ENTERTAINMENT | VENTURES | TRAVEL

EVT Limited

ABN 51 000 005 103

Financial Results
For the half year ended 31 December 2022

This half year report is presented under listing rule 4.2A and should be read in conjunction with the Event Hospitality & Entertainment Limited 2022 Annual Report. The company changed its name from Event Hospitality & Entertainment Limited to EVT Limited on 24 October 2022.

ASX code: EVT

Released: 20 February 2023

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APPENDIX 4D
HALF YEARLY REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET

for the half year ended 31 December 2022
(previous corresponding period: half year ended 31 December 2021)

Key Information

				2022 A$'000	2021 A$'000
Revenue and other income				685,621	468,389
Total revenue and other income	**Up**	**46.4%**	**to**	**685,621**	**468,389**
Profit before individually significant items, net finance costs and income tax				**83,703**	**30,311**
Net finance costs				(19,658)	(22,971)
Profit before individually significant items and income tax				**64,045**	**7,340**
Individually significant items				76,164	23,801
Profit before income tax				**140,209**	**31,141**
Income tax (expense)/credit				(43,471)	2,204
Profit attributable to members of the parent entity	**Up**	**190.1%**	**to**	**96,738**	**33,345**

Dividends (distributions)		Amount per security	Franked amount per security
Special dividend	– 2022 (paid 17 November 2022)	12 ¢	12 ¢
Interim dividend	– Current year	14 ¢	14 ¢
	– Previous corresponding period	– ¢	– ¢

Record date for determining entitlements to the dividend	9 March 2023
Date of interim dividend payment	23 March 2023

Explanation of Revenue
See attached annexure and the Directors' Report.

Explanation of Profit from Ordinary Activities after Tax
See attached annexure and the Directors' Report.

Explanation of Net Profit
See attached interim consolidated financial report.

Explanation of Dividends
See attached interim consolidated financial report.

Net Tangible Asset Backing

	December 2022	**June 2022** *(restated*)*	**December 2021** *(restated*)*
Net tangible asset backing per share	$5.67	$5.11	$5.03

** The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination. Refer to Note 14.*

Controlled Entities Acquired or Disposed of
See attached interim consolidated financial report.

Additional Dividend Information
See attached interim consolidated financial report.

Dividend Re–Investment Plans
The Dividend Re–Investment Plan ("DRP") was suspended in August 2010.

Associates and Joint Venture Entities
See attached interim consolidated financial report.

Compliance Statement
The information provided in this report has been prepared in accordance with Australian Accounting Standards, the *Corporations Act 2001* and other standards acceptable to the ASX.

The attached interim consolidated financial report for EVT Limited has been subject to review by its auditors, KPMG. A copy of the independent auditor's review report to the members of EVT Limited is attached.

REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

A summary of the normalised result is outlined below:

	31 December 2022					31 December 2021				
CONSOLIDATED GROUP RESULT	**Normalised EBITDA[1] $'000**	**Depreciation and amortisation[2] $'000**	**Normalised Result[3] $'000**	**Impact of AASB16 $'000**	**Reconciliation to reported net profit $'000**	**Normalised EBITDA[1] $'000**	**Depreciation and amortisation[2] $'000**	**Normalised Result[3] $'000**	**Impact of AASB16 $'000**	**Reconciliation to reported net profit $'000**
Entertainment										
Australia and New Zealand	19,590	(14,910)	4,680	13,849	18,529	(2,634)	(16,179)	(18,813)	7,994	(10,819)
Germany[4]	11,289	(3,945)	7,344	786	8,130	65,199[5]	(5,096)	60,103	1,131	61,234
Hospitality and Leisure										
Hotels and Resorts	45,804	(13,785)	32,019	614	32,633	(1,946)	(14,990)	(16,936)	311	(16,625)
Thredbo Alpine Resort	41,347	(4,872)	36,475	–	36,475	10,005	(4,763)	5,242	–	5,242
Property and Other Investments	3,522	(1,037)	2,485	–	2,485	3,910	(1,056)	2,854	–	2,854
Unallocated revenues and expenses[5]	(13,837)	(712)	(14,549)	–	(14,549)	(10,480)	(1,095)	(11,575)	–	(11,575)
	107,715	**(39,261)**	**68,454**	**15,249**	**83,703**	**64,054**	**(43,179)**	**20,875**	**9,436**	**30,311**
Net finance costs			(7,080)	(12,578)	(19,658)			(10,428)	(12,543)	(22,971)
			61,374	**2,671**	**64,045**			**10,447**	**(3,107)**	**7,340**
Income tax (expense)/credit			(21,975)	(816)	(22,791)			8,953	888	9,841
Profit before individually significant items			**39,399**	**1,855**	**41,254**			**19,400**	**(2,219)**	**17,181**
Individually significant items – net of tax					55,484					16,164
Reported net profit					**96,738**					**33,345**

1. Normalised EBITDA is the normalised result (see below) for the period before depreciation and amortisation and excluding the impact of AASB 16 *Leases*.
2. Depreciation and amortisation excludes the impact of AASB 16 *Leases*.
3. Normalised result is profit for the period before individually significant items (as outlined in Note 4 to the interim consolidated financial report) and excluding the impact of AASB 16 *Leases*. As outlined in Note 2 to the interim consolidated financial report, this measure is used by the Group's Chief Executive Officer to allocate resources and in assessing the relative performance of the Group's operations. The normalised result is an unaudited non-International Financial Reporting Standards ("IFRS") measure.
4. The Entertainment Germany segment result in the prior comparable half year ended 31 December 2021 included $56,171,000 (before tax) in respect of the German Government's Bridging Aid III program, which related to material COVID-19-related losses incurred in the year ended 30 June 2021.
5. Unallocated expenses increased by $3,357,000 in the half year ended 31 December 2022. This increase was driven by several factors including a material increase in insurance premiums and short-term incentives earned and paid for certain corporate employees.

HALF YEAR OPERATING AND FINANCIAL REVIEW

The result for the half year ended 31 December 2022 reflects a strong recovery in Group revenue and earnings following the COVID-impacted prior comparable half years ended 31 December 2020 and 31 December 2021.

Normalised revenue of $606.8 million was up $168.8 million (38.5%) on the prior comparable half year and only 8.3% below the pre-COVID half year ended 31 December 2018 (“1H19”). Excluding German Bridging Aid III recognised in the prior comparable half year, revenue was up $225.0 million (58.9%).

The Group’s Hotels and Resorts achieved first half revenue of $177.7 million, up 121.0% on the prior comparable half year. All brands demonstrated strong recovery, outperformed the market and adjusting for the closure of Rydges Melbourne, this represents a record revenue result for the division. Demand from key market segments improved including leisure, corporate, government, and conference and events with the international market growing however international group business remains subdued. Overall, international visitation remains well below pre-COVID levels. The Group’s owned hotels occupancy improved to 75.2%, with strong room rates resulting in a record revenue per available room (“revpar”) result for the first half.

Thredbo also achieved record first half revenue of $81.0 million, up 138.5% on the prior comparable half year and up $17.6 million (+28.0%) up on the pre-COVID 1H19. This result was achieved following a transformation in Thredbo’s business model focussing on better capacity utilisation and delivering a premium experience. Thredbo was recently voted as the best ski resort in Australia for the 6th consecutive year.

The recovery in Entertainment revenue continued, with Entertainment revenue of $342.4 million, up $82.3 million (31.7%) on the prior comparable half year excluding German Bridging Aid III. However due to COVID-related studio delayed release dates for certain key titles, Entertainment revenue remained 15.9% below the pre-COVID 1H19. The delays in the film release schedule were partially mitigated by the Group’s business transformation initiatives delivering continued strong growth in average admission price (“AAP”) and merchandising spend per head (“SPH”). In Australia, AAP and SPH were up 21.6% and 51.9% respectively on the pre-COVID 1H19, whilst New Zealand achieved growth in AAP of 41.3% and in SPH of 52.7%, and Germany achieved growth of 9.0% in AAP and 35.4% in SPH over the same period.

The normalised EBITDA result for the Group’s property division was $3.5 million, down $0.4 million on the prior comparable half year, with the success of the Group’s non-core property divestment strategy resulting in a reduction in rental revenue.

The Group’s unallocated corporate costs at the EBITDA level increased $3.4 million to $13.8 million due to short-term incentive payments in the half year. Underlying unallocated costs were 0.4% below the pre-COVID 1H19, adjusting for the impact of insurance premium increases and short-term incentive payments.

The Group’s normalised EBITDA of $107.7 million was up $43.7 million (68.2%) on the prior comparable half year and only 17.9% below the pre-COVID 1H19. Excluding German Bridging Aid III recognised in the prior comparable half year, normalised EBITDA was up $99.8 million (1,266.4%). This result included a record Hotels and Resorts result on a like-for-like basis adjusting for the closure of Rydges Melbourne, and an extraordinary record result for Thredbo, up 41.2% on the previous record result for 1H19.

The Group has exceeded its target to realise total gross proceeds of $250 million from the sale of non-core property assets following the sale of The Miller Hotel (formerly Rydges North Sydney), which settled in July 2022. The hotel has been retained in the Group’s portfolio under a management agreement. The sale of the Darwin Cinema Centre settled in December 2022, and the total proceeds from non-core property sales to date are $282.4 million, which represents a premium of approximately 28% over the most recent valuations of the properties sold. The Group’s property portfolio at 31 December 2022 has been independently valued at approximately $2.0 billion. The majority of the most recent independent valuations were completed as at 30 June 2021.

The Group has continued to make progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. A Stage One Development Application has been approved and design competition completed for the proposed 525 George Street, Sydney development for a mixed-use development including prime George Street retail space, a premium Event Cinema, a hotel, and residential apartments, which are intended to be sold off-the-plan to assist in funding the project. The Group submitted its Stage Two Development Application in May 2022 and anticipates final approval in the year ending 30 June 2023 (“FY23”), with detailed interior design work now in progress. The City of Sydney has approved the Development Application for the podium component of the proposed 458-472 George Street, Sydney development. This will include ground floor retail space and an extension of the QT Sydney hotel. A second Stage One Development Application was lodged in March 2022 for a commercial office tower above the podium with 33 levels and approximately 35,000m^2 of commercial office space, and it is anticipated that approval will be obtained later in the 2023 calendar year. The timing of commencement of these developments will be subject to market conditions.

The Group continues to invest in its key hotel assets, including the upgrade of Rydges Melbourne, which is expected to be completed by the end of FY23, and QT Gold Coast, which was mostly completed in the first half and is delivering strong growth in revenue following the refurbishment works. Planning is underway for future upgrades of QT Canberra and Rydges Queenstown.

The Group's hotel strategy has evolved to include all segments of the market from luxury to budget accommodation. The Independent Collection has been created to leverage the Group's expertise by introducing new and innovative management and service models, and this has underpinned the growth momentum of the managed and licensed portfolio. This momentum was sustained during the period, with four additional managed hotels and a total of 518 rooms joining the Group, and the fast-growing Independent Collection now comprises 15 hotels with 1,871 rooms, including the 150 room Hotel Totto Wollongong which opened in January 2023.

In Australia, premiumisation upgrades of Event Cinemas Chermside and Event Cinemas Innaloo were partially completed in the half year, with finalisation anticipated in the second half of FY23. The Group has also been selected to operate the new IMAX Darling Harbour in Sydney, which is due to open in the second half of the 2023 calendar year and will include a premium Marketplace food and beverage offering. The new seven-screen premium Event Cinemas Queensgate in Wellington, New Zealand partially opened in December, including an IMAX screen, and completion is expected in March 2023.

A change of the Company's name to EVT Limited was approved by shareholders at the 2022 Annual General Meeting. The new name better tells the story of *what we do*, including **E**ntertainment, **V**entures and **T**ravel, and *how we do it*, with the launch of a new strategic framework. This framework puts the customer at the centre, with success measured based on net promoter score and sentiment tracking and includes the Group's three strategic goals to grow revenue above market, maximise assets, and pursue business transformation initiatives to grow earnings. The new strategic framework acknowledges that EVT can only be successful in the long term by driving employee engagement, making a positive social impact on the communities in which it operates, and supporting a better tomorrow through environmental sustainability strategies and initiatives, which collectively form the Group's *Elevate* program.

The Group's profit before interest, individually significant items, the net impact of AASB 16 *Leases*, and income tax expense was $68,454,000 for the half year ended 31 December 2022, which was $47,579,000 (227.9%) above the prior comparable half year. Normalised profit after tax was $39,399,000 (2021: $19,400,000) and the reported net profit after income tax was $96,738,000 (2021: $33,345,000). The reported net profit after tax included the profit on sale recognised on disposal of The Miller Hotel (formerly Rydges North Sydney) and the Darwin Cinema Centre, and proceeds from the settlement of the dispute with Vue in relation to the 2018 CineStar Germany transaction.

The Group's net debt at 31 December 2022 was $219.8 million, which was below pre-COVID net debt levels. The enduring strength of the Group's balance sheet will enable the Group to invest for growth and capitalise on opportunities that may arise in the future.

Individually significant items

Individually significant items comprised the following:

	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit on sale of properties	64,690	27,881
Gain on pre-existing interest in acquired business (net of costs)	–	568
Write-off of redundant assets on commencement of refurbishment program	–	(2,407)
Settlement of a legal dispute relating to the sale of a business segment	11,624	–
Transaction and other costs associated with the sale of a business segment	(1,359)	(580)
Other income/(expense) items	1,209	(1,661)
Individually significant items benefit before income tax	76,164	23,801
Income tax expense	(20,680)	(7,637)
Individually significant items benefit after income tax	55,484	16,164

Settlement of a legal dispute relating to the sale of a business segment

On 20 October 2022 the Group announced that it had agreed a financial settlement with respect to its allegations of breaches by Vue International Bidco plc ("Vue") and Vue Nederland BV of the Sale and Purchase Agreement ("SPA") for the acquisition by Vue of the Group's German cinema operation, CineStar. Under the terms of the settlement, the Group received an amount of £6.5 million (A$11.6 million), with the parties agreeing a mutual release of all claims relating to the SPA and to discontinue arbitration in relation to this matter.

Capital structure
Cash and term deposits as at 31 December 2022 totalled $198,170,000 (30 June 2022: $175,158,000) and total bank debt outstanding was $417,980,000 (30 June 2022: $385,562,000).

The Group's main debt facility (refer below) matures on 3 July 2023 and, as a result, has been classified as a current liability at the 31 December 2022 reporting date. The Group is currently refinancing in relation to the main debt facility and expects that the refinance will occur by no later than Q4 of the current financial year (30 June 2023 year). Once refinancing is complete the applicable debt balance will be reclassified as non-current. Further information has been provided below and within note 9 of the interim consolidated financial report.

Liquidity and funding
As at 31 December 2022, the Group's main secured bank debt facilities comprise the following:

- $650,000,000 revolving multi-currency loan facility maturing on 3 July 2023; and
- $2,500,000 credit support facility (for the issue of letters of credit and bank guarantees).

The above facilities are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages. Debt drawn under these facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.75% and 4.35% per annum. Further information has been provided within Note 9 of the interim consolidated financial report.

Outlook for the second half
The Entertainment Group's performance will be subject, as always, to the overall appeal of the film line-up. The current second half line-up appears relatively strong compared to the first half, but this remains subject to release date changes and the performance of individual films.

Demand for the Group's Hotels continues to grow, with steadily growing occupancy. The benefit of the upgrade of Rydges Melbourne is not expected to be realised until the year ending 30 June 2024 ("FY24"), and a full recovery in occupancy is dependent on the international inbound market.

In Thredbo, summer performance has been impacted by weather conditions including snowfall in December, January and February and is tracking slightly below the year ended 30 June 2022 ("FY22"), whilst the 2023 winter performance is also expected to be in line with the 2022 winter, subject to weather conditions.

The Property segment result will continue to track below FY22 following the successful completion of non-core property sales.

Headwinds anticipated in the second half include the ongoing impact of energy cost increases, general inflationary cost increases including in salaries and wages, food and beverage, cinema rents linked to the Consumer Price Index, and recent extreme weather events in New Zealand. From a corporate perspective, the investment required in compliance and risk management continues to grow, whilst the Group is also investing in community and environmental sustainability initiatives.

Overall, the second half is expected to show a continuation of the recovery trends demonstrated in the first half of the financial year.

REVIEW OF OPERATIONS BY DIVISION

Entertainment Australia
The Group's Entertainment Australia revenue was $179.6 million, a 49.3% increase on the prior comparable period. The prior period was disrupted by the various State government mandated closures and COVID-19 operating restrictions, with the majority of these in NSW and Victoria. Revenue was 17.2% below pre-COVID 1H19 due to relatively fewer blockbuster films as a result of global studio release delays.

The Group's box office revenue increased by 47.0% on the prior comparable period and market share was in line with the pre-COVID 1H19 despite a net reduction of 12 in the number of cinemas operated by the Group.

During the period, six titles grossed over $20 million, compared to only two titles in the prior comparable period. The increase in blockbuster films resulted in the top 10 films grossing $267.4 million, an increase of 39.9% on the collective gross of the top ten titles in the prior comparable period. The industry is still in the recovery phase with COVID-19 related post-production delays for some titles.

Avatar: The Way of Water (released 14 December), was the highest grossing film during the period and has now cumulatively grossed $90.7 million at the Australian box office, and currently the fourth highest grossing film ever in Australia. The second highest grossing film for the period was *Thor: Love and Thunder* grossing 25.8% more than the previous *Thor* title (*Thor: Ragnarok*). The success of these key titles continues to highlight that when product is available, audiences return to cinemas.

The Group's premiumisation strategy is delivering strong results. Premium concepts were strongly favoured by customers, with admission contribution from premium concepts over 30% and increasing by 12.5 percentage points over the pre-COVID 1H19. The premiumisation strategy resulted in a record yield result with AAP increasing by 21.6% over the pre-COVID 1H19, and a period of record SPH which increased by 51.9% over the pre-COVID 1H19. The new data-led marketplace design and premium Parlour Lane range contributed to the result.

The Group's direct customer relationships remain strong with Cinebuzz representing 68% of cinema visits and 75% of online transactions.

During the year, the Group continued its premiumisation across the circuit which included new self-service marketplaces at the key sites at Chermside (Brisbane) and Innaloo (Perth). In addition, a number of auditoriums were refurbished with either the new three seat concept format of daybeds, reclining seats and premium fixed back seating or two-seat concept with reclining seats and premium fixed back seating. The BCC Strathpine (North Brisbane) site was also fully refurbished during the period which included two auditoriums being converted to BCC Recline cinemas and Event Earlville was also fully refurbished with the main auditorium converted to a V-Max auditorium including daybeds, reclining seats and premium fixed back seating. The Gold Coast site at Robina is currently being refurbished with a marketplace being introduced to the site as well as additional premium seating and a new premium concept.

The overall normalised EBITDA profit for the half year ended 31 December 2022 was $20,093,000, which compared favourably with an EBITDA loss of $1,603,000 in the prior comparable period, an improvement of $21,696,000.

Entertainment New Zealand

Entertainment New Zealand revenue was $32.7 million or 31.7% up on the comparable period, excluding government wage subsidies revenue increased 50.3%. The impact of the New Zealand Government COVID-19 restrictions and closures was much less significant in the half year ended 31 December 2022 with cinemas remaining open for the entire 6 months, compared to the prior half year period where there was a nationwide shutdown for 21 days and Auckland shut down for a further 107 days. Revenue was 22.9% below 1H19 due to relatively fewer blockbuster films released.

The Group's box office revenue increased by 61.0% and market share improved by 3.7 percentage points on the prior comparable period. There were seven titles that grossed over $3 million at the New Zealand box office during the half year: *Avatar: The Way of Water* (NZ$9.5 million), *Thor: Love and Thunder* (NZ$8.0 million), *Minions: The Rise Of Gru* (NZ$6.5 million), *Black Panther: Wakanda Forever* (NZ$5.6 million), *Top Gun Maverick* (NZ$3.3 million), *Elvis* (NZ$3.3 million), and *Black Adam* (NZ$3.3 million); compared to only four titles in the prior comparable period. The strength of the blockbuster films released resulted in the top 10 grossing $46.4 million, an increase of 55.8% on the collective gross of the top 10 in the prior comparable period.

The top five films were sequel titles, with the majority performing very well when compared to the prior release in the respective series. *Avatar: The Way of Water* has now cumulatively grossed NZ$18.9 million, which makes *Avatar: The Way of Water* the highest grossing film of all time in the New Zealand market, exceeding the previous *Avatar* which grossed NZ$17.1 million.

As evidenced in Australia, the Premiumisation strategic initiatives resulted in customers spending more per visit and the operational model changes reduced the cost to serve whilst customer sentiment improved relative to the pre-COVID period. These initiatives resulted in AAP increasing by 41.3% over the pre-COVID 1H19 with every month representing a record for that month. In addition, a record period of SPH was achieved up 7.5% on the prior comparable half year and up 52.7% on pre-COVID 1H19 spend per head. Cinebuzz maintained its strong influence with Cinebuzz representing approximately 77% of all online transactions.

During the period, the Group reopened the Queensgate site located in Wellington, which was closed in November 2016 due to significant earthquake damage and subsequent demolition. The new site partially opened in December with four of the seven auditoriums ready for use. The premiumisation upgrade includes a large games zone (PLAY), an IMAX screen which includes recliner seats and premium fixed back seats, and the three auditoriums with the two-seat concept with reclining seats and premium fixed back seating. The remaining three auditoriums which include a V-Max screen will open in March 2023.

The normalised EBITDA result for the half year ended 31 December 2022 was a loss of $503,000, which was an improvement on the EBITDA loss of $1,031,000 in the prior comparable period. Excluding government wage subsidies in the prior comparable half year, EBITDA improved by $3,599,000.

Entertainment Germany
Entertainment Germany revenue was $130.1 million which was 24.0% below the prior comparable half year. The prior comparable half year included Government subsidies of $56.2 million in relation to Bridging Aid III, which related to material COVID-19-related losses incurred in the year ended 30 June 2021. Excluding the Bridging Aid IIII subsidy, revenue was 13.2% above the prior comparable half year.

The highest grossing titles within the German market included: *Avatar: The Way of Water* (4.5 million admissions); *Minions: The Rise of Gru* (4.1 million admissions), the German production *School of Magical Animals – Part 2* (2.4 million admissions) and *Thor: Love and Thunder* (1.9 million admissions). The top ten films achieved total market admissions of 20.6 million, which was 11.0% higher than the prior comparable period. *Avatar: The Way of Water* has now cumulatively grossed €127.1 million, which makes *Avatar: The Way of Water* the highest grossing title of all time in the German market, exceeding the previous *Avatar* which grossed €112.7 million.

SPH increased by 3.6% over the prior comparable period and by 35.4% over the pre-COVID-19 1H19.

The Group introduced premium cinema concepts across 11 screens prior to the opening of *Avatar: The Way of Water* which were well received by customers and delivered improvements in yield. The Group is reviewing additional locations for premium cinema concepts to be introduced.

Energy costs remain a significant issue due to the geo-political situation in Europe. On a like-for-like screen basis energy costs were €2.3 million (A$3.5 million) higher than the pre-COVID 1H19, and €2.5 million (A$3.8 million) higher than the prior comparable half year. The Group continues to seek to mitigate the impact through activate management initiatives to reduce energy consumption. Furthermore, the German government has announced an energy subsidy program for consumers and businesses for calendar 2023 which, subject to determining the Group's eligibility, may further mitigate the impact of the energy price increases.

Normalised EBITDA for the half year ended 31 December 2022 was $11.3 million, which was $53.9 million lower than the prior comparable period. Excluding the German Government's Bridging Aid III subsidy in the prior comparable half year, EBITDA was $2.3 million or 25.0% above the comparable half year.

Hotels and Resorts
The post-COVID revival of Hotels and Resorts revenues and earnings continued with pace throughout the half year ended 31 December 2022, with revenue of $177.7 million, up +$97.3 million or +121.0% over the prior comparable period, a record result on a like-for-like basis adjusting for the temporary closure of Rydges Melbourne for upgrade works.

The appetite of the leisure market to travel domestically combined with accelerating leisure, corporate, government and conference and events business, resulted in owned hotel occupancy of 75.2%, up 39.3 percentage points on the prior comparable period. Record room rate growth underpinned revpar growth to $177.63, up +188.3% on the prior comparable period. Average room rate and revpar exceeded the comparable pre-COVID 1H19, up +29.5% and +22.6% respectively. At a brand level, Rydges, QT and Atura all contributed to industry leading revpar growth, up on the comparable pre-COVID FY19 period by +15.8%, +21.1% and 44.0% respectively.

Spending across the Group's food and beverage operations was broadly resilient, with like-for-like food and beverage revenue up on 1H19 after adjusting for the impact of the closure of Rydges Melbourne. Conference and events performed well, with enquiry and conversion rates up on 1H19, and C&E room nights, including non-wholesale group bookings, up 4.6% on 1H19.

Performance across the Group's managed and licensed portfolio was consistent with the owned hotel performance resulting in a corresponding increase in fee and commission income.

The refurbishment of guest rooms, public spaces and conference facilities at QT Gold Coast was mostly completed in October. These works included the launch of qtQT, a cabin accommodation and C&E concept developed in a previously non-revenue generating area of the hotel. The redevelopment of Rydges Melbourne, which includes the introduction of apartment room types and an expansion of our conference area by over 1,000 square metres is at an advanced stage and completion is expected in mid-2023.

The Group's hotel strategy has evolved to include all segments of the market from luxury to budget accommodation. The Independent Collection has been created to leverage the Group's expertise by introducing new and innovative management and service models, and this has underpinned the growth momentum of the managed and licensed portfolio. This momentum was sustained during the period, with four additional managed hotels and a total of 518 rooms joining the Group: these properties being Rydges King Square Perth (formerly Peppers), Rydges Darling Square (formerly Radisson), Rydges Rotorua (formerly Holiday Inn) and the Alba South Terrace Adelaide (formerly Chifley). The Alba is part of the fast-growing Independent Collection, which now comprises 15 hotels with 1,871 rooms including, the 150 room Hotel Totto Wollongong which joined in mid-January 2023.

In the budget segment, the Group launched its new flagship Lylo Auckland accommodation concept in December 2022. Lylo is an innovative new style-led lifestyle budget accommodation experience and the Cook Street, Auckland property includes 190 individual sleeping pods in shared rooms, 37 double bedrooms with shared bathrooms, and 70 ensuite bedrooms. Initial market feedback on this exciting and innovative concept was overwhelmingly positive. During the second half of the financial year, Jucy Snooze Queenstown and Christchurch will be rebranded to Lylo, and the first Australian Lylo will open in Brisbane with the conversion of the previously acquired Limes Hotel later in the calendar year. This will bring the Group's footprint in the budget sector to four properties with a total of some 628 pods and 206 rooms.

Normalised EBITDA of $45.8 million increased over the prior comparable period by +$47.8 million. Despite macroeconomic pressure across several cost centres, a continued focus on pricing and productivity resulted in EBITDA margin in like-for-like hotels of 26.6%, up 0.6 percentage points on the comparable pre-COVID FY19 period.

Thredbo Alpine Resort

Winter season trading produced record levels of revenue for Thredbo resulting in an EBITDA and PBIT record. EBITDA for the half year was a record $41.3 million, 313.3% above the prior comparable half year and 41.2% above 1H19, and the normalised PBIT was $36.5 million, 595.8% above the prior comparable half year result and 41.3% above 1H19.

The continued success of the revised business model provided guests with a more premium experience and customer sentiment remained high across the winter and into the summer months.

A focus on better utilisation of capacity resulted in winter visitation (measured by skier access scans) 21% percent lower than that of 2019 with less season pass holders and more date-based products sold. However, the continued refinement of the new business model saw a 74% yield increase in ticket price per skier compared to that of the pre-COVID 2019 winter season. This enhanced the guest experience, and record revenue numbers confirm that the strategy is continuing to work.

The opening of the summer season was affected by unusually wet weather conditions and unseasonal snowfalls making mountain biking operation very difficult. Weather conditions led to multiple days of closures which resulted in a 16% decrease in mountain biking visitation and a 10.6% decrease in revenue in November and December 2022 when compared with the prior comparable period. However, this is up 173.8% on the comparable pre-COVID period in FY19. The focus on building easier trails and attracting a larger percentage of the beginner market is continuing.

Despite inflationary cost pressures, costs were well controlled, and with the success of revised business strategy driving improved yield, the EBITDA margin increased by 4.8 percentage points when compared with the pre-COVID 1H19.

Progress on the Thredbo premiumisation growth plan is continuing. Construction of a further three mountain bike trails in the Cruiser area is almost complete taking the total number of trails to 12. Major upgrades to the snowmaking system including pipe replacement and the installation of six new snowmaking fan guns on Supertrail are continuing and are scheduled to be completed in time for the 2023 winter season. The proposed Alpine Coaster installation is expected to add a further year-round attraction to the resort and is scheduled to be completed for the 2024 winter season. Preparatory work has commenced for the replacement of the two-seater Snowgums chairlift with a new six-seater chairlift, with construction scheduled for completion for the 2025 winter season, subject to the necessary planning approvals.

Property

The Group has exceeded the goal of $250 million gross proceeds (before selling costs and tax) from non-core asset disposals following the settlement of the sale of The Miller Hotel (formerly Rydges North Sydney) on 25 July 2022 for $75 million, with total gross sale proceeds since commencement of the non-core asset divestment strategy of $282.4 million. To date, the total gross proceeds achieved from this strategy have exceeded the most recent valuations by approximately 28%. The other asset sold in the half year period was the Darwin City Cinema site, which closed as an operating cinema in 2018.

The Group has continued to make progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. A Stage One Development Application has been approved and design competition completed for the proposed 525 George Street, Sydney development for a mixed-use development of up to 43 storeys to include a podium with ground floor retail space on George Street (560m^2), a five-screen cinema complex, and a tower including a hotel rooms, conference centre, residential apartments, and car parking spaces. The Group submitted its Stage Two Development Application in May 2022 and anticipates final approval in FY23. Detailed interior design work is now in progress.

In November 2020, the City of Sydney approved the Development Application for the podium component of the proposed 458-472 George Street, Sydney development. This will include ground floor retail space ($340m^2$) on George Street and an extension of the QT Sydney hotel. A second Stage One Development Application was lodged in March 2022 for a commercial office tower above the podium with 33 levels and approximately $35,000m^2$ of commercial office space, and it is anticipated that approval will be obtained later in the 2023 calendar year. The development will be subject to market conditions, noting that following the Stage One Development Application approval of the commercial tower component, a Design Competition and a Stage Two Development Application process will be required. The timing of commencement of these developments will be subject to market conditions.

Segment revenue was down $2.2 million to $5.1 million, primarily due to the successful property divestments of Canberra Civic and Double Bay in the prior comparable half year. The normalised profit before interest and income tax expense of $2.5 million was 12.9% below the prior year.

Unallocated revenues and expenses
Unallocated expenses increased $3.3 million to $13.8 million in the half year ended 31 December 2022. This increase was primarily driven by short term incentive payments. Adjusting for incentive payments and an increase in insurance premiums, underlying unallocated expenses were 0.4% below the pre-COVID half year ended 31 December 2019.

EVT LIMITED
INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Contents

DIRECTORS' REPORT

The directors present their report together with the interim consolidated financial report for the half year ended 31 December 2022 and the independent auditor's review report thereon.

Directors
The directors of the Company at any time during or since the end of the half year period are:

Name	**Period of directorship**
AG Rydge *AM* (Chairman)	Director since 1978
JM Hastings (Chief Executive Officer)	Director since 2017
RG Newton	Appointed in 2008, resigned 21 October 2022
PR Coates *AO*	Director since 2009
VA Davies	Director since 2011
DC Grant	Director since 2013
PM Mann	Director since 2013
BD Chenoweth	Appointed 9 December 2022

Review of operations
The review and results of operations are set out in the Annexure to the Appendix 4D.

Material business risks
Material business risks, the potential impact on the Group and the approach to managing them during the period are described in the 2022 Annual Report on pages 18-20.

Significant changes in the state of affairs
Over the last three years the Company and its operating divisions have been materially impacted by COVID-19. The Group continues to maintain a cautious stance in relation to the continued and sustained recovery from the impacts of COVID-19. The Company retains a conservative approach to capital, funding and liquidity that should allow the Group to respond quickly to the current, or future emerging, economic environments. Further information regarding the impact of COVID-19 on the Group is set out within the Operating and Financial Review.

Dividend
On 20 February 2023 the directors declared an interim dividend of $22,586,000 (14 cents per share).

Impact of legislation and other external requirements
There were no significant changes in environmental or other legislative requirements during the half year period that have significantly impacted the results of the operations.

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*
The lead auditor's independence declaration is set out on page 13 and forms part of the directors' report for the half year ended 31 December 2022.

Rounding off
The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* as issued by the Australian Securities and Investments Commission ("ASIC"). In accordance with that Instrument, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

JM Hastings
Director

Dated at Sydney this 20th day of February 2023.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of EVT Limited

I declare that, to the best of my knowledge and belief, in relation to the review of EVT Limited for the half-year ended 31 December 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Cameron Slapp

Partner

Sydney

20 February 2023

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 $'000	Restated* 30 June 2022 $'000	Restated* 31 Dec 2021 $'000
ASSETS				
Current assets				
Cash and cash equivalents		198,170	175,158	153,242
Trade and other receivables		65,872	65,710	107,641
Current tax receivables		423	436	522
Inventories		21,775	18,581	18,637
Prepayments and other current assets		18,251	9,927	13,474
Assets held for sale		2,362	16,658	6,069
Total current assets		306,853	286,470	299,585
Non-current assets				
Trade and other receivables		6,885	6,936	6,980
Other financial assets		4	4	4
Other investments		78	78	78
Investments accounted for using the equity method	12	10,047	9,684	9,419
Property, plant and equipment	7	1,385,134	1,302,890	1,292,334
Right-of-use assets	13	831,538	825,583	879,955
Investment properties		6,400	6,300	6,250
Goodwill and other intangible assets	8	99,434	97,081	100,728
Deferred tax assets		43,264	65,310	49,126
Other non-current assets		20,406	19,621	20,058
Total non-current assets		2,403,190	2,333,487	2,364,932
Total assets		2,710,043	2,619,957	2,664,517
LIABILITIES				
Current liabilities				
Trade and other payables		152,974	156,123	137,775
Loans and borrowings	9	397,165	1,555	1,593
Current tax liabilities		18,404	26,681	6,227
Provisions		25,104	25,461	23,034
Deferred revenue		87,251	109,780	97,169
Lease liabilities	13	129,086	126,893	129,745
Other current liabilities		6,910	8,117	9,101
Total current liabilities		816,894	454,610	404,644
Non-current liabilities				
Loans and borrowings	9	21,578	384,791	444,198
Provisions		22,731	21,796	20,365
Deferred revenue		9,381	7,819	7,935
Lease liabilities	13	820,225	818,169	863,160
Other non-current liabilities		5,782	12,001	12,431
Total non-current liabilities		879,697	1,244,576	1,348,089
Total liabilities		1,696,591	1,699,186	1,752,733
Net assets		1,013,452	920,771	911,784
EQUITY				
Share capital	10	219,126	219,126	219,126
Reserves	11	80,457	65,155	74,845
Retained earnings		713,869	636,490	617,813
Total equity		1,013,452	920,771	911,784

** The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination. Refer to Note 14.*

The Statement of Financial Position should be read in conjunction with the accompanying notes.

INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 $'000	31 Dec 2021 $'000
Revenue and other income			
Revenue from sale of goods and rendering of services	3	586,484	353,472
Other revenue and income	3	99,137	114,917
		685,621	468,389
Expenses			
Employee expenses		(170,193)	(119,015)
Depreciation, amortisation and impairments		(93,888)	(100,743)
Film hire and other film expenses		(79,477)	(60,986)
Occupancy expenses		(73,705)	(58,881)
Purchases and other direct expenses		(55,556)	(31,865)
Other operating expenses		(35,900)	(33,964)
Advertising, commissions and marketing expenses		(16,672)	(8,589)
Finance costs		(20,237)	(23,041)
		(545,628)	(437,084)
Equity accounted profit/(loss)			
Share of net profit/(loss) from equity accounted associates and joint ventures	12	216	(164)
Profit before tax		140,209	31,141
Income tax (expense)/credit	6	(43,471)	2,204
Net profit after tax		96,738	33,345

	31 Dec 2022 Cents	31 Dec 2021 Cents
Earnings per share		
Basic earnings per share	60.0	20.7
Diluted earnings per share	59.3	20.5

The Income Statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 $'000	31 Dec 2021 $'000
Net profit after tax	96,738	33,345
Other comprehensive income/(expense)		
Items that may be reclassified to profit or loss		
Foreign currency translation differences for foreign operations – net of tax	9,739	(643)
Other comprehensive income/(expense) for the period – net of tax	9,739	(643)
Total comprehensive income	106,477	32,702

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2022	219,126	65,155	636,490	920,771
Profit for the period	–	–	96,738	96,738
Other comprehensive income				
Foreign currency translation differences for foreign operations – net of tax	–	9,739	–	9,739
Total other comprehensive income recognised directly in equity	–	9,739	–	9,739
Total comprehensive income for the period	–	9,739	96,738	106,477
Employee share-based payments expense – net of tax	–	5,563	–	5,563
Dividends paid	–	–	(19,359)	(19,359)
Balance at 31 December 2022	219,126	80,457	713,869	1,013,452
Balance at 1 July 2021	219,126	70,242	583,168	872,536
Profit for the period	–	–	33,345	33,345
Other comprehensive income/(expense)				
Foreign currency translation differences for foreign operations – net of tax	–	(643)	–	(643)
Total other comprehensive expense recognised directly in equity	–	(643)	–	(643)
Total comprehensive income/(expense) for the period	–	(643)	33,345	32,702
Employee share-based payments expense – net of tax	–	6,546	–	6,546
Transfer on sale of an Investment Property	–	(1,300)	1,300	–
Balance at 31 December 2021	219,126	74,845	617,813	911,784

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 $'000	31 Dec 2021 $'000
Cash flows from operating activities		
Cash receipts in the course of operations	637,320	352,202
Cash payments in the course of operations	(535,847)	(343,740)
Cash provided by operations	101,473	8,462
Distributions from joint ventures	–	182
Other revenue and income	47,259	91,134
Dividends received	3	3
Interest received	579	70
Finance costs paid	(18,028)	(23,066)
Income tax (paid)/refund	(27,940)	4,911
Net cash provided by operating activities	103,346	81,696
Cash flows from investing activities		
Payments for property, plant and equipment and redevelopment of properties	(100,426)	(30,050)
Finance costs paid in relation to qualifying assets	(4,660)	–
Payments for management rights, software and other intangible assets	(5,002)	(90)
Decrease in loans from other entities	(795)	(277)
Proceeds from disposal of property, plant and equipment	82,810	107,910
Payments for business acquired	(9,298)	(12,584)
Net cash (used)/provided by investing activities	(37,371)	64,909
Cash flows from financing activities		
Proceeds from borrowings	111,991	84,582
Repayment of borrowings	(84,310)	(137,642)
Repayment of non-controlling interest loan	(1,746)	(7,523)
Dividends paid	(19,359)	–
Payment of lease liabilities	(54,642)	(52,961)
Net cash used in financing activities	(48,066)	(113,544)
Net increase in cash and cash equivalents	17,909	33,061
Cash and cash equivalents at the beginning of the period	175,158	120,978
Effect of exchange rate fluctuations on cash held	5,103	(797)
Cash and cash equivalents at the end of the period	198,170	153,242

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

NOTE 1 – GENERAL INFORMATION, COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

EVT Limited ("Company") (formerly Event Hospitality & Entertainment Limited) is a company domiciled in Australia. The name of the Company was changed to EVT Limited on 24 October 2022. The condensed interim consolidated financial report of the Company as at and for the six months ended 31 December 2022 comprises the Company and its subsidiaries (collectively referred to as "Group" or "Consolidated Entity") and the Group's interest in associates and jointly controlled entities.

The interim consolidated financial report was authorised by the Board of the Company for issue on 20 February 2023.

Statement of compliance and basis of preparation
The interim consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim consolidated financial report does not include all of the information required for a full annual financial report.

It is recommended that this interim consolidated financial report be read in conjunction with the most recent annual financial report for the year ended 30 June 2022. This report should also be read in conjunction with any public announcements made by the Company during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

In preparing the interim consolidated financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent to those that applied to the consolidated financial report as at and for the year ended 30 June 2022 as set out below.

Financial risk management
The Group's financial risk management systems are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2022.

Going Concern and COVID-19
Global coronavirus pandemic ("COVID-19")
The impact of COVID-19 has been incorporated into the determination of the Group's results from operations and measurement of its assets and liabilities at the reporting date. The Group's processes to determine the impact of COVID-19 for this interim consolidated financial report are consistent with the processes applied and disclosed within its 30 June 2022 consolidated financial report. Those processes identified that COVID-19 (and the resultant impact on business operations) require continual assessment to key estimates and judgements used in these financial statements, including:

- Impairment;
- Provision for expected credit losses;
- Revaluations of investment properties; and
- Valuations of property plant and equipment.

Going concern basis of accounting
Over the last three financial years the Company and its operating divisions have been materially impacted by COVID-19. The Group continues to maintain a cautious stance in relation to the continued and sustained recovery from the impacts of COVID-19 and the Company retains a conservative approach to capital, funding and liquidity that should allow the Group to respond quickly to the current, or future emerging, economic environments. The Group considers that, based on current results and recovery trends, that it expects to maintain sufficient liquidity for the foreseeable future.

NOTE 1 – GENERAL INFORMATION, COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group has reported a net current asset deficiency of $510.0 million. This deficiency is predominately a consequence of the following:

- the reclassification to current liabilities of the Group's main debt facility ($397.5 million); and
- recognition of current lease liabilities under AASB 16 Lease ($129.1 million).

In relation to the debt facility, the Group is refinancing and expects that the refinance will occur by no later than Q4 of the current financial year (30 June 2023 year). Once refinancing is complete the applicable debt balance will be reclassified as non-current.

Current lease and other liabilities are expected to be supported by future operating cash flows and available liquidity from cash reserves ($198.2 million) and undrawn debt facilities ($252.5 million) at 31 December 2022.

New and amended accounting standards adopted by the Group
The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period. The adoption of the Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

NOTE 2 – SEGMENT REPORTING

Accounting policy
An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses from transactions with other Group segments. All segments' operating EBITDA results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to a segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment, before individually significant items, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate head office assets, head office expenses, and income tax assets and liabilities.

Additions to non-current segment assets are the total cost incurred during the period to acquire assets that include amounts expected to be recovered over more than 12 months after the year end date. Amounts include property, plant and equipment, but exclude financial instruments and deferred tax assets.

Segment information is presented in respect of the Group's reporting segments. These are the Group's main strategic business segments and have differing risks and rewards associated with the business due to their different product or service and geographic markets. For each of these operating segments, the Group's CEO regularly reviews internal management reports.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to those of other businesses. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest bearing loans and borrowings and borrowing costs, interest income and corporate head office assets and expenses.

Operating segments
The Group comprises the following main operating segments:

Entertainment
Includes cinema exhibition operations in Australia and New Zealand, technology equipment supply and servicing, and the State Theatre.

NOTE 2 – SEGMENT REPORTING (continued)

Entertainment Germany
Includes the cinema exhibition operations in Germany.

Hotels and Resorts
Includes the ownership, operation and management of hotels in Australia and New Zealand.

Thredbo Alpine Resort
Includes all the operations of the resort including property development activities.

Property and Other Investments
Includes property rental, investment properties and investments designated as at fair value through other comprehensive income.

Geographical information
Also presented is information on the Group's split of revenue and non-current assets by geographic location. Geographic revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The Group operates in Australia, New Zealand and Germany.

NOTE 2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	**Germany $'000**	**Hotels and Resorts $'000**	**Thredbo Alpine Resort $'000**	**Property $'000**	**Total segments $'000**	**Corporate $'000**	**Individually significant items $'000**	**Unallocated and tax $'000**	**Consolidated $'000**
31 December 2022										
Revenue and other income										
External segment revenue	212,290	124,020	177,563	80,978	5,003	599,854	2	–	–	599,856
Other income – external	32	6,091	150	12	100	6,385	3	78,798	–	85,186
Finance revenue	–	–	–	–	–	–	–	–	579	579
Revenue and other income	212,322	130,111	177,713	80,990	5,103	606,239	5	78,798	579	685,621
Result										
Segment result	63,828	33,802	48,713	41,347	3,522	191,212	(13,837)	76,164	–	253,539
Net profit of equity accounted investees	(297)	513	–	–	–	216	–	–	–	216
EBITDA*	63,531	34,315	48,713	41,347	3,522	191,428	(13,837)	76,164	–	253,755
Depreciation and amortisation	(45,002)	(26,185)	(16,080)	(4,872)	(1,037)	(93,176)	(712)	–	–	(93,888)
Profit/(loss) before interest and income tax expense	18,529	8,130	32,633	36,475	2,485	98,252	(14,549)	76,164	–	159,867
Finance costs	(10,500)	(747)	(1,331)	–	–	(12,578)	–	–	(7,659)	(20,237)
Finance revenue	–	–	–	–	–	–	–	–	579	579
Profit/(loss) before income tax expense	8,029	7,383	31,302	36,475	2,485	85,674	(14,549)	76,164	(7,080)	140,209
Income tax credit/(expense)	–	–	–	–	–	–	–	(20,680)	(22,791)	(43,471)
Net profit/(loss)	8,029	7,383	31,302	36,475	2,485	85,674	(14,549)	55,484	(29,871)	96,738
Assets										
Reportable segment assets (excluding right-of use assets)	368,880	252,175	812,053	81,623	265,221	1,779,952	–	–	45,242	1,825,194
Right-of-use assets	535,019	215,680	80,839	–	–	831,538	–	–	–	831,538
Equity accounted investments	4,672	5,375	–	–	–	10,047	–	–	–	10,047
Deferred tax assets	–	–	–	–	–	–	–	–	43,264	43,264
Total assets	908,571	473,230	892,892	81,623	265,221	2,621,537	–	–	88,506	2,710,043

NOTE 2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	**Germany $'000**	**Hotels and Resorts $'000**	**Thredbo Alpine Resort $'000**	**Property $'000**	**Total segments $'000**	**Corporate $'000**	**Individually significant items $'000**	**Unallocated and tax $'000**	**Consolidated $'000**
31 December 2022										
Reconciliation of adjustments AASB 16 *Leases*										
Reported EBITDA (including AASB 16 Leases)*	63,531	34,315	48,713	41,347	3,522	191,428	(13,837)	76,164	–	253,755
Less: Occupancy costs	(43,941)	(23,026)	(2,909)	–	–	(69,876)	–	–	–	(69,876)
Adjusted EBITDA (excluding AASB 16 Leases)*	19,590	11,289	45,804	41,347	3,522	121,552	(13,837)	76,164	–	183,879
Result impacts arising from AASB 16 *Leases*										
Occupancy costs	43,941	23,026	2,909	–	–	69,876	–	–	–	69,876
Amortisation	(30,093)	(22,240)	(2,294)	–	–	(54,627)	–	–	–	(54,627)
Finance costs	(10,500)	(747)	(1,331)	–	–	(12,578)	–	–	–	(12,578)
Income tax credit**	(1,004)	(12)	200	–	–	(816)	–	–	–	(816)
	2,344	27	(516)	–	–	1,855	–	–	–	1,855

* *EBITDA is profit before net interest, income tax, depreciation and amortisation*
** *The tax impact for AASB 16 and the operations of the Group are reported as an unallocated impact.*

NOTE 2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	**Germany $'000**	**Hotels and Resorts $'000**	**Thredbo Alpine Resort $'000**	**Property $'000**	**Total segments $'000**	**Corporate $'000**	**Individually significant items $'000**	**Unallocated and tax $'000**	**Consolidated $'000**
31 December 2021										
Revenue and other income										
External segment revenue	142,080	107,786	76,778	33,960	7,327	367,931	–	–	–	367,931
Other income – external	3,071	63,323	3,629	–	–	70,023	3	30,362	–	100,388
Finance revenue	–	–	–	–	–	–	–	–	70	70
Revenue and other income	145,151	171,109	80,407	33,960	7,327	437,954	3	30,362	70	468,389
Result										
Segment result	36,633	88,312	431	10,005	3,910	139,291	(10,480)	23,801	–	152,612
Net profit of equity accounted investees	(349)	133	52	–	–	(164)	–	–	–	(164)
EBITDA*	36,284	88,445	483	10,005	3,910	139,127	(10,480)	23,801	–	152,448
Depreciation and amortisation	(47,103)	(27,211)	(17,108)	(4,763)	(1,056)	(97,241)	(1,095)	–	–	(98,336)
Profit/(loss) before interest and income tax expense	(10,819)	61,234	(16,625)	5,242	2,854	41,886	(11,575)	23,801	–	54,112
Finance costs	(10,683)	(762)	(1,098)	–	–	(12,543)	–	–	(10,498)	(23,041)
Finance revenue	–	–	–	–	–	–	–	–	70	70
Profit/(loss) before income tax expense	(21,502)	60,472	(17,723)	5,242	2,854	29,343	(11,575)	23,801	(10,428)	31,141
Income tax credit/(expense)	–	–	–	–	–	–	–	(7,637)	9,841	2,204
Net profit/(loss)	(21,502)	60,472	(17,723)	5,242	2,854	29,343	(11,575)	16,164	(587)	33,345
Assets										
Reportable segment assets (excluding right-of use assets)	356,531	235,270	762,651	72,223	263,685	1,690,360	–	–	35,657	1,726,017
Right-of-use assets	570,094	240,854	69,007	–	–	879,955	–	–	–	879,955
Equity accounted investments	5,231	4,188	–	–	–	9,419	–	–	–	9,419
Deferred tax assets	–	–	–	–	–	–	–	–	49,126	49,126
Total assets	931,856	480,312	831,658	72,223	263,685	2,579,734	–	–	84,783	2,664,517

NOTE 2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property $'000	Total segments $'000	Corporate $'000	Individually significant items $'000	Unallocated and tax $'000	Consolidated $'000
31 December 2021										
Reconciliation of adjustments AASB 16 *Leases*										
Reported EBITDA (including AASB 16 Leases)*	36,284	88,445	483	10,005	3,910	139,127	(10,480)	23,801	–	152,448
Less: Occupancy costs	(38,918)	(23,246)	(2,429)	–	–	(64,593)	–	–	–	(64,593)
Adjusted EBITDA (excluding AASB 16 Leases)*	(2,634)	65,199	(1,946)	10,005	3,910	74,534	(10,480)	23,801	–	87,855
Result impacts arising from AASB 16 *Leases*										
Occupancy costs	38,918	23,246	2,429	–	–	64,593	–	–	–	64,593
Amortisation	(30,924)	(22,115)	(2,118)	–	–	(55,157)	–	–	–	(55,157)
Finance costs	(10,683)	(762)	(1,098)	–	–	(12,543)	–	–	–	(12,543)
Income tax credit**	782	(110)	216	–	–	888	–	–	–	888
	(1,907)	259	(571)	–	–	(2,219)	–	–	–	(2,219)

* *EBITDA is profit before net interest, income tax, depreciation and amortisation*
** *The tax impact for AASB 16 and the operations of the Group are reported as an unallocated impact.*

Geographic Information

The information below is a segment analysis by geographic location.

	31 December 2022				31 December 2021			
	Australia $'000	New Zealand $'000	Germany $'000	Total Consolidated $'000	Australia $'000	New Zealand $'000	Germany $'000	Total Consolidated $'000
External segment revenue	415,484	60,350	124,020	599,854	214,104	46,041	107,786	367,931
Reportable segment assets	1,243,928	283,849	252,175	1,779,952	1,202,017	253,073	235,270	1,690,360
Right-of-use assets	458,959	156,899	215,680	831,538	499,724	139,377	240,854	879,955
Equity accounted investments	4,672	–	5,375	10,047	5,231	–	4,188	9,419
Total assets	1,707,559	440,748	473,230	2,621,537	1,706,972	392,450	480,312	2,579,734

NOTE 3 – REVENUE

	31 Dec 2022 $'000	31 Dec 2021 $'000
Revenue from contracts with customers (see below)	586,484	353,472
Other revenue		
Rental revenue	12,331	13,841
Finance revenue	579	70
Dividends	3	3
Sundry	1,041	636
	13,954	14,550
Other income		
Government wage subsidies and other compensation [(a)]	6,260	69,983
Profit on sale of investment property and property, plant and equipment	64,997	29,695
Gain on pre-existing interest in acquired business	–	689
Settlement of a legal dispute relating to the sale of a business segment	11,624	–
Insurance proceeds	2,202	–
Increase in fair value of investment property	100	–
	85,183	100,367
Total other revenue and income	99,137	114,917
	685,621	468,389

(a) Government support programs and other compensation for businesses impacted by the COVID-19 pandemic. Over the course of the pandemic the Group benefitted from programs in Australia, New Zealand and Germany. Government support payments that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the government support payments are met after the related expenses have been recognised. In this case, the government support payment is recognised when it becomes receivable.

NOTE 3 – REVENUE (continued)

	Entertainment						
	Australia and New Zealand $'000	Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property and Other Investments $'000	Corporate and Unallocated $'000	Consolidated $'000
Disaggregation of revenue from contracts with customers 31 December 2022							
Major products/service lines							
Box office	112,196	74,902	–	–	–	–	187,098
Food and beverage	62,231	37,525	58,572	12,510	–	–	170,838
Hotel rooms	–	–	95,686	3,144	–	–	98,830
Management and service agreements	1,028	114	14,803	–	–	–	15,945
Thredbo lift tickets	–	–	–	48,679	–	–	48,679
Other revenue from contracts with customers	36,835	8,780	7,956	10,948	575	–	65,094
Revenue from contracts with customers	212,290	121,321	177,017	75,281	575	–	586,484
Rental revenue	–	2,422	546	4,935	4,428	–	12,331
Finance revenue	–	–	–	–	–	579	579
Government wage subsidies and other compensation	32	6,091	137	–	–	–	6,260
Dividends	–	–	–	–	–	3	3
Increase in fair value of investment property	–	–	–	–	100	–	100
Sundry	–	277	13	774	–	2	1,066
Total revenue and other income before individually significant items	212,322	130,111	177,713	80,990	5,103	584	606,823
Individually significant items – other income	8,244	–	58,930	–	–	11,624	78,798
Total revenue and other income	220,566	130,111	236,643	80,990	5,103	12,208	685,621

NOTE 3 – REVENUE (continued)

	Entertainment						
	Australia and New Zealand $'000	**Germany $'000**	**Hotels and Resorts $'000**	**Thredbo Alpine Resort $'000**	**Property and Other Investments $'000**	**Corporate and Unallocated $'000**	**Consolidated $'000**
Disaggregation of revenue from contracts with customers 31 December 2021							
Major products/service lines							
Box office	75,465	63,009	–	–	–	–	138,474
Food and beverage	41,890	33,610	27,750	4,144	–	–	107,394
Hotel rooms	–	–	38,701	1,236	–	–	39,937
Management and service agreements	777	119	4,548	–	–	–	5,444
Thredbo lift tickets	–	–	–	13,369	–	–	13,369
Other revenue from contracts with customers	23,919	8,643	5,182	10,457	653	–	48,854
Revenue from contracts with customers	142,051	105,381	76,181	29,206	653	–	353,472
Rental revenue	29	2,277	597	4,264	6,674	–	13,841
Finance revenue	–	–	–	–	–	70	70
Government wage subsidies and other compensation	3,071	63,301	3,611	–	–	–	69,983
Dividends	–	–	–	–	–	3	3
Sundry	–	150	18	490	–	–	658
Total revenue and other income before individually significant items	145,151	171,109	80,407	33,960	7,327	73	438,027
Individually significant items – other income	1,120	–	11,000	–	18,242	–	30,362
Total revenue and other income	146,271	171,109	91,407	33,960	25,569	73	468,389

NOTE 3 – REVENUE (continued)

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies. The Group's revenue recognition accounting policies are summarised in the table below:

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Box office	Customers purchase a ticket to see a film and the customer obtains control of the service when they see the film. Tickets may be purchased by customers in advance or on the day of the film screening. Customers that are members of the Group's cinema loyalty program (Cinebuzz) earn points when purchasing tickets which can be used to purchase services from the Group in the future.	Box office ticket revenue is recognised on the date the customer views the relevant film. When tickets are sold in advance, the revenue is recorded as deferred revenue in the Statement of Financial Position until the date of the film screening. When gift cards and vouchers are sold to customers, the revenue is recognised as deferred revenue in the Statement of Financial Position until the customer uses the gift card or voucher to purchase goods or services from the Group. Revenue from gift cards and vouchers that will not be redeemed by customers ("breakage") is estimated and recognised as revenue based on historical patterns of redemption by customers. When customers earn loyalty points, box office revenue is allocated proportionally based on the relative stand-alone selling prices of the ticket and the loyalty points earned. The stand-alone selling price of the loyalty points is determined with reference to the average admission price and expected loyalty point breakage. Loyalty point revenue is recognised as deferred revenue in the Statement of Financial Position until the points are redeemed or expire. Breakage is estimated based on historical patterns of redemptions by customers. Commission and other direct expenses incurred in relation to the sale of gift cards are recognised as an asset until the gift cards are redeemed or expire.
Food and beverage	Customers obtain control of food and beverage at the point of sale.	Revenue is recognised at the point of sale.
Hotel rooms	Customers obtain control of the accommodation service when they occupy the room.	Revenue is recognised when the room is occupied. When rooms are sold in advance, the revenue is recorded as deferred revenue in the Statement of Financial Position until the date the customer occupies the room.
Hotel management and service agreements	Customers, being hotel owners, obtain control of the management service as it is provided over the life of the management or service agreement.	Revenue is recognised as the fees are earned over the life of the contract. Fees are typically variable based on a percentage of revenue and profit. Contract acquisition costs are recognised over the life of the control as a reduction in revenue.
Thredbo lift tickets	Customers obtain control of the lift service on the day or other period when the lift ticket is valid for use.	Revenue is recognised as customers use the service. For season and other passes purchased in advance, revenue is recorded as deferred revenue in the Statement of Financial Position initially and is then recognised over the period that the pass is valid.
Thredbo ski school	Customers obtain control of the ski school service when the lesson is attended.	Revenue is recognised at the time of the lesson or other activity. For products purchased in advance, revenue is recorded as deferred revenue in the Statement of Financial Position initially and is then recognised when the lesson is attended.
Rental revenue	Customers, being lessees, obtain relevant benefits of the rental premises.	Rental revenue consists of rentals from investment properties and sub-lease rentals and is billed monthly. Rentals received under operating leases and initial direct costs are recognised on a straight-line basis over the term of the lease.

NOTE 4 – PROFIT BEFORE INCOME TAX

Profit before income tax expense includes the following items where disclosure is relevant in explaining the financial performance of the Group.

(a) Individually significant items

Individually significant items comprised the following:

	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit on sale of properties	64,690	27,881
Gain on pre-existing interest in acquired business (net of acquisition costs)	–	568
Write-off of redundant assets on commencement of refurbishment program	–	(2,407)
Settlement of a legal dispute relating to the sale of a business segment	11,624	–
Transaction and other costs associated with the sale of a business segment	(1,359)	(580)
Other expenses (net of income items)	1,209	(1,661)
Individually significant items benefit before income tax	76,164	23,801
Income tax expense	(20,680)	(7,637)
Individually significant items benefit after income tax	55,484	16,164

(b) Seasonality of operations

The consolidated result includes the operations of the Thredbo Alpine Resort. Due to the timing of the Australian ski season, profits from this business for the financial year to 30 June 2023 have largely been earned in the half year to 31 December 2022. The results for the Thredbo resort for the prior comparable half year ending 31 December 2021 were impacted by the implementation of social distancing, the impact of lockdowns in key markets and other visitation impacts.

NOTE 5 – DIVIDENDS

	Per share Cents	Total amount $'000	Date of payment	Tax rate for franking credit	Percentage franked
Dividends on ordinary shares paid in the current period are as follows:					
2022					
Special dividend	12	19,359	17 November 2022	30%	100%

Subsequent events

Since the end of the period, the directors declared the following dividend:

	Per share Cents	Total amount $'000	Date of payment	Tax rate for franking credit	Percentage franked
Interim 2023 dividend	14	22,586	23 March 2023	30%	100%

The financial effect of this interim dividend has not been brought to account in the interim consolidated financial report for the half year ended 31 December 2022 and will be recognised in subsequent consolidated financial reports.

To assist the Group's liquidity during the COVID-19 recovery period, no dividend was declared for the prior comparable half year ending 31 December 2021.

NOTE 6 – TAXATION

Income tax expense in the Income Statement for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The Company and its Australian wholly-owned subsidiaries are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. EVT Limited is the head entity within the tax consolidated group.

Deferred tax

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:

- taxable temporary differences on the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set off.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference.

The Group has unrecognised deferred tax assets in respect of certain foreign tax revenue losses. The utilisation of the tax revenue losses is dependent upon the generation of sufficient future taxable profits within the applicable foreign tax entities and a deferred tax asset is only recognised to the extent that it is supported by sufficient forecast taxable profits. Assumptions regarding the generation of future taxable profits relevant to those foreign tax entities have been based upon management's budget estimates and forecasts. Management considers that the forecast of taxable profits for the applicable foreign tax entities is subject to risk and uncertainty; hence, the Group has not recognised all of the losses as a deferred tax asset.

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the half year ended 31 December 2022 the Group acquired property, plant and equipment with a cost value of $100,426,000 (2021: $30,050,000).

Impairment of property, plant and equipment

Property, plant and equipment that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance. The process of impairment testing is to estimate the recoverable amount of the assets concerned and recognise an impairment loss in the Income Statement whenever the carrying amount of those assets exceeds the recoverable amount.

Impairment testing of property, plant and equipment is performed at an individual hotel or cinema site level, with the exception of cinema sites within a single geographic location, which are tested as one cash-generating unit. Thredbo is also considered to be, and has been tested as, one cash-generating unit.

Details regarding impairment testing performed at 31 December 2022 are set out below.

Hotels

The impairment review process as at 31 December 2022 was consistent with the process applied and disclosed within the 30 June 2022 consolidated financial report. As a result of the above impairment review process, there were no impairment losses recognised during the half year (year ended 30 June 2022: $nil). For hotels that had been subject to impairments in previous years, the recoverable amount was reviewed during the period. As a result of the review, no impairment charges were reversed in respect of impairments booked in previous years.

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (continued)

Entertainment
The cinema trading performance has been impacted by the ongoing repercussions of COVID-19, particularly in regard to the delayed film release schedule and reported post-production delays being experienced in Hollywood, and caused the Group to assess the recoverable amounts of certain cinema sites and cash-generating units as at 31 December 2022.

The impairment review process as at 31 December 2022 was consistent with the process applied and disclosed within the 30 June 2022 consolidated financial report. The key valuation parameters and methodology included the use of appropriate pre-tax discount rates, derived from the Group's post-tax weighted average cost of capital of 7.16% to 9.00% and forecast growth rates of 2.0%.

As a result of the above impairment review process, there were no impairment losses recognised during the half year period (year ending 30 June 2022: $566,000). For cinemas that had been subject to impairments in previous years, the recoverable amount was reviewed during the period. As a result of the review, no impairment charges were reversed in respect of impairments booked in previous years.

Thredbo
The impairment review process as at 31 December 2022 included a review of the parameters of the independent valuation issued at 30 June 2021 together with the expected future normalised earnings of the Thredbo business. The independent valuation parameters that were used within the 30 June 2021 were considered to be consistent with current valuation methodology and assumptions that would have been used had a valuation exercise occurred at 31 December 2022. In addition, the independent valuation that occurred at 30 June 2021 is in excess of the current carrying value by over 200% and, as a result, the Group determined that there was no impairment in relation to the carrying value of Thredbo.

NOTE 8 – GOODWILL AND OTHER INTANGIBLE ASSETS

	31 Dec 2022 $'000	Restated* 30 June 2022 $'000	Restated* 31 Dec 2021 $'000
Goodwill and other intangible assets comprise of goodwill, construction rights, management and leasehold rights, liquor licences and software. Movements in goodwill and other intangible assets during the half year were as follows:			
Balance at the beginning of the period	97,081	101,345	101,345
Acquisitions and initial contributions	5,002	5,853	3,966
Net foreign currency differences on translation of foreign operations	1,384	(1,888)	819
Amortisation	(2,594)	(5,843)	(3,022)
Disposals	(1,446)	(1,221)	(1,215)
Transfer	7	(1,165)	(1,165)
Balance at the end of the period	99,434	97,081	100,728

* *The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination. Refer to Note 14.*

Impairment
The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. Where an indicator of impairment exists, the Group makes a formal estimate of the asset's recoverable amount. For goodwill, the recoverable amount is estimated each year at the same time, being 30 June.

The Goodwill impairment review process as at 31 December 2022 did not identify any impairment indicators.

NOTE 9 – LOANS AND BORROWINGS

	31 Dec 2022 $'000	30 June 2022 $'000	31 Dec 2021 $'000
Current			
Interest bearing loans and borrowings			
Bank loans – secured	397,502	551	565
Deferred financing costs	(770)	–	–
	396,732	551	565
Non–interest bearing loans and borrowings			
Loans from other companies – unsecured	433	1,004	1,028
	397,165	1,555	1,593
Non–current			
Interest bearing loans and borrowings			
Bank loans – secured	20,478	385,011	445,019
Deferred financing costs	–	(1,540)	(2,311)
	20,478	383,471	442,708
Non–interest bearing loans and borrowings			
Loans from other companies – unsecured	1,100	1,320	1,490
	21,578	384,791	444,198

Bank debt – secured

The Group's secured bank debt facilities comprise the following:

- $650,000,000 revolving multi-currency loan facility maturing on 3 July 2023; and
- $2,500,000 credit support facility (for the issue of letters of credit and bank guarantees).

The debt facilities are supported by interlocking guarantees from most Australian and New Zealand domiciled Group entities and are secured by specific property mortgages.

Debt drawn under the loan facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.75% and 3.60% per annum. As at 31 December 2022, the Group had drawn $397,502,000 (30 June 2022: $365,510,000) under the debt facilities, of which $nil (30 June 2022: $nil) was subject to interest rate swaps used for hedging, and had drawn $1,349,000 under the credit support facility (30 June 2022: $1,349,000).

A New Zealand domiciled subsidiary has general loan facilities secured against a hotel property. The subsidiary had drawn NZ$21,934,000 (A$20,478,000) under the facility. The interest in the subsidiary increased to 85% (30 June 2022: 70%) effective from 30 September 2022.

Other facility – secured

A wholly-owned New Zealand domiciled subsidiary has a general security facility in respect of certain bank guarantees issued in relation to obligations under lease arrangements. The general security facility obligations total NZ$2,784,000 (A$2,599,000).

Certain wholly-owned German subsidiaries have a secured guarantee facility of €14,000,000 (A$22,016,000) for the issue of letters of credit and bank guarantees. The facility expires on 31 May 2023 and is secured against cash held within certain (non-Australian based) Group entities. Guarantees supported under the facility bear interest of 1.15% per annum on the nominal amount of the facility. At 31 December 2022, the Group had drawn €12,466,000 (A$19,603,000) under the facility.

NOTE 10 – SHARE CAPITAL

	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2021 Shares	31 Dec 2022 $'000	30 Jun 2022 $'000	31 Dec 2021 $'000
Share capital						
Fully paid ordinary shares	161,327,709	161,195,521	161,195,521	219,126	219,126	219,126
Share capital consists of:						
Ordinary shares	161,327,709	161,195,521	161,195,521			

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, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 11 – RESERVES

	31 Dec 2022 $'000	30 June 2022 $'000	31 Dec 2021 $'000
Financial assets revaluation	12,536	12,536	12,536
Investment property revaluation	5,121	5,121	3,821
Share–based payments	46,446	40,883	42,801
Foreign currency translation	16,354	6,615	15,687
	80,457	65,155	74,845

NOTE 12 – INTERESTS IN OTHER ENTITIES

Details of the investments in other entities have been provided below:

	Investment carrying amount			Contribution to operating profit	
	31 Dec 2022 $'000	30 June 2022 $'000	31 Dec 2021 $'000	31 Dec 2022 $'000	31 Dec 2021 $'000
Joint ventures	9,999	9,637	9,338	215	(142)
Associates	48	47	81	1	(22)
	10,047	9,684	9,419	216	(164)

The Group reviewed its interest in other entities for indicators of impairment and determined that there was no current requirement to book an impairment in relation to the carrying value of interests in other entities.

NOTE 12 – INTERESTS IN OTHER ENTITIES (continued)

Joint Ventures

Details of the Group's investments in joint ventures, which are accounted for using the equity method, are as follows:

		Ownership Interest			Investment carrying amount			Contribution to operating profit	
		31 Dec 2022	30 June 2022	31 Dec 2021	31 Dec 2022	30 June 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Name	**Principal activities**	%	%	%	$'000	$'000	$'000	$'000	$'000
Browns Plains Cinemas Pty Limited [(a), (e)]	Operates a multiscreen cinema complex	50	50	50	–	90	196	(90)	(84)
Loganholme Cinemas Pty Limited [(e)]	Operates a multiscreen cinema complex	50	50	50	4,624	4,832	4,954	(208)	(243)
Rydges Latimer Holdings Limited [(b), (c)]	Hotel owner	85	70	70	–	–	–	–	52
Filmpalast am ZKM Karlsruhe GmbH & Co. KG [(d)]	Operates a multiscreen cinema complex	50	50	50	4,240	3,951	3,513	154	266
Filmpalast Konstanz GmbH & Co. KG [(d)]	Operates a multiscreen cinema complex	50	50	50	1,135	764	656	359	(133)
Red Carpet Cinema Communication GmbH & Co. KG [(d)]	Event management	50	50	50	–	–	19	–	–
					9,999	9,637	9,338	215	(142)

Notes:

(a) Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group also has a direct 33% share in the Browns Plains Multiplex Joint Venture which is accounted for as a joint operation. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.

(b) On 30 September 2022 the Group increased its interest in Rydges Latimer Holdings Limited to 85%. From 30 September 2021, Rydges Latimer Holdings Limited and its subsidiary companies have been accounted for as part of the consolidated Group.

(c) The company is incorporated in New Zealand.

(d) The company is incorporated in Germany.

(e) The company is incorporated in Australia.

NOTE 12 – INTERESTS IN OTHER ENTITIES (continued)

Associates

Details of the Group's investments in associates, which are accounted for using the equity method, are as follows:

		Ownership interest		Investment carrying amount			Contribution to operating profit	
Name	**Principal activities**	**31 Dec 2022 %**	**30 Jun 2022 %**	**31 Dec 2022 $'000**	**30 June 2022 $'000**	**31 Dec 2021 $'000**	**31 Dec 2022 $'000**	**31 Dec 2021 $'000**
Cinesound Movietone Productions Pty Limited [d]	Film owner and distributor	50	50	48	47	81	1	(22)
Digital Cinema Integration Partners Pty Limited [d]	Administration	48	48	–	–	–	–	–
Digital Cinema Integration Partners NZ Pty Limited [b]	Administration	[a] 60	[a] 60	–	–	–	–	–
DeinKinoticket GmbH [c]	Operator of DeinKinoticket website	24	24	–	–	–	–	–
Movietimes Australia and New Zealand Pty Limited [d]	Operator of Movietimes website	[a] 53	[a] 53	–	–	–	–	–
				48	47	81	1	(22)

Note:
(a) These companies are not consolidated as the Group does not have control.
(b) The company is incorporated in New Zealand.
(c) The company is incorporated in Germany.
(d) The company is incorporated in Australia.

Joint operations

Details of the Group's investments in joint operations, which are accounted for on a line-by-line basis, are as follows:

			Ownership interest	
Name	**Principal activities**	**Country of operation**	**31 Dec 2022 %**	**30 June 2022 %**
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Australia	50	50
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Australia	[a] 33	[a] 33
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	33	33
Rialto Joint Venture	Operator of multiscreen cinema complexes	New Zealand	50	50
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50

Note:
(a) In addition to the 33% interest in the Browns Plains Multiplex Joint Venture held directly, the Group has a 50% interest in Browns Plains Cinemas Pty Limited, which is classified as a joint venture and equity accounted. Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.

Subsidiaries

A list of subsidiaries of the Group is set out in note 5.2 of the 2022 Annual Report. Since 1 July 2022 there have been no significant changes to the Group's subsidiaries.

NOTE 13 – LEASES

The Group has applied AASB 16 effective from 1 July 2019, using the modified retrospective approach. The accounting policies relating to AASB 16 applied in the interim consolidated financial report are the same as those applied in the Group's consolidated financial report as at and for the year ended 30 June 2022.

NOTE 14 – BUSINESS COMBINATIONS

The Group acquired interests in the following businesses during the half year period:

- Limes Hotel, Brisbane – effective 12 September 2022, Kvarken Pty Limited, a wholly-owned subsidiary, acquired the freehold and existing business of a hotel property situated in Fortitude Valley, Brisbane. The purchase price was $5,500,000, including goodwill of $1,922,000 and the Group has provisionally recognised the fair values of the identifiable assets and liabilities relating to the acquisition. The hotel is currently being operated by the Group under the Independent Collection; and
- Rydges Latimer Holdings Limited – effective 30 September 2022, Noahs Hotels (N.Z.) Limited ("Noahs"), a wholly-owned subsidiary, acquired an additional 15% of Rydges Latimer Holdings Limited ("Latimer") for an acquisition cost of NZ$6,332,000 (A$5,544,000) taking the total ownership interest in Latimer to 85%. Details regarding the prior year acquisition were disclosed within its 30 June 2022 consolidated financial report and additional details have been provided below. The Group expects to acquire the remaining 15% (and attaining 100% ownership) in September 2023.

The Group acquired the following business during the previous half year period:

Rydges Latimer Holdings Limited

Effective 30 September 2021, Noahs acquired an additional 54% of Latimer taking the total ownership interest in Latimer to 70%. Prior to the acquisition, the Group had owned a 16% interest in Latimer that had been acquired in August 2017.

In addition:

- Latimer includes two wholly-owned subsidiary companies, being Latimer Hotel Limited and PR Knight Limited. All three companies were incorporated in New Zealand; and
- the Group has contractually agreed to a stepped acquisition of the remaining 30% interest in Latimer, which will occur in equal tranches at 30 September 2022 and 30 September 2023.

The net consideration paid for the acquisition of 54% of the total share capital of Latimer was NZ$14,208,000 (A$13,614,000), comprised as follows (all amounts in Australian dollars):

	Fair value at acquisition date $'000
Net consideration paid for an additional equity interest in Latimer	13,614
Less: cash acquired	(1,030)
Payment to acquire shares in a non-controlling interest (net of cash acquired)	12,584

AASB 3 *Business Combinations* requires that the assets and liabilities acquired be measured to its fair value at the date of acquisition, and the standard allows a period of 12 months for the process to be finalised. The Group completed the process during the half year period ending 31 December 2022.

NOTE 14 – BUSINESS COMBINATIONS (continued)

The Group has recognised the fair value of the following identifiable assets and liabilities relating to this acquisition as follows (all amounts in Australian dollars):

	Fair value at acquisition date	
	Final Accounting $'000	**Preliminary Accounting $'000**
Net consideration for the equity increase in Latimer to 70%	13,614	13,614
Deferred consideration for the remaining 30% interest	7,563	7,563
Less: cash acquired	(1,030)	(1,030)
Fair value of previously held 16% interest in Latimer	4,951	4,951
	25,098	25,098
Assets and liabilities acquired		
Property, plant and equipment	55,394	32,467
Loans and borrowings	(21,735)	(21,735)
Other assets and liabilities	(1,319)	(1,319)
Deferred tax balance	262	262
Non-controlling interest loan	(11,702)	(11,702)
Total net value of identifiable assets and liabilities acquired	20,900	(2,027)
Goodwill on acquisition	4,198	27,125

The preliminary accounting was used for 30 June 2022 Business Combination purposes and was updated during the post acquisition period. The impact of finalising the acquisition accounting on the comparative income statement for the half year ended 31 December 2021 was not considered material and comparative balances were therefore not restated. The comparative balance sheet for 31 December 2021 and 30 June 2022 were restated as noted above.

The goodwill is attributable to the trading reputation and other intangible assets which are not separately identifiable. Goodwill recognised is not expected to be deductible for income tax purposes. The Group incurred direct costs relating to this acquisition of $127,000 which were expensed in the Income Statement during the year ended 30 June 2022.

The Income Statement for the year ended 30 June 2022 included revenue and a net profit of $8,940,000 and $685,000 respectively as a result of this acquisition. Had the acquisition occurred at the beginning of the year, it is estimated that the Income Statement for the year ended 30 June 2022 would have included additional revenue and a net loss of approximately $2,787,000 and $2,000 respectively.

There were no other material business combinations in the half year ended 31 December 2021.

NOTE 15 – KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

NOTE 16 – CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the half year ended 31 December 2022, Lylo Property Holdings NZ Limited, a wholly-owned subsidiary, entered into a contract to acquire a freehold property in Auckland. A component of the freehold property is currently leased by the Group and operates under Lylo Auckland. The agreed purchase price is NZ$32,250,000 and is subject certain completion conditions. A 10% purchase price deposit was paid during the half year period with the balance due on settlement. The Group expects that the purchase will settle in the second half of the year ending 30 June 2023.

There have been no other material changes in contingent liabilities or contingent assets since 30 June 2022.

NOTE 17 – EVENTS SUBSEQUENT TO REPORTING DATE

Dividends

For details of the interim 2023 dividend declared after 31 December 2022 refer to Note 5.

DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

1. The interim consolidated financial statements and notes set out on pages 11 to 39 are 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 performance for the half year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

AG Rydge	**JM Hastings**
Director	Director

Dated at Sydney this 20th day of February 2023.

Independent Auditor's Review Report

To the shareholders of EVT Limited

Conclusion

We have reviewed the accompanying ***Interim Consolidated Financial Report*** of EVT Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Consolidated Financial Report of EVT Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Consolidated Financial Report*** comprises:

- Statement of financial position as at 31 December 2022
- Income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises EVT Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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

Responsibilities of the Directors for the Interim Consolidated Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Consolidated Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Consolidated 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 Interim Consolidated Financial Report

Our responsibility is to express a conclusion on the Interim Consolidated 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 Interim Consolidated Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Consolidated 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.

KPMG

KPMG

Cameron Slapp

Partner

Sydney

20 February 2023