Contents

Results for announcement to the market for the half-year ended 30 June 2022

(previous corresponding period: half-year ended 30 June 2021)

Key financial information [i]	June 2022 $'m	June 2021 $'m	Change %
Revenue from ordinary activities	**172.0**	**108.5**	58%
Other income	**7.0**	**0.6**	>100%
Revenue and other income	**178.9**	**109.1**	64%
Net profit attributable to members of the parent entity	**26.6**	**10.2**	>100%

[i] Totals may not add due to rounding.

Dividends	Amount per share	Franked amount per share	Record date for determining entitlements to dividends	Date dividend payable
Final 2021 dividend	3.9 cents	3.9 cents	1 March 2022	23 March 2022
Interim 2022 dividend	5.0 cents	5.0 cents	26 August 2022	15 September 2022

Net tangible assets per share	June 2022 $'m	December 2021 $'m
Net tangible asset backing per ordinary share*	(0.41)	0.34

* Excludes the right-of-use asset recognised under AASB 16 *Leases*.

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half-year ended 30 June 2022. Information should be read in conjunction with HT&E Limited's 2021 Annual Report and the attached Interim Financial Report.

This report is based on the Consolidated Interim Financial Report for the half-year ended 30 June 2022 which has been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the Interim Financial Report.

Directors' Report

Your Directors present their report on the consolidated entity consisting of HT&E Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2022.

1. DIRECTORS

The Directors of the company at any time during the half-year ended 30 June 2022 or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated:

Hamish McLennan (Chairman)

Ciaran Davis (CEO & Managing Director)

Roger Amos

Paul Connolly

Belinda Rowe

Alison Cameron (appointed 5 January 2022)

2. REVIEW OF OPERATIONS

Refer to the Operating and Financial Review included in this report for further information regarding the business impacts, underlying drivers of the results and financial position.

3. DIVIDENDS

The Directors have declared a dividend of 5.0 cents per ordinary share fully franked, to be paid for the half-year ended 30 June 2022. The record date for the dividend is 26 August 2022 and the dividend will be payable on the 15 September 2022.

4. ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC instrument, *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.

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, follows immediately after the Directors' Report.

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

Hamish McLennan

Chairman

18 August 2022
Sydney

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW

PERFORMANCE OVERVIEW

HT&E Limited (HT&E) results for the period ending 30 June 2022 were impacted by the acquisition of ARN Regional in January 2022. Statutory results for the period benefited from 6 months of 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 6 months ending 30 June 2021.

In the current period, the results of ARN Regional are presented as a separate operating segment alongside ARN Metro, Cody Outdoor and Investments in the financial report.

On a statutory basis, Group revenues from ordinary activities of $172.0 million increased $63.5 million on the prior period. $56.1 million is directly attributable to ARN Regional, with the balance predominately due to strengthening radio and digital audio revenues for ARN Metro, and an improved operating environment for Cody Outdoor.

Total group costs were up 57% to $130.3 million from $83.0 million; $35.8 million was ARN Regional related, and the balance was largely driven by further investment in digital audio, including the launch of new youth brand, CADA in March 2022, and expansion of ARN's podcast capability and commercial offering.

Underlying group earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA) increased by $18.1 million.

The statutory gain attributable to HT&E shareholders of $26.6 million represented a $16.5 million increase from the prior comparative period, owing largely to the acquisition.

Directors' Report (continued)

Summary of financial performance

AUD million[1]	June 2022	June 2021	Change (%)
Revenue from ordinary activities	172.0	108.5	58%
Other income	1.6	0.4	>100%
Share of profits of associates	5.2	4.4	17%
Costs	(130.3)	(83.0)	57%
EBITDA[2]	**48.5**	**30.4**	**60%**
Depreciation	(9.0)	(6.3)	43%
Amortisation	(1.4)	(0.4)	>100%
EBIT[3]	**38.1**	**23.7**	**61%**
Net interest expense	(2.3)	(1.8)	31%
Profit before tax[3]	**35.8**	**21.9**	**63%**
Tax expense	(9.4)	(5.6)	69%
Profit after tax[3]	**26.4**	**16.3**	**61%**
Less: non-controlling interests	(1.7)	(1.8)	(2%)
NPAT attributable to HT&E shareholders[3]	**24.6**	**14.5**	**69%**
Exceptional items, net of tax[4]	2.0	(4.4)	>100%
NPAT attributable to HT&E shareholders[5]	**26.6**	**10.2**	**>100%**
EBITDA margin	28.2%	28.0%	
Underlying basic EPS (cents)	7.9	5.2	
Interim dividend per share (cents)	5.0	3.5	

[1] Totals may not add due to rounding.
[2] EBITDA before exceptional items, represents the Group's total segment result.
[3] Before exceptional items.
[4] Commentary on exceptional items is included in note 1.3 to the consolidated financial statements.
[5] Statutory NPAT after exceptional items.

Directors' Report (continued)

UNDERLYING DRIVERS OF PERFORMANCE

ARN completed the acquisition of 46 regional radio stations from Grant Broadcasters ('ARN Regional') on 4 January 2022. If HT&E had owned ARN Regional for the 6 months ending 30 June 2021, revenues in 2022 would have been up 8%, from $159.1 million. On the same pro forma basis, earnings before interest, tax, depreciation and amortisation (EBITDA) before exceptional items would have been up 1% from $47.8 million.

ARN Metro revenues grew 5%, owing to radio revenue growth and increased contribution from digital audio revenues. Revenue performance was aided by continued strength in audience ratings, with ARN maintaining the #1FM network position across the period.

ARN Regional revenues grew 11% on a pro forma basis, with heightened business confidence in regional economies and federal election related advertising spend fuelling local advertising revenue gains across most of our regional markets of operation.

On a pro forma basis, Group operating costs increased 12%, 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 a level of cost inflation.

Depreciation and amortisation expense of $10.4 million increased by 4% in the period on a pro forma basis. This resulted in EBIT before exceptional items of $38.1 million compared with $37.9 million in the prior period on a pro forma basis. Net profit after tax attributable to shareholders, before exceptional items (NPAT) was $24.6 million.

Details on the exceptional items totalling $2.0 million (net of tax) in the current period are included in note 1.2 and note 1.3 to the interim financial statements.

FINANCIAL POSITION

The Group had net assets at 30 June 2022 of $580.3 million, $87.2 million higher than December 2021 net assets of $493.1 million, driven largely by the acquisition of ARN Regional in the period.

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.

As at 30 June 2022, the acquisition accounting for ARN Regional remains provisional and subject to finalisation. Provisional intangible balances comprising radio licences, brands, customer relationships and residual goodwill have been recognised, along with provisional amortisation of customer relationships.

CASH AND CAPITAL MANAGEMENT

The balance sheet of the Group remains robust following the acquisition of ARN Regional, with net debt of $78.4 million and leverage on a pro forma pre AASB-16 basis of one times EBITDA.

Subject to trading conditions, the Group expects to maintain debt levels of around one times EBITDA, considered an appropriate level of gearing, providing flexibility for HT&E to pursue future growth opportunities as they arise.

The Group retains debt facilities with undrawn limits of $127.5 million, most of which expire in 2025.

Impacting operating cashflows in the period include one-off tax payments and settlements to the ATO of $39.0 million and transaction and integration costs associated with the acquisition of ARN Regional of $6.4 million.

The tax payments and settlements made were part of finalising of two long running taxation disputes with the Australian Tax Office, announced in 2021.

The Company declared a half year dividend of 5.0 cents per share and reinstated the on-market share buyback.

Directors' Report (continued)

Cash flow generation

AUD million[1]	June 2022	June 2021	Change $
Operating cash flows and lease payments[2]	34.4	20.1	14.3
Tax payments	(22.9)	(5.6)	(17.3)
ATO settlement (including interest and penalties)	(22.3)	–	(22.3)
Cash flow from operating activities and lease payments	**(10.8)**	**14.5**	**(25.3)**
Investing cash flows	(240.2)	0.7	(240.9)
Borrowings	30.0	1.3	28.7
Dividends paid to shareholders	(12.1)	–	(12.1)
Other financing cash flows	(4.4)	(4.9)	0.5
Cash at the beginning of the year	257.1	65.1	192.0
Effect of foreign exchange on the period	0.1	0.0	0.1
Cash at end of the period[3]	**19.6**	**76.7**	**(57.1)**
Short-term deposits	–	50.0	(50.0)
Bank loans	(98.0)	(4.3)	(93.7)
Net cash / (debt)	**(78.4)**	**122.4**	**(200.8)**

1. Totals may not add due to rounding.
2. Operating cash flows plus principal repayments on finance leases accounted for under AASB 16 *Leases*.
3. 2021 excludes amounts held in short-term deposit with banking institutions.

AUSTRALIAN RADIO NETWORK (ARN)

The acquisition of 46 regional radio stations from Grant Broadcasters ('ARN Regional') was a transformational event for the company, creating a national network, expanding audience bases and fast-tracking digital audio content and advertising opportunities.

The combined network now includes 58 stations in 33 markets with an overall audience of more than 7 million people, run by a team of over 1,200 highly skilled audio specialists.

On a pro forma basis, incorporating ARN Regional, revenues of $157.8 million were up 7% on the prior period, and EBITDA of $45.9 million, was up 1%.

HT&E has committed to undertake more investment in digital audio, with the launch of a new youth orientated platform, CADA as well as more ARN owned podcast content.

ARN Metro

ARN continues to be #1 metropolitan radio network in Australia reaching over 6 million people a week[1].

ARN Metro radio revenues of $101.7 million rose 5% on the prior period. EBITDA was back $3.3 million to $24.8 million reflecting our increased investment in digital audio, including the launch of CADA in the period.

Audience ratings dominance continued with ARN having held the #1 network position in Australia for twenty-one consecutive surveys, with a 19.9% share in the latest survey. This is an outstanding result in a highly competitive market.

ARN continues to lead key metro markets with #1FM stations in Sydney, Melbourne and Adelaide. In Melbourne, GOLD104.3 is #1FM in all dayparts; with The Christian O'Connell Show taking out the #1FM position for the 17th consecutive survey. In Sydney, ARN has maintained its dominance in Breakfast 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.

Following the acquisition of ARN Regional, 4KQ in Brisbane was sold due to a regulatory requirement of the Australian Communications and Media Authority (ACMA). The sale to Sports Entertainment Group Limited (ASX: SEG) for $12.0 million, reflecting a transaction multiple of 11.9x normalised EBIT was effective from the start of July.

1 Source: GfK Radio Ratings, S4 2022, SMBAP, Comm Radio Gps (AM/FM/DAB+), Mon-Sun 5:30-12mn, Share % P10+

Directors' Report (continued)

ARN Regional

ARN's highly strategic and synergistic acquisition brought together the leading regional radio business in Australia with the number #1 metro radio business. On strong comparatives, ARN Regional revenues of $56.1m were up 11% and EBITDA of $21.1 million was up 21% on the prior year.

The business connects an increasingly important and growing regional audiences with more national and local advertisers, enhancing ARN's ability to deliver content across multiple platforms, capitalising on the shift towards digital audio consumption, and delivering fully integrated and multi-platform solutions to clients.

ARN expects to benefit from continued growth in regional markets in the medium to long term. Cost-of-living pressures in metro markets, changed work patterns and the acceleration of technology advancements through COVID have seen increased population movement to regional areas. Additionally, strong agricultural yields are expected to contribute to regional population growth and regional town prosperity.

From an audience perspective, we are continuing our unique 'live and local' content strategy throughout the day while syndicating the best of ARN's existing national shows, including Will & Woody and Jam Nation in certain markets.

The strong ratings performance[2] in key regional markets continued, including the seven #1 station ranking and growth to #1 in all day parts for the Gold Coast's Hot Tomato, #1 station and #1 breakfast result for Star 101.9 Mackay and the largest audience of any station in Hobart for 7HO. These results are testament to the talented and dedicated teams across the business, underpinned by the momentum created through the integration.

Our integration plans are on track with significant progress made in the first six months integrating systems, processes and people. Key achievements in the period include merging agency sales teams, aligning core communications infrastructure, establishing a common payroll system and finalisation of plans to merge customer revenue and billing data over the next 12 months.

The roll-out of the iHeartRadio digital audio platform to regional stations and websites, has resulted in an additional 125k listeners and over 529k listening hours to June 2022, an outcome of the acquisition that is pacing well ahead of target.

In early August we announced a reorganisation of our national agency sales team, incorporating regional, metro and digital specialists. This is an important milestone for ARN, in the bringing together of the businesses and being able to offer our clients a truly integrated national response.

We are pleased with the progress made in the period on the previously announced $6-8 million revenue synergy target, and around $2.5 million of revenue synergies were achieved in the period. We are confident this will continue to accelerate over the coming months with the reorganisation of the national sales team finalised.

ARN digital audio investments

With almost 2.3 million registered users, iHeartRadio delivers radio, podcasts and music all in one place[3].

We are determined to capitalise on our already strong market position and are investing an incremental $7-8 million of operating expenditure in FY22 to expand our digital product offering and capabilities. This includes the launch of the new digital youth platform CADA, acquisition and retention programs for iHeartRadio as well as further development of owned podcast content and digital capability.

We launched CADA, a new youth hip hop and R&B platform, on 31 March 2022, targeting Australia's underserved youth audience. CADA audio is distributed nationally on iHeartRadio, DAB+ and broadcast in Sydney on 96.1FM and its multi-platform content distribution allows it to make over 3 million connections with Australians every week.

While it is early days in the multi-year development of a new brand, audience and commercial model, we are pleased with CADA's performance to date. Integral to the platform's success is its talent including dynamic duo Flex & Froomes (with a combined social audience of 397k), whose podcast was ranked at #1 and #2 on the Australian Apple Podcast and Spotify music charts respectively in July.

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[2] Source: Xtra Insights: Mackay, Hobart, S1 2022, Station Listened To Most, Breakfast Listened To Most &/or Cume, 10+, Overall. GfK, Gold Coast, S2 2022, Mon-Sun, 0530-12mn, p10+, Share

[3] Source: Adobe Analytics, Lifetime Registrations to June 2022

Directors' Report (continued)

ARN's iHeartPodcast Network is Australia's #1 podcast network for the 27th consecutive ranker with a combined 5 million total listeners and 24 million monthly downloads. The network also holds four of the top 10 podcasts in the country including Casefile (#2), Kyle & Jackie O (#3), Life Uncut (#5) and Stuff You Should Know (#9).[4]

There was continued growth in Australian podcast consumption in the 6 months to June with 40% of all people (12 years +) listening to podcasts monthly, ahead of the US population (38%) for the first time. Podcast listeners are deeply engaged, listening to an average of seven episodes in the last week at an average time spent listening of over 7 hours per week[5].

Critical to capitalising on this growth is investment in the production of original content that attracts listeners to our network. Several new podcasts were successfully launched in the period, including The Wood Life, 5 Minute Food Fix, Hooked Hitched & Hung Up and Family Feud The Podcast.

CODY OUTDOOR (HONG KONG)

Operating a strong network of predominantly tunnel advertising contracts, including the Eastern, Western, Tai Lam and Tate Cairns tunnels, the recovery of Cody Outdoor continued in the period, with revenues and EBITDA up 5% and 4% respectively.

Cody Outdoor's trading performance continued to improve, with consumer sentiment driving a return of spend from key categories including luxury brands, government and property. The end of snap lockdowns, the reopening of international borders and removal of quarantine requirements will further assist the business recovery in the second half.

LOOKING AHEAD:

Despite the uncertain global macro-economic outlook, we remain extremely confident in our strategy and ability to successfully integrate ARN Regional with our existing business and create the leading metropolitan and regional radio business in Australia.

The continued growth in digital audio listening is very encouraging and we will invest to capitalise on our leadership position in podcasting and to support the creation of CADA, our new national youth brand.

The fact that we continue to be the #1 metropolitan radio network in Australia would not be possible without a dedicated and skilful team of audio professionals working to provide the best content for our listeners and solutions for our clients.

We have asked a lot of our people in 2022, and we thank them for all their efforts. We continue to invest in our people, processes and technology to ensure we offer an exciting, rewarding, and dynamic environment for our people and are building a business where those interested in a career in audio can achieve their best work.

[4] Triton Podcast Ranker, June 2022
[5] Edison Research, The Infinite Dial 2022

Auditor's Independence Declaration

As lead auditor for the review of HT&E Limited for the half-year ended 30 June 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 review; and

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

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

Louise King
Partner
PricewaterhouseCoopers

Sydney
18 August 2022

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About Interim Financial Statements

The interim 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 ("ASX").

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. The interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the most recent annual report and any public announcements made by the Company, during the interim reporting period and up to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company is of a kind referred to in ASIC instrument, *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.

The interim financial statements were approved for issue on 18 August 2022.

The financial statements have been reviewed, not audited.

The Group changed its accounting policy in relation to land and buildings, refer to note 6.4 for more information. All other accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of the new or amended accounting standards set out in note 6.4.

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 information.

Sale of 4KQ

On 5 May 2022, HT&E announced that the Company signed a conditional contract to sell its 4KQ Brisbane radio station and license to a subsidiary of Sports Entertainment Group Limited (ASX: SEG). Completion of the sale occurred on 1 July 2022 for a sales price of $12.0 million. Refer to note 6.2 for more information.

Sale of investment in Lux Group Limited (Luxury Escapes)

The Group agreed to dispose of its remaining investment in Lux Group Limited in the period. Completion of the sale and receipt of $8.8 million occurred subsequent to period end. Please refer to note 6.6 for more information.

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. 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 six-month period and subsequent years are discussed below:

(I) Business combinations

The Group acquired ARN Regional during the reporting period. On the acquisition of ARN Regional, the Group recognised the fair value of assets purchased and liabilities assumed which require the use of assumptions. A number of judgements have been made in relation to the identification of fair values attributable to separately identifiable assets and liabilities acquired, including customer relationships and brands. The Group has 12 months from acquisition date to finalise purchase price accounting. Please refer to note 6.1 for more information.

About Interim Financial Statements (continued)

(II) Impairment

Goodwill and other non-amortising intangible assets

The Group tests annually, or when impairment indicators are identified, whether goodwill and other non-amortising intangible assets have suffered any impairment, in accordance with the Group accounting policy. 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.

Tangible and intangible assets

The Group assesses at the end of each period whether there is any indication that tangible and intangible assets may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Right-of-use assets

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.

Investments in associates or joint ventures

The net investment in an associate or joint venture is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment charge is recognised for the amount by which the carrying value of the investment exceeds its recoverable amount. Investments that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

(III) Income Taxes

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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Consolidated Statement of Comprehensive Income

For the period ended 30 June 2022

	Note	June 2022 $'000	June 2021 $'000 *Restated
Revenue from ordinary activities	1.1	**171,984**	108,520
Other revenue and income	1.1	**6,952**	584
Total revenue and other income		**178,936**	109,104
Expenses before impairment, finance costs, depreciation and amortisation	1.2	**(136,855)**	(83,536)
Impairment of intangible assets	6.2	**(2,417)**	–
Finance costs	1.2	**(2,342)**	(1,946)
Depreciation and amortisation	1.2	**(10,368)**	(6,692)
Share of profits of associates and joint ventures accounted for using the equity method		**5,179**	4,418
Profit before income tax	1.3	**32,133**	21,348
Income tax expense	4.0	**(3,757)**	(9,407)
Profit for the period		**28,376**	11,941
Other comprehensive income			
Items that may be reclassified to profit or loss			
Net exchange difference on translation of foreign operations		**(21)**	(211)
Share of associate's other comprehensive income		**–**	(16)
Items 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		**–**	1,742
Other comprehensive income, net of tax		**(21)**	1,515
Total comprehensive income		**28,355**	13,456
Profit for the period is attributable to:			
Owners of the parent entity		**26,640**	10,166
Non-controlling interests		**1,736**	1,775
Profit for the period		**28,376**	11,941
Total comprehensive income is attributable to:			
Owners of the parent entity		**26,619**	11,681
Non-controlling interests		**1,736**	1,775
		28,355	13,456
		Cents	Cents
Earnings per share			
Basic earnings per share	1.4	**8.6**	3.7

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 6.4(a)

Consolidated Balance Sheet

As at 30 June 2022

	Note	June 2022 $'000	Dec 2021 $'000 *Restated
Current assets			
Cash and cash equivalents		**19,624**	257,068
Receivables		**68,994**	51,351
Other current assets		**3,078**	1,896
Shares in other corporations	6.6	**8,803**	–
Asset held for sale	6.2	**12,105**	–
Total current assets		**112,604**	310,315
Non-current assets			
Shares in other corporations	3.2	**660**	4,196
Investments accounted for using the equity method		**55,399**	52,561
Property, plant and equipment	2.3	**48,190**	16,179
Intangible assets	2.1	**672,595**	372,613
Right-of-use assets	2.2	**33,856**	23,424
Other non-current assets		**1,938**	1,683
Total non-current assets		**812,638**	470,656
Total assets		**925,242**	780,971
Current liabilities			
Payables		**37,971**	41,461
Contract liabilities		**7,390**	4,966
Lease liabilities	2.2	**9,627**	9,956
Current tax liabilities	4.0	**118**	20,511
Provisions		**13,771**	6,720
Liabilities directly associated with assets held for sale	6.2	**50**	–
Total current liabilities		**68,927**	83,614
Non-current liabilities			
Lease liabilities	2.2	**30,286**	21,664
Bank loans	3.1	**97,410**	67,250
Provisions		**5,403**	4,097
Deferred tax liabilities		**142,904**	111,250
Total non-current liabilities		**276,003**	204,261
Total liabilities		**344,930**	287,875
Net assets		**580,312**	493,096
Equity			
Contributed equity	3.3	**1,550,029**	1,475,706
Reserves		**(45,896)**	(45,078)
Accumulated losses		**(959,486)**	(974,183)
Total parent entity interest		**544,647**	456,445
Non-controlling interests		**35,665**	36,651
Total equity		**580,312**	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 6.4(a)

Consolidated Statement of Cash Flows

For the period ended 30 June 2022

	Note	June 2022 $'000	June 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**189,284**	113,970
Payments to suppliers and employees (inclusive of GST)		**(145,070)**	(85,219)
Interest received		**21**	65
Interest paid		**(2,255)**	(1,789)
Income taxes paid		**(22,891)**	(5,596)
Settlement of tax in dispute		**(22,305)**	–
Net cash inflows/(outflows) from operating activities		**(3,216)**	21,431
Cash flows from investing activities			
Payments for property, plant and equipment		**(3,164)**	(1,510)
Payments for software		**(289)**	(35)
Proceeds from sale of property, plant and equipment		**41**	–
Acquisition of controlled entities	6.1	**(239,106)**	–
Dividend received from associates		**5,019**	2,849
Net loans from/ (to) associates		**(2,676)**	(556)
Net cash inflows/(outflows) from investing activities		**(240,175)**	748
Cash flows from financing activities			
Proceeds from borrowings	3.1	**30,000**	1,253
Payments for borrowing costs		**(115)**	–
Principal elements of lease payments		**(7,625)**	(6,897)
Payments for treasury shares		**(1,471)**	(10)
Dividends paid to shareholders	3.4	**(12,133)**	–
Payments for share buyback	3.3	**–**	(2,999)
Net payments to non-controlling interests		**(2,786)**	(1,902)
Net cash inflows/(outflows) from financing activities		**5,870**	(10,555)
Change in cash and cash equivalents		**(237,521)**	11,624
Cash and cash equivalents at beginning of the period		**257,068**	65,080
Effect of exchange rate changes		**77**	13
Cash and cash equivalents at end of the period		**19,624**	76,717

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the period ended 30 June 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		–	–	10,166	10,166	1,775	11,941
Other comprehensive income		–	1,515	–	1,515	–	1,515
Transfers within equity		–	(67)	67	–	–	–
Share-based payments		–	214	–	214	–	214
Treasury shares vested to employees		–	180	–	180	–	180
Share buy-back	3.3	(2,999)	–	–	(2,999)	–	(2,999)
Acquisition of treasury shares		–	(10)	–	(10)		(10)
Transactions with non-controlling interests		–	–	–	–	(1,902)	(1,902)
Balance at 30 June 2021 Restated*		1,477,753	(23,773)	(991,000)	462,980	35,924	498,904
Balance at 1 January 2022		1,475,706	(45,078)	(974,183)	456,445	36,651	493,096
Profit for the period		–	–	26,640	26,640	1,736	28,376
Other comprehensive income		–	(21)	–	(21)	–	(21)
Share-based payments		–	(571)	–	(571)	–	(571)
Contributions to equity	3.3	74,323	–	–	74,323	–	74,323
Dividends paid to shareholders		–	–	(12,133)	(12,133)	–	(12,133)
Transfers within equity		–	(190)	190	–	–	–
Treasury shares vested to employees		–	1,435	–	1,435	–	1,435
Acquisition of treasury shares		–	(1,471)	–	(1,471)	–	(1,471)
Acquisition of non-controlling interest		–	–	–	–	(37)	(37)
Transactions with non-controlling interests		–	–	–	–	(2,685)	(2,685)
Balance at 30 June 2022		1,550,029	(45,896)	(959,486)	544,647	35,665	580,312

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 6.4(a)

Notes to the Consolidated Financial Statements

1 GROUP PERFORMANCE

1.1 REVENUES

	June 2022 $'000	June 2021 $'000
Revenue and other income		
Broadcast revenue	**147,076**	91,387
Advertising revenue [A]	**19,299**	13,311
Services revenue	**3,786**	3,603
Other revenue	**1,823**	219
Total Revenue	**171,984**	108,520
Gain on financial assets held at fair value through profit and loss	**5,292**	–
Other	**1,639**	403
Other income	**6,931**	403
Interest income	**21**	181
Total other revenue and income	**6,952**	584
Total revenue and other income	**178,936**	109,104

Revenue recognised in the period ended 30 June 2022 that was included in the contract liabilities balance as at 1 January 2022 is $4.0 million (2021: $3.7 million).

[A] $1.4 million of revenue has been reclassified in the comparative financial information to enhance comparability and ensure consistency with the current year's presentation in respect to these sales.

Notes to the Consolidated Financial Statements (continued)

1.2 EXPENSES

	June 2022 $'000	June 2021 $'000 Restated*
Employee benefits expense	**80,420**	50,782
Production and distribution expense A	**9,116**	6,133
Selling and marketing expense	**24,016**	16,066
Rental and occupancy expense	**5,776**	3,315
Professional fees	**2,842**	1,855
Repairs and maintenance costs	**2,526**	1,522
Travel and entertainment costs	**1,477**	708
Acquisition costs	**5,472**	–
Other expenses	**5,210**	3,155
Total expenses before impairment, finance costs, depreciation and amortisation	**136,855**	83,536
Interest – lease liabilities	**715**	805
Interest and finance charges	**1,351**	874
Borrowing costs amortisation	**276**	267
Total finance costs	**2,342**	1,946
Depreciation – right-of-use assets	**5,838**	4,740
Depreciation – other assets	**3,169**	1,546
Amortisation	**1,361**	406
Total depreciation and amortisation	**10,368**	6,692

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.4(a)

A $1.4 million of expense has been reclassified in the comparative financial information to enhance comparability and ensure consistency with the current year's presentation in respect to these sales.

Notes to the Consolidated Financial Statements (continued)

1.3 SEGMENT INFORMATION

(I) DESCRIPTION OF SEGMENTS

The Group has identified its operating segments based on the internal reports reviewed by the Board of Directors and the senior management team in assessing performance and determining the allocation of resources. There are four reportable segments as follows:

Reportable segment	Principal activities
ARN Metro	Metropolitan radio networks, on-demand radio, streaming and podcasting (Australia)
ARN Regional	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 investment in Soprano Design Pty Limited (software vendor for secure messaging services)

The Directors and senior management team assess the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) which excludes the effects of exceptional items such as impairment and restructuring related costs.

On 4 January 2022 the Group completed the acquisition of ARN Regional. Please refer to note 6.1 for more information.

(II) RESULTS BY OPERATING SEGMENT

The segment information provided to the Directors and senior management team for the period ended 30 June 2022 is as follows:

June 2022 $'000	ARN Metro	ARN Regional	HK Outdoor	Investments	Corporate	Group elimination	Total
Revenue from external customers	101,694	56,130	9,446	4,896	–	(182)	**171,984**
Share of profits of associates	2,641	–	–	2,538	–	–	**5,179**
Segment result	24,848	21,057	4,691	3,247	(5,372)	–	**48,471**
Reconciliation of segment result profit before income tax							
Segment result							**48,471**
Depreciation and amortisation [A]							**(10,368)**
Net finance costs							**(2,321)**
ARN Regional acquisition cost [B]							**(5,472)**
Integration costs [C]							**(605)**
Impairment of radio license [D]							**(2,417)**
Implementation of software as a service (SaaS products) [E]							**(447)**
Gain on financial asset held at fair value through profit and loss [F]							**5,292**
Profit before income tax							**32,133**

Explanation of statutory adjustments
(A) Consists of depreciation of $9.0 million and amortisation of $1.4 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 recognised on the recognition of assets held for sale relating to the asset sale of 4KQ.
(E) Relates to once-off expenditure for new systems implemented.
(F) Gain recognised on fair value uplift of HT&E's investment in Luxury Escapes (refer to note 6.6).

Notes to the Consolidated Financial Statements (continued)

1.3 SEGMENT INFORMATION (CONTINUED)

(II) RESULTS BY OPERATING SEGMENT (CONTINUED)

June 2021 $'000 Restated*	ARN Metro	HK Outdoor	Investments	Corporate	Group elimination	Total
Revenue from external customers	97,076	8,462	3,400	–	(418)	**108,520**
Share of profits of associates	2,010	–	2,408	–	–	**4,418**
Segment result	28,120	4,254	2,968	(4,981)	–	**30,361**
Reconciliation of segment result profit before income tax						
Segment result						**30,361**
Depreciation and amortisation [A]						**(6,692)**
Net finance costs						**(1,765)**
Implementation of software as a service (SaaS products) [B]						**(556)**
Profit before income tax						**21,348**

Explanation of statutory adjustments
(A) Consists of depreciation of $6.3 million and amortisation of $0.4 million (refer to note 1.2).
(B) Relates to once-off expenditure for new systems implemented.

1.4 EARNINGS PER SHARE

	June 2022 $'000	June 2021 $'000 Restated*
(a) Reconciliation of earnings used in calculating earnings per share (EPS)		
Profit attributable to owners of the parent entity	**26,640**	**10,166**
Profit attributable to owners of the parent entity used in calculating basic/diluted EPS	**26,640**	**10,166**

	June 2022 Number	June 2021 Number
(b) Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic EPS [(A)]	**310,068,291**	**277,443,706**
Adjusted for calculation of diluted EPS		
Unvested/unexercised rights	**569,347**	**–**
Weighted average number of shares used as the denominator in calculating diluted EPS	**310,637,638**	**277,443,706**

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.4(a)

[(A)] Weighted average number of treasury shares included in calculating basic EPS was 428,684 (2021: nil)

Notes to the Consolidated Financial Statements (continued)

2 OPERATING ASSETS AND LIABILITIES

2.1 INTANGIBLE ASSETS

	June 2022 $'000	Dec 2021 $'000
Goodwill	**143,724**	490
Software – net of accumulated amortisation	**1,355**	1,316
Radio Licenses – net of accumulated amortisation	**480,593**	370,807
Brands	**31,295**	–
Customer relationships – net of accumulated amortisation	**15,628**	–
Total intangible assets	**672,595**	372,613

The Group recognised $143.2 million of goodwill, $123.5 million of radio licenses, $31.3 million of brands and $16.6 million of customer relationships relating to the acquisition of ARN Regional. The purchase price accounting for ARN Regional is yet to be finalised. As such, the amounts above are provisional. Please refer to note 6.1 for more information.

The license associated with the 4KQ radio station has been classified as held for sale and measured at fair value. As a result, an impairment loss of $2.4 million has been recognised during the period. Please refer to note 6.2 for more information.

In addition to the accounting policies disclosed in the December 2021 Annual Report, following the acquisition of ARN Regional the Group has acquired brands and customer relationships. The accounting policies for these newly acquired assets are as follows:

ACCOUNTING POLICY

Impairment

Brands

Brands were acquired as part of a business combination. 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 were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over 10 years.

IMPAIRMENT TEST OF CASH GENERATING UNITS INCLUDING INDEFINITE LIFE INTANGIBLE ASSETS

Impairment indicators have been assessed as at 30 June 2022, and there were indicators identified for indefinite life intangible assets. The recoverable amount of the ARN Metro and ARN Regional CGU's which includes indefinite life intangible assets has been assessed.

The recoverable amounts of the ARN Metro and ARN Regional CGU's were estimated based on value in use calculations, using management forecasts over a 5-year period, after adjusting for central overheads.

The ARN Regional CGU is aligned with the operating segment for the regional radio networks business that the Group acquired on the 4 January 2022.

Notes to the Consolidated Financial Statements (continued)

2.1 INTANGIBLE ASSETS (CONTINUED)

Below is the allocation of goodwill and other non-amortising intangible assets to CGUs as at period-end:

Name of CGU	June 2022 Goodwill $'000	June 2022 Other non-amortising intangible assets $'000	Dec 2021 Goodwill $'000	Dec 2021 Other non-amortising intangible assets $'000
ARN Metro	**–**	**353,843**	–	367,451
ARN Regional	**143,234**	**154,799**	–	–
HK Outdoor	**–**	**–**	–	–
Emotive	**490**	**–**	490	–
Total goodwill and other non-amortising intangible assets	**143,724**	**508,642**	**490**	**367,451**

The key assumptions used to calculate the recoverable amount are as follows:

(i) Cash flows

Year 1 cash flows	Based on Board approved annual budget that has been reforecast with reference to a range of internal and relevant external industry data and analysis.
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 Metro and ARN Regional CGU is forecast across the cash flow period. The ARN Metro CGU revenue forecast assumes the Australian metropolitan radio market will return to historical 2019 levels within the forecast period, and both the ARN Metro and ARN Regional CGU's will gain some additional market share or reclaim lost market share through continued investment in content, marketing and operations, • the ARN Regional CGU is forecast to benefit from revenue synergies over the forecast period through optimizing a national network of metropolitan and regional radio stations; and • 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 11.4% for ARN Metro and 8.5% for ARN Regional 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.

(ii) Discount rate and long-term growth rate

The discount rates (per annum) used reflect specific risks relating to the relevant segments and the countries in which they operate.

Name of CGU	June 2022 Post-tax discount rate	June 2022 Pre-tax discount rate	June 2022 Long-term growth rate	Dec 2021 Post-tax discount rate	Dec 2021 Pre-tax discount rate	Dec 2021 Long-term growth rate
ARN Metro	**9.75%**	**13.3%**	**1.5%**	9.0%	12.2%	1.5%
ARN Regional	**9.75%**	**13.3%**	**1.5%**	–	–	–

Notes to the Consolidated Financial Statements (continued)

2.1 INTANGIBLE ASSETS (CONTINUED)

(iii) Estimation uncertainty and key 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 30 June 2022 the market capitalisation of the Group was $348.4 million based on the closing share price at 30 June 2022, representing a $196.2 million deficiency to the net assets of $544.6 million (excluding minority interests). 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 Metro and ARN Regional CGUs at 30 June 2022.

The directors and management have considered and assessed reasonably possible changes and the following were considered and in isolation did not cause the carrying amount of the ARN Metro CGU to exceed its recoverable amount.

- 1.5% increase in the post-tax discount rate
- 0.5% reduction in the long-term growth rate
- Impact of 10.0% EBITDA shortfall per annum on EBITDA CAGR

The headroom (the amount which recoverable amount exceeds carrying value) for the ARN Regional CGU is $30.2 million, 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	Break even
Discount rate change	**9.75%**	**11.25%**	**(28,183)**	**10.5%**
Long-term growth rate change	**1.5%**	**1.0%**	**–**	**0.5%**
EBITDA CAGR (EBITDA shortfall 10% per annum)	**8.5%**	**6.2%**	**(13,791)**	**6.9%**

2.2 LEASES

As a lessee, the Group leases several assets including property, advertising spaces, motor vehicles and other equipment. The weighted average lease term is 9.0 years (2021: 6.5 years).

	June 2022 $'000	Dec 2021 $'000
Property	**28,407**	**16,138**
Advertising concession agreements	**4,513**	**7,147**
Motor vehicle and other	**936**	**139**
Total right-of-use assets	**33,856**	**23,424**
Current	**9,627**	**9,956**
Non-current	**30,286**	**21,664**
Total lease liabilities	**39,913**	**31,620**

Additions to right-of-use assets amounted to $15.6 million for the period ending 30 June 2022 (2021: $0.8 million). $11.2 million additions related to the acquisition of ARN Regional.

Notes to the Consolidated Financial Statements (continued)

2.3 PROPERTY, PLANT AND EQUIPMENT

December 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	289	15,736	**16,448**
Additions	–	4	3,294	**3,298**
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**

June 2022 $'000	Freehold land	Buildings	Plant and equipment	Total
Cost or fair value	11,466	8,413	92,042	**111,921**
Accumulated depreciation and impairment	–	(492)	(66,399)	**(66,891)**
Capital works in progress	–	–	3,160	**3,160**
Net book amount	**11,466**	**7,921**	**28,803**	**48,190**
Movements				
Opening net book amount	423	278	15,478	**16,179**
Acquisitions	11,341	7,992	13,172	**32,505**
Additions	–	–	3,164	**3,164**
Depreciation	–	(261)	(2,908)	**(3,169)**
Transfers and other adjustments	(298)	(88)	(23)	**(409)**
Disposal	–	–	(83)	**(83)**
Foreign exchange differences	–	–	3	**3**
Closing net book amount	**11,466**	**7,921**	**28,803**	**48,190**

*Comparative information has been restated to reflect the change in accounting policy detailed in note 6.4(a)

Notes to the Consolidated Financial Statements (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.

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 6.4(a)

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)

3 CAPITAL MANAGEMENT

3.1 BANK LOANS

	June 2022 $'000	Dec 2021 $'000
Non-current bank loans		
Bank loans – unsecured	**98,000**	68,000
Total non-current bank loans	**98,000**	68,000
Deduct:		
Borrowing costs	**2,318**	2,511
Accumulated amortisation	**(1,728)**	(1,761)
Net borrowing costs	**590**	750
Total non-current interest-bearing liabilities	**97,410**	67,250
Net debt		
Non-current bank loans	**97,410**	67,250
Net borrowing costs	**590**	750
Cash and cash equivalents	**(19,624)**	(257,068)
Net debt/ (cash)	**78,376**	(189,068)

(A) STANDBY ARRANGEMENTS AND CREDIT FACILITIES

Entities in the Group have access to:	June 2022 $'000	Dec 2021 $'000
Loan facilities (i)		
Unsecured bank loan facilities	**229,232**	258,826
Amount of facility utilised (ii)	**(101,751)**	(71,648)
Amount of available facility	**127,481**	187,178
Overdraft facilities		
Unsecured bank overdraft facilities	**1,500**	1,500
Amount of credit utilised	**–**	–
Amount of available credit	**1,500**	1,500

(i) Pertaining to the revolving cash advance facility.
(ii) Relating to bank loan and guarantees drawn.

Notes to the Consolidated Financial Statements (continued)

3.2 FAIR VALUE MEASUREMENTS

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).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2022 and 31 December 2021:

June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit and loss				
Shares in other corporations	–	–	9,463	**9,463**
Total financial assets	–	–	9,463	**9,463**

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

Notes to the Consolidated Financial Statements (continued)

3.2 FAIR VALUE MEASUREMENTS (CONTINUED)

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 is estimated by discounting the minimum lease payments at the Group's incremental borrowing rate. For the period ended 30 June 2022, the borrowing rates were determined to be between 4.4% and 5.5% 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.

The group agreed to dispose of its remaining investment in Lux Group Limited in the period. Completion of the sale and receipt of $8.8 million occurred subsequent to period end. The Group has reclassified its investment to current shares in other corporations and a gain on financial asset through profit and loss of $5.3 million has been recognised. The fair value of the investment in Lux Group Limited has been estimated using the negotiated sale price. Please refer to note 6.6 for more information.

There were no other material level 3 fair value movements during the year.

3.3 CONTRIBUTED EQUITY

	June 2022 $'000	Dec 2021 $'000
Issued and paid up share capital	**1,550,029**	1,475,706

(A) MOVEMENTS IN CONTRIBUTED EQUITY DURING THE FINANCIAL YEAR

	June 2022 Number of shares	Dec 2021 Number of shares	June 2022 $'000	Dec 2021 $'000
Balance at beginning of the year	**275,154,900**	278,196,267	**1,475,706**	1,480,752
Share buy-back (i)	**–**	(3,041,367)	**–**	(5,046)
Issue of ordinary shares (ii)	**35,934,891**	–	**74,323**	–
Balance at end of the period	**311,089,791**	275,154,900	**1,550,029**	1,475,706

(i) During 2021, the Company purchased and cancelled on-market 3.0 million shares. The shares were acquired at an average price of $1.66 per share. The share buyback was suspended in 2021.

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

Notes to the Consolidated Financial Statements (continued)

3.4 DIVIDENDS

	June 2022 $'000	June 2021 $'000
A final dividend for the year ended 31 December 2021 of 3.9 cents per share, fully franked, paid on 23 March 2022 (2021: nil).	12,133	–
Paid in cash	12,133	–
Total dividends	**12,133**	–
Dividends not recognised at the end of half-year		
Since the end of the half-year, the Directors have declared a fully franked interim dividend of 5.0 cents per share (2021: 3.5 cents). The aggregate amount of the proposed dividend expected to be paid on 15 September 2022, but not recognised as a liability at the end of the half-year, is:	15,554	9,675

Notes to the Consolidated Financial Statements (continued)

4 TAXATION

Tax expense for 30 June 2022 is impacted by the reassessment of the deferred tax liability in relation to the 4KQ radio license based on it being recovered through sale, which has resulted in a decrease to the tax expense of $2.9 million.

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

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 of $47.2 million (before tax) will be treated as assessable income in the tax return for the year ended 31 December 2021.

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 $332.2 million pre-tax, with 62.5% equating to $207.6 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)

5 GROUP STRUCTURE

5.1 INTERESTS IN OTHER ENTITIES

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	Country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
			June 2022	Dec 2021	June 2022	Dec 2021	
Brisbane FM Radio Pty Ltd	Australia	Australia	50%	50%	50%	50%	Commercial radio

Notes to the Consolidated Financial Statements (continued)

6 OTHER

6.1 BUSINESS COMBINATIONS

On 4 January 2022, the Company acquired ARN Regional, which is comprised of 46 regional radio stations. The purchase consideration was made up of cash of $239,106,000 (net of cash acquired) and equity of $74,385,000 (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.

Goodwill recognised includes future growth opportunities in the radio industry and synergies to the Group. This goodwill will not be tax deductible. Acquisition costs of $5,472,000 are included in the income statement (31 December 2021: $1,958,000).

The acquired business contributed revenue of $56,130,000 and a net profit after tax attributable to the parent of $12,318,000 to the Group for the period to 30 June 2022.

The provisionally determined fair values of the identifiable assets and liabilities acquired are detailed overleaf. Balances are provisional as purchase price accounting has not yet been finalised. The Group has one year from the acquisition date to obtain the information necessary to identify and measure all the various components of the business combination as of the acquisition date.

Notes to the Consolidated Financial Statements (continued)

	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	516
Right-of-use assets	11,225
Property, plant and equipment	32,505
Goodwill	143,234
Radio licences	123,504
Brands	31,295
Customer relationships	16,623
Lease liabilities	(11,126)
Payables	(6,511)
Contract liabilities	(210)
Provisions	(6,206)
Deferred tax liability	(37,087)
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)

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.

Notes to the Consolidated Financial Statements (continued)

6.2 ASSETS HELD FOR SALE

SALE OF 4KQ

On 5 May 2022, HT&E announced that the Company signed a conditional contract to sell its 4KQ Brisbane radio station and license to a subsidiary of Sports Entertainment Group Limited (ASX: SEG).

Completion occurred on 1 July 2022 for a price of $12.0 million. A $2.4 million impairment was recognised on the radio license prior to the asset being transferred to held for sale.

ASSETS HELD FOR SALE

	4KQ 2022 $'000
Property, Plant and Equipment	410
Radio Licenses	11,694
Other assets	1
Total assets of held for sale	**12,105**

LIABILITIES HELD FOR SALE

	4KQ 2022 $'000
Payables	50
Total liabilities held for sale	**50**

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 30 June 2022, the facilities had been drawn to the extent of $101.8 million (31 December 2021: $71.6 million), of which $3.8 million of the balance pertains to bank guarantees.

The Group did not have any other contingent liabilities as at 30 June 2022 (31 December 2021: $4.0 million).

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 OTHER SIGNIFICANT ACCOUNTING POLICIES

A) NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED BY THE GROUP

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at the end of the year ended 31 December 2021. The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2022.

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	Jun 2021 $'000	Jan 2021 $'000
Property Plant and Equipment	(2,599)	(2,616)	(2,631)
Asset Revaluation Reserve	(2,402)	(2,402)	(2,402)
Depreciation and amortisation	(32)	(15)	–
Opening retained earnings	124	124	124
Deferred tax liability	(353)	(353)	(353)

B) 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 Company in the current or future reporting periods and on foreseeable future transactions.

Notes to the Consolidated Financial Statements (continued)

6.5 RELATED PARTIES

The Group paid $382,000 in property rental to entities associated with Alison Cameron on commercial arm's length terms.

6.6 SUBSEQUENT EVENTS

Since the end of the period, the Directors have declared the payment of a fully franked interim dividend of 5.0 cents, to be paid on 15 September 2022 (refer to note 3.4).

The Group agreed to dispose of its remaining investment in Lux Group Limited in the period. Completion of the sale and receipt of $8.8 million occurred on 25 July 2022. The Group has reclassified its investment to current shares in other corporations and a gain on financial asset through profit and loss of $5.3 million has been recognised. The fair value of the investment in Lux Group Limited has been made in line with the sale price.

The Group completed the sale of 4KQ Brisbane radio station and license on 1 July 2022. Refer to note 6.2 for more information.

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2022 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 13 to 36 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial half 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.

This declaration is made in accordance with a resolution of the Directors.

Hamish McLennan
Chairman

Sydney
18 August 2022

Independent Auditor's Report

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HT&E LIMITED
REPORT ON THE HALF-YEAR FINANCIAL REPORT

CONCLUSION

We have reviewed the half-year financial report of HT&E Limited (the Company) and the entities it controlled from time to time during the half-year (together the Group), which comprises the consolidated balance sheet as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of HT&E Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

BASIS FOR CONCLUSION

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

RESPONSIBILITIES OF THE DIRECTORS FOR THE HALF-YEAR FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Independent Auditor's Report

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Louise King
Partner

Sydney
18 August 2022