# EVT Limited

ABN: 51 000 005 103

ASX code: **EVT**

This half year report is presented under listing rule 4.2A and should be read in conjunction with the EVT Limited 2023 Annual Report.

**Contents**

- Results for announcement to the market (Appendix 4D)
- Annexure to the Appendix 4D
- Interim consolidated financial statements for the half year ended 31 December 2023

**Date of release**
The results were released to the ASX on 15 February 2024.

**Internet**
These results will be available on the internet at www.evt.com under the Investor Centre menu.

**Enquiries**
Media enquiries should be directed to:


Jane Hastings – CEO

David Stone – Company Secretary

Phone: (02) 9373 6600

Street address
478 George Street
SYDNEY NSW 2000

Postal address
GPO Box 1609
SYDNEY NSW 2001

# Appendix 4D
# Half Yearly Report
# for the half year ended 31 December 2023
# Results for announcement to the market

(previous corresponding half year period: 31 December 2022)

| | | 2023 A$'000 | 2022 A$'000 |
|---|---|---|---|
| Revenue and other income before individually significant items | Up 9% to | 658,856 | 606,823 |
| Individually significant items – other income | | – | 78,798 |
| **Total revenue and other income** | Down 4% to | **658,856** | **685,621** |
| | | | |
| **Normalised earnings before interest, taxation, depreciation, and amortisation ("normalised EBITDA")[1]** | Down 11% to | **96,094** | **107,715** |
| Depreciation and amortisation | | (41,947) | (39,261) |
| Impact of AASB 16 *Leases* | | 14,738 | 15,249 |
| Profit before individually significant items, net finance costs and income tax | | 68,885 | 83,703 |
| Net finance costs | | (25,853) | (19,658) |
| **Profit before individually significant items and income tax** | Down 33% to | **43,032** | **64,045** |
| Individually significant items | | (3,764) | 76,164 |
| **Profit before income tax** | | **39,268** | **140,209** |
| Income tax expense | | (12,172) | (43,471) |
| **Profit attributable to members of the parent entity** | Down 72% to | **27,096** | **96,738** |

1. Normalised EBITDA is the normalised result for the half year before depreciation and amortisation and excluding the impact of AASB 16 *Leases*. As outlined in Note 3 to the financial statements, 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. Normalised EBITDA is an unaudited non–International Financial Reporting Standards ("IFRS") measure.

| | | Per security | |
|---|---|---|---|
| **Dividends** | | **Amount** | **Franked amount** |
| **Interim** | - Current year | 14.0 ¢ | 14.0 ¢ |
| | - Previous corresponding period | 14.0 ¢ | 14.0 ¢ |
| **Special** | - Current year | – ¢ | – ¢ |
| | - Previous corresponding period | 12.0 ¢ | 12.0 ¢ |

| | |
|---|---|
| Record date for determining entitlements to the dividend | 29 February 2024 |
| Date of interim dividend payment | 14 March 2024 |

For an explanation of the figures reported refer to the commentary on results in the Annexure.

# Appendix 4D
# Half Yearly Report
# for the half year ended 31 December 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**

| | 31 December 2023 | 30 June 2023 | 31 December 2022 |
|---|---|---|---|
| Net tangible asset backing per ordinary security | $5.57 | $5.59 | $5.67 |

**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.

## OVERVIEW OF THE GROUP

A summary of the normalised result is outlined below:

| | 31 December 2023 | | | | | 31 December 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **CONSOLIDATED GROUP RESULT** | Normalised EBITDA[1] $'000 | Depreciation and amortisation[2] $'000 | Normalised Result[3] $'000 | Impact of AASB16 *Leases* $'000 | Reconciliation to reported net profit $'000 | Normalised EBITDA[1] $'000 | Depreciation and amortisation[2] $'000 | Normalised Result[3] $'000 | Impact of AASB16 *Leases* $'000 | Reconciliation to reported net profit $'000 |
| **Entertainment** | | | | | | | | | | |
| Australia and New Zealand | 25,395 | (16,169) | 9,226 | 11,825 | 21,051 | 19,590 | (14,910) | 4,680 | 13,849 | 18,529 |
| Germany | 11,551 | (3,029) | 8,522 | 2,290 | 10,812 | 11,289 | (3,945) | 7,344 | 786 | 8,130 |
| **Travel** | | | | | | | | | | |
| Hotels | 47,629 | (16,030) | 31,599 | 623 | 32,222 | 45,804 | (13,785) | 32,019 | 614 | 32,633 |
| Thredbo | 22,108 | (4,955) | 17,153 | – | 17,153 | 41,347 | (4,872) | 36,475 | – | 36,475 |
| **Property** | 3,608 | (1,038) | 2,570 | – | 2,570 | 3,522 | (1,037) | 2,485 | – | 2,485 |
| **Unallocated revenues and expenses** | (14,197) | (726) | (14,923) | – | (14,923) | (13,837) | (712) | (14,549) | – | (14,549) |
| | 96,094 | (41,947) | 54,147 | 14,738 | 68,885 | **107,715** | **(39,261)** | **68,454** | **15,249** | **83,703** |
| Net finance costs | | | (12,068) | (13,785) | (25,853) | | | (7,080) | (12,578) | (19,658) |
| | | | 42,079 | 953 | 43,032 | | | **61,374** | **2,671** | **64,045** |
| Income tax expense | | | (13,012) | (289) | (13,301) | | | (21,975) | (816) | (22,791) |
| **Profit before individually significant items** | | | 29,067 | 664 | 29,731 | | | **39,399** | **1,855** | **41,254** |
| Individually significant items – net of tax | | | | | (2,635) | | | | | 55,484 |
| **Reported net profit** | | | | | 27,096 | | | | | **96,738** |

1. Normalised EBITDA is the normalised result (see below) for the half year 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 half year before individually significant items (as outlined in Note 3 to the financial statements) and excluding the impact of AASB 16 *Leases*. As outlined in Note 3 to the financial statements, 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.

## HALF YEAR OPERATING AND FINANCIAL REVIEW

### Overview

The result for the half year ended 31 December 2023 reflects growth on the prior comparable half year period in each division except for Thredbo, which was severely impacted by adverse weather conditions. The Group's normalised revenue was $658.9 million, up $52.0 million or 8.6% on the prior comparable half year and normalised earnings before interest, tax, depreciation, amortisation, the impact of AASB 16 Leases and individually significant items ("normalised EBITDA") was $96.1 million, down $11.6 million or 10.8%. A strong Group result given the $19.3 million reduction in Thredbo EBITDA due to unusual weather conditions and the delay in film releases due to Hollywood strike action.

The recovery in Entertainment continued, with normalised revenue of $386.0 million up $43.6 million or 12.7%. The Group's premiumisation strategy continued to deliver growth resulting in record results in average admission price ("AAP") and merchandising spend per head ("SPH") despite broader market commentary on weakness in consumer spend. In Australia, AAP and SPH continued to grow on the prior comparable half year and were well ahead of 1H19, up 25.7% and 53.1% respectively. In New Zealand, a similar result was achieved with exceptional growth in AAP of 47.3% and in SPH of 51.7% on 1H19.

The Group's Hotels and Resorts revenue of $202.9 million was up $25.2 million or 14.2% and EBITDA of $47.6 million, up $1.8 million or 4.0%. Record average room rates by brand were maintained, most brands achieved an improvement in underlying occupancy, and record revenue per available room ("revpar") results were achieved. Each of the Group's brands achieved greater than fair market share.

After a record Thredbo result in the prior comparable half year with a moderate season, the 2023 winter was impacted by the worst weather conditions since 2006. Winter had a late start, and the season continued with warm weather patterns and an unusually high number of days with strong winds that resulted in key lifts not operating. The unusual weather conditions experienced in many parts of Australia also impacted initial summer trading. As a result, revenue of $63.1 million was 22.1% below the prior comparable half year, whilst the resort delivered EBITDA of $22.1 million, down $19.2 million.

The Group's unallocated corporate costs at the EBITDA level were in line with the prior comparable half year, despite market cost challenges.

The Group's profit before interest, individually significant items, the net impact of AASB 16 *Leases*, and income tax expense was $54,147,000, $14,307,000 (20.9%) below the prior year. The reported net profit after income tax was $27,096,000 (2022: $96,738,000). In the prior comparable half year, the reported net profit after tax included $55.5 million after tax relating to 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 2023 was $300.6 million, which is 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 in the future.

### Maximising Assets

The Group's property portfolio is independently valued at least every three years and updated independent valuations were obtained at 30 June 2023 for the majority of the Group's property portfolio. The overall independent value of the Group's property portfolio increased to approximately $2,302.0 million, up from $2,057.4 million at 30 June 2021 when the previous independent valuations were obtained, notwithstanding $202.8 million of the Group's non-core property disposals having been completed since 30 June 2021. Excluding the properties acquired or sold between 30 June 2021 and 30 June 2023, the underlying portfolio value increased 20.0%. This increase reflects the Group's strategy of developing existing assets with premiumisation initiatives, acquiring properties in key city locations which are or can be converted to operating assets, and divesting underperforming assets to recycle capital into growth projects. The normalised EBITDA for the Group's Property division was $3.6 million, up $0.1 million (2.4%) on the prior comparable half year.

The Group has continued to make good progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. A Stage Two Development Application was approved in May 2023 for the proposed 525 George Street, Sydney development of a mixed-use development including prime George Street retail space, a premium Event Cinema, a QT hotel, and residential apartments. Construction costs and funding options for the development are currently under review to determine feasibility and financing options by the third quarter of the year ending 30 June 2025. The City of Sydney has previously approved the Development Application for the podium component of the proposed 458-472 George Street development, with planning commenced for a hotel tower. The timing of commencement of the 525 George Street and 458-472 George Street developments will be subject to market conditions.

The Group continues to target investment into key locations with premium cinema experiences. Australia's first ScreenX opened in August 2023 at Event Cinemas Robina, allowing audiences to immerse themselves in a 270-degree viewing experience. IMAX Sydney opened in October 2023, and despite being only one screen has ranked as the 5th highest grossing cinema complex in the country. The refurbishment of Event Cinemas Campbelltown (Macarthur Square) and Event Cinemas Castle Hill commenced during the half year, including the opening of a ScreenX auditorium at Event Cinemas Campbelltown. Further work scheduled for the second half include targeted premiumisation upgrades at Event Cinemas Castle Hill, Innaloo, Marion, Burwood and BCC Rockhampton, two new 4DX locations, and the continuation of refurbishment at Event Cinemas Campbelltown.

Planning for owned hotel upgrades continues, including Rydges Queenstown and QT Canberra. A Development Application has been submitted for a basement bar at QT Sydney, planning for an upgrade of rooms and food and beverage at QT Wellington is in progress, as is the potential expansion of guest rooms in underutilised conference space at Atura Adelaide Airport.

Hotel Expansion
The Group's hotel strategy has evolved to expand into all segments of the market from luxury to budget accommodation. Highlights of expansion activity in the half include:

- A Rydges management agreement was secured for a new hotel being developed in Tauranga New Zealand, slated for a late 2025 opening.

- The Independent Collection has been created to leverage the Group's expertise by introducing new and innovative management and service models to manage independently branded hotels. During the half year, the Group successfully secured a management agreement for the Hotel Telegraph in Singapore. This management agreement represents a significant milestone in the Group's strategy of international expansion. The Group also secured management agreements for additional Independent Collection hotels for 2024 including The Old Clare Hotel, Sydney and The Harbour Rocks Hotel, Sydney.

- LyLo is an innovate budget lifestyle accommodation offering to meet the needs of budget travellers. The Group acquired Jucy Snooze in 2021 and enhanced the offering converting to LyLo in 2023. LyLo properties cater to all styles of travel and feature a mix of private sleeping pods, private double rooms with design led shared amenities and private ensuite rooms, as well as shared kitchen facilities, workspaces and social areas to connect with fellow travellers. Lylo currently operates in Auckland, Christchurch and Queenstown. The Group acquired Limes Hotel in Brisbane which will be converted into a Lylo property in the second half of the year ending 30 June 2024 ("FY24"). In the half year, the Group also acquired 19 Essex Street, Fremantle, which will be converted to Australia's second LyLo. In addition, a Development Application has also been lodged with Gold Coast City Council for the development of LyLo Gold Coast on surplus land at the Group's QT Gold Coast property.

**Outlook for the second half**
Whilst the Group expects a record second half result for the Hotels division, short-term external headwinds are anticipated for the Entertainment and Thredbo divisions.

The Group estimates that the Hollywood strikes which has delayed global studio film production and release dates, has impacted the Entertainment division box office for the second half by around 30% compared to prior comparable year. The European Championship football tournament in Germany in June 2024 is expected to negatively impact CineStar performance. The Group expects Germany to break-even in the second half. Across all markets, the record results achieved in all controllable areas including spend per head are expected to be at least maintained. Overall, based on the current line-up the Group expects Entertainment earnings in the second half to perform below the second half of FY23.

The Group expects a record second half result for the Hotels division with occupancy continuing to recover.

In Thredbo, the strong summer pre-sale demand was impacted by weather conditions on key peak trading dates closing lift operations and, as a result, the second half summer months are expected to be loss-making. However, if early winter weather conditions are favourable, the Group's new business model is expected to deliver strong growth in June.

Overall, the Group expects the consolidated normalised EBITDA result for the second half of FY24 to be below the second half of FY23.

**INDIVIDUALLY SIGNIFICANT ITEMS**
Individually significant items for the half year comprised the following:

| | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|
| Profit on sale of properties | – | 64,690 |
| Settlement of a legal dispute relating to the sale of a business segment | – | 11,624 |
| Hotel and cinema pre-opening costs | (1,515) | – |
| Staff retention costs arising as a result of COVID-19 | (845) | – |
| Transaction and other costs associated with the sale of a business segment | – | (1,359) |
| Other expense (net of income items) | (1,404) | 1,209 |
| **Individually significant items before tax** | **(3,764)** | **76,164** |
| Income tax benefit / (expense) | 1,129 | (20,680) |
| **Individually significant items after tax** | **(2,635)** | **55,484** |

**LIQUIDITY AND FUNDING**

Cash and term deposits at 31 December 2023 totalled $101,313,000 (30 June 2023: $207,000,000) and total bank debt outstanding was $401,876,000 (30 June 2023: $469,575,000).

The Group's main secured bank debt facilities were amended and restated on 24 May 2023 and consist of $650,000,000 in revolving multi-currency general loan facilities and a $7,500,000 credit support facility for the issue of letters of credit and bank guarantees. The main secured bank debt facilities are supported by interlocking guarantees from most Australian and New Zealand-domiciled Group entities and secured by specific property mortgages. Debt drawn under the main secured bank debt facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.50% and 3.15% per annum.

**REVIEW OF OPERATIONS BY DIVISION**

**Entertainment Group**

Entertainment Group revenue was $386.0 million, a 12.7% increase on the prior comparable half year period, and EBITDA was $36.9 million, up 19.6%. Whilst film release dates postponed due to prolonged strike action had an estimated impact of around 10% of box office, the strong performance of *Barbie* and *Oppenheimer* in each of the Group's territories enabled overall Entertainment Group admissions to grow 12.4% on the prior comparable half year period. Across each territory, the Group is experiencing record results when high quality blockbuster titles are released and like for like admissions periods continue to demonstrate strong margin improvement. Further commentary on each territory is set out below.

**Australia**

Entertainment Australia revenue was $198.8 million, a 10.7% increase on the prior comparable half year period. Box Office revenue increased by 14.1% on the prior comparable period. During the period, five titles grossed over $20 million, including *Barbie* in July which grossed over $86.1 million and is now the 5th highest grossing film of all time in Australia, and the release of *Oppenheimer*, which grossed $41.8 million. Despite the impact of the delayed release dates because of the strikes for *Dune: Part Two*, *Force of Nature: The Dry 2* and the Marvel title *Kraven: The Hunter* in the first half, admissions were up 10.3% and EBITDA was up 19.0%. The return of mid-tier films was evident in the first half with 19 titles released in the period that grossed between $5 million and $15 million up from only seven titles in the prior comparable period.

Premium concepts were strongly favoured by customers, with the admission contribution from premium concepts growing to over 33%. AAP increased by 3.1% over the prior comparable half year period's record result and SPH increased by 53.1% over the pre-COVID 1H19, holding up 0.8% on prior year. Every month except December set a new SPH record, due to the comparatively strong premium performance of *Avatar: The Way of Water* in December 2022, which was a strong result given the change in film mix and audiences. The Group's direct customer relationships remain strong with Cinebuzz representing 69% of cinema visits and 86% of online transactions.

Australia's first ScreenX opened in August 2023 at Event Cinemas Robina, allowing audiences to immerse themselves in a 270-degree viewing experience where movie visuals are extended to the side walls of the auditorium. IMAX Sydney opened in October 2023, with the site being the 5th highest grossing cinema complex in the country. The refurbishment of Event Cinemas Campbelltown (Macarthur Square) commenced, and the first three auditoriums were completed, including V-Max with new Private Box seating, along with daybeds, reclining seats and premium fixed back seating and a new ScreenX auditorium. This ScreenX at Macarthur Square is the second of this screen concept to open in Australia and the first in Sydney. Refurbishment works also commenced at Event Cinemas Castle Hill with the refurbishment of the two Vmax screens to include our three seat concept.

Works scheduled for the second half include auditorium upgrades at Event Cinemas Castle Hill, Innaloo, Marion, Burwood, BCC Rockhampton, two new 4DX locations, and the continuation of refurbishment at Event Cinemas Campbelltown.

The Group has also reached agreement with IMAX to convert two screens across the Australian circuit to the IMAX format in calendar 2024 and 2025.

The overall normalised EBITDA profit for the half year ended 31 December 2023 was $23,903,000, which compared favourably with EBITDA of $20,093,000 in the prior comparable period, an improvement of $3,810,000 (19.0%). EBITDA profit per admission grew 7.8%.

**Entertainment New Zealand**

Entertainment New Zealand revenue was $41.5 million or 26.9% up on the comparable period. The Group's Box Office revenue increased by 28.6% and market share improved by 3.5 percentage points on the prior comparable period. The Queensgate cinema which commenced trading in December 2022 and fully opened in April 2023 was the highest grossing cinema complex in the country for the half year period.

Admissions were up 23.3%, assisted by the strong performance of Event Cinemas Queensgate, which opened late in the prior comparable half year, and has enabled the Group to grow share in New Zealand market.

There were five titles that grossed over $3 million at the New Zealand box office during the half year: *Barbie* (NZ$14.4 million), *Oppenheimer* (NZ$7.0 million), *Mission: Impossible - Dead Reckoning Part One* (NZ$4.2 million), *The Hunger Games: The Ballad of Songbirds and Snakes* (NZ$3.7 million), and *Wonka* (NZ$3.6 million); compared to seven titles in the prior comparable period. *Barbie* became the 4th highest grossing film ever in New Zealand highlighting that audiences are keen to return to the cinema when high-quality films are released.

As evidenced in Australia, the Premiumisation strategic initiatives resulted in customers spending more per visit with a record period of AAP, up 4.3% on the prior comparable half year and increasing by 47.4% over the pre-COVID 1H19. In addition, SPH was up 51.7% on pre-COVID 1H19 spend per head, but relatively flat (-0.4%) on the prior comparable half year. Three out of six months set a new SPH record, with December below due to the high premium mix of *Avatar: The Way of Water* in prior comparable December month. Cinebuzz maintained its strong influence with Cinebuzz representing approximately 77% of all online transactions.

The normalised EBITDA result for the half year ended 31 December 2023 was a profit of $1,492,000, which was an improvement on the EBITDA loss of $503,000 in the prior comparable period.

**Entertainment Germany**
Entertainment Germany revenue was $145.7 million which was 12.0% above the prior comparable half year. The highest grossing titles within the German market included: *Barbie* (5.96 million admissions); *Oppenheimer* (4.11 million admissions); *Elemental* (1.78 million admissions); and *Wonka* (1.42 million admissions). The top ten films achieved total market admissions of 21.0 million, which was 1.8% higher than the prior comparable period.

SPH increased by 3.1% over the prior comparable period and by 39.8% over the pre-COVID-19 1H19. AAP was 1% higher than the prior comparable period and 9.6% higher than the pre-COVID-19 1H19, a good result considering materially less contribution from 3D films in the period.

The significant rise in energy costs in recent years was mitigated by the German government's energy subsidy program which continued through to 31 December 2023. Energy prices are reducing compared to the peak pricing in 2022 but remain higher than pre-COVID 19 levels.

Normalised EBITDA for the half year ended 31 December 2023 was $11,551,000, $262,000 (+2.3%) above the prior comparable period.

The Group is in planning for the refurbishment of two locations in calendar 2024 to introduce premium cinema concepts and has also reached agreement with IMAX to convert four screens across the German circuit to the IMAX format in calendar 2024 and 2025.

**Hotels**
The Group achieved a record result in revpar, up +1.2% over the prior comparable period and +18.6% over the comparable pre-COVID period. International inbound group and crew business continued to recover, and strong demand for corporate conference and events helped to mitigate a normalisation in domestic leisure travel. As a result, occupancy improved and pleasingly, rate premiums were maintained. The Group's hotels continued to perform above fair market share.

A focus on the fine detail of hotel operations is improving guest sentiment and employee engagement scores. The expanded breadth of the Group's brand portfolio is now firmly established and enabling faster and more varied career prospects for employees and new growth opportunities for shareholders and hotel owners.

Hotel division EBITDA was $47.6 million, up +$1.8 million or +4.0% over the prior comparable period. This is a strong result considering the EBITDA contribution from hotels sold or closed since 1H19 was ~$6.7 million.

The result was assisted by Lylo Auckland (opened December 2022) and the reopening of Rydges Melbourne, which is expected to take a few years for earnings to stabilise. 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.

In December a landmark management agreement was secured with the Hotel Telegraph joining the network, marking the group's inaugural hotel in Singapore. Agreements have also been secured for the management of The Old Clare Hotel, Sydney and The Harbour Rocks Hotel, Sydney, which will join the Group in 2024. All three hotels will be operated under the Independent Collection by EVT brand. Additionally, a Rydges management agreement was secured for a new hotel under development in Tauranga New Zealand, slated for a late 2025 opening.

The Jucy Snooze properties in Queenstown and Christchurch have been upgraded and relaunched under the Lylo brand, bringing the Lylo portfolio to three hotels in New Zealand. The first Australian Lylo is scheduled to open in Brisbane later in June.

The Group's portfolio currently comprises 80 hotels with 12,365 rooms.

**Thredbo Alpine Resort**
Winter season trading was affected by the lowest natural snowfall in nearly 20 years coupled with marginal snowmaking conditions. EBITDA for the half year was $22.1 million, 46.5% below the prior half year, and the normalised PBIT was $17.2 million, 53.0% below the prior comparable half year result.

Despite the marginal conditions contributing to a shortened season, the revised business model continued to provide guests with a more premium experience and customer sentiment remained high across the winter and into the summer months.

The weather conditions at Thredbo this season were the worst experienced since 2006. Winter had a late start, and the season continued with warm weather patterns and an unusually high number of days with strong winds that resulted in key lifts not operating. Only 50% of snow runs were able to open, compared to 100% in the prior year. Winter visitation (measured by skier access scans) was 30.4% percent lower than that of prior year with a similar number of season pass holders and a decline in date-based products sold. A +1.1% yield increase in ticket price per skier compared to that of the record yield in the prior winter season, 76.7% above pre-COVID levels. The enhanced guest experience even in a marginal season coupled with solid revenue numbers confirm that the strategy is continuing to work. This strategy will provide substantial revenue upside and increased visitation with improved conditions in an average to good season. Costs were well controlled despite increasing inflationary pressure.

The summer season started with strong growth in season pass sales on a record prior year. However, poor weather conditions impacted the ability to trade with the key Christmas period from 24-27 December impacted by severe weather, and overall, the resort had an increase in days closed compared to the prior comparable period. This resulted in a 11.4% decrease in mountain biking visitation and a 10.7% decrease in revenue in November and December 2023. A decrease in tourist rides was also evident due to adverse weather and the normalisation in domestic travel to the region.

The Alpine Coaster installation is well underway adding a further year-round attraction to the resort and is scheduled to be completed for the 2024 winter season. Major upgrades to the snowmaking system including pipe replacement and the installation of three new snowmaking fan guns on the Lower Supertrail are continuing and are scheduled to be completed in time for the 2024 winter season. Mountain bike trail expansion on both sides of the mountain are continuing with a focus on providing more variety to the trail network. 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 2026 winter season, subject to the necessary planning approvals.

**Unallocated expenses**

Unallocated expenses include the Group's corporate and head office functions. Unallocated expenses of $14.2 million were in line with the prior comparable half year period, despite market cost challenges.

## END

# Interim Consolidated Financial Statements

31 December 2023

EVT LIMITED
ABN 51 000 005 103

## Acknowledgement of Country

EVT acknowledges the Traditional Owners and Custodians of Country where we live, work and play, and we recognise their continuing connection to the land and waters. We pay our respects to Aboriginal and Torres Strait Islander peoples, and to Elders past and present.

# Contents

DIRECTORS' REPORT
# Introduction

The directors present their report together with the interim consolidated financial report for the half year ended 31 December 2023 and the independent auditor's review report thereon.

## DIRECTORS

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

| | Director since |
|---|---|
| **AG Rydge** ***AM*** (Chairman) | 1978 |
| **BD Chenoweth** | 2022 |
| **PR Coates** ***AO*** | 2009 |
| **VA Davies** | 2011 |
| **DC Grant** | 2013 |
| **JM Hastings** (Chief Executive Officer) | 2017 |
| **PM Mann** | 2013 |

## 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 2023 Annual Report on pages 19-21.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half year ended 31 December 2023.

## DIVIDEND

On 15 February 2024 the directors declared an interim dividend of $22,719,000 (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 5 and forms part of the directors' report for the half year ended 31 December 2023.

## 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 15th day of February 2024

# 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 2023 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

15 February 2024

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | Note | 31 Dec 2023 $'000 | 30 June 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | | 101,313 | 207,000 | 198,170 |
| Trade and other receivables | | 67,102 | 60,050 | 65,872 |
| Current tax receivables | | – | 397 | 423 |
| Inventories | | 24,769 | 23,761 | 21,775 |
| Prepayments and other current assets | | 24,521 | 11,349 | 18,251 |
| Assets held for sale | | 3,120 | 3,165 | 2,362 |
| **Total current assets** | | **220,825** | **305,722** | **306,853** |
| **Non-current assets** | | | | |
| Trade and other receivables | | 6,873 | 6,873 | 6,885 |
| Investments accounted for using the equity method | 12 | 9,507 | 9,884 | 10,047 |
| Property, plant and equipment | 6 | 1,443,879 | 1,439,212 | 1,385,134 |
| Right-of-use assets | 13 | 804,549 | 793,203 | 831,538 |
| Investment properties | | 6,400 | 6,400 | 6,400 |
| Goodwill and other intangible assets | 7 | 105,794 | 107,481 | 99,434 |
| Deferred tax assets | | 27,664 | 30,755 | 43,264 |
| Other non-current assets | | 23,172 | 21,256 | 20,488 |
| **Total non-current assets** | | **2,427,838** | **2,415,064** | **2,403,190** |
| **Total assets** | | **2,648,663** | **2,720,786** | **2,710,043** |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | 128,782 | 133,045 | 152,974 |
| Loans and borrowings | 11 | 20,106 | 15,703 | 397,165 |
| Current tax liabilities | | 8,411 | 11,572 | 18,404 |
| Provisions | | 28,282 | 28,247 | 25,104 |
| Deferred revenue | | 90,107 | 97,392 | 87,251 |
| Lease liabilities | 13 | 132,946 | 131,327 | 129,086 |
| Other current liabilities | | 1,176 | 7,744 | 6,910 |
| **Total current liabilities** | | **409,810** | **425,030** | **816,894** |
| **Non-current liabilities** | | | | |
| Loans and borrowings | 11 | 382,453 | 453,015 | 21,578 |
| Provisions | | 26,373 | 25,284 | 22,731 |
| Deferred revenue | | 12,783 | 9,474 | 9,381 |
| Lease liabilities | 13 | 807,993 | 798,155 | 820,225 |
| Other non-current liabilities | | – | – | 5,782 |
| **Total non-current liabilities** | | **1,229,602** | **1,285,928** | **879,697** |
| **Total liabilities** | | **1,639,412** | **1,710,958** | **1,696,591** |
| **Net assets** | | **1,009,251** | **1,009,828** | **1,013,452** |
| **EQUITY** | | | | |
| Share capital | 8 | 219,126 | 219,126 | 219,126 |
| Reserves | 10 | 94,292 | 89,628 | 80,457 |
| Retained earnings | | 695,833 | 701,074 | 713,869 |
| **Total equity** | | **1,009,251** | **1,009,828** | **1,013,452** |

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

## INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | Note | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|
| **Revenue and other income** | | | |
| Revenue from sale of goods and rendering of services | 2 | 641,424 | 586,484 |
| Other revenue and income | 2 | 17,432 | 99,137 |
| **Total revenue and other income** | | **658,856** | **685,621** |
| **Expenses** | | | |
| Employee expenses | | (197,807) | (170,193) |
| Depreciation, amortisation and impairments | | (98,473) | (93,888) |
| Film hire and other film expenses | | (94,825) | (79,477) |
| Occupancy expenses | | (77,973) | (73,705) |
| Purchases and other direct expenses | | (59,772) | (55,556) |
| Other operating expenses | | (44,051) | (35,900) |
| Finance costs | | (27,155) | (20,237) |
| Advertising, commissions and marketing expenses | | (19,685) | (16,672) |
| **Total expenses** | | **(619,741)** | **(545,628)** |
| **Equity accounted profit** | | | |
| Share of net profit from equity accounted associates and joint ventures | 12 | 153 | 216 |
| **Profit before tax** | | **39,268** | **140,209** |
| Income tax expense | 5 | (12,172) | (43,471) |
| **Profit after income tax expense** | | **27,096** | **96,738** |

| | 31 Dec 2023 Cents | 31 Dec 2022 Cents |
|---|---|---|
| **Earnings per share** | | |
| Basic earnings per share | **16.7** | 60.0 |
| Diluted earnings per share | **16.7** | 59.3 |

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

## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|
| **Profit after income tax expense** | **27,096** | **96,738** |
| ***Other comprehensive income*** | | |
| *Items that may be reclassified to profit or loss* | | |
| Foreign currency translation differences for foreign operations – net of tax | (695) | 9,739 |
| Other comprehensive expense – net of tax | **(695)** | **9,739** |
| **Total comprehensive income** | **26,401** | **106,477** |

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

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | Share capital $'000 | Reserves $'000 | Retained earnings $'000 | Total equity $'000 |
|---|---|---|---|---|
| **Balance at 1 July 2023** | **219,126** | **89,628** | **701,074** | **1,009,828** |
| Profit after income tax expense | – | – | 27,096 | 27,096 |
| *Other comprehensive income* | | | | |
| Foreign currency translation differences for foreign operations – net of tax | – | (695) | – | (695) |
| Total other comprehensive expense recognised directly in equity | – | (695) | – | (695) |
| **Total comprehensive income** | **–** | **(695)** | **27,096** | **26,401** |
| Employee share-based payments expense – net of tax | – | 5,359 | – | 5,359 |
| Dividends paid | – | – | (32,337) | (32,337) |
| **Total transactions with owners** | **–** | **5,359** | **(32,337)** | **(26,978)** |
| **Balance at 31 December 2023** | **219,126** | **94,292** | **695,833** | **1,009,251** |
| | | | | |
| **Balance at 1 July 2022** | **219,126** | **65,155** | **636,490** | **920,771** |
| Profit after income tax expense | – | – | 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** | **–** | **9,739** | **96,738** | **106,477** |
| Employee share-based payments expense – net of tax | – | 5,563 | – | 5,563 |
| Dividends paid | – | – | (19,359) | (19,359) |
| **Total transactions with owners** | **–** | **5,563** | **(19,359)** | **(13,796)** |
| **Balance at 31 December 2022** | **219,126** | **80,457** | **713,869** | **1,013,452** |

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

## STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | Note | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts in the course of operations | | 721,093 | 653,265 |
| Cash payments in the course of operations | | (599,266) | (535,847) |
| **Cash provided by operations** | | **121,827** | **117,418** |
| Dividends from joint ventures | | 463 | – |
| Other revenue and income | | 16,090 | 31,314 |
| Dividends received | | 3 | 3 |
| Interest received | | 1,302 | 579 |
| Finance costs paid | | (26,421) | (18,028) |
| Income tax paid | | (12,289) | (27,940) |
| **Net cash provided by operating activities** | | **100,975** | **103,346** |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment and redevelopment of properties | | (39,362) | (100,426) |
| Finance costs paid in relation to qualifying assets | | (4,271) | (4,660) |
| Purchase of management rights, software and other intangible assets | | (445) | (5,002) |
| Payments for business acquired | | (1,546) | (9,298) |
| Proceeds from disposal of property, plant and equipment | | – | 82,810 |
| **Net cash used by investing activities** | | **(45,624)** | **(36,576)** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 20,000 | 111,991 |
| Repayments of borrowings | | (89,361) | (84,310) |
| Repayment of non-controlling interest loan | | (4,500) | (1,746) |
| Increase/(decrease) in loans from other entities | | 1,063 | (795) |
| Transaction costs related to borrowings | | (17) | – |
| Payments of lease liabilities | | (56,000) | (54,642) |
| Dividends paid | | (32,337) | (19,359) |
| **Net cash used by financing activities** | | **(161,152)** | **(48,861)** |
| Net (decrease)/increase in cash and cash equivalents | | (105,801) | 17,909 |
| Cash and cash equivalents at the beginning of the period | | 207,000 | 175,158 |
| Effect of movements in exchange rates on cash held | | 114 | 5,103 |
| **Cash and cash equivalents at the end of the period** | | **101,313** | **198,170** |

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

# CONDENSED NOTES
# TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 GENERAL INFORMATION, COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

EVT Limited ("Company") is a company domiciled in Australia. The condensed interim consolidated financial report of the Company as at and for the six months ended 31 December 2023 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 15 February 2024.

**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 2023. 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 2023 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 2023.

**Going Concern**

The Group's processes to determine its going concern position for this interim consolidated financial report are consistent with the processes applied and disclosed within its 30 June 2023 consolidated financial report. The going concern identification and assessment processes include the review and update of those key estimates and judgements used and applied for these financial statements, including:

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

The Group continues to maintain 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 trends, that it expects to maintain sufficient liquidity for the foreseeable future.

The Group has reported a net current asset deficiency of $189.0 million. This deficiency results from the recognition of current lease liabilities under AASB 16 *Leases* of $132.9 million (30 June 2023: $131.3 million). Current lease and other liabilities are expected to be supported by future operating cash flows and available liquidity from cash reserves totalling $101.3 million and undrawn debt facilities of $267.8 million at 31 December 2023.

**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 REVENUE

**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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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. |

## NOTE 2 REVENUE (continued)

| Type of product/ service | Nature and timing of satisfaction of performance obligations, including significant payment terms | Revenue recognition policies |
|---|---|---|
| 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. |

Details of the Group's revenue have been provided below:

| | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|
| **Revenue from contracts with customers (see below)** | **641,424** | **586,484** |
| **Other revenue** | | |
| Rental revenue | 13,612 | 12,331 |
| Finance revenue | 1,302 | 579 |
| Dividends | 3 | 3 |
| Sundry | 1,824 | 1,041 |
| **Total other revenue** | **16,741** | **13,954** |
| **Other income** | | |
| Profit on sale of investment property and property, plant and equipment | 37 | 64,997 |
| Government subsidies and other compensation [(a)] | – | 6,260 |
| Settlement of legal dispute relating to the sale of a business segment | – | 11,624 |
| Insurance proceeds | 654 | 2,202 |
| Increase in fair value of investment properties | – | 100 |
| **Total other income** | **691** | **85,183** |
| **Total revenue and income** | **658,856** | **685,621** |

(a) Government subsidies and other compensation for businesses impacted by the COVID-19 pandemic or other significant impacts or events. Grants 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 grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

## NOTE 2 REVENUE (continued)

| Disaggregation of revenue | Entertainment Australia and New Zealand $'000 | Entertainment Germany $'000 | Hotels $'000 | Thredbo $'000 | Property $'000 | Unallocated $'000 | Consolidated $'000 |
|---|---|---|---|---|---|---|---|
| **31 Dec 2023** | | | | | | | |
| **Major products/service lines** | | | | | | | |
| Box office | 131,233 | 83,601 | – | – | – | – | 214,834 |
| Food and beverage | 69,937 | 46,073 | 66,607 | 10,049 | – | – | 192,666 |
| Hotel rooms | – | – | 109,774 | 2,902 | – | – | 112,676 |
| Management and service agreements | 1,095 | 124 | 17,150 | – | – | – | 18,369 |
| Thredbo lift tickets | – | – | – | 36,563 | – | – | 36,563 |
| Other revenue from contracts with customers | 37,436 | 11,305 | 8,819 | 8,219 | 537 | – | 66,316 |
| **Revenue from contracts with customers** | **239,701** | **141,103** | **202,350** | **57,733** | **537** | **–** | **641,424** |
| Rental revenue | – | 3,611 | 599 | 4,462 | 4,940 | – | 13,612 |
| Finance revenue | – | – | – | – | – | 1,302 | 1,302 |
| Dividends | – | – | – | – | – | 3 | 3 |
| Insurance proceeds | 654 | – | – | – | – | – | 654 |
| Sundry | 2 | 946 | – | 908 | – | 5 | 1,861 |
| **Other revenue and other income** | **656** | **4,557** | **599** | **5,370** | **4,940** | **1,310** | **17,432** |
| **Total revenue and other income before individually significant items** | **240,357** | **145,660** | **202,949** | **63,103** | **5,477** | **1,310** | **658,856** |
| Individually significant items – other income | – | – | – | – | – | – | – |
| **Total revenue and other income** | **240,357** | **145,660** | **202,949** | **63,103** | **5,477** | **1,310** | **658,856** |

## NOTE 2 REVENUE (continued)

| Disaggregation of revenue | Entertainment<br>Australia and New Zealand $'000 | Entertainment<br>Germany $'000 | Hotels $'000 | Thredbo $'000 | Property $'000 | Unallocated $'000 | Consolidated $'000 |
|---|---|---|---|---|---|---|---|
| **31 Dec 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 |
| Government subsidies and other compensation | 32 | 6,091 | 137 | – | – | – | 6,260 |
| Finance revenue | – | – | – | – | – | 579 | 579 |
| Dividends | – | – | – | – | – | 3 | 3 |
| Increase in fair value of investment property | – | – | – | – | 100 | – | 100 |
| Sundry | – | 277 | 13 | 774 | – | 2 | 1,066 |
| **Other revenue and other income** | **32** | **8,790** | **696** | **5,709** | **4,528** | **584** | **20,339** |
| **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 SEGMENT REPORTING

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' adjusted EBITDA results are regularly reviewed by the Group's Chief Executive Officer ("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.

**Entertainment Germany**
Includes the cinema exhibition operations in Germany.

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

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

**Property**
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, Singapore and Germany.

## NOTE 3 SEGMENT REPORTING (continued)

| 31 Dec 2023 | Entertainment Australia and New Zealand $'000 | Entertainment Germany $'000 | Hotels $'000 | Thredbo $'000 | Property $'000 | Total segments $'000 | Corporate $'000 | Individually significant items $'000 | Unallocated and tax $'000 | Consolidated $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue and other income** | | | | | | | | | | |
| External segment revenue | 239,703 | 145,632 | 202,949 | 63,094 | 5,477 | 656,855 | 8 | – | – | 656,863 |
| Other income – external | 654 | 28 | – | 9 | – | 691 | – | – | – | 691 |
| Finance revenue | – | – | – | – | – | – | – | – | 1,302 | 1,302 |
| **Revenue and other income** | **240,357** | **145,660** | **202,949** | **63,103** | **5,477** | **657,546** | **8** | – | 1,302 | **658,856** |
| **Result** | | | | | | | | | | |
| Segment result | 68,791 | 36,370 | 50,525 | 22,108 | 3,608 | 181,402 | (14,197) | (3,764) | – | 163,441 |
| Net (loss)/profit of equity accounted investees | (106) | 259 | – | – | – | 153 | – | – | – | 153 |
| **EBITDA*** | **68,685** | **36,629** | **50,525** | **22,108** | **3,608** | **181,555** | **(14,197)** | **(3,764)** | – | **163,594** |
| Depreciation and amortisation | (47,634) | (25,817) | (18,303) | (4,955) | (1,038) | (97,747) | (726) | – | – | (98,473) |
| Impairment charge | – | – | – | – | – | – | – | – | – | – |
| **Profit/(loss) before interest and income tax expense** | **21,051** | **10,812** | **32,222** | **17,153** | **2,570** | **83,808** | **(14,923)** | **(3,764)** | – | **65,121** |
| Finance costs | (10,709) | (2,000) | (1,076) | – | – | (13,785) | – | – | (13,370) | (27,155) |
| Finance revenue | – | – | – | – | – | – | – | – | 1,302 | 1,302 |
| **Profit/(loss) before income tax expense** | **10,342** | **8,812** | **31,146** | **17,153** | **2,570** | **70,023** | **(14,923)** | **(3,764)** | **(12,068)** | **39,268** |
| Income tax credit/(expense) | – | – | – | – | – | – | – | 1,129 | (13,301) | (12,172) |
| **Net profit/(loss)** | **10,342** | **8,812** | **31,146** | **17,153** | **2,570** | **70,023** | **(14,923)** | **(2,635)** | **(25,369)** | **27,096** |
| **Assets** | | | | | | | | | | |
| Reportable segment assets (excluding right-of use assets) | 368,107 | 168,258 | 868,497 | 96,412 | 271,395 | 1,772,669 | – | – | 34,274 | 1,806,943 |
| Right-of-use assets | 508,017 | 237,569 | 58,963 | – | – | 804,549 | – | – | – | 804,549 |
| Equity accounted investments | 4,318 | 5,189 | – | – | – | 9,507 | – | – | – | 9,507 |
| Deferred tax assets | – | – | – | – | – | – | – | – | 27,664 | 27,664 |
| **Total assets** | **880,442** | **411,016** | **927,460** | **96,412** | **271,395** | **2,586,725** | **–** | **–** | **61,938** | **2,648,663** |

## NOTE 3 SEGMENT REPORTING (continued)

| | Entertainment | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **31 Dec 2023** | **Australia and New Zealand $'000** | **Germany $'000** | **Hotels $'000** | **Thredbo $'000** | **Property $'000** | **Total segments $'000** | **Corporate $'000** | **Individually significant items $'000** | **Unallocated and tax $'000** | **Consolidated $'000** |
| Reconciliation of adjustments AASB 16 *Leases* | | | | | | | | | | |
| Reported EBITDA (including AASB 16 *Leases*)* | 68,685 | 36,629 | 50,525 | 22,108 | 3,608 | 181,555 | (14,197) | (3,764) | – | 163,594 |
| Less: Occupancy costs | (43,290) | (25,078) | (2,896) | – | – | (71,264) | – | – | – | (71,264) |
| **Adjusted EBITDA (excluding AASB 16 *Leases*)*** | **25,395** | **11,551** | **47,629** | **22,108** | **3,608** | **110,291** | **(14,197)** | **(3,764)** | – | **92,330** |
| | | | | | | | | | | |
| **Result impacts arising from AASB 16 *Leases*** | | | | | | | | | | |
| Occupancy costs | 43,290 | 25,078 | 2,896 | – | – | 71,264 | – | – | – | 71,264 |
| Amortisation and impairments | (31,465) | (22,788) | (2,273) | – | – | (56,526) | – | – | – | (56,526) |
| | **11,825** | **2,290** | **623** | – | – | **14,738** | – | – | – | **14,738** |
| Finance costs | (10,709) | (2,000) | (1,076) | – | – | (13,785) | – | – | – | (13,785) |
| Income tax credit/(expense)** | (329) | (87) | 127 | – | – | (289) | – | – | – | (289) |
| | **787** | **203** | **(326)** | – | – | **664** | – | – | – | **664** |

* 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 3 SEGMENT REPORTING (continued)

| 31 Dec 2022 | Entertainment Australia and New Zealand $'000 | Entertainment Germany $'000 | Hotels $'000 | Thredbo $'000 | Property $'000 | Total segments $'000 | Corporate $'000 | Individually significant items $'000 | Unallocated and tax $'000 | Consolidated $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 (loss)/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) |
| Impairment charge | – | – | – | – | – | – | – | – | – | – |
| **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 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 3 SEGMENT REPORTING (continued)

| 31 Dec 2022 | Entertainment: Australia and New Zealand $'000 | Entertainment: Germany $'000 | Hotels $'000 | Thredbo $'000 | Property $'000 | Total segments $'000 | Corporate $'000 | Individually significant items $'000 | Unallocated and tax $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 and impairments | (30,093) | (22,240) | (2,294) | – | – | (54,627) | – | – | – | (54,627) |
| | **13,848** | **786** | **615** | **–** | **–** | **15,249** | **–** | **–** | **–** | **15,249** |
| Finance costs | (10,500) | (747) | (1,331) | – | – | (12,578) | – | – | – | (12,578) |
| Income tax credit/(expense)** | (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.

| **Geographic information** | 31 Dec 2023 Australia $'000 | 31 Dec 2023 New Zealand $'000 | 31 Dec 2023 Germany $'000 | 31 Dec 2023 Total $'000 | 31 Dec 2022 Australia $'000 | 31 Dec 2022 New Zealand $'000 | 31 Dec 2022 Germany $'000 | 31 Dec 2022 Total $'000 |
|---|---|---|---|---|---|---|---|---|
| **External segment revenue** | **428,087** | **83,144** | **145,632** | **656,863** | **415,484** | **60,350** | **124,020** | **599,854** |
| Reportable segment assets | 1,298,920 | 305,491 | 168,258 | 1,772,669 | 1,243,928 | 283,849 | 252,175 | 1,779,952 |
| Right-of-use assets | 442,798 | 124,182 | 237,569 | 804,549 | 458,959 | 156,899 | 215,680 | 831,538 |
| Equity accounted investments | 4,318 | – | 5,189 | 9,507 | 4,672 | – | 5,375 | 10,047 |
| **Total assets** | **1,746,036** | **429,673** | **411,016** | **2,586,725** | **1,707,559** | **440,748** | **473,230** | **2,621,537** |

## 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 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|
| Profit on sale of properties | – | 64,690 |
| Settlement of a legal dispute relating to the sale of a business segment | – | 11,624 |
| Hotel and cinema pre-opening costs | (1,515) | – |
| Staff retention costs arising as a result of COVID-19 | (845) | – |
| Transaction and other costs associated with the sale of a business segment | – | (1,359) |
| Other expenses (net of income items) | (1,404) | 1,209 |
| **Individually significant items before tax** | **(3,764)** | **76,164** |
| Income tax expense | 1,129 | (20,680) |
| **Individually significant items after tax** | **(2,635)** | **55,484** |

### (b) Seasonality of operations

The consolidated result includes the operations of Thredbo. Due to the timing of the Australian ski season, profits from this business for the financial year to 30 June 2024 have largely been earned in the half year to 31 December 2023. The results for Thredbo for the half year ending 31 December 2023 have been impacted by a late start to the winter season, together with warm weather patterns and strong winds that resulted in below average conditions for the season.

## NOTE 5 INCOME TAX

Income tax expense or benefit 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 Australian tax consolidated group are taxed as a single entity. EVT Limited is the head entity within the Australian 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 as disclosed within the annual financial report for the year ended 30 June 2023. 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 6 PROPERTY, PLANT AND EQUIPMENT

**Acquisitions**
During the half year ended 31 December 2023 the Group acquired property, plant and equipment with a cost value of $43,633,000 (2022: $100,426,000).

**Impairment of property, plant and equipment**
The carrying amounts of the Group's property, plant and equipment 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. The accounting policies relating to the impairment review process 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 2023.

The property, plant and equipment impairment review process as at 31 December 2023 did not identify any impairment charges.

## NOTE 7 GOODWILL AND OTHER INTANGIBLE ASSETS

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:

| | 31 Dec 2023 $'000 | 30 June 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|
| Net balance at the beginning of the period | 107,481 | 97,081 | 97,081 |
| Acquisitions and initial contributions | 445 | 16,015 | 5,002 |
| Net foreign currency differences on translation of foreign operations | 247 | 191 | 1,384 |
| Amortisation | (2,599) | (5,366) | (2,594) |
| Disposals | – | (1,446) | (1,446) |
| Transfers | 220 | 1,006 | 7 |
| **Net balance at the end of the period** | **105,794** | **107,481** | **99,434** |

**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 2023 did not identify any impairment indicators.

## NOTE 8 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

| | 31 Dec 2023 Shares | 30 Jun 2023 Shares | 31 Dec 2022 Shares | 31 Dec 2023 $'000 | 30 Jun 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|---|
| **Share capital** | | | | | | |
| Fully paid ordinary shares | 162,275,357 | 161,327,709 | 161,327,709 | 219,126 | 219,126 | 219,126 |
| Share capital consists of: | | | | | | |
| Ordinary shares | 162,275,357 | 161,327,709 | 161,327,709 | | | |

## NOTE 9 DIVIDENDS

Dividends on ordinary shares paid during the half year were:

| | Per share Cents | Total amount $'000 | Date of payment | Tax rate for franking credit | Percentage franked |
|---|---|---|---|---|---|
| Final dividend | 20 | **32,337** | 28 September 2023 | 30% | 100% |

**Subsequent events**
Since the end of the half year period, the directors declared the following dividends:

| | Per share Cents | Total amount $'000 | Date of payment | Tax rate for franking credit | Percentage franked |
|---|---|---|---|---|---|
| Interim 2024 dividend | 14 | **22,719** | 14 March 2024 | 30% | 100% |

The financial effect of the final dividend has not been brought to account in the financial statements for the half year ended 31 December 2023 and will be recognised in subsequent consolidated financial reports.

## NOTE 10 RESERVES

| | 31 Dec 2023 $'000 | 30 June 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|
| Financial assets revaluation | 12,536 | 12,536 | 12,536 |
| Investment property revaluation | 5,121 | 5,121 | 5,121 |
| Share-based payments | 55,238 | 49,879 | 46,446 |
| Foreign currency translation | 21,397 | 22,092 | 16,354 |
| | **94,292** | **89,628** | **80,457** |

## NOTE 11 LOANS AND BORROWINGS

| | 31 Dec 2023 $'000 | 30 June 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|
| **Current** | | | |
| **Interest bearing loans and borrowings** | | | |
| Bank loans – secured | 19,725 | 15,304 | 397,502 |
| Deferred financing costs | – | – | (770) |
| | 19,725 | 15,304 | 396,732 |
| **Non-interest bearing loans and borrowings** | | | |
| Loans from other companies – unsecured | 381 | 399 | 433 |
| | **20,106** | **15,703** | **397,165** |
| **Non-current** | | | |
| **Interest bearing loans and borrowings** | | | |
| Bank loans – secured | 382,151 | 454,271 | 20,478 |
| Deferred financing costs | (1,935) | (2,343) | – |
| | 380,216 | 451,928 | 20,478 |
| **Non-interest bearing loans and borrowings** | | | |
| Loans from other companies – unsecured | 2,237 | 1,087 | 1,100 |
| | **382,453** | **453,015** | **21,578** |

## NOTE 11 LOANS AND BORROWINGS (continued)

**Bank debt – secured**
The Group's main secured bank debt facilities were amended and restated on 24 May 2023 and consist of $650,000,000 (30 June 2023: $650,000,000) in revolving multi-currency general loan facilities and a $7,500,000 (30 June 2023: $7,500,000) credit support facility for the issue of letters of credit and bank guarantees. The facilities are for a three-year term expiring on 23 May 2026, and are supported by interlocking guarantees from most Australian and New Zealand-domiciled Group entities and secured by specific property mortgages.

Debt drawn under the main secured bank debt facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.50% and 3.15% per annum. As at 31 December 2023, the Group had drawn $382,151,000 (30 June 2023: $449,700,000) under the main secured bank debt facilities and $2,436,000 (30 June 2023: $2,425,000) under the credit support facility.

A New Zealand-domiciled subsidiary has general bank debt facilities secured against a hotel property in New Zealand. The subsidiary had drawn NZ$21,240,000 (A$19,725,000) (30 June 2023: NZ$21,631,000 (A$19,725,000)) under the facilities.

**Other facilities – secured**
A New Zealand domiciled subsidiary has a general security facility in respect of certain bank guarantees issued in relation to obligations under certain lease arrangements. The general security facility obligation totals NZ$1,680,000 (A$1,560,000) at 31 December 2023.

Certain wholly-owned German-domiciled subsidiaries have a secured guarantee facility of €14,000,000 (A$22,650,000) for the issue of letters of credit and bank guarantee arrangements. The facility was extended during the year ended 30 June 2023 and expires on 31 May 2024. The facility is secured against cash held within certain wholly-owned German-domiciled subsidiaries. Guarantees supported under the facility bear interest at 1.15% per annum. At 31 December 2023, the Group had issued a total of €13,729,000 (A$22,211,000) of guarantees under the facility.

## NOTE 12 INTERESTS IN OTHER ENTITIES

| Investments in associates and joint ventures | 31 Dec 2023 $'000 | 30 June 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|
| Joint ventures | 9,462 | 9,834 | 9,999 |
| Associates | 45 | 50 | 48 |
| | **9,507** | **9,884** | **10,047** |

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 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Principal activities | Country of incorporation | Note | 31 Dec 2023 % | 30 Jun 2023 % | 31 Dec 2022 % | 31 Dec 2023 $'000 | 30 Jun 2023 $'000 | 31 Dec 2022 $'000 | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
| Browns Plains Cinemas Pty Limited | Operator of a multiscreen cinema complex | Australia | (a) | 50 | 50 | 50 | – | – | – | – | (90) |
| Filmpalast am ZKM Karlsruhe GmbH & Co. KG | Operator of a multiscreen cinema complex | Germany | | 50 | 50 | 50 | 4,273 | 4,098 | 4,240 | 140 | 154 |
| Filmpalast Konstanz GmbH & Co. KG | Operator of a multiscreen cinema complex | Germany | | 50 | 50 | 50 | 802 | 1,154 | 1,135 | 119 | 359 |
| Loganholme Cinemas Pty Limited | Operator of a multiscreen cinema complex | Australia | | 50 | 50 | 50 | 4,387 | 4,582 | 4,624 | (101) | (208) |
| | | | | | | | **9,462** | **9,834** | **9,999** | **158** | **215** |

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%.

### 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 | Country of Incorporation | Note | 31 Dec 2023 % | 30 Jun 2023 % | 31 Dec 2022 % | 31 Dec 2023 $'000 | 30 Jun 2023 $'000 | 31 Dec 2022 $'000 | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
| Cinesound Movietone Productions Pty Limited | Film owner and distributor | Australia | | 50 | 50 | 50 | 45 | 50 | 48 | (5) | 1 |
| DeinKinoticket GmbH | Operator of DeinKinoticket website | Germany | | 24 | 24 | 24 | – | – | – | – | – |
| Digital Cinema Integration Partners Pty Limited | Administration | Australia | | 48 | 48 | 48 | – | – | – | – | – |
| Digital Cinema Integration Partners NZ Pty Limited | Administration | New Zealand | (a) | 60 | 60 | 60 | – | – | – | – | – |
| Movietimes Australia and New Zealand Pty Limited | Operator of Movietimes website | Australia | (a) | 53 | 53 | 53 | – | – | – | – | – |
| | | | | | | | **45** | **50** | **48** | **(5)** | **1** |

Note

(a) The company is not consolidated as the Group does not have control.

## NOTE 12 INTERESTS IN OTHER ENTITIES (continued)

### 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 | |
|---|---|---|---|---|---|
| | | | | 31 Dec 2023 | 31 Dec 2022 |
| Name | Principal activities | Country of operation | Note | % | % |
| 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 | 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 2023 Annual Report. Since 1 July 2023 there have been no significant changes to the Group's subsidiaries.

## NOTE 13 LEASES

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 2023.

**Additions and Modifications**
During the half year ended 31 December 2023 the Group recognised additional right-of-use assets with a cost value of $69,038,000 (2022: $49,009,000).

## NOTE 14 BUSINESS COMBINATIONS

During the half year period ending 31 December 2023, Noahs Hotels (N.Z.) Limited ("Noahs"), a wholly-owned subsidiary, acquired the remaining 15% of Rydges Latimer Holdings Limited ("Latimer") for an acquisition cost of NZ$6,504,000 (A$6,046,000) taking the total ownership interest in Latimer to 100%. The effective date of the acquisition was 30 September 2023. Further details regarding the acquisition were disclosed within note 5.1 of the 30 June 2023 consolidated financial report.

There were no other material business combinations in the half year period ended 31 December 2023.

The Group acquired the following business during the half year period ending 31 December 2022:

- 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 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
- Latimer – effective 30 September 2022, Noahs acquired a further 15% of Latimer for an acquisition cost of NZ$6,332,000 (A$5,544,000) taking the ownership interest in Latimer to 85%.

## 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

There have been no material changes in contingent liabilities or contingent assets since 30 June 2023.

## NOTE 17 EVENTS SUBSEQUENT TO REPORTING DATE

Other than reported below, there has not arisen in the interval between the reporting date and the date of this financial report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Dividends**
For details of the interim 2024 dividend declared after 31 December 2023 refer to Note 9.

# Directors' declaration

In the opinion of the directors of EVT Limited:

1. The interim consolidated financial statements and notes set out on pages 6 to 26 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 2023 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 15th day of February 2024

# Independent Auditor's Review Report

## To the shareholders of EVT Limited

### Conclusion

We have reviewed the accompanying ***Interim Consolidated Financial Statements*** 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 Statements of EVT Limited do not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 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 Statements*** comprise:

- Statement of financial position as at 31 December 2023
- 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 material 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 Statements

The Directors of the Company are responsible for:

- the preparation of the Interim Consolidated Financial Statements that give 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Interim Consolidated Financial Statements

Our responsibility is to express a conclusion on the Interim Consolidated Financial Statements 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 Statements do not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 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 Statements 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

15 February 2024