



EXCITEMENT

INTEGRITY

# TABCORP HOLDINGS LIMITED

Entitlement Offer and Revised Capital Management Targets  
Investor Presentation

19 AUGUST 2020

ABN 66 063 780 709

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This Presentation has been prepared in relation to a pro rata accelerated renounceable Entitlement Offer of new fully paid ordinary shares in Tabcorp (**New Shares**) with retail rights trading to be made to eligible institutional shareholders of Tabcorp (**Institutional Entitlement Offer**) and eligible retail shareholders of Tabcorp (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Entitlement Offer**).

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This Presentation is for information purposes only and is a summary only. It should be read in conjunction with Tabcorp's most recent financial report and Tabcorp's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at [www.asx.com.au](http://www.asx.com.au) and [tabcorp.com.au](http://tabcorp.com.au). The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, Tabcorp does not have any obligation to correct or update the content of this Presentation.

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Refer to Appendix C of this Presentation for further details about international offer restrictions.

The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet before deciding whether to apply under that offer.

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## Financial information

All financial information in this Presentation is in Australian dollars (\$) or AUD unless otherwise stated. This Presentation includes certain financial information of Tabcorp, being:

- The historical consolidated statement of financial position as at 30 June 2020 (the Historical Financial Information); and
- The pro forma consolidated statement of financial position as at 30 June 2020 assuming completion of the Entitlement Offer (net of offer costs) (the Pro Forma Historical Financial Information). The Historical Financial Information, and the Pro Forma Historical Financial Information are collectively referred to as Financial Information.

The Directors of the Company (the Directors) are responsible for the preparation and presentation of the Financial Information.

The Historical Financial Information was derived from the consolidated financial statements of Tabcorp for the year ended 30 June 2020, which were audited by Ernst & Young in accordance with Australian Auditing Standards, and on which an unqualified audit opinion was issued. The Historical Financial Information has been prepared using the recognition and measurement requirements of, but not presentation and disclosure requirements of, Australian Accounting Standards ('AAS') adopted by the Australian Accounting Standards Board (AASB). Full Compliance with AAS, gives compliance with International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (IFRS) as issued by the International Accounting Standards Board (IASB).

The Pro Forma Historical Financial Information has been derived from the historical consolidated balance sheet as at 30 June 2020 and adjusted for pro forma adjustments relating to the Entitlement Offer less costs as if they had occurred as at 30 June 2020. The Pro Forma Historical Financial Information has been prepared by the Company in accordance with the measurement and recognition requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 30 June 2020.

This Presentation includes certain pro forma historical financial information to reflect the impact of the Entitlement Offer. Such information is for illustrative purposes only and is not represented as being indicative of Tabcorp's (or anyone else's) views on its future financial position and/or performance. In addition, the pro forma historical financial information has been prepared by Tabcorp in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by AAS. The pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

This Presentation includes preliminary results for July 2020, as a single month, and for information purposes only. This information has been extracted from Tabcorp's monthly management accounts and is unaudited. Given the extraordinary current situation pertaining to COVID-19 and the resultant uncertainty, the July results should not be extrapolated beyond the month or considered indicative of future performance.

Investors should be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and IFRS. Non-IFRS financial information in this Presentation include EBITDA, net debt (reported), net debt (economic) and gross debt and NPAT (before significant items). Such non-IFRS financial information does not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Tabcorp believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this Presentation.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

## Subsequent events

The financial information has been prepared based upon conditions existing at 30 June 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed as at 30 June 2020. Refer to Note A6 to the 30 June 2020 consolidated financial statements for Subsequent events. No adjustments have been made to the Pro Forma Historical Financial Information as at 30 June 2020 for events that occurred post 30 June 2020 other than pro forma adjustments relating to the Entitlement Offer less transaction costs as if they had occurred as at 30 June 2020.

# IMPORTANT NOTICES AND DISCLAIMER

## Past performance

Past performance, including past share price performance of Tabcorp and pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Tabcorp's views on its future financial performance or condition. Past performance of Tabcorp cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Tabcorp. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

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This Presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Tabcorp, its directors and management including any further impacts of COVID-19 on Tabcorp's continued trading and operations. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

**You are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of Tabcorp's FY21 financial outlook and relevant preliminary figures for July 2020, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.**

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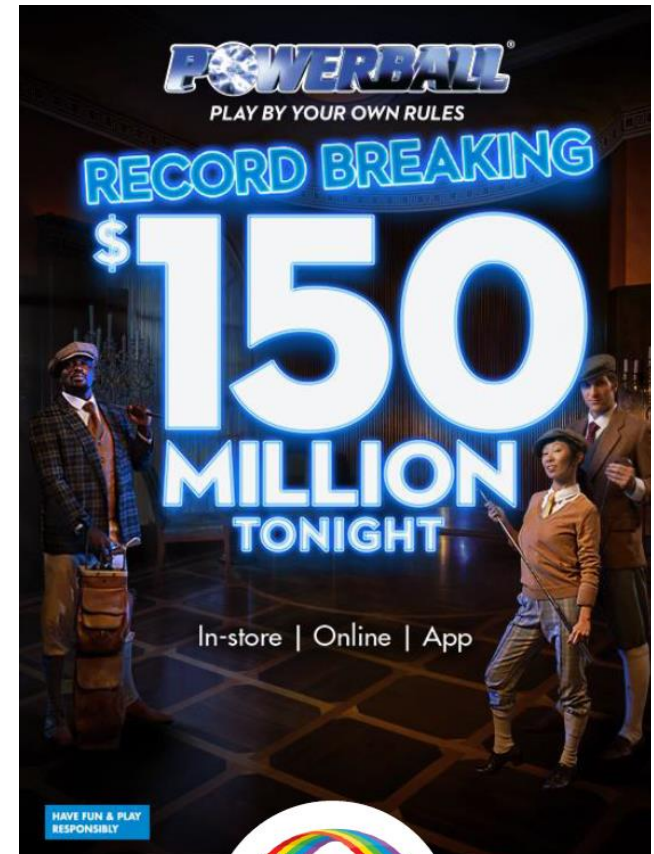
UBS AG, Australia Branch (ABN 47 088 129 613) is acting as lead manager and underwriter to the Entitlement Offer (Lead Manager). A summary of the key terms of the underwriting agreement between Tabcorp and the Lead Manager is provided in Appendix D "Summary of underwriting agreement".

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**Tabcorp**

# EXECUTIVE SUMMARY

1

## Group performance, trading environment and COVID-19 initiatives

- Diversified portfolio helping to manage current market challenges
- Tabcorp's FY20 group performance<sup>1</sup> impacted by COVID-19 but partially mitigated by strong Lotteries result and other initiatives
- Broad range of actions taken to support our people and partners, and to mitigate the impact of COVID-19 on earnings and the balance sheet
- Capital management initiatives undertaken since COVID-19 to preserve cash and maximise financial flexibility include obtaining additional debt facilities to provide liquidity, deferring payment of some state taxes, securing debt covenant relief for the 30 June 2020 and 31 December 2020 tests<sup>2</sup> and no final dividend for FY20<sup>3</sup>
- Tabcorp/Tatts integration substantially complete. Cost synergies on track to deliver \$95m of annual savings
- Embarking upon a three-year enterprise-wide optimisation program to deliver significant cost savings and enhanced operational capability

2

## Changes to Tabcorp's capital management targets

- Tabcorp has revised its capital management targets to:
  - Reduce the target gearing range to 2.5-3.0x Gross Debt / EBITDA (from 3.0-3.5x previously); and
  - Reduce the target dividend payout ratio to 70-80% of NPAT (before significant items)<sup>4</sup> on the resumption of dividends
- These changes are expected to improve Tabcorp's credit metrics and conserve more capital over time
- Tabcorp reaffirms its commitment to maintain its investment grade credit rating

### Notes:

1. Tabcorp incurred a statutory net loss after tax of (\$870m) for FY20
2. As announced to ASX on 19 May 2020 (bank lenders) and 4 June 2020 (USPP lenders)
3. As announced to ASX on 19 May 2020
4. NPAT under Tabcorp's revised target dividend payout ratio will no longer be adjusted for the Victorian wagering and betting licence and Purchase Price Accounting, as it was historically



# EXECUTIVE SUMMARY (CONTINUED)

3

## Entitlement Offer – overview

- Underwritten<sup>1</sup> \$600m pro-rata accelerated renounceable entitlement offer with retail rights trading ("Entitlement Offer")
- Eligible shareholders are entitled to subscribe for 1 New Share for every 11 existing ordinary shares held on the Record Date
- Entitlement Offer represents 9.1% of the current shares on issue
- Offer price of \$3.25 per New Share represents a 10.6% discount to the theoretical ex-rights price ("TERP")<sup>2</sup> of \$3.64 and 11.4% discount to Tabcorp's closing price of \$3.67 on the ASX on Tuesday, 18 August 2020

4

## Entitlement Offer – rationale and use of proceeds

- Entitlement Offer proceeds will be used to pay down existing drawn bank debt facilities and support the move towards the revised target gearing range. This is expected to strengthen Tabcorp's balance sheet, provide greater financial flexibility in uncertain times, and provide additional credit metric headroom for covenant and credit rating purposes
- Pro forma Gross Debt / EBITDA<sup>3,4</sup> as at 30 June 2020 will be 3.2x (reduced from 3.8x) and Tabcorp intends to further reduce its gearing towards the revised target range of 2.5-3.0x over time
- Pro forma undrawn debt facilities<sup>4</sup> as at 30 June 2020 of approximately \$1,496m

Notes:

1. Underwritten subject to termination events on slides 35-37
2. TERP is the theoretical price at which Tabcorp shares may trade immediately after the ex date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Tabcorp shares trade on the ASX immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Tabcorp share price as traded on ASX on Tuesday, 18 August 2020 being the last trading day prior to the announcement of the Entitlement Offer
3. Gross Debt represents interest bearing liabilities adjusted for USPP debt at the A\$ principal repayment under cross currency swaps and includes lease liability of \$353m. Gross Debt / EBITDA calculated on FY20 EBITDA of \$995m
4. Pro forma Gross Debt and pro forma undrawn facilities are adjusted for the planned use of proceeds under the Entitlement Offer

# TABCORP IS A DIVERSIFIED GAMBLING ENTERTAINMENT COMPANY

## Diversified portfolio of businesses

- Diversified portfolio of highly regulated businesses operating under iconic brands, underpinned by long dated licences<sup>1</sup>
- Large and established market positions
- Diversified and defensive earnings and strong cash flow conversion, helping to manage current market challenges

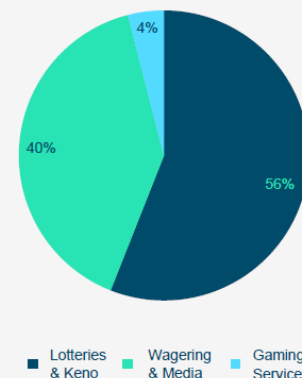
## Clear strategy to create value

- Ongoing shift to digital, lift in data capability and customer personalisation
- Innovation in products and experiences that build on our unique advantages

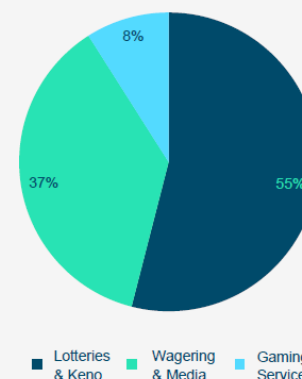
## Strong and sustainable foundations

- Experienced management team with deep industry knowledge
- Continued investment in compliance, risk management and responsible gambling initiatives
- Trusted partnerships and brands

### REVENUE CONTRIBUTION<sup>2</sup>



### EBITDA CONTRIBUTION<sup>2</sup>



#### Notes:

1. Tabcorp has a long dated average licence tenure of 23 years for Lotteries, 27 years for Keno, 49 years for Wagering and two out of three of Gaming Services' monitoring licences having indefinite rolling renewal capability. Near term expiries include the Victorian Keno licence in 2022 and the Victorian Wagering licence in 2024
2. Revenue and EBITDA contribution based on FY20. EBITDA is from continuing operations before significant items

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# TABCORP IS A DIVERSIFIED GAMBLING ENTERTAINMENT COMPANY (CONTINUED)



- Proven track record in game portfolio management and innovation
- Customer led improvements delivering better customer experiences, greater digital conversion and further deepening alignment with retail partners
- Digital growing reflecting CRM capability supported by recent changes to omni-channel program
- Keno leveraging successful licensed venue channel, digital opportunity and potential enhancements to product portfolio

Lotteries digital turnover +22% in FY20

3.7m active registered players<sup>1</sup> (+12% in FY20)



- Tabcorp's unique combination of assets creates an increasingly differentiated customer experience and service proposition, with a key focus on brand, digital (including venue mode) and personalisation
- Enhanced customer experience now being driven nationally across a single improved platform following the recent completion of the UBET account customer migration
- Media is an important differentiator with continued focus on expanding, innovating and modernising the experience

Turnover of c.\$14bn (c.50% digital) in FY20<sup>2</sup>

TAB active customers +7.1% in FY20



- Unique position as the services partner of choice for the gaming industry with a technology platform that connects suppliers, regulators and venues
- Role as government-licensed monitor in key markets with long dated / perpetual licences
- Implementation of operational review now underway

+85% reach across national EGMs<sup>1,3</sup>

Across c.4,000 venues nationally<sup>1</sup>

Notes:

1. As at 30 June 2020
2. Total combined TAB and Ex UBET turnover
3. EGM refers to electronic gaming machine

# UPDATE ON INTEGRATION OF TABCORP/TATTS

**Tabcorp-Tatts Merger**  
December 2017

**Integration**  
January 2018 to FY21

**Optimisation**  
FY21 to FY23

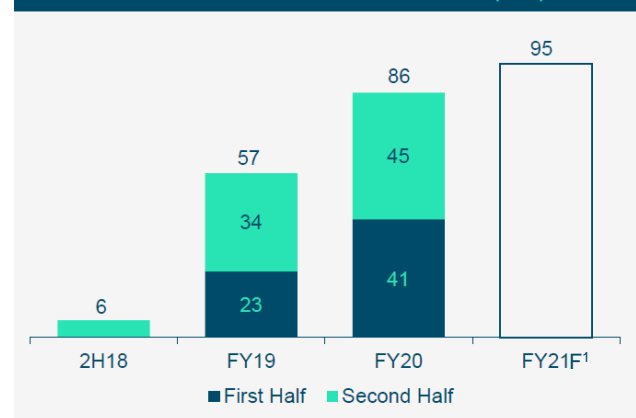
## INTEGRATION

- Significant milestone achieved with account customer migration of UBET systems to TAB platform now complete
  - Digital expanded to full TAB product suite
  - Legacy systems and infrastructure to be decommissioned
  - Retail uplift (including Trackside) planned to complete in FY21
  - For period from 28 July 2020 to 15 August 2020, ex-UBET users +25% vs pc<sup>1</sup>
- Cost synergies on track to deliver at least \$95m of annual savings<sup>1</sup>
- Revenue synergies
  - Business improvement initiatives remain a priority
  - Measure not meaningful due to COVID-19 impacts
- One-off costs incurred to 30 June 2020: \$103m pre tax (guidance of \$135m maintained)

## OPTIMISATION

- Embarking upon a three-year enterprise-wide optimisation program to deliver significant cost savings and enhanced operational capability
- Key focus areas include:
  - Operating model changes
  - Process simplification and re-design
  - Data and digitisation improvements
  - Maximising value from our vendor spend and property footprint

## EBITDA – COST SYNERGIES (\$M)



Note:

1.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of Tabcorp's FY21 financial outlook and relevant preliminary figures for July 2020, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Refer to the disclaimer at the beginning of the presentation for further detail on forward-looking statements

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# ACTION TAKEN TO MITIGATE COVID-19 IMPACT

BROAD RANGE OF ACTIONS TAKEN TO SUPPORT OUR PEOPLE AND PARTNERS, AND TO MITIGATE THE IMPACT OF COVID-19 ON EARNINGS AND THE BALANCE SHEET



## VENUES / EVENTS IMPACTED

- Lotteries retail network largely remained open
- Licenced venues (hotels & clubs), TAB agencies and on-course outlets – closure or social distancing measures
- Cancellation / postponement of
  - Sports
  - International horse racing
- Domestic racing continued



## REVENUE IMPACT & RESPONSE

- Like-for-like lottery sales up; digital mix increased
- Loss of retail Wagering and Keno revenue
- Temporary full fee relief during Gaming Services venue closures
- Sky subscription relief to venues partly offset by increased export content
- Decrease in revenue from sport and international racing



## COST RESPONSE

- Temporary standing down of over 1,600 employees
- Reduced working days
- Significant reduction in annual leave balances
- Reduction in technology contractors
- Reduction in MD & CEO fixed remuneration and Board fees
- Significant reduction in discretionary expenditure



## CAPITAL MANAGEMENT

- Additional debt facilities to provide liquidity
- Deferred payment of some state taxes
- Significant reduction in capex vs prior plans
- Debt covenant relief for the 30 June 2020 and 31 December 2020 tests
- No final dividend for FY20
- Entitlement Offer undertaken to strengthen balance sheet

# FY20 GROUP PERFORMANCE

FY20 GROUP PERFORMANCE HEAVILY IMPACTED BY COVID-19 AND NON-CASH GOODWILL IMPAIRMENT, BUT PARTIALLY MITIGATED BY LOTTERIES RESULT AND OTHER INITIATIVES

FY20 Group performance				
		FY20 VS PCP	1H20 VS PCP	2H20 VS PCP
REVENUE	\$5,224M	▼ DOWN 4.8%	▲ UP 4.4%	▼ DOWN 14.4%
EBITDA (BEFORE SIGNIFICANT ITEMS) <sup>1,2</sup>	\$995M	▼ DOWN 11.5%	▲ UP 2.2%	▼ DOWN 26.3%
NPAT (BEFORE SIGNIFICANT ITEMS) <sup>1,2,3</sup>	\$271M	▼ DOWN 31.6%	▲ UP 3.4%	▼ DOWN 69.8%
NPAT (STATUTORY) <sup>3</sup>	(\$870M)	NM	▲ UP 11.2%	NM
EPS (BEFORE SIGNIFICANT ITEMS) <sup>1,2</sup>	13.4 CPS	▼ DOWN 31.6%	▲ UP 2.9%	▼ DOWN 70.2%
EPS (STATUTORY)	(42.9) CPS	NM	▲ UP 10.1%	NM
DPS (FULLY FRANKED)	11.0 CPS	▼ DOWN 50.0%	IN LINE	NM

- ### Strategy to create shareholder value
- Clear focus on executing strategies that are expected to create value for shareholders:
    - Digital opportunity across Lotteries & Keno and Wagering & Media
    - Post integration improvement in customer offer in former UBET states
    - Implementation of operational review of Gaming Services
    - Embarking upon three-year enterprise-wide optimisation program designed to deliver significant cost savings and enhanced operational capability

Notes:

- Results for 1H19 and FY19 are from continuing operations and before significant items
- Significant items (after tax) of \$1,141m comprise impairments of goodwill to Wagering & Media \$905m and Gaming Services \$185m, and asset impairments and onerous contract \$19m, Tatts Group combination implementation costs \$18m and Racing Queensland arrangements \$19m, partly offset by the benefit from ACTTAB POCT compensation tax refund \$5m
- Tabcorp incurred a statutory net loss after tax of (\$870m) for FY20

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# REVENUE: JULY 2020<sup>1</sup>

## GROUP REVENUE UP 2.8% IN THE MONTH

### LOTTERIES & KENO

Revenue  
up 4.7%

- Lotteries sales up despite strong jackpot sequences in pcp
- Keno up driven by ACT digital growth

### WAGERING & MEDIA

Revenue  
up 6.8%

- Significant increase in digital
- Retail down due to Victorian closures
- Surge in available content with many major sports having resumed

### GAMING SERVICES

Revenue  
down 52.2%

- Venue closures, particularly in Victoria, continue to impact revenues
- Still providing fee relief to closed Gaming Services venues

The above information is for a single month and is provided for information purposes only. Particularly given the extraordinary current situation pertaining to COVID-19 and the resultant uncertainty, it should not be extrapolated beyond the month or considered indicative of future performance. For further information on forward looking statements please see the disclaimer at the beginning of this presentation

Note:

1. Unless otherwise indicated movement is vs pcp (July 2019). Amounts derived from unaudited monthly management accounts

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# ENTITLEMENT OFFER AND REVISED CAPITAL MANAGEMENT TARGETS

## REVISED TARGET GEARING RANGE AND TARGET DIVIDEND PAYOUT RATIO TO STRENGTHEN BALANCE SHEET AND PROVIDE GREATER FINANCIAL FLEXIBILITY IN UNCERTAIN TIMES

### Changes to capital management targets

- Group performance impacted by COVID-19 but partially mitigated by strong Lotteries performance and other initiatives
- Continued significant uncertainty regarding the severity and duration of COVID-19 impact
- Tabcorp has revised its capital management targets to:
  - Reduce the target gearing range to 2.5-3.0x Gross Debt / EBITDA (from 3.0-3.5x previously); and
  - Reduce the target dividend payout ratio to 70-80% of NPAT (before significant items)<sup>1</sup> on the resumption of dividends
- These changes are expected to improve Tabcorp's credit metrics and conserve more capital over time
- The payment of future dividends will be revisited in due course, having regard to the operating environment, Tabcorp's financial position (including liquidity levels and gearing metrics) and the earnings outlook at the time

### Entitlement Offer undertaken to strengthen balance sheet

- Net proceeds from the Entitlement Offer will be used to pay down existing drawn bank debt facilities and support the move towards the revised target gearing range
- The pay down of existing bank debt facilities is expected to strengthen Tabcorp's balance sheet, provide greater financial flexibility in uncertain times, and provide additional credit metric headroom for covenant and credit rating purposes
- The Entitlement Offer of \$600m represents approximately a c.0.6x reduction in gearing (as at 30 June 2020), which broadly corresponds to the reduction in Tabcorp's target gearing range
- Pro forma Gross Debt / EBITDA<sup>2</sup> as at 30 June 2020 is 3.2x, reduced from 3.8x
- Tabcorp intends to further reduce its gearing towards the revised target range of 2.5-3.0x over time

### Support of lenders and commitment to investment grade credit rating

- Tabcorp has previously announced the support of its lenders in the form of debt covenant relief for the 30 June 2020 and 31 December 2020 tests<sup>3</sup>
- \$226m of new debt facilities obtained since March 2020 from existing lenders
- Tabcorp reaffirms its commitment to its investment grade credit rating

#### Notes:

1. NPAT under Tabcorp's revised target dividend payout ratio will no longer be adjusted for the Victorian wagering and betting licence and Purchase Price Accounting, as it was historically
2. Gross Debt represents interest bearing liabilities adjusted for USPP debt at the A\$ principal repayment under cross currency swaps and includes lease liability of \$353m. Gross Debt / EBITDA calculated on FY20 EBITDA of \$995m. Pro forma Gross Debt is adjusted for the planned use of proceeds under the Entitlement Offer
3. As announced to ASX on 19 May 2020 (bank lenders) and 4 June 2020 (USPP lenders)

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# ENTITLEMENT OFFER – PROCEEDS USED TO PAY DOWN EXISTING DRAWN BANK DEBT FACILITIES

## ENTITLEMENT OFFER PROCEEDS TO BE USED TO PAY DOWN EXISTING DRAWN BANK DEBT FACILITIES

Sources and uses (\$m)	
Sources	
Entitlement Offer	600
<b>Total sources</b>	<b>600</b>
Uses	
Pay down existing drawn bank debt facilities	586
Offer costs <sup>1</sup>	14
<b>Total uses</b>	<b>600</b>
<ul style="list-style-type: none"><li>○ \$586m net proceeds from Entitlement Offer to be used to pay down existing drawn bank debt facilities</li><li>○ Assumes Tabcorp continues to retain undrawn lines on bank debt facilities to provide additional financial flexibility</li><li>○ Following the Entitlement Offer, Tabcorp will have approximately \$1,496m of undrawn bank facilities. \$226m of new debt facilities obtained since March 2020 from existing lenders</li><li>○ Only FY21 debt maturity is \$171.5m USPP due in December 2020<sup>2</sup></li></ul>	

Pro forma gearing			
Gross Debt / EBITDA <sup>3</sup> as at 30 June 2020			
	3.8x	(0.6x)	3.2x

### Notes:

- Estimated costs prior to announcement of the Entitlement Offer
- Excludes \$100m overdraft facility maturing in February 2021
- Gross Debt represents interest bearing liabilities adjusted for USPP debt at the A\$ principal repayment under cross currency swaps and includes lease liability of \$353m. Gross Debt / EBITDA calculated on FY20 EBITDA of \$995m
- Net Debt (economic) calculated as Gross Debt less cash and cash equivalents
- Entitlement Offer proceeds less offer costs



# PRO FORMA BALANCE SHEET AND PROPOSED USE OF PROCEEDS

## IMPACT OF ENTITLEMENT OFFER ON THE PRO FORMA BALANCE SHEET AND PROPOSED USE OF PROCEEDS TO PAY DOWN EXISTING DRAWN BANK DEBT FACILITIES

As at 30 June 2020 \$m	PRO FORMA BALANCE SHEET			PROPOSED USE OF PROCEEDS	
	Reported	Impact of Entitlement Offer <sup>1</sup>	Pro forma (unaudited) post Entitlement Offer	Impact of debt pay down <sup>2</sup>	Post debt pay down
Cash and cash equivalents	349	586	935	(586)	349
Other current assets	378	—	378	—	378
Licences	2,148	—	2,148	—	2,148
Other intangible assets <sup>3</sup>	8,134	—	8,134	—	8,134
Property, plant and equipment	456	—	456	—	456
Other non current assets	951	—	951	—	951
<b>Total assets</b>	<b>12,416</b>	<b>586</b>	<b>13,002</b>	<b>(586)</b>	<b>12,416</b>
Interest bearing liabilities	3,720	—	3,720	(586)	3,134
Other liabilities	2,666	(4)	2,662	—	2,662
<b>Total liabilities</b>	<b>6,386</b>	<b>(4)</b>	<b>6,382</b>	<b>(586)</b>	<b>5,796</b>
<b>Shareholders' funds</b>	<b>6,030</b>	<b>590</b>	<b>6,620</b>	<b>—</b>	<b>6,620</b>

Notes:

1. Net proceeds of Entitlement Offer less offer costs, with deferred tax adjustment for estimated transaction costs
2. Tabcorp proposes to use the net proceeds of Entitlement Offer (post offer costs) to pay down existing drawn bank debt facilities
3. Tabcorp reported non-cash goodwill impairment charges of \$1,090m in its financial results for the year ended 30 June 2020. Following this impairment, the book value of goodwill for these segments at 30 June 2020 is \$7,160m

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## APPENDIX A – ENTITLEMENT OFFER OVERVIEW AND KEY DATES

# ENTITLEMENT OFFER OVERVIEW

<b>Offer size and structure</b>	<ul style="list-style-type: none"> <li>Underwritten 1 for 11<sup>1</sup> pro-rata accelerated renounceable Entitlement Offer with retail rights trading expected to raise approximately \$600m ("Entitlement Offer")</li> <li>Approximately 185m New Shares to be issued under the Entitlement Offer representing 9.1% of existing shares on issue</li> </ul>
<b>Offer price</b>	<ul style="list-style-type: none"> <li>Entitlement Offer price of \$3.25 per New Share <ul style="list-style-type: none"> <li>10.6% discount to the theoretical ex-rights price ("TERP")<sup>2</sup> of \$3.64</li> <li>11.4% discount to Tabcorp's closing price of \$3.67 on the ASX on Tuesday, 18 August 2020</li> </ul> </li> </ul>
<b>Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer opens today, Wednesday 19 August 2020 and closes on Thursday, 20 August 2020<sup>3</sup></li> <li>Institutional entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild which opens on Thursday, 20 August 2020 and closes on Friday, 21 August 2020<sup>4</sup></li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Eligible retail shareholders have a number of options under the Retail Entitlement Offer,<sup>5</sup> as follows: <ul style="list-style-type: none"> <li>Elect to subscribe for all or part of their pro rata entitlements from 7:00pm (AEST) on the Retail Entitlement Offer open date of Friday, 28 August 2020 and closes at 5:00pm (AEST) on the Retail Entitlement Offer close date of Thursday, 10 September</li> <li>Sell or transfer all or some of their retail entitlements. Retail entitlements may be traded on the ASX from Monday, 24 August 2020 to Thursday, 3 September 2020</li> <li>Do nothing and let their retail entitlements be offered for sale through the retail shortfall bookbuild process managed by the Lead Manager with any proceeds in excess of the offer price (net of any withholding tax and expenses) paid to the shareholder<sup>6</sup></li> </ul> </li> </ul>
<b>Director participation</b>	<ul style="list-style-type: none"> <li>The Tabcorp Directors intend to participate and take up their full Entitlement</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares will rank equally with existing ordinary shares from their time of issue</li> </ul>
<b>Record Date</b>	<ul style="list-style-type: none"> <li>7:00pm (AEST) Monday, 24 August 2020</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>Refer to Appendix B for a summary of key risks associated with an investment in Tabcorp and the Entitlement Offer</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>Underwritten by UBS AG, Australia Branch<sup>7</sup></li> </ul>

Notes:

- Fractional entitlements to New Shares to be rounded up to the nearest whole number of New Shares
- TERP is the theoretical price at which Tabcorp shares trade immediately after the ex date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Tabcorp shares trade on the ASX immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Tabcorp share price as traded on ASX on Tuesday, 18 August 2020 being the last trading day prior to the announcement of the Entitlement Offer
- Institutional Entitlement Offer for Australian, New Zealand and Asian investors closes Wednesday, 19 August 2020. For all other regions the offer closes on Thursday, 20 August 2020
- These entitlements will be offered for sale in the relevant shortfall bookbuild to participating institutions and any premium (being any amount paid in respect of the sale of the entitlements) will be paid to non-participating and ineligible shareholders, net of any applicable withholding tax and expenses
- The Retail Entitlement Offer is only available to eligible shareholders with a registered address in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available
- These entitlements will be offered for sale in the relevant shortfall bookbuild and any premium (being any amount paid in respect of the sale of the entitlements) will be paid to non-participating and ineligible shareholders, net of any applicable withholding tax and expenses
- Underwritten subject to certain termination events as summarised on slides 35-37

# KEY DATES FOR ENTITLEMENT OFFER

Event	Date (2020)
Trading halt and announcement of Offer, Institutional Entitlement Offer Opens	Wednesday, 19 August
Institutional Entitlement Offer closes <sup>1</sup>	Thursday, 20 August
Institutional Entitlement Offer shortfall bookbuild closes	Friday, 21 August
Announce results of Institutional Entitlement Offer	Monday, 24 August
Trading halt is lifted and Tabcorp shares recommence trading on an "ex-entitlement" basis	Monday, 24 August
Record date for the Entitlement Offer (7:00pm AEST)	Monday, 24 August
Retail rights commence trading on the ASX	Monday, 24 August
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet despatched	Friday, 28 August
Settlement of New Shares issues under the Institutional Entitlement Offer	Friday, 28 August
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Monday, 31 August
Close of retail rights trading on the ASX	Thursday, 3 September
Retail Entitlement Offer closes (5:00pm AEST)	Thursday, 10 September
Announce results of Retail Entitlement Offer	Tuesday, 15 September
Retail Entitlement Offer shortfall bookbuild	Tuesday, 15 September
Announce results of Retail Entitlement Offer shortfall bookbuild	Wednesday, 16 September
Settlement of Retail Entitlement Offer	Friday, 18 September
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 21 September
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 September
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 23 September

Dates and times are indicative only and subject to change without notice. Tabcorp reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth). All dates refer to 2020 and times are AEST. AEST refers to Australian Eastern Standard Time

Note:

19 1. Institutional Entitlement Offer for Australian, New Zealand and Asian investors closes Wednesday, 19 August 2020. For all other regions the offer closes on Thursday, 20 August 2020

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## APPENDIX B – KEY RISKS

# KEY RISKS

This section discusses some of the key risks associated with any investment in Tabcorp, which may affect the value of Tabcorp shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Tabcorp. Before investing in Tabcorp, you should be aware that an investment in Tabcorp has a number of risks, some of which are specific to Tabcorp and some of which relate to listed securities generally, and many of which are beyond the control of Tabcorp. Before investing in Tabcorp shares, you should consider whether this investment is suitable for you. Potential investors should review publicly available information on Tabcorp (such as that available on the websites of Tabcorp and ASX, and, in particular, previous Tabcorp ASX announcements and periodic disclosures), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision. Many of the risks highlighted elsewhere in Appendix B are likely to be heightened due to the current and potential future impacts of COVID-19.

Risk	Description and potential consequences
<b>COVID-19 RELATED OR RESULTING INCREASE OF RISKS</b>	
<b>Impact of COVID-19</b>	<ul style="list-style-type: none"> <li>The COVID-19 pandemic and government restrictions have impacted the Group's operating businesses to varying degrees, and in turn the Group's financial and operational performance. To date, the main impacts have been to the Group's Wagering and Media business (due primarily to the temporary closure of licensed venues (hotels and clubs) and TAB agencies and disruption to sporting events and international racing), and in the Gaming Services business (due to the temporary closure of licensed venues).</li> <li>Investors should be aware that the COVID-19 pandemic and related actions taken in response by the Australian and other governments, including national lockdowns, border controls/travel restrictions and the effects of the pandemic on the global and domestic economy have had, and are likely to continue to have, a material adverse effect on Tabcorp, its financial performance and outlook, liquidity and/or share price. There is no certainty as to the length of Australian and other government restrictions and whether they will increase or be eased in the future.</li> <li>The shift in customer preferences towards online entertainment platforms, including social gaming and e-sports, and away from land-based retail TAB outlets and racecourse locations may accelerate as a result of COVID-19, which may have a material adverse impact on Tabcorp's business and future revenue. Tabcorp may also need to incur additional capital expenditure to sustain and/or grow its business in response to any such change in customer preferences, which may adversely affect Tabcorp's future profitability and operations.</li> <li>There is a risk that social distancing and other restrictions will continue to affect Tabcorp's venues (both third party licensed pubs and clubs, and TAB agencies) for an extended period in some form, including certain venues being unable to pay debts as and when they fall due and therefore in some cases resulting in permanent venue closures, with resulting impacts on Tabcorp's profitability.</li> <li>The long-term impacts from COVID-19 on general economic or industry conditions and consumer discretionary spending are uncertain and may adversely impact the financial and operational performance of the Group and the delivery of its growth strategies in the future.</li> <li>In light of COVID-19, extra caution should be exercised when assessing the risks associated with an investment in Tabcorp. The continually changing situation is bringing unprecedented challenges to global financial markets and the global economy, with significant volatility and movements seen in equities prices and valuations. This applies equally to the Australian financial market and economy.</li> </ul>
<b>LEGAL AND REGULATORY</b>	
<b>Breach of laws and licences, and compliance and conduct risks</b>	<ul style="list-style-type: none"> <li>The Group's businesses are regulated by laws, licences, regulations, rules, permits and other approvals. Any material breach of the relevant obligations or failure to meet compliance and conduct requirements may have an adverse impact on the financial performance and operating position of the Group. Any such adverse impact may arise as a result of the suspension or loss of applicable material gambling licences, renewal of licences on less favourable terms, increased supervision and oversight by regulators and other stakeholders, civil or criminal penalties, brand or reputational damage, and the inability to obtain future licences or business opportunities. In addition, a breakdown in material operational processes, system errors or failure to comply with the requirements for the calculation of jackpots, tote and fixed odds dividends, gambling taxes or other stakeholder returns, may require the Group to repay winnings or other financial impacts, or seek reimbursement of any overpayments, while also exposing the Tabcorp Group to litigation, including class actions, or other forms of disputes.</li> </ul>

# KEY RISKS

Risk	Description and potential consequences
<b>LEGAL AND REGULATORY (CONTINUED)</b>	
<b>Licences and other approvals</b>	<ul style="list-style-type: none"> <li>The conduct of wagering, lotteries, Keno and the provision of gaming services are regulated by laws, licences, permits and other approvals from relevant state and territory governments. The loss of, or failure to, renew any material licence, permit, authorisation or other approval (or renewal on less favourable terms) may have an adverse impact on the financial performance, operations and position of the Group.</li> <li>Examples of licence expiry risk include Tabcorp's Victorian Keno licence, which expires in 2022, and Tabcorp's Victorian Wagering and Betting Licence, which expires in 2024 (with an option to extend for up to a further two years at the discretion of the Victorian Government). While Tabcorp successfully renewed its wagering and Keno licences in Victoria when they last came up for renewal in 2012, there is a risk that Tabcorp is unable to renew these licences, or that they are renewed on less favorable terms.</li> </ul>
<b>Changes in laws and the regulatory environment</b>	<ul style="list-style-type: none"> <li>The Tabcorp Group's businesses operate in a highly regulated environment and are significantly affected by government policy and the manner in which governments and regulators exercise their powers. From time to time, government policy and decisions shift and are influenced by societal attitudes and political and/or media attention.</li> <li>Changes in legislation, regulation, taxation or government policy (and related judicial decisions and enforcement policy) by government agencies, tribunals and departments, including as a result of changes in societal attitudes towards gambling products, may have an adverse impact, to varying degrees, on the Tabcorp Group's operational and financial performance as a result of significant changes in the nature of operations, increased compliance or other costs, resourcing demands, and potential changes in the level of competition in relevant markets.</li> </ul>
<b>Investigations</b>	<ul style="list-style-type: none"> <li>From time to time, members of the Tabcorp Group (as well as their current and former officers and executives) may be subject to various formal and informal investigations such as tax compliance investigations carried out by the Australian Taxation Office (ATO) or investigations carried out by other Federal or State regulatory or law enforcement bodies including the ACCC, the Australian Federal Police, ASIC, AUSTRAC and State-based gambling regulators. Probity-related implications may also arise for Tabcorp. This could potentially lead to the suspension or loss of applicable gambling licences, other civil or criminal penalties and brand damage and loss of future licence or business opportunities, each of which may, if they were to occur, have a materially adverse effect on the Group's financial position, performance and /or operations. There is also the risk that Tabcorp's reputation may further suffer due to public scrutiny surrounding any such investigations regardless of their outcome and this may also adversely affect the Group's ability to generate revenue or conduct its operations.</li> <li>An example of such investigations is the current ATO investigation in relation to certain deductions claimed by Tatts Group Limited in relation to the tax year ended 30 June 2016.</li> </ul>
<b>Litigation and Disputes</b>	<ul style="list-style-type: none"> <li>From time to time, members of the Tabcorp Group become involved, or could become involved, in litigation and disputes including class actions, including with regulatory or law enforcement bodies, (such as the ACCC, the Australian Federal Police, ASIC, AUSTRAC and State-based gambling regulators), joint ventures and other business partners, stakeholders and third parties. In addition to the direct costs associated with managing any litigation or dispute and its eventual outcome, there is a risk that Tabcorp Group's reputation may suffer due to the profile and public scrutiny surrounding any such litigation and disputes regardless of their outcome. Further, there is a risk where litigation or disputes arise between members of the Tabcorp Group and joint venture or other business partners with whom the Tabcorp Group maintains an ongoing relationship, there may be an adverse effect on such relationships and potentially Tabcorp's operations. The current dispute between Tabcorp and Racing Queensland Limited (discussed below) is an example of this.</li> </ul>
<b>Compliance risk</b>	<ul style="list-style-type: none"> <li>Any failure by members of the Tabcorp Group to meet compliance standards and systems at operational levels may increase exposure to a compliance failure. Tabcorp has an established compliance function and governance framework. Tabcorp's compliance function monitors compliance with existing regulations, the regulatory environment and Tabcorp's adherence to internal processes, however there is a risk that internal risk management and controls fail or do not operate as intended in relation to the management of compliance risk. A failure of the Tabcorp Group's compliance framework and controls may potentially result in, among other things, members of the Tabcorp Group breaching laws, regulations and licence conditions, resulting in potential regulatory enforcement action, including litigation. These actions could result in significant financial penalties, or other disciplinary action (including the loss of a licence), which could adversely affect the Tabcorp Group's financial position, its ability to generate revenue or conduct its operations.</li> </ul>
<b>Customer and supplier compliance with regulatory requirements</b>	<ul style="list-style-type: none"> <li>Any failure by existing customers of Tabcorp to satisfy or to continue to satisfy, necessary regulatory requirements, including in relation to identity verification and other background checks relating to being a registered customer of Tabcorp, could impact on the operations and earnings of Tabcorp. There is also a risk that suppliers of Tabcorp fail to adequately support Tabcorp to satisfy necessary regulatory requirements, including delivery of products and/or services in the timeframes and/or to the standards required which would therefore impact Tabcorp's ability to meet its regulatory obligations.</li> </ul>



# KEY RISKS

Risk	Description and potential consequences
<b>CUSTOMER AND COMPETITION RISK</b>	
<b>Consumer discretionary spending and preferences</b>	<ul style="list-style-type: none"> <li>○ Gambling activities compete with other consumer products for consumers' discretionary spending and in particular with other forms of leisure and entertainment. If the Group does not adequately respond to competition for consumers' discretionary expenditure, there may be an adverse effect on the operational and financial performance of the Group.</li> <li>○ Consumer discretionary spending may also be affected by adverse changes to general economic or industry conditions, changes in consumers' attitudes towards gambling products and the availability of payment channels, which may in turn adversely affect the financial performance of the Group.</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>○ The Group's businesses are affected to varying degrees by competing suppliers of gambling and media products and services, based both in Australia and overseas. New competitors and disruptors may also enter the Group's traditional markets and be subject to less regulation compared to the Group. As a result, there is a risk that the Group may not be able to compete on the same terms as other operators, or may face increased levels of competition from suppliers of gambling products and services, which could adversely affect the operational and financial performance of the Group. A sustained increase in competition from existing competitors or new entrants may result in a material failure to grow, or a loss of market share or revenue in some markets. Examples of the types of competition the Group has encountered are set out below: <ul style="list-style-type: none"> <li>• Wagering: Tabcorp's wagering business has for some time competed with interstate and international wagering operators who accept bets online or over the telephone. The internet and other new forms of distribution have allowed new competitors to enter Tabcorp's traditional markets without those competitors being licensed in all those states and territories and often operating under more favourable fiscal and regulatory regimes. The retail operations and the wagering and media business have been affected by COVID-19 which has seen greater traffic migrate generally to digital platforms. There is also the possibility that, in the future, competition from interstate and international operators may extend to Tabcorp's retail network. This would undermine the retail exclusivity of the licences that are presently held by Tabcorp in NSW, Victoria, Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.</li> <li>• Lotteries: Tabcorp's lotteries business is subject to competition from synthetic lottery operators (who offer synthetic products in relation to overseas lotteries to Australian customers). There is a risk that continued growth for these competitors could have a negative impact on Tabcorp's lotteries sales both across its retail network as well as on its online operations. In addition, the Group sells its lotteries products through various channels, including via reseller arrangements with third party providers, and there is a risk that sales of lotteries products shift towards these third party providers over time, which may have a negative impact on the profitability of Tabcorp's business.</li> <li>• Keno: Tabcorp's Keno offering is subject to competition from synthetic Keno products as well as international Keno games. There is a risk that continued growth in these competing products may have a negative impact on Tabcorp's Keno sales.</li> <li>• Gaming Services: Tabcorp's gaming businesses also face competition from other entities who provide similar products and/or services, or who also hold monitoring licences in various parts of Australia (including in Queensland, which allows multiple licence holders) A sustained increase in competition from new entrants and existing operators may adversely impact the Group's ability to grow market share and associated revenue.</li> </ul> </li> </ul>
<b>FINANCIAL AND BALANCE SHEET RISKS</b>	
<b>Funding risks</b>	<ul style="list-style-type: none"> <li>○ The Group is exposed to risks relating to the cost and availability of funds to support its operations, including changes in interest rates and foreign currency exchange rates, counterparty credit and liquidity risks, which could impact its financing activities.</li> <li>○ In addition, as part of its arrangements with its external financiers, the Group is subject to a number of customary conditions and financial covenants. A failure to comply with such conditions and covenants may require the Group to repay borrowings earlier than anticipated, or result in increased financing costs for the Group, which could in turn adversely affect the financial performance of the Group.</li> </ul>
<b>Debt covenants</b>	<ul style="list-style-type: none"> <li>○ Tabcorp is subject to various covenants under its debt facilities, including interest cover, gearing and negative pledge covenants. As announced to the ASX in separate announcements on 19 May 2020 and 4 June 2020, Tabcorp reached agreement with its bank lenders under its Syndicated Facility Agreement as well as its US Private Placement note holders for a waiver of, and adjustments to, certain financial covenants in relation to the 30 June 2020 and 31 December 2020 testing dates. Whilst Tabcorp currently expects there to be adequate head-room in Tabcorp's financial covenants post the agreed waiver and adjustments, there remains the risk that factors such as a reduction in operating earnings could potentially lead to a breach of such covenants. In such an event, Tabcorp's lenders may require the entirety of their loans to be repaid immediately or simultaneously with all debt facilities. This would have a material adverse effect on Tabcorp's financial position.</li> </ul>

# KEY RISKS

Risk	Description and potential consequences
<b>FINANCIAL AND BALANCE SHEET RISKS (CONTINUED)</b>	
<b>Debt covenants</b>	<ul style="list-style-type: none"> <li>Tabcorp is subject to various covenants under its debt facilities, including interest cover, gearing and negative pledge covenants. As announced to the ASX in separate announcements on 19 May 2020 and 4 June 2020, Tabcorp reached agreement with its bank lenders under its Syndicated Facility Agreement as well as its US Private Placement note holders for a waiver of, and adjustments to, certain financial covenants in relation to the 30 June 2020 and 31 December 2020 testing dates. Whilst Tabcorp currently expects there to be adequate head-room in Tabcorp's financial covenants post the agreed waiver and adjustments, there remains the risk that factors such as a reduction in operating earnings could potentially lead to a breach of such covenants. In such an event, Tabcorp's lenders may require the entirety of their loans to be repaid immediately or simultaneously with all debt facilities. This would have a material adverse effect on Tabcorp's financial position.</li> </ul>
<b>Ability to service or refinance debt</b>	<ul style="list-style-type: none"> <li>Tabcorp may become unable to service or refinance its existing debt, or obtain new debt, on acceptable terms or at all, depending on future performance and cash flows of Tabcorp which are affected by various factors, some of which are outside Tabcorp's control, such as interest and exchange rates, general economic conditions and global financial markets. If any of these scenarios materialise, Tabcorp may be unable to raise financing on acceptable terms to repay maturing indebtedness. This could adversely affect the longer term prospects and financial performance of the Group. Additionally, ongoing requirements to meet debt covenants may impact Tabcorp's ability to refinance debt.</li> </ul>
<b>Credit rating risk</b>	<ul style="list-style-type: none"> <li>Tabcorp has obtained an investment grade rating from a credit rating agency which could be reviewed, suspended, withdrawn or downgraded. The rating agency could also change the methodologies by which it rates Tabcorp. Tabcorp's cost of funds, margins, access to capital markets and other aspects of its financial performance may be adversely affected if it fails to maintain its credit rating.</li> </ul>
<b>Counterparty credit risks</b>	<ul style="list-style-type: none"> <li>Tabcorp is exposed to the risk that various counterparties, including financial entities, will fail to perform their contractual obligations in favour of Tabcorp. This creates risk in a number of areas, including with respect to bank deposits and investments, and interest rate and foreign exchange risk management. Tabcorp employs contracts to hedge some or all of its exposure to foreign currency exchange rate fluctuations and interest rate fluctuations. At the end of the deposit term or upon the maturity of the contracts, the counterparties are obligated to return or pay funds in Tabcorp's favour or to otherwise deliver to Tabcorp an agreed amount of a specified currency at a contracted rate. If any of these counterparties were to liquidate, become insolvent, enter voluntary administration or otherwise cease operations, they may not be able to satisfy their obligations under these time deposits or forward contracts, which could materially adversely impact Tabcorp's financial position.</li> </ul>
<b>Access to capital</b>	<ul style="list-style-type: none"> <li>In addition to internally generated cash flow, Tabcorp relies on access to debt and equity financing to fund its operations. The ability to secure financing on acceptable terms may be materially adversely affected by volatility in financial markets, either globally or affecting a particular geographic region, industry or economic sector, or by a downgrade in its credit rating. For these or other reasons, financing may be unavailable or the cost of financing may be significantly increased.</li> <li>Such inability to obtain, or increase to the cost of obtaining, financing could materially adversely affect Tabcorp's operations or financial performance.</li> </ul>
<b>Accounting impairment</b>	<ul style="list-style-type: none"> <li>At each reporting date, Tabcorp is required to assess whether there is any indication that any of its assets may be impaired and, where an indicator of impairment exists, makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to the recoverable amount. This impacts Tabcorp's balance sheet and its reported financial results,</li> <li>Adverse changes in assumptions or outcomes in respect of race fields or sports product fees, retail exclusivity, competition or other risk factors, as well as new developments that are not currently apparent, could trigger an impairment and have a negative impact on the reported financial results of Tabcorp.</li> <li>Tabcorp announced ahead of its FY20 results a non-cash goodwill impairment charge of \$1,090m in relation to the Wagering &amp; Media and Gaming Services businesses. There is no assurance that there will not be further impairments of assets in the future.</li> </ul>
<b>Tax</b>	<ul style="list-style-type: none"> <li>A change to the current tax regime at either Federal or State government level may affect Tabcorp. There are risks that any changes to a tax law, including the current rate of company income tax and further changes to tax concessions such as research and development expenditure, may impact Tabcorp.</li> <li>Tax payments (at both Federal and State level) are material to Tabcorp's overall liquidity position and there is a risk that changes in the timing or quantum of payment obligations to tax authorities results in the need to source additional liquidity, which may adversely affect the Group's financial position, as well as commercial arrangements with its stakeholders.</li> </ul>
<b>Change in accounting or financial reporting standards</b>	<ul style="list-style-type: none"> <li>Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB) and are outside Tabcorp's control. Changes to accounting standards issued by AASB, or changes to any other financial reporting standards, could materially adversely affect the financial performance and position reported Tabcorp's financial statements.</li> </ul>
<b>Change in accounting or financial reporting standards</b>	<ul style="list-style-type: none"> <li>Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB) and are outside Tabcorp's control. Changes to accounting standards issued by AASB, or changes to any other financial reporting standards, could materially adversely affect the financial performance and position reported Tabcorp's financial statements.</li> </ul>

# KEY RISKS

Risk	Description and potential consequences
<b>OPERATIONAL RISKS</b>	
<b>Technology, cybersecurity and privacy risks</b>	<ul style="list-style-type: none"> <li>The Group's business relies on the successful operation of technology infrastructure, which could be adversely affected by various factors including obsolescence of equipment, complexity of core environments, extended digital outages which prevent account customers from transacting in Group products, malicious attacks on technology systems and customer and company data and regulatory information, ability to recover from a significant hardware, network or data centre failure, and managing risks associated with outsourcing key processes and activities to third-parties.</li> <li>The Group's business also relies on technology infrastructure to support ongoing business growth. Where such infrastructure cannot efficiently support the changing needs of the business, this may potentially adversely impact the reputation, operations or financial performance of the Group.</li> <li>The COVID-19 working environment has seen an enhanced threat level across all industries and organisations as opportunistic criminals seek to exploit organisations' cyber defences. A significant cyber incident or prolonged failure of the computer systems and/or related infrastructure or technology security failure could impact upon the Group's technology systems and equipment, prevent operation of revenue generating functions, result in the loss or exposure of information assets, or personal customer or regulatory data could be wrongfully appropriated, lost or disclosed, which may potentially adversely impact the reputation, operations or financial performance of the Group and expose the Group to significant regulatory enforcement actions, litigation and other disputes.</li> </ul>
<b>Reliance on infrastructure and third party commercial arrangements</b>	<ul style="list-style-type: none"> <li>The Group is reliant on key infrastructure and third party commercial arrangements for the operation of its business. A significant malfunction or interruption to key infrastructure, or a failure of, significant interruption to, or reduction in the quality of third party products and services that the Group relies upon for a sustained period of time, may have an adverse impact on the reputation and the operating and/or financial performance of the Group.</li> </ul>
<b>Racing and sports products</b>	<ul style="list-style-type: none"> <li>Each state and territory of Australia has implemented race fields arrangements, under which wagering operators pay product fees for use of that industry's race fields information. Similar arrangements exist in relation to various sports. There is the potential that fees will increase, new fees will be introduced, or the method for determining fees will change, and such changes may have an adverse effect on the operational and financial performance of the Group.</li> <li>In addition, a material increase in the taxes and levies payable by the Group in respect of its wagering, lotteries or gaming businesses may reduce margins and have an adverse impact on the financial performance of the Group.</li> <li>There is also a risk that racing, sport or industry bodies may disagree with the Group regarding the application of certain aspects of the race fields regimes, contracts that govern product fees or relevant commercial arrangements generally, or the manner in which taxes, levies and fees are determined. Such disagreements may lead to litigation or other dispute resolution processes being involved, including negotiated settlement of relevant commercial disputes.</li> </ul>
<b>Changes in race fields and sports product fees and taxes</b>	<ul style="list-style-type: none"> <li>Each state and territory of Australia has implemented race fields arrangements, under which wagering operators pay product fees for use of that industry's race fields information. Similar arrangements exist in relation to various sports. There is the potential that fees will increase, new fees will be introduced, or the method for determining fees will change, and such changes may have an adverse effect on the operational and financial performance of the Group.</li> <li>In addition, a material increase in the taxes and levies payable by the Group in respect of its wagering, lotteries or gaming businesses may reduce margins and have an adverse impact on the financial performance of the Group.</li> <li>There is also a risk that racing, sport or industry bodies may disagree with the Group regarding the application of certain aspects of the race fields regimes, contracts that govern product fees or relevant commercial arrangements generally, or the manner in which taxes, levies and fees are determined. Such disagreements may lead to litigation or other dispute resolution processes being involved, including negotiated settlement of relevant commercial disputes.</li> </ul>
<b>Disruption or decline of licensed venues, agencies and retail network</b>	<ul style="list-style-type: none"> <li>The operating and financial performance of the Group's business is materially dependent on the operation of a network of licensed venues (hotels and clubs), TAB agencies, newsagencies, convenience stores and other retail outlets which offer the Group's products. Significant disruption or closures of, or a decline in, these channels, whether as a result of a particular event (for example, due to adverse weather events or climate change, epidemic/pandemic outbreak such as the COVID-19 pandemic, or natural disaster), economic conditions, changes in consumer behaviour or any other factors, may have a direct adverse effect on the operating and financial performance of the Group, as reported in various ASX announcements and the Group's FY20 results.</li> </ul>

# KEY RISKS

Risk	Description and potential consequences
<b>OPERATIONAL RISKS (CONTINUED)</b>	
<b>People</b>	<ul style="list-style-type: none"> <li>The Group's performance and the execution of its strategies depends on its ability to attract and retain key senior management and operating personnel and foster a high performance culture. The loss of any key personnel, or the Group's inability to attract the requisite personnel with suitable experience, could have an adverse effect on the performance of the Group and the delivery of its strategies and/or operations.</li> <li>There is a heightened risk that the people-related initiatives that were implemented to mitigate the impacts of the COVID-19 pandemic (refer above) may have an adverse impact on the Group's ability to attract and retain certain key senior management and personnel, as well as employee engagement and productivity.</li> </ul>
<b>Sky Channel broadcast and distribution arrangements</b>	<ul style="list-style-type: none"> <li>Sky Channel holds rights to broadcast, and has agreements in place to distribute, various race meetings held throughout Australia, New Zealand and internationally. Certain of those contracts may expire and in such case new contracts or extensions would need to be negotiated.</li> <li>Tabcorp continues to engage closely with holders of broadcast rights and distribution partners and will continue to actively seek to extend those arrangements in advance of their expiry, however if, for any reason, Tabcorp is unable to renegotiate any of those arrangements on materially the same or similar terms, then this may impact the operational and financial performance of Tabcorp's wagering and media business.</li> </ul>
<b>Acquisitions and divestments</b>	<ul style="list-style-type: none"> <li>From time to time, Tabcorp examines new acquisition opportunities, including the opportunity to bid for new licences both domestically and internationally, which may relate to existing businesses or new areas of operation for Tabcorp. There is a risk that Tabcorp may incur substantial costs, delays or other problems in implementing its strategy for any acquired businesses, or be unsuccessful in bidding for new businesses or licences, which could negatively impact Tabcorp's operations, profitability and/or reputation.</li> <li>Tabcorp may also pursue opportunities to divest existing assets, investments or businesses. If such divestments are undertaken, no assurances can be given that the price paid to Tabcorp by a purchaser of such assets would be an accurate reflection of any future market value of such assets had Tabcorp retained ownership of such assets.</li> <li>The COVID-19 pandemic may also cause material changes or delays in planned or potential acquisitions or divestment of assets, investments or businesses by Tabcorp, which may adversely impact Tabcorp's financial performance.</li> </ul>
<b>Racing Queensland proceedings</b>	<ul style="list-style-type: none"> <li>On 28 June 2019, Racing Queensland (RQ) commenced legal proceedings against Tabcorp and UBET Qld Limited (UBET). RQ is seeking damages and other relief. The proceedings are in relation to two interrelated disputes relating to the calculation of fees following the introduction of the point of consumption tax (POCT) in Queensland on 1 October 2018. The claim concerns two contractual arrangements being (a) the Queensland Product and Program Deed (QPP) which sets out the long-term commercial relationship between the parties, including variable fees payable monthly by UBET to RQ and (b) the Deed of Understanding (DOU) which sets out minimum financial commitments to RQ regarding the UBET business and provides for annual top up payments for the calendar years 2018 to 2020 if UBET does not meet those minimum commitments.</li> <li>In relation to the QPP, the parties disagree on how the increase in wagering tax (when compared to the previous wagering tax regime) paid by UBET across racing and sport following the introduction of POCT is treated when calculating the variable fees payable to RQ. If Tabcorp and UBET are ultimately unsuccessful in the QPP aspect of the proceedings, the estimated financial impact covering the 21 month period to 30 June 2020 is an expense of up to \$44 million post tax. The alleged underpayment on the relevant variable fees to RQ would extend until June 2044 when the QPP expires.</li> <li>In relation to the DOU, RQ's position is effectively that UBET must, as part of the minimum commitment, calculate and pay to it any reduction or offset of the relevant variable fees (to take into account the impact of point of consumption tax) in the calendar years 2018-2020. If RQ is correct and Tabcorp and UBET are ultimately unsuccessful in the DOU aspect of the proceedings, UBET would bear the expense above for the 21 month period to 30 June 2020 and an additional amount in relation to the amount of the wagering tax increase for the 6 month period to 31 December 2020 irrespective of the outcome of the QPP part of the proceedings.</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>Tabcorp's brand names and reputation are important assets for Tabcorp's business. Successful maintenance of the reputation and value associated with these brand names will be critical to Tabcorp's businesses and its strategy for the future.</li> <li>It is possible that, Tabcorp's business strategies may not be achieved, resulting in the erosion of the reputation or value associated with the brand names which, in turn, could have an adverse effect on the performance and operations of Tabcorp.</li> <li>Other events, including a material non-compliance with regulations, or licence terms or a breach of or failure in information and technology systems, could have an adverse impact on Tabcorp's reputation and the value of its brands and increase expenditure due to additional compliance costs and / or potential claims for compensatory damages.</li> <li>Significant disciplinary actions, the imposition of monetary fines or the loss of a licence in one jurisdiction would affect Tabcorp's reputation and adversely affect its current licences or future opportunities for licences in other jurisdictions. The consequences of such events could be significant for Tabcorp, including reduced revenues, increased expenses, loss of consumer trust in the relevant brand or products and loss of a business unit.</li> </ul>

# KEY RISKS

Risk	Description and potential consequences
<b>GENERAL INVESTMENT AND ASX LISTING RISKS</b>	
<b>Breach of shareholding restrictions</b>	<ul style="list-style-type: none"> <li>There are a number of restrictions applying to shareholdings in Tabcorp, which arise under legislation, requirements of various regulatory authorities or in the Tabcorp Constitution. Some of these restrictions limit the number of Tabcorp shares and/or voting power that can be held by a shareholder. For further information see Part 2 of Tabcorp's Constitution, which is available at <a href="http://www.tabcorp.com.au">www.tabcorp.com.au</a>.</li> <li>Notwithstanding these restrictions, as Tabcorp shares are traded on the ASX, it may not be possible for Tabcorp to prevent a person from acquiring voting power in Tabcorp in excess of these limitations. There are provisions in Tabcorp's constitution which will enable Tabcorp, in certain circumstances, to require divestment of the offending part of a person's shareholding in Tabcorp. These provisions only operate after a breach has occurred, therefore, they do not prevent such a breach occurring.</li> <li>As an example, Tabcorp's NSW Totalizator licences are subject to compliance with the NSW Totalizator Act. If the 10% shareholding restriction in the NSW Totalizator Act is breached, the NSW Racing Minister could take disciplinary action against the licensee, TAB Limited, under the NSW Totalizator Act and/or its NSW Totalizator licences. Such disciplinary action could include any one or more of a fine, the suspension or cancellation of the NSW Totalizator licences or the amendment of (or imposition of further) conditions to the NSW Totalizator licences. The NSW Racing Minister could also direct TAB Limited to take action to rectify the relevant offending situation.</li> <li>Any such disciplinary action (or other direction from the NSW Racing Minister to TAB Limited) could have an adverse impact on Tabcorp's operations, financial performance and the value of Tabcorp shares.</li> </ul>
<b>Risks associated with the current global economic environment</b>	<ul style="list-style-type: none"> <li>General economic factors may affect an investment in Tabcorp or the performance of Tabcorp. Some of these include: <ul style="list-style-type: none"> <li>movements in Australian and international stock markets, changes in interest rates, inflation and inflationary expectations and overall economic and political conditions may affect the demand for and market price of Tabcorp;</li> <li>changes in government legislation and policy, in particular taxation laws, may affect the relative attractiveness of investing in Tabcorp;</li> <li>the price of securities on ASX may rise or fall due to a diverse range of non-company specific influences which may affect the market performance of the Tabcorp Group; and</li> <li>global or domestic recession as a result of the COVID-19 pandemic.</li> </ul> </li> <li>None of Tabcorp, its directors or any other person guarantees the market performance of the Tabcorp Group.</li> <li>The Australian and global economies continue to experience challenging conditions. Any further deterioration in the Australian or global economies may have an adverse effect on the financial position and performance of the Tabcorp Group.</li> <li>Further, the effect of these conditions on the Tabcorp Group's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If these conditions result in the Tabcorp Group being unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse effect on the financial position and performance of the Tabcorp Group.</li> <li>The operational and financial performance and position of the Tabcorp Group may be adversely affected by the worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible new risks might emerge as a result of markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.</li> </ul>

# KEY RISKS

Risk	Description and potential consequences
<b>ENTITLEMENT OFFER RISKS</b>	
<b>Risk of dilution</b>	<ul style="list-style-type: none"> <li>Shareholders who do not take up all of their entitlement under the Entitlement Offer will be diluted in their percentage security holding by not participating to the full extent in the Offer.</li> </ul>
<b>Renouncement</b>	<ul style="list-style-type: none"> <li>If a Tabcorp shareholder does not take up their entitlement under the Entitlement Offer, there is no guarantee that any value will be received for their renounced entitlement through the relevant bookbuild processes under the Entitlement Offer or (in the case of eligible retail shareholders) that they will be able to receive any value through selling their entitlements on ASX or otherwise transferring them.</li> <li>The ability to sell entitlements under the institutional or retail bookbuild processes under the Entitlement Offer and the ability to obtain any premium will be dependent upon various factors, including market conditions. Further, the relevant bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Lead Manager, will, if accepted, result in otherwise acceptable allocations to clear the entire book.</li> <li>Similarly, for eligible retail shareholders, there is no guarantee that there will be a liquid market on ASX or otherwise in traded entitlements, and prices obtainable for entitlements may rise and fall over the trading period and will depend on many factors including the demand for and supply of entitlements and the value of Tabcorp shares relative to the issue price.</li> <li>To the maximum extent permitted by law, none of Tabcorp, the Lead Manager, their respective related bodies corporate and affiliates and their respective directors, officers, employees, agents and advisers will be liable (including for negligence) for any failure to procure subscribers under either bookbuild at a price equal to or in excess of the issue price.</li> <li>Shareholders who do not participate in the Entitlement Offer, or take up only part of their entitlement, will have their percentage holding in Tabcorp reduced.</li> </ul>
<b>OTHER</b>	
<b>Other risks</b>	<ul style="list-style-type: none"> <li>The above risks should not be taken as a complete list of the risks associated with an investment in Tabcorp. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of Tabcorp shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Tabcorp in respect of Tabcorp shares.</li> </ul>

## APPENDIX C – INTERNATIONAL OFFER JURISDICTIONS



# INTERNATIONAL OFFER JURISDICTIONS

## International Offer Restrictions

This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold in the institutional entitlement offer, in any country outside Australia except to the extent permitted below.

### Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom such securities may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Entitlements or the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Entitlements and the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

# INTERNATIONAL OFFER JURISDICTIONS

## China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the Entitlements and the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for such securities be made from, within the PRC. This document does not constitute an offer of New Shares within the PRC.

The Entitlements and the New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

# INTERNATIONAL OFFER JURISDICTIONS

## **Korea**

The Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the Entitlements or the New Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. These securities have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ("FSCMA") and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the Entitlements and the New Shares may not be offered or sold in Korea other than to "accredited investors" (as defined in the FSCMA).

## **Norway**

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

## **Singapore**

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Switzerland**

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to such securities constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Entitlements or the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of such securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the Entitlements or the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. Such securities will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

**Tabcorp**

# INTERNATIONAL OFFER JURISDICTIONS

## **United Arab Emirates**

This document does not constitute a public offer of any securities in the United Arab Emirates. The Entitlements and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor any securities of the Company have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the Entitlements or the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for Entitlements or New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

## **United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

These securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## **United States**

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold to, directly or indirectly, persons in the United States or persons that are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

## APPENDIX D – SUMMARY OF UNDERWRITING AGREEMENT

# SUMMARY OF UNDERWRITING AGREEMENT

UBS AG, Australia Branch (ABN 47 088 129 613) (Lead Manager) is acting as lead manager and underwriter of the Entitlement Offer. Tabcorp has entered into an underwriting agreement with the Lead Manager in respect of the Entitlement Offer (Underwriting Agreement).

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Lead Manager.

The Lead Manager may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of the following events:

- Certain documents and publications in respect of the Entitlement Offer include content that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by omission) or there are no reasonable grounds for making statements relating to future matters in such documents and publications;
- Certain delays to the timetable for the Entitlement Offer without the prior written consent of the Lead Manager;
- ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to, prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against Tabcorp or any of its directors, officers or employees in relation to the Entitlement Offer;
- ASX announces that Tabcorp's shares will be delisted, removed from quotation or suspended from quotation by ASX (other than at the request of Tabcorp and with the prior approval of the Lead Manager, such approval not to be unreasonably withheld);
- Unconditional approval (or approval conditional only on customary conditions which are acceptable to the Lead Manager, acting reasonably) is refused or not granted by ASX for official quotation of the New Shares by, in the case of the Institutional Entitlement Offer, the date of settlement of the New Shares for the Institutional Entitlement Offer and, in the case of the Retail Entitlement Offer, the date of settlement of the New Shares for the Retail Entitlement Offer;
- An obligation arises on Tabcorp to give ASX a notice in accordance with section 708AA(12)(a) (as included in the Corporations Act by ASIC Corporations Instrument 2016/84) in relation to a matter that is materially adverse to investors (in the reasonable opinion of the Lead Manager), or Tabcorp gives such a notice;
- Tabcorp withdraws the Entitlement Offer;
- Tabcorp engages in conduct that is misleading or deceptive in a material respect or which is likely to mislead or deceive in a material respect in connection with the making of the Entitlement Offer;

# SUMMARY OF UNDERWRITING AGREEMENT

- There is a material breach of any material financing arrangement to which Tabcorp or any of its subsidiaries (together, the Group) is a party or a financier gives a valid notice of an intention to withdraw or accelerate, or withdraws or accelerates, commitments of \$50 million or more;
- A waiver or amendment of a debt covenant in a material financing arrangement to which a member of the Group is a party is terminated, rescinded or amended without the prior written consent of the Lead Manager or breached by Tabcorp or any member of the Group in a manner which triggers or is reasonably likely to trigger an event of default or review event;
- Any member of the Group becomes insolvent or there is an act or omission which may result in any Group member which is a party to a material financing arrangement of Tabcorp that is in force at the time of entry into the Underwriting Agreement, becoming insolvent; or
- Any certificate which is required to be provided by Tabcorp under the Underwriting Agreement is not provided when required.

In addition, the Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following events has had, or is likely to have, a material adverse effect on the marketing, settlement or success of the Entitlement Offer, the likely market price of Tabcorp's shares, or where the event gives rise, or is likely to give rise, to a liability of the Lead Manager under, or result in the Lead Manager contravening, or being considered to be involved in, a contravention of any applicable law:

- A statement in any certificate which is required to be provided by Tabcorp under the Underwriting Agreement is untrue, incorrect or misleading;
- Tabcorp fails to perform or observe any of its obligations under the Underwriting Agreement;
- Any representation or warranty made or given by Tabcorp in the Underwriting Agreement is or becomes untrue or incorrect;
- There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, any State or Territory of Australia, the Reserve Bank of Australia or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been publicly announced before the date of the Underwriting Agreement);
- The outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, United States of America, Japan, United Kingdom, the People's Republic of China or any member state of the European Union, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world;



# SUMMARY OF UNDERWRITING AGREEMENT

- A general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- Trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one trading day or substantially all of one trading day;
- Any Government Agency that regulates the business or operations of the Group or an element of the Entitlement Offer holds, or gives notice of intention to hold, a hearing or investigation in relation to the business or operations of the Group, or prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, Tabcorp, one of its subsidiaries or any of their directors, officers or employees, except where the existence of the hearing, investigation, prosecution, proceeding or notice has not become publicly available and it has been withdrawn by the date that is the earlier of the business day immediately preceding the relevant date of settlement of the New Shares and the date that is three business days after the hearing, investigation, prosecution, proceeding or notice is commenced or received;
- Any director of Tabcorp is charged with a criminal offence relating to any financial or corporate matter, or a director of Tabcorp is disqualified from managing a corporation under the Corporations Act;
- There is a change in the membership of the board of directors of Tabcorp or the Chief Executive Officer, in circumstances where Tabcorp has not consulted with and given reasonable notice to the Lead Manager regarding the proposed change before a new Chief Executive Officer is appointed (noting that Tabcorp disclosed its intention to start a process to appoint a new Chief Executive Officer to ASX prior to the execution of the Underwriting Agreement).

If the Lead Manager terminates its obligations under the Underwriting Agreement, the Lead Manager will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Entitlement Offer. In these circumstances, Tabcorp would need to utilise alternative funding options to achieve its objectives as described in this Presentation.

# Tabcorp

This Presentation was approved and authorised for release  
to the ASX by the Tabcorp Board

