

APPENDIX 4D

Half Year Report for the period ended 26 December 2023

Name of Entity: Coast Entertainment Holdings Limited (ASX: CEH) (ABN 51 628 881 603)

Results for announcement to the market

				\$'000
Revenue from ordinary activities	Decreased	0.4%	to	43,536
Revenue from ordinary activities of continuing operations	Decreased	0.4%	to	43,536
Profit from ordinary activities after tax attributable to members	Decreased from profit of	669,540	to a profit of	4,823
Loss from ordinary activities after tax from continuing operations	Improved from loss of	(12,888)	to a loss of	(7,789)
Net profit for the period attributable to members	Decreased from profit of	669,540	to a profit of	4,823

Dividends & Returns of Capital	Date	Amount per share
<i>Current Period:</i> Interim dividend	Nil	Nil
<i>Previous Corresponding Period:</i> Interim dividend	Nil	Nil
Special Unfranked dividend	13 July 2022	48.9301
Return of Capital	13 July 2022	46.0699
Record date for determining entitlements to interim dividend		N/A

Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The Group reported a consolidated net profit of \$4.8 million for the half year ended 26 December 2023, compared to \$669.5 million in the prior period, which included a \$682.4 million gain relating to the sale of the Main Event business.

During the current period, Southeast Queensland suffered a devastating cyclonic storm on Christmas Day, followed by a second severe storm on New Year's Day, which impacted many leisure-based businesses on the Gold Coast. Both storms have resulted in significant damage, prolonged power outages and the temporary closure of Dreamworld (for a total of three days) and WhiteWater World (for a total of five days).

The two weather events occurred during peak trading periods for the business, with significant cancellations of travel and accommodation bookings into the Gold Coast being reported. As a result, the adverse impact on the trading performance of the business has been felt beyond the days of closure, with most of this falling into the second half of FY24.

Notwithstanding the closure of both parks on Boxing Day following the first storm, the Group's continuing operations reported a net loss of \$7.8 million in the current period, an improvement compared to \$12.9 million loss in the prior period.

Refer to the attached Interim Financial Report for the period ended 26 December 2023 for further commentary on the financial performance of the Group.

Details of Dividends

No interim dividend was paid or declared for the half year ended 26 December 2023 (27 December 2022: nil). Refer attached financial statements (Directors Report and Note 8: Dividends paid and payable).

Details of Dividend Reinvestment Plan

N/A

Details of Share Buyback Program

On 24 August 2023, the Directors resolved that the Company would undertake an on-market share buy-back of up to 10% of issued capital over a 12-month period. The share buyback commenced on 18 September 2023. As at 26 December 2023, the Group had purchased 20.0 million shares totalling \$8.9 million, representing 41.7% of the maximum shares to be bought back under the program.

Net Tangible Assets

	Current period 26 December 2023	Previous corresponding Period 27 December 2022
Net tangible asset backing per share*	\$0.54	\$0.53
Net tangible asset backing per share after dividend	\$0.54	\$0.53

* Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interests etc).

Control Gained or Lost over Entities during the Period

Name of entity (or group of entities) over which control was gained:	Nil
Date control was gained	N/A
Consolidated profit/(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	Nil
Profit/(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Name of entity (or group of entities) over which control was lost	None
Date control was lost	N/A
Consolidated profit/(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Nil
Consolidated profit/(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Nil

Details of Associates and Joint Venture entities

N/A

Accounting standards used by foreign entities

N/A

Qualification of audit/review

<p>Not applicable as there is no review dispute or qualification. Refer attached interim financial report for the independent auditor's review report.</p>
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Coast Entertainment Holdings Limited
(formerly known as Ardent Leisure Group Limited)

Interim Financial Report
for the period 28 June 2023 to 26 December 2023

Interim Financial Report

Directors' report	2
Auditor's Independence Declaration	6
Income Statement	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
1. Basis of preparation	12
2. Segment information	14
3. Revenue from operating activities	16
4. Other income	16
5. Finance costs	16
6. Taxation	16
7. Earnings per share	17
8. Dividends paid and payable	17
9. Property, plant and equipment	18
10. Intangible assets	19
11. Contributed equity	19
12. Reserves	20
13. Accumulated losses	20
14. Interest bearing liabilities	20
15. Leases	21
16. Derivative financial instruments	21
17. Discontinued operations	22
18. Fair value measurement	23
19. Contingent liabilities	24
20. Capital commitments	24
21. Related party disclosures	25
22. Events occurring after reporting date	25
Directors' declaration to shareholders	26
Independent auditor's review report to shareholders	27

Directors' report

The Directors of Coast Entertainment Holdings Limited (formerly known as Ardent Leisure Group Limited) (Company) present their report together with the consolidated interim financial report of the Company and its controlled entities (collectively, the Group) for the period from 28 June 2023 to 26 December 2023.

Coast Entertainment Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Suite 601, Level 6, 83 Mount Street, North Sydney NSW 2060.

1. Directors

The following persons have held office as Directors of the Company during the period and up to the date of this report unless otherwise stated:

Gary Weiss AM;
David Haslingden;
Randy Garfield;
Brad Richmond; and
Erin Wallace.

2. Principal activities

The Group's principal activity is to invest in and operate leisure and entertainment businesses. There have been no significant changes in the nature of the activities of the Group during the period.

3. Capital management and dividends

On 24 August 2023, the Directors resolved that the Company would undertake an on-market share buy-back of up to 10% of issued capital over a 12-month period. The share buyback commenced on 18 September 2023. As at 26 December 2023, the Group had purchased 20.0 million shares totalling \$8.9 million, representing 41.7% of the maximum shares to be bought back under the program.

No interim dividend was paid or declared for the half year ended 26 December 2023 (27 December 2022: nil).

In the prior year, the Directors of the Group determined to pay an unfranked special dividend of \$234.7 million (or 48.9301 cents per share) and a return of capital of \$221.0 million (or 46.0699 cents per share) (together, the 'Distribution'), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to \$455.7 million was paid on 13 July 2022.

4. Review and results of operations

Overview

The Group's strategy is to focus primarily on leisure and entertainment segments within its geographical areas of operation. During the period, this comprised exclusively its Theme Parks & Attractions business in Australia.

Shareholder class action

On 24 August 2023, the Company announced to the market that it had reached agreement with the applicants to settle the shareholder class action that was commenced in June 2020. The settlement involved an all-inclusive payment of \$26.0 million (without admission of liability) and was approved by the Federal Court on 30 November 2023, with the Company incurring a one-off cost of approximately \$4.0 million. The balance of the settlement payment was fully insured.

Change of name

At the Annual General Meeting on 8 November 2023, shareholders voted to approve the change in name of the Company from Ardent Leisure Group Limited (ASX: ALG) to Coast Entertainment Holdings Limited. The Company subsequently began trading as Coast Entertainment Holdings Limited (ASX: CEH) from 18 December 2023.

Directors' report

4. Review and results of operations (continued)

Group results

The performance of the Group, as represented by the aggregated results of its operations for the period from 28 June 2023 to 26 December 2023 (182 days), was as follows:

28 June 2023 to 26 December 2023	Theme Parks & Attractions \$'000	Corporate \$'000	Continuing Operations \$'000	Discontinued Operations Main Event \$'000	Total \$'000
Segment revenue	43,536	-	43,536	-	43,536
Operating EBITDA	(1,696)	(3,474)	(5,170)	-	(5,170)
Gain on disposal of Main Event business	-	-	-	12,612	12,612
Segment EBITDA	(1,696)	(3,474)	(5,170)	12,612	7,442
Depreciation and amortisation	(4,416)	(11)	(4,427)	-	(4,427)
Amortisation of lease assets	(139)	(41)	(180)	-	(180)
Segment EBIT	(6,251)	(3,526)	(9,777)	12,612	2,835
Lease liability interest expense			(31)	-	(31)
Interest income			2,827	-	2,827
Profit before tax			(6,981)	12,612	5,631
Income tax expense			(808)	-	(808)
Net profit after tax			(7,789)	12,612	4,823
The segment EBITDA above has been impacted by the following specific items:					
Shareholder class action costs, net of insurance recoveries	(3,718)	-	(3,718)	-	(3,718)
Gain on disposal of Main Event business	-	-	-	12,612	12,612
Restructuring and other non-recurring items	(213)	(130)	(343)	-	(343)
Non-cash LTI valuation expenses	(255)	(153)	(408)	-	(408)
Unrealised derivative losses	-	(225)	(225)	-	(225)
Lease payments no longer recognised in EBITDA under AASB 16 <i>Leases</i>	129	42	171	-	171
Net loss on disposal of assets	(698)	-	(698)	-	(698)
	(4,755)	(466)	(5,221)	12,612	7,391
The net profit after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 <i>Leases</i>	(169)	(42)	(211)	-	(211)
Tax impact of specific items listed above	1,477	152	1,629	-	1,629
Tax losses for which deferred tax asset not recognised	(834)	(2,362)	(3,196)	-	(3,196)
Tax deductible temporary differences for which deferred tax asset not recognised	396	-	396	-	396
	870	(2,252)	(1,382)	-	(1,382)

Directors' report

4. Review and results of operations (continued)

Group results (continued)

The performance of the Group, as represented by the aggregated results of its operations for the period from 29 June 2022 to 27 December 2022 (182 days), was as follows:

29 June 2022 to 27 December 2022 (Restated)	Theme Parks & Attractions \$'000	Corporate \$'000	Continuing Operations \$'000	Discontinued Operations Main Event \$'000	Total \$'000
Segment revenue	43,710	1	43,711	-	43,711
Operating EBITDA	3,345	(4,005)	(660)	-	(660)
Gain on disposal of Main Event business	-	-	-	682,428	682,428
Segment EBITDA	3,345	(4,005)	(660)	682,428	681,768
Depreciation and amortisation	(3,868)	(16)	(3,884)	-	(3,884)
Amortisation of lease assets	(54)	(39)	(93)	-	(93)
Segment EBIT	(577)	(4,060)	(4,637)	682,428	677,791
Borrowing costs			(347)	-	(347)
Lease liability interest expense			(1)	-	(1)
Interest income			2,196	-	2,196
Profit before tax			(2,789)	682,428	679,639
Income tax expense			(10,099)	-	(10,099)
Net profit after tax			(12,888)	682,428	669,540
The segment EBITDA above has been impacted by the following specific items:					
Shareholder class action and Dreamworld incident related costs, net of insurance recoveries	(972)	-	(972)	-	(972)
Gain on disposal of Main Event business	-	-	-	682,428	682,428
Unrealised derivative losses	-	(50)	(50)	-	(50)
Lease payments no longer recognised in EBITDA under AASB 16 <i>Leases</i>	57	40	97	-	97
	(915)	(10)	(925)	682,428	681,503
The net profit after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 <i>Leases</i>	(54)	(40)	(94)	-	(94)
Capitalised borrowing costs written off on extinguishment of debt following the Main Event sale	-	(329)	(329)	-	(329)
Tax impact of specific items listed above	291	(9,755)	(9,464)	-	(9,464)
Tax losses for which deferred tax asset not recognised	(4)	(1,574)	(1,578)	-	(1,578)
Tax deductible temporary differences for which deferred tax asset not recognised	160	204	364	-	364
	393	(11,494)	(11,101)	-	(11,101)

The Group reported a consolidated net profit of \$4.8 million for the half year ended 26 December 2023, compared to \$669.5 million in the prior period, which included a \$682.4 million gain relating to the sale of the Main Event business.

During the current period, Southeast Queensland suffered a devastating cyclonic storm on Christmas Day, followed by a second severe storm on New Year's Day, which impacted many leisure-based businesses on the Gold Coast. Both storms have resulted in significant damage, prolonged power outages and the temporary closure of Dreamworld (for a total of three days) and WhiteWater World (for a total of five days).

The two weather events occurred during peak trading periods for the business, with significant cancellations of travel and accommodation bookings into the Gold Coast being reported. As a result, the adverse impact on the trading performance of the business has been felt beyond the days of closure, with most of this falling into the second half of FY24.

Directors' report

4. Review and results of operations (continued)

Group results (continued)

Notwithstanding the closure of both parks on Boxing Day following the first storm, the Group's continuing operations reported a net loss of \$7.8 million in the current period, an improvement compared to \$12.9 million loss in the prior period. The improved performance of the continuing businesses was driven by:

- A \$0.5 million decrease in corporate costs, despite some emerging cost pressures, driven by head office restructuring, insurance cost savings and a reduction in Directors' fees;
- A \$0.6 million increase in interest income as a result of higher interest rates;
- A \$0.3 million reduction in borrowing costs due to the prior period being impacted by a \$0.3 million write off of capitalised borrowing costs upon extinguishment of debt following the Main Event sale; and
- A \$9.3 million decline in income tax expense in the current period;

Partially offset by:

- A \$0.2 million decrease in revenue and a \$1.3 million reduction in EBITDA excluding Specific Items in Theme Parks & Attractions, as a result of continued challenging macro-economic conditions which have weighed on consumer discretionary spending, the impact of the Christmas Day storm on Dreamworld and WhiteWater World's peak holiday trading, a shift in ticket sales mix towards annual passes resulting in a lag in revenue recognition, and ongoing cost pressures due to the current inflationary environment;
- A \$2.7 million increase in shareholder class action costs, net of insurance recoveries. The current period included a \$4.0 million one-off net settlement cost in relation to the class action;
- A \$0.7 million loss on disposal of assets due to property damage at Dreamworld and WhiteWater World following the severe storm on Christmas Day (Prior period: Nil);
- A \$0.4 million non-cash LTI valuation expenses and a \$0.3 million restructuring and other non-recurring costs in the current period (Prior period: Nil); and
- A \$0.5 million uplift in depreciation and amortisation expenses driven by a higher asset base resulting from the current capital investment program of new rides and attractions.

The current period also includes recognition of a US\$8.6 million (A\$12.6 million) receivable for deferred consideration on the sale of Main Event, of which US\$8.1 million (A\$11.9 million) has been received subsequent to the reporting date.

5. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

6. Rounding of amounts to the nearest thousand dollars

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

This report is made in accordance with a resolution of the Boards of Directors of Coast Entertainment Holdings Limited.



Gary Weiss AM
Chairman



Brad Richmond
Director

Sydney
22 February 2024



**Building a better
working world**

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Auditor's independence declaration to the directors of Coast Entertainment Holdings Limited (Previously "Arden Leisure Group Limited")

As lead auditor for the review of the half-year financial report of Coast Entertainment Holdings Limited for the half-year ended 26 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Coast Entertainment Holdings Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Anthony Ewan' in a cursive style.

Anthony Ewan
Partner
22 February 2024

Income Statement for the half year ended 26 December 2023

	Note	December 2023 \$'000	December 2022 \$'000 Restated
Income			
Revenue from operating activities	3	43,536	43,711
Interest income		2,827	2,196
Other income	4	22,192	515
Total income		68,555	46,422
Expenses			
Purchases of finished goods		7,222	7,024
Salary and employee benefits		22,300	21,047
Finance costs	5	31	348
Property expenses		412	364
Depreciation and amortisation		4,607	3,977
Loss on disposal of assets		698	-
Advertising and promotions		3,502	3,145
Repairs and maintenance		3,120	3,250
Net loss from derivative financial instruments		225	50
Shareholder class action and Dreamworld incident related costs		25,910	1,438
Other expenses		7,509	8,568
Total expenses		75,536	49,211
Loss before tax		(6,981)	(2,789)
Income tax expense	6	(808)	(10,099)
Loss from continuing operations		(7,789)	(12,888)
Profit from discontinued operations		12,612	682,428
Profit for the half year		4,823	669,540
Attributable to:			
Ordinary shareholders		4,823	669,540

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

Total basic earnings per share (cents)	7	1.01	139.57
Total diluted earnings per share (cents)	7	1.01	139.57
Basic losses per share (cents) from continuing operations	7	(1.64)	(2.69)
Diluted losses per share (cents) from continuing operations	7	(1.62)	(2.69)

Statement of Comprehensive Income for the half year ended 26 December 2023

	Note	December 2023 \$'000	December 2022 \$'000 Restated
Profit for the half year		4,823	669,540
<i>Other comprehensive income</i>			
<i>Items that may be reclassified to profit or loss</i>			
Reclassification of foreign currency translation reserve to Income Statement	12	-	9,205
Other comprehensive income for the half year, net of tax		-	9,205
Total comprehensive income for the half year, net of tax		4,823	678,745
<i>Attributable to:</i>			
Ordinary shareholders		4,823	678,745
Total comprehensive income for the half year, net of tax		4,823	678,745
<i>Total comprehensive (loss)/income for the year, net of tax attributable to shareholders arises from:</i>			
Continuing operations		(7,789)	(12,888)
Discontinued operations	17(b)	12,612	691,633
Total comprehensive income for the year, net of tax		4,823	678,745

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

Balance Sheet

as at 26 December 2023

	Note	December 2023 \$'000	June 2023 \$'000
Current assets			
Cash and cash equivalents		24,395	46,424
Other financial assets		82,000	95,000
Receivables		15,186	1,493
Inventories		3,399	2,942
Derivative financial instruments	16	18	55
Other		28,276	2,593
Total current assets		153,274	148,507
Non-current assets			
Property, plant and equipment	9	145,159	127,335
Right-of-use assets	15	1,033	609
Derivative financial instruments	16	-	29
Livestock		104	108
Intangible assets	10	2,303	2,637
Deferred tax assets		3,307	4,115
Total non-current assets		151,906	134,833
Total assets		305,180	283,340
Current liabilities			
Payables		50,564	25,444
Interest bearing liabilities	14	275	203
Provisions		1,947	1,897
Other		76	-
Total current liabilities		52,862	27,544
Non-current liabilities			
Payables		318	395
Derivative financial instruments	16	159	-
Interest bearing liabilities	14	789	398
Provisions		403	424
Total non-current liabilities		1,669	1,217
Total liabilities		54,531	28,761
Net assets		250,649	254,579
Equity			
Contributed equity	11	547,245	556,124
Reserves	12	(102,194)	(102,320)
Accumulated losses	13	(194,402)	(199,225)
Total equity		250,649	254,579

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the half year ended 26 December 2023

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Non- controlling interests \$'000	Total \$'000
Total equity at 28 June 2022		777,124	(112,190)	(628,746)	27,481	63,669
Profit for the half year	13	-	-	669,540	-	669,540
Other comprehensive income for the half year	12	-	9,205	-	-	9,205
Total comprehensive income for the half year		-	9,205	669,540	-	678,745
<i>Transactions with owners in their capacity as owners:</i>						
Equity-based payments		-	(95)	-	-	(95)
Transfer of reserve on disposal of financial asset	12	-	475	(475)	-	-
Dividend paid	13	-	-	(234,721)	-	(234,721)
Return of capital paid	11	(221,000)	-	-	-	(221,000)
Disposal of discontinued operation	17(e)	-	-	-	(27,481)	(27,481)
Total equity at 27 December 2022		556,124	(102,605)	(194,402)	-	259,117
Total equity at 27 June 2023		556,124	(102,320)	(199,225)	-	254,579
Profit for the half year	13	-	-	4,823	-	4,823
Other comprehensive income for the half year		-	-	-	-	-
Total comprehensive income for the half year		-	-	4,823	-	4,823
<i>Transactions with owners in their capacity as owners:</i>						
Equity-based payments	12	-	126	-	-	126
On-market share buybacks	11	(8,879)	-	-	-	(8,879)
Total equity at 26 December 2023		547,245	(102,194)	(194,402)	-	250,649

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

Statement of Cash Flows for the half year ended 26 December 2023

	Note	December 2023 \$'000	December 2022 \$'000 Restated
Operating activities			
Receipts from customers		51,053	45,671
Payments to suppliers and employees		(53,920)	(53,641)
Property expenses paid		(412)	(364)
Interest received		3,250	1,394
Government grants received		-	49
Insurance recoveries		192	466
Income tax paid		-	(10,963)
Net cash flows from/(used in) operating activities		163	(17,388)
Investing activities			
Payments for other financial assets		(70,000)	-
Proceeds from other financial assets		83,000	-
Payments for property, plant and equipment		(26,051)	(7,728)
Payments for intangible assets		(89)	(470)
Proceeds from the sale of Main Event, net of selling costs and cash disposed		-	616,392
Settlement of forward foreign exchange contracts		-	(32,895)
Proceeds from the sale of investment held for sale		-	500
Net cash flows (used in)/from investing activities		(13,140)	575,799
Financing activities			
Repayments of loans		-	(45,689)
Loan interest paid		-	(1)
Payment of principal portion of lease liabilities		(140)	(82)
Lease interest paid		(31)	(8)
On-market share buybacks	11	(8,879)	-
Dividend paid	13	-	(234,721)
Return of capital paid	11	-	(221,000)
Net cash flows used in financing activities		(9,050)	(501,501)
Net (decrease)/increase in cash and cash equivalents		(22,027)	56,910
Cash and cash equivalents at the beginning of the half year		46,424	90,623
Effect of exchange rate changes on cash and cash equivalents		(2)	161
Cash and cash equivalents at the end of the half year		24,395	147,694

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

Notes to the Financial Statements

for the half year ended 26 December 2023

1. Basis of preparation

Coast Entertainment Holdings Limited (formerly known as Ardent Leisure Group Limited) is a limited company, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

This consolidated interim financial report represents the consolidated financial statements of the Company and its controlled entities (collectively, the Group) for the reporting period ended 26 December 2023 and has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the financial report of Coast Entertainment Holdings for the year ended 27 June 2023 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 27 June 2023, except for the adoption of new standards effective as of 28 June 2023.

The new accounting standards, interpretations and amendments which became effective for the reporting period commencing on 28 June 2023 are set out below:

- AASB 2023-2 *Amendments to AASB 112 – International Tax Reform Pillar Two Model Rules*;
- AASB 2021-2 *Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies*;
- AASB 2021-2 *Amendments to AASB 108 – Definition of Accounting Estimates*;
- AASB 2021-5 *Amendments to AASBs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*;
- AASB 2021-6 *Amendments to AASBs – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*;
- AASB 2022-6 *Amendments to AASBs – Non-current Liabilities with Covenants*.

The adoption of new and amended standards and interpretations has not resulted in a material impact to the financial performance or position of the Company.

Historical cost convention

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments held at fair value and derivative financial instruments held at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies. Other than the estimation of the fair values of the Group's assets, which are derived on a consistent basis with that disclosed in the annual financial report of the Group for the year ended 27 June 2023, and assumptions related to deferred tax assets and liabilities, impairment testing of assets, determination of lease periods and incremental borrowing rates, no key assumptions concerning the future, or other estimation of uncertainty at the reporting date, have a significant risk of causing material adjustments to the financial statements in the next reporting period.

Prior period restatement

In the prior period, a \$32.9 million unrealised gain on foreign exchange derivatives used to hedge the Main Event sale proceeds was recognised within the income statement and presented as part of the Group's profit from continuing operations.

In accordance with the requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, this amount has been restated for comparative purposes in the financial report for the half year ended 26 December 2023 and is now included as part of the Group's profit from discontinued operations, as it comprises part of the base consideration from the sale of Main Event. This is consistent with the presentation in the annual financial report for the year ended 27 June 2023.

The table below shows the financial statement lines affected by this restatement. This adjustment has no impact to profit for the half year ended 27 December 2022 or the net assets of the Group as at that date. The impacted disclosure notes have also been restated.

Notes to the Financial Statements

for the half year ended 26 December 2023

1. Basis of preparation (continued)

Prior period restatement (continued)

	Half Year ended 27 December 2022		
	As originally presented	Adjustment	Restated presentation
	\$'000	\$'000	\$'000
Income statement			
Unrealised derivative gain on hedging of Main Event sale proceeds	32,895	(32,895)	-
Profit/(loss) before tax	30,106	(32,895)	(2,789)
Income tax expense	(10,099)	-	(10,099)
Profit/(loss) from continuing operations	20,007	(32,895)	(12,888)
Profit from discontinued operations	649,533	32,895	682,428
Profit for the half year	669,540	-	669,540
Basic and diluted earnings/(losses) per share (cents) from continuing operations	4.17	(6.86)	(2.69)
Statement of comprehensive income			
Continuing operations	20,007	(32,895)	(12,888)
Discontinued operations	658,738	32,895	691,633
Total comprehensive income for the half year, net of tax	678,745	-	678,745
Statement of cashflows			
Cashflow from investing activities			
Proceeds from the sale of Main Event, net of cash disposed	583,497	32,895	616,392
Settlement of forward foreign exchange contracts	-	(32,895)	(32,895)
583,497	-	583,497	

Going concern

Following the reopening of Queensland borders, easing of restrictions and the launch of the new Steel Taipan rollercoaster in December 2021, the business has rebounded well from the impacts of COVID-19, showing strong signs of recovery and experiencing growth in local and interstate markets. This, combined with the opening of a new Kenny & Belinda's Dreamland Kid's precinct and Dreamworld Flyer attraction in the period, along with several successful activations, has helped drive strong pass sales and positive guest sentiment.

Management has continued to work hard to preserve liquidity within the business, maximising opportunities within the local and interstate markets and maintaining a strong focus on driving operational efficiency and prudent management of discretionary costs.

Sale of Main Event

On 30 June 2022, the Group, together with RedBird Capital Partners, completed the sale of the Main Event business. Following the sale of Main Event, the Group repaid all of its debt facilities, returned \$455.7 million of proceeds to shareholders in the form of a special dividend and a return of capital and retained approximately \$149.6 million from the sale to support the ongoing recovery, growth and development of the Theme Parks & Attractions business.

At 26 December 2023, the Group is well capitalised with \$106.4 million of cash and cash equivalents and other financial assets and no drawn debt. Subsequent to the reporting date, the Group has received additional deferred consideration in relation to the Main Event sale of US\$8.1 million (A\$11.9 million).

Going concern assessment

The above analysis, together with management's forecasts which reflect the improving performance of the Theme Parks & Attractions business, continue to support the going concern assumption.

Notes to the Financial Statements

for the half year ended 26 December 2023

2. Segment information

Business segments

The Group is organised on a global basis into the following divisions by product and service type:

Theme Parks & Attractions

This segment comprises Dreamworld and WhiteWater World in Coomera, Queensland and the SkyPoint observation deck and climb in Surfers Paradise, Queensland.

Main Event

This segment was sold on 30 June 2022. It operates solely in the United States of America and, at the time of sale, comprised 51 Main Event sites in Texas, Arizona, Georgia, Illinois, Kentucky, Missouri, New Mexico, Ohio, Oklahoma, Kansas, Florida, Tennessee, Maryland, Delaware, Colorado, Alabama and Louisiana.

28 June 2023 to 26 December 2023	Theme Parks & Attractions \$'000	Corporate \$'000	Continuing Operations \$'000	Discontinued Operations Main Event \$'000	Total \$'000
Segment revenue	43,536	-	43,536	-	43,536
Operating EBITDA	(1,696)	(3,474)	(5,170)	-	(5,170)
Gain on disposal of Main Event business	-	-	-	12,612	12,612
Segment EBITDA	(1,696)	(3,474)	(5,170)	12,612	7,442
Depreciation and amortisation	(4,416)	(11)	(4,427)	-	(4,427)
Amortisation of lease assets	(139)	(41)	(180)	-	(180)
Segment EBIT	(6,251)	(3,526)	(9,777)	12,612	2,835
Lease liability interest expense			(31)	-	(31)
Interest income			2,827	-	2,827
Profit before tax			(6,981)	12,612	5,631
Income tax expense			(808)	-	(808)
Net profit after tax			(7,789)	12,612	4,823
The segment EBITDA above has been impacted by the following specific items:					
Shareholder class action costs, net of insurance recoveries	(3,718)	-	(3,718)	-	(3,718)
Gain on disposal of Main Event business			-	12,612	12,612
Restructuring and other non-recurring items	(213)	(130)	(343)	-	(343)
Non-cash LTI valuation expenses	(255)	(153)	(408)	-	(408)
Unrealised derivative losses	-	(225)	(225)	-	(225)
Lease payments no longer recognised in EBITDA under AASB 16 <i>Leases</i>	129	42	171	-	171
Net loss on disposal of assets	(698)	-	(698)	-	(698)
	(4,755)	(466)	(5,221)	12,612	7,391
The net profit after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 <i>Leases</i>	(169)	(42)	(211)	-	(211)
Tax impact of specific items listed above	1,477	152	1,629	-	1,629
Tax losses for which deferred tax asset not recognised	(834)	(2,362)	(3,196)	-	(3,196)
Tax deductible temporary differences for which deferred tax asset not recognised	396	-	396	-	396
	870	(2,252)	(1,382)	-	(1,382)
Total assets	166,185	138,995	305,180	-	305,180
Acquisitions of property, plant and equipment and intangible assets	22,612	-	22,612	-	22,612

Notes to the Financial Statements

for the half year ended 26 December 2023

2. Segment information (continued)

29 June 2022 to 27 December 2022 (Restated)	Theme Parks &	Corporate	Continuing	Discontinued	Total
	Attractions		Operations	Operations	
	\$'000	\$'000	\$'000	Main Event \$'000	\$'000
Segment revenue	43,710	1	43,711	-	43,711
Operating EBITDA	3,345	(4,005)	(660)	-	(660)
Gain on disposal of Main Event business	-	-	-	682,428	682,428
Segment EBITDA	3,345	(4,005)	(660)	682,428	681,768
Depreciation and amortisation	(3,868)	(16)	(3,884)	-	(3,884)
Amortisation of lease assets	(54)	(39)	(93)	-	(93)
Segment EBIT	(577)	(4,060)	(4,637)	682,428	677,791
Borrowing costs			(347)	-	(347)
Lease liability interest expense			(1)	-	(1)
Interest income			2,196	-	2,196
Profit before tax			(2,789)	682,428	679,639
Income tax expense			(10,099)	-	(10,099)
Net profit after tax			(12,888)	682,428	669,540
The segment EBITDA above has been impacted by the following specific items:					
Shareholder class action and Dreamworld incident related costs, net of insurance recoveries	(972)	-	(972)	-	(972)
Gain on disposal of Main Event business	-	-	-	682,428	682,428
Unrealised derivative losses	-	(50)	(50)	-	(50)
Lease payments no longer recognised in EBITDA under AASB 16 Leases	57	40	97	-	97
	(915)	(10)	(925)	682,428	681,503
The net profit after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 Leases	(54)	(40)	(94)	-	(94)
Capitalised borrowing costs written off on extinguishment of debt following the Main Event sale	-	(329)	(329)	-	(329)
Tax impact of specific items listed above	291	(9,755)	(9,464)	-	(9,464)
Tax losses for which deferred tax asset not recognised	(4)	(1,574)	(1,578)	-	(1,578)
Tax deductible temporary differences for which deferred tax asset not recognised	160	204	364	-	364
	393	(11,494)	(11,101)	-	(11,101)
Total assets	141,619	145,711	287,330	-	287,330
Acquisitions of property, plant and equipment and intangible assets	10,925	-	10,925	-	10,925

Notes to the Financial Statements

for the half year ended 26 December 2023

3. Revenue from operating activities

Revenue by type	December 2023 \$'000	December 2022 \$'000
Revenue from services	26,452	27,556
Revenue from sale of goods	16,413	15,811
Other revenue	671	344
Revenue from operating activities	43,536	43,711

Revenue by geographical market	December 2023 \$'000	December 2022 \$'000
Australia	43,536	43,711
	43,536	43,711

Timing of revenue recognition	December 2023 \$'000	December 2022 \$'000
Goods and services transferred at a point in time	33,739	32,731
Services transferred over time	9,797	10,980
	43,536	43,711

4. Other income

	December 2023 \$'000	December 2022 \$'000
Government grant	-	49
Insurance recoveries	22,192	466
Total other income	22,192	515

5. Finance costs

	Note	December 2023 \$'000	December 2022 \$'000
Interest on loans		-	347
Interest on leases	15(a)	31	1
		31	348

6. Taxation

(a) Income tax expense

	December 2023 \$'000	December 2022 \$'000
Current tax	(2)	169
Deferred tax	808	10,084
Under/(over) provided in prior year	2	(154)
	808	10,099
Income tax expense is attributable to:		
Loss from continuing operations	808	10,099
	808	10,099

Notes to the Financial Statements

for the half year ended 26 December 2023

6. Taxation (continued)

(b) Numerical reconciliation of prima facie tax expense to income tax expense

	Note	December 2023 \$'000	December 2022 \$'000
Loss from continuing operations before income tax expense		(6,981)	(2,789)
Profit from discontinued operations before income tax expense	17(b)	12,612	682,428
		5,631	679,639
Prima facie profit before tax		5,631	679,639
Prima facie tax at the Australian tax rate of 30% (27 December 2022: 30%)		1,689	203,892
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment		4	4
Sundry items		90	3
Share buyback		7	-
Tax losses for which deferred tax asset not recognised		3,196	1,578
Tax deductible temporary differences for which deferred tax asset not recognised		(396)	(364)
Gain on disposal of discontinued operations		(3,784)	(194,860)
Under/(over) provided in prior year		2	(154)
Income tax expense		808	10,099

7. Earnings per share

	December 2023	December 2022 Restated
Basic losses per share (cents) from continuing operations	(1.64)	(2.69)
Basic earnings per share (cents) from discontinued operations	2.65	142.26
Total basic earnings per share (cents)	1.01	139.57
Diluted losses per share (cents) from continuing operations	(1.62)	(2.69)
Diluted earnings per share (cents) from discontinued operations	2.63	142.26
Total diluted earnings per share (cents)	1.01	139.57
Earnings used in the calculation of basic and diluted earnings per share (\$'000)	4,823	669,540
Weighted average number of shares on issue used in the calculation of basic earnings per share ('000)	475,737	479,706
Weighted average number of shares held by employees under employee equity plans ('000)	3,259	126
Weighted average number of shares on issue used in the calculation of diluted earnings per share ('000)	478,996	479,706

8. Dividends paid and payable

No interim dividend has been paid or declared for the period ended 26 December 2023 (27 December 2022: nil).

In the prior year, the Directors of the Group determined to pay an unfranked special dividend of \$234.7 million (or 48.9301 cents per share) and a return of capital of \$221.0 million (or 46.0699 cents per share) (together, the 'Distribution'), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to \$455.7 million was paid on 13 July 2022.

Notes to the Financial Statements for the half year ended 26 December 2023

9. Property, plant and equipment

Segment	Accumulated depreciation & impairments		Consolidated book value	Accumulated depreciation & impairments		Consolidated book value
	Cost	December	December	Cost	June	June
	December	2023	2023	June	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Theme Parks & Attractions ⁽¹⁾	346,078	(200,919)	145,159	329,793	(202,469)	127,324
Other	4,133	(4,133)	-	4,133	(4,122)	11
Total	350,211	(205,052)	145,159	333,926	(206,591)	127,335

(1) The book value of Theme Parks & Attraction's property, plant and equipment comprises \$133.8 million for Dreamworld / WhiteWater World and \$11.3 million for SkyPoint. At 26 December 2023, the Directors, having regard to an independent valuation performed by Knight Frank, assessed the fair value, excluding transaction costs, of SkyPoint to be approximately \$37.0 million.

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current and previous periods is set out below:

	December 2023	June 2023
	\$'000	\$'000
Carrying amount at the beginning of the period	127,335	114,942
Additions	22,540	19,721
Transfer to intangible assets	(11)	-
Disposals	(699)	(82)
Depreciation	(4,006)	(7,246)
Carrying amount at the end of the period	145,159	127,335

(a) Impairment of assets

Under AASB 136 *Impairment of Assets*, property, plant and equipment and lease right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use.

For previously impaired assets, an impairment review is also carried out whenever events or changes in circumstances indicate that there could be a reversal of prior impairment. A reversal of prior impairment is recognised to the extent that the asset's recoverable amount exceeds its impaired carrying amount.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units, or CGUs). In assessing impairment of assets, the Group has determined that it has the following CGUs:

- Dreamworld theme park, including the adjoining WhiteWater World;
- SkyPoint, including the SkyPoint climb;
- Dreamworld excess land.

Due to the strong performance of the SkyPoint business which has seen its best revenue and EBITDA performance on record, management has determined that there are no significant indicators of impairment for SkyPoint as at 26 December 2023. As a result, impairment testing for this CGU has not been required in the current period.

Notes to the Financial Statements

for the half year ended 26 December 2023

9. Property, plant and equipment (continued)

(a) Impairment of assets (continued)

Key impairment testing assumptions and sensitivities for Dreamworld

In the Group's impairment testing of Dreamworld at 26 December 2023, the recoverable amount of assets was determined based on value-in-use calculations, which included the following key assumptions:

	December 2023	June 2023
Pre-tax discount rate	14.6%	14.6%
Long term EBITDA growth rate	2.5%	2.5%

While the directors considered the above assumptions to be reasonable at 26 December 2023, possible changes in these assumptions could result in further impairments or reversals of impairments. The sensitivity of Dreamworld assets' value-in-use to changes in key assumptions are as follows:

		Change in value-in-use \$'000
Dreamworld		
Pre-tax discount rate and terminal yield	+0.5%	(4,503)
	-0.5%	4,690
10-year Average Annual EBTDA	+5%	5,985
	-5%	(5,985)
Long term EBITDA growth rate	+0.5%	2,756
	-0.5%	(2,537)

10. Intangible assets

	December 2023 \$'000	June 2023 \$'000
Other intangibles		
Opening net book amount	2,637	2,554
Additions	72	641
Transfer from property, plant and equipment	11	-
Amortisation	(417)	(558)
Total intangible assets	2,303	2,637

11. Contributed equity

No. of shares	Details	December 2023 \$'000	June 2023 \$'000
479,706,016	Shares on issue at beginning of the period	556,124	777,124
	Return of capital	-	(221,000)
(19,999,016)	Shares purchased on-market	(8,879)	-
459,707,000	Shares on issue at end of the period	547,245	556,124

Notes to the Financial Statements

for the half year ended 26 December 2023

12. Reserves

	Note	December 2023 \$'000	June 2023 \$'000
Foreign currency translation reserve			
Opening balance		-	(9,205)
Reclassification of foreign currency translation reserve to Income Statement	17(d)	-	9,205
Closing balance		-	-
Equity-based payment reserve			
Opening balance		(8,229)	(8,419)
Option expense		126	190
Closing balance		(8,103)	(8,229)
Financial Asset revaluation reserve			
Opening balance		-	(475)
Transfer to accumulated losses on disposal of financial asset	13	-	475
Closing balance		-	-
Corporate restructure reserve			
Opening balance		(94,091)	(94,091)
Closing balance		(94,091)	(94,091)
Total reserves		(102,194)	(102,320)

13. Accumulated losses

	Note	December 2023 \$'000	December 2022 \$'000
Opening balance		(199,225)	(628,746)
Profit for the half year		4,823	669,540
Transfer from financial asset revaluation reserve	12	-	(475)
Dividends paid		-	(234,721)
Closing balance		(194,402)	(194,402)

14. Interest bearing liabilities

	Note	December 2023 \$'000	June 2023 \$'000
Current			
Lease liabilities	15	275	203
Total current		275	203
Non-current			
Lease liabilities	15	789	398
Total non-current		789	398
Total interest bearing liabilities		1,064	601

Notes to the Financial Statements

for the half year ended 26 December 2023

15. Leases

(a) Amounts recognised in the balance sheet

	December 2023 \$'000	June 2023 \$'000
Right-of-use assets		
Opening balance	609	361
Additions	604	438
Amortisation	(180)	(190)
Closing balance	1,033	609

	December 2023 \$'000	June 2023 \$'000
Lease liabilities		
Opening balance	601	363
Additions	603	438
Interest expenses	31	28
Lease payments	(171)	(228)
Closing balance	1,064	601

(a) Amounts recognised in the balance sheet (continued)

Lease liabilities are presented in the balance sheet as follows:

	Note	December 2023 \$'000	June 2023 \$'000
Current	14	275	203
Non-current	14	789	398
		1,064	601

(b) Additional profit or loss and cashflow information

The Group recognised no rent expenses from variable lease payments for the six months ended 26 December 2023 (27 December 2022: Nil).

Cash flows in respect of leases in the current period are \$0.2 million (27 December 2022: \$0.1 million). For interest expenses in relation to lease liabilities, refer to finance costs (Note 5).

16. Derivative financial instruments

	December 2023 \$'000	June 2023 \$'000
Current assets		
Forward foreign exchange contracts	18	55
	18	55
Non-current assets		
Forward foreign exchange contracts	-	29
	-	29
Non-current liabilities		
Forward foreign exchange contracts	159	-
	159	-

Notes to the Financial Statements

for the half year ended 26 December 2023

17. Discontinued operations

(a) Overview

On 30 June 2022, the Group, together with RedBird Capital Partners, completed the sale of the Main Event business, for which the Group received gross cash proceeds (before transaction costs) of US\$462.8 million (A\$634.6 million) for its share of the business. On 19 October 2022, the Group received additional post-completion gross proceeds of US\$9.1 million (A\$12.8 million) following the finalisation of working capital adjustments.

In the current period, the Group has recognised within "Other" current assets in the Balance Sheet a further US\$8.6 million (A\$12.6 million) receivable for deferred consideration on the sale of Main Event, of which US\$8.1 million (A\$11.9 million) has been received subsequent to the reporting date.

(b) Financial performance

The financial performance for the period ended 26 December 2023 was as follows:

	Note	December 2023 \$'000	December 2022 \$'000 Restated
Gain on sale of discontinued operations after tax	17(d)	12,612	682,428
Profit from discontinued operations after tax		12,612	682,428

There is no trading activity for this discontinued operation in the current or prior reporting period as the sale transaction was completed before commencement of trading on 29 June 2022 (US time).

(c) Cash flow information

The net cash flows for the period ended 26 December 2023 were as follows:

	December 2023 \$'000	December 2022 \$'000
Net cash inflow from investing activities	-	633,355
Net increase in cash and cash equivalents	-	633,355

(d) Gain on sale of the Main Event business

	Note	December 2023 \$'000	December 2022 \$'000 Restated
Consideration received			
Base consideration ⁽¹⁾		-	667,457
Cash adjustment for working capital adjustments		-	12,782
Deferred consideration receivable ⁽²⁾	17(a)	12,612	-
Total consideration		12,612	680,239
Selling costs		-	(13,989)
Net liabilities attributable to shareholders of the company	17(e)	-	25,383
Reclassification of foreign currency translation reserve to Income Statement	12	-	(9,205)
Gain on sale before income tax		12,612	682,428
Income tax expense on gain		-	-
Gain on sale after income tax		12,612	682,428

(1) The net cash proceeds received were \$634.6 million representing base consideration of \$667.5 million net of the settlement of forward foreign exchange contracts of \$32.9 million.

(2) This amount represents the Group's share of deferred consideration receivable upon the utilisation of certain Main Event tax losses by the acquirer, Dave & Buster's Entertainment Inc. Subsequent to reporting date, the Group has received a payment of US\$8.1 million (A\$11.9 million) from Dave & Buster's Entertainment Inc, being the majority of the deferred consideration receivable from the sale of Main Event. The remaining portion of deferred consideration amounting to approximately US\$0.5 million (A\$0.7 million) is expected to be received in late 2024.

Notes to the Financial Statements

for the half year ended 26 December 2023

17. Discontinued operations (continued)

(e) Carrying value of assets on sale

The carrying amount of assets and liabilities disposed in the prior period as at their respective dates of sale were as follows:

	Main Event 30 June 2022 \$'000	Other ⁽¹⁾ 22 July 2022 \$'000	Total \$'000
Cash and cash equivalents	49,858	-	49,858
Receivables	12,809	-	12,809
Inventories	7,111	-	7,111
Property, plant and equipment	391,139	-	391,139
Intangible assets	109,948	-	109,948
Right-of-use assets	377,260	-	377,260
Financial asset held at fair value	2,584	500	3,084
Derivative financial instruments	576	-	576
Other	5,000	-	5,000
Total assets	956,285	500	956,785
Payables	(89,304)	-	(89,304)
Interest bearing liabilities	(758,634)	-	(758,634)
Provisions	(89,739)	-	(89,739)
Derivative financial instruments	(10,677)	-	(10,677)
Other	(5,833)	-	(5,833)
Total liabilities	(954,187)	-	(954,187)
Net assets	2,098	500	2,598
Less non-controlling interests	(27,481)	-	(27,481)
Net (liabilities)/assets attributable to shareholders of the Company	(25,383)	500	(24,883)

(1) Other assets held for sale relates to a financial investment held at fair value in Online Media Holdings Limited. This investment was disposed for proceeds equal to the carrying amount, with no gain/loss recorded on disposal.

18. Fair value measurement

(a) Fair value hierarchy

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

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

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities on a recurring basis:

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
December 2023					
Assets measured at fair value:					
Derivative financial assets	16	-	-	18	18
Liabilities measured at fair value:					
Derivative financial instruments	16	-	-	159	159
June 2023					
Assets measured at fair value:					
Derivative financial instruments	16	-	84	-	84

Notes to the Financial Statements

for the half year ended 26 December 2023

18. Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There has been no transfer between level 1, 2 and 3 during the period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 26 December 2023.

(b) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques and inputs used to value financial instruments is as follows:

- The fair value of investments in unlisted equity instruments is determined by direct comparison to the market prices paid by other independent investors in the same unlisted entity and quoted market prices for similar instruments in comparable ASX listed entities; and
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance date.

19. Contingent liabilities

(a) Shareholder class action

On 24 August 2023, the Company announced to the market that it had reached agreement with the applicants to settle the shareholder class action that was commenced in June 2020. The settlement involved an all-inclusive payment of \$26.0 million (without admission of liability) and was approved by the Federal Court on 30 November 2023, with the Company incurring a one-off cost of approximately \$4.0 million. The balance of the settlement payment was fully insured.

In accordance with accounting standards, the liability is no longer contingent, and a provision was recognised for the settlement costs and associated insurance recoveries as at 26 December 2023 within "Payables" and "Other" current assets in the Balance Sheet, respectively. Subsequent to the reporting date, the settlement amount has been fully paid and associated insurance reimbursements received.

Unless otherwise disclosed in the financial statements, Coast Entertainment Holdings Limited has no other material contingent liabilities.

20. Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	December 2023 \$'000	June 2023 \$'000
Property, plant and equipment		
Payable:		
Within one year	13,574	5,007
Later than one year but not later than five years	686	5,049
	14,260	10,056

Notes to the Financial Statements for the half year ended 26 December 2023

21. Related party disclosures

There were no new material related party transactions in the half year ended 26 December 2023 (27 December 2022: Nil). The financial report for the year ended 27 June 2023 provides further details on the nature of previous related party transactions.

22. Events occurring after reporting date

Following the devastating cyclonic storm on Christmas Day, which resulted in significant damage, prolonged power outages and the temporary closure of both Dreamworld and WhiteWater World, Southeast Queensland suffered a second severe storm subsequent to the reporting date, on New Year's Day. This second storm caused further flash flooding and damage, resulting in further closure of both parks. In total, Dreamworld was closed for three days and WhiteWater World was closed for five days. Management is working with its insurers to assess the financial impact of both storms and progress associated insurance claims.

Also, as disclosed in Note 19(a), subsequent to the reporting date, the Group has paid \$26.0 million in settlement of the shareholder class action and received associated insurance reimbursements of \$22.0 million.

Since the end of the financial period, the Directors of the Company are not aware of any other matters or circumstances not otherwise dealt with in the financial report or the Directors' report that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial periods subsequent to the half year ended 26 December 2023.

Directors' declaration to shareholders

In the opinion of the Directors of Coast Entertainment Holdings Limited:

- (a) The interim financial statements and notes of Coast Entertainment Holdings Limited and its controlled entities, set out on pages 7 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of Coast Entertainment Holdings Limited's financial position as at 26 December 2023 and of its performance, as represented by the results of its operations, its changes in equity and its cash flows, for the financial period ended on that date; and
- (b) There are reasonable grounds to believe that Coast Entertainment Holdings Limited will be able to pay its debts as and when they become due and payable.

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



Gary Weiss AM
Chairman



Brad Richmond
Director

Sydney
22 February 2024



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Independent auditor's review report to the members of Coast Entertainment Holdings Limited (Previously "Ardent Leisure Group Limited")

Conclusion

We have reviewed the accompanying half-year financial report of Coast Entertainment Holdings Limited (Previously "Ardent Leisure Group Limited") (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 26 December 2023, the 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 26 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the half year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 26 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is



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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.

Ernst & Young

Ernst & Young

A Ewan

Anthony Ewan
Partner
Sydney
22 February 2024