gross misconduct, material misstatement or fraud. The Board may also reduce unvested awards to recover amounts where performance that led to payments being awarded is later determined to have been incorrectly measured or not sustained.
Treatment of awards on cessation of employment	Awards are forfeited for 'bad' leavers (e.g. resignation or termination for cause), while 'good' leavers (e.g. cessation of employment due to redundancy, total disablement or death) receive pro-rated awards based on the extent to which performance and service conditions are met.
Treatment of awards on change of control	Participants receive pro-rated awards based on the extent to which performance and service conditions are met.

The Board retains the ultimate discretion regarding remuneration outcomes. The Board may make or cancel (claw back) awards where it sees fit to align with remuneration policy and/or Company strategic outcomes.

Remuneration Report
(Continued)

C. How 2022 Reward was Linked to Performance

Performance Measures

The overall Company performance for 2022 is reflected in the performance measures below. Results for 2019 onwards reflect the adoption of AASB 16 *Leases* in 2019.

	2022	2021	2020	2019	2018
Group EBITDA[1]	**$91.8m**	$59.8m	$49.3m	$75.6m	$105.5m
Net profit after tax before amortisation (NPAT)[1]	**$45.1m**	$28.8m	$15.4m	$34.2m	$51.2m
Weighted average number of shares outstanding	**309,873,237**	276,605,346	279,530,868	283,605,019	307,528,973
Basic (NPAT) EPS (cents)	**14.6**	10.4	5.5	12.1	16.6
ROIC	**10.7%**	13.9%	8.0%	14.0%	23.9%
Dividend paid to shareholders (cents per share)[2]	**8.9**	3.5	4.6	8.0	79.0
Increase/(decrease) in share price (%)[3]	**(54%)**	14%	9%	7%	22%

(1) Continuing operations before significant items. 2018 includes Adshel's results for the period it was owned by HT&E. 2019 onwards includes impact of adoption of AASB 16 *Leases*.

(2) 2018 closing share price increased to reflect payment of special dividend.

Performance and Impact on Remuneration

(i) 2022 TIP Award

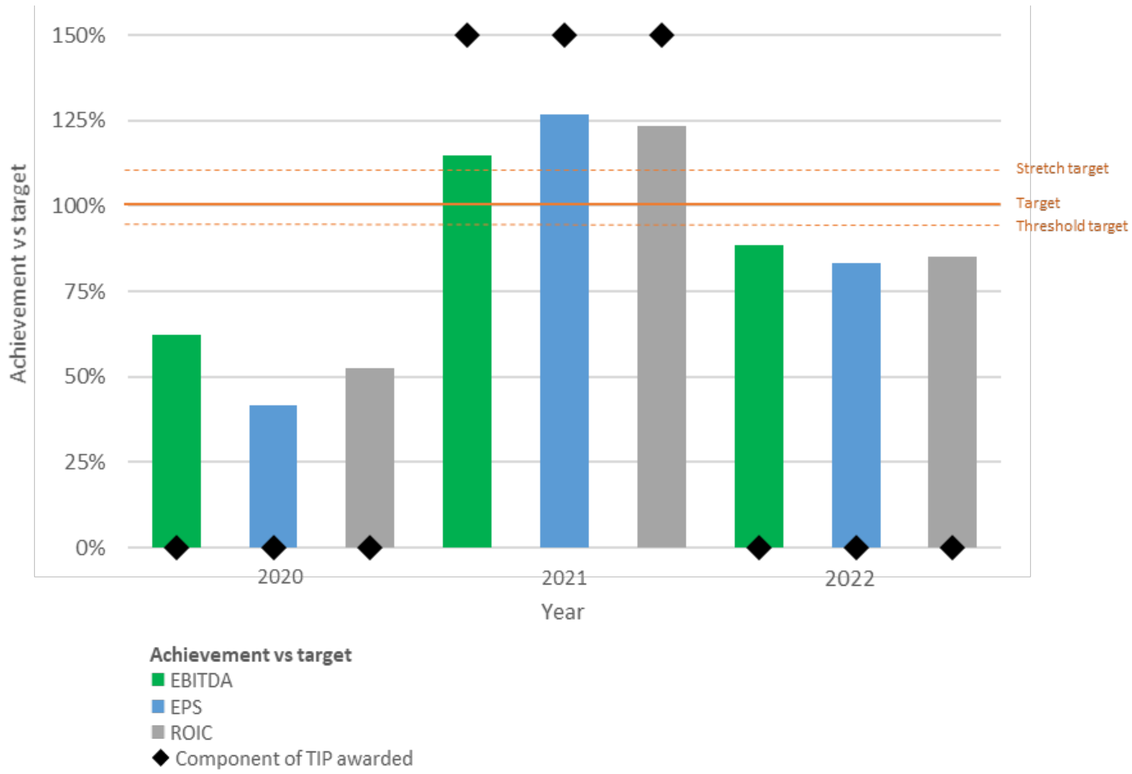
HT&E's continuing operations EBITDA, EPS and ROIC performance in 2022 fell short of targets set at the beginning of the year, and consequently the financial component (75%) was not achieved and no awards were made under this component of the 2022 TIP.

Performance for the 2022 financial year is outlined in the table below:

2022 TIP financial metrics	EBITDA performance	EPS performance	ROIC performance
Group: continuing operations	Between target and maximum; 87.9% of target achieved	Between target and maximum; 81.5% of target achieved	Between target and maximum; 85.2% of target achieved

Remuneration Report
(Continued)

The chart below shows over the last three years, Group results used for TIP assessment as a percentage of targets, and the corresponding TIP component award outcome:



HT&E's financial performance conditions in 2022 were not met and no awards were made for the financial components of the TIP. The financial performance in 2021 surpassed the stretch target on all financial performance conditions resulting in the maximum award for financial metrics.

The table below summarises the 2022 TIP outcomes:

	TIP awarded (cash incentive) $	TIP awarded (equity award)[1] $	Total TIP awarded $	% of target achieved	% of maximum achieved	% of maximum forfeited
Executive KMP						
Ciaran Davis	155,250	155,250	310,500	22.5%	16.4%	83.6%
Andrew Nye	66,844	66,844	133,688	23.3%	16.9%	83.1%

(1) This differs from the accounting fair value of the equity award (included in section D), which is calculated in accordance with accounting standards and expensed over two financial years, covering both the performance and service periods.

Remuneration Report
(Continued)

D. Total Remuneration for Executive KMP

Details of the Executive KMP remuneration for 2022 and comparatives for 2021 are set out in the table below. The remuneration in this table has been calculated in accordance with accounting standards and therefore differs from the information included in section E.

	Short-term benefits			Post-employment benefits	Other long-term benefits		Total
Executive KMP	Cash salary and fees[1] $	Non-monetary benefits[2] $	Cash incentives[3] $	Super-annuation[4] $	Long service leave[5] $	Fair value equity awards[6] $	$
Ciaran Davis							
2022	**1,139,930**	**37,440**	**155,250**	**24,430**	**60,444**	**586,851**	**2,004,345**
2021	979,934	19,159	905,625	22,631	24,212	513,867	2,465,428
Andrew Nye							
2022	**551,432**	**938**	**66,844**	**24,430**	**3,869**	**234,276**	**881,789**
2021	498,306	787	357,500	22,631	939	202,851	1,083,014
Total							
2022	**1,691,362**	**38,378**	**222,094**	**48,860**	**64,313**	**821,127**	**2,886,134**
2021	1,478,240	19,946	1,263,125	45,262	25,151	716,718	3,548,442

(1) Cash salary and fees include accrued annual leave paid out as part of salary.

(2) Non-monetary benefits typically include novated lease costs, car parking and associated fringe benefits tax.

(3) Cash incentive payments relate to cash TIP awards accrued for the relevant year and paid in the year following.

(4) 2022 superannuation benefit incorporates the change to the super guarantee from 1 July 2022.

(5) Long service leave relates to amounts accrued during the year.

(6) The fair value is derived using the closing share price on the grant date.

Remuneration Report
(Continued)

E. Actual Remuneration for 2022

The following section sets out the value of remuneration which has been received by Executive KMP for the 2022 performance year.

The figures in the following table are different to those shown in the accounting table in Section D because that table includes the apportioned accounting value for all vested TIP grants. It also includes accrued long service leave and non-monetary benefits provided in addition to an individual's TFR.

The TIP values represent the cash portion (50%) of the total TIP awarded for each year. Vested TIP in 2022 is the value of the TIP that was granted in 2021 and vested at the end of 2022 based on the share price at 31 December 2022, consistent with prior Remuneration Reports.

Executive KMP	TFR[1] $	TIP $	Vested TIP[2] $	Total $
Ciaran Davis				
2022	**1,200,589**	**155,250**	**551,480**	**1,907,319**
2021	1,020,937	905,625	–	1,926,562
Andrew Nye				
2022	**575,862**	**66,844**	**217,700**	**860,406**
2021	520,937	357,500	–	878,437
Total				
2022	**1,776,451**	**222,094**	**769,180**	**2,767,725**
2021	1,541,874	1,263,125	–	2,804,999

(1) TFR comprises base salary, retirement benefits and other remuneration related costs.

(2) Vested TIP in 2022 includes the shares in relation to 2021 TIP that have now vested valued at the share price at vesting date.

Remuneration Report
(Continued)

F. Contractual Arrangements with Executive KMP

Remuneration and other terms of employment for Executive KMP are formalised in employment contracts. All Executive KMP are employed under contracts with substantially similar terms. The key elements of these employment contracts are summarised below:

Contract duration	Continuing
Notice by individual/Company	Employment may be terminated by either party. Notice periods vary according to contractual terms: CEO & Managing Director – 12 months and CFO – six months.
Termination of employment (for cause)	All contracts provide that employment may be terminated at any time without notice for serious misconduct.
Termination of employment (without cause)	Where employment is terminated by the Company, payment may be made in lieu of notice.
Redundancy	If the Company terminates the employment of an Executive KMP for reasons of redundancy, a redundancy payment would be paid depending on the length of their service. Benefits paid as defined by *Corporations Regulations 2001* Reg 2D.2.02 cannot exceed 12 months base salary (average of past three years). Payments for redundancy and accrued leave entitlements are not subject to this cap.
Non-compete/restraint	Executive KMP are subject to non-compete provisions for the term of their notice period.

G. Non-Executive Director Arrangements

Non-executive Directors are provided with written agreements which outline the fees for their contribution as Directors. Fees reflect the demands which are made on, and the responsibilities of, the Directors. The Remuneration, Nomination and Governance Committee has the responsibility for reviewing and recommending the level of remuneration for Non-executive Directors in relation to Board and Committee duties.

Non-executive Directors are not eligible to participate in incentive programs or termination payments.

The annual fees provided to Non-executive Directors inclusive of superannuation are shown below:

	2022 $		2023 $	
Role	Chair fee[1]	Member fee	Chair fee[1]	Member fee
Board	302,500[2]	135,000	320,000	135,000
Audit & Risk Committee	20,000	10,000	20,000	10,000
Remuneration, Nomination and Governance Committee	20,000	10,000	20,000	10,000

(1) The Board Chair does not receive Committee fees.

(2) The Board Chair fee increased from an annual fee of $284,700 to $320,000 effective 1 July 2022.

Remuneration Report
(Continued)

Approved Fee Pool

The Non-executive Director fee pool of $1,200,000 per annum was approved by shareholders at the 2015 Annual General Meeting. There was no change to the Non-executive Director fee pool in 2022 and none is expected for 2023.

Details of the Non-executive Directors' fees for 2022 and 2021 are set out in the table below:

	Fees $	Superannuation $	Total[1] $
Non-executive Directors			
Hamish McLennan			
2022	**278,857**	**24,430**	**303,287**
2021	263,006	22,631	285,637
Roger Amos			
2022	**150,000**	**15,375**	**165,375**
2021	105,023	10,240	115,263
Paul Connolly			
2022	**150,000**	**15,375**	**165,375**
2021	105,023	10,240	115,263
Belinda Rowe			
2022	**140,909**	**14,098**	**155,007**
2021	95,890	9,349	105,239
Alison Cameron (from 5 January 2022)			
2022	**127,435**	**13,073**	**140,508**
2021	–	–	–
Total			
2022	**847,201**	**82,351**	**929,552**
2021	568,942	52,460	621,402

(1) Total fees may differ from Annual fees set out in previous table due the application of the new superannuation guarantee rate from 1 July 2022.

Remuneration Report
(Continued)

H. Share-Based Remuneration

(i) Terms and Conditions of Share-Based Remuneration

2022 TIP Awards

Executive KMP received a grant of rights under the 2022 TIP during 2022. Based on HT&E's performance, rights have been awarded at the end of 2022 to satisfy TIP outcomes. Rights will vest at the end of the one-year service period. The table below shows the number and value of 2022 rights that were awarded and remain unvested at the end of 2022.

Executive KMP	Grant date[1]	Vesting Date	Number of rights granted	Number of rights awarded	Number of rights forfeited	Value per right at grant date $	Maximum value to be recognised in future years $
Ciaran Davis	16 February 2022	31 December 2023	332,691	74,856	257,835	1.95	72,985
Andrew Nye	16 February 2022	31 December 2023	138,622	32,230	106,392	1.95	31,424

(1) The date on which the fair value of the TIP rights was calculated, being the deemed grant date of the rights for accounting purposes.

(ii) Reconciliation of Rights

The table below shows a reconciliation of the number of rights held by each Executive KMP from the beginning to the end of the 2022 financial year. At the Board's discretion, the participants may receive an additional allocation of fully paid ordinary shares equal to the value of dividends that were payable on the underlying shares, whilst holding unvested and/or vested rights. Where dividends have been declared, these additional fully paid ordinary shares are included in the rights table below as 'Dividend uplift', to reflect the full number of shares the participants may be entitled to at the conclusion of the vesting period.

Executive KMP	Balance at start of the year	2020 TIP Exercised/ vested	2021 TIP Exercised/ vested[1]	Awarded	Dividend uplift	Balance at end of the year
Ciaran Davis						
Vested and exercisable	–	–	524,121	–	44,415	568,536
Unvested	524,121	–	(524,121)	74,856	6,344	81,200
Total	**524,121**	**–**	**–**	**74,856**	**50,759**	**649,736**
Andrew Nye						
Vested and exercisable	–	–	206,900	–	17,533	224,433
Unvested	206,900	–	(206,900)	32,230	2,733	34,963
Total	**206,900**	**–**	**–**	**32,230**	**20,266**	**259,396**
Total						
Vested and exercisable	–	–	731,021	–	61,948	792,969
Unvested	731,021	–	(731,021)	107,086	9,077	116,163
Total	**731,021**	**–**	**–**	**107,086**	**71,025**	**909,132**

(1) Held in trust until the end of the 2-year holding lock which is 31 Dec 2024 for the 2021 TIP.

Remuneration Report
(Continued)

I. Non-Executive Director and Executive KMP Shareholdings

The number of shares in the Company held by each Non-executive Director and Executive KMP during the year including their related parties is summarised below:

	Balance at start of the year	TIP shares released[1]	Other changes during the year	Balance at end of the year
Non-executive Directors				
Hamish McLennan	73,000	–	–	73,000
Roger Amos	16,250	–	–	16,250
Paul Connolly	65,935	–	–	65,935
Belinda Rowe	–	–	–	–
Alison Cameron (from 5 Jan 2022)	–	–	35,934,891[2]	35,934,891
Executive KMP				
Ciaran Davis	1,220,157	109,246	–	1,329,403
Andrew Nye	50,476	6,709	–	57,185

(1) 115,955 of shares for the 2019 TIP released from the two-year holding lock.

(2) Shares held by Grant Broadcasters Pty Ltd. Alison Cameron holds, directly and indirectly, less than 0.005% of the issued capital in Grant Broadcasters. Janet Cameron, Alison's mother, holds 99.9% of the issued capital in Grant Broadcasters.

J. Other Statutory Disclosures

(i) Loans Given to Non-Executive Directors and Executive KMP

There are no loans from the Company to the Non-executive Directors or Executive KMP.

(ii) Transactions with Related Parties

$37,671 director fees received directly from Soprano Design Pty Limited by Belinda Rowe for services performed in the first half of 2022. An additional $36,906 director fees were paid to Belinda Rowe by the Company in relation for services performed on the Board of Soprano Design Pty Limited in the second half of 2022.

The Group paid $782,289 property rental to entities associated with Alison Cameron on commercial arm's length terms.

(iii) Securities Trading Policy and Guidelines

The Company's Securities Trading Policy and Guidelines is outlined in the Corporate Governance Statement, which can be found on the Company website. Under the policy, restricted persons, which include Executive KMP, are not permitted to hedge any options, rights or similar instruments prior to them becoming vested or otherwise tradable under the applicable plan.

(iv) Voting and Comments Made at the Company's 2021 AGM

The Company received more than 85% of 'yes' votes on its Remuneration Report for the 2021 financial year. No major remuneration related concerns were raised which required the Company's attention during the 2022 financial year.

(v) External Remuneration Consultants

During 2022, HT&E did not receive advice from any external remuneration consultants.

Auditor's Independence Declaration

As lead auditor for the audit of HT&E Limited for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

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

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of HT&E Limited and the entities it controlled during the period.

Louise King
Partner
PricewaterhouseCoopers

Sydney
21 February 2023

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Consolidated Financial Statements

About the Financial Statements

The financial statements are for the consolidated entity consisting of HT&E Limited (Company) and its controlled entities (collectively the Group). The Company is a for profit company limited by ordinary shares, incorporated and domiciled in Australia. The ordinary shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 February 2023. The Directors have the power to amend and reissue the financial statements.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The Group changed its accounting policy in relation to land and buildings, refer to note 6.6 for more information. All remaining new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period have been adopted. Refer to note 6.6 for further details.

The financial report is presented in Australian dollars which is the Company's functional and presentation currency.

It has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The Company presents reclassified comparative information, where required, for consistency with the current year's presentation.

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

Key Judgements and Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management also needs to exercise judgement in applying accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next and subsequent years can be found in the following notes:

- Note 2.1 Intangible assets;
- Note 2.3 Leases;
- Note 4.1 Income tax and deferred tax;
- Note 5.3 Shares in other corporations; and
- Note 5.4 Investments accounted for using the equity method.
- Note 6.1 Business combinations

Significant Events in the Current Reporting Period

Acquisition of ARN Regional from Grant Broadcasters

On 4 January 2022, HT&E completed its acquisition from Grant Broadcasters of 46 regional radio stations and digital operations. Refer to note 6.1 for more details.

Sale of 4KQ

On 1 July 2022, HT&E completed the sale of its 4KQ Brisbane radio station and license to a subsidiary of Sports Entertainment Group Limited (ASX: SEG) for consideration of $12.0 million. Refer to note 6.2 for more information.

Sale of investments in Lux Group Limited (Luxury Escapes)

The Group disposed of its remaining investment in Lux Group Limited in the period for consideration of $8.8 million.

Sale of Soprano Design Pty Limited

On 31 December 2022, the Group signed a binding share sale agreement to sell its 25% interest in Soprano Design Limited (Soprano) to Potentia Capital (Potentia), a leading Australian technology focused private equity firm. Under the agreement the Group will receive approximately $66.3 million in cash as consideration for the sale of its entire interest. The sale is conditional upon receiving FIRB approval and is expected to be completed in the first half of 2023. Please refer to note 6.2 for more information.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 $'000	2021 $'000 *Restated
Revenue	1.1	344,890	225,036
Other revenue and income	1.1	9,022	18,965
Total revenue and other income		353,912	244,001
Expenses before impairment, finance costs, depreciation and amortisation	1.2	(275,914)	(184,313)
Impairment of intangible assets	1.3, 2.1	(251,798)	–
Associate impairment reversals	1.3, 5.4	–	2,019
Finance costs	1.2	(5,911)	(12,743)
Depreciation and amortisation	1.2	(20,200)	(13,839)
Share of profits of associates and joint ventures accounted for using the equity method	5.4	9,691	9,786
(Loss)/Profit before income tax		(190,220)	44,911
Income tax credit/(expense)	4.1	17,230	(26,232)
(Loss)/Profit for the year		(172,990)	18,679
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss:			
Net exchange difference on translation of foreign operations	3.7	(44)	(438)
Share of associate's other comprehensive loss	3.7	(163)	(298)
Item that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments recorded at fair value through other comprehensive income	5.3	–	2,322
Other comprehensive (loss)/income, net of tax		(207)	1,586
Total comprehensive (loss)/income		(173,197)	20,265
(Loss)/Profit for the year is attributable to:			
Owners of the parent entity		(176,345)	14,862
Non-controlling interests		3,355	3,817
(Loss)/Profit for the year		(172,990)	18,679
Total comprehensive (loss)/income is attributable to:			
Owners of the parent entity		(176,552)	16,448
Non-controlling interests		3,355	3,817
		(173,197)	20,265

		Cents	Cents
Earnings per share			
Basic/diluted earnings per share	1.4	(56.9)	5.4

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.
*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

Consolidated Balance Sheet

As at 31 December 2022

	Note	2022 $'000	2021 $'000 *Restated
Current assets			
Cash and cash equivalents	3.2	23,852	257,068
Receivables	3.3(B)	65,654	51,351
Other current assets		4,069	1,896
Asset held for sale	6.2	23,788	–
Total current assets		117,363	310,315
Non-current assets			
Shares in other corporations	5.3	677	4,196
Investments accounted for using the equity method	5.4	33,327	52,561
Property, plant and equipment	2.2	49,138	16,179
Intangible assets	2.1	437,309	372,613
Right-of-use assets	2.3	35,807	23,424
Other non-current assets		851	1,683
Total non-current assets		557,109	470,656
Total assets		674,472	780,971
Current liabilities			
Payables		31,323	41,461
Contract liabilities		5,021	4,966
Lease liabilities	2.3	8,823	9,956
Current tax liabilities	4.1	4,083	20,511
Provisions	2.4	14,527	6,720
Total current liabilities		63,777	83,614
Non-current liabilities			
Bank loans	3.1	84,394	67,250
Lease liabilities	2.3	29,555	21,664
Provisions	2.4	8,269	4,097
Deferred tax liabilities	4.1	129,072	111,250
Total non-current liabilities		251,290	204,261
Total liabilities		315,067	287,875
Net assets		359,405	493,096
Equity			
Contributed equity	3.5	1,547,690	1,475,706
Reserves	3.7	(46,025)	(45,078)
Accumulated losses	3.7	(1,178,034)	(974,183)
Total parent entity interest		323,631	456,445
Non-controlling interests		35,774	36,651
Total equity		359,405	493,096

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		383,907	238,387
Payments to suppliers and employees (inclusive of GST)		(311,284)	(187,162)
Dividends received		51	–
Interest received		313	422
Interest paid		(5,390)	(3,205)
Income taxes paid		(25,389)	(9,794)
Settlement of tax in dispute	4.1	(22,305)	–
Net cash inflows from operating activities	3.2	19,903	38,648
Cash flows from investing activities			
Payments for property, plant and equipment	2.2	(7,923)	(3,297)
Payments for software	2.1	(345)	(14)
Proceeds from sale of property, plant and equipment		195	32
Proceeds from sale of investments	5.3	8,806	63,628
Proceeds from sale of controlled entities	6.2	12,045	–
Acquisition of controlled entities, net of cash acquired	6.1	(239,106)	–
Receipts from short-term deposits		–	50,000
Net loans from/(to) associate		(45)	3,667
Dividends received from associate	5.4	5,019	6,599
Net cash (outflows)/inflows from investing activities		(221,354)	120,615
Cash flows from financing activities			
Proceeds from borrowings	3.1	17,000	65,003
Payments for borrowing costs		(266)	(80)
Principal elements of lease payments	2.3	(12,854)	(14,278)
Payments for treasury shares	3.7	(1,470)	(10)
Dividends paid to company's shareholders	3.8	(27,648)	(9,675)
Payments for share buyback	3.5	(2,339)	(5,046)
Net payments to non-controlling interests		(4,294)	(3,216)
Net cash (outflows)/inflows from financing activities		(31,871)	32,698
Change in cash and cash equivalents		(233,322)	191,961
Cash and cash equivalents at beginning of the year		257,068	65,080
Effect of exchange rate changes		106	27
Cash and cash equivalents at end of the year	3.2	23,852	257,068

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021 Restated*		1,480,752	(25,605)	(1,001,233)	**453,914**	36,051	**489,965**
Profit for the period		–	–	14,862	**14,862**	3,817	**18,679**
Other comprehensive income		–	1,586	–	**1,586**	–	**1,586**
Share-based payments	3.7	–	633	–	**633**	–	**633**
Share buy-back	3.5	(5,046)	–	–	**(5,046)**	–	**(5,046)**
Dividends paid to company's shareholders	3.8	–	–	(9,675)	**(9,675)**	–	**(9,675)**
Transfers within equity	3.7	–	(21,863)	21,863	**–**	–	**–**
Treasury shares vested to employees	3.7	–	181	–	**181**	–	**181**
Acquisition of treasury shares	3.7	–	(10)	–	**(10)**	–	**(10)**
Transactions with non-controlling interests		–	–	–	**–**	(3,217)	**(3,217)**
Balance at 31 December 2021 Restated*		1,475,706	(45,078)	(974,183)	**456,445**	36,651	**493,096**
Balance at 1 January 2022		1,475,706	(45,078)	(974,183)	**456,445**	36,651	**493,096**
Profit/(loss) for the year		–	–	(176,345)	**(176,345)**	3,355	**(172,990)**
Other comprehensive loss		–	(207)	–	**(207)**	–	**(207)**
Share-based payments	3.7	–	(560)	–	**(560)**	–	**(560)**
Contributions to equity, net of transaction costs	3.5	74,323	–	–	**74,323**	–	**74,323**
Share buy-back	3.5	(2,339)	–	–	**(2,339)**	–	**(2,339)**
Dividends paid to shareholders	3.8	–	–	(27,648)	**(27,648)**	–	**(27,648)**
Transfers within equity	3.7	–	(142)	142	**–**	–	**–**
Treasury shares vested to employees	3.7	–	1,432	–	**1,432**	–	**1,432**
Acquisition of treasury shares	3.7	–	(1,470)	–	**(1,470)**	–	**(1,470)**
Acquisition of non-controlling interest	6.1	–	–	–	**–**	37	**37**
Transactions with non-controlling interests		–	–	–	**–**	(4,269)	**(4,269)**
Balance at 31 December 2022		1,547,690	(46,025)	(1,178,034)	**323,631**	35,774	**359,405**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

Notes to the Consolidated Financial Statements

1. Group Performance

1.1 Revenue

	Note	2022 $'000	2021 $'000
Revenue and other income			
Revenue		344,890	225,036
Revenue from contracts with customers		344,890	225,036
Gain on financial assets held at fair value through profit or loss	5.3	5,292	17,931
Dividend income		51	–
Other		3,361	699
Other income		8,704	18,630
Interest income		318	335
Total other revenue and income		9,022	18,965
Total revenue and other income		353,912	244,001

Revenue recognised in the year ended 31 December 2022 that was included in the contract liabilities balance as at 1 January 2022 is $4.8 million (2021: $4.2 million).

Notes to the Consolidated Financial Statements
(Continued)

1.1 Revenue (Continued)

ACCOUNTING POLICY

Revenue

The key revenue streams and policies are detailed below:

Under AASB 15 *Revenue from Contracts with Customers*, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. The Group recognises revenue when control of the services or goods passes to the customer. Revenue is recognised gross of rebates and agency commissions. Payment terms vary between 30 and 45 days from the invoice issue date.

Type of product/service	Segment	Nature and timing of satisfaction of performance obligations
Advertising revenue (Regional, Metro, Digital and Other)	ARN & HK Outdoor Segment	Advertising revenue includes broadcast revenue, display revenue, sponsorship revenue, web advertising revenue, revenue from online radio platforms, and advertising from podcasts. • Broadcast revenue is recognised when each advertisement is aired per the contract terms. • Web revenue is recognised over the time period which the advertisements are displayed. • Revenue from online radio platforms is recognised at a point in time when each advertisement is aired. • Revenue from podcast advertising is recognised when advertisements are served. • Revenue from sponsorships is recognised when advertisements are aired. • Display revenue (HK Outdoor) is recognised over the time period which the advertisements are displayed.
Services revenue (Other)	HK Outdoor & Investments	Includes production and installation revenue. Production and installation revenue, where it is a distinct service, is recognised by reference to stage of completion of the service. Also includes cleaning and maintenance revenue, which is recognised when the service occurs.

Historically the Group has acted as principal when recognising revenue on broadcast radio contracts. With the introduction of podcast and streaming contracts, the Group has had to assess whether it acts as a principal or agent. The Group makes this assessment based on the requirements of AASB 15 *Revenue from Contracts with Customers,* including whether it has inventory and credit risk, and the extent to which the Group can determine the price. Where the Group assesses that its acts as principal in the contract it recognises revenue on a gross basis, with a corresponding expense for any fees. Alternatively, where the Group assesses that it acts as agent in the contract, it recognises revenue net of any corresponding fees.

Contract costs

The Group applies the practical expedient under AASB 15 *Revenue from Contracts with Customers* to expense contract acquisition costs as they are incurred, as the expected costs have an amortisation period of less than 12 months.

Contract assets and liabilities

Contract assets relate primarily to the Group's rights to consideration for work completed but not billed at each reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to a customer.

Contract liabilities primarily relate to consideration received in advance from customers, for which the performance obligation is yet to be satisfied.

Government subsidies and grants

Subsidies from relevant governments compensates the Group for employee benefits expense incurred and is recognised in profit or loss on a systematic basis in the period in which the expense is recognised.

For the years ending 31 December 2021, Canberra FM received the Public Interest News Gathering Fund grant. This has been recorded in other income.

For the year ending 31 December 2021 and 31 December 2022, Hong Kong domiciled entities within the Group were eligible for the Hong Kong Government Employment Support Scheme. This has been recorded within Other Income.

Notes to the Consolidated Financial Statements
(Continued)

1.2 Expenses

	Note	2022 $'000	2021 $'000 Restated*
Employee benefits expense		166,930	106,014
Production and distribution expense		18,668	13,060
Selling and marketing expense		47,744	34,011
Rental and occupancy expense		11,920	7,396
Professional fees		5,379	3,443
Repairs and maintenance costs		4,958	3,524
Travel and entertainment costs		3,819	1,624
Penalties – tax settlement	1.3	–	5,734
Acquisition costs	1.3	5,334	1,958
Costs associated with sale of business	1.3	888	428
Other expenses		10,274	7,121
Total expenses before impairment, finance costs, depreciation and amortisation		275,914	184,313
Interest – lease liabilities	2.3	1,899	1,540
Interest and finance charges		3,600	1,756
Interest – tax settlements	4.1	–	8,912
Borrowing costs amortisation		412	535
Total finance costs		5,911	12,743
Depreciation – right-of-use assets	2.3	11,623	9,945
Depreciation – other assets	2.2	6,178	3,139
Amortisation	2.1	2,399	755
Total depreciation and amortisation		20,200	13,839

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

1.3 Segment information

Description of segments

The Group has identified its operating segments based on the internal reports reviewed by the Chief Operating Decision Maker ("CODM") in assessing performance and determining the allocation of resources. At 30 June 2022, the Group determined there were four operating segments being ARN Metro, ARN Regional, HK Outdoor and Investments. With the integration of the ARN Metro and ARN Regional segments now largely complete, Australian Radio Network (ARN) is now reporting as one segment to the CODM. The revised segment reporting will now include three segments as follows:

Reportable segment	Principal activities
ARN	Metropolitan and Regional radio networks, on-demand radio, streaming and podcasting (Australia)
HK Outdoor	Billboard, transit and other outdoor advertising (Hong Kong)
Investments	Includes controlling interests in Emotive Pty Limited (creative agency) and equity accounted investments in Soprano Design Pty Limited (software vendor for secure messaging services)

The CODM assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations which excludes the effects of significant items such as gains or losses on disposals of businesses and restructuring related costs.

Notes to the Consolidated Financial Statements
(Continued)

1.3 Segment information (Continued)

Results by operating segment

The segment information provided to the CODM for the year ended 31 December 2022 is as follows:

2022 $'000	ARN	HK Outdoor	Investments	Corporate	Group elimination	Total
Revenue						
Metro	192,524	–	–	–	–	192,524
Regional	107,687	–	–	–	–	107,687
Digital	14,600	–	–	–	–	14,600
Other	–	19,487	10,997	–	(405)	30,079
Revenue from contracts with customers	314,811	19,487	10,997	–	(405)	344,890
Share of profits of associates	5,291	–	4,400	–	–	9,691
Segment result	86,549	8,750	5,949	(9,452)	–	91,796
Segment assets	609,696	19,243	33,759	11,774	–	674,472
Segment liabilities	71,961	14,253	7,648	221,205	–	315,067
Reconciliation of segment result to loss before income tax						
Segment result						91,796
Depreciation and amortisation [A]						(20,200)
Net finance costs						(5,593)
ARN Regional acquisition costs [B]						(5,334)
Integration costs [C]						(3,043)
Loss on disposal of 4KQ [D]						(2,795)
Implementation of software as a service (SaaS) products [E]						(452)
Impairment of intangible assets						(249,891)
Gain on financial asset held at fair value through profit and loss [F]						5,292
Loss before income tax						(190,220)

Explanation of statutory adjustments

(A) Consists of depreciation of $17.8 million and amortisation of $2.4 million (refer to note 1.2).
(B) Transaction costs associated with the acquisition of ARN Regional (refer to note 6.1).
(C) Costs relating to the integration of ARN Regional and ARN Metro.
(D) Impairment of $1.9 million, PP&E disposal of $0.4 and sale costs of $0.5 million recognised on the sale of 4KQ.
(E) Relates to one off expenditure for new systems implemented.
(F) Gain recognised on fair value uplift of HT&E's investment in Lux Group Limited (refer to note 3.4).

Notes to the Consolidated Financial Statements
(Continued)

1.3 Segment Information (Continued)

2021 $'000 *Restated	ARN	HK Outdoor	Investments	Corporate	Group elimination	Total
Revenue						
Metro	186,226	–	–	–	–	186,226
Digital	9,358	–	–	–	–	9,358
Other	–	21,851	8,322	–	(721)	29,452
Revenue from contracts with customers	195,584	21,851	8,322	–	(721)	225,036
Share of profits of associates	4,760	–	4,329	–	–	9,089
Segment result	53,821	10,506	5,582	(10,094)	–	59,815
Segment assets	483,847	20,362	25,740	251,022	–	780,971
Segment liabilities	46,747	17,368	3,371	220,389	–	287,875
Reconciliation of segment result to loss before income tax						
Segment result						59,815
Depreciation and amortisation A						(13,839)
Net finance costs B						(12,408)
Cost associated with sale of business C						(428)
Acquisition costs D						(1,958)
Penalties – tax settlements E						(5,734)
Associate share of impairment gain/(loss) and other adjustments F						2,716
Gain on financial asset held at fair value through profit and loss G						17,931
Implementation of software as a service (SaaS) products H						(1,184)
Profit before income tax						44,911

Explanation of statutory adjustments

(A) Consists of depreciation of $13.1 million and amortisation of $0.8 million (refer to note 1.2).

(B) Includes $8.9 million interest expense on tax settlement (refer to note 4.1).

(C) Transaction costs associated with the disposal of investment in OML and unsuccessful disposal of investment in Soprano.

(D) Initial costs related to the acquisition of ARN Regional incurred in the period.

(E) Penalties on ATO settlement (refer to note 4.1).

(F) Consists of part reversal of previous impairment in Nova Perth investment ($2.0 million) (refer to note 5.4) and adjustment to associate revenues ($1.3 million), offset by $0.6 million impairment of goodwill held by Soprano.

(G) Gain recognised on fair value uplift of HT&E's investment in Luxury Escapes, prior to its partial disposal (refer to note 5.3).

(H) Relates to one off expenditure on new systems implemented.

Other segment information

The Group is domiciled in Australia and operates predominantly in Australia and Hong Kong. Revenue from contracts with customers in Australia is $325.4 million (2021: $203.2 million) and in Asia is $19.5 million (2021: $21.9 million). Segment revenues are allocated based on the country in which the customer is located.

The total of non-current assets located in Australia is $548.8 million (2021: $461.1 million) and in Hong Kong is $8.3 million (2021: $9.5 million). Segment assets are allocated to countries based on where the assets are located.

Notes to the Consolidated Financial Statements
(Continued)

1.3 Segment Information (Continued)

ACCOUNTING POLICY

Segment revenues and expenses comprise amounts that are directly attributable to a segment and the relevant portion that can be allocated on a reasonable basis. Corporate overheads, including centralised finance, legal and administrative costs, are not allocated against operating segments but rather are included above as unallocated amounts.

Segment revenues and results exclude transfers between segments. Such transfers are priced on an arm's length basis and are eliminated on consolidation.

1.4 Earnings per share

	2022 $'000	2021 $'000 *Restated
(a) Reconciliation of earnings used in calculating earnings per share (EPS)		
(Loss)/Profit attributable to owners of the parent entity	(176,345)	14,862
(Loss)/Profit attributable to owners of the parent entity used in calculating basic/diluted EPS	(176,345)	14,862

	Number	Number
(b) Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic EPS	309,873,237	276,605,346
Adjusted for calculation of diluted EPS:		
Unvested/unexercised rights	45,499	348,259
Weighted average number of shares used as the denominator in calculating diluted EPS	309,918,736	276,953,605

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

ACCOUNTING POLICY

Basic earnings per share

Basic earnings per share is determined by dividing:

- the net profit or loss attributable to owners of the Company; by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account:

- the after-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.

Notes to the Consolidated Financial Statements
(Continued)

2. Operating Assets and Liabilities

2.1 Intangible Assets

2021 $'000	Goodwill	Software	Customer relationships	Radio licences	Brands	Total
Cost	490	3,754	–	375,284	–	379,528
Accumulated amortisation and impairment	–	(2,438)	–	(4,477)	–	(6,915)
Net book amount	**490**	**1,316**	**–**	**370,807**	**–**	**372,613**
Movements						
Opening net book amount	490	2,382	–	371,040	–	373,912
Additions	–	14	–	–	–	14
Disposals	–	–	–	–	–	–
Transfers and other adjustments	–	(558)	–	–	–	(558)
Amortisation	–	(522)	–	(233)	–	(755)
Impairment charge	–	–	–	–	–	–
Foreign exchange differences	–	–	–	–	–	–
Closing net book amount	**490**	**1,316**	**–**	**370,807**	**–**	**372,613**

2022 $'000	Goodwill	Software	Customer relationships	Radio licences	Brands	Total
Cost	490	4,096	12,310	402,313	25,751	**444,960**
Accumulated amortisation and impairment	–	(2,940)	-	(4,711)	–	**(7,651)**
Net book amount	**490**	**1,156**	**12,310**	**397,602**	**25,751**	**437,309**
Movements						
Opening net book amount	490	1,316	–	370,807	–	**372,613**
Additions	–	345	–	–	–	**345**
Acquisition of subsidiary	156,770		16,622	125,555	31,295	**330,242**
Disposals	–	–	–	(11,694)	–	**(11,694)**
Transfers and other adjustments	–	(1)	–	–	–	**(1)**
Amortisation	–	(504)	(1,662)	(233)	–	**(2,399)**
Impairment charge *	(156,770)	–	(2,650)	(86,833)	(5,544)	**(251,797)**
Foreign exchange differences	–	–	–	–	–	**–**
Closing net book amount	**490**	**1,156**	**12,310**	**397,602**	**25,751**	**437,309**

*Impairment charge relates to $249.9 million for the ARN CGU and $1.9 million for radio licenses recognised on the sale of 4KQ.

Notes to the Consolidated Financial Statements
(Continued)

2.1 Intangible Assets (Continued)

ACCOUNTING POLICY

Summary of goodwill and other intangible assets

Asset	Useful life	Amortisation method	Acquired or Internally generated
Goodwill	Indefinite	No amortisation	Acquired
Customer relationships	10 years	Straight-line basis	Acquired
Brand	Indefinite	No amortisation	Acquired
Software	3-5 years	Straight-line basis	Internally generated and acquired
Radio licences	Indefinite	No amortisation	Acquired
Digital radio licence	20 years	Straight-line basis	Acquired

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised but rather is subject to impairment testing as described below.

Brands

Brands are accounted for as identifiable assets and are brought to account at cost. The Directors have considered the geographic location, legal, technical and other commercial factors likely to impact the assets' useful lives and consider that they have indefinite lives. Accordingly, no amortisation has been provided against the carrying amount for brands.

Customer relationships

Customer relationships represent future income streams attributable to customer relationships. They are accounted for as identifiable assets and carried at cost less accumulated depreciation and any accumulated impairment loss. Amortisation is calculated on a straight-line basis over the useful life of the asset.

Software

Costs incurred in developing systems and acquiring software and licences are capitalised to software. Costs capitalised include materials, services, payroll and payroll related costs of employees involved in development. Amortisation is calculated on a straight-line basis over the useful life of the asset.

Where expenditure relates to Software-as-a-Service (SaaS) arrangements, an assessment is undertaken to determine if this can be capitalised.

Radio licences

Commercial radio licences are accounted for as identifiable assets and are brought to account at cost. The Directors believe the licences have indefinite lives and accordingly, no amortisation has been provided against the carrying amount. The commercial radio licences held by the Group are renewable every five years under the provisions of the *Broadcasting Services Act 1992*. The Directors understand that the revocation of a radio licence has never occurred in Australia and have no reason to believe the licences will not be renewed from time to time for the maximum period allowable under the Act and without imposition of any conditions. As a result, the radio licences have been assessed to have indefinite useful lives.

The digital radio licence is accounted for as an identifiable asset and is brought to account at cost. The licence is amortised over the term of the contract on a straight-line basis.

Notes to the Consolidated Financial Statements
(Continued)

2.1 Intangible Assets (Continued)

Year-End Impairment Review

A comprehensive impairment review was conducted at 31 December 2022. The recoverable amount of each cash generating unit (CGU) that includes goodwill or indefinite life intangible assets was reviewed. Below is the allocation of goodwill and other non-amortising intangible assets to cash generating units (CGUs) as at period-end, subsequent to the impairment test:

Name of CGU	2022 Goodwill $'000	2022 Other non-amortising intangible assets $'000	2021 Goodwill $'000	2021 Other non-amortising intangible assets $'000
ARN	–	420,224	–	367,451
Emotive	490	–	490	–
Total goodwill and other non-amortising intangible assets	490	420,224	490	367,451

For the six months period ended 30 June 2022, ARN Metro and ARN Regional operated as separate CGU's. During the six months to December 2022, significant progress was made on the integration of ARN Metro and ARN Regional. At 31 December 2022 the Group determined there to be only one CGU and operating segment for ARN.

The Australian Radio Network (ARN) CGU incorporates metropolitan and regional radio networks, on-demand radio, streaming and podcasting in Australia which includes indefinite life intangible assets.

At 31 December 2022 an impairment of $249.9 million was recorded in the ARN CGU and apportioned across intangible assets as follows: goodwill was fully impaired $156.8 million, radio licenses were impaired by $84.9 million, brands were impaired by $5.5 million and customer relationships were impaired by $2.7 million at 31 December 2022. The impairment reflects an increase in the ARN CGU discount rate and the estimated impacts of the current macro-economic environment on future advertising revenues.

At 30 June 2022, a $1.9 million impairment charge was recognised on the sale of the 4KQ radio license. Refer to note 6.2 for more information.

The recoverable amount of the ARN CGU was estimated based on value in use calculations, using management budgets and forecasts for a 5-year period, after adjusting for central overheads.

The key assumptions for the impairment review as at 31 December 2022, used to calculate the recoverable amount are presented overleaf.

Notes to the Consolidated Financial Statements
(Continued)

2.1 Intangible Assets (Continued)

(A) Cash flows

Year 1 cash flows	Based on Board approved annual budget derived with reference to a range of internal and relevant external industry data and analysis. Revenue forecasts are discounted by a factor of approximately 6% reflecting recent historical accuracy of budget achievement.
Years 2, 3, 4 and 5 cash flows	Revenue forecasts are prepared based on management's current assessment for each CGU, with consideration given to internal information and relevant external industry data and analysis. In general: • market growth in the ARN CGU is forecast across the cash flow period. The revenue forecast assumes the Australian radio market will return to historical pre-COVID-19 pandemic levels within the forecast period, and the ARN CGU will gain some additional market share or reclaim lost market share through continued investment in content, marketing and operations. Revenue forecasts for radio, streaming and podcasting take into account a range of internal and relevant external industry data and analysis; • the ARN CGU is forecast to benefit from revenue synergies over the forecast period through optimizing a national network of metropolitan and regional radio stations; and • Revenue forecasts are adjusted for the discount to year 1 cash flows, reflecting recent historical accuracy of budget achievement. • expenses are forecast on a detailed basis, based on their nature. Variable costs are forecast to move in line with revenue movements. Personnel costs are forecast to move in line with headcount and adjusted for expected inflation. Other costs are forecast based on management expectations, considering existing contractual arrangements. • the above assumptions result in EBITDA CAGR of 2.8% for ARN CGU across the cash flow period.
Terminal value cash flows	Cash flows are extrapolated at growth rates not exceeding the long-term average growth rate for the industry in which the CGU operates.

(B) Discount rate and long-term growth rate

The discount rates (per annum) used reflect specific risks relating to the relevant segments.

Name of CGU	Dec 2022 Post-tax discount rate	Dec 2022 Pre-tax discount rate	Dec 2022 Long-term growth rate	Dec 2021 Post-tax discount rate	Dec 2021 Pre-tax discount rate	Dec 2021 Long-term growth rate
ARN	10.25%	14.0%	1.5%	9.0%	12.2%	1.5%

Notes to the Consolidated Financial Statements
(Continued)

2.1 Intangible Assets (Continued)

(C) Estimation uncertainty and key assumptions

KEY JUDGEMENTS AND ESTIMATES

The Group tests whether goodwill and other non-amortising intangible assets have suffered any impairment, in accordance with the accounting policy stated below. The recoverable amounts of cash generating units have been determined based on the higher of fair value less costs to sell, or value in use, calculations. These calculations require the use of assumptions. Refer below for details of these assumptions and the potential impact of changes to these assumptions.

Value in use calculations are prepared based on the Board approved annual budget, reforecast for current conditions and extended over the forecast period using growth rates derived with reference to a range of internal and relevant external industry data analysis, including but not limited to publicly available broker reports and media industry experts. The discount rate used is based on an internally prepared weighted average cost of capital (WACC) calculation and reflects risks associated with underlying assets. Terminal value cashflows have been extrapolated at growth rates not exceeding the long-term average growth rate for the industry in which the CGU operates.

At 31 December 2022, an impairment loss of $249.9 million was recorded against the goodwill, radio licences, customer relationship, and brands in the ARN CGU, reflecting a recoverable amount of $436.8 million. $1.9 million of the impairment loss related to the impairment of 4KQ radio license. The carrying values of the other assets in the ARN CGU were considered equal to their value in use. After the impairment loss, the estimated recoverable amount of the ARN CGU, based on a value in use calculation, equals its carrying amount. The impairment reflects an increase in the ARN CGU discount rate and the estimated impacts of the current macro-economic environment on future advertising revenues.

At 31 December 2022 the market capitalisation of the Group was $301.3 million based on the closing share price at 31 December 2022, representing a $169.8 million deficiency to the adjusted enterprise value (adjusted for debt, minority interest and other relevant items) of $461.9 million, after the current year impairment of $249.9m. The Group considered the likely reasons for the deficiency and concluded the value in use calculations are appropriate in supporting the carrying values of the ARN CGU at 31 December 2022.

Any variation in the key assumptions used to determine the value in use would result in a change in the recoverable amount of the ARN CGU. The directors and management have considered and assessed reasonably possible changes in key assumptions and the approximate impact on the recoverable amount;

- 1.0 % increase in the post-tax discount rate
- 1.0% reduction in the long-term growth rate
- Impact of 10.0% EBITDA shortfall per annum on EBITDA CAGR

	From	To	Change to carrying value
Discount rate change	10.25%	11.25%	(53,093)
Long-term growth rate change	1.5%	0.5%	(37,961)
EBITDA CAGR (EBITDA shortfall of 10% per annum)	2.8%	0.7%	(63,059)

Notes to the Consolidated Financial Statements
(Continued)

2.1 Intangible Assets (Continued)

ACCOUNTING POLICY

Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication that they may be impaired. Assets that are subject to amortisation are tested for impairment whenever changes in circumstances indicate that the asset's carrying amount may exceed its recoverable amount. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements
(Continued)

2.2 Property, Plant and Equipment

2021 $'000 *Restated	Freehold land	Buildings	Plant and equipment	Total
Cost or fair value	423	603	76,989	**78,015**
Accumulated depreciation and impairment	–	(325)	(64,557)	**(64,882)**
Capital works in progress	–	–	3,046	**3,046**
Net book amount	**423**	**278**	**15,478**	**16,179**
Movements				
Opening net book amount	423	290	15,736	**16,449**
Additions	–	3	3,294	**3,297**
Depreciation	–	(15)	(3,124)	**(3,139)**
Transfers and other adjustments	–	–	(367)	**(367)**
Disposal	–	–	(66)	**(66)**
Foreign exchange differences	–	–	5	**5**
Closing net book amount	**423**	**278**	**15,478**	**16,179**

2022 $'000	Freehold land	Buildings	Plant and equipment	Total
Cost or fair value	11,464	8,422	90,329	**110,215**
Accumulated depreciation and impairment	–	(611)	(65,616)	**(66,227)**
Capital works in progress	–	–	5,150	**5,150**
Net book amount	**11,464**	**7,811**	**29,863**	**49,138**
Movements				
Opening net book amount	423	278	15,478	**16,179**
Acquisition of subsidiary	11,341	7,992	13,680	**33,013**
Additions	–	37	7,886	**7,923**
Depreciation	–	(411)	(5,767)	**(6,178)**
Transfers and other adjustments	–	22	(871)	**(849)**
Disposal	(300)	(108)	(553)	**(961)**
Foreign exchange differences	–	–	11	**11**
Closing net book amount	**11,464**	**7,810**	**29,864**	**49,138**

The Group had capital commitments of $nil as at 31 December 2022 (2021: $147,240).

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

Notes to the Consolidated Financial Statements
(Continued)

2.2 Property, Plant and Equipment (Continued)

ACCOUNTING POLICY

Property, Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- buildings: 20–50 years;
- plant and equipment: 3-30 years; and

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Refer to the change in accounting policy note in note 6.6.

Impairment of assets

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. Assets that are subject to depreciation (amortisation) are tested for impairment whenever changes in circumstances indicate that the asset's carrying amount may exceed its recoverable amount. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements
(Continued)

2.3 Leases

As a lessee, the Group leases several assets including property, advertising spaces, motor vehicles and other equipment. The weighted average lease term is 9.2 years (2021: 9.3 years).

(A) Amounts recognised in the balance sheet

	2022 $'000	2021 $'000
Property	29,318	16,138
Advertising concession agreements	5,621	7,147
Motor vehicle and other	868	139
Total right-of-use assets	35,807	23,424
Current	8,823	9,956
Non-current	29,555	21,664
Total lease liabilities	38,378	31,620

Additions to the right-of-use assets during the 2022 financial year were $22.7 million (2021: $2.6 million). $13.6 million additions related to the acquisition of ARN Regional.

KEY JUDGEMENTS AND ESTIMATES

Whenever changes in circumstances indicate that the right-of-use asset carrying amount may exceed its recoverable amount, the Group applies judgement when testing whether right-of-use assets have suffered any impairment. An impairment charge is recognised for the amount by which the right-of-use asset's carrying amount exceeds its recoverable amount. Right-of-use assets that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

(B) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Property	6,106	3,439
Advertising concession agreements	5,233	6,201
Motor vehicle and other	284	305
Depreciation charge of right-of-use assets	11,623	9,945
Interest expense on lease liabilities	1,899	1,540
Rental and occupancy expense relating to short-term leases	1,625	2,332
Rental and occupancy expense relating to variable lease payments not included in the measurement of the lease liability	968	465

The total cash outflow for leases, inclusive of principal and interest was $14.8 million (2021: $15.8 million).

As at 31 December 2022, there were indications that the carrying amount of HK Outdoor Advertising Concession Agreements may exceed their recoverable amount, so an impairment test was performed which determined no impairment to be recognised. The recoverable amount of the right-of-use assets were based on the discounted cash flow analysis over the contractual period for right of-use assets, which takes into account the financial performance of specific advertising concession agreements as 31 December 2022.

Notes to the Consolidated Financial Statements
(Continued)

2.3 Leases (Continued)

ACCOUNTING POLICY

The Group leases various properties, advertising spaces, motor vehicles and other equipment. Rental contracts are typically made for fixed periods of 1 to 15 years, however may be more than 20 years and include extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability excludes non-lease components including variable lease amounts which are not linked to a rate or index. These components are expensed as incurred.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal 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.

Notes to the Consolidated Financial Statements
(Continued)

2.3 Leases (Continued)

ACCOUNTING POLICY (Continued)

Incremental borrowing rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets

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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Rental and occupancy expense

Payments associated with short-term leases of equipment and vehicles and all 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 IT equipment and small items of office furniture.

Rental outgoings are treated as non-lease components and are recognised as expense in profit or loss. Other property expenses which do not transfer substantially all of the asset's economic benefits to the Group are recognised on a straight-line basis as expense in profit or loss.

Notes to the Consolidated Financial Statements
(Continued)

2.4 Provisions

	2022 $'000	2021 $'000
Current		
Employee benefits	11,862	6,270
Make good	2,615	–
Other	50	450
Total current provisions	14,527	6,720
Non-current		
Employee benefits	2,216	1,212
Make good	6,053	2,885
Total non-current provisions	8,269	4,097

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

2022	Make good $'000	Other $'000	Total $'000
Carrying amount at beginning of the year	2,885	450	3,335
Additional amounts recognised	1,240	50	1,290
Acquired	4,760	–	4,760
Amounts used	(233)	(37)	(270)
Reversal	–	(413)	(413)
Foreign exchange differences	16	–	16
Carrying amount at end of the year	8,668	50	8,718

Notes to the Consolidated Financial Statements
(Continued)

2.4 Provisions (Continued)

ACCOUNTING POLICY

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and long service leave, in respect of employees' services up to the reporting date expected to be settled wholly within 12 months from the reporting date are measured at the amounts expected to be paid when settled.

Liabilities for annual leave and long service leave not expected to be settled wholly within 12 months after the end of the reporting date are measured as the present value of expected future payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Make good

The Group will recognise a make good provision when they are included in lease agreements for which the Group has a legal or constructive obligation. The present value of the estimated costs of dismantling and removing the assets and restoring the site is recognised as a provision. At each reporting date, the liability is remeasured in line with changes in discount rates, estimated cash flows and the timing of those cash flows.

These costs have been capitalised to right of use assets and property, plant and equipment and are amortised over the shorter of the term of the lease and the useful life of the assets.

Notes to the Consolidated Financial Statements
(Continued)

3. Capital Management

3.1 Bank loans

	Note	2022 $'000	2021 $'000
Non-current bank loans			
Bank loans – unsecured		85,000	68,000
Total non-current bank loans (i)		85,000	68,000
Deduct:			
Borrowing costs		2,470	2,511
Accumulated amortisation		(1,864)	(1,761)
Net borrowing costs		606	750
Total non-current interest-bearing liabilities (i)		84,394	67,250
Net debt (i)			
Non-current bank loans		84,394	67,250
Net borrowing costs		606	750
Cash and cash equivalents	3.2	(23,852)	(257,068)
Net cash		61,148	(189,068)

(i) The majority of the Group's debt facilities do not expire until after December 2025.

The Group's debt facilities has a maximum leverage covenant of 3.25 times and a minimum interest cover covenant of 3.0 times. As at 31 December 2022 the leverage ratio was 0.79 times and the interest cover ratio was 23.6 times.

(A) Capital Risk Management

The Group is focused on safeguarding its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain an optimal capital structure, the Group may:

- adjust dividends paid to shareholders;
- return capital to shareholders;
- issue new shares; or
- sell assets to reduce debt.

(B) Standby arrangements and credit facilities

Entities in the Group have access to:	2022 $'000	2021 $'000
Loan facilities (i)		
Unsecured bank loan facilities	229,397	258,826
Amount of facility utilised (ii)	(87,853)	(71,648)
Amount of available facility	141,544	187,178
Overdraft facilities		
Unsecured bank overdraft facilities	1,550	1,500
Amount of credit utilised	–	–
Amount of available credit	1,550	1,500

(i) Pertaining to the revolving cash advance facility.

(ii) Relating to bank loan and guarantees drawn (refer to note 6.3).

Notes to the Consolidated Financial Statements
(Continued)

3.1 Bank Loans (Continued)

ACCOUNTING POLICY

Interest bearing liabilities are initially recognised at fair value less attributable transaction costs and subsequently measured at amortised cost. Any difference between cost and redemption value is recognised in the income statement over the period of the borrowing on an effective interest basis.

Costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing. These are shown as an asset in the balance sheet.

3.2 Cash Flow Information

Reconciliation of cash

	2022 $'000	2021 $'000
Cash at end of the year, as shown in the statement of cash flows, comprises:		
Cash at bank and on hand	23,852	257,068
The below reconciliation relates to both continued and discontinued operations.		
Reconciliation of (loss)/profit for the year to net cash inflows/(outflows) from operating activities:		
(Loss)/Profit for the year	(172,990)	18,679
Depreciation and amortisation	20,200	13,839
Borrowing costs amortisation	412	535
Share of profits of associate and joint ventures	(9,691)	(9,786)
Other non-cash items	263	641
Impairment of intangible assets	251,798	–
Impairment reversal on associate and joint venture	–	(2,019)
Share-based payments expense	873	814
Gains on financial assets held at fair value through profit or loss	(5,292)	(17,931)
Net gain on sale of non-current assets	(29)	(1)
Fair value gains on financial assets	(63)	–
Changes in assets and liabilities net of effect of acquisitions and changes in accounting policy:		
(Increase)/decrease in receivables	3,644	(5,635)
(Increase)/decrease in prepayments	(1,487)	1,953
Increase/(decrease) in current tax /deferred tax liabilities	(50,278)	16,437
Increase/(decrease) in payables and provision for employee benefits	(17,457)	21,122
Net cash inflows from operating activities	19,903	38,648

ACCOUNTING POLICY

For the purposes of presentation on the statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with financial institutions, net of bank overdrafts, with maturities 90 days or less.

Notes to the Consolidated Financial Statements
(Continued)

3.3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and ageing analysis for credit risk.

Financial risk management is carried out by the Group Treasury function under policies approved by the Board of Directors. The policies provide principles for overall risk management, as well as covering specific areas, such as interest rate risk, foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Market risk

(i) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through its long-term borrowings issued at variable rates as well as through its cash and cash equivalents balance. Based on the outstanding net debt as at 31 December 2022, a change in interest rates of +/- 1% per annum with all other variables being constant would impact equity and post-tax profit by $0.4 million higher/lower.

(ii) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. Individual transactions are assessed, and forward exchange contracts are used to hedge the risk where deemed appropriate.

While the Group has assets and liabilities in multiple currencies, individual entities in the Group do not have a significant foreign exchange exposure to receivables or payables in currencies that are not their functional currency.

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Group credit risk principally arises from customer receivables, cash and cash equivalents, short-term deposits with banks and financial institutions and financial guarantees (refer to note 6.3 for details).

For banks and financial institutions, the creditworthiness is assessed prior to entering into arrangements and approved by the Board.

For customer receivables, the maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each receivable. Risk control involves the assessment of the credit quality, taking into account financial position, past experience and other factors. The utilisation of credit limits is regularly monitored.

Where appropriate, the Group undertakes all of its transactions in foreign exchange contracts with financial institutions.

Impairment of financial assets – trade receivables

The Group applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Consolidated Financial Statements
(Continued)

3.3 Financial risk management (Continued)

(B) Credit risk (Continued)

The carrying amount of receivables as at reporting date was as follows:

	Note	2022 $'000	2021 $'000
Trade receivables		60,895	48,835
Loss allowance		(519)	(269)
		60,376	48,566
Other receivables		5,278	2,785
Total receivables		65,654	51,351

The loss allowance determined for trade receivables as at 31 December 2022 and 2021 is as follows:

	2022 $'000	2021 $'000
Opening loss allowance as at 1 January	269	585
Expected credit losses recognised/(reversed) in profit or loss	(18)	(236)
Acquisition of ARN regional	373	–
Receivables written off as uncollectible	(105)	(80)
Closing loss allowance	519	269

The aging of trade receivables that were not impaired at the end of the reporting date was as follows:

	2022 $'000	2021 $'000
Current	55,984	44,942
Past due less than 1 month	2,858	3,193
Past due 1 to 3 months	1,435	451
Past due 3 to 6 months	274	95
Past due over 6 months	344	154
Trade receivables	60,895	48,835

ACCOUNTING POLICY

Trade receivables are generally settled within 30 to 45 days and therefore classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Due to their short-term nature, the carrying value represents fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements
(Continued)

3.3 Financial risk management (Continued)

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows. The Group has $141.5 million in undrawn facilities at 31 December 2022, please refer to note 3.1 for more information.

The tables below analyse the Group's financial liabilities, including interest to maturity into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

2021	Note	Less than one year $'000	Between one and two years $'000	Between two and five years $'000	Over five years $'000
Non-derivative Financial Liabilities					
Payables		41,461	–	–	–
Bank Loans	3.1	1,139	1,139	68,584	–
Lease Liabilities	2.3	11,157	5,774	8,617	14,785
Total non-derivatives		53,757	6,913	77,201	14,785
Less: interest		(1,139)	(1,139)	(584)	–
Total financial liabilities		52,618	5,774	76,617	14,785

2022	Note	Less than one year $'000	Between one and two years $'000	Between two and five years $'000	Over five years $'000
Non-derivative Financial Liabilities					
Payables		31,323	–	–	–
Bank Loans	3.1	4,059	21,324	70,532	–
Lease Liabilities	2.3	9,984	6,930	11,446	21,218
Total non-derivatives		45,366	28,254	81,978	21,218
Less: interest		(4,059)	(3,324)	(3,532)	–
Total financial liabilities		41,307	24,930	78,446	21,218

3.4 Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- financial assets at fair value through profit or loss; and
- financial assets at fair value through other comprehensive income.

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements
(Continued)

3.4 Fair Value Measurements (Continued)

(A) Recognised fair value measurements

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2021 and 2022:

2021	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
Shares in other corporations	5.3	–	–	4,196	4,196
Total financial assets		–	–	4,196	4,196

2022	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
Shares in other corporations	5.3	–	–	677	677
Total financial assets		–	–	677	677

The Group also has a number of assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes. The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of bank loans approximates the carrying amount.

The level 3 inputs used by the Group are derived and evaluated as follows.

The fair value of lease liabilities disclosed in note 2.3 is estimated by discounting the minimum lease payments at the Group's incremental borrowing rate. For the period ended 31 December 2022, the borrowing rates were determined to be between 2.3% and 6.9% per annum, depending on the type of lease.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for shares in other corporations that are measured through profit and loss. During the year a fair value gain of $5.3 million (2021: $17.9 million) was recorded in other income for shares in other corporations relating to the disposal of the Groups remaining investment in Lux Group Holdings for $8.8 million (refer to note 5.3 for more information). The fair value gain relating to the Group's remaining investment in Lux Group Limited as at 31 December 2021 was valued with reference to the sale price attained on the partial disposal in the period ending 31 December 2021, incorporating adjustments for minority interest and marketability.

Notes to the Consolidated Financial Statements
(Continued)

3.5 Contributed Equity

	2022 $'000	2021 $'000
Issued and paid up share capital	1,547,690	1,475,706

(A) Movements in contributed equity during the financial year

	2022 Number shares	2021 Number shares	2022 $'000	2021 $'000
Balance at beginning of the year	275,154,900	278,196,267	1,475,706	1,480,752
Share issue (i)	35,934,891	–	74,323	–
Share buy-back (ii)	(2,009,189)	(3,041,367)	(2,339)	(5,046)
Balance at end of the year	309,080,602	275,154,900	1,547,690	1,475,706

(i) Issue of ordinary shares (net of costs directly attributable) in January 2022 as consideration for the purchase of ARN Regional. Refer to note 6.1.

(ii) During 2022, the Company purchased and cancelled on-market 2.0 million shares (2021: 3.0 million). The shares were acquired at an average price of $1.16 per share (2021: $1.66).

(B) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, attorney or corporate representative is entitled to one vote, and upon a poll each share is entitled to one vote.

ACCOUNTING POLICY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements
(Continued)

3.6 Share-Based Payments

	2022 Number of rights	2021 Number of rights
As at 1 January	788,896	115,955
Awarded	107,086	765,802
Exercised	–	(115,955)
Other changes	75,930	23,094
Balance at end of the year	971,912	788,896

Share rights outstanding at the end of the year have the following vesting date and weighted average fair value:

Incentive plan	Vesting date	Weighted average fair value	Rights 2022	Rights 2021
2021 TIP and incentive award (1)	31-Dec-22	$2.01	855,749	788,896
2022 TIP and incentive award (2)	31-Dec-23	$1.95	116,163	–
Balance at end of the year			971,912	788,896

	2022	2021
Weighted average remaining contractual life of rights outstanding at end of period	0.1 year	1.0 year

(1) The date on which the fair value of the 2021 TIP rights were calculated, is the deemed grant date of the rights for accounting purposes. An actual grant of rights was not made to the CEO & Managing Director until after shareholder approval had been received at the Annual General Meeting, and for all other Executive KMP on 16 February 2022. At the Board's discretion, the participants may receive an additional allocation of fully paid ordinary shares equal to the value of dividends that were payable on the underlying shares, whilst holding unvested and/or vested rights. 66,853 additional rights were issued to satisfy this requirement.

(2) The date on which the fair value of the 2022 TIP rights were calculated, is the deemed grant date of the rights for accounting purposes. The performance conditions were met on 31 December 2022 and approved on 15 February 2023. At the Board's discretion, the participants may receive an additional allocation of fully paid ordinary shares equal to the value of dividends that were payable on the underlying shares, whilst holding unvested and/or vested rights. 9,077 additional rights were issued to satisfy this requirement. This is disclosed in other changes above.

Share-based payments expense related to the above tables for the year was $872,000 (2021: $814,000).
Further information of the rights granted to Executive KMP is contained in the Remuneration Report found on pages 46 to 61 of the Annual Report.

ACCOUNTING POLICY

Share-based compensation benefits are provided to employees via share-based payments as part of a Total Incentive Plan (TIP) and other management incentive plans.

The fair value of rights granted is recognised as an employee benefits 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.

The fair value is derived using the closing share price on the grant date.

The fair value of the rights granted is adjusted to reflect any market vesting condition but excludes the impact of non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of rights that are expected to become exercisable.

The employee benefits expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates, is recognised in profit or loss with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements
(Continued)

3.7 Reserves and Accumulated Losses

	2022 $'000	2021 $'000 *Restated
Reserves		
Foreign currency translation reserve	868	1,075
Share-based payments reserve	7,994	8,696
Investment revaluation reserve	–	–
Transactions with non-controlling interests reserve	(53,283)	(53,283)
Treasury shares reserve	(1,604)	(1,566)
Total reserves	(46,025)	(45,078)
Foreign currency translation reserve		
Balance at beginning of the year	1,075	1,811
Net exchange difference on translation of foreign operations	(44)	(438)
Share of associates foreign exchange reserve	(163)	(298)
Balance at end of the year	868	1,075
Share-based payments reserve		
Balance at beginning of the year	8,696	8,131
Share-based payments expense	872	814
Transfer to retained earnings	(142)	(68)
Treasury shares vested to employees	(1,432)	(181)
Balance at end of the year	7,994	8,696
Investment revaluation reserve		
Balance at beginning of the year	–	19,473
Fair value adjustment on financial assets	–	2,322
Transfer to retained earnings	–	(21,795)
Balance at end of the year	–	–
Transactions with non-controlling interests reserve		
Balance at beginning of the year	(53,283)	(53,283)
Balance at end of the year	(53,283)	(53,283)
Treasury shares reserve		
Balance at beginning of the year	(1,566)	(1,737)
Acquisition of treasury shares	(1,470)	(10)
Treasury shares vested to employees	1,432	181
Balance at end of the year	(1,604)	(1,566)

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

Notes to the Consolidated Financial Statements
(Continued)

3.7 Reserves and Accumulated Losses (Continued)

Nature and purpose of reserves

Foreign currency translation reserve

Exchange differences arising on translation of any foreign controlled entities are recognised in other comprehensive income and the foreign currency translation reserve as described in note 6.6.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of performance rights issued but not yet vested as described in note 3.6.

Investment revaluation reserve

The investment revaluation reserve is used to recognise the fair value of shares in other entities that are measured at fair value through other comprehensive income. Refer to note 5.3 for more information.

Transactions with non-controlling interests reserve

The transactions with non-controlling interest reserve is used to record the differences described in note 5.2 which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Treasury shares reserve

APN News & Media Employee Share Trust (Trust), a controlled entity, was established in 2017. The Trust purchased 788,896 (2021: 6,099) additional shares in the Company during the year. 850,772 shares were issued to employees during the year (2021: 103,919). The total shareholding in the Company as at 31 December 2022 was 904,851 shares at an average price of $1.77 (2021: 966,727 shares at $1.62). This shareholding is disclosed as treasury shares and deducted from equity.

Performance rights that relate to the 2018 and 2019 TIP have vested and converted into shares. Unissued shares remain in the Trust.

The treasury shares reserve is used to recognise the value of shares purchased by the Trust.

Accumulated losses

Movement in accumulated losses are as follows:

	2022 $'000	2021 $'000 *Restated
Balance at beginning of the year	(974,183)	(1,001,233)
(Loss)/Profit attributable to owners of the parent entity	(176,345)	14,862
Transfer from reserves	142	21,863
Dividends paid to shareholders	(27,648)	(9,675)
Balance at end of the year	(1,178,034)	(974,183)

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

Notes to the Consolidated Financial Statements
(Continued)

3.8 Dividends

	2022 $'000	2021 $'000
Final dividend for the year ended 31 December 2021 of 3.9 cents per share fully franked (2020: nil cents)	12,133	–
Paid in cash	12,133	–
Interim dividend for the year ended 31 December 2022 of 5.0 cents per share fully franked (2021: 3.5)	15,515	9,675
Paid in cash	15,515	9,675
Total dividends	27,648	9,675
Franking credit balance available as at 31 December (at 30% corporate tax rate)	87,690	14,729
Dividends not recognised at year end		
Subsequent to year end, the Directors have declared a fully franked dividend of 5.2 cents per share. The aggregate amount of the dividend expected to be paid on 23 March 2023 (paid from parent entity profits since 1 January 2023) but not recognised as a liability at year end is:	16,072	12,133

Notes to the Consolidated Financial Statements
(Continued)

4. Taxation

4.1 Income Tax and Deferred Tax

(A) Income tax

	2022 $'000	2021 $'000
Current tax expense	11,967	6,962
Tax settlement	–	29,455
Deferred tax benefit	(27,211)	(8,103)
Adjustment for current tax of prior periods	(1,986)	(2,082)
Income tax (benefit)/expense	(17,230)	26,232
Income tax expense differs from the prima facie tax as follows:		
Profit/(Loss) before income tax (benefit)/ expense	(190,220)	44,911
Prima facie income tax at 30%	(57,066)	13,473
Difference in international tax treatments and rates	(103)	(243)
Non-deductible acquisition costs	84	371
Non-deductible penalties on tax settlement	–	1,720
Non-deductible impairment charge	47,031	–
Capital losses utilised against the gain on disposal of investment in Luxury Escapes	(2,641)	(4,326)
Unrecognised tax losses/(tax losses realised)	(126)	(297)
Share of profits of associates	(2,907)	(2,936)
Adjustment for current tax of prior periods	(1,986)	(2,082)
Tax settlement	–	29,455
Capital losses utilised against the gain on disposal of investment in oOh!Media	–	(9,341)
Capital losses utilised against the sale of 4KQ	(569)	–
Other	1,053	438
Income tax (benefit)/expense	(17,230)	26,232

KEY JUDGEMENTS AND ESTIMATES

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Tax expense for 31 December 2022 is impacted by the reassessment of the deferred tax liability in relation to the sale of the 4KQ radio license, which has resulted in a decrease to the tax expense of $2.9 million.

Previously unrecognised capital losses of $3.2 million have been recognised in the period to offset deferred tax liabilities of $3.2 million, due to the sale of 4KQ assets and Lux Group Limited shares.

Notes to the Consolidated Financial Statements
(Continued)

4.1 Income Tax and Deferred Tax (Continued)
(A) Income Tax (Continued)
New Zealand Branch Matter

As previously disclosed, the Company reached a binding heads of agreement on 29 October 2021 to settle the taxation dispute regarding the New Zealand branch matter with the Australian Taxation Office (ATO) for the total sum of $70.7 million. A deed of settlement to formalise the binding heads of agreement was also executed on 1 February 2022.

The settlement amount of $70.7 million was made up of $56.6 million tax, $5.4 million penalties and $8.7 million interest.

The Company had already deposited $50.7 million with the ATO, and the remaining $20.0 million was paid on 1 March 2022.

The $8.7 million interest amount is deductible for income tax. Given the dispute is now completed, remitted interest previously taken as deductions has been treated as assessable income in the tax return for the year ended 31 December 2021, the final net interest assessable was $47.2 million (before tax).

Capital Losses

As previously noted, the New Zealand branch matter settlement agreement also recognised that 62.5% of the capital losses arising from the disposal of the New Zealand mastheads in 2016 which may be carried forward, subject to the usual loss carry forward rules regarding change of ownership and same business test. These capital losses totalled $345.9 million pre-tax, with 62.5% equating to $216.2 million pre-tax.

These are subject to the usual loss carry forward rules regarding change of ownership and same business test.

Assuming various rules are met, these capital losses should be available to shelter future capital gains. No deferred tax asset is recorded for these capital losses as they may only be utilised in the event of capital gains and it is not currently probable there will be capital gains against which the losses will be utilised.

Other Matters: Loan Forgiveness

As previously disclosed, the Company and the ATO also settled the Loan Forgiveness matter. The ATO had indicated it would apply the market value substitution rules to the loan forgiveness, with the tax adjustment being $5.8 million plus potential penalties and interest.

On 22 December 2021, the Company and the ATO executed a deed of settlement to settle the Loan Forgiveness matter for a total of $3.4 million, made up of $2.9 million tax, $0.3 million penalties and $0.2 million interest. The amount owing of $2.3 million as at 31 December 2021 was paid on 18 January 2022.

There are no other matters currently under review by the ATO.

Notes to the Consolidated Financial Statements
(Continued)

4.1 Income Tax and Deferred Tax (Continued)

(A) Income Tax (Continued)

ACCOUNTING POLICY

AASB Interpretation 23 *Uncertainty over Income Tax Treatments* explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

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

While there are no new disclosure requirements, the Group used the guidance of this Interpretation to provide information about judgements and estimates made in relation to its existing tax in dispute matters.

Notes to the Consolidated Financial Statements
(Continued)

4.1 Income Tax and Deferred Tax (Continued)
(B) Deferred tax assets and liabilities

2021 *Restated	Balance 1 Jan 21 $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Other movements $'000	Offset $'000	Balance 31 Dec 21 $'000
Employee benefits	1,588	573	–	–	–	2,161
Doubtful debts	150	(71)	–	–	–	79
Accruals/restructuring	2,258	38	–	–	–	2,296
Capital losses	–	–	–	9,341	(9,341)	–
Intangible assets	(110,234)	–	–	–	–	(110,234)
Depreciation	(50)	18	–	1,453	–	1,421
Right-of-use assets	(5,465)	862	–	–	–	(4,603)
Lease liabilities	7,213	(916)	–	–	–	6,297
Investments accounted for using the equity method	(7,054)	(742)	–	–	–	(7,796)
Shares in other corporations	(8,344)	(1,054)	(995)	–	9,341	(1,052)
Other	333	53	(206)	–	–	181
	(119,605)	(1,239)	(1,201)	10,794	–	(111,250)

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.6.

2022	Balance 1 Jan 22 $'000	Recognised in profit or loss $'000	Acquisition of ARN Regional $'000	Recognised in equity $'000	Other movements $'000	Offset $'000	Balance 31 Dec 22 $'000
Employee benefits	2,161	59	1,916	–	–	–	4,136
Doubtful debts	79	(36)	112	–	–	–	155
Accruals/restructuring	2,296	137	2,191	–	72	–	4,696
Capital losses	–	–	–	–	3,210	(3,210)	–
Intangible assets	(110,234)	29,007	(52,042)	–	2,939	569	(129,761)
Depreciation	1,421	(26)	(1,908)	–	(316)	–	(829)
Right-of-use assets	(4,603)	156	(4,081)	–	–	–	(8,528)
Lease liabilities	6,297	(426)	3,338	–	–	–	9,209
Investments accounted for using the equity method	(7,796)	(274)	–	–	–	–	(8,070)
Shares in other corporations	(1,052)	(1,586)	–	–	(3)	2,641	–
Other	181	200	(149)	(275)	(37)	–	(80)
	(111,250)	27,211	(50,623)	(275)	5,865	–	(129,072)

The Group has not recognised deferred tax assets of $5.8 million (2021: $5.5 million) in respect of HK Outdoor tax losses carried forward.

Notes to the Consolidated Financial Statements
(Continued)

4.1 Income Tax and Deferred Tax (Continued)
(B) Deferred tax assets and liabilities (Continued)

ACCOUNTING POLICY

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and also adjusted for unused tax losses utilised in the year.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those enacted tax rates applicable to each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Temporary differences in relation to indefinite life intangible assets are determined with reference to their respective capital gains tax bases in respect of assets for which capital gains tax will apply.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income are also recognised in other comprehensive income.

The Company and its wholly-owned Australian controlled entities are part of a tax-consolidated group under Australian taxation law. HT&E Limited is the head entity in the tax-consolidated group. The wholly owned Australian subsidiaries acquired as part of the acquisition of ARN Regional entered the tax consolidated group in 2022, of which the HT&E is the head entity, in accordance with Australian taxation law. Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, HT&E Limited and each of the other entities in the tax-consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity. Each entity in the tax-consolidated group measures its current and deferred taxes as if it continued to be a separate taxable entity in its own right.

Judgement is required in relation to the recognition of carried forward tax losses as deferred tax assets. The Group assesses whether there will be sufficient future taxable profits to utilise the losses based on a range of factors, including forecast earnings and whether the unused tax losses resulted from identified causes which are unlikely to recur.

Notes to the Consolidated Financial Statements
(Continued)

5. Group Structure

5.1 Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 6.6.

Name of entity	Country of incorporation/ establishment	Equity holding 2022 %	2021 %
5AD Broadcasting Company Pty Ltd [1]	Australia	100	100
Ambersky Pty. Limited [1, 2, 4]	Australia	100	–
AMI Radio Pty Limited [1, 2, 4]	Australia	100	–
APN News & Media Employee Share Trust	Australia	100	100
ARN Adelaide Pty Ltd [1]	Australia	100	100
ARN Brisbane Pty Ltd [1, 2]	Australia	100	100
ARN Broadcasting Pty Ltd [1]	Australia	100	100
ARN Communications Pty Ltd [1, 2]	Australia	100	100
ARN Limited Partnership	Australia	100	100
ARN New Zealand Pty. Limited [1, 2]	Australia	100	100
ARN Overseas Pty. Limited [1,2]	Australia	100	100
ARN Perth Pty Limited [1]	Australia	100	100
ARN Regional Pty Ltd [1, 2, 4]	Australia	100	–
ARN South Australia Pty Limited [1]	Australia	100	100
Australian Radio Network Pty Limited [1,2]	Australia	100	100
Bass Radio Pty Limited [1, 2, 4]	Australia	100	–
Biffin Pty. Limited [1, 2]	Australia	100	100
Black Mountain Broadcasters Pty. Limited	Australia	50	50
Blue Mountains Broadcasters Pty Limited [1]	Australia	100	100
Bluwin Pty Ltd	Australia	50	–
Brisbane FM Radio Pty Ltd	Australia	50	50
Bundaberg Broadcasters Pty. Ltd [1, 4]	Australia	100	–
Bundaberg Narrowcasters Pty. Ltd. [1, 2, 4]	Australia	100	–
Burnie Broadcasting Service Proprietary Limited [1, 2, 4]	Australia	100	–
Buspak Advertising (Hong Kong) Limited	Hong Kong	100	100
Cairns Broadcasters Pty Ltd [1, 2, 4]	Australia	100	–
Canberra FM Radio Pty Ltd3	Australia	50	50
Capital City Broadcasters Pty. Limited [1]	Australia	100	100
Catalogue Central Pty Limited [1]	Australia	100	100
Cody Outdoor International (HK) Limited	Hong Kong	100	100
Commercial Broadcasters Proprietary Limited [1, 2, 4]	Australia	100	–
Commonwealth Broadcasting Corporation Pty Ltd [1, 2]	Australia	100	100
Conversant Media Pty Ltd [1]	Australia	100	100
Covette Investments Pty Limited [1, 2]	Australia	100	100
Digi-Lution Pty Ltd [1, 2, 4]	Australia	100	–

Notes to the Consolidated Financial Statements
(Continued)

Name of entity	Country of incorporation/ establishment	Equity holding 2022 %	Equity holding 2021 %
Digital Radio Broadcasting Darwin Pty Ltd [1, 2, 4]	Australia	100	–
Double T Radio Pty Ltd [1]	Australia	100	100
East Coast Radio Pty. Limited [1, 2, 4]	Australia	100	–
Emotive Pty Limited	Australia	51	51
Evitome Pty Limited [1]	Australia	100	100
Eyre Peninsula Broadcasters Pty Ltd [1, 4]	Australia	100	–
Gergdaam Capital Pty Limited [1, 2]	Australia	100	100
Gulgong Pty. Limited [1, 2]	Australia	100	100
Haswell Pty. Limited [1, 2]	Australia	100	100
Hot 91 Pty Ltd [1, 2, 4]	Australia	100	–
Hot Tomato Australia Pty Limited [1, 4]	Australia	100	–
Hot Tomato Narrowcasting Pty Limited [1, 2, 4]	Australia	100	–
HT&E Broadcasting (Regionals) Pty. [1, 2]	Australia	100	100
HT&E Digital Pty Ltd [1]	Australia	100	100
HT&E Finance Pty Limited [1, 2]	Australia	100	100
HT&E International Pty Ltd [1, 2]	Australia	100	100
HT&E Online (Australia) Pty Ltd [1]	Australia	100	100
HT&E Operations Ltd [1, 2]	Australia	100	100
Level 3 Investments Pty Limited [1]	Australia	100	100
Mackay Broadcasters Pty Ltd [1, 2, 4]	Australia	100	–
Melbourne F.M. Facilities Pty. Limited	Australia	50	50
North East Tasmanian Radio Broadcasters Proprietary Limited [1, 2, 4]	Australia	100	–
Northern Tasmania Broadcasters Proprietary Limited [1, 2, 4]	Australia	100	–
Northern Territory Broadcasters Pty Ltd [1, 4]	Australia	100	–
Queensland Regional Broadcasters Pty Ltd [1, 4]	Australia	100	–
Radio 96FM Perth Pty Limited [1]	Australia	100	100
Radio Ballarat Pty. Ltd. [1, 2, 4]	Australia	100	–
Radio Barrier Reef Pty Ltd [1, 2, 4]	Australia	100	–
Radio Cairns Pty Ltd [1, 2, 4]	Australia	100	–
Radio Central Victoria Pty Ltd [1, 2, 4]	Australia	100	–
Radio Gladstone Pty Ltd [1, 2, 4]	Australia	100	–
Radio Hunter Valley Pty. Limited [1, 2, 4]	Australia	100	–
Radio Mackay Pty Ltd [1, 2, 4]	Australia	100	–
Radio Murray Bridge Pty Limited [1, 2, 4]	Australia	100	–
Radio Rockhampton Pty Ltd [1, 2, 4]	Australia	100	–
Radio Townsville Pty Ltd [1, 2, 4]	Australia	100	–
Radio West Coast Pty Ltd [1, 4]	Australia	100	–
Riverland Broadcasters Pty Ltd [1, 2, 4]	Australia	100	–

Notes to the Consolidated Financial Statements
(Continued)

Name of entity	Country of incorporation/ establishment	Equity holding 2022 %	2021 %
South Coast & Tablelands Broadcasting Pty Ltd [1, 4]	Australia	100	–
Southern State Broadcasters Pty. Limited [1]	Australia	100	100
Speedlink Services Pty Ltd [1]	Australia	100	100
Spencer Gulf Broadcasters Pty Ltd [1, 2, 4]	Australia	100	–
Star Broadcasting Network Pty Ltd [1, 2, 4]	Australia	100	–
Sydney FM Facilities Pty Ltd	Australia	50	50
Tasmanian Broadcasters Pty Ltd [1, 2, 4]	Australia	100	–
The Hot Tomato Broadcasting Company Pty Limited [1, 2, 4]	Australia	100	–
The Internet Amusements Group Pty Limited [1]	Australia	100	100
The Level 3 Partnership	Australia	100	100
The Radio Sales Network Pty Ltd [1, 2, 4]	Australia	100	–
The Roar Sports Media Pty Ltd [1]	Australia	100	100
Tibbar Broadcasting Pty Limited [1]	Australia	100	100
Wesgo [1, 2]	Australia	100	100
Wilson & Horton Australia Pty Ltd [1]	Australia	100	100
Wilson & Horton Finance Pty Ltd [1,2]	Australia	100	100
Wollongong Broadcasters Pty. Limited [1, 2, 4]	Australia	100	–

(1) These companies are parties to a deed of cross guarantee dated 28 April 2017 under which each company guarantees the debts of the others (Deed of Cross Guarantee). These companies represent a Closed Group for the purposes of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and there are no other members of the Extended Closed Group.

(2) These 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.

(3) This company is proportionately consolidated and its principal activities are commercial radio. Refer to note 5.4.

(4) These companies acquired during the year entered the Assumption Deed which provides for the joining of each company to the Deed of Cross Guarantee dated 28 April 2017.

Notes to the Consolidated Financial Statements
(Continued)

5.2 Interests in Other Entities

(A) Material subsidiaries with non-controlling interests

Set out below are the Group's principal subsidiaries with material non-controlling interests. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, and the proportion of ownership interests held equals to the voting rights held by the Group.

Name of entity	Place of business and country of incorporation	Ownership interest held by the Group 2022	Ownership interest held by the Group 2021	Ownership interest held by non-controlling interests 2022	Ownership interest held by non-controlling interests 2021	Principal activities
Brisbane FM Radio Pty Ltd	Australia	50%	50%	50%	50%	Commercial radio

(B) Non-controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Brisbane FM Radio Pty Ltd 2022 $'000	Brisbane FM Radio Pty Ltd 2021 $'000
Summarised balance sheet		
Current assets	10,841	10,864
Current liabilities	773	1,031
Current net assets	10,068	9,833
Non-current assets	67,363	67,318
Non-current liabilities	44	47
Non-current net assets	67,319	67,271
Net assets	77,387	77,104
Accumulated non-controlling interests	38,694	38,552
Summarised statement of comprehensive income		
Revenue	22,366	22,742
Profit for the period	5,845	6,855
Other comprehensive income	–	–
Total comprehensive income	5,845	6,855
Total comprehensive income allocated to non-controlling interests	2,923	3,428
Dividends paid to non-controlling interests	2,790	2,684
Summarised statement of cash flows		
Net inflows from operating activities	6,619	5,835
Net inflows/(outflows) from investing activities	–	–
Net outflows from financing activities	(6,861)	(5,667)
Net increase in cash and cash equivalents	(241)	168

Notes to the Consolidated Financial Statements
(Continued)

5.2 Interests in Other Entities (Continued)
(B) Non-controlling interests (Continued)

ACCOUNTING POLICY
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, balance sheet and statement of changes in equity respectively.

The effects of all transactions with non-controlling interests are recorded in equity if there is no change in control. Where there is a loss of control, any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised in the income statement. Any losses are allocated to the non-controlling interests in subsidiaries even if the accumulated losses should exceed the non-controlling interests in the individual subsidiary's equity.

5.3 Shares in Other Corporations

	Note	2022 $'000	2021 $'000
Shares in other corporations	3.4	677	4,196

The group disposed of its remaining investment in Lux Group Limited in the period for $8.8 million (2021: $14.4 million). The Group recognised a gain on financial asset through profit and loss of $5.3 million (2021: $17.9 million).

The Group disposed of its investment in oOh!media Limited (OML) on 2 November 2021, which was designated as fair value through other comprehensive income. Prior to the sale, the investment in OML was revalued to $49.2 million as at 2 November 2021, with a $2.3 million fair value gain net of tax, recognised in other comprehensive income. The sale resulted in a $21.8 million gain net of tax previously recognised in other comprehensive income being transferred from the investment revaluation reserve to retained earnings.

ACCOUNTING POLICY
Classification and initial measurement of financial assets
Financial assets are initially measured at fair value, plus transaction costs. This excludes those financial assets classified as at fair value through profit or loss which are initially measured at fair value. Subsequent measurement of financial assets is at fair value or amortised cost where certain criteria are met.

Financial assets at amortised cost and impairment
The Group's loans and receivables (refer to note 3.3(B)) meet the requirements for measurement at amortised cost based on the purpose for which the assets and liabilities are held and the contractual terms.

Details about the group's impairment policies and the calculation of the loss allowance are provided in note 3.3(B).

Financial assets at fair value
The Group's investments in equity instruments are measured at fair value, determined in the manner described in note 3.4. At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to recognise gains and losses on equity instruments not held for trading, in other comprehensive income. Otherwise, all gains and losses are recognised in profit or loss.

KEY JUDGEMENTS AND ESTIMATES
The Group's investments in equity instruments are measured at fair value, determined in the manner described in note 3.4. These calculations require the use of assumptions. Refer to note 3.4 for details of these assumptions.

Notes to the Consolidated Financial Statements
(Continued)

5.4 Investments Accounted for Using the Equity Method

Interests in associates

	Note	2022 $'000	2021 $'000
Shares in associates		33,327	52,561
Total investments accounted for using the equity method		33,327	52,561
Share of profits of associates (i)		9,691	9,786

Set out below are the associate and joint ventures of the Group as at 31 December 2022. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	Ownership interest 2022	Ownership interest 2021	Nature of relationship	Measurement method	Consolidated carrying values 2022 $'000	Consolidated carrying values 2021 $'000
Soprano Design Pty Limited	Australia	25%	25%	Associate[1]	Equity method	–	19,551
Nova Entertainment (Perth) Pty Ltd	Australia	50%	50%	Associate[2]	Equity method	33,327	33,010

(1) Soprano Design Pty Limited specialises in the development and provision of world leading mobile messaging and wireless application infrastructure. The interest in this business was acquired in 2001. The Group has determined that its investment in Soprano Design Pty Limited should be held as an asset held for sale. Refer to note 6.2 for more information.

(2) On 1 March 2020, Nova Entertainment (Perth) Pty Ltd, an FM radio station in Perth, became an associate of the Group. The Group's interest in the entity was previously classified as an equity investment within Shares in Other Corporations

Below is a reconciliation of investments accounted for using the equity method:

	Note	2022 $'000	2021 $'000
Carrying amount at the beginning of the financial year		52,561	51,320
Share of profit (i)		9,691	9,786
Share of reserves		(163)	(298)
Dividend paid		(5,019)	(6,599)
Reclassification of associate from financial asset	6.2	(23,788)	–
Impairment reversal/(loss)		–	2,019
Other		45	(3,667)
Total investments accounted for using the equity method		33,327	52,561

(i) Included in prior year share of profits is adjustment to associate revenues by $1.3 million, offset by ($0.6) million impairment of goodwill held by Soprano.

Notes to the Consolidated Financial Statements
(Continued)

5.4 Investments Accounted for Using the Equity Method (Continued)

(A) Impairment test of investment in Nova 93.7FM

A comprehensive impairment review of the Group's investment in Nova 93.7FM was conducted at 31 December 2022 with no change to the recoverable amount.

The recoverable amount of Nova 93.7FM was estimated based on a value in use calculation, using management forecasts for a 5-year period.

The cash flow assumptions are based on:

- revenue forecasts, which consider internal information and relevant external industry data and analysis which include market growth across the cash flow period. The revenue forecast assumes the Australian Radio market will return to historical 2019 within the forecast period and recent Nova 93.7FM market share will moderate to historical averages over the forecast period.
- expense forecasts, which are prepared on a detailed basis based on their nature. Variable costs are forecasted to move in line with revenue movements. Personnel costs are forecasted to move in line with headcount based on investment required to maintain market share and adjusted for expected inflation. Other costs are forecasted based on management expectations, considering existing contractual arrangements.
- terminal value cash flows are extrapolated at rates not exceeding the long-term average growth rate for the industry in which Nova 93.7FM operates.

(B) Discount rate and long-term growth rate

The discount rate (per annum) used reflect specific risks relating to the investment and the country in which it operates.

	Dec 2022 Post-tax discount rate	Dec 2022 Pre-tax discount rate	Dec 2022 Long-term growth rate	Dec 2021 Post-tax discount rate	Dec 2021 Pre-tax discount rate	Dec 2021 Long-term growth rate
Nova 93.7FM	10.25%	14.5%	1.5%	9.0%	12.4%	1.5%

(C) Estimation uncertainty and key assumptions

At 31 December 2022, the carrying value of the Group's investment in Nova 93.7FM equalled its value in use calculation. The impairment calculation is therefore sensitive to changes in certain key assumptions, with any negative change giving rise to an impairment charge.

The below illustrates how a reasonable possible change in estimate and assumptions can impact headroom. The headroom for the Group's investment in Nova 93.7FM would change by the following based on changes made in isolation to the key assumptions below:

- 1.0% increase in the post-tax discount rate
- 1.0% reduction in the long-term growth rate
- Impact of 10.0% terminal EBITDA shortfall

The carrying value of the Group's investment in Nova 93.7FM equalled its value in use calculation. The following reasonably possible changes in a key assumption would result in a recoverable amount lower than the carrying value to the extent shown below:

	From	To	Change to carrying value $'000
Discount rate change	10.25%	11.25%	(3,048)
Long-term growth rate change	1.5%	0.5%	(2,167)
Terminal EBITDA shortfall	–	(10.0%)	(2,100)

Notes to the Consolidated Financial Statements
(Continued)

5.4 Investments Accounted for Using the Equity Method (Continued)
(C) Estimation uncertainty and key assumptions (Continued)

ACCOUNTING POLICY

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income of the associate, is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the consolidated financial statements as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

Joint arrangements

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

The Group recognises its direct right to, and its share of, jointly held assets, liabilities, revenues and expenses of joint operations.

(ii) Joint ventures

The interest in a joint venture is accounted for using the equity method after initially being recognised at cost. Under the equity method, the Group's share of the profits or losses of the joint venture is recognised in the income statement, and the share of post-acquisition other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Notes to the Consolidated Financial Statements
(Continued)

5.5 Parent Entity Financial Information

(A) Summary of financial information for the parent entity

The individual financial statements for the parent entity show the following aggregate amounts:

	2022 $'000	2021 $'000
Balance sheet		
Current assets	384	290
Total assets	649,203	1,044,108
Current liabilities	4,130	41,792
Total liabilities	522,376	830,002
Total equity	126,827	214,106
Contributed equity	1,547,690	1,475,706
Reserves		
Share-based payments reserve	7,994	8,697
Retained earnings		
Closing profit reserve	736	12,868
Closing loss reserve	(1,429,593)	(1,283,165)
Total equity	126,827	214,106
Loss for the year	(130,912)	(214,579)
Total comprehensive loss	(130,912)	(214,579)

(B) Guarantees entered into by the parent entity

Refer to note 6.3 for details.

(C) Contingent liabilities and contractual commitments of the parent entity

The parent entity did not have any as at 31 December 2022 (2021 $4.0 million) and did not have any contractual commitments as at 31 December 2022 (2021: nil).

ACCOUNTING POLICY

The financial information for the parent entity, HT&E Limited, has been prepared on the same basis as the consolidated financial statements, except for:

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment losses in the financial statements of the parent entity.

Dividends received from subsidiaries are recognised in the parent entity's income statement when its right to receive the dividend is established.

Notes to the Consolidated Financial Statements
(Continued)

5.6 Deed of Cross Guarantee

Companies in the Closed Group are party to a deed of cross guarantee dated 28 April 2017 under which each guarantees the debts of the others. These companies represent a Closed Group for the purposes of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The companies party to Deed of Cross Guarantee are detailed at note 5.1.

Set out below is the consolidated income statement and summary of movements in consolidated retained earnings for the year ended 31 December 2022 for the Closed Group:

	2022 $'000	2021 $'000
Revenue	284,730	165,072
Other revenue and income	14,023	26,563
Expenses from operations before impairment, finance costs, depreciation and amortisation	(236,447)	(138,286)
Impairment of Group company investments	(1,919)	(5,157)
Impairment of intangibles	(251,798)	–
Finance costs	(4,918)	(11,743)
Depreciation and amortisation	(12,820)	(5,742)
Share of profits of associate and joint ventures	9,691	9,786
(Loss)/Profit before income tax	(199,458)	40,493
Income tax benefit/(expense)	19,776	(23,138)
(Loss)/Profit attributable to owners of the parent entity	(179,682)	17,355
Accumulated losses		
Balance at beginning of the year	(1,088,951)	(1,118,494)
(Loss)/Profit attributable to owners of the parent entity	(179,682)	17,355
Dividends paid to shareholders	(27,648)	(9,675)
Transfers between reserves	142	21,863
Balance at end of the year	(1,296,139)	(1,088,951)

Notes to the Consolidated Financial Statements
(Continued)

5.6 Deed of Cross Guarantee (Continued)

Set out below is the consolidated balance sheet as at 31 December 2022 for the Closed Group:

	2022 $'000	2021 $'000
Current assets		
Cash and cash equivalents	16,941	252,704
Receivables	172,585	157,883
Other current assets	3,337	650
Asset held for sale	23,788	–
Total current assets	216,651	411,237
Non-current assets		
Other financial assets	157,889	185,202
Investments accounted for using the equity method	57,115	52,561
Property, plant and equipment	46,649	15,026
Right-of-use assets	25,952	15,375
Intangible assets	360,747	296,019
Other non-current assets	209	321
Total non-current assets	648,561	564,504
Total assets	865,212	975,741
Current liabilities		
Payables	165,615	177,568
Contract liabilities	909	773
Lease liabilities	4,487	2,463
Current tax liabilities	4,125	20,463
Provisions	13,730	6,178
Total current liabilities	188,866	207,445
Non-current liabilities		
Bank Loans	84,394	67,294
Lease liabilities	23,660	18,526
Provisions	7,829	3,747
Deferred tax liabilities	129,238	111,401
Total non-current liabilities	245,121	200,968
Total liabilities	433,987	408,413
Net assets	431,225	567,328
Equity		
Contributed equity	1,547,690	1,475,706
Reserves	179,674	180,573
Accumulated losses	(1,296,139)	(1,088,951)
Total parent entity interest	431,225	567,328
Total equity	431,225	567,328

Notes to the Consolidated Financial Statements
(Continued)

6. Other

6.1 Business Combinations

On 4 January 2022, the Company completed the acquisition from Grant Broadcasters of ARN Regional, comprising 46 regional radio stations and digital operations. The purchase consideration was made up of cash of $239.1 million (net of cash acquired) and equity of $74.4 million (fair value using closing share price on completion date).

As part of the acquisition, the Company also acquired Bluwin Pty Limited, which is a joint venture between Australian Radio Network Pty Limited and WIN Corporation. The company has consolidated its interest in Bluwin Pty Limited and has recorded a non-controlling interest, which has been measured based on proportionate share of net assets. The remaining entities acquired are wholly owned subsidiaries.

Goodwill recognised through the acquisition incorporates potential synergies to the Group through increased audience reach and scale for national advertisers. This goodwill will not be tax deductible.

Acquisition costs of $5.3 million are included in the income statement (31 December 2021: $2.0 million). The acquired business contributed revenue of $111.5 million and net profit after tax attributable to the parent of $25.2 million to the Group for the period to 31 December 2022.

The determined fair values of the identifiable assets and liabilities acquired are detailed overleaf.

	2022 $'000
Purchase consideration:	
Cash paid	249,044
Ordinary shares issued	74,385
Total purchase consideration	323,429
The assets and liabilities recognised as a result of the acquisition:	
Cash and cash equivalents	9,937
Receivables	16,467
Other assets	519
Right-of-use assets	13,605
Property, plant and equipment	33,013
Goodwill	156,770
Radio licences	125,555
Brands	31,295
Customer relationships	16,622
Lease liabilities	(11,126)
Payables	(6,512)
Contract liabilities	(210)
Provisions	(11,146)
Deferred tax liability	(50,623)
Current tax liabilities	(774)
Value of net identifiable assets	323,392
Non-controlling interest	37
Value of net identifiable asset and non-controlling interest	323,429
Net outflow of cash – investing activities	(239,106)

Notes to the Consolidated Financial Statements
(Continued)

6.1 Business Combinations (Continued)

ACCOUNTING POLICY

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

The identifiable assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date. Non-controlling interests in an acquiree are recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition-by-acquisition basis.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the Group's share of the net identifiable assets acquired is recorded as an indefinite life intangible asset.

KEY JUDGEMENTS AND ESTIMATES

Management judgement is required to determine the fair value of identifiable assets and liabilities acquired in business combinations. A number of judgements have been made in relation to the identification of fair values attributable to separately identifiable assets and liabilities acquired, including radio licences, customer relationships and brands. The determination of fair values require the use of valuation techniques based on assumptions including future cash flows, revenue growth, margins, customer attrition rates and weighted-average cost of capital.

6.2 Disposals

4KQ Sale

On 1 July 2022, HT&E completed the sale of its 4KQ Brisbane radio station and license to a subsidiary of Sports Entertainment Group Limited (ASX: SEG) for consideration of $12.0 million. A $1.9 million impairment was recognised on the radio license on the sale of the asset, as well as $0.4 million loss on disposal of property, plant and equipment and $0.5 million costs associated with the sale.

Soprano Sale

On 31 December 2022, the Group signed a binding share sale agreement to sell its 25% interest in Soprano Design Limited (Soprano) to Potentia Capital (Potentia), a leading Australian technology focused private equity firm.

Under the agreement the Group will receive approximately $66.3 million in cash as consideration for the sale of its entire interest. The sale is conditional upon receiving FIRB approval and is expected to be completed in the first half of 2023. The Group have determined that its interest in Soprano should be held as an asset held for sale at its carrying value of $23.8 million.

ACCOUNTING POLICY

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from other assets in the balance sheet.

Notes to the Consolidated Financial Statements
(Continued)

6.3 Contingent Liabilities

The parent entity and all wholly-owned controlled entities have provided guarantees in respect of banking facilities. As at 31 December 2022, the facilities had been drawn to the extent of $87.9 million (2021: $71.6 million), of which $2.9 million (2021: $3.6 million) of the balance pertains to bank guarantees.

As at 31 December 2021 the Group had a contingent liability relating to the acquisition of ARN Regional from Grant Broadcasters for $4.0 million.

The Group did not have any other contingent liabilities and unrecognised capital contractual commitments as at 31 December 2022 (2021: $ nil).

Claims

Claims for damages are made against the Group from time to time in the ordinary course of business. The Directors are not aware of any claim that is expected to result in material costs or damages.

6.4 Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor of the Group, its related practices, non-related audit firms and other professional advisory and consulting firms:

	2022 $	2021 $
Remuneration for audit or review of the financial reports		
PricewaterhouseCoopers – Australian firm	1,587,120	908,192
PricewaterhouseCoopers – overseas firm	84,798	79,671
Remuneration for other assurance services		
PricewaterhouseCoopers – Australian firm	44,880	42,448
PricewaterhouseCoopers – overseas firm	16,187	9,505
Total audit and other assurance services	1,732,985	1,039,816
Remuneration for other services		
PricewaterhouseCoopers – Australian firm		
Tax services		
Consulting and advice	440,269	392,802
Compliance	168,780	41,200
Other services	–	–
PricewaterhouseCoopers – overseas firm		
Tax services		
Compliance	23,387	21,305
Total non-audit services	632,436	455,307

Notes to the Consolidated Financial Statements
(Continued)

6.5 Related Parties

(A) Key management personnel compensation

	2022 $	2021 $
Short-term employee benefits	2,799,035	3,330,253
Post-employment benefits	131,211	97,722
Other long-term benefits	64,313	25,151
Share-based payments	821,127	716,718
Total	3,815,686	4,169,844

Detailed remuneration disclosures are provided in the Remuneration Report.

(B) Transactions with other related parties

The aggregate amounts recognised in respect to the following types of transactions and each class of related party involved were as follows:

Type of transaction	Class of other related party	2022 $	2021 $
Director fee with associate	Key management personnel (i)	–	75,000
Director fee with associate	Key management personnel (ii)	74,577	75,172
Property rental	Key management personnel (iii)	782,289	–

(i) Directors fees received from Soprano Design Pty Limited by HT&E for services performed by Ciaran Davis.

(ii) Directors fee received from by Belinda Rowe for services performed in relation to Soprano Design Pty Limited. For the year ending 31 December 2022 Soprano Design Pty Limited directly paid $37,671 (2021: $75,172), whilst the Group paid $36,906.

(iii) The Group paid property rental to entities associated with Alison Cameron on commercial arm's length terms.

(C) Payables with other related parties

There was $nil payable to related parties as at 31 December 2022 (2021: $nil).

(D) Loans to related parties

There was $11.0 million in loans owing to related parties as at 31 December 2022 (2021: $11.1 million). This relates to Nova Entertainment (Perth) Pty Ltd.

(E) Commitments with other related parties

There was $nil commitment to related parties as at 31 December 2022 (2021: $nil).

Notes to the Consolidated Financial Statements
(Continued)

6.6 Other Significant Accounting Policies

Principles of consolidation – subsidiaries

The consolidated financial statements incorporate the assets and liabilities of HT&E Limited and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, balance sheet and statement of changes in equity respectively.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is HT&E Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet;
- income and expenses are translated at average exchange rates for the year; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or a partial disposal occurs, a proportionate share of such exchange differences is recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Trade payables

Trade payables, including accruals not yet billed, are recognised when the Group becomes obliged to make future payments as a result of a purchase of assets or services. Trade payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are unsecured and are generally settled within 30 to 45 days.

Dividends

A payable is raised for the amount of any dividend declared, determined or publicly recommended by the Directors before or at the end of the financial year but not distributed at balance date.

Notes to the Consolidated Financial Statements
(Continued)

6.6 Other Significant Accounting Policies (Continued)

Short-term incentive plans

A liability for short-term incentives is recognised in provisions when there is an expectation of settlement and at least one of the following conditions is met:

- there are contracted terms in the relevant plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for short-term incentives are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

New and amended standards adopted by the group

The Group adopted certain accounting standards, amendments, and interpretations, which did not result in changes in accounting policies, amounts recognised or disclosures in the financial statements for the year ending 31 December 2022.

Standards and interpretations issued but not yet effective.

There are no standards and interpretations that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting period and on foreseeable future transactions.

Change in accounting policy

The Group has previously recognised land and building at fair value, with changes in the fair value being recognised in the asset revaluation reserve. Following the acquisition of ARN Regional on 4 January 2022, the Group reassessed its accounting policy and determined that the historical cost basis of accounting would provide more relevant and reliable information. Consequently, the Group changed its accounting policy to historical cost in the period.

Land and buildings will be measured at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The change in policy has been applied retrospectively and comparative information has been restated. This has the following impact on the amounts recognised in the financial statements;

	Dec 2021 $'000	Jan 2021 $'000
Property Plant and Equipment	(2,599)	(2,631)
Asset Revaluation Reserve	(2,402)	(2,402)
Depreciation and amortisation	(32)	–
Opening retained earnings	124	124
Deferred tax liability	(353)	(353)

6.7 Subsequent Events

Subsequent to the end of the financial year, the Directors have declared the payment of a fully franked dividend of 5.2 cents per ordinary share. This dividend is paid from parent entity profits since 1 January 2023. This dividend is payable on 23 March 2023.

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 63 to 119 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 31 December 2022 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 extended closed group identified in note 5.1 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 5.6.

Page 63 of the Annual Report confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors, after receiving the declarations required to be made by the Chief Executive and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001.

Hamish McLennan
Chairman

Sydney
21 February 2023

Independent auditor's report

To the members of HT&E Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of HT&E Limited (the Company) and its controlled entities (together 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 31 December 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

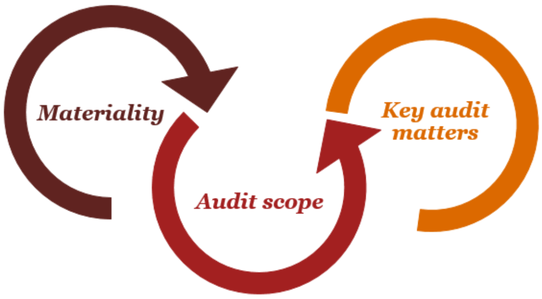
Independence

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 & 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.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $2,800,000, which represents approximately 5% of the Group's statutory profit before tax adjusted to exclude the impairment of intangible assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We adjusted to exclude the impairment of the intangible asset to reflect the underlying performance of the group.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group audit was aligned with the structure of the Group.
- The nature, timing and extent of audit work required on each component of the Group was determined by the component's risk characteristics and financial significance to the Group and consideration as to whether sufficient evidence had been obtained for our opinion on the financial report as a whole. The audit work involved:
  - an audit of the Australian Radio Network financial information
  - specific risk focused audit procedures over Cody Outdoor International (HK) Limited financial information
  - specific risk focused analytical procedures at the Group level.

- further audit procedures at a Group level, including over the consolidation of the Group's reporting units and the preparation of the financial report.

- For the work performed by other auditors ("component auditor") of Nova Entertainment (Perth) Pty Limited operating under our instructions, we determined the level of involvement we needed to have in the audit work at this location to be satisfied that sufficient audit evidence had been obtained. We communicated regularly with the component audit team during the year through face-to-face meetings, phone calls, and written instructions where appropriate

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of intangible assets *(Refer to note 2.1)* The Group continues to hold significant indefinite lived intangible assets in the Australia Radio Network (ARN) cash generating unit (CGU) totalling $420.2 million. As required by Australian Accounting Standards, at 31 December 2022 the Group performed an impairment assessment over the indefinite lived intangible asset balances by calculating the recoverable amount for the ARN CGU, using a discounted cash flow model (the model) prepared on a value in use basis. As a result the Group recognised an impairment charge of $249.9 million to goodwill and intangible assets. The carrying value of goodwill and other indefinite lived intangible assets relating to the ARN CGU and related impairment charge was determined to be a key audit matter due to: ● the magnitude of the goodwill and indefinite lived intangible asset balance and the impairment charge recorded during the year ● the degree of judgement required by the Group in estimating the key assumptions in the valuation models, including forecast performance, growth rates and discount rates.	We performed the following procedures, amongst others: ● assessed whether the division of the Group's assets into cash generating units (CGUs), which are the smallest identifiable groups of assets that can generate largely independent cash inflows, was consistent with our knowledge of the Group's operations and internal Group reporting ● considered the market capitalisation of the Group in comparison to the carrying value of its net assets and adjusted equity value with the assistance of our valuation specialists ● considered whether the model used to estimate the recoverable amount of the assets was consistent with the requirements of the Australian Accounting Standards ● tested the mathematical accuracy, on a sample basis, of the model's calculations ● assessed the appropriateness of the key assumptions within the model compared to observable market information where available, historical results, industry forecasts, and considered management's ability to carry out courses of action

Key audit matter	*How our audit addressed the key audit matter*
	• compared the forecast cash flows used in the model to the Board of directors' approved budget • evaluated the Group's historical ability to forecast future cash flows by comparing budgets with reported actual results • assessed if the discount rate assumption was appropriate by comparing it to market data, comparable companies and industry research, with the assistance of our valuation specialists • assessed the sensitivity of changes in key assumptions incorporated in the model • evaluated the reasonableness of the disclosures made in note 2.1, including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.

Business combinations - ARN Regional
(Refer to note 6.1)
 	
The Group acquired ARN regional comprising 46 regional radio stations and digital operations from Grant Broadcasters for total consideration of $323.4 million, as described in note 6.1. The purchase consideration was in the form of the Group's shares of $74.4 million and cash of $249 million. The acquired radio licences were valued at $125.6 million and goodwill of $156.8 million was recognised on acquisition.
 	
The accounting for the acquisition was a key audit matter due to:
 	
• it being a significant transaction for the year given the financial and operational impacts on the Group.
• the complexity and judgments required by the Group in determining the fair value of assets and liabilities recognised on the opening balance sheet, in particular the Radio licences, Customer relationships and Brand.
	Assisted by PwC valuation experts, our procedures included the following, amongst others:
	• evaluating the Group's accounting against the requirements of Australian Accounting Standards, through reviewing key transaction agreements, using our understanding of the business acquired and its industry, and inspecting minutes of the Board of directors' meetings,
	• agreeing the cash consideration paid and shares issued to supporting documentation including bank statements, share issuance documents and the key transaction agreements,
	• assessing the fair values of the acquired assets and liabilities recognised, including:
	    ○ considering the valuation methodology in the models in light of the requirements of Australian Accounting Standards
	    ○ considering key assumptions used in the models that estimated fair value in light of historical performance and available market data
	    ○ assessing the competence and capability of management's expert

Key audit matter	How our audit addressed the key audit matter
	• considering the adequacy of the business combination disclosures in light of the requirements of Australian Accounting Standards

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2022, 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 accordingly 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 on the other information that we obtained prior to the date of this auditor's report, 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 ability of the Group 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 the 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 46 to 61 of the directors' report for the year ended 31 December 2022.

In our opinion, the remuneration report of HT&E Limited for the year ended 31 December 2022 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Louise King
Partner

Sydney
21 February 2023

Shareholder Information
(Continued)

1. Shares

(A) Substantial shareholders

The following information is extracted from substantial shareholder notices received by the Company as at 23 January 2023:

Name	Number of shares
Allan Gray (Orbis)	62,165,031
News Limited (claims News + Citigroup position)	40,803,132
Spheria Asset Management Pty Ltd	27,432,356
Perpetual Limited	41,182,418
Carol Australia Holdings Pty Ltd	15,741,965
Grant Broadcasters Pty Ltd	35,934,891

(B) Top 20 holders of fully paid ordinary shares

The following information is extracted from the share register as at 16 February 2023:

Name	Number of shares	% of total shares
CITICORP NOMINEES PTY LIMITED	76,285,488	24.68
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	74,279,330	24.03
NEWS PTY LIMITED	40,803,132	13.20
GRANT BROADCASTERS PTY LTD	35,934,891	11.63
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	24,468,012	7.92
NATIONAL NOMINEES LIMITED	14,160,883	4.58
BNP PARIBAS NOMS PTY LTD	8,863,211	2.87
FIRST SAMUEL LTD ACN 086243567	3,654,641	1.18
BNP PARIBAS NOMINEES PTY LTD	2,814,561	0.91
CITICORP NOMINEES PTY LIMITED	2,687,300	0.87
PACIFIC CUSTODIANS PTY LIMITED	2,049,494	0.66
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,312,356	0.42
UBS NOMINEES PTY LTD	1,095,231	0.35
PACIFIC CUSTODIANS PTY LIMITED	788,896	0.26
BISHOP FAMILY COMPANY PTY LTD	710,000	0.23
SLING SUPER PTY LTD	420,000	0.14
BNP PARIBAS NOMINEES PTY LTD	375,262	0.12
GPDCM SUPERANNUATION PTY LTD	303,785	0.10
AUSTRALIAN EXECUTOR TRUSTEES LIMITED	268,348	0.09
MR HENRY YOMAN & MRS VIRLINA YOMAN	248,062	0.08
Total	**291,522,883**	**94.32**

1 Pacific Custodians Pty Limited is the registered legal holder for shares held in trust belonging to Directors as part of the treasury incentive plan. As noted in the Directors' interests, Ciaran Davis holds 1,329,403, of which 1,257,530 is held in Pacific Custodians Pty Limited HT1 Plans ctrl a/c.

Shareholder Information
(Continued)

(C) Analysis of individual ordinary shareholdings as at 16 February 2023:

Holding	Number of shareholders	% of total shareholders	Number of shares	% of total shares
1 to 1,000	3,862	70.44	976,925	0.32
1,001 to 5,000	979	17.86	2,356,420	0.76
5,001 to 10,000	278	5.07	2,104,461	0.68
10,001 to 100,000	328	5.98	9,718,882	3.14
100,001 and over	36	0.66	293,923,914	95.10
Total	5,483	100.00	309,080,602	100

There were 2,936 holders of less than a marketable parcel.

(D) Voting rights of shareholders

The voting rights are governed by rule 16 of the Constitution. In summary, shareholders are entitled to vote in person or by proxy, attorney or corporate representative at any meeting of shareholders of the Company on:

- a show of hands – one vote per shareholder; and
- a poll – one vote per share.

2. Unquoted Securities

There were 904,851 performance rights on issue at 31 December 2022 (2021: 966,727)

3. Directors' Interests

The relevant interest of each Director in the securities of the parent entity as at 13 February 2023 was:

Director	Number of shares	Number of options
H McLennan	73,000	–
R Amos	16,250	–
P Connolly	65,935	–
C Davis (ii)	1,329,403	–
B Rowe	–	–
A Cameron (i)	35,934,891	–

(i) 35,934,891 Ordinary Shares held by Grant Broadcasters Pty Ltd. Alison Cameron holds, directly and indirectly, less than 0.005% of the issued capital in Grant Broadcasters. Janet Cameron, Alison's mother, holds 99.9% of the issued capital in Grant Broadcasters.

(ii) Pacific Custodians Pty Limited is the registered legal holder for shares held in trust belonging to Directors as part of the treasury incentive plan.

As noted in the Directors' interests, Ciaran Davis holds 1,329,403, of which 1,257,530 is held in Pacific Custodians Pty Limited HT1 Plans ctrl a/c.

Shareholder Information
(Continued)

4. Other Information

Stock exchange listing

HT&E shares are listed on the ASX (code HT1).

Enquiries

Shareholders or investors with any enquiries concerning their shareholding, shareholder details, dividend information, or administrative matters, should direct their enquiries to the Share Registry. Contact details for the Share Registry appear on the Corporate Directory page in this Annual Report 2022.

Dividend payments

Dividends to shareholders may be paid direct to any bank, building society or credit union account in Australia. Shareholders who wish to receive dividends by electronic transfer should advise the Share Registry.

Tax file number (TFN)

The Company is obliged to deduct tax from unfranked or partially franked dividend payments to shareholders resident in Australia who have not supplied their TFN to the Share Registry. To avoid this deduction, you should advise the Share Registry of your TFN.

Register your email address

Shareholders are encouraged to register their email address to receive dividend advices, notification of availability of annual reports, notices of meeting, access to online voting and other shareholder communications. To register, shareholders should go to www.linkmarketservices.com.au, log in to their shareholding through the Investor Centre and select the "All communication by email" option.

Other services available to shareholders at this website include: viewing details of their shareholdings, updating address details, updating bank details and obtaining a variety of registry forms.

Consolidation of holdings

Shareholders who have multiple issuer-sponsored holdings and wish to consolidate their separate shareholdings into one account should advise the Share Registry in writing.

Change of name or address

Shareholders who are issuer sponsored should notify the Share Registry in writing of any change in either their name or registered address. If a change of name has occurred, it will be necessary to supply a certified copy of the relevant deed poll or marriage certificate. Shareholders sponsored by a broker (CHESS) should advise their broker of the amended details.

Dividend Reinvestment Plan (DRP)

The Directors determined to suspend the DRP effective from 15 February 2018.

Shareholders may elect to participate in any future DRP for all or part of their shareholding. Shareholders wishing to participate in any future DRP should contact the Share Registry. Terms and conditions of the DRP, the DRP Guide and forms to apply for, vary or cancel participation in the DRP are also available on the Company's website, www.htande.com.au.

Investor information

The Annual Report is the most comprehensive publication with information for investors. Copies of the 2021 Annual Report may be obtained by contacting the Share Registry or on the Company's website, www.htande.com.au. Other financial and relevant information, including press releases on financial results and Chairman's addresses, are available from the corporate office in Sydney, or at the Company's website, www.htande.

Corporate Directory

HT&E LIMITED
ABN 95 008 637 643

Directors

Hamish McLennan (Chairman)
Ciaran Davis (CEO & Managing Director)
Roger Amos
Alison Cameron
Paul Connolly
Belinda Rowe

Company secretary

Jeremy Child

Registered office

3 Byfield St, Macquarie Park
Sydney NSW 2113

Telephone: +61 2 8899 9900

Share registry

Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000

Locked Bag A14
SYDNEY SOUTH NSW 1235

Telephone: +61 1300 553 550
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Auditors

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
BARANGAROO NSW 2000

Principal bankers

Commonwealth Bank of Australia
HSBC
National Australia Bank
Westpac Banking Corporation

Annual General Meeting

Notice is given that the Annual General Meeting (AGM) of HT&E Limited will be held on Wednesday 17 May 2023 commencing at 9:00am.

Prior to the AGM, the Company will publish a virtual meeting guide on the ASX and the Company's website at https://investorcentre.htande.com.au outlining how Shareholders will be able to participate via the internet.