Tabcorp

ASX ANNOUNCEMENT

24 August 2023

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Results for announcement to the market for the full year ended 30 June 2023

In accordance with the ASX Listing Rule 4.3A, the following information in respect of the full year ended 30 June 2023 is transmitted for lodgment:

1. Appendix 4E; and

2. Annual Report.

This announcement was authorised for release by the Tabcorp Board.

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APPENDIX 4E

Tabcorp

Results for announcement to the market

Preliminary final report for the year ended 30 June 2023
Tabcorp Holdings Limited (ABN 66 063 780 709)

Results	$m	% change increase/ (decrease)
Revenue from continuing operations	2,434.4	3%
Profit from ordinary activities after tax attributable to members	66.5	NM (i)
Net profit for the period attributable to members	66.5	NM (i)

(i) Percentage change is not meaningful.

Dividend	Record date	Payment date	Amount per share	Franked amount per share
Final dividend	1 September 2023	18 September 2023	1.0 ¢	1.0 ¢
Interim dividend	27 February 2023	21 March 2023	1.3 ¢	1.3 ¢
Total dividend per share (interim plus final)			2.3 ¢	2.3 ¢

No foreign conduit income is attributable to the final dividend.

Dividend reinvestment plan

Tabcorp's Dividend Reinvestment Plan (DRP) will operate in respect of the final dividend, with the last date for receipt of election notices being 4 September 2023. No discount is applicable to shares allocated to participants and no brokerage, commission or other transaction costs will be payable by participants on shares acquired under the DRP. Shares will be allocated on 18 September 2023 and will rank equally in all respects with existing shares. The price at which shares are allocated is the daily volume weighted average market price of Tabcorp shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of no less than five trading days beginning on the second business day after the dividend record date.

Net tangible asset backing (ii)	30 June 2023 $	30 June 2022 $
Net tangible asset backing per ordinary share	(0.21)	(0.22)
Net tangible asset backing per ordinary share including licences	0.07	0.09

(ii) Net tangible assets includes liabilities in relation to leasing and the corresponding right-of-use assets.

Supplementary information

The previous corresponding period is the year ended 30 June 2022.

For additional Appendix 4E disclosures, refer to the Annual Report 2023 and the ASX Release lodged with the ASX on 24 August 2023.

This Appendix 4E should be read in conjunction with the Directors' Report and the audited Financial Report for the year ended 30 June 2023.

Annual Report 2023

WE'RE RAISING THE GAME

Tabcorp

CONTENTS

Acknowledgement of Country

Tabcorp recognises Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians of the lands on which we live, learn and work. We pay our respects to their Elders past, present and emerging.

Tabcorp Holdings Limited ABN 66 063 780 709

ABOUT TABCORP

We're the big Australian player. We operate a portfolio of leading Australian brands across wagering, media and integrity services, with national scale and reach. We also operate complementary international wagering and broadcasting businesses.

Our purpose is to create the most engaging betting and entertainment experiences in Australia, and share it with the world. We're here to deliver excitement – through our incredible people, market leading products and exceptional experiences that our customers love.

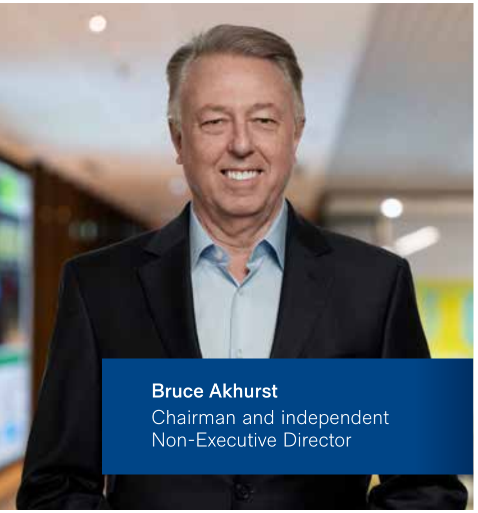
TAB is Australia's biggest multi-channel wagering brand, offering a broad range of betting experiences across digital channels and in retail throughout Victoria, New South Wales, Queensland, South Australia, Tasmania, Northern Territory and the ACT.

Sky is a leader in multi-venue, multi-channel racing and sports broadcasting throughout Australia and internationally.

Premier Gateway International is one of the largest global wagering and tote pooling hubs, based in the Isle of Man, and **Sky Racing World** is a US-based distributor of international racing content and facilitator of associated tote pools.

MAX, Australia's leading gaming services provider, offers electronic gaming machine monitoring and related integrity services, as well as other gaming-related services to venues.

CHAIRMAN'S AND MANAGING DIRECTOR'S MESSAGE



Bruce Akhurst
Chairman and independent Non-Executive Director

Adam Rytenskild
Managing Director and Chief Executive Officer

The 2022/2023 financial year (**FY23**) represents the first full year of operation of our businesses following the demerger of the Lotteries and Keno business in June 2022 (**Demerger**).

We're pleased to report that in our first full year following the Demerger we achieved what we pledged to investors we would do and have laid the foundations for growth. TAB launched a new App on time as promised to the market with a record 805,000 active customers in FY23, a level playing field was legislated in Queensland and our Gaming Services business continued its transition to an integrity services model.

We also launched our TAB25 vision to reshape our Company into a simpler, growing, more valuable business, providing investors with clarity around our strategic goals for the next three years.

FY23 results

The Group reported a net profit after tax (**NPAT**) of $66.5m in FY23, after incurring a non-cash impairment charge of $49.0m (before tax) relating to the Gaming Services business and other significant items benefit totalling $16.4m (before tax)[i].

Revenues were $2,434.4m, up 2.6% on the previous year.

Group EBITDA before significant items[i] was $391.0m[ii], up from $381.6m for the previous year.

Dividend

Delivering sustainable returns for our shareholders is a core focus of Tabcorp. We announced a final dividend of 1.0 cents per share fully franked, with dividends payable for the full year totaling 2.3 cents per share fully franked. This represents a payout ratio of 60% of NPAT before significant items and equity accounted loss.

TAB25

In February 2023 we announced our TAB25 vision. TAB25 is the key strategic driver of our business. It's a three year journey – a light on the hill – that everyone at Tabcorp is working towards. Year one was a foundation year where we created the products, the policy settings and attracted the right people to position the business for growth and achieve our TAB25 aspirations.

We have put in place a clear plan to execute on our strategy and achieve our TAB25 goals of 30% Digital Revenue Market Share, 10% Return on Invested Capital (**ROIC**) and operating expenditure (**Opex**) of between $600m–$620m in FY25[iii][iv].

Levelling the Playing Field

As part of our TAB25 strategy we want to 'Shape the Game' by levelling the playing field in every Australian state and territory so that foreign owned online bookmakers licenced in the Northern Territory pay the same taxes and fees as Tabcorp. This will ensure greater investment in the racing industry and its participants.

We now have a level playing field in Queensland, with legislative changes implemented in December 2022, as well as in the ACT and Tasmania. Victoria plans to be a level playing field from next year under the proposed new wagering licence, while in NSW a process has commenced and we're participating in the current review.

Pleasingly, we've seen an immediate improvement in the performance and growth of the Queensland TAB following reforms in that state – highlighting the opportunities for our Company when we are able to compete on a level playing field.

Genesis and financial discipline

Cost discipline and commercial rigour continues to be a key priority. We're accelerating our Genesis program to create a simpler and leaner organisation and provide capacity to reinvest in our growth initiatives, deliver faster outcomes for our customers and be more effective in the way we work.

(i) For details of significant items, refer to page 13.
(ii) Earnings before interest, taxation, depreciation, amortisation and impairment (**EBITDA**) before significant items is non-IFRS financial information, and unaudited
(iii) Based on current licence structures and business model.
(iv) These forward-looking statements are not guarantees of future performance and actual results may differ.

We remain on track to deliver our TAB25 Opex target – this is a significant achievement given inflationary pressures and the investments we're making.

We're making good progress on establishing a new operating model to enable more agile and contemporary ways of working.

We're also investing in transforming our TAB venues to create a differentiated and more engaging in-venue customer experience and leverage our unique betting ecosystem.

New App and products

In FY23 we successfully launched the new TAB App in time for the Spring Racing Carnival, as promised to the market. We followed this with new products and feature releases, including a new social betting feature with Bets Friends, Same Race Multi, and upgrades of our Same Game Multi. We've now closed product gaps to our competitors and are focussed on becoming market leaders.

To complement our new digital strategy, we also made a strategic investment in a 20% equity interest in social digital wagering platform, Dabble, providing exposure to a fast growing, innovative business.

Pivot to integrity services

In Gaming Services, we're simplifying our business and transitioning to an integrity services model. The successful bid for a new 20-year exclusive Tasmanian monitoring licence highlights the opportunities for this business as governments increase regulatory focus in the sector.

In February 2023 we completed the sale of eBet, and we have also entered into an agreement to sell the MAX Performance Solutions business, targeted for completion prior to December 2023[(i)].

Customer care and the community

Caring for our customers and the community are of critical importance to us as an organisation as we execute on our transformation strategy. We're committed to putting our customers first and being an industry leader in responsible gambling. That means not only complying with the law, but also advocating for a well-regulated and responsible industry.

We're proud to have taken a leadership position to advocate for tougher restrictions on betting advertising to protect young children, teenagers and vulnerable Australians. We support banning advertising during prime-time viewing on free-to-air television and establishing a framework for regulating online gambling advertising. We also advocated for a national regulator and are pleased the federal parliamentary inquiry has recommended a single regulator to ensure all bookmakers are governed by the same standards.

We believe reform in this space is the right thing to do – both for the community and to ensure the sustainability of our industry.

We also announced that Tabcorp has partnered with industry leader Mindway AI, providing access to cutting-edge artificial intelligence technology to allow us to uplift our responsible gambling data analytics capability and keep our customers even safer. These upgrades are an important part of both our digital transformation and our commitment to caring for our customers.

Our people and Values

We would like to acknowledge our people who have been instrumental in a successful foundation year of our TAB25 transformation strategy, while remaining steadfastly committed to delivering exceptional experiences for our customers.

We're building a new culture at Tabcorp and during the year we launched our new Values: Spark Change; Play Fair; and Raise the Roof. These Values underpin the way we work and the delivery of our TAB25 strategy.

Chief Financial Officer (**CFO**), Daniel Renshaw, will be stepping down as CFO at the end of August 2023, and Damien Johnston will be appointed as Interim Acting CFO while the Company undertakes a targeted recruitment process for a new CFO. Daniel has played a key role in the successful Demerger and transformation of our Company and we'd like to thank him for his contribution to Tabcorp over a long period of time.

Conclusion

We want to thank shareholders for their continuing support. We're one year into our TAB25 transformation journey and have created a strong foundation to transform Tabcorp into a stronger, more competitive and growing business by FY25.

We look forward to updating shareholders on our progress on TAB25 at our Annual General Meeting in October, being held in Melbourne and online this year.

Bruce Akhurst
Chairman

Adam Rytenskild
Managing Director and Chief Executive Officer

(i) Subject to purchaser receiving regulatory approvals.

TAB25 STRATEGY

Our TAB25 targets are designed to create a simpler and more valuable business for shareholders in FY25…

WIN THE GAME

Grow core customer metrics with a key metric of

30% DIGITAL REVENUE MARKET SHARE

A new operating model and optimised cost base to

REDUCE OPEX TO $600M–$620M[(i)]

SHAPE THE GAME

LEVEL PLAYING FIELD IN EVERY STATE

Corporate bookmakers pay same taxes and fees as Tabcorp

PIVOT GAMING SERVICES TO INTEGRITY SERVICES

Market leader in

CUSTOMER AND COMMUNITY CARE

CHANGE THE GAME

TARGETED INVESTMENTS

that position Tabcorp for accelerated and diversified growth

DOUBLE OUR ROIC[(ii)] TO 10% IN FY25

Note: These forward-looking statements are not guarantees of future performance and actual results may differ.
(i) Based on current licence structures and business model.
(ii) Return on invested capital (**ROIC**) is earnings before interest and tax (**EBIT**) divided by average invested capital for the financial year. The baseline for the target is 1H23 ROIC of 4.7%.

…and we have a clear execution framework to reshape our business for growth and delivery of market leading offers, products and experiences for customers.

OUR STRATEGY

BIG BETS & FIELDS OF PLAY

Areas of focus for the whole Company

WIN THE GAME

WIN THE AUSTRALIAN MARKET

- Dominate Racing
- Double Down on the Right Sport
- Best Social Entertainment Experience
- Lead Customer Care and Community

SHAPE THE GAME

LEVEL THE PLAYING FIELD

- Licence Reform
- Harmonise Regulations

CHANGE THE GAME

WORLD CLASS BUSINESS PERFORMANCE

- Cost Transformation
- Future Operating Model
- Execution Excellence

STRATEGY ENABLERS

- ADVANCED DATA & ANALYTICS
- GREAT PEOPLE & PARTNERSHIPS
- A CULTURE OF HIGH PERFORMANCE

OUR VALUES

SPARK Change — We disrupt and spark change to make it better

PLAY Fair — We do what's right for our customers, partners, and each other, always

RAISE THE Roof — We bring our passion and have fun doing what we love

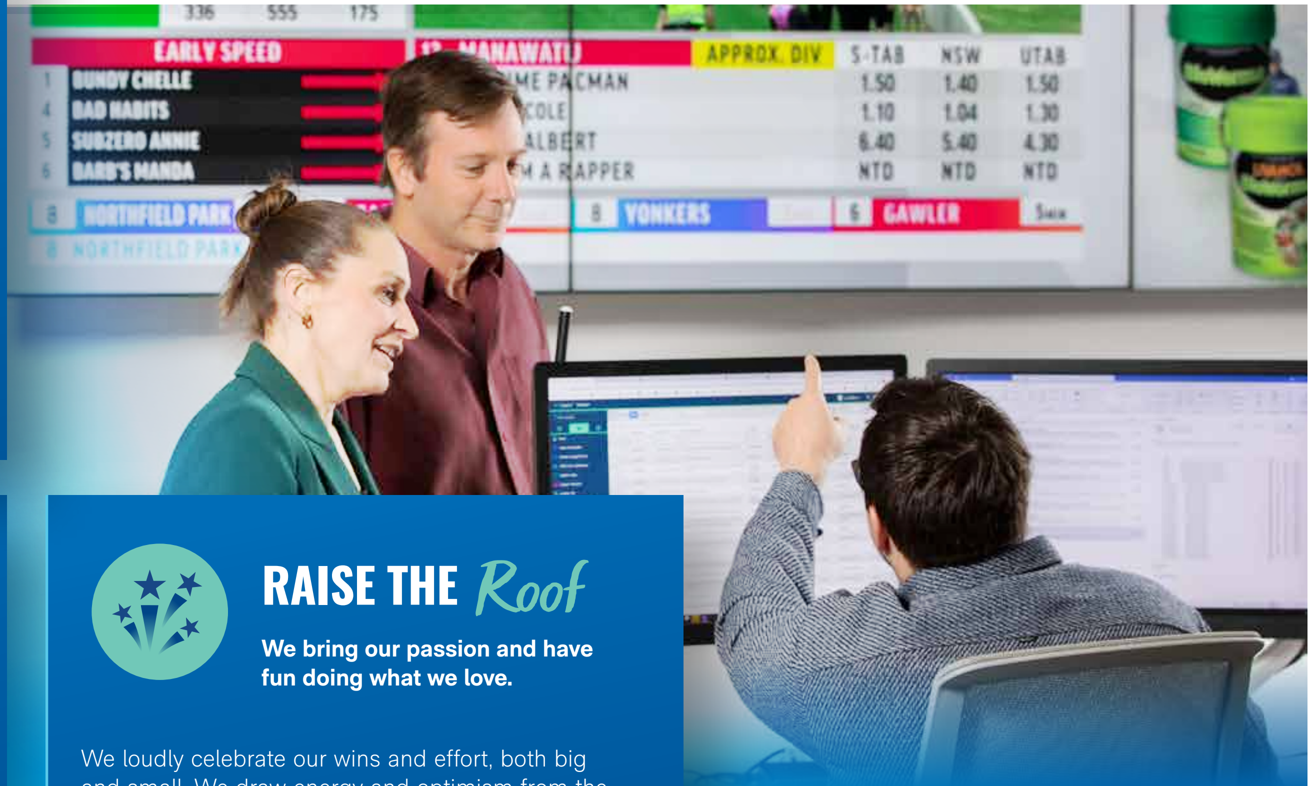
OUR VALUES

We're building a new culture at Tabcorp, underpinned by the launch of our new Values. They're uniquely 'us' – clear and actionable, with a sense of excitement and energy, and a renewed purpose to succeed.

SPARK *Change*

We disrupt and spark change to make it better.

We're curious, hungry for success and we back each other with confidence. We're smart and use our initiative to make decisions and act in ways that have impact, fast. We are problem-solvers, not problem admirers. If we see an issue, we bring a solution mindset and fix it quickly. This means we put improvements in the hands of our customers as quickly as possible.



PLAY *Fair*

We do what's right for our customers, partners, and each other, always.

We're accountable and own our actions and decisions. We're ethical, respectful, and inclusive, and we create a level playing field for all. We know that doing the right thing delivers value for us in the long run, so we responsibly grow our business and people in ways that make us proud. Honest and reliable, underpinned by a culture of warmth, respect and belonging, where everyone is welcome and supported to be their best.

RAISE THE *Roof*

We bring our passion and have fun doing what we love.

We loudly celebrate our wins and effort, both big and small. We draw energy and optimism from the excitement of our industry. Passion fuels us and having pride in who we are and what we do turns a daily job into a daily joy. Our enthusiasm is contagious, and our 'can do' attitude fosters a positive environment for ourselves and our customers to thrive.

LEVEL THE PLAYING FIELD

Tabcorp is one of the largest financial contributors to the Australian racing and wagering industry. Our taxes, licence fees and arrangements support a vibrant local racing industry, Australian jobs, and retail venues, such as pubs and clubs. We support reforms that level the playing field for all wagering operators and ensure a sustainable industry into the future. In FY23, substantial progress was made, with several key markets moving to a level playing field. We also continued to advocate for a fairer and nationally consistent regulatory environment, including further regulation of gambling advertising.

LEVEL PLAYING FIELD SCORECARD

QLD	Level playing field legislation introduced 1 December 2022 – Tabcorp now pays the same fees and taxes as other wagering operators	✓
ACT	Level playing field in operation	✓
TAS	Level playing field in operation	✓
VIC	Victoria will have a level playing field when the new Victorian Wagering Licence commences in August 2024	✓
NSW	Revised POCT implemented 1 July 2022, with an offset for Tabcorp. Process commenced towards a level playing field	IN PROGRESS
SA	Commenced discussion with SA Government and industry for a level playing field	DISCUSSIONS COMMENCED

WIN THE AUSTRALIAN MARKET

NEW APP

Our new TAB App successfully launched in time for the 2022 Spring Racing Carnival

- ✓ Refreshed, easier to use interface
- ✓ Faster, more efficient technology platform (Google Flutter technology)
- ✓ Improved development speed – speed to market reduced from ~4 months to 4 weeks
- ✓ Positive customer response and improved digital competitiveness

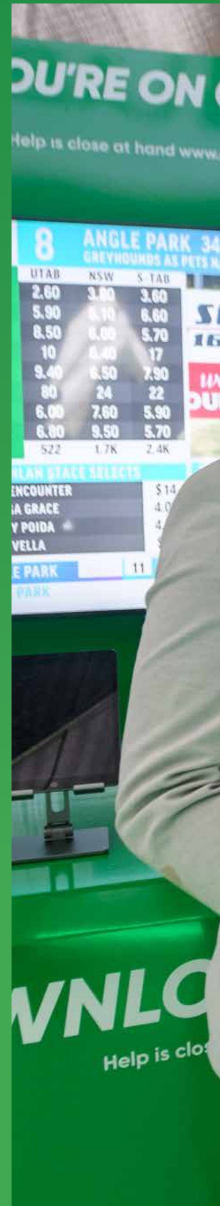
NEW PRODUCTS AND FEATURES

Since the launch of our new App, we're leading the market in volume of new products and features released for our customers

TAB® APP FEATURES

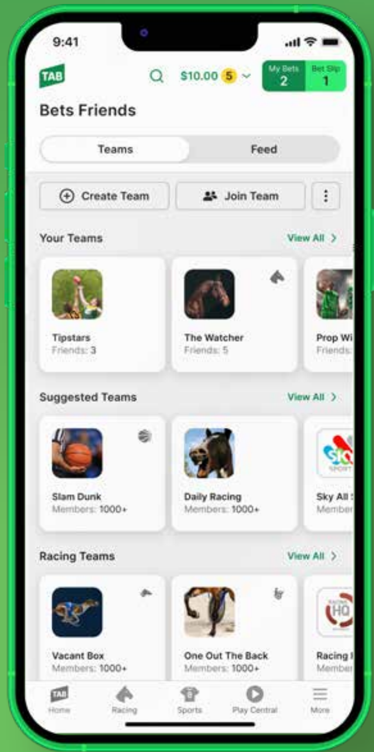
Key
- First to market
- TAB following competitor
- Features

Featured Racing Replays (Play Central)	Share and Copy Bets
FIFA 2022 World Cup Hub	Race Reminders
NBA/NRL/AFL Integrated Stats	Payment Authentication (3Ds2)
NBA/AFL/NRL Stats Centre	Same Race Multi
Popular Same Game Multis (SGM)	Quaddie Tracker
Blackbook Notifications	SGM Upsell
Popular Same Race Multi	Bet Slip Deposit
Enhanced 'My Bets' Experience	Activity Statements
Bets Friends	SGM Market Expansion



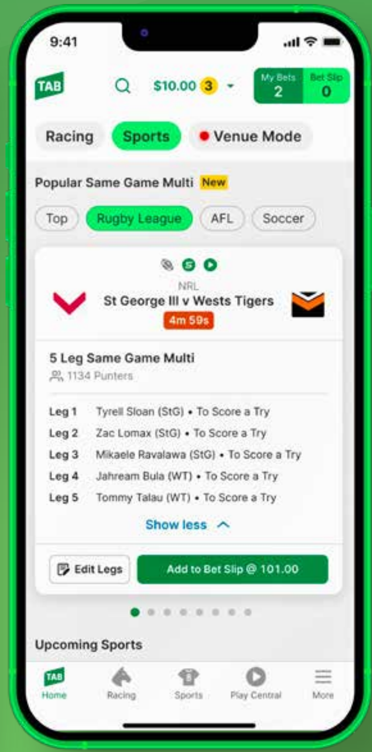
SOCIAL BETTING: BET, TIP + BANTER

Connecting punters and driving digital engagement supported by TAB talent and content



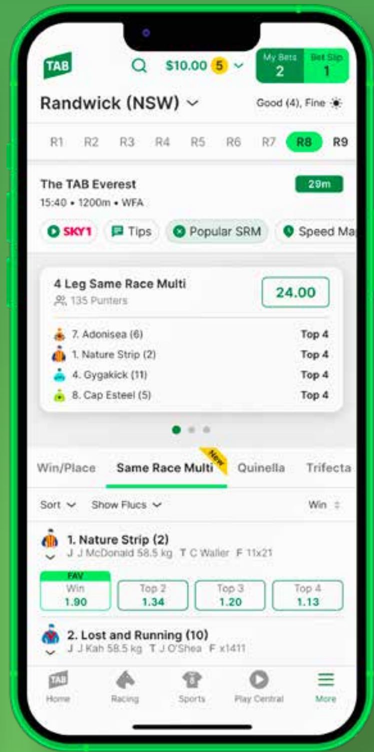
POPULAR SAME GAME MULTI (SGM)

Trending bets products has improved SGM product metrics



SAME RACE MULTI

Closes a product gap in the multi-betting experience



FY23 OVERVIEW

HIGHER REVENUE AND PROFIT

Revenues of $2,434.4m, up 2.6%

NPAT of $66.5m after incurring a non-cash impairment charge of $49.0m (before tax) and other significant items benefit totalling $16.4m (before tax)(i), compared to net loss after tax of $118.4m

Earnings per share of 2.9 cps, up from loss of 5.3 cps

Full year dividends totalled 2.3 cps fully franked, includes final dividend of 1.0 cps fully franked

STRONG COST PERFORMANCE AND BALANCE SHEET

Well controlled operating costs before significant items(i) of $617.5m

Genesis cost and efficiency program on-track

Increased and diversified available funding with new A$425m equivalent US Private Placement note issuance

IMPROVED DIGITAL COMPETITIVENESS

Successful new TAB App launched ahead of the 2022 Spring Racing Carnival

Key product gaps closed, 10 product releases since launch of new TAB App

Record 805,000 active digital TAB account customers, up 3%

AUSTRALIAN WAGERING STRUCTURAL REFORM

Level playing field in QLD, ACT, TAS and in VIC (post August 2024)

QLD best performing market with 5% higher turnover growth than other TAB markets since 1 December 2022

Leadership on advertising restrictions and nationally consistent regulation

PIVOT TO INTEGRITY SERVICES

Awarded new Tasmanian Monitoring Licence which commenced 1 July 2023

Sale of eBet completed 1 February 2023

Sale of MAX Performance Solutions announced with completion targeted prior to December 2023(ii)

NEW VALUES AND CAPABILITY

Launched new Company Values

Injected new talent

Significantly expanded data and digital capabilities

Note: Results are for FY23, or as at 30 June 2023, as applicable, unless otherwise stated, with comparisons to FY22. Results are from continuing operations, excluding the former Lotteries and Keno business which was demerged in FY22.
(i) For details of significant items refer to page 13.
(ii) Subject to purchaser receiving regulatory approvals.

WE HAVE DELIVERED ON OUR KEY PRIORITIES AND BUILT THE FOUNDATIONS TO SUPPORT DELIVERY OF OUR TAB25 AMBITIONS

Revenues

$2,434.4m

up 2.6%

Net profit after tax (NPAT)

$66.5m

up from a net loss after tax of $118.4m

Full year dividend payout ratio

60%

of NPAT before significant items[i] and equity accounted loss

(i) For details of significant items refer to page 13.

REVIEW OF FY23 RESULTS

Group results

The Group's results for the financial year ended 30 June 2023 (**FY23**) represent the first full financial year of operation following the Demerger, which was implemented on 1 June 2022.

The financial results for FY23 relate to the Tabcorp Group's two businesses:

- Wagering and Media
- Gaming Services

Comparisons to the prior period are in respect of the continuing businesses for the full year to 30 June 2022 (**FY22**).

The Group reported revenues for FY23 of $2,434.4m, up 2.6% on the prior year.

Statutory net profit after tax (**NPAT**) was $66.5m after incurring a non-cash impairment charge of $49.0m (before tax) relating to the Gaming Services business and other significant items benefit totalling $16.4m (before tax)[i].

This compared to a statutory net loss after income tax of $118.4m in the prior year.

The Group reported a statutory net profit before income tax, net finance costs and equity accounted investment of $117.9m, compared to a statutory net loss of $75.1m in the previous year.

Group EBITDA before significant items[i] was $391.0m, up from $381.6m for the previous year.

Statutory earnings per share (**EPS**) for FY23 was 2.9 cents per share, compared to a loss of 5.3 cents per share for the prior year.

In FY23, Tabcorp set the foundations to transform the Company into a stronger, more competitive and growing business by FY25 in line with the TAB25 strategy.

The new TAB App was launched, followed by 10 new product releases, increasing TAB's digital competitiveness and closing product gaps.

Further progress was made on levelling the playing field, with reforms introduced in Queensland resulting in Tabcorp paying the same wagering taxes and fees as online wagering operators. A level playing field has also been implemented in ACT and Tasmania, and TAB is seeking a level playing field in every Australian state and territory.

Gaming Services made strong progress on the transition to an integrity services model, with the award of the new exclusive 20-year licence to monitor all electronic gaming machines (**EGMs**) in Tasmania (which commenced 1 July 2023) and completion of the sale of the eBET business. Following the end of the year, the Group announced the sale of MAX Performance Solutions (**MPS**)[iii].

Refer to pages 14 to 19 for further details about the performance of each operating business.

Good progress was made on the Genesis program to improve organisational efficiency and support cost management.

Net operating expenses in FY23 were largely consistent with FY22. FY23 benefited from gains on disposal of assets, an insurance recovery and the Genesis program, offset by dis-synergies from the Demerger, inflation and cycling savings due to COVID restrictions in 1H22.

Strong performance on costs will provide flexibility to invest in the business in FY24, with the Group expecting to invest in repositioning the TAB brand in 1H24 along with continued investment in data and analytics capability.

The Group recorded capital expenditure of $155.4m[iv] in FY23.

	Statutory			Statutory before significant items		
Group results[v]	**FY23**	**FY22**	**Change**	**FY23**	**FY22**	**Change**
For the year ended 30 June	**$m**	**$m**	**%**	**$m**	**$m**	**%**
Revenues	**2,434.4**	2,373.3	2.6	**2,434.4**	2,373.3	2.6
Taxes, levies, commissions and fees	**(1,411.6)**	(1,538.2)	(8.2)	**(1,425.9)**	(1,392.1)	2.4
Net operating expenses[vi]	**(615.4)**	(618.8)	(0.5)	**(617.5)**	(599.6)	3.0
EBITDA[ii]	**407.4**	216.3	88.3	**391.0**	381.6	2.5
Depreciation and amortisation	**(240.5)**	(286.4)	(16.0)	**(240.5)**	(286.4)	(16.0)
Impairment – other	**(49.0)**	(5.0)	NM[vii]	**-**	-	-
Profit/(loss) before income tax, net finance costs and equity accounted investment (**EBIT**)	**117.9**	(75.1)	NM	**150.5**	95.2	58.1
Profit/(loss) before tax	**82.7**	(136.2)	NM	**115.3**	(30.2)	NM
Profit/(loss) after income tax	**66.5**	(118.4)	NM	**84.3**	(18.1)	NM
EPS – cents per share	**2.9**	(5.3)	NM	**3.8**	(0.8)	NM

(i) Significant items are disclosed on the following page and in note A1 of the Financial Report.
(ii) Non-IFRS financial information, and unaudited.
(iii) Targeted for completion prior to December 2023, subject to purchaser receiving regulatory approvals.
(iv) Excludes $8.0m of Demerger related capital expenditure.
(v) Results from continuing operations, excluding the former Lotteries and Keno business which was demerged in FY22.
(vi) Includes other income.
(vii) Percent change is not meaningful.

The FY23 statutory results include the following one-off significant items:

- Net gain on the sale of eBet to Venue Digital Technology Pty Ltd which completed on 1 February 2023.
- Net gain on the disposal of MPS EGMs.
- On 29 January 2016, Tabcorp entered into an agreement for the development and implementation of the Pari-Mutuel Odds Calculation System. In FY20 an onerous contract provision was recognised. During FY23, both parties mutually agreed to end the contract early and as such the onerous contract provision has been reversed.
- An agreement has been entered into for the sale of MPS. The carrying value of the disposal group exceeded its recoverable amount resulting in a write down.
- Genesis transformation program establishment and implementation costs.
- Costs incurred to separate Tabcorp and The Lottery Corporation (TLC) into two standalone companies. These costs exclude technology related separation costs which are recharged from TLC.

The table below provides a reconciliation of the statutory results to the statutory results before significant items.

The statutory results before significant items is more meaningful for understanding the underlying financial performance of the Group.

Consolidated ($m) Year ended 30 June 2023	Statutory	Gain on sale of eBet	Gain on sale of MPS EGMs	Onerous contract	MPS write-down	Tranformation costs	Demerger costs	Other	Statutory before significant items
Revenue	**2,434.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,434.4**
Taxes, levies, commissions and fees	(1,411.6)	-	-	(6.5)	-	-	-	(7.8)	(1,425.9)
Net operating expenses[i]	(615.4)	(34.2)	(6.5)	-	1.6	20.3	8.9	7.8	(617.5)
EBITDA[ii]	**407.4**	**(34.2)**	**(6.5)**	**(6.5)**	**1.6**	**20.3**	**8.9**	**-**	**391.0**
Depreciation, amortisation and impairment	(289.5)	-	-	-	49.0	-	-	-	(240.5)
EBIT	**117.9**	**(34.2)**	**(6.5)**	**(6.5)**	**50.6**	**20.3**	**8.9**	**-**	**150.5**
Equity accounted loss	(2.7)	-	-	-	-	-	-	-	(2.7)
Net finance costs	(32.5)	-	-	-	-	-	-	-	(32.5)
Profit from continuing operations before income tax	**82.7**	**(34.2)**	**(6.5)**	**(6.5)**	**50.6**	**20.3**	**8.9**	**-**	**115.3**
Income tax	(16.2)	-	2.0	2.0	(9.1)	(6.1)	(3.6)	-	(31.0)
Net profit after tax	**66.5**	**(34.2)**	**(4.5)**	**(4.5)**	**41.5**	**14.2**	**5.3**	**-**	**84.3**

Capital management

The Group's balance sheet remains in a strong position, with $344.7m in net debt[iii] and undrawn debt facilities of $950m as at 30 June 2023. Gearing[iv] was 0.9 times as at 30 June 2023.

During FY23 the Group increased and diversified its sources of available funding and lengthened its debt maturity profile with a new A$425m equivalent US Private Placement (**USPP**) note issuance.

The Group's average debt maturity is 4.7 years.

Dividends

A final dividend for FY23 of 1.0 cents per share fully franked has been announced. The final dividend will be payable on 18 September 2023 to shareholders registered at 1 September 2023. The ex-dividend date is 31 August 2023.

The interim and final dividends payable in respect of FY23 totalled 2.3 cents per share fully franked.

This equates to a FY23 dividend payout ratio of 60% of NPAT before significant items and equity accounted loss, which is in line with the Group's previously announced target dividend payout ratio of 50% to 70% of NPAT before significant items.

The Dividend Reinvestment Plan will operate in respect of the FY23 final dividend, with no discount applicable.

The table below shows the dividends paid, declared or recommended by the Company since the end of the previous financial year.

Further information regarding dividends may be found in note A3 to the Financial Report.

Description	FY23 final	FY23 interim	FY22 final
Amount[v]	1.0 cents	1.3 cents	6.5 cents[vi]
Record date	1 Sep 2023	27 Feb 2023	1 Sep 2022
Payment date	18 Sep 2023	21 Mar 2023	23 Sep 2022
Total	$22.8m	$29.6m	$144.7m

(i) Includes other income.
(ii) Non-IFRS financial information, and unaudited.
(iii) Net debt is gross debt (including lease liabilities) less cash (excluding restricted cash), and is unaudited.
(iv) Gearing is net debt divided by EBITDA. EBITDA is non-IFRS financial information and unaudited.
(v) Amount per share fully franked.
(vi) The FY22 final dividend included five months of earnings from the now discontinued Lotteries and Keno business prior to the Demerger being implemented.

WAGERING AND MEDIA

OUR BETTING ECOSYSTEM

We're leveraging our unique and highly desirable betting ecosystem to deliver engaging and exciting experiences for our customers.

Digital

- Record 805,000 active digital TAB customers
- New TAB App and product parity with competitors
- Faster speed to market
- Uplifted data and analytics capability

TAB

- Unparalleled brand reach
- Modernised TAB brand (FY24)

Destinations

- Significant Australian footprint with a TAB retail network of ~4,000 venues consisting of agencies, hotels, pubs, clubs and on-course
- Exclusive customer engagement and acquisition channel
- Upgraded venue fit outs commencing in FY24 to increase foot traffic and conversion to TAB digital customers in-venue

Vision & Content

- Sky is Australia's leading racing channel
- More than 150,000 races broadcast live around the world every year
- Uplifted form, analytics and content delivering improved digital customer experience

WAGERING AND MEDIA BUSINESS CONTINUED

TAB is a leading omni-channel provider of wagering experiences in Australia, with a unique combination of digital, retail destination and media assets. TAB's unrivalled retail network consists of TAB agencies, hotels, pubs and clubs as well as on-course operations, and is complemented by TAB's nationally available App, online and call-centre platforms.

The wagering licences held by Tabcorp across each State and Territory (excluding Western Australia) enable it to exclusively offer totalisator and cash betting on racing and sporting events through retail. TAB operates throughout NSW, Victoria, Queensland, South Australia, Tasmania, ACT and Northern Territory. The Victorian wagering business currently operates as a 50:50 joint venture with the Victorian racing industry until the licence ceases in August 2024.

Premier Gateway International (**PGI**) operates an international wagering and tote pooling hub, licensed and operating out of the Isle of Man. PGI is one of the largest global tote hubs and is also the only tote pooling hub that operates 24 hours a day, all year round.

Our Sky media business is a leader in multi-venue, multi-channel racing and sports broadcasting. Sky operates a combination of racing and sports channels which are extensively distributed directly to TAB's venue network, in-home to pay TV subscribers and over various digital platforms, including the Sky Racing Active App.

Sky Racing World (**SRW**), based in the US, manages the international marketing and distribution of international racing content. SRW also assists with importing racing content from around the world into Australia and facilitates associated tote pools. SRW holds a Totalisator Licence in North Dakota, which enables the co-mingling of US wagering operators with TAB's domestic pools.

Refer to pages 45 and 46 for further information.

Review of FY23 performance

In FY23, Wagering and Media revenues were $2,230.8m, up 2.2%, and EBIT before significant items(i) was $116.2m, up 27.7% on the prior year.

The performance of the Wagering business improved in FY23, cycling a COVID-19 impacted prior year, partially offset by a decline in the digital wagering market, increased generosity costs in a highly competitive environment and investments in the new TAB App and digital products.

Wagering revenues were $1,761.1m, up 1.9% on the prior year.

TAB cash wagering revenues were $818.4m, up 25.1%, as customers returned to venues post COVID-19 lockdowns and retail closures.

TAB digital wagering revenues were $942.7m, down 12.2%, impacted by a softening digital wagering market in FY23 cycling COVID-19 tailwinds in the prior year.

The new TAB App was successfully launched ahead of the 2022 Spring Racing Carnival and this was followed up with 10 new product releases. During the year TAB increased speed to market and closed product gaps, improving its digital competitiveness.

Active TAB digital customers increased 3% to a record 805,000 (measured on a rolling 12-month basis).

TAB market share stabilised in FY23 with(ii):

- total revenue market share of 34.6%, up from 33.6%;
- digital turnover market share of 20.0%, up from 19.7%; and
- digital revenue market share of 24.5%, down from 24.9%, negatively impacted by lower sports yields relative to competitors in the final quarter of the year.

Legislative reforms were implemented in Queensland on 1 December 2022, resulting in Tabcorp paying the same wagering taxes and fees as online wagering operators in that state. Since then, TAB has experienced higher turnover growth in Queensland relative to other TAB states and territories.

(i) Non-IFRS financial information, unaudited.
(ii) Digital includes digital and call centre channels in which a customer transacts using their account. Based on data supplied by industry partners which accounts for approximately one-third of the wagering market. All data is before generosities.

A level playing field has now also been implemented in Tasmania and the ACT, with Tabcorp seeking a level playing field in every jurisdiction.

Upgrades of TAB's retail network have commenced, with innovative retail fit outs being rolled out at key TAB venues to enhance and unlock the full potential of TAB's unique integrated wagering ecosystem.

Revenues from the Media and International businesses were $469.7m, up 3.4% on the prior year.

The performance of the Media and International businesses were driven by:

- an end to subscription fee relief for COVID-19 impacted venues in the prior period;
- increased vision export revenues;
- benefits from new digital vision distribution agreements; and
- PGI growth from betting into non-Australian markets.

Following the end of the year, Sky entered into an extension of a digital vision supply agreement with Sportsbet for a further 10 years, extending a significant digital rights revenue stream for the business to 2036.

Operating expenses for Wagering and Media grew 2.8% to $507.1m, reflecting Demerger dis-synergies, cost inflation and a COVID-19 impacted prior period that saw reduced retail and other expenses, partly offset by insurance proceeds and Genesis savings.

Active TAB digital wagering customers(i)

805,000

up 3%

Sky broadcasts live races around the world

+150,000

per annum

Wagering and Media results for the year ended 30 June	FY23 $m	FY22 $m	Change %
Revenues	**2,230.8**	2,181.9	2.2
Taxes, levies, commission and fees	**(1,415.7)**	(1,382.6)	2.4
Operating expenses	**(507.1)**	(493.3)	2.8
EBITDA before significant items(ii)	**308.0**	306.0	0.7
Depreciation and amortisation	**(191.8)**	(215.0)	(10.8)
EBIT before significant items(ii)	**116.2**	91.0	27.7

TAB total revenue market share

34.6%

up from 33.6%

TAB digital revenue market share

24.5%

down from 24.9%(iii)

Note: Results are for FY23, or as at 30 June 2023, as applicable, unless otherwise stated, with comparisons to FY22.
(i) Wagering active customers measured on a rolling 12 month basis.
(ii) Non-IFRS financial information, unaudited.
(iii) Digital includes digital and call centre channels in which a customer transacts using their account. Based on data supplied by industry partners which accounts for approximately one-third of the wagering market. All data is before generosities.

GAMING SERVICES

MAX is Australia's leading gaming services operator.

We are trusted by governments and regulators to provide electronic gaming machine (**EGM**) monitoring and related services.

Our integrity services business, MAX Regulatory Services (**MRS**), monitors EGMs across NSW, Queensland, Northern Territory and, from 1 July 2023, Tasmania.

Our venue services business, comprising MAX Performance Solutions (**MPS**), MAX Integrated Systems and MAX Technical Services, provides a mix of products, technology, financing, support, maintenance and other gaming services to venues nationwide.

Refer to pages 46 and 47 for further information.

Review of FY23 performance

In FY23, Gaming Services revenues were $203.6m, up 5.5%, and EBIT before significant items(i) was $34.4m, up from $3.8m in the prior year.

The performance of the Gaming Services business benefited from:

- contracted CPI-linked price increases in the MRS business; and
- cycling COVID-19 related retail closures in the prior year,

partly offset by the negative impacts of the non-renewal of some EGM contacts from mid-August 2022.

During the year the business successfully progressed its transition to an integrity services model as a provider of monitoring and integrity services capability to government.

We were awarded a new 20-year exclusive Tasmanian Monitoring Operator Licence to monitor all EGMs in hotels and clubs in Tasmania, which commenced on 1 July 2023.

The sale of the eBet business completed in February 2023 for $59.0m after customary working capital and other adjustments, and on 24 August 2023, the Group announced it had entered into an agreement to sell MPS, with completion targeted prior to December 2023(ii). An impairment of $49.0m was recognised as at 30 June 2023 in respect of the MPS business, which is currently held for sale.

Operating expenses grew 2.8% to $110.1m, due to Demerger dis-synergies, cost inflation and cycling COVID-19 related cost reduction opportunities in the prior period.

Gaming Services results for the year ended 30 June	FY23 $m	FY22 $m	Change %
Revenues	**203.6**	192.9	5.5
Taxes, levies, commission and fees	**(10.4)**	(10.6)	(1.9)
Operating expenses	**(110.1)**	(107.1)	2.8
EBITDA before significant items(i)	**83.1**	75.2	10.5
Depreciation and amortisation	**(48.7)**	(71.4)	(31.8)
EBIT before significant items(i)	**34.4**	3.8	>100

MAX monitored EGMs

NSW	91,970	up 1.8%
QLD	28,710	up 0.2%
NT	1,530	up 11.7%
Total	**122,210**	up 1.5%

Note: Results are for FY23, or as at 30 June 2023, as applicable, unless otherwise stated, with comparisons to FY22.
(i) Non-IFRS financial information, unaudited.
(ii) Subject to purchaser receiving regulatory approvals.

SUSTAINABILITY

As part of our vision of ***Raising the Game***, we're committed to being here for the long term by taking care of our customers and people, being part of the community and operating our business with integrity.

Our Sustainability Framework (**Framework**) helps to demonstrate how we're creating long term value in the management of our environmental, social and governance (**ESG**) risks and opportunities. It's aligned with our business strategy, expectations of our team members and stakeholders, and with a strong focus on customer care.

The Framework is a result of a robust materiality assessment and consultation process completed in FY22. During FY23, we refreshed our materiality assessment and concluded that our material ESG issues remain consistent with those identified in previous years. This work confirms we have a clear understanding of what is most important to our business and stakeholders, and that we are focusing our work in the right areas.

A summary of our Framework and our progress during FY23 is outlined below, including alignment with the United Nations Sustainable Development Goals.

Our Sustainability Framework

Pillars	Goals	Targets	FY23 progress
CUSTOMER CARE 3 GOOD HEALTH AND WELL-BEING	• Deliver customer-centric responsible wagering and gaming initiatives designed to prevent and minimise harm • Build and maintain cybersecurity controls that protect our customers' privacy and security and drive competitive advantage through customer and stakeholder trust	• Customer Care Strategy design and implementation • No. 1 trusted wagering brand for customer care • Protect our customer's data and personal information • Maintain cybersecurity defences that build competitive advantage	• Customer Care Strategy developed and being implemented • Customer perception surveys introduced • Developed our Responsible Marketing and Advertising Position Statement which was launched in July 2023 • No priority 1 or 2 cyber incidents • No reportable data and privacy breaches
CONTRIBUTE TO OUR COMMUNITY 17 PARTNERSHIPS FOR THE GOALS	• Contribute to the strength of our stakeholders through shared economic benefits and industry support • Deliver strategic community partnerships and investment to support the communities we operate in • Engage on key industry issues such as animal welfare and sports integrity	• Contribute to a stronger local economy • Invest in strategic programs and causes that deliver benefit to our local community • Build strategic partnerships to help address key industry issues by 2025	• Generated $1.1b for the racing industry, $0.5b in State and Federal Government taxes, $0.2b for our retail partners, $0.3b of employee costs and $0.1b to shareholders • Continued our support of grass roots charities and community organisations with $1.4m of voluntary contributions

SUSTAINABILITY CONTINUED

Pillars	Goals	Targets	FY23 progress
SUPPORT OUR PEOPLE TO SUCCEED 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	• Foster a diverse, equitable and inclusive workplace • Invest in the health, safety and wellbeing of our team • Attract the best talent and support our team to shape their careers	• Inclusion and Diversity strategy design and implementation • Balanced and diverse leadership team: 40:40:20 by 2030 • Provide a safe workplace to our people, contractors and customers • 70% engagement score by 2025	• Delivered Inclusion and Diversity plan centred on 4 strategic pillars: Balanced teams; Belonging; Inclusive Practices; and Inclusive Brand • Female representation at 30 June 2023: 43% Non-Executive Directors; 25% Executive Leadership Team; 37% Leadership Cohort; and 39% whole workforce • Named an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the eighth consecutive year • Lost Time Injury Frequency Rate was 2.6 lost time injuries per million hours worked (compared to 1.3 for FY22) • Engagement score increased from 57% to 59% compared to previous period (August 2022)
BUILD A SUSTAINABLE FUTURE 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 10 REDUCED INEQUALITIES 13 CLIMATE ACTION	• Deliver a robust, transparent and effective approach to ESG • Develop a Net Zero roadmap to support our emission reduction targets • Source products and services responsibly and sustainably	• Maintain membership and inclusion in the DJSI (World and Australia) and the FTSE4Good Index • 45% reduction in Scope 1 and 2 emissions by 2030 from 2019 levels. Net zero by 2050 • Responsible Procurement Action Plan delivery and implementation (Human Rights/Modern Slavery focus)	• Maintained membership and inclusion in the DJSI (World and Australia) and in the FTSE4Good Index • Continued progress to achieve 2030 and 2050 targets. Development of Net Zero Plan underway, targeted for completion in early FY24 • Developed our Responsible Procurement Action Plan for Modern Slavery and Human Rights

Our detailed sustainability approach and performance will be disclosed in our 2023 Sustainability Report, which will be available at **www.tabcorp.com.au**.

CUSTOMER CARE

Customers are, and always will be, at the heart of our business. We're committed to putting our customers first and being a leader in responsible gambling (**RG**). That means not only complying with the law, but also advocating for a well-regulated and responsible industry. We engage regularly with governments, regulators, industry groups and community groups dedicated to RG to enhance their understanding and relevant research in this area.

Our approach to customer care and the responsible provision of our products is underpinned by our Customer Care Strategy and Customer Care Principles.

Our Customer Care Strategy is focused on key areas of RG, grouped in the five pillars of: responsible advertising; awareness and training; monitoring and intervention; financial; and social impact. Well defined targets are in place for each of these key areas to help hold ourselves accountable. Our Customer Care Principles empower team members to support RG use, raise awareness about RG, and encourage wider use of RG tools.

A summary of our Customer Care Strategy and progress during FY23 is outlined on the following page.

Our Customer Care Strategy

Pillars	Targets	FY23 progress
RESPONSIBLE ADVERTISING	• Leadership position in government/regulatory engagement to advocate for tougher restrictions on betting advertising, including during prime-time viewing to protect young children, teenagers and vulnerable Australians	• Advocated for tougher restrictions on betting advertising: – Submission made to the federal parliamentary inquiry recommending further restrictions on free-to-air gambling advertising (blackout between 6:30am–8:30pm) – Pushed for consistent framework to regulate social media advertising – Committed to phasing out free-to-air TV advertising, even if government does not legislate – Our position on customer care was reaffirmed during the 2023 federal government inquiry into online gambling and its impacts on those experiencing gambling harm – Formalised our commitment to responsible gambling advertising in our Responsible Marketing and Advertising Position Statement
AWARENESS AND TRAINING	• Deliver targeted responsible gambling training modules for customer facing team members to help identify potential harmful gambling indicators • 100% of team members to complete annual Responsible Gambling training • In FY23, deliver a dedicated marketing strategy for responsible gambling awareness through all available channels	• Delivered RG training to all team members, with a 98% completion rate[(i)] • Partnered with Epic Risk Management and delivered additional targeted RG training modules to our Executive Leadership Team (**ELT**), and customer facing employees across the organisation • Dedicated RG marketing strategy in development. A range of programs were implemented during FY23, including inclusion of banners in apps, Sky radio and TV messages and oncourse communications
MONITORING AND INTERVENTION	• Implement data driven tools to monitor and intervene at the first signs of harmful gambling across FY23 and FY24 • Enhance reporting to internal stakeholders on key intervention metrics	• Entered into a partnership with Mindway AI to uplift our RG data analytics capability and keep our customers safer • Prepared an Enhanced Player Tracking Tool which is expected to be delivered in FY24 • Improved data analytics to identify and intervene with customers who exhibit changing deposit behaviours • Improved internal operational excellence (tools, technology) to support teams identifying and contacting customers who may exhibit changing gambling behaviours • Monitoring of key business metrics has commenced, with reporting delivered via our internal Voice of Customer meetings and Customer Care Advisory Committee
FINANCIAL	• Year on year reduction in % wagering revenue generated from accounts closed for potential harmful gambling[(ii)]	• Continued to improve our controls to identify potential harmful gambling in TAB accounts. Our performance against this target is going through external assurance, and will be disclosed in our Sustainability Report
SOCIAL IMPACT	• Invest in community programs to support the prevention and treatment of harmful gambling • No. 1 trusted wagering brand for customer care	• Provided in principle support to participate in and contribute to a new voluntary industry funding model for financial counselling • No. 2 trusted wagering brand for customer care[(iii)]

(i) The outstanding 2% refers to team members that were unable to complete the training due to long term leave and cessation of employment/engagement.
(ii) The original target has been reworded to better articulate our approach to this metric.
(iii) Question presented to customers via TAB Brand Insights Report: If you had to choose just one provider, which would you say you trust the most for responsible gambling promotion and support?

Responsible Marketing and Advertising

We are committed to protecting young children, teenagers and vulnerable Australians, and have taken a leadership position in government and regulatory engagement to advocate for tougher restrictions on betting advertising.

We support banning advertising during prime-time viewing on free-to-air television and establishing a framework for regulating online gambling advertising.

We believe reform in this space is the right thing to do – both for the community and for the sustainability of our industry.

Responsible marketing and advertising practices play a crucial role in our operations. Our Responsible Marketing and Advertising Position Statement, summarised opposite, supports our mission to deliver our products and experiences safely and responsibly and sets the benchmark for sustainability in our industry.

Our Responsible Marketing and Advertising Principles

- We comply with applicable laws, regulations, and industry standards
- We provide honest, accurate and balanced information about our products and services
- We depict marketing and advertising material in line with prevailing community standards, and respect human dignity and integrity
- Our marketing and advertising activities are consistent with the aims of providing informed choice and avoiding gambling harm
- Content that could appeal to minors, depict minors, or someone who appears to be under 18 years of age in advertising or marketing material is strictly prohibited
- We promote the socially responsible use of our betting services as a recreational and entertainment activity
- Customer data in our marketing and advertising campaigns are used in accordance with our Privacy Policy
- We have systems and processes in place to help manage our compliance with applicable laws, regulations, standards, and codes
- We hold ourselves accountable. Where breaches of our principles and applicable laws, regulations, standards, and codes occur, we take steps to rectify them

Further information about our customer care commitments, principles and practices, and our Responsible Marketing and Advertising Position Statement, are available from our website at **www.tabcorp.com.au/sustainability/customer-care**

ENVIRONMENT AND CLIMATE CHANGE

While Tabcorp's environmental footprint is relatively small when compared with other Australian companies and industries, we're committed to adopting sustainable practices and reducing our environmental impact.

We recognise climate change is a significant global challenge and we're focussed on addressing our climate-related risks and exploring opportunities to support the sustainability of our business and our industry.

Our Environment and Climate Change Position Statement sets out our commitments to minimising our environmental impacts through risk management practices, effective governance, enhancing transparency, and strengthening our resilience. These commitments are summarised opposite.

Our key Environment and Climate Change Position Statement commitments

Risk assessment

Assessing environmental risks and opportunities, including those linked to climate change, and mitigating these impacts to minimise risk and leverage opportunity

Governance

Effective governance and oversight of environmental and climate-related risks and opportunites that may impact Tabcorp

Reporting

Publicly report on our environmental and climate performance and related risk management

We have set medium and long term greenhouse gas (**GHG**) emissions reduction targets aligned with the Paris Agreement, which are shown opposite.

During the year, we continued our progress in this area, including by:

- commencing development of our Net Zero Plan, targeted for completion in early FY24;
- re-baselining our 2019 GHG emissions post-Demerger;
- undertaking a climate-related risk assessment for the post-Demerger organisation, which confirmed that while climate-related risks exist, they currently do not have the potential to materially impact our business;
- partnering with a fleet management company to reduce the environmental footprint when retiring used vehicles;
- upgrading our facilities to be more energy efficient;
- further investigating and planning to transition our fleet to hybrid vehicles; and
- exploring renewable energy options, such as solar electricity.

45%

reduction of 2019 level operating (Scopes 1 and 2) GHG emissions by 2023

NET ZERO

GHG emissions by 2050

Tabcorp's Environment and Climate Change Position Statement is available from our website at **www.tabcorp.com.au/sustainability/sustainable-future**

Task Force On Climate-Related Financial Disclosures (TCFD)

We support the recommendations of the TCFD. While Tabcorp has a relatively small environmental footprint, we acknowledge that our business may be susceptible to future changes in climate and are committed to enhancing transparency, improving risk management, and strengthening our resilience in the face of climate-related challenges.

We have been disclosing climate-related information through the CDP since 2017 and adopted the TCFD framework in our Sustainability Report for the first time last year to align with global best practices. This is our second year of reporting using this framework and we'll continue to elevate the maturity of our climate-related disclosures each year.

TCFD alignment summary

TCFD recommendation	Our progress
Governance Disclose the organisation's governance around climate-related risks and opportunities	• The Board with the support of the Board Risk, Compliance and Sustainability Committee (**BRCSC**) oversees sustainability issues (including climate change) • Accountability for overseeing our response to current and emerging environmental and social obligations, including in relation to risks and opportunities associated with climate change, sits with the Chief Legal and Risk Officer (**CLRO**) and the ELT. The CLRO is a member of the ELT, reporting directly to the MD & CEO and to the BRCSC
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	• Climate-related risks and opportunities applicable to Tabcorp have been identified over the short, medium, and long term through climate-related risk assessments • These assessments informed our approach to climate change, which is captured under the Sustainable Future pillar of our Sustainability Framework. We are currently developing a Net Zero Plan to better articulate how we're addressing our risks and opportunities, targeted for completion in early FY24 • We expect to use climate-related scenario analysis in the near future to better inform our strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks	• Risk Management Framework (**RMF**) in place to enable the effective identification, monitoring, management and reporting of risks, including climate-related risks and opportunities • Climate change is not currently considered a material risk for Tabcorp at a whole-of-Group level
Metrics and targets[(i)] Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	• Medium and long term targets for Scope 1 and 2 greenhouse gas (**GHG**) emissions are in place (refer to page 26) • We disclose Scopes 1, 2 and 3 GHG emissions in our annual Sustainability Report • A Scope 3 target is currently under consideration

(i) Data and performance against targets will be available in our 2023 Sustainability Report.

Refer to pages 40 to 44 for more information about how we're addressing the TCFD recommendations.

COMMUNITY

We have a long history of supporting the Australian economy and the community.

In FY23, almost 65% of our revenue was returned to governments, racing industry and retail partners, totalling $1.8b[i].

These contributions support essential government-funded community services and are a significant source of funding for our industry partners.

We also contributed to the economic development and resilience of the Australian community through job creation, buying from local businesses and supporting grass roots charities and community organisations.

We have key partnerships with a range of charitable organisations that are aligned with our strategic direction. We engage with our strategic partners to provide financial support and share our resources, networks, skills, expertise and people.

During the year we partnered with industry-linked charities and supported a number of programs, including:

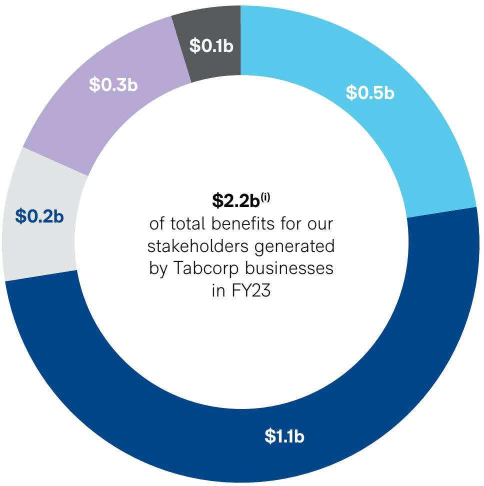
- National Jockeys Trust
- Crowdsourcing for jockeys' families
- Harness racing's Team Teal supporting women's health
- Thoroughbreds Are Go
- Transitioning Thoroughbreds Foundation
- Harness Racing Victoria HERO program
- Riding for Disabled Association of Australia

We also supported:

- Prostate Cancer Foundation Australia
- OzHarvest
- GIVIT's relief for flood impacted communities
- Other charities through our employee community engagement program
- Red Cross blood donations

These initiatives and partnerships demonstrate our commitment to shape our industry and impact our communities for the better.

Total FY23 economic contributions



State and Federal Government taxes[ii] (Wagering taxes, GST and income taxes paid and payable)

Racing industry[iii] (Payments to state and territory racing industry bodies)

Retail partners (Commissions to hotels, clubs and TAB agents)

Employee costs (Salaries, training and development)

Shareholders (Dividends paid and payable)

(i) Total includes 100% of Victorian Racing Industry joint venture interest.
(ii) State and Federal Government taxes includes $50m payment made under the Racing Queensland settlement and industry reforms.
(iii) Racing industry includes $100m payment made under the Racing Queensland settlement and industry reforms and $37.5m paid to Racing Queensland as the final licence exclusivity payment.

ESG RATINGS

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

68 (out of 100)
Ranked second globally in the Casinos and Gambling sector

FTSE4Good

4.4 (out of 5)
Ranked at the 100th percentile in the global Travel and Leisure sector

Corporate ESG Performance Prime — Rated by ISS ESG

C+, Prime

REFINITIV

61 (out of 100)

CDP Discloser 2022

C, Awareness

GOVERNANCE

We're committed to maintaining leading corporate governance arrangements and practices.
Our corporate governance framework enables us to maintain high standards of corporate behaviour, culture, accountability and transparency.

Board of Directors

Standing Board Committees:
- Audit Committee
- Risk, Compliance and Sustainability Committee
- People and Remuneration Committee
- Technology Committee
- Nomination Committee

Other independent assurance
- External Auditor
- Internal Audit

Legal and other professional advisers (as necessary)

MD & CEO

Executive Leadership Team

Management Committees including:
- Disclosure Committee
- Executive Risk, Compliance and Sustainability Committee
- Modern Slavery Steering Committee
- Inclusion and Diversity Committee
- Information Security Portfolio Steering Committee
- Whistleblower Committee

Frameworks, policies, procedures and practices as approved by the Board and the Executive Leadership Team

- ✓ Five standing Board Committees
- ✓ All Committee members, including Chairmen, are independent NEDs
- ✓ 43% of NEDs are female – surpassing our target of 40% female NEDs by the end of FY23
- ✓ Balanced mix of short, medium and longer tenured NEDs with average tenure of 3.8 years
- ✓ Diverse set of skills and experience amongst the Directors to support a high functioning Board and aligned to Tabcorp's strategic objectives
- ✓ Our Directors and senior executives undergo comprehensive probity checks prior to receiving all required regulatory and ministerial approvals – due to its scale and national reach, Tabcorp is subject to the most extensive probity requirements of any wagering operator in Australia

Further information can be found in our Corporate Governance Statement 2023, Appendix 4G, Board and Committee Charters, key policies and governance documents which are available from the Corporate Governance section of our website at **www.tabcorp.com.au/company/corporate-governance**

BOARD OF DIRECTORS

Bruce Akhurst
Chairman from June 2022
Independent NED from July 2017

Bruce Akhurst is a Director of McMillan Shakespeare Limited (from April 2021). He is also Chairman of the Peter MacCallum Cancer Foundation and a Council Member of RMIT University.

Bruce was the Executive Chairman of Adstream Holdings Pty Ltd and was a Director of Vocus Group Limited (from September 2018 to July 2021) and private investment company Paul Ramsay Holdings Pty Ltd. In his executive career, Bruce was Chief Executive Officer of Sensis Pty Ltd from 2005 to 2012 and a Director and Chairman of Foxtel. He also spent seven years as Group Managing Director and Group General Counsel at Telstra Corporation Limited, and prior to that he was a Partner at Mallesons Stephen Jaques.

Bruce brings to the Board leadership and extensive experience in legal and regulatory compliance, governance and risk management, marketing and customer experience, media, digital innovation, information technology, strategy, finance and capital management.

Tabcorp Committees:

- Chairman of Nomination Committee
- Member of Audit Committee
- Member of People and Remuneration Committee
- Member of Risk, Compliance and Sustainability Committee
- Member of Technology Committee

Qualifications:

- Bachelor of Economics (Honours)
- Bachelor of Laws
- Fellow of Australian Institute of Company Directors (AICD)

Adam Rytenskild
Managing Director and Chief Executive Officer from June 2022

Adam Rytenskild joined Tabcorp in 2000 and has been a member of Tabcorp's Executive Leadership Team since 2010. During this time he has led Wagering's Digital and Retail Operations, Gaming Services business, Keno business and has been Managing Director – Wagering and Media since the Tabcorp-Tatts combination in December 2017. He became Managing Director and Chief Executive Officer when Tabcorp's demerger of its former Lotteries and Keno business was completed in June 2022.

Adam is also a Director of the Australasian Gaming Council.

Adam has over 20 years of experience in gambling entertainment and leading complex, customer focused businesses that are heavily regulated, have multiple stakeholders, and operate in dynamic and highly competitive digital markets.

Adam brings to the Board extensive gambling industry experience, strategic and commercial acumen, retailing and customer experience.

In addition to the qualifications below, Adam has attended the Senior Executive Program at the London Business School, and the Executive Breakthrough Program with Egon Zehnder.

Qualifications:

- Master of Business Administration
- Member of AICD

Raelene Murphy
Independent NED from August 2022

Raelene Murphy is a Director of Elders Limited (from January 2021), Bega Cheese Limited (from June 2015) and Integral Diagnostics Limited (from October 2017).

Raelene was previously a Director of Clean Seas Seafood Limited (from July 2018 to October 2020) and Altium Limited (from September 2016 to November 2022).

Raelene had an executive career in finance and business turnaround, and has previously been the CEO of The Delta Group and a Managing Director of KordaMentha's 333 Management practice.

Raelene brings to the Board extensive experience in finance, accounting, capital management, strategy, risk and compliance, organisational effectiveness and technology.

Tabcorp Committees:

- Chairman of Audit Committee
- Member of Risk, Compliance and Sustainability Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Business (Accounting)
- Fellow of the Institute of Chartered Accountants Australia and New Zealand
- Graduate Member of AICD
- Member of Chief Executive Women

Brett Chenoweth
Independent NED from August 2022

Brett Chenoweth is Chairman of Adairs Limited (from November 2020), a Director of EVT Limited (from December 2022), and holds various unlisted company directorships including Canberra Data Centres, One New Zealand Group Limited (previously Vodafone New Zealand Limited), Madman Entertainment and Surfing Australia Limited. He was previously a Director of Janison Education Group Limited (from July 2014 to November 2022).

Brett was previously the CEO and Managing Director of APN News and Media Limited, and has held senior executive roles at The Silverfern Group, Telecom New Zealand Limited, Ecorp Limited and Village Roadshow Limited.

Brett brings to the Board extensive experience in retailing, marketing and consumer experience, digital innovation, technology and telecommunications, entertainment, strategy, legal, risk and compliance.

Tabcorp Committees:

- Chairman of Risk, Compliance and Sustainability Committee
- Member of Audit Committee
- Member of Technology Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Economics
- Bachelor of Laws
- Graduate Diploma in Applied Finance and Investment

David Gallop AM
Independent NED from July 2020

David Gallop AM is Chairman of Step One Clothing Limited (from October 2021), Venues NSW and Alacria Pty Ltd. He is also on the Board of Cricket NSW.

David was previously the Chief Executive Officer and General Secretary of Football Federation Australia from 2012 to 2019 and Chief Executive Officer of the National Rugby League from 2002 to 2012. He also held senior legal roles with the National Rugby League, News Corporation and law firm Holman Webb.

David has served on numerous sports governing bodies including the Australian Sports Commission, Rugby League International Federation and the Asian Football Confederation's 2015 AFC Asian Cup Local Organising Committee.

David brings to the Board extensive experience and background in sports administration, media rights and broadcasting, digital content delivery, customer experience, legal and regulatory frameworks and stakeholder relationship management.

Tabcorp Committees:

- Chairman of People and Remuneration Committee
- Member of Risk, Compliance and Sustainability Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Laws
- Bachelor of Arts
- Graduate Member of AICD

Janette Kendall
Independent NED from August 2021

Janette Kendall is a Director of Vicinity Centres (from December 2017), Costa Group Holdings Limited (from October 2016) and KM Property Funds Limited, and is on the Board of the Melbourne Football Club and Visit Victoria.

Janette previously served as a Director of Nine Entertainment Co. Holdings Limited, Wellcom Worldwide Pty Ltd, Australian VenueCo and the Melbourne Theatre Company.

During her executive career, Janette served in various senior management roles including as Senior Vice President of Marketing at Galaxy Entertainment Group in China, Executive General Manager of Marketing at Crown Resorts, General Manager and Divisional Manager roles at Pacific Brands, Managing Director of emitch Limited, and Executive Director of Clemenger BBDO.

Janette brings to the Board extensive experience in marketing, operations and digital transformation. She also has a depth of experience in the gambling, retail and hospitality industries both in Australia and overseas.

Tabcorp Committees:

- Member of Audit Committee
- Member of People and Remuneration Committee
- Member of Technology Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Business (Marketing)
- Fellow of AICD
- Member of Chief Executive Women

Justin Milne
Independent NED from August 2011

Justin Milne is a former Chairman of NetComm Wireless Limited, MYOB Group Limited, Australian Broadcasting Corporation and pieNETWORKS Limited, and was a Director of NBN Co Limited, SMS Management and Technology Limited, Members Equity Bank Limited and Basketball Australia Limited.

Justin had an executive career in telecommunications, marketing and media. From 2002 to 2010 he was Group Managing Director of Telstra's broadband and media businesses, and headed up Telstra's BigPond New Media businesses in China. He was also the Chief Executive Officer of OzEmail and the Microsoft Network.

Justin brings to the Board extensive experience in information technology, media, digital innovation, marketing and customer experience, public policy, strategic and commercial acumen and governance.

Tabcorp Committees:

- Chairman of Technology Committee
- Member of Audit Committee
- Member of Risk, Compliance and Sustainability Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Arts
- Fellow of AICD

Karen Stocks
Independent NED from March 2023

Karen Stocks is currently Vice President, Global Measurement Solutions at Google Inc.

Karen was previously the founding Managing Director of Twitter Australia, and held several leadership roles at Google Australia, including as Managing Director, New Products and Solutions APAC, and at Vodafone Australia.

Karen was previously a Director of Netball Australia.

Karen is a senior technology and media executive, with extensive experience in the technology sector, media, data, and customer experience.

Karen brings to the Board extensive experience in information technology, digital innovation, media and communications, marketing and customer experience.

Tabcorp Committees:

- Member of Technology Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Financial Administration
- CPA Certificate
- Master of Business Administration
- Fellow of CPA Australia

EXECUTIVE LEADERSHIP TEAM

Jenni Barnett
Chief Customer Officer

Jenni Barnett commenced as Chief Customer Officer with Tabcorp in June 2022 following the completion of Tabcorp's demerger of its former Lotteries and Keno business.

Jenni is a senior executive with over 20 years of experience working with large organisations and in the not-for-profit sector. Her broad experience and expertise includes digital transformation, marketing, and product management.

Prior to joining Tabcorp, Jenni held the role of Executive Director, Telstra Digital, where she led the digital transformation to meet customer needs and deliver on Telstra's T22 strategy. Prior to this, Jenni worked at the Commonwealth Bank of Australia in a range of senior product and marketing roles, where she was one of the executives responsible for establishing the digital team at the Commonwealth Bank of Australia.

Jenni holds a Bachelor of Social Science, and a Master of Business (Marketing), and is a Graduate Member of AICD.

Sharon Broadley
Chief People Officer

Sharon Broadley joined Tabcorp in October 2010 as General Manager Talent and Organisational Development and was Tabcorp's General Manager Employee Experience. She commenced as Chief People Officer of Tabcorp in June 2022 following the completion of Tabcorp's demerger of its former Lotteries and Keno business.

Sharon has led the people workstreams of major organisational change programs at Tabcorp including for the combination with Tatts and the Demerger of The Lottery Corporation.

Sharon has more than 20 years of experience in organisational development, talent and performance management, culture programs, change management, employee engagement, leadership and executive development. Prior to joining Tabcorp she held senior people leadership roles including with Fosters Group Limited and Oracle Corporation.

Sharon holds a Bachelor of Education and Training and an Associate Diploma of Training and Development.

Paul Carew
Chief Operating Officer

Paul Carew commenced as Chief Operating Officer in August 2022 and was previously Chief Operating Officer – Gaming Services from February 2020. Since joining Tabcorp in 2006, he has held various senior management positions across the Retail Wagering, Gaming and former Keno businesses.

In his current role, Paul leads a diverse portfolio of operational functions covering the Wagering and Media business and Gaming Services business.

Paul has over 25 years of experience in the gaming and hospitality sector and has worked across all Australian jurisdictions. He has held senior roles in the beverage industry with Carlton and United Breweries and was previously a licenced venue owner and operator.

Paul holds a Bachelor of Commerce, Marketing and Management, and has attended the University of Nevada Executive Development Program in the USA.

John Fitzgerald
Chief Legal and Risk Officer

John Fitzgerald commenced as Chief Legal and Risk Officer of Tabcorp in July 2022 after the completion of Tabcorp's demerger of its former Lotteries and Keno business.

John has extensive experience working as a senior executive in roles spanning legal, risk, audit, regulatory compliance and corporate governance. His expertise includes leading commercial advisory and governance functions, and managing large-scale transactions, projects and litigation.

Prior to commencing at Tabcorp, John was General Counsel and Company Secretary at AGL Energy Limited where he led the legal, risk, compliance and advisory function, most recently during that organisation's demerger. John also has experience working in both government and private legal practice and is an experienced Company Secretary.

John holds a Bachelor of Arts, a Bachelor of Laws and a Master of Arts.

Daniel Renshaw
Chief Financial Officer

Daniel Renshaw commenced as Chief Financial Officer of Tabcorp in June 2022 following the completion of Tabcorp's demerger of its former Lotteries and Keno business.

Daniel previously held the roles of Executive General Manager Finance and Commercial for the Wagering and Media business, General Manager Finance and Commercial for Keno and Gaming Services, and General Manager Investor Relations at Tabcorp.

Daniel has over 20 years of experience in finance, strategy, commercial, investor relations, investment banking and equity markets. Prior to joining Tabcorp, Daniel was Senior Director at Merrill Lynch, leading Gaming Equity Research across Australia, New Zealand and Asia. He was also an Equity Analyst at Citigroup and was Group General Manager Corporate Strategy at Tote Tasmania for three years.

Daniel holds a Bachelor of Commerce (Economics and Finance) and is qualified as a Chartered Accountant.

Daniel will be stepping down as Chief Financial Officer at the end of August 2023.

Alan Sharvin
Chief Information Officer

Alan Sharvin commenced as Chief Information Officer with Tabcorp in June 2022 following the completion of Tabcorp's demerger of its former Lotteries and Keno business.

Alan is a senior technology executive with deep experience across multi-national organisations. His expertise includes digital strategy, omni-channel, transformation and modern technology practices, with extensive experience in wagering.

Prior to joining Tabcorp, Alan worked as Head of Digital at Reece Group, where he led the digital customer product and technology functions. Alan previously worked at Tabcorp from 2018 to 2019 where he led the Technology function for the Wagering and Media business. He has also held senior roles at Amazon and Sportsbet.

Alan holds a Bachelor of Science, Computer Science and Mathematics.

Angus Tiet
Chief Strategy and Ventures Officer

Angus Tiet commenced as Chief Strategy and Ventures Officer with Tabcorp in June 2022 following the completion of Tabcorp's demerger of its former Lotteries and Keno business.

Angus has extensive experience working as a senior executive in digital and growth organisations, including within the gaming sector. His expertise spans strategy, mergers and acquisitions, finance and business operations. He has held numerous leadership roles in businesses across the USA, Europe and Asia Pacific.

Prior to joining Tabcorp, Angus held the role of Senior Vice President Strategy and Business Development at Aristocrat Digital (now Pixel United). Angus has also previously held the role of Chief Financial Officer at Aristocrat Digital, and Chief of Staff for the broader Aristocrat Group, both based in the USA.

Angus holds a Bachelor of Laws and Bachelor of Business, and an Executive Master of Business Administration. He is also a member of Chartered Accountants Australia and New Zealand.

RISK MANAGEMENT AND MATERIAL BUSINESS RISKS

Tabcorp adopts a structured and proactive approach to understanding, identifying and managing risk aligned to the Group's strategies and operations. The Group's Risk Management Framework (summarised opposite) enables the effective identification, monitoring, management, reporting and oversight of risks throughout the Group and is based on concepts and principles identified in the International Standard ISO 31000:2018 Risk Management Guidelines. This framework supports a strong culture of proactive risk management, helps protect our reputation and supports long term value creation for our stakeholders.

The Chief Legal and Risk Officer and Executive Leadership Team, together with the business units, actively manage the Risk Management Framework, with oversight from the Board and Risk, Compliance and Sustainability Committee.

The Risk Management Framework is regularly reviewed having regard to the Group's evolving needs and changes in the internal and external environment, and enhanced where necessary to further mature the Group's approach to risk management.

For further information regarding the Group's approach to risk and compliance management and governance, refer to Tabcorp's 2023 Corporate Governance Statement.

Outlined below are risks that could potentially have a material impact at a whole-of-Group level on the future operating or financial performance or prospects of the Group, together with existing mitigations.

Risk Management Framework

Risk	Risk description and potential consequences	How we manage and mitigate the risk
Compliance with legal and regulatory requirements and conduct risk **Oversight:** Risk, Compliance and Sustainability Committee	The Group's businesses are subject to complex legislative, regulatory, licence and other requirements (including, for example, relevant responsible gambling, marketing and advertising obligations and Anti-Money Laundering and Counter-Terrorism Financing and other financial crime laws). 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. Such an adverse impact could arise as a result of the suspension or loss of applicable material licences, renewal of licences on less favourable terms (including any exclusivity arrangements), 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 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 Group to risks of litigation or disputes.	• The Group has risk management and compliance frameworks, risk appetite positions on material matters, and supporting policies, procedures, tools, training and other controls. • Team members are provided with training and support to enable them to effectively manage their risk and compliance obligations. • The Group regularly engages with regulators and has a robust environment for testing and approving products and systems before deployment. • Systems, processes and equipment are regularly monitored and tested, including testing of key controls, by a controls assurance team within the Legal and Risk Office. • Internal Audit periodically reviews and provides independent assurance regarding the adequacy of controls and processes for managing risk and compliance obligations. • The Group has processes in place to ensure relevant third parties are appropriately trained on requirements, and that compliance with such requirements are monitored.

Risk	Risk description and potential consequences	How we manage and mitigate the risk
Changes in laws and the regulatory environment **Oversight:** Board and Risk, Compliance and Sustainability Committee	The 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. 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 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.	• The Group has dedicated Legal, Risk, Regulatory, Government and Industry Affairs teams with responsibility for monitoring and advising on legislative and regulatory developments, to allow the Group to adapt and take appropriate action. • The Group proactively engages with relevant regulators and governments and, from time to time, makes submissions relating to proposed changes in laws and regulatory and licensing environments, which may impact the Group. • The Group regularly reviews its operating business model and strategies to take account of changes to the regulatory and licensing environments to mitigate adverse consequences of these changes. • The Group proactively engages with industry bodies to align the Group's business strategies with potential industry changes and ensure the sustainability of the Group's businesses and those industries more broadly.
Changes in fees and taxes **Oversight:** Board	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. In addition, a material increase in the taxes and levies payable by the Group in respect of its businesses may reduce margins. Increases or changes to fees and taxes which the Group is subject to may have an adverse impact on the financial performance of the Group.	• The Group currently has contracts in place that the Group considers will allow it to offset or share some of the race field fees or offer additional protections under the respective arrangements. • The Group endeavours to maintain strong relationships with industry controlling bodies, other industry partners and governments, and engages with them in respect of proposed changes to industry funding arrangements, fees and other taxes and levies. • Where possible, the Group seeks to enter into contracts with racing and sports controlling bodies that provide long term certainty of commercial arrangements.

RISK MANAGEMENT AND MATERIAL BUSINESS RISKS CONTINUED

Risk	Risk description and potential consequences	How we manage and mitigate the risk
Strategic **Oversight:** Board	The Group is subject to a range of risks that could impact Tabcorp's growth strategy, including: • Competition and disruption from other suppliers of gambling and media products and services. • Changes in consumer discretionary spending and preferences. • Failure to renew, or renewal on less favourable terms (including any exclusivity arrangements), any material licence. • Reliance on racing industries, sporting bodies and other stakeholders across Australia and internationally to provide a program of racing and sporting events. • Failure to renew, or renewal on less favourable terms, rights to broadcast or distribute content for racing and sporting events. • Disruption or decline of licensed venues, agencies and retail network. • Ineffective strategy execution. These risks may impact the execution of Tabcorp's growth strategy, or result in a loss of market share or revenue, or missed opportunities for growth, and have an adverse impact on the Group's operational and financial performance.	• The Board and Executive Leadership Team has a broad set of skills and experience across customer, technology, innovation, media and stakeholder engagement aligned with the Group's strategy. • The Group operates a portfolio of businesses with operations spanning multiple jurisdictions and market segments, which reduces the reliance on any single revenue stream and customer category. • In addition, the Group's Wagering and Media business offers betting products on, and broadcasts, a wide variety of racing, sports and other events, domestically and internationally. • The Group maintains long term licences and, where the terms are appropriate, seeks new licences and to extend existing licences where possible. • The Group engages closely with holders of broadcast rights and distribution partners and actively seeks to extend those arrangements in advance of their expiry. • The Group strives for continual improvement in its product and service offering to attract and retain customers, including customer service and relationship management, and product and digital innovation across a multi-channel network. • The Group's strategic marketing and consumer insights teams support the businesses to understand and respond to changing consumer trends. • The Group proactively engages with regulators and governments, and from time to time makes submissions relating to proposed changes in laws, and regulatory and licensing environments, which may impact the Group.

Risk	Risk description and potential consequences	How we manage and mitigate the risk
Financial and balance sheet risks **Oversight:** Audit Committee	The Group is exposed to various financial and trading risks arising from its operations, including risks associated with a failure to appropriately set odds in respect of wagering so as to maintain sufficient capital. The Group is also 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, each of which could impact its financing activities. In addition, changes in investor, financier and other stakeholder expectations in relation to ESG practices and disclosures may adversely impact the Group's ability to access capital or other financing in future, or to do so on reasonable financial terms, which could in turn adversely affect the financial position and performance of the Group. 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.	• The Group's finance facilities and interest rate, credit, liquidity and currency risks are managed by the Group's Treasury department in line with policies approved by the Board. • The Group maintains an active capital management program with a range of funding sources with short and long dated maturities. • Policies and processes are in place to manage financial and trading risks arising from the Group's operations. • The Group has adopted a Sustainability Framework, with various activities and programs in place aligned with the Group's material ESG topics. • Refer to the sections titled "Capital management" on page 13 and "Capital and risk management" on pages 89 to 96.
Cybersecurity, Data Protection and Privacy **Oversight:** Risk, Compliance and Sustainability Committee and Technology Committee	The Group's businesses could be subject to malicious or criminal attacks on technology systems, system faults or human error resulting in the potential loss or unauthorised access to or use or disclosure of confidential customer, employee, regulated and/or commercially sensitive data. A significant cybersecurity incident, system failure or data breach 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. • Result in the loss or misappropriation of customer, employee or regulatory data. Such an incident may potentially adversely impact the reputation, operations or financial performance of the Group and expose the Group to significant regulatory enforcement actions, penalties, litigation and other disputes.	• The Group has policies, procedures, practices, frameworks, systems and resources in place to manage cybersecurity and data privacy. • Dedicated Information Security and Security Operations teams are tasked with protecting key information assets, detecting any attempted attacks, and responding appropriately. Regular testing, simulations, reviews and assessments with follow up actions assist ongoing defensive strategies and response readiness. • The Group's Information Security Management System is compliant and certified to ISO/IEC 27001:2013. The Group has also adopted the National Institute of Standards and Technology (**NIST**) Cybersecurity Framework (**CSF**) as an international best practice cybersecurity maturity, benchmarking and uplift prioritisation framework. • The Group maintains third party support arrangements for cybersecurity and cyber incident response and recovery and holds a cyber insurance policy. • The Group has policies and procedures in place to ensure good privacy and information management practices, including a Privacy Policy. Tabcorp has a privacy team including a Privacy Officer. • The Group has a Data Breach Response Plan that sets out procedures for employees to follow in the event of an actual or suspected data breach.

RISK MANAGEMENT AND MATERIAL BUSINESS RISKS CONTINUED

Risk	Risk description and potential consequences	How we manage and mitigate the risk
Technology – Resilience of systems and obsolescence **Oversight:** Technology Committee and Risk, Compliance and Sustainability Committee	The Group's businesses rely on the successful operation of technology infrastructure, which could be adversely affected by various factors including obsolescence, complexity of core environments, ability to recover from a significant hardware, software, digital or data centre failure, and managing risks associated with outsourcing key processes and activities to third parties. The Group's businesses also rely 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.	• The Group has Business Continuity Management Policies and Frameworks in place. • Business Impact Assessments have been completed for all core operational business units to identify their critical business processes. • The Group has disaster recovery (**DR**) plans and business continuity plans in place to manage major technology failures. • The Group undertakes regular DR testing of core systems. • Tabcorp has in place a multi-year enterprise resilience program, focused on the uplift of technology resilience. • Tabcorp has in place a multi-year Technology Plan focused on modernising legacy systems.
Reliance on infrastructure and third party commercial arrangements **Oversight:** Risk, Compliance and Sustainability Committee	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.	• The Group's procurement function maintains commercial relationships across a diverse supplier base with clear contracts, terms of engagement, agreed service levels, regular reporting and monitoring. • The Group has in place business continuity and disaster recovery plans. • The Group maintains an insurance program which includes limited recourse in the event of major failures of infrastructure or third party supply arrangements.
Responsible Gambling and Customer Care **Oversight:** Risk, Compliance and Sustainability Committee	Tabcorp is committed to putting its customers first and delivering gambling experiences safely and responsibly. A failure by Tabcorp to adequately protect customers and deliver experiences safely and responsibly and in accordance with relevant responsible gambling regulations and codes, 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 gambling licences, renewal of licences on less favourable terms (including any exclusivity arrangements), increased supervision and oversight by regulators, civil or criminal penalties, brand or reputational damage, and the inability to offer products or obtain future licences or business opportunities.	• The Group operates under regulator prescribed Codes of Practice or company-initiated Codes of Conduct with respect to responsible gambling. Further, the Group's Customer Care Principles sets out our approach to customer care and the responsible provision of our products. • All team members, including staff working at agencies and retail venues, are trained annually on Responsible Gambling with additional training provided to all customer facing teams. This training includes identifying signs of potential gambling harm. • A range of responsible gambling tools are offered to customers to support them to gamble safely including deposit limits, take a break, activity statements, opt out of marketing and self-exclusion. Information about these tools can be found on the Group's dedicated responsible gambling website: **https://responsiblegambling.tab.com.au/help**. • The Group actively monitors customer deposit and betting behaviours using a variety of data analytics tools, including AI, to identify customers displaying potential indicators of gambling harm. A range of responsible gambling interventions are then provided to support customers. • The Group has a dedicated Responsible Gambling team accountable for reviewing potential at-risk customer accounts and proactively communicating with them.

Risk	Risk description and potential consequences	How we manage and mitigate the risk
Environmental, Social and Governance (ESG) **Oversight:** Risk, Compliance and Sustainability Committee	The Group is subject not only to regulatory licences but also a social licence to operate. This social licence to operate is impacted by: • How our customers and the broader community perceive Tabcorp on a range of relevant ESG issues including gambling, racing and sport, delivering our products responsibly, modern slavery, animal welfare and environmental matters. • Societal attitudes and community expectations. Changes in societal attitudes and/or adverse media attention in relation to gambling or other ESG issues relevant to Tabcorp, or a failure by Tabcorp to deliver its products responsibly or otherwise act in accordance with regulator and/or community expectations, could lead to negative legal, regulatory and/or government policy changes, which could have an adverse effect on the performance of the Group, the delivery of its strategies, its ability to attract and retain talent and/or reputational damage for the Group.	• The Group has adopted a Sustainability Framework. A key focus of this Framework is our commitment to delivering customer-centric responsible gambling initiatives designed to minimise harm and set the benchmark for sustainability in our industry. • The Group has adopted an Environment and Climate Change Position Statement outlining our commitment to minimising our impacts on the environment. The Group has adopted greenhouse gas emission reduction targets and is developing a Net Zero Plan to support the delivery of these targets over time. • Remuneration outcomes for the MD & CEO, executives and senior managers are linked to the achievement of specific sustainability measures such as risk and compliance management, responsible gambling, community impacts and reputation management. • Refer to our website **www.tabcorp.com.au/sustainability** for further information about how we manage our ESG risks.
People and Culture **Oversight:** People and Remuneration Committee	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. A failure by the Group to appropriately manage team members' or contractors' physical and/or psychological health and wellbeing, or failure to comply with relevant workplace health and safety laws and regulations and other relevant workplace laws, could expose the Group (and individual employees and Directors) to civil, criminal and/or regulatory action with associated financial and reputational consequences.	• The Board, People and Remuneration Committee, Chief People Officer and various management committees have responsibility for overseeing strategies and programs related to people, health, safety and wellbeing. • The Group has adopted strategies, policies and processes for the recruitment, development and retention of talent, and for fostering an inclusive, diverse and engaged workforce. • Tabcorp is committed to providing a safe working environment and actively prioritises the health, safety and wellbeing of team members and contractors. The Group has implemented a health, safety and wellbeing framework which includes policies, procedures, reporting, training and education. • The Group's remuneration framework aims to attract, motivate and retain high calibre individuals through performance-linked remuneration based on the achievement of Group and individual performance (financial and non-financial) outcomes.

TCFD DISCLOSURES

Governance

The Board Risk, Compliance and Sustainability Committee (**BRCSC**) is responsible for overseeing the delivery of our Sustainability Framework, which includes climate-related goals and targets for climate resilience, mitigation and adaptation, together with our RMF. Our sustainability performance is reported quarterly to this Committee, and annually in our Annual Report and Sustainability Report.

The BRCSC reviews, reports to, and where appropriate, makes recommendations to the Board in relation to:

- our risk appetite;
- the adequacy and effectiveness of our RMF and supporting policies and processes to identify and manage our risks;
- the adequacy and effectiveness of our compliance management framework and supporting policies and processes to comply with our legal and regulatory obligations; and
- the adequacy and effectiveness of our Sustainability Framework and supporting policies, processes and programs to address ESG issues that have the potential to materially affect our business, strategies and reputation.

Our CLRO and ELT, together with the business units, actively manage the Sustainability Framework and the RMF, with oversight from the BRCSC. Our CLRO leads the Group's risk, legal, regulatory and governance (including sustainability) functions, providing synergies and collaboration across each of these functions.

Our Governance and Sustainability team is responsible for developing the Sustainability Framework, supporting and overseeing the preparation of climate resilience, mitigation and adaptation plans, tracking progress, and coordinating the preparation of climate-related disclosures.

Our Group Procurement team leads environmental initiatives working with business and functional units to achieve our climate-related goals and targets.

Our Board and our People and Remuneration Committee oversee executive performance in relation to specific sustainability measures, such as risk and compliance management, and achievement of goals and targets under our Sustainability Framework.

The Board has collective oversight and responsibility for both our RMF and Sustainability Framework.

Strategy

Our approach to climate change is captured under the Sustainable Future pillar of our Sustainability Framework. Climate-related risks are reviewed and identified in accordance with our RMF and are embedded into our Group-wide risk management process.

This year, we continued to work on improving our understanding of how the effects of climate change may impact our business. We undertook a specific climate-related risk assessment which involved:

- discussion with management to identify direct and indirect climate risk exposures, vulnerabilities, impacts and mitigation actions in place;
- obtaining and analysing available historical internal and external data points to support assessment of risk impacts; and
- evaluation of the size of climate-related risks.

The assessment confirmed that while climate-related risks exist, they are unlikely to be considered material at a whole-of-Group level. This means that none of the risks identified in this assessment currently have the potential to materially impact our business from a strategic and financial perspective.

Climate change risks and mitigating actions identified are summarised in the table on the following page.

Refer to page 27 for our alignment and progress against the TCFD recommendations.

Transition Risks – risks that arise as a result of the transition to a low carbon economy	
Risks	**Mitigating actions**
• Inability to meet our ESG commitments resulting in reputation risk • Introduction of carbon tax schemes and other climate regulations resulting in financial impacts • Increase in insurance premiums due to reassessment of Tabcorp's climate change risks resulting in financial impacts • Changes in consumer preferences resulting in financial impacts • Inability to attract talent due to climate related matters • Changes in shareholder preferences on climate related matters • Inability to obtain required external funding due to climate related matters (e.g. increased focus from lenders on ESG)	• Sustainability Framework in place, with climate change addressed in our Sustainable Future pillar • Remuneration outcomes for the MD & CEO, executives and senior managers are linked to the achievement of specific sustainability measures such as risk and compliance management, reputation management, and achievement of targets under our Sustainability Framework • The Board Risk, Compliance and Sustainability Committee has responsibility for overseeing the Sustainability Framework and ESG issues relevant to the Group, including climate change risks and opportunities • We have adopted an Environment and Climate Change Position Statement outlining our commitment to minimising our impacts on the environment, reducing our GHG emissions profile and identifying and managing climate-related risks and opportunities across our business • We regularly review our omni-channel strategies and seek to optimise our investment in the retail network to align with changing market and consumer trends

Physical Risks – risks that arise due to changes in climate patterns	
Risks	**Mitigating actions**
• Damage to Tabcorp assets due to weather events (e.g. properties, equipment, and retail agencies) • Financial loss due to weather events disrupting Tabcorp operations (e.g. delivery of racing vision on Sky, call centres, betting machines, etc.) • Loss of turnover due to weather events disrupting third parties (e.g. racing industry and sports) • Impact on Tabcorp team members' health, safety and wellbeing as a result of a weather event • Races being abandoned due to hot weather policies. This is an emerging risk and could apply to other sports	• Business continuity plans and disaster recovery plans in place to recover business operations in the event of a major climate-related disruption • Insurance program in place to limit impact of damage due to weather events • Financial modelling and sensitivity analysis undertaken to monitor and respond to the impacts of racing and sport product supply disruptions • Diverse portfolio of businesses through a multi-channel strategy across retail and digital networks, which reduces the reliance on any single channel or locations • Health and Safety Management System in place

TCFD DISCLOSURES CONTINUED

Climate risks also present a number of opportunities and associated benefits including:

Opportunities	Benefits
• Adhere to high standards of corporate governance • Continuously improve climate-related disclosures • Use more efficient modes of transport (e.g. hybrid, EV in our vehicle fleet) • Reduce resource usage/consumption (e.g. electricity, water, paper, etc.) • Reuse and recycle • Improve energy-efficiency in our buildings • Reduce business travel • Use lower emission sources of energy (e.g. renewables) • Switch to suppliers that offer low carbon alternatives • Diversify portfolio, business activities and distribution channels	• Reduced operating costs through efficiency gains and cost reductions • Reduced exposure to future fossil fuel price increases • Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon • Returns on investment in low emission technology • Benefits to workforce management and planning (e.g. improved health and safety, team member satisfaction) resulting in lower costs • Improved ESG ratings and brand perception • Increased market valuation through resilience planning (e.g. infrastructure, buildings)

We recognise that there is significant global data to conclude that current climate trends and event volatility will increase over time. It is also anticipated that there will be further focus and scrutiny on companies' response to climate change, in particular investors, underwriters, and customers. We'll continue to refine the assessment of our medium and long term exposure to climate-related risks and opportunities, in line with the TCFD recommendations, each year.

Despite having a relatively small environmental footprint when compared with other Australian companies and industries, we recognise we have an impact on the environment, directly through our operations, and indirectly through our value chain. Most of our direct GHG emissions come from energy use in our premises and fuel use in our vehicle fleet.

During FY23, we continued to reduce our GHG emissions by using less electricity in our properties, using energy-efficient technologies, recycling or donating office equipment, transitioning to hybrid vehicles in our fleet, reducing the volume of paper we use, and encouraging team members to minimise their impacts on the environment.

We also worked with an external advisory consultancy to help us develop our Net Zero Plan (targeted for completion in early FY24). During this process, we listed and prioritised the opportunities we should focus on to accelerate decarbonization and achieve our targets. As energy-efficiency presents the biggest opportunity for us, we started working with a third-party company to perform energy-efficiency audits in selected sites. The audits will help us identify key opportunities and quantify the investment required for budgeting purposes. Details of our Net Zero Plan will be made available in FY24.

We'll continue to assess climate-related risks and opportunities and elevate the scope of future assessments to improve our business resilience. We anticipate the use of climate-related scenarios, including a 2°C or lower scenario, as part of this process.

Risk management

Climate-related risks are reviewed and identified in accordance with our RMF and our Group-wide risk management process.

The RMF enables the effective identification, evaluation, management, monitoring, reporting and oversight of risks throughout the Group and is based on concepts and principles identified in the International Standard ISO 31000:2018 Risk Management Guidelines. This framework supports a strong culture of proactive risk management, fosters a risk aware culture, helps protect our reputation and supports long term value creation for our stakeholders.

The CLRO and ELT, together with the business units, actively manage the RMF, with oversight from the Board and the BRCSC. The RMF is reviewed at least annually having regard to our evolving needs and changes in the external landscape. Where necessary, it's enhanced to further mature our approach to risk management.

For further information regarding our approach to risk and compliance management, refer to our 2023 Corporate Governance Statement. Material business risks for the Group and key mitigations are disclosed on pages 34 to 39.

Metrics and targets

We've set medium and long term emission reduction targets aligned with the Paris Agreement goals to keep global average temperatures to well below 2°C above pre-industrial levels. We will also pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Our targets are:

45%

reduction of 2019 level operating (Scopes 1 and 2) GHG emissions by 2030

NET ZERO

GHG emissions by 2050

We have an environmental reporting framework for measuring and managing our environmental footprint and impacts. This framework was developed with reference to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, the Greenhouse Gas Protocol Scope 3 Standards, the Australian Government National Carbon Offset Standard and the International Organisation for Standardisation (ISO) 14001 – Environmental Management Systems.

We have adopted the "operational control" approach which assigns environmental reporting accountability to the organisation that has the greatest authority to introduce and implement operational and environmental processes and policies.

Following the Demerger last year, we have worked with an external consultancy to re-establish our 2019 GHG emissions baseline, to remove those emissions related to our discontinued businesses. This work will enable us to report our progress towards achieving our GHG emissions reduction targets post-Demerger. While undertaking this process, we have improved our data gathering processes, expanded our data coverage, adapted our operational control methodology, and enhanced our disclosures.

Emissions data and progress against our targets will be available in our 2023 Sustainability Report.

Scope 1 emissions

Our main sources of Scope 1 (direct) emissions include emissions from transport and stationary fuel. We operate a fleet of vehicles used by our venue support and field services teams when visiting sites across Australia, including those located in regional areas. We also use fuel in some of our offices and media transmitter sites to power diesel generators.

During FY23, we partnered with a fleet company that adopts an improved sustainable model that reduces the vehicle disposal process footprint. By using an online model, our partners can remove any trucking of vehicles to auction houses, leading to reduced disposal costs and GHG emissions.

We also continued our transition to hybrid vehicles, with planning underway to completely transition to hybrid, electric or hydrogen powered vehicles in the coming years, in line with projected improvements in technology and supporting infrastructure.

Scope 2 emissions

Scope 2 (indirect) emissions are those associated with our electricity use and make up the bulk of our combined Scope 1 and 2 emissions.

We use electricity sourced from the grid to power our offices, warehouses, and other premises across Australia, such as TAB agencies, electronic gaming machines (**EGMs**) owned and broadcasting transmission towers.

In FY23, we continued to increase our resource efficiency and reduce GHG emissions in areas over which we have control and influence. We completed energy-efficiency upgrades (lighting and equipment) and optimised air conditioning usage in selected sites across Australia. We also commenced planning for renewable energy options (i.e. solar PV) for a number of key locations. We expect to have at least one site powered by solar by the end of FY24.

Scope 3 emissions

Scope 3 emissions (indirect) associated with our value chain account for most of our total GHG emissions (approximately 86%). Our sources of Scope 3 emissions are categorised in accordance with the GHG Protocol and are listed below:

Category			Sources
	1.	Purchased goods and services	Data centre services, paper, other goods and services related to procurement spend (i.e. communications/ media and consulting services)
	3.	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Upstream transport/losses of fuel and electricity
	4.	Upstream transportation and distribution	Transportation and distribution of Tabcorp-purchased products from their tier 1 suppliers
	5.	Waste generated in operations	Waste generated across offices, warehouses, etc
	6.	Business travel	Flights, taxis and hotel stays
	7.	Employee commuting	Team members commute to and from our offices, warehouses
	8.	Upstream leased assets	Base building services. Includes HVAC, lifts, lobby lighting – electricity and natural gas
	13.	Downstream leased assets	Leased EGMs
	14.	Franchises	Emissions associated with the operation of retail agencies that Tabcorp can influence

Note: Categories 2, 9-12 and 15 are not relevant to Tabcorp.

Reducing Scope 3 emissions is challenging, as we rely on our suppliers for relevant information. There may be gaps in data, issues with data quality and our ability to influence suppliers' operational and commercial practices. These are not challenges we can solve alone, and we recognise we will need to work together with our partners to reduce Scope 3 emissions.

We're currently working with an external consultancy to help us develop options for Scope 3 emissions targets, to align with a science-based target. We're also working on a Climate Supplier Carbon Framework to enhance our procurement process for goods and services – our major source of Scope 3 emissions.

DIRECTORS' REPORT

The Directors of Tabcorp Holdings Limited (**Tabcorp** or **the Company**) present their report for the consolidated entity comprising the Company and its subsidiaries (**the Group**) and the Group's interests in joint arrangements and associates in respect of the financial year ended 30 June 2023 (**FY23**).

1. PRINCIPAL ACTIVITIES

The principal activities of the Group during FY23 comprised the provision of gambling, entertainment and integrity services.

The demerger of Tabcorp's Lotteries and Keno business was implemented on 1 June 2022 and resulted in Tabcorp retaining its Wagering and Media business and Gaming Services business (**Demerger**).

Other than in respect of the Demerger, the Group's principal activities during FY23 remained unchanged from the previous financial year.

2. OPERATING AND FINANCIAL REVIEW

The FY23 results of the Group comprise the continuing operations from the Wagering and Media business and the Gaming Services business. The activities and financial performance of the Group and each of the continuing operating segments for FY23 are set out on pages 1 to 19 and below.

2.1 Wagering and Media

The Wagering and Media business has the following operations and licences/approvals.

Wagering operations:

- The business offers totalisator (or pari-mutuel) and fixed odds betting on racing, sports and other events.
- The business operates through a network of TAB agencies, hotels and clubs, and on-course operations in Victoria, NSW, Queensland, South Australia, Tasmania, ACT and Northern Territory.
- Wagering channels include retail, internet, mobile devices and phone.
- Trackside, a computer simulated racing product, operates in NSW, Victoria and ACT, and is licensed in other Australian and overseas jurisdictions.
- The Victorian wagering business operates as a 50:50 unincorporated joint venture with the Victorian racing industry.
- International wagering and pooling is conducted through Premier Gateway International (**PGI**) on the Isle of Man, and Sky Racing World, based in the USA, also facilitates associated tote pools.

Media operations:

- Sky Racing television channels broadcast thoroughbred, harness and greyhound racing to audiences in TAB outlets, hotels, clubs, other licensed venues, in-home to pay TV subscribers and over various digital platforms.
- Sky Racing Active is a digital app providing an 'access all areas' pass to Sky Racing's live and on-demand racing content across thoroughbred (excluding Victoria and South Australia), harness and greyhound racing. Sky Racing Active allows users to create their own racing playlists and showcases.

- Sky Sports television channels broadcast various sports to audiences in TAB outlets, hotels, clubs and other licensed venues.
- The Sky Sports Radio network operates in NSW and ACT, the RadioTAB network operates in Queensland, South Australia, Tasmania and Northern Territory, and the business has advertising and sponsorship arrangements with Radio Sport National.
- The business broadcasts Australian racing throughout Australia, and distributes Australian and international racing to other countries and imports overseas racing to Australia through the Sky Racing World vision distribution hub in the USA.

Wagering licences/approvals[i]:

- NSW Wagering Licence expires in March 2097, with retail exclusivity period to expire in June 2033.
- Victorian Wagering and Betting Licence expires in August 2024.
- Queensland Race Wagering Licence and Sports Wagering Licence expire in June 2098.
- South Australian Major Betting Operations Licence expires in June 2100, with retail exclusivity period to expire in December 2032.
- Tasmanian Gaming Licence expires in March 2062.
- ACT Totalisator Licence expires in October 2064.
- ACT Sports Bookmaking Licence expires in October 2029, with further rolling extensions to October 2064.
- ACT Approval to Conduct Trackside expires in October 2064.
- Northern Territory Totalisator Licence and Sports Bookmaker Licence expire in October 2035.
- Isle of Man Totalisator Licence held by PGI expires in October 2023, with renewal capability every five years.
- North Dakota (US) Totalisator Licence held by Sky Racing World expires in December 2023, with annual renewal capability.

(i) Ordered by population of states/territories.

2.2 Gaming Services

The Gaming Services business has the following operations and licences/approvals.

Gaming Services operations:

- The Gaming Services business operates two units under the MAX brand: MAX Regulatory Services; and MAX Venue Services.
- MAX Regulatory Services provides EGM monitoring and related integrity services across NSW, Queensland, Northern Territory and Tasmania.
- MAX Venue Services comprises MAX Performance Solutions, MAX Integrated Systems and MAX Technical Services, and provides a mix of products, technology, financing, support, maintenance and other gaming services to venues nationwide.

Monitoring licences[i]:

- NSW Centralised Monitoring System Licence expires in November 2032.
- Queensland Monitoring Operator's Licence expires in August 2027, with indefinite rolling renewal capability.
- Tasmanian Monitoring Operator Licence commenced 1 July 2023 and expires in June 2043.
- Northern Territory Monitoring Provider's Licence expires in June 2026, with indefinite rolling renewal capability.

Other licences/approvals[i]:

- NSW Gaming Machine Dealer's and Seller's Licences.
- Listings on the Victorian Roll of Manufacturers, Suppliers and Testers.
- Queensland Service Contractor Licence and Approved Financier status.
- South Australian Gaming Machine Service Licence.
- Listings on the Tasmanian Roll of Recognised Manufacturers, Suppliers and Testers of Gaming Equipment.
- ACT Supplier Certificates.
- Northern Territory listing on the Roll of Approved Gaming Equipment Suppliers, Gaming Machine Service Contractors Licence and other approvals.

(i) Ordered by population of states/territories.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

3.1 Dabble Investment

In October 2022, the Group acquired a 20% equity interest in socialised digital wagering platform Dabble Sports Pty Ltd (**Dabble**).

3.2 USPP Note Placement

During FY23, the Group successfully completed a US$289.0m issuance of long term debt to investors in the US Private Placement market (**Notes**). The Notes totalled A$425m after swapping into Australian dollars and the proceeds from the Notes are to be used for general corporate purposes, the repayment of existing indebtedness and to fund growth options consistent with the Group's strategy since Demerger.

3.3 Settlement of Racing Queensland Litigation

In December 2022, Tabcorp and Racing Queensland settled legal proceedings brought by Racing Queensland against Tabcorp in relation to disputes concerning the calculation of fees payable by Tabcorp following the introduction of point of consumption tax in Queensland in 2018. The settlement became effective upon the passing of legislation in Queensland implementing reforms to the wagering taxation and racing industry funding model in Queensland. As part of the settlement, Tabcorp paid $100m (plus GST) to Racing Queensland and $50m (no GST) to the Queensland Government.

3.4 Sale of eBet

On 1 February 2023, the Group completed the sale of the eBet business to Venue Digital Technology Pty Ltd for a gain on sale of $34.2m.

Other than the matters discussed in the Operating and Financial Review and elsewhere in the Directors' Report, no other significant changes in the state of affairs of the Group have occurred since the commencement of the financial year on 1 July 2022.

4. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 24 August 2023, the Group announced the sale of the Tabcorp Gaming Solutions business (trading as MAX Performance Solutions) for $21.3m in cash, subject to working capital, net debt and other minor adjustments. The sale is targeted for completion prior to December 2023, subject to necessary regulatory approvals being obtained.

On 11 August 2023, the Group announced it had extended a digital vision supply agreement with Sportsbet by a further 10 years until 31 July 2036.

No other matters or circumstances have arisen since the end of the financial year, which are not otherwise dealt with in this Directors' Report or in the Financial Report, that have significantly affected or may significantly affect the Group's operations, the results of those operations or the state of affairs of the Group in subsequent financial years.

5. BUSINESS STRATEGIES

The Group is one of Australia's leading gambling entertainment companies and seeks to deliver sustainable returns to its shareholders through the delivery of financial, operational and leadership excellence. To achieve these outcomes, the Group continues to focus on a number of key strategies and priorities, which are discussed on pages 4 to 9. The priorities of the Group's continuing businesses are set out on pages 14 to 19.

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board participates in formal strategic review and planning processes to provide guidance to management about the Group's strategic direction. The Group plans to continue with its business strategies, as set out in this report and referenced above. The execution of these strategies is expected to result in improved financial performance for the Group's businesses over the coming financial years.

The achievement of the expected results in future financial years is dependent on a range of factors, and may be adversely affected by any number of events, and are subject to, among other things, the material business risks described on pages 34 to 39.

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors have reasonable grounds to believe that to include such information will be likely to result in unreasonable prejudice to the Group.

7. DIRECTORS

The names and details of the Company's Directors in office during the financial year and up to the date of this report (unless otherwise stated) are set out on pages 30 and 31.

8. DIRECTORS' INTERESTS IN CONTRACTS

Some Directors of the Company, or related entities of the Directors, conduct transactions with entities within the Group that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the Director or Director-related entity on normal commercial terms and conditions.

The Board assesses the independence of Directors and, among other things, takes into account any related party dealings referable to a Director which are material and require disclosure under accounting standards, and whether any Director is, or is associated with, a supplier, professional adviser, consultant to or customer of the Group which is material. No such circumstances arose during the financial year. For more information refer to the Corporate Governance Statement available on Tabcorp's website.

9. BOARD AND COMMITTEE MEETING ATTENDANCE

The Board meets as often as is required and during FY23 there was a total of 24 Board meetings, comprising 11 scheduled meetings and 13 additional out-of-cycle meetings convened for special purposes to consider a broad range of matters. The attendance of the Directors at scheduled meetings of the Board and standing Board Committees during the year in review were:

	Board		Committees									
	Scheduled meetings		Audit		Risk, Compliance and Sustainability		People and Remuneration		Technology		Nomination	
Name	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Bruce Akhurst[i]	11	11	6	6	4	4	4	4	4	4	2	2
Adam Rytenskild[ii]	11	11	4	6	3	4	4	4	4	4	1	2
Brett Chenoweth[iii]	11	11	1	1	4	4	-	-	3	4	2	2
David Gallop	11	11	-	-	4	4	4	4	-	-	2	2
Janette Kendall	11	11	6	6	-	-	4	4	4	4	2	2
Justin Milne	11	11	6	6	4	4	-	-	4	4	2	2
Raelene Murphy[iii]	11	11	6	6	3	4	-	-	-	-	2	2
Karen Stocks[iv]	9	11	-	-	-	-	-	-	3	4	1	2
Additional out-of-cycle Board meetings		13										
Total Board meetings		**24**										

A – Number of meetings attended
B – Maximum number of possible meetings available for attendance
(i) Also attended meetings of the Victorian Joint Venture Management Committee as Chairman of this Committee.
(ii) The MD & CEO attends Committee meetings, but he is not a member of any Committee. Only Non-Executive Directors are members of Board Committees.
(iii) Commenced as a Non-Executive Director on 4 August 2022 following the receipt of all necessary regulatory and ministerial approvals (previously was a Board Observer from 1 June 2022).
(iv) Commenced as a Non-Executive Director on 22 March 2023 following the receipt of all necessary regulatory and ministerial approvals (previously was a Board Observer from 1 June 2022).

In addition to the meetings above, Directors also participated in Board Sub-Committee meetings established for special purposes and management briefings on developments and topics of special interest. The functions and memberships of the Board Committees are set out in the Company's Corporate Governance Statement available on Tabcorp's website. The Board and Committee Charters are also available on Tabcorp's website.

10. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Directors and Officers of the Group are indemnified against liabilities pursuant to agreements with the Group. Members of the Group have entered into insurance contracts with third party insurance providers, and in accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

11. COMPANY SECRETARY

Chris Murphy commenced as Acting Company Secretary on 23 March 2018 and following receipt of the necessary regulatory and ministerial approvals was formally appointed as Company Secretary on 6 February 2019. Prior to joining Tabcorp, he was Assistant Company Secretary of Transurban Group and previously held company secretariat and/or legal roles at Cleanaway Limited, Alstom Limited and Melbourne Stadiums Limited. Chris holds a Bachelor of Laws (Honours), Bachelor of Commerce, a Graduate Diploma of Applied Corporate Governance and a Graduate Certificate in Applied Finance and Investment, and he is an Associate Member of the Governance Institute of Australia.

12. ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's environmental obligations are regulated under both state and federal laws. The Group complies with, or in many cases exceeds, its environmental performance obligations. During FY23, no environmental breaches have been notified to the Group by any government agency.

13. POLITICAL CONTRIBUTIONS AND ENGAGEMENT

As a listed entity operating in a highly regulated environment, Tabcorp has an obligation to its shareholders and stakeholders to participate in the process of public policy development. From time to time Tabcorp holds memberships with various networking forums organised by political parties and Tabcorp personnel attend networking events that support political parties as they participate in the democratic system of parliamentary government in Australia – at both a Commonwealth and state/territory level. Under various Australian laws the cost of these networking forums and events is classified as a political contribution and is sometimes required to be publicly disclosed.

Tabcorp takes a strict principles-based approach when making contributions to political parties in accordance with our Political Contributions Policy. In particular, Tabcorp does not make any 'cash only donations' to any political party or affiliate. The Board has oversight of this policy and approves Tabcorp's political expenditure program and budget each year.

In the interest of transparency, Tabcorp discloses all political contributions made under our political expenditure program to the Australian Electoral Commission (**AEC**) and other bodies, irrespective of whether such contributions are classified by law as a 'political donation' or are required to be disclosed. In FY23, Tabcorp's political contributions totalled $161,150 (FY22: $216,160). These contributions were to meet the cost of memberships of business forums and attendance at events and party conference corporate days.

Further details are available in Tabcorp's Corporate Governance Statement and under the Corporate Governance section of Tabcorp's website, including Tabcorp's Political Contributions Policy and a link to Tabcorp's most recent Annual Return to the AEC.

14. ROUNDING OF AMOUNTS

Dollar amounts in the Financial Report, Directors' Report and Remuneration Report have been rounded to the hundred thousand unless specifically stated to be otherwise, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

15. AUDITORS

The Group's external auditor is Ernst & Young. The Group's internal audit function is resourced by Tabcorp, with specialist independent external support where necessary. More information relating to the audit functions can be found in the Company's Corporate Governance Statement.

During the year, a tender process for the provision of external audit services for the Company and Group was conducted, overseen by the Audit Committee Chairman. Following a balanced assessment of various evaluation criteria, the Board determined to retain Ernst & Young as the external auditor to the Company and Group.

16. NON-AUDIT SERVICES

Ernst & Young, the external auditor to the Company and the Group, provided non-statutory audit services to the Company during FY23. The Directors are satisfied that the provision of non-statutory audit services during this period was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-statutory audit service provided means that auditor independence was not compromised.

The Audit Committee regularly reviews the activities of the independent external auditor and reviews the auditor's performance on an annual basis. The Chairman of the Audit Committee must approve all non-statutory audit and other work to be undertaken by the auditor (if any). Further details relating to the Audit Committee and the engagement of auditors are available in the Company's Corporate Governance Statement available on the Tabcorp website.

Ernst & Young, acting as the Company's external auditor, received or are due to receive $304,900 in relation to the provision of non-statutory audit services and $363,000 in relation to the provision of non-audit services to the Company in respect of FY23. Amounts paid or payable by the Company for audit and non-statutory audit services are disclosed in note E6 to the Financial Report.

17. AUDITOR'S INDEPENDENCE DECLARATION

Shown opposite is a copy of the auditor's independence declaration provided under section 307C of the Corporations Act 2001 in relation to the audit for FY23. This auditor's independence declaration forms part of this Directors' Report.

18. REMUNERATION REPORT

The Remuneration Report for FY23 forms part of this Directors' Report, and can be found on pages 52 to 75.

This Directors' Report has been signed in accordance with a resolution of Directors.

Bruce Akhurst
Chairman

Melbourne
24 August 2023

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Auditor's Independence Declaration to the Directors of Tabcorp Holdings Limited

As lead auditor for the audit of the financial report of Tabcorp Holdings Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) no contraventions of any applicable code of professional conduct in relation to the audit; and

c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tabcorp Holdings Limited and the entities it controlled during the financial year.

Ernst & Young

Michael Collins
Partner
24 August 2023

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

REMUNERATION REPORT (AUDITED)

Contents

1. LETTER FROM THE PEOPLE AND REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholder,

On behalf of the Tabcorp Board of Directors, I'm pleased to present Tabcorp's Remuneration Report for the year ended 30 June 2023 (**FY23**). This report covers Tabcorp's approach to remuneration for its Key Management Personnel (**KMP**), the link between performance and reward and the remuneration outcomes for KMP for FY23.

Business performance

FY23 has been a foundational year for Tabcorp following the Demerger of the Lotteries and Keno businesses the prior year.

Tabcorp released its TAB25 vision, a three-year transformation strategy with clear targets and an execution plan to create a simpler, more valuable business for shareholders by FY25. During the year the Company made significant progress against this strategy.

The new TAB App was launched ahead of the Spring Racing Carnival as promised to the market and this has been followed with ten new product and feature launches, closing product gaps and improving TAB's digital competitiveness. This led to a record 805,000 active users on the App in FY23. The Gaming Services business continued its transition to an integrity services model and was awarded a new 20-year licence to monitor all electronic gaming machines in Tasmanian pubs and clubs. Substantial progress towards a Level Playing Field for all wagering operators was made, with reforms implemented in Queensland, the ACT and Tasmania.

Market share was challenged by new entrants against a backdrop of a diminishing wagering market coming off peaks experienced during COVID-19.

Revenues for the Group were $2,434.4m, up 2.6%, and EBITDA before significant items[i] was $391.0m, up from $381.6m on the previous year. The Group reported a net profit after tax (**NPAT**) of $66.5m in FY23, after incurring a non-cash impairment charge of $49.0m (before tax) relating to the Gaming Services business and other significant items benefit totalling $16.4m (before tax)[i].

Executive KMP remuneration

In determining the remuneration outcomes for the executive KMP, the Board considered business progress and achievements against FY23 strategic priorities, business and individual performance, market conditions and shareholder experience. The FY23 remuneration outcomes are summarised below and in the Board's opinion, fairly reflect individual and Company performance.

Fixed remuneration

There were no changes to the remuneration packages of executive KMP during FY23. Further detail on KMP remuneration packages is provided on pages 58 and 59.

Short Term Incentive (STI) outcomes

Tabcorp's EBIT target under the STI Plan (refer to section 6(c)) was met, with an EBIT before significant items[i] result of $150.5m compared to a target of $150.3m. While the EBIT hurdle was met and management delivered key milestones as part of Tabcorp's strategic transformation, performance against a number of targets fell short against a backdrop of a challenging market and general economic conditions. Taking a balanced view of financial and non-financial performance, including strong returns generated for shareholders, the Board determined that an STI pool of 75.0% of target be made available to eligible employees.

Noting the above factors and considering the performance of Mr Rytenskild, MD & CEO, against his individual weighted scorecard, the Board determined to provide Mr Rytenskild with an STI award equivalent to 75.8% of his target STI opportunity (50.5% of his maximum opportunity).

The Board also determined to provide Mr Renshaw, Chief Financial Officer, with an STI award equivalent to 56.3% of his target STI opportunity (28.1% of his maximum opportunity).

(i) Non-IFRS financial information, unaudited. For details of impairment and significant items, refer to page 13.

Long Term Incentive (LTI) outcomes

Prior to the Demerger on 1 June 2022, all unvested LTI awards vested on a pro rata basis considering the required service periods that had elapsed under the LTI offers at the date of the Demerger.

As such, there is only one LTI offer on foot (with a three-year performance period of 1 July 2022 to 30 June 2025) which is due to vest in August 2025 subject to the satisfaction of performance and service conditions. Refer to section 7(c) for more details.

Key remuneration framework changes

During FY23 the Board reviewed Tabcorp's LTI Plan, with a market priced option plan introduced, effective from FY23. The Options are performance based against average Return on Invested Capital (**ROIC**) targets over a three-year performance period with a one-year exercise period. Any Options not vested or exercised will lapse. Shareholders approved Mr Rytenskild's participation in the FY23 LTI Plan at the 2022 Annual General Meeting. Refer to section 7(c) for more details.

The Board also reviewed Tabcorp's STI Plan, and effective from FY24, the STI hurdle of EBIT will be expanded to include staggered targets (75%, 100%, 125%) rather than the one hurdle (90%) currently in operation. This will provide a more formulaic approach to the Board's determination of a STI pool and the size of the pool if one is awarded. Further details will be provided in Tabcorp's FY24 Remuneration Report.

In addition, the Board reviewed Tabcorp's remuneration benchmarking peer group. Prior to the Demerger, the peer group consisted of the ASX 25-75 companies which is no longer relevant. The Board considered several factors when determining an appropriate peer group, such as Tabcorp's market capitalisation, annual revenue, ASX industry classification, the quality of directors required for a gambling company (operating in a complex environment, with heavy regulation and a higher degree of personal risk and exposure for individual directors) and the substantial time commitment required by directors to support management in the delivery of Tabcorp's strategic transformation.

Balancing the above factors, the Board determined that a peer group consisting of ASX 51-200 companies with annual revenue of between $1 billion and $4 billion is appropriate. The Board also determined that setting Board and Committee fees above the median of this peer group is appropriate given the unique considerations applicable to the gambling industry and the heavy time commitment currently placed on Tabcorp's Non-Executive Directors (with a total of 44 Board and Committee meetings held during FY23).

An annual review of Non-Executive Board and Committee fees was undertaken in March 2023. The Board determined to retain the current level of fees and to also absorb the increase in the Superannuation Guarantee Contribution rate, effective 1 July 2023 (from 10.5% to 11.0%).

Conclusion

Having laid strong foundations in the first full year post the Demerger, Tabcorp will now pivot to the growth years of the TAB25 strategy with a clear aim to deliver further increased value to shareholders. This will include new products, a new retail experience and continued innovation for our customers.

On behalf of the People and Remuneration Committee and the Board, I thank you for your ongoing support of Tabcorp.

David Gallop
People and Remuneration Committee Chairman

This Remuneration Report is presented in accordance with the requirements of the Corporations Act 2001 (Cth) (Act) and its regulations and has been audited as required by section 308(3C) of the Act.

2. KEY MANAGEMENT PERSONNEL

This report covers the KMP of Tabcorp who have the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. This includes both the executive KMP as well as Non-Executive Directors.

The following table lists Tabcorp's KMP during FY23. All KMP held their positions for the duration of FY23 unless otherwise stated.

Non-Executive Directors[(i)]
Bruce Akhurst, Chair
Brett Chenoweth (from 4 August 2022)[(ii)]
David Gallop
Janette Kendall
Justin Milne
Raelene Murphy (from 4 August 2022)[(ii)]
Karen Stocks (from 22 March 2023)[(iii)]

Executive KMP
Managing Director and Chief Executive Officer (MD & CEO)
Adam Rytenskild
Chief Financial Officer (CFO)
Daniel Renshaw

(i) Prior to being appointed as a director, candidates are required to undergo various probity assessments and obtain approvals by applicable gambling regulators and certain ministers. While these are being obtained, candidates act as observers to the Board, during which time, they are paid fees for their time. However, observers do not participate in any decision-making by the Board and are not considered KMP.
(ii) Brett Chenoweth and Raelene Murphy were observers from 1 July 2022 until 3 August 2022. They received regulatory approvals and were appointed as Non-Executive Directors effective 4 August 2022.
(iii) Karen Stocks was an observer from 1 July 2022 until 21 March 2023. She received regulatory approval and was appointed as a Non-Executive Director effective 22 March 2023.

3. REMUNERATION GOVERNANCE

Tabcorp's approach to remuneration governance and decision-making applicable during the period is summarised in the diagram below.

Board

The Board, with advice from the People and Remuneration Committee, approves and overseas the implementation of the Company's remuneration framework and policies, approves the remuneration of Non-Executive Directors and the Chairman, and approves the remuneration of the MD & CEO and the executive team, including performance incentive targets and outcomes.

People and Remuneration Committee (PRC)

Assists the Board to fulfil its duties and responsibilities relating to:

- the remuneration of Non-Executive Directors and the Chairman;
- the performance and remuneration of, and incentives for, the MD & CEO and the executive team;
- the remuneration framework and policies, superannuation arrangements, employee share ownership schemes and performance incentive schemes;
- people strategies and policies, including talent retention, diversity and inclusion, culture and engagement; and
- the health, safety and wellbeing strategy and performance.

The Committee must consist of at least three Non-Executive Directors. Non-committee members, including management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chair.

The Committee uses a range of inputs when assessing performance and outcomes of executives. Detailed performance assessments as well as audited financial results, external remuneration benchmarking and feedback from the Board Risk, Compliance and Sustainability Committee are also considered. The Committee and the Board review relevant information and may exercise discretion to adjust proposed remuneration outcomes.

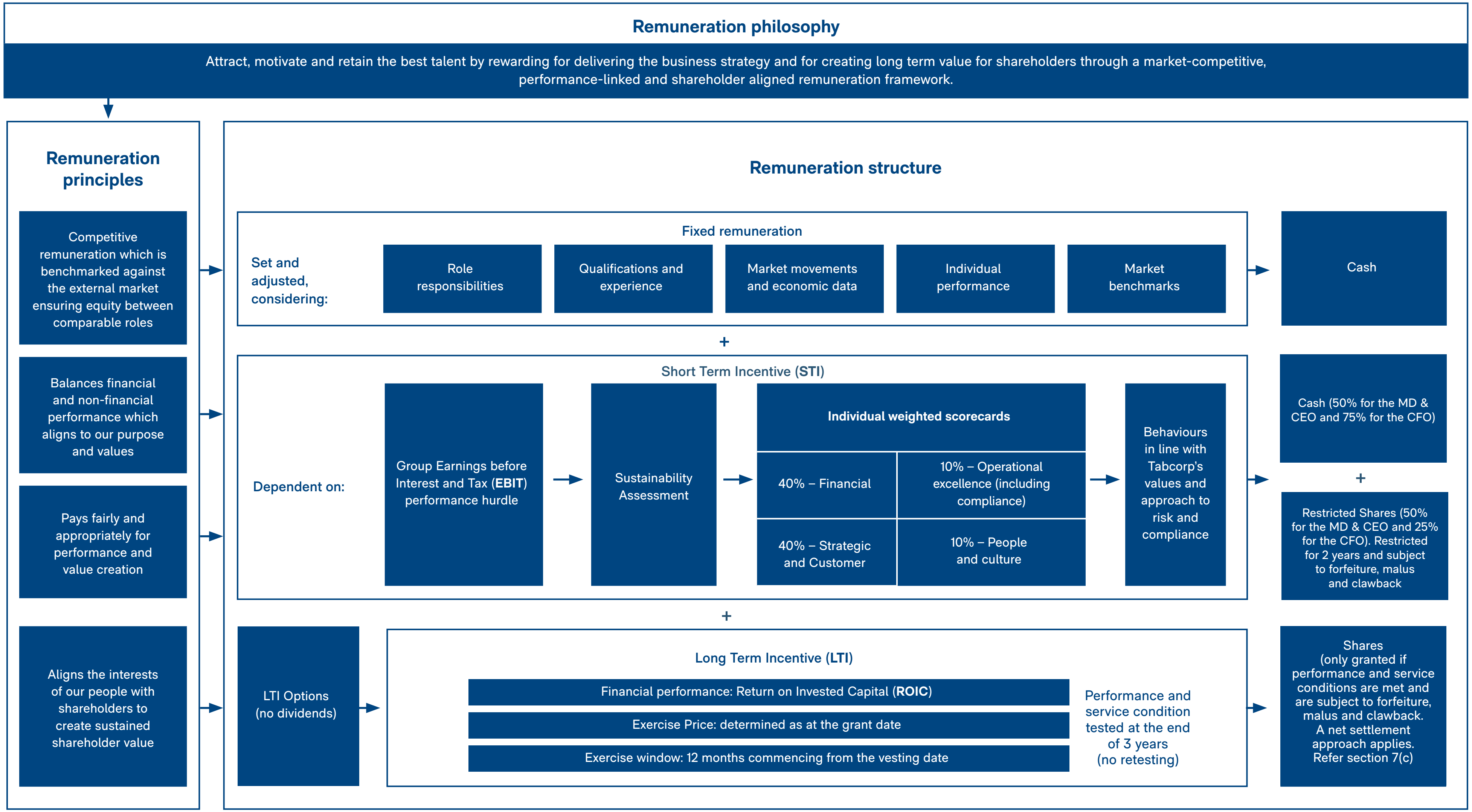
The Committee is governed by its Charter, which is available on Tabcorp's website (**www.tabcorp.com.au**) under the Corporate Governance section.

Management	External Advisors	Risk, Compliance and Sustainability Committee
Receive information from, and provide information to, management which may impact remuneration. The MD & CEO and the Chief People Officer attend Committee meetings, however they do not participate in formal decision-making or in discussions involving their own remuneration.	The PRC may seek the advice or services of Tabcorp's auditors, solicitors or such other independent advisers, consultants or specialists as the Committee may require. No remuneration-related advice was sought, and no remuneration recommendations were received in respect of KMP during FY23.	Supports the PRC by providing feedback, which assists decision-making regarding incentive outcomes.

4. REMUNERATION FRAMEWORK

(a) Remuneration Strategy

Tabcorp's remuneration policy and strategy are designed to support and reinforce the Company's business strategy. The STI and LTI performance measures are directly linked to shareholder value creation. Executive KMP are assessed on performance and behaviours annually, which aims to ensure reward for results which have been delivered in a sustainable and ethical manner.



(b) Remuneration Timeline

		Year 1	Year 2	Year 3	Year 4
Fixed	TEC	Cash 100%			
		Base salary and superannuation			
Variable	STI	Cash MD & CEO 50% CFO 75%	Shares restricted for two years subject to a two year service requirement, forfeiture, malus and clawback and Board discretion MD & CEO 50% CFO 25%		
	LTI	LTI Options vest at the end of year three subject to performance against ROIC targets and service requirements. Subject to forfeiture, malus and clawback and Board discretion 100%			12 month exercise period for vested Options

(c) Remuneration Mix

The remuneration mix is designed to achieve a balanced reward for achievement of short term objectives and the creation of long term sustainable value. The amount of remuneration received by executive KMP depends on the achievement of business and individual performance.

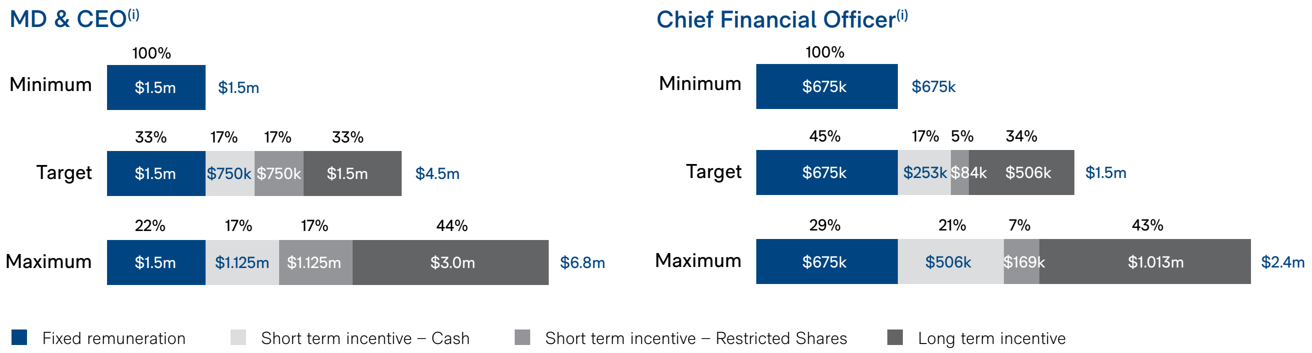
The following diagrams show the minimum, target and maximum total remuneration opportunity for the MD & CEO and the CFO.

Minimum: consists of fixed remuneration (**TEC**): Total Employment Costs (which includes salary and statutory superannuation).

Target: consists of TEC, target STI and 50% of the LTI awards (granted in that year) are assumed to vest. The potential impact of future share price movements is not included within the equity components.

Maximum: consists of TEC, maximum STI and 100% of the LTI awards (granted in that year) are assumed to vest. The potential impact of future share price movements is not included within the equity components.

The maximum opportunities represented below represent the most that could be awarded to executive KMP, it does not reflect any intention to award that amount, unless exceptional performance has been achieved.



(i) The above amounts and percentages are rounded for presentational purposes.

5. CHANGES TO REMUNERATION FRAMEWORK

During FY23 the Board reviewed Tabcorp's LTI Plan, with a market priced option plan introduced, effective from FY23. The Options are performance based against average ROIC targets over a three-year performance period with a one-year exercise period. Any Options not vested or exercised will lapse. Shareholders approved Mr Rytenskild's participation in the FY23 LTI Plan at the 2022 Annual General Meeting. Refer to section 7(c) for more details.

The Board also reviewed Tabcorp's STI Plan, and effective from FY24, the STI hurdle of EBIT will be expanded to include staggered targets (75%, 100%, 125%) rather than the one hurdle (90%) currently in operation. This will provide a more formulaic approach to the Board's determination of a STI pool and the size of the pool if one is awarded. Further details will be provided in Tabcorp's FY24 Remuneration Report.

In addition, the Board reviewed Tabcorp's remuneration benchmarking peer group. Prior to the Demerger, the peer group consisted of the ASX 25-75 companies which is no longer relevant. The Board considered several factors when determining an appropriate peer group, such as Tabcorp's market capitalisation, annual revenue, ASX industry classification, the quality of directors required for a gambling company (operating in a complex environment, with heavy regulation and a higher degree of personal risk and exposure for individual directors) and the substantial time commitment required by directors to support management in the delivery of Tabcorp's strategic transformation.

Balancing the above factors, the Board determined that a peer group consisting of ASX 51-200 companies with annual revenue of between $1 billion and $4 billion is appropriate. The Board also determined that setting Board and Committee fees above the median of this peer group is appropriate given the unique considerations applicable to the gambling industry and the heavy time commitment currently placed on Tabcorp's Non-Executive Directors (with a total of 44 Board and Committee meetings held during FY23).

6. EXECUTIVE REMUNERATION OUTCOMES IN FY23

(a) Business performance for FY23

FY23 has been a foundational year for Tabcorp, following the Demerger of the Lotteries and Keno businesses the prior year. Tabcorp released its TAB25 vision, a three-year transformation strategy with clear targets and an execution plan to create a simpler, more valuable business for shareholders by FY25. During the year the Company made significant progress against this strategy. The new TAB App was launched ahead of the Spring Racing Carnival as promised to the market and this has been followed with ten new product and feature launches, closing product gaps and improving TAB's digital competitiveness. This led to a record 805,000 active users on the App in FY23. The Gaming Services business continued its transition to an integrity services model and was awarded a new 20-year licence to monitor all electronic gaming machines in Tasmanian pubs and clubs. Substantial progress towards a Level Playing Field for all wagering operators was made, with reforms implemented in Queensland, the ACT and Tasmania.

(b) Five-year Group financial performance and remuneration outcomes

	Measurement unit	FY19	FY20	FY21	FY22	FY23
Net profit/(loss) after tax (**NPAT**)	$m	361.1	(870.4)(iv)	269.4(v)	6,775.9(vi)	66.5
Basic earnings per share (**EPS**)	Cents	17.9	(42.9)(iv)	12.3(v)	304.6(vi)	2.9
Closing share price at 30 June(i)	$	4.45	3.38	5.18	1.07	1.11
Dividends(ii)	Cents per share	22.0	11.0	14.5	13.0	2.3
STI Group Funding Multiplier (**STI pool**)	% of target pool	100%	0%	100%	100%	75%
MD & CEO STI awards	% of target opportunity	85%	0%	100%	65%(vii)	75.8%
	% of maximum opportunity	43%	0%	67%	43%(vii)	50.5%
STI award CFO(iii)	% of target opportunity	89%	0%	105%	107%	56.3%
	% of maximum opportunity	44%	0%	52%	54%	28.1%
All executive KMP LTI vesting	% of maximum opportunity	0%	0%	54%	37.5%	n/a(viii)

(i) Opening share price as at 1 July 2018 was $4.46.
(ii) Includes interim and final dividends. For FY20, a final dividend was not paid.
(iii) Prior to FY23, represents the average award for all executive KMP excluding the MD & CEO.
(iv) NPAT includes impairment of goodwill of $1,090m. FY20 EPS before impairment of goodwill was 10.9c.
(v) NPAT includes impairment of goodwill of $122m. FY21 EPS before impairment of goodwill was 17.9c.
(vi) FY22 includes 11 months results for Lotteries and Keno prior to the Demerger which occurred in June 2022.
(vii) Represents FY22 STI award for prior MD & CEO, David Attenborough for the period 1 July 2021 to 31 May 2022.
(viii) The next scheduled vesting date for LTI is at the end of the three-year performance period of 1 July 2022 to 30 June 2025.

(c) FY23 STI outcomes

Under Tabcorp's STI plan, the FY23 STI pool is primarily based on the EBIT result with consideration given to the sustainability modifier measure, which considers Tabcorp's management of risk and compliance, responsible gambling, community, and reputation.

Tabcorp's EBIT target was met, with an EBIT before significant items(i) result of $150.5m compared to a target of $150.3m. While the EBIT hurdle was met and management delivered key milestones as part of Tabcorp's strategic transformation, performance against a number of targets fell short against a backdrop of a challenging market and general economic conditions. Taking a balanced view of financial and non-financial performance, including strong returns generated for shareholders, the Board determined that an STI pool of 75% of target be made available to eligible employees.

(i) Non-IFRS financial information, unaudited.

STI Scorecard

Tabcorp's FY23 priorities were cascaded via the MD & CEO's KPIs to other executives in combination with other functional measures. The CFO's scorecard is similar to the MD & CEO's scorecard but includes: a focus on balance sheet capacity and diversity and the ability to unlock funding to support innovation and growth. The Board assessed the executive performance and the MD & CEO's KPIs as follows.

Category	Measures	Performance
Financial (40%)	• EBITDA: $420m • NPAT (before significant items): $90m • Operating expenses: $650m • ROIC: 6.2%	**Partially Achieved** • Financial result ahead of consensus and total shareholder return of 12.5%. • FY23 EBITDA before significant items(i) of $391.0m, NPAT before significant items(i) of $84.3m and ROIC of 5.5%, impacted by softening consumer environment leading to a decline in wagering market revenue. • Operating expenses(i) of $617.5m, ahead of target and market guidance. • Invested Capital well managed, balance sheet in a strong position with new debt facility (USPP) and longer average debt maturity. • Capital discipline maintained on WA and NZ TAB processes.
Strategic and Customer (40%)	• Progress digital market share • New products released to customers • Structural reform successfully progressed • Integrity services expanded to new jurisdictions • New technology road map in place (including separation due to Demerger)	**Exceeded** • Market share below target for growth, stable with prior year. Other digital customer metrics including Actives and Turnover share showing improved performance. • Structural reform delivered in QLD with uplift in QLD TAB performance. VIC level playing field post August 2024 and progress made in NSW. • Major products released including Popular SGM, Bets Friends, AFL/NRL Stats. Several other major releases have also been delivered, including major tournament, and activity statements. • Speed to market improved significantly – core releases 24 weeks down from 50 weeks and mobile, Customer Account Management and Raceday releases 4 weeks down from 26 weeks. • Pivot to Integrity Services with sale of eBet and new monitoring arrangements in Tasmania and Star Sydney. • Technology separation project on track and within budget. All transitional services arrangements delivered and closed or agreed to continue by exception.
Operational Excellence (10%)	• Define and progress delivery against agreed sustainability targets • No material compliance breaches or reputational matters	**Achieved** • Sustainability targets focussed on Customer Care, Contributions to the Community and building a Sustainable Future. • Key achievements include implementation of Customer Care strategy, the introduction of customer perception surveys, delivered Community Investment strategy and progressed towards reduction in emissions targets. Further information will be disclosed in Tabcorp's 2023 Sustainability Report. • No compliance breaches that have a material adverse impact on Tabcorp's reputation or its financial performance.
People and Culture (10%)	• Employee engagement • Employee voluntary turnover • Lost Time Injury Frequency Rate of < 2.0 • Achieve 40% women within the senior leadership cohort	**Partially Achieved** • Employee Operating Model change and scaled reduction in headcount. • Significant uplift in leadership capability through new hires and a focus on female talent. • Females within the senior leadership cohort slightly under target at 37%. • Culture pivot with new Values. • Employee engagement improved from 57% in FY22 to 59%. • Employee turnover reduced from 19.1% in FY22 to 13.3%. • LTIFR of 2.6, all of which were non-traumatic injuries or aggravations of pre-existing conditions.

(i) Non-IFRS financial information, unaudited.

The STI performance outcomes and awards for the MD & CEO and executive KMP are detailed in the following table:

		Total STI awarded			Actual STI achieved		
	Target $	Total $	Cash portion $	Restricted portion $	as a % of maximum opportunity	as a % of target opportunity	STI foregone as a % of maximum opportunity
Adam Rytenskild	1,500,000	1,136,250	568,125	568,125	50.5	75.8	49.5
Daniel Renshaw	337,500	189,850	142,388	47,462	28.1	56.3	71.9

(d) FY23 LTI outcomes

On 1 June 2022, Tabcorp successfully implemented the Demerger of its Lotteries and Keno businesses and created the separate ASX listed company, The Lottery Corporation Limited. As disclosed in the Demerger Booklet, the Board determined that the performance conditions associated with the LTI offers on foot as at the date of the Demerger would be waived and the Performance Rights would vest on a pro-rata basis, considering the required service periods that had elapsed under the LTI offers at the date of the Demerger. As a result, there were no LTI offers which vested during FY23.

Following approval by shareholders at the 2022 Annual General Meeting, a grant of Options was made to the MD & CEO, other executives, and certain other eligible employees on 2 November 2022 under the 2022 LTI Plan. The Options will be tested at the end of the three-year performance period (1 July 2022 to 30 June 2025). Details of the 2022 LTI Plan grant are set out in section 7(c) of this report.

(e) Remuneration received in FY23

The table below provides a non-statutory voluntary disclosure of the actual remuneration received by executive KMP during FY23. Some of the figures in the table have not been prepared in accordance with the Australian Accounting Standards. This information is supplementary to the remuneration disclosure prepared in accordance with the statutory requirements and Australian Accounting Standards as detailed in section 11(b) of this report. We believe this information will help shareholders understand the cash and other benefits received by executive KMP from the various components of their remuneration during FY23.

	TEC (salary plus superannuation) $	Cash STI(i) $	Total Cash $	Value of restricted shares that vested during the year(ii) $	Value of LTI that vested during the year(ii)(iii) $	Total remuneration received during the year $
Adam Rytenskild	1,500,000	377,605	1,877,605	-	-	1,877,605
Daniel Renshaw	675,000	224,813	899,813	-	-	899,813
Total	**2,175,000**	**602,418**	**2,777,418**	**-**	**-**	**2,777,418**

(i) STI cash bonus reflects the portion of the FY22 STI which was paid in cash in August 2022.
(ii) Based on the market value of Tabcorp shares at the date of vesting, multiplied by the number of shares.
(iii) As noted in section 6(d), no LTI vested during FY23.

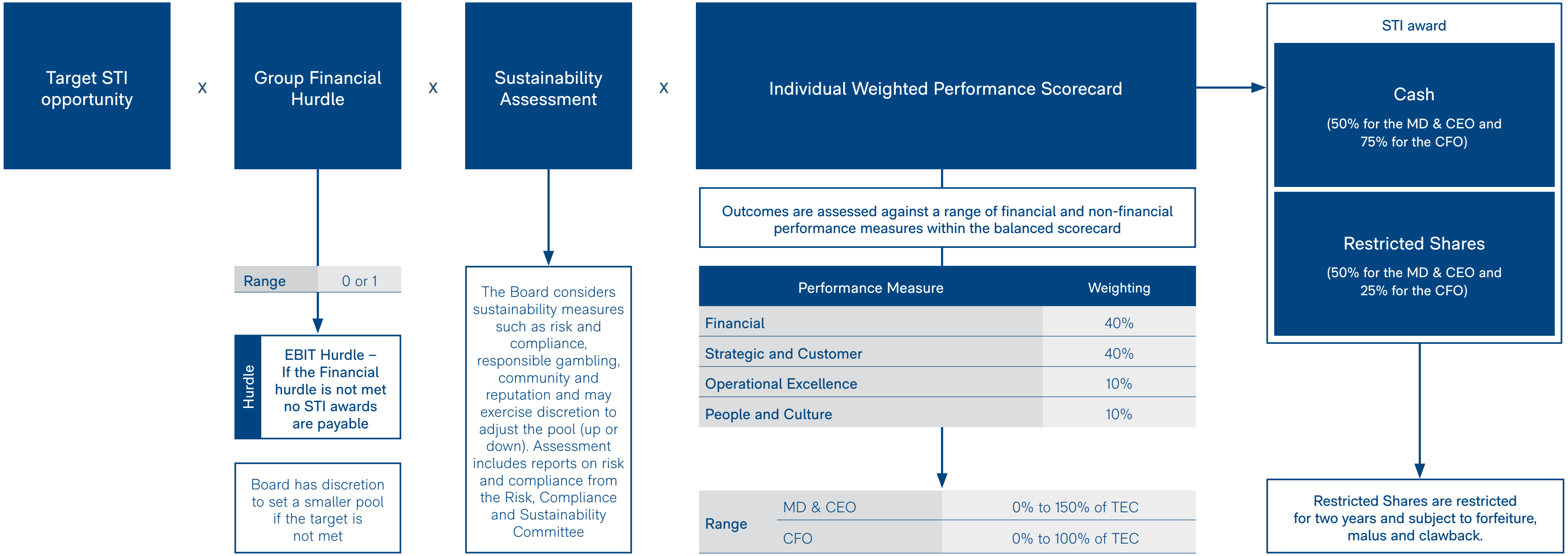
7. REMUNERATION FRAMEWORK

(a) Fixed remuneration (TEC)

What constitutes fixed remuneration?	Salary and statutory superannuation contributions (includes employee-elected salary sacrificed benefits).
How is it set?	With reference to the responsibilities and complexities of the role, the executive's knowledge, experience and skills and market benchmarks.
What is Tabcorp's remuneration benchmarking peer group?	The ASX 51-200 group of companies with a revenue overlay of $1.0 billion to $4.0 billion per annum. The Board considers the peer group appropriate for Tabcorp to attract and retain suitably skilled Directors in the gambling industry, which is a challenging and complex sector, it's heavily regulated and carries a higher degree of personal risk and exposure.

(b) Short term incentive (STI)

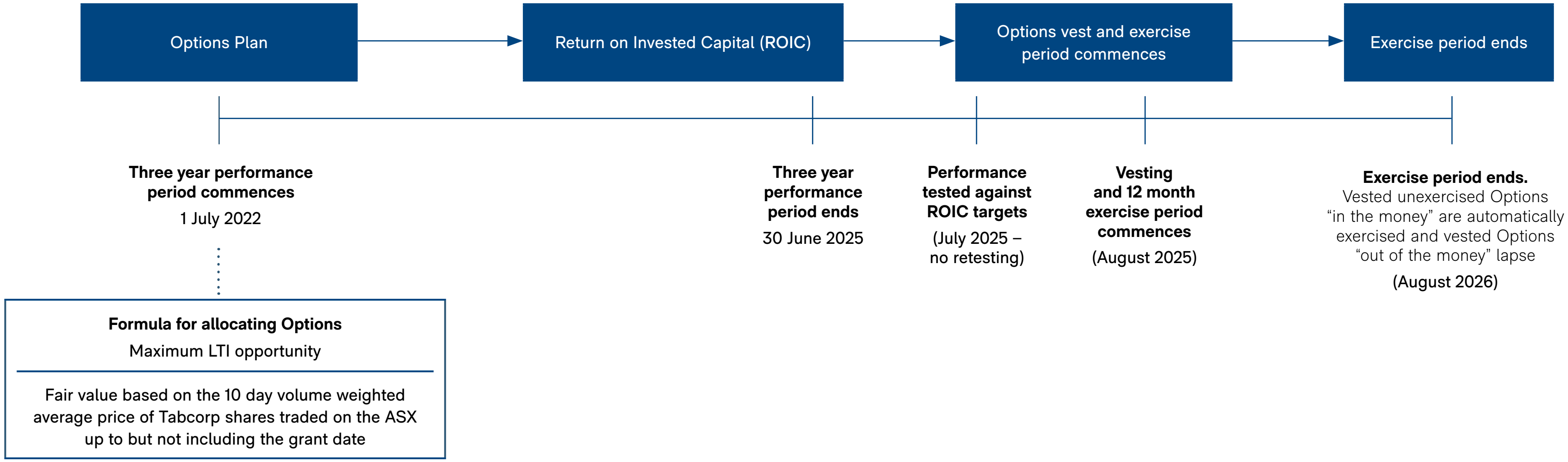
The operation of the executive KMP FY23 STI Plan is summarised below.



Eligibility	Eligible permanent employees, including the MD & CEO and other executives, participate in the annual STI plan, which puts a proportion of remuneration 'at risk' subject to meeting specific pre-determined performance measures.
Performance period	The performance period is the financial year preceding the payment date.
STI opportunity	For 'at target' performance, the MD & CEO has the opportunity to receive 100% of TEC and the CFO has the opportunity to receive 50% of TEC. The minimum STI outcome is 0% (if targets are not met) and the maximum is capped at 150% of the STI opportunity for the MD & CEO and at 200% for the CFO, which is awarded for exceptional performance.
Payment and restricted shares	STI awards for the MD & CEO are delivered 50% in cash and 50% is deferred into restricted Tabcorp shares. STI awards for the CFO are delivered 75% in cash and 25% is deferred into restricted Tabcorp shares. Deferred shares are restricted for two years following the grant date. The restricted shares are subject to service conditions and have the same dividend and voting rights as other shareholders during the restricted period. The restricted shares are subject to a holding lock during the restriction period. The restricted shares are subject to a service condition only as performance conditions applied during the STI performance year.
EBIT hurdle and annual pool	The EBIT hurdle is based on the Group's EBIT budget for the financial year, as approved by the Board. If the hurdle is not met, no STI awards are payable for that year. The Board has discretion to set a smaller pool if the hurdle is not met, considering other factors such as non-financial performance, key strategic achievements, and critical skill retention.
Performance measures	Individual measures (**KPIs**) are unique to the individual's area of accountability. Individuals have a clear line of sight to KPIs and are able to directly affect outcomes through their own actions. KPIs consider role-related accountabilities and responsibilities in the context of business strategic priorities. An EBIT hurdle is used to determine whether a STI pool is available for distribution amongst eligible employees. EBIT provides a better reflection of performance and operating profitability.
Sustainability assessment	The Board also considers sustainability measures such as risk and compliance, responsible gambling, community and reputation and may exercise discretion to adjust the pool (up or down). These measures are assessed by the Board utilising reports on risk and compliance from the Risk, Compliance and Sustainability Committee.
Individual performance scorecard	If the EBIT hurdle has been met, executive KMP awards are dependent on a weighted balanced scorecard of measures across financial, strategic and customer, operational excellence, and people and culture dimensions. Weightings are agreed with the Board at the beginning of the financial year, reflecting key priorities. 40% of the STI scorecard is dependent on financial results, the remaining 60% is dependent on individual scorecard measures. Each scorecard category is assessed and is provided with a percentage from 0% to up to 200% (150% for the MD & CEO), weighted by each category.
Cessation of employment	If employment ceases due to resignation or termination for cause, restricted shares are forfeited (unless the Board determines otherwise). If employment ceases due to any other circumstances (including redundancy, retirement, or ill health), then restricted shares will remain on foot until the end of the original restriction period (unless the Board determines otherwise).
Clawback	Restricted shares may be forfeited at the Board's discretion, based on certain adverse events or information that may come to light. If these adverse events occur or adverse information becomes available after the restricted shares have become unrestricted, the Board may require the participants to (amongst other things) repay all or part of the value of the restricted shares.
Change in control	The Board is required to determine, in its absolute discretion, the appropriate treatment regarding any restricted shares.

(c) Long term incentive (LTI)

The operation of the executive KMP 2022 LTI Plan is summarised below.



Eligibility	Participation in the 2022 LTI Plan was offered to the MD & CEO, the executive team and a limited number of senior employees.
Instrument	For the 2022 LTI Plan, grants were made in the form of Options at no cost to the recipient. Each Option is an entitlement to acquire one Tabcorp share at the exercise price, or at the Board's discretion, an equivalent cash payment, on terms and conditions determined by the Board, subject to achieving vesting conditions. Options do not attract dividends or voting rights.
Opportunity	Participants are allocated a maximum number of Options (based on their maximum LTI opportunities) using a fair value allocation methodology determined by an independent third party using a Black-Scholes methodology. The MD & CEO's maximum opportunity (award value) is 200% of TEC and the maximum opportunity (award value) for the CFO is 150% of TEC. The minimum vesting outcome an individual can receive is 0% of the award (if the ROIC targets are not achieved) and the maximum vesting outcome an individual can receive is capped at 100% of the award (if the ROIC targets are achieved). The number of Options allocated to the MD & CEO and the CFO is set out in section 11(d), noting the actual value that executives may derive from the Options is subject to the satisfaction of the applicable performance measure, vesting criteria and the Tabcorp share price at the time of vesting (which will also impact on whether the Options are "in the money").

Performance, exercise period and expiry	The performance period is three financial years commencing 1 July in the year the grant is made. The 2022 LTI Plan grant has a performance period commencing 1 July 2022 and ending 30 June 2025. The 12-month exercise period will commence at the vesting date (expected to be within 30 days of Tabcorp releasing its FY25 financial results) allowing participants 12 months to choose whether to exercise any vested Options. The end of the exercise period is the expiry date for the Options.
Performance measures	Options are subject to performance against predetermined ROIC targets, continuous employment and an exercise price which is set at the grant date. The value derived from the Options is subject to achievement of the ROIC performance measure, as well as the share price following vesting. Over the exercise period, if the share price does not exceed the exercise price (set at the grant date), then the Options are "underwater" and no value is delivered to participants.
Exercise price	Equivalent to the market share price as at grant date using a daily Volume Average Weighted Price (**VWAP**) of Tabcorp shares traded on the ASX during the previous 10 trading days.
ROIC	ROIC focuses management on achieving targeted returns on Tabcorp's invested capital (equity and debt). ROIC is an absolute measure, defined as earnings before interest, tax and significant items (EBIT before significant items), divided by the average invested capital base (being shareholders' equity plus net economic debt). Average invested capital is calculated as the average of opening and closing balances. A stretch three-year average ROIC target was set by the Board with the view that the target is of a sufficiently high value, such that its achievement would require significant growth in Tabcorp's earnings over the three-year performance period, which would ultimately deliver healthy shareholder returns.

Average three-year ROIC (between 1 July 2022 and 30 June 2025)	% of Options that will vest
Less than 7.7%	0%
At 7.7%	35%
Above 7.7% and below 8.1%	Straight line vesting between 35% and 50%
At 8.1%	50%
Above 8.1% and below 8.9%	Straight line vesting between 50% and 100%
At or above 8.9%	100%

Net settlement (cashless approach)	The commercial effect of a net settlement is that only the value above the Option exercise price will be provided in the form of Tabcorp shares. On exercise of the vested Options the number of shares to be provided to participants will be based on the net settlement amount (the difference between the Option exercise price and market price of shares on the date of exercise, multiplied by the number of exercised Options and divided by the market price). The market price will be the daily VWAP of Tabcorp's shares traded on the ASX during the 10 days prior to the exercise date of the Options. If the Options are not exercised by the end of the exercise period, they will automatically lapse (if the exercise price is equal to or exceeds the market price at that time) or they will be automatically exercised using the net settlement method (if the exercise price remains below the market price at that time). Any Options which do not vest will lapse. For example:

Options granted	Options vested	Exercise price	Market price (VWAP) at exercise	Net settlement amount	Shares granted
1,000,000	800,000	$0.95	$1.30	800,000 X $0.35 = $280,000	$280,000 / $1.30 = 215,384

Cessation of employment	**Unvested Options:** If employment ceases due to resignation or is terminated for cause, Options are forfeited (unless the Board determines otherwise). If employment ceases due to any other circumstances (including redundancy, retirement or ill health), then Options will remain on foot until the end of the original restriction period (unless the Board determines otherwise). **Vested Options:** If employment is terminated for cause, all vested but unexercised Options will lapse, unless the Board determines otherwise. If employment ceases for any other reason then, unless the Board determines otherwise, vested but unexercised Options will remain on foot and will be exercisable up until the end of the exercise period.
Change in control	The Board can determine, in its absolute discretion, the appropriate treatment regarding any unvested Options and vested but unexercised Options.
Clawback	Options may lapse at the Board's discretion based on adverse events that have occurred or where adverse material information becomes available after the Options have vested. If this adverse event occurred or adverse information becomes available after the Options have vested and shares or cash have been awarded, the Board may require participants to repay all or part of the value of the award.

(d) 2021 Retention Plan

In July 2021, the Board considered and approved the introduction of a Retention Plan in the form of restricted shares for key critical employees. The 2021 Retention Plan was established to mitigate the risk identified because of the pending Demerger (of the Lotteries and Keno businesses). At that time there was significant uncertainty of the impact of the Demerger on employee roles, and there was a need to retain critical skills and knowledge to ensure the Demerger was successful and to set the new organisations up for future success.

The operation of the Retention Plan is summarised below.

Eligibility	A once-off offer made to employees deemed critical to deliver the Demerger.
Instrument	Restricted Tabcorp shares.
Service condition	For vesting to occur, participants must remain employed until the vesting date.
Vesting date	The plan vested on 31 July 2023.
Cessation of employment	If employment ceases due to resignation or termination for cause, restricted shares are forfeited (unless the Board determines otherwise). If employment ceases due to redundancy, then restricted shares will vest following cessation of employment and all trading restrictions will be lifted (unless the Board determines otherwise). If employment ceases due to any other circumstances, then restricted shares will remain on foot until the end of the original restriction period (unless the Board determines otherwise).
Change in control	The Board is required to determine, in its absolute discretion, the appropriate treatment regarding any restricted shares.
Dividend and voting rights	The same dividend and voting rights as other shares issued by Tabcorp.
Employees who remained with Tabcorp	For participants who remained employed by Tabcorp post-Demerger, restricted shares held under the Retention Plan continued to be subject to their original terms and conditions (including trading restrictions) until the end of July 2023. On Demerger, these participants received one share in The Lottery Corporation for every one share held in the Retention Plan (the same treatment for all shares held in Tabcorp by all shareholders), with a holding lock applied to the Lottery Corporation shares until the end of July 2023.
Employees who moved to The Lottery Corporation	For those participants who moved to The Lottery Corporation, their retention shares under the Retention Plan were forfeited prior to the Demerger and an alternative offer was made by The Lottery Corporation post-Demerger.

8. MINIMUM SHAREHOLDING POLICIES

Under the Executive Shareholding Policy, the MD & CEO is required to hold the equivalent of 200% of the value of his annual fixed remuneration (**TEC**) in Tabcorp shares. The CFO is required to hold the equivalent of 100% of the value of his TEC in Tabcorp shares. The minimum shareholding must be achieved within five years from the executive KMP's appointment or within five years from 1 June 2022 (whichever is later).

Under the Non-Executive Director Shareholder Policy, Non-Executive Directors are required to hold a minimum shareholding in Tabcorp equivalent to the annual Board Member fee, and the Board Chairman is to hold a minimum shareholding equivalent to two times the annual Board Member fee. The minimum shareholding must be achieved within three years of appointment or from 1 June 2022 (whichever is later).

Copies of these policies are available on Tabcorp's website (**www.tabcorp.com.au**) under the Corporate Governance section. At the date of this report, all Non-Executive Directors and executive KMP have complied with these policies as they have either achieved their minimum shareholding or are within the accumulation periods.

9. EXECUTIVE KMP EMPLOYMENT CONTRACTS

Remuneration and other terms of employment for the MD & CEO and the CFO are formalised in contracts that have no specified term. Under these contracts, the MD & CEO and the CFO are eligible to participate in STI and LTI plans. The notice periods in place are outlined below:

	Period of notice to terminate by the executive KMP	Period of notice to terminate by Tabcorp
MD & CEO	6	12
CFO	6	9

Where Tabcorp terminates the executive KMP's employment, Tabcorp may, at its discretion, elect to pay the executive KMP an amount in lieu of notice for any portion of the relevant notice period not worked. Tabcorp may also terminate at any time without notice for serious misconduct. On cessation of employment, STI and LTI awards may vest, lapse or be forfeited in accordance with the relevant plan rules.

10. NON-EXECUTIVE DIRECTOR FEES

The current maximum aggregate amount of fees that can be paid to Non-Executive Directors per year for their services (including superannuation contributions) is $3.0m, as approved by shareholders at the Annual General Meeting held on 17 October 2018. The total fees paid (including superannuation) to Non-Executive Directors in FY23 was $1,873,393.

Non-Executive Director fees are set based on workload, responsibilities, qualifications, experience, market benchmarks while considering the complex and highly regulated gambling industry which carries a higher degree of personal risk and exposure. Board and Board Committee fees are benchmarked with reference to a peer group, comprising the ASX 51-200 group of companies with a revenue overlay of $1.0 billion to $4.0 billion per annum. Non-Executive Directors do not receive any performance or incentive-related payments. Board fees are not paid to the MD & CEO or to executives for directorships of Tabcorp or any subsidiaries.

Non-Executive Directors receive a Board fee and a fee for each Board Committee that they chair or are a member of. The Board Chairman receives a single fixed fee which is inclusive of services on all standing Board Committees. Superannuation contributions form part of the fees and Non-Executive Directors are not eligible to receive any other retirement benefits.

The mandated Superannuation Guarantee increase of 0.5% (from 10.0% to 10.5%) in July 2022 was absorbed into existing fees at that time resulting in no increase in overall fees (inclusive of superannuation). Certain Non-Executive Directors may, from time to time, receive additional fees for membership of other Board Sub-Committees, however during FY23 no such fees were paid. Non-Executive Directors are entitled to be reimbursed for all business-related expenses, including travel, which may be incurred as part of their duties.

Current Director and Committee fees inclusive of superannuation (per annum) are set out below:

		Current fees $
Board	Chair	493,300
	Member	160,000
Audit Committee	Chair	49,280
	Member	21,680
Risk, Compliance and Sustainability Committee	Chair	44,350
	Member	19,700
People and Remuneration Committee	Chair	44,350
	Member	19,700
Technology Committee	Chair	44,350
	Member	19,700
Nomination Committee	Member	7,500

11. STATUTORY REMUNERATION DISCLOSURES

(a) Policy prohibiting hedging

Participants in incentive plans are restricted from hedging against those equity awards and must not enter a derivative arrangement in respect of the equity instruments granted under these plans. Breaches of the restriction will result in equity instruments being forfeited. These prohibitions are included in the terms and conditions of the incentive plans and Tabcorp's Securities Trading Policy, available on Tabcorp's website (**www.tabcorp.com.au**) under the Corporate Governance section.

(b) Executive KMP remuneration

		Short term			Long term	Post-employment	Charge for share-based allocations[iv]			Accelerated and modification charge for share-based payments[v]			
Current executive KMP	Financial year	Salary and fees $	Cash bonus[iii] $	Non-monetary bonus $	Accrued leave benefits $	Super-annuation $	Restricted Shares $	Performance Rights $	Options $	Restricted Shares $	Performance Rights $	Total $	Performance related[vi] %
Adam Rytenskild	**FY23**	**1,474,708**	**568,125**	**-**	**85**	**25,292**	**281,000**	**-**	**473,684**	**-**	**-**	**2,822,894**	**45%**
	FY22	942,932	377,605	-	350,227	23,568	425,857	391,247	-	38,690	844,179	3,394,305	61%
Daniel Renshaw[i]	**FY23**	**649,708**	**142,388**	**-**	**(8,009)**	**25,292**	**255,557**	**-**	**159,868**	**-**	**-**	**1,224,804**	**28%**
	FY22	54,286	22,268	-	2,406	1,964	19,146	-	-	-	-	100,070	41%
Former executive KMP[ii]													
David Attenborough	**FY23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY22	1,811,729	975,000	-	34,096	21,604	240,120	1,202,146	-	283,678	1,684,954	6,253,327	72%
Adam Newman	**FY23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY22	729,729	283,250	-	27,256	21,604	57,691	337,117	-	41,606	780,112	2,278,365	66%
Patrick McGlinchey	**FY23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY22	679,959	264,258	-	26,622	21,604	26,031	287,947	-	32,392	671,294	2,010,107	64%
Sue van der Merwe	**FY23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY22	748,429	279,878	-	143,160	95,425	35,529	328,202	-	41,606	823,849	2,496,078	60%
Total	**FY23**	**2,124,416**	**710,513**	**-**	**(7,924)**	**50,584**	**536,557**	**-**	**633,552**	**-**	**-**	**4,047,698**	
	FY22	4,967,064	2,202,259	-	583,767	185,769	804,374	2,546,659	-	437,972	4,804,388	16,532,252	

(i) Commenced as an executive KMP on 1 June 2022. Remuneration disclosure for FY22 is from that date.
(ii) Ceased as an executive KMP on 31 May 2022 due to the Demerger in June 2022.
(iii) Cash bonus reflects the cash portion of the STI achieved in the relevant financial year, being 50% for the MD & CEO and 75% for the CFO. The remaining portion of the STI is deferred into restricted shares and is reflected in the restricted shares column in accordance with Australian Accounting Standards.
(iv) Represents the fair value of share-based payments expensed by Tabcorp. In FY22, performance conditions were waived for outstanding Performance Rights and a pro-rata portion of the Performance Rights vested on the date of Demerger and the remainder lapsed. The FY23 expense for Options relates to the instruments granted during the year as described in note 11(d).
(v) As a result of the Demerger in June 2022, the remaining fair value of share-based payments not already recognised was expensed when vesting was accelerated for the FY20 and FY21 STI restricted shares; and the 2019, 2020 and 2021 LTI Performance Rights. Also includes expensing the remaining portion of Retention Shares relating to The Lottery Corporation shares allocated as part of the Demerger.
(vi) Represents the sum of the cash bonus (from STI awards), Restricted Shares (from STI) and LTI Performance Rights and Options as a percentage of total remuneration.

(c) Shares held by executive KMP as at 30 June 2023 (number)

	Balance at start of year	Granted as remuneration during the year	Received on exercise of Options during the year	Other changes during the year	Balance at end of year
Adam Rytenskild	2,421,874	166,134	-	506,550	3,094,558
Daniel Renshaw	162,732	502,412	-	-	665,144

(d) Options granted in FY23

Eligible executive KMP received Options under the 2022 LTI Plan with a grant date of 26 October 2022 and an allocation date of 2 November 2022. Shareholder approval to grant the MD & CEO Options under the 2022 LTI Plan was received at the Tabcorp Annual General Meeting held on 26 October 2022 and obtained under ASX Listing Rule 10.14. The Options are subject to a performance measure of ROIC, as well as Tabcorp's share price following vesting (which is built into the exercise price).

The relevant values of the grant are as follows:

Grant date	Exercise price(i)	Fair value at grant date(ii)	Share price at grant date	Scheduled vesting date(iii)
26 October 2022	$0.9568	$0.20	$0.9850	August 2025

(i) Tabcorp VWAP over the period 12 October 2022 to 25 October 2022 as traded on the ASX.
(ii) Calculated using a Black-Scholes pricing model. This value was used to determine the number of Options allocated to each participant.
(iii) Vesting is subject to assessment of the applicable performance and vesting conditions.

The following table shows the number of Options granted to executive KMP during FY23.

	Number of Options granted	Fair value at grant date
Adam Rytenskild	15,000,000	3,000,000
Daniel Renshaw	5,062,500	1,012,500

(e) Summary of executive KMP allocated, vested and lapsed equity

	Allocation date	Grant date	Vesting date(ii)	Balance at start of year	Granted during year as remuneration	Vested in FY23	% of total vested	Lapsed/ forfeited during year	Balance at end of year	Fair value of equity(iii)	Options exercised during the year
Adam Rytenskild											
FY23 LTI Options	2 Nov 2022	26 Oct 2022	Aug 2025	-	15,000,000	-	-	-	15,000,000	$3,000,000	-
Total LTI Options				**-**	**15,000,000**	**-**	**-**	**-**	**15,000,000**	**$3,000,000**	**-**
FY22 STI restricted shares	30 Aug 2022	26 Jul 2022	30 Aug 2024	-	166,134	-	-	-	166,134	$166,965	n/a
2021 Retention restricted shares	26 Aug 2021	16 Jul 2021	31 Jul 2023	94,433	-	-	-	-	94,433	$459,000	n/a
Total restricted shares				**94,433**	**166,134**	**-**	**-**	**-**	**260,567**	**$625,965**	**n/a**
Daniel Renshaw(i)											
FY23 LTI Options	2 Nov 2022	26 Oct 2022	Aug 2025	-	5,062,500	-	-	-	5,062,500	$1,012,500	-
Total LTI Options				**-**	**5,062,500**	**-**	**-**	**-**	**5,062,500**	**$1,012,500**	**-**
FY22 STI restricted shares	30 Aug 2022	26 Jul 2022	30 Aug 2024	-	74,564	-	-	-	74,564	$74,938	n/a
2021 Retention restricted shares	26 Aug 2021	16 Jul 2021	31 Jul 2023	60,180	-	-	-	-	60,180	$292,512	n/a
2021 Retention restricted shares	30 Aug 2022	24 Aug 2021	31 Jul 2023	-	179,092	-	-	-	179,092	$179,988	n/a
Additional restricted shares	30 Aug 2022	24 Aug 2021	1 Jun 2024	-	248,756	-	-	-	248,756	$250,000	n/a
Total restricted shares				**60,180**	**502,412**	**-**	**-**	**-**	**562,592**	**$797,438**	**n/a**

(i) On 30 August 2022, Daniel Renshaw was allocated additional Tabcorp shares under the 2021 Retention Plan upon the Demerger, which will vest in accordance with the terms of the original plan offer made in July 2021. He holds a total of 239,272 shares within this plan as at 30 June 2023. Daniel was also granted 248,756 Tabcorp shares upon Demerger in recognition of his role as CFO. This grant is restricted for two years and is subject to forfeiture, malus, and clawback conditions in accordance with the offer terms and conditions. A holding lock applies during the restriction period.

(ii) Vesting is subject to the applicable performance and/or vesting conditions.

(iii) Fair value at grant date for Options and the dollar value used to determine the number of restricted shares to be granted. Represents the maximum value of the grants to each executive KMP for accounting purposes.

(f) Remuneration paid to Non-Executive Directors[i]

Current Non-Executive Directors	Year	Short term fees $	Non-monetary benefits $	Post-employment superannuation[vi] $	Total $
Bruce Akhurst[ii]	**FY23**	**468,145**	**-**	**49,155**	**517,300**
	FY22	276,653	-	27,665	304,318
Brett Chenoweth[iii]	**FY23**	**198,238**	**-**	**20,815**	**219,053**
	FY22	17,420	-	1,742	19,162
David Gallop	**FY23**	**209,548**	**-**	**22,002**	**231,550**
	FY22	235,757	-	23,576	259,333
Janette Kendall	**FY23**	**206,860**	**-**	**21,720**	**228,580**
	FY22	230,945	-	23,094	254,039
Justin Milne	**FY23**	**231,249**	**-**	**24,281**	**255,530**
	FY22	238,079	-	23,808	261,887
Raelene Murphy[iii]	**FY23**	**211,928**	**-**	**22,252**	**234,180**
	FY22	17,586	-	1,759	19,345
Karen Stocks[iv]	**FY23**	**169,412**	**-**	**17,788**	**187,200**
	FY22	15,761	-	1,576	17,337
Former Non-Executive Directors[v]					
Steven Gregg	**FY23**	**-**	**-**	**-**	**-**
	FY22	483,625	-	48,362	531,987
Anne Brennan	**FY23**	**-**	**-**	**-**	**-**
	FY22	219,000	-	21,900	240,900
Harry Boon	**FY23**	**-**	**-**	**-**	**-**
	FY22	211,700	-	21,170	232,870
Total	**FY23**	**1,695,380**	**-**	**178,013**	**1,873,393**
	FY22	1,946,526	-	194,652	2,141,178

(i) The fees in the table above include fees paid while Directors were acting as observers.
(ii) Appointed as Chairman on 1 June 2022 and receives a per annum fee of $24,000 (including superannuation) for the role of Chairman of the Victorian Joint Venture Management Committee. The fee is borne by the Joint Venture, which is jointly controlled by Tabcorp.
(iii) Appointed as Observers on 1 June 2022, pending regulatory approvals and formally appointed as Non-Executive Directors on 4 August 2022 following receipt of regulatory approvals.
(iv) Appointed as an Observer on 1 June 2022, pending regulatory approvals and formally appointed as a Non-Executive Director on 22 March 2023 following receipt of regulatory approvals.
(v) Retired from the Board as either a Non-Executive Director or an Observer on 31 May 2022 due to the Demerger in June 2022.
(vi) Contributions made to satisfy Tabcorp's obligation under applicable superannuation guarantee legislation. Excludes Australian Taxation Office approved exemptions.

(g) Shares held by Non-Executive Directors as at 30 June 2023

	Balance at start of year	Changes during the year	Balance at end of year
Bruce Akhurst	750,000	450,000	1,200,000
Brett Chenoweth	86,538	-	86,538
David Gallop	17,637	71,171	88,808
Janette Kendall	29,254	62,989	92,243
Justin Milne	300,846	-	300,846
Raelene Murphy	-	70,000	70,000
Karen Stocks	20,000	39,026	59,026

(h) Transactions and loans with KMP

No KMP (including their related parties) have entered a material commercial relationship or transaction with the Company or a subsidiary during FY23 other than as disclosed in this Remuneration Report. All KMP related party relationships are at arm's length and on normal commercial terms and none of the KMP were or are involved in any procurement or other decision-making regarding organisations with which they have an association. No KMP (including their related parties) have entered a loan (guaranteed or secured), directly or indirectly, by the Company or a subsidiary during the reporting period.

FINANCIAL REPORT

Contents

INCOME STATEMENT For the year ended 30 June 2023

	Note	2023 $m	2022 $m
Continuing operations			
Revenue	A4	**2,434.4**	2,373.3
Other income	A4	**91.0**	7.0
Commissions and fees		**(1,078.3)**	(1,180.4)
Government taxes and levies		**(333.3)**	(359.9)
Employment costs		**(314.5)**	(292.7)
Communications and technology costs		**(125.2)**	(99.3)
Advertising and promotions		**(98.3)**	(106.0)
Other expenses		**(168.4)**	(125.7)
Depreciation and amortisation		**(240.5)**	(286.4)
Impairment – other	A4	**(49.0)**	(5.0)
Profit/(loss) before income tax, net finance costs and equity accounted investment		**117.9**	(75.1)
Loss from equity accounted investment	D4	**(2.7)**	-
Finance income		**4.6**	0.4
Finance costs	A4	**(37.1)**	(61.5)
Profit/(loss) from continuing operations before income tax		**82.7**	(136.2)
Income tax (expense)/benefit	A5	**(16.2)**	17.8
Profit/(loss) from continuing operations after income tax		**66.5**	(118.4)
Discontinued operations			
Profit from discontinued operations after tax	D5	**-**	6,894.3
Net profit after tax		**66.5**	6,775.9
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity		**(6.9)**	65.9
Exchange differences on translation of foreign operations		**7.9**	(1.7)
Income tax relating to these items		**2.1**	(19.8)
Items that will not be reclassified to profit or loss			
Actuarial gains on retirement benefit obligation	E2	**-**	0.5
Income tax relating to these items		**-**	(0.1)
Other comprehensive income for the year, net of income tax		**3.1**	44.8
Total comprehensive income for the year		**69.6**	6,820.7

	Note	2023 cents	2022 cents
Earnings/(loss) per share:			
From continuing operations			
Basic earnings/(loss) per share	A2	**2.9**	(5.3)
Diluted earnings/(loss) per share	A2	**2.9**	(5.3)
Total attributable to shareholders of Tabcorp			
Basic earnings per share	A2	**2.9**	304.6
Diluted earnings per share	A2	**2.9**	304.6
Dividends per share:			
Declared and paid during the year	A3	**7.8**	483.9
Determined in respect of the year	A3	**2.3**	13.0

The accompanying notes form an integral part of this income statement.

BALANCE SHEET As at 30 June 2023

	Note	2023 $m	2022 $m
Current assets			
Cash and cash equivalents	C6	**290.7**	199.4
Receivables	C7	**165.8**	129.9
Prepayments		**51.0**	52.4
Current tax assets		**10.8**	-
Derivative financial instruments	B3	**0.8**	0.4
Assets held for sale	E7	**22.9**	34.2
Other		**9.8**	15.1
Total current assets		**551.8**	431.4
Non current assets			
Receivables	C7	**6.8**	10.8
Investment in an associate	D4	**30.6**	-
Licences	C1	**640.6**	693.4
Other intangible assets	C2	**2,503.6**	2,515.0
Property, plant and equipment	C4	**172.0**	222.9
Right-of-use assets	C5	**99.7**	126.5
Prepayments		**33.6**	31.2
Derivative financial instruments	B3	**4.2**	1.8
Other		**9.5**	15.7
Total non current assets		**3,500.6**	3,617.3
TOTAL ASSETS		**4,052.4**	4,048.7
Current liabilities			
Payables	C8	**571.0**	598.5
Lease liabilities	C5	**37.2**	42.6
Current tax liabilities		**-**	8.5
Provisions	C9	**40.0**	200.0
Derivative financial instruments	B3	**16.4**	12.5
Liabilities directly associated with assets held for sale	E7	**1.9**	-
Other		**0.8**	2.2
Total current liabilities		**667.3**	864.3
Non current liabilities			
Payables	C8	**-**	1.3
Interest bearing liabilities	B2	**431.9**	135.3
Lease liabilities	C5	**103.3**	139.1
Deferred tax liabilities	A5	**180.1**	179.5
Provisions	C9	**10.1**	18.1
Other		**0.6**	-
Total non current liabilities		**726.0**	473.3
TOTAL LIABILITIES		**1,393.3**	1,337.6
NET ASSETS		**2,659.1**	2,711.1
Equity			
Issued capital		**1,687.1**	1,635.9
Retained earnings		**966.4**	1,074.2
Reserves		**5.6**	1.0
TOTAL EQUITY		**2,659.1**	2,711.1

The accompanying notes form an integral part of this balance sheet.

CASH FLOW STATEMENT For the year ended 30 June 2023

	Note	2023 $m	2022 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**2,526.4**	5,608.8
Payments to suppliers, service providers and employees		**(2,092.9)**	(2,569.9)
Payment of government levies, betting taxes and GST		**(260.5)**	(1,980.3)
Finance income received		**4.6**	-
Finance costs paid		**(28.1)**	(133.4)
Income tax paid		**(30.2)**	(188.2)
Net cash flows from operating activities	C6	**119.3**	737.0
Cash flows from investing activities			
Payment for property, plant and equipment and intangibles		**(196.9)**	(202.5)
Cash reduction through demerger of entities		**-**	(261.7)
Proceeds from sale of property, plant and equipment and intangibles		**41.2**	6.3
Net proceeds from business divestment		**59.0**	-
Payment for acquisition of shares in an associate		**(33.3)**	-
Proceeds from sale of other non current assets		**-**	2.2
Net cash flows used in investing activities		**(130.0)**	(455.7)
Cash flows from financing activities			
Net cash flows from revolving bank facilities		**(140.0)**	75.1
Proceeds from borrowings		**424.9**	-
Repayment of borrowings		**-**	(127.0)
Payment of transaction costs for capital reduction		**-**	(19.7)
Payment of demerger transaction costs		**(12.5)**	(75.3)
Payment of lease liabilities		**(45.0)**	(48.0)
Dividends paid		**(122.9)**	(279.8)
Payments for on-market share purchase		**(2.5)**	(31.6)
Net cash flows from/(used in) financing activities		**102.0**	(506.3)
Net increase/(decrease) in cash held		**91.3**	(225.0)
Cash at beginning of year		**199.4**	424.4
Cash at end of year	C6	**290.7**	199.4

The accompanying notes form an integral part of this cash flow statement.
The prior year cash flow statement includes the cash flows of The Lottery Corporation for the period up to the demerger date.

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2023

	Number of ordinary shares m	Issued capital: Ordinary shares $m	Issued capital: Treasury shares $m	Retained earnings/ (Accumulated losses) $m	Reserves: Hedging $m	Reserves: Demerger $m	Reserves: Other $m	Total equity $m
2023								
Balance at beginning of year	**2,225.7**	**1,636.5**	**(0.6)**	**1,074.2**	**1.6**	**-**	**(0.6)**	**2,711.1**
Profit for the year	**-**	**-**	**-**	**66.5**	**-**	**-**	**-**	**66.5**
Other comprehensive income	**-**	**-**	**-**	**-**	**(4.8)**	**-**	**7.9**	**3.1**
Total comprehensive income	**-**	**-**	**-**	**66.5**	**(4.8)**	**-**	**7.9**	**69.6**
Dividends paid	**-**	**-**	**-**	**(174.3)**	**-**	**-**	**-**	**(174.3)**
Dividend reinvestment plan	**55.8**	**51.4**	**-**	**-**	**-**	**-**	**-**	**51.4**
Share based payments expense	**-**	**-**	**2.3**	**-**	**-**	**-**	**1.5**	**3.8**
Net outlay to purchase shares	**-**	**-**	**(2.5)**	**-**	**-**	**-**	**-**	**(2.5)**
Balance at end of year	**2,281.5**	**1,687.9**	**(0.8)**	**966.4**	**(3.2)**	**-**	**8.8**	**2,659.1**
		Total issued capital $1,687.1m			**Total reserves $5.6m**			
2022								
Balance at beginning of year	2,221.6	9,230.6	(0.6)	(1,863.5)	(10.0)	(669.9)	9.5	6,696.1
Profit for the year	-	-	-	6,775.9	-	-	-	6,775.9
Other comprehensive income	-	-	-	0.4	46.1	-	(1.7)	44.8
Total comprehensive income	-	-	-	6,776.3	46.1	-	(1.7)	6,820.7
Dividends paid	-	-	-	(300.2)	-	-	-	(300.2)
Demerger distribution(i)	-	(7,601.5)	-	-	-	(2,868.5)	-	(10,470.0)
Transaction costs for capital reduction	-	(14.3)	-	-	-	-	-	(14.3)
Dividend reinvestment plan	4.1	20.4	-	-	-	-	-	20.4
Discontinued cash flow hedges(ii)	-	-	-	-	(34.5)	-	-	(34.5)
Transfers	-	21.7	(0.4)	(3,538.4)	-	3,538.4	(21.3)	0.0
Share based payments expense	-	-	11.6	-	-	-	12.9	24.5
Net outlay to purchase shares	-	(20.4)	(11.2)	-	-	-	-	(31.6)
Balance at end of year	2,225.7	1,636.5	(0.6)	1,074.2	1.6	-	(0.6)	2,711.1
		Total issued capital $1,635.9m			**Total reserves $1.0m**			

(i) Demerger distribution on the demerger of The Lottery Corporation. Refer to note A3.
(ii) Represents the recycling of the hedging reserve to the income statement on discontinuation of hedge accounting.

Issued capital
Ordinary shares are issued and fully paid. They carry one vote per share and hold rights to dividends. Issued capital is recognised at the fair value of the consideration received. When issued capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from total issued capital. Any transaction costs directly attributable to the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the share proceeds received.

Treasury shares represent the unvested portion of Restricted Shares issued to executives as an incentive, on appointment or for retention, which is recognised as a reduction in issued capital. The amount which has been credited to the employee equity benefit reserve is transferred to issued capital to the extent the relevant Performance Rights vest or have been treated as vested.

Nature of reserves
Hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges.

Opening demerger reserve at comparative period arose on the demerger of The Star Entertainment Group (previously the Echo Entertainment Group) in 2011. It represents the difference between the fair value of The Star Entertainment Group shares (being the distribution liability arising on demerger), the amount allocated as a capital reduction and any transfers to retained earnings. The reserve was brought to nil during the prior year, following the gain on demerger of The Lottery Corporation.

Other reserves contain the employee equity benefit reserve and the foreign currency translation reserve.

The accompanying notes form an integral part of this statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT For the year ended 30 June 2023

ABOUT THIS REPORT

Tabcorp Holdings Limited (the **Company**) is a company limited by shares which are traded on the Australian Securities Exchange. The Company is incorporated and domiciled in Australia, and is a for-profit entity. The Financial Report of the Company for the year ended 30 June 2023 comprises the Company and its subsidiaries (the **Group**) and the Group's interest in joint arrangements and associates.

The Financial Report was authorised for issue by the Board of Directors on 24 August 2023.

The Financial Report is a general purpose financial report which:

› has been prepared in accordance with the *Corporations Act 2001 (Cth)*, Australian Accounting Standards as issued by the Australian Accounting Standards Board and other mandatory financial reporting requirements in Australia;

› complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;

› is presented in Australian dollars with dollar amounts rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191; and

› is prepared on the historical cost basis, except for derivative financial instruments and assets held for sale that have been measured at fair value.

The Group's balance sheet reflects a net current asset deficiency. This largely arises due to customer account balances being classified as current liabilities under Australian Accounting Standards as the Group does not have an unconditional right to defer payment beyond 12 months, notwithstanding these are recurring in nature and are not expected to be fully settled within the next 12 months. The Group maintains sufficient undrawn facilities to meet working capital requirements, including settlement of customer account balances as required. In order to minimise finance costs, excess cash is used to reduce non current interest bearing liabilities until the current liabilities become due.

The accounting policies have been applied consistently throughout the Group for the purposes of this Financial Report.

Changes in comparative presentation

During the current year, the Group made certain classification adjustments as a result of refining cost allocation principles applied by the Group. The primary impact of the revision is that expenses previously recognised as employee costs and communication and technology costs are now recognised as other expenses. The prior year presentation was reclassified to align with the current year. The net impact of these reclassification adjustments on the Group's net profit after tax is nil for both continuing and discontinued operations.

	2022 $m
Impact on income statement	
Income – (decrease)	
Other income	(0.2)
Expenses – (increase)/decrease	
Employment costs	51.3
Communications and technology costs	32.2
Advertising and promotions	0.5
Other expenses	(83.8)
Net impact on profit for the year	-

NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT For the year ended 30 June 2023

Note disclosures have been grouped into five sections. The notes within each section detail the accounting policies applied, together with any key judgements and estimates used. The purpose of this format is to provide users with a clear understanding of the key drivers of the Group's financial performance and financial position.

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of these assets and liabilities recognised in the financial statements are described in the following notes:

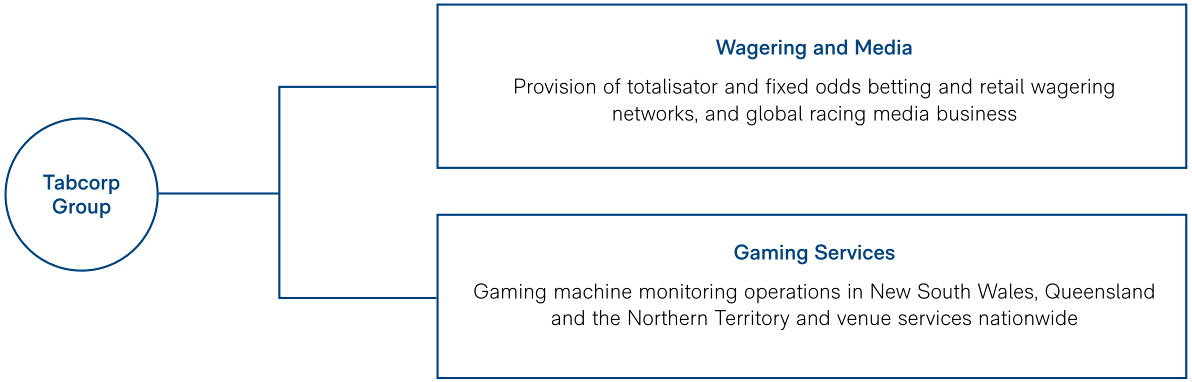
Note	Underlying estimates and assumptions
A5 – Income tax	Calculation of provision for income tax.
B3 – Derivative financial instruments	Fair value measurement.
C1 – Licences C2 – Other intangible assets C4 – Property, plant and equipment	Asset useful lives.
C3 – Impairment testing	Recoverable amount of cash generating units (**CGUs**).
C5 – Leases	Lease term, make good and incremental borrowing rate.
C9 – Provisions	Future obligations and probability of outflow.
E4 – Contingencies	Assessment of possible obligation and probability of outflow.

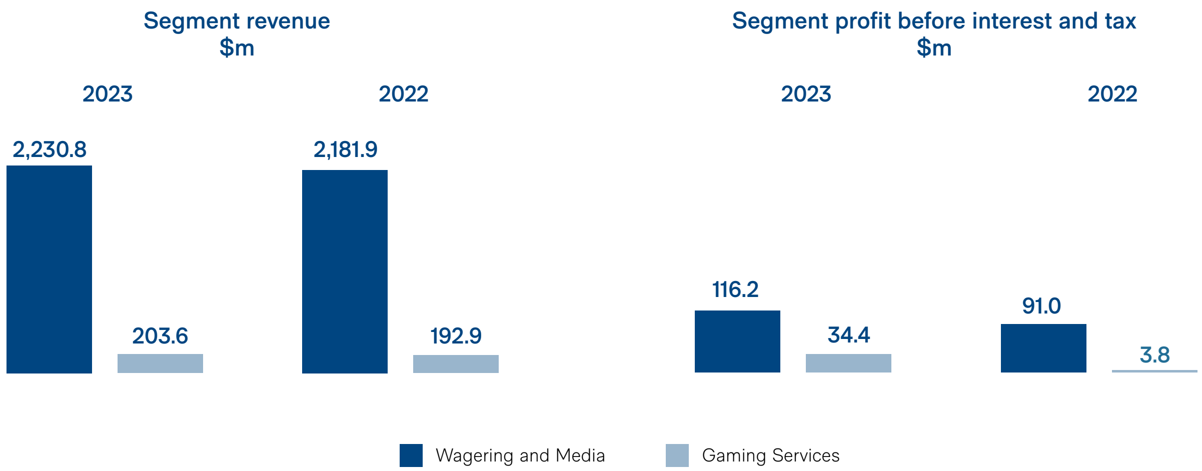
SECTION A – GROUP PERFORMANCE

A1 Segment information

Operating segments reflect the business level at which financial information is provided to the Managing Director and Chief Executive Officer (Chief Operating Decision Maker), for decision making regarding resource allocation and performance assessment. The measure of segment profit used excludes significant items not considered integral to the ongoing performance of the segment. Intersegment pricing is determined on commercial terms and conditions.

The Group has two operating segments at year end.





	Wagering and Media $m	Gaming Services $m	Total $m
2023			
Revenue – external	**2,230.8**	**203.6**	**2,434.4**
Revenue – intersegment	**-**	**-**	**-**
Segment revenue	**2,230.8**	**203.6**	**2,434.4**
Segment profit before interest and tax	**116.2**	**34.4**	**150.6**
Depreciation and amortisation	**191.8**	**48.7**	**240.5**
Capital expenditure(i)	**116.5**	**38.9**	**155.4**
2022			
Revenue – external	2,180.4	192.9	2,373.3
Revenue – intersegment	1.5	-	1.5
Segment revenue	2,181.9	192.9	2,374.8
Segment profit before interest and tax	91.0	3.8	94.8
Depreciation and amortisation	215.0	71.4	286.4
Capital expenditure(i)	100.4	33.6	134.0

(i) Capital expenditure excludes the acquisition of licences, unallocated items, make good provisions raised during the year and additions to right-of-use assets.

A reconciliation of segment result to the Group's income statement is as follows:

	Revenue(i)		Profit/(loss) from continuing operations before income tax		Depreciation and amortisation		Impairment	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Segment total (per above)	**2,434.4**	2,374.8	**150.6**	94.8	**240.5**	286.4	**-**	-
Intersegment revenue elimination	**-**	(1.5)	**-**	-	**-**	-	**-**	-
Unallocated items:								
– significant items:								
– net gain on disposal of assets(ii)	**-**	-	**6.5**	-	**-**	-	**-**	-
– onerous contract remeasurement	**-**	-	**6.5**	(6.8)	**-**	-	**-**	-
– net gain on sale of eBET business(ii)	**-**	-	**34.2**	-	**-**	-	**-**	-
– asset write-off	**-**	-	**(1.6)**	(7.3)	**-**	-	**-**	-
– demerger costs	**-**	-	**(8.9)**	-	**-**	-	**-**	-
– transformation costs(iii)	**-**	-	**(20.3)**	-	**-**	-	**-**	-
– impairment – other(iv)	**-**	-	**(49.0)**	(5.0)	**-**	-	**49.0**	5.0
– costs relating to Racing Queensland dispute(v)	**-**	-	**-**	(151.3)	**-**	-	**-**	-
	-	-	**(32.6)**	(170.4)	**-**	-	**49.0**	5.0
– loss from equity accounted investment	**-**	-	**(2.7)**	-	**-**	-	**-**	-
– finance income	**-**	-	**4.6**	0.4	**-**	-	**-**	-
– finance costs(vi)	**-**	-	**(37.1)**	(61.5)	**-**	-	**-**	-
– other	**-**	-	**(0.1)**	0.5	**-**	-	**-**	-
Total per income statement	**2,434.4**	2,373.3	**82.7**	(136.2)	**240.5**	286.4	**49.0**	5.0

(i) Total revenue includes revenue from foreign operations of $278.6m (2022: $261.7m).
(ii) Refer to note E7.
(iii) Includes establishment and implementation costs of the transformation program.
(iv) Current year comprises write down of other intangible assets, property plant and equipment and other assets (refer to note C3). Prior year comprises write down of other intangible assets, property plant and equipment and right-of-use assets.
(v) Refer to note C9.
(vi) Prior year includes the gain on cashflow hedges on demerger. Refer to note A4(d).

A2 Earnings per share

	2023 $m	2022 $m
Profit/(loss) used in calculation of earnings/(loss) per share (EPS) from continuing operations	**66.5**	(118.4)
Profit from discontinued operations and net gain on demerger of The Lottery Corporation, net of tax	**-**	6,894.3
Earnings used in calculation of EPS attributable to shareholders	**66.5**	6,775.9

	2023 Number (m)	2022 Number (m)
Weighted average number of ordinary shares used in calculating basic EPS	**2,267.7**	2,224.9
Effect of dilution from share options	**-**	-
Weighted average number of ordinary shares used in calculating diluted EPS	**2,267.7**	2,224.9

Basic EPS is calculated as net profit after tax divided by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated on the same basis as basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future, for example shares to be issued upon vesting of Performance Rights or Options. There are no dilutive Performance Rights or Options at 30 June 2023 (2022: Nil).

A3 Dividends

	2023 cents per share	2022 cents per share	2023 $m	2022 $m
Fully franked dividends declared and paid during the year:				
Prior year final dividend	**6.5**	7.0	**144.7**	155.5
Interim dividend	**1.3**	6.5	**29.6**	144.7
Demerger distribution	**-**	470.4	**-**	10,470.0
	7.8	483.9	**174.3**	10,770.2
Fully franked dividends determined in respect of the year:				
Interim dividend	**1.3**	6.5	**29.6**	144.7
Final dividend (declared and recognised after balance date)	**1.0**	6.5	**22.8**	144.7
	2.3	13.0	**52.4**	289.4
Franking credits balance				
Franking credits available at balance date			**145.5**	191.2
Impact of estimated current tax refundable			**(25.9)**	(6.8)
Franking credits available at the 30% company tax rate after allowing for tax payable or receivable			**119.6**	184.4

A4 Revenue and expenses

(a) Disaggregated revenue information:

Set out below is the disaggregation of the Group's revenue from contract with customers:

	Wagering $m	Media $m	Gaming Services $m	Total $m
2023				
Revenue from contracts with customers	**984.8**	**220.4**	**203.6**	**1,408.8**
Other revenue[i]	**1,025.6**	**-**	**-**	**1,025.6**
	2,010.4	**220.4**	**203.6**	**2,434.4**
2022				
Revenue from contracts with customers	1,022.2	216.9	192.9	1,432.0
Other revenue[i]	941.3	-	-	941.3
	1,963.5	216.9	192.9	2,373.3

	2023 $m	2022 $m
Timing of revenue recognition		
Goods and services transferred at a point in time	**2,298.5**	2,226.6
Goods and services transferred over time	**135.9**	146.7
	2,434.4	2,373.3
(b) Other income		
Net gain on sale of eBET business[ii]	**34.2**	-
Net gain/(loss) on disposal of assets[iii]	**10.3**	(5.3)
Transitional Services Agreement (TSA) income[iv]	**30.6**	3.3
Other[v]	**15.9**	9.0
	91.0	7.0
(c) Employment costs include:		
Defined contribution plan expense	**25.5**	26.5
(d) Finance costs[vi]		
Interest costs on interest bearing liabilities	**23.0**	108.1
Interest costs on lease liabilities	**5.4**	8.2
Net gain on fair value of cash flow hedges[vii]	**0.2**	(64.3)
Other	**8.5**	9.5
	37.1	61.5
(e) Impairment – other[viii]		
Other intangible assets – software	**13.1**	0.5
Property, plant and equipment	**26.9**	2.0
Right-of-use assets	**-**	2.5
Other assets	**9.0**	-
	49.0	5.0

(i) Includes fixed odds betting revenue. Refer accounting policy opposite.
(ii) Refer to note E7.
(iii) Includes net gain on disposal of electronic gaming machines. Refer to note E7.
(iv) TSA income relates to the provision of services to The Lottery Corporation in the transition period following its demerger and is accounted for on a gross basis.
(v) Current year includes insurance recoveries of $11.0m (2022: $5.0m).
(vi) Prior year includes all finance costs incurred by the Tabcorp Group under the financing arrangements in place prior to the demerger.
(vii) Prior year includes recycling of discontinued cash flow hedges to the income statement; and hedge ineffectiveness.
(viii) Refer to note C3 for current year impairment.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. Incremental costs of obtaining contracts with a duration of one year or less are expensed as incurred. The following specific criteria must also be met before revenue is recognised:

Wagering revenue is recognised as the residual value after deducting the return to customers from wagering turnover. Fixed odds betting revenue is classified as other revenue and recognised as the net win or loss on an event. The amounts bet on an event are recognised as a liability until the outcome of the event is determined, at which time the revenue is brought to account. Open fixed odds betting positions are carried at fair value and gains and losses arising on these positions are recognised in revenue.

Media revenue includes subscription income and advertising revenue, and is recognised once the service has been rendered. Subscriptions received relating to future periods are treated as deferred revenue.

Gaming services revenue is recognised once the service has been rendered or the goods have been delivered to the buyer.

Interest revenue earned from customers in the ordinary course of operations is disclosed within revenue.

Contributions to defined contribution plans are recognised in the income statement as they become payable.

Finance income is recognised using the effective interest rate method.

Finance costs are recognised as an expense using the effective interest rate method.

A5 Income tax

(a) The major components of income tax expense are:

	2023 $m	2022 $m
Current tax	**(20.8)**	7.3
Adjustments in respect of current income tax of previous years	**7.3**	2.7
Deferred tax	**(2.7)**	7.8
	(16.2)	17.8
Income tax reconciliation:		
Profit/(loss) from continuing operations before income tax	**82.7**	(136.2)
Income tax (payable)/receivable at the 30% company tax rate	**(24.8)**	40.9
Tax effect of adjustments in calculating taxable income:		
– net gain on fair value of cash flow hedges	**-**	19.3
– divestment of disposal group	**12.2**	-
– Racing Queensland settlement	**-**	(45.0)
– amortisation of licences	**(10.5)**	(10.5)
– research and development claims	**3.4**	2.6
– amounts under provided in prior years	**3.2**	2.7
– other	**0.3**	7.8
Income tax (expense)/benefit	**(16.2)**	17.8

(b) Deferred tax assets/(liabilities)

	Balance at 30 June 2022 $m	Recognised in income statement $m	Recognised directly in equity $m	Recognised through disposal groups sold and held for sale $m	Balance at 30 June 2023 $m
Licences	**(225.4)**	**6.6**	**-**	**1.0**	**(217.8)**
Right-of-use assets	**(43.8)**	**10.1**	**-**	**-**	**(33.7)**
Other intangible assets	**5.7**	**(4.4)**	**-**	**(0.1)**	**1.2**
Research and development	**(8.7)**	**(0.3)**	**-**	**-**	**(9.0)**
Unclaimed dividends	**(5.0)**	**(2.0)**	**-**	**-**	**(7.0)**
Lease liabilities	**50.9**	**(11.5)**	**-**	**-**	**39.4**
Provisions	**27.0**	**(5.3)**	**-**	**-**	**21.7**
Property, plant and equipment	**7.2**	**6.6**	**-**	**(1.2)**	**12.6**
Other	**(1.2)**	**3.6**	**0.4**	**(0.2)**	**2.6**
Accrued expenses	**14.5**	**(6.1)**	**-**	**-**	**8.4**
Fair value of cash flow hedges	**(0.7)**	**-**	**2.2**	**-**	**1.5**
Net deferred tax assets/(liabilities)	**(179.5)**	**(2.7)**	**2.6**	**(0.5)**	**(180.1)**

	Balance at 1 July 2021 $m	Recognised in income statement[(i)] $m	Recognised directly in equity $m	Reduction through demerger of entities $m	Balance at 30 June 2022 $m
Licences	(562.8)	219.7	-	117.7	(225.4)
Right-of-use assets	(78.2)	34.2	-	0.2	(43.8)
Other intangible assets	(29.9)	23.8	-	11.8	5.7
Research and development	(8.4)	(0.5)	-	0.2	(8.7)
Unclaimed dividends	(7.5)	2.5	-	-	(5.0)
Lease liabilities	92.6	(43.7)	-	2.0	50.9
Provisions	25.6	(2.4)	-	3.8	27.0
Property, plant and equipment	11.8	(0.7)	-	(3.9)	7.2
Other	11.3	1.7	(0.2)	(14.0)	(1.2)
Accrued expenses	15.6	3.2	-	(4.3)	14.5
Fair value of cash flow hedges	4.3	-	(3.7)	(1.3)	(0.7)
Net deferred tax assets/(liabilities)	(525.6)	237.8	(3.9)	112.2	(179.5)

(i) Includes amounts for both continuing and discontinued operations.

Income tax comprises current and deferred income tax. Income tax is recognised in the income statement except when it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes. The temporary differences for goodwill and the initial recognition of an asset or liability in a transaction which is not a business combination and that affect neither accounting nor taxable profit at the time of the transaction are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A **deferred tax asset** is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The income tax expense and deferred tax balances assume certain tax outcomes in relation to the application of tax legislation as it applies to the Group. An **uncertain tax treatment** occurs where there is uncertainty over whether a tax authority will accept a tax treatment adopted by the Group under tax law. The Group revisits the accounting in relation to an uncertain tax treatment when there are changes in relevant facts and circumstances (refer to note E4).

A6 Subsequent events

On 24 August 2023, the Group announced the sale of the Tabcorp Gaming Solutions business (trading as MAX Performance Solutions) for $21.3 million in cash, subject to working capital, net debt and other minor adjustments. The sale is targeted for completion prior to December 2023, subject to necessary regulatory approvals being obtained.

Other than the events disclosed elsewhere in this report, no additional matters or circumstances have arisen since the end of the financial year, that may significantly affect the Group's operations, the results of those operations or the state of affairs of the Group.

SECTION B – CAPITAL AND RISK MANAGEMENT

B1 Capital management

The Group's objectives when managing capital are to ensure the Group continues as a going concern while providing optimal returns to shareholders and benefits for other stakeholders, and to maintain an appropriate capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Gearing is managed primarily through the ratio of net debt to earnings before interest, tax, depreciation, amortisation and impairment (EBITDA). Net debt is gross debt (including lease liabilities) less cash (excluding restricted cash).

At 30 June the Group's gearing ratio was:

	2023 $m	2022 $m
Net debt(i)	**344.7**	201.9
EBITDA (before significant items)(ii)	**391.0**	381.6
Gearing ratio	**0.9**	0.5

(i) Net debt for the current year includes US private placement debt at the Australian dollar principal repayable under cross currency swaps.
(ii) EBITDA represents continuing operations.

B2 Interest bearing liabilities

The Group borrows money from financial institutions and debt investors in the form of bank loans and foreign currency denominated notes. At 30 June 2023, the Group has undrawn facilities of $950.0m (2022: $810.0m).

The following table details the debt position of the Group at 30 June:

Facility	Details	Facility limit $m	Maturity	2023 $m	2022 $m
Bank loans – unsecured	Floating interest rate revolving facility. Subject to financial undertakings as to gearing and interest cover.	400.0	Jul-25	**-**	135.3(i)
		550.0	Jul-27	**-**	-
				-	135.3
US private placement	Fixed interest rate US dollar debt. At 30 June 2023 aggregate US dollar principal of $289.0m. Cross currency swaps are in place for all US dollar debt. Under these swaps the aggregate Australian dollar amount payable at maturity is $424.9m. Subject to financial undertakings as to gearing and interest cover.	USD 169.0	Mar-30	**252.6**	-
		USD 120.0	Mar-33	**179.3**	-
				431.9(i)	-
				431.9	135.3
Current				**-**	-
Non current				**431.9**	135.3
				431.9	135.3

(i) The value comprises the drawn down value of $435.9m (2022: $140.0m) less borrowing costs of $4.0m (2022: $4.7m).

B2.1 Changes in liabilities arising from financing activities:

	Balance at 30 June 2022 $m	Cash flows $m	Foreign exchange movement $m	Changes in fair values $m	Lease additions $m	Other(i) $m	Balance at 30 June 2023 $m
Interest bearing liabilities							
Current	-	-	-	-	-	-	-
Non current	135.3	280.9	11.0	-	-	4.7	431.9
Cross currency swaps							
Non current assets	-	-	-	(2.4)	-	-	(2.4)
Lease liabilities							
Current	42.6	(45.0)	-	-	0.6	39.0	37.2
Non current	139.1	-	-	-	2.3	(38.1)	103.3
	317.0	235.9	11.0	(2.4)	2.9	5.6	570.0

	Balance at 30 June 2021 $m	Cash flows $m	Foreign exchange movement $m	Changes in fair values $m	Lease additions $m	Reduction through demerger of entities $m	Other(i) $m	Balance at 30 June 2022 $m
Interest bearing liabilities								
Current	176.8	(127.0)	(49.8)	-	-	-	-	-
Non current	2,298.7	75.1	68.7	-	-	(2,312.0)	4.8	135.3
Cross currency interest rate swaps								
Current assets	(69.6)	-	-	69.6	-	-	-	-
Non current assets	(88.0)	-	-	(99.0)	-	187.0	-	-
Current liabilities	7.0	-	-	4.0	-	(11.0)	-	-
Lease liabilities								
Current	46.6	(48.0)	-	-	0.8	-	43.2	42.6
Non current	262.3	-	-	-	10.4	(70.6)	(63.0)	139.1
	2,633.8	(99.9)	18.9	(25.4)	11.2	(2,206.6)	(15.0)	317.0

(i) Includes transfers between current and non current classification of lease liabilities.

Interest bearing liabilities are recognised initially at fair value net of transaction costs, and subsequent to initial recognition are recognised at amortised cost which is calculated using the effective interest rate method. Foreign currency liabilities are carried at amortised cost and are translated at the exchange rates at reporting date. Gains and losses are recognised in the income statement when the liabilities are derecognised in addition to the amortisation process.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. These fees are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which they relate.

B3 Derivative financial instruments

The Group holds the following derivative financial instruments, all at fair value based on level 2 observable inputs, other than fixed odds open betting positions which are within level 3 in fair value hierarchy (refer to note B4):

	2023 $m	2022 $m
Current assets		
Foreign exchange forward contracts	**0.8**	0.4
Non current assets		
Foreign exchange forward contracts	**1.8**	1.8
Cross currency swaps	**2.4**	-
	4.2	1.8
	5.0	2.2
Current liabilities		
Fixed odds open betting positions	**16.4**	12.5

Derivative financial instruments are recognised initially and subsequently at fair value (refer to note B4). The method of recognising any remeasurement gain or loss depends on the nature of the item being hedged. For the purposes of hedge accounting, the Group's hedges were classified as cash flow hedges.

At inception, hedge relationships are designated as such and documented. This includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the hedge effectiveness requirements are assessed.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

› there is an economic relationship between the hedged item and the hedging instrument;

› the effect of credit risk does not dominate the value changes that result from that economic relationship; and

› the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

Cash flow hedges are used to hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction. Hedge effectiveness is measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness. The effective portion of any gain or loss on the hedging instrument is recognised directly in equity, with any ineffective portion recognised in the income statement. For hedged items relating to financial assets or liabilities, amounts recognised in equity are reclassified into the income statement when the hedged transaction affects the income statement (i.e. when interest income or expense is recognised). When the hedged item is the cost of a non-financial asset or liability, the amounts recognised in equity are transferred into the initial cost or other carrying amount of the non-financial asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or the designation of the hedge relationship is revoked but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

Financial instruments that do not qualify for hedge accounting are stated at fair value with any resultant gain or loss being recognised in the income statement.

B3.1 Cross currency swaps

These swaps are used to reduce the exposure to the variability of movements in the forward USD exchange rate in relation to the USD private placement debt.

The principal amounts and periods of expiry of the cross currency swap contracts were:

	2023		2022	
	Pay principal AUD m	Receive principal USD m	Pay principal AUD m	Receive principal USD m
Less than one year	**-**	**-**	-	-
One to five years	**-**	**-**	-	-
More than five years	**424.9**	**289.0**	-	-
Notional principal	**424.9**	**289.0**	-	-
Fixed interest rate range p.a.	**6.9%–8.0%**	**6.9%–8.0%**	-	-

There is an economic relationship between the hedged item and the hedged instrument as the terms and conditions in relation to the interest rate and maturity of the cross currency swaps are similar to the terms and conditions of the underlying hedged US private placement debt. The Group has established a hedge ratio of 1:1 which has been determined by comparing the notional principal of the swap with the notional amount of the designated debt.

Further information about the Group's foreign currency risk management is disclosed in note B5.2.

B3.2 Foreign exchange forward contract

These foreign exchange forward contracts are used to reduce the exposure to the volatility of movements in the forward USD exchange rate in relation to the USD exposure.

	Notional principal	
	2023 $m	2022 $m
Less than one year	**6.6**	6.1
One to five years	**15.4**	22.0
More than five years	**-**	-
Notional principal	**22.0**	28.1

Further information about the Group's foreign currency risk management is disclosed in note B5.2.

B3.3 Impact of hedging on balance sheet

The change in fair value used for measuring ineffectiveness is set out in the below table. All hedging instruments are presented within derivative financial instruments in the balance sheet.

	2023 $m	2022 $m
Cross currency swaps	**(0.2)**	-
	(0.2)	-

The ineffectiveness recognised in the income statement was immaterial in both the current and prior financial year.

B3.4 Impact of hedging on equity

Set out below is a reconciliation of the movement in the hedging reserve:

	Hedging reserve $m
As at 1 July 2022	**1.6**
Effective portion of changes in fair value arising from:	
– Cross currency swaps	**3.8**
Loss on revaluation of USD debt	**(11.0)**
Other	**0.3**
Tax effect	**2.1**
As at 30 June 2023	**(3.2)**
As at 1 July 2021	(10.0)
Effective portion of changes in fair value arising from:	
– Interest rate swaps	35.5
– Cross currency swaps	37.9
Loss on revaluation of USD debt	(10.1)
Recycling of cash flow hedges to income statement	(34.5)
Other	2.6
Tax effect	(19.8)
As at 30 June 2022	1.6

B4 Fair value measurement

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purposes at each balance date. Various methods are available to estimate the fair value of a financial instrument, and comprise:

Level 1 – calculated using quoted prices in active markets.

Level 2 – estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – estimated using inputs for the asset or liability that are not based on observable market data.

The carrying amount of financial assets or liabilities recognised in the financial statements is deemed to be the fair value unless stated below:

	Carrying amount		Fair value	
	2023 $m	2022 $m	2023 $m	2022 $m
Financial liabilities				
US private placement	**435.9**	-	**502.8**	-
	435.9	-	**502.8**	-

The fair value of the Group's financial instruments is estimated as follows:

US private placement
Fair value was calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at balance date, in combination with restatement to foreign exchange rates at balance date (level 2 in fair value hierarchy).

Foreign exchange forward contracts
Fair value is calculated using widely accepted valuation techniques including discounted cash flow analysis of the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, such as yield curves, spot and forward FX rates.

The Group incorporates credit valuation adjustments to appropriately reflect the applicable counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Group has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees (level 2 in fair value hierarchy).

Cross currency swaps
Fair value is calculated using market data including both the Australian and the United States interest rate curves which include the base rates and forward curves, incorporating swap rates and foreign exchange rates. A discounted cash flow approach is used to derive the fair value of cross currency swaps at balance date (level 2 in fair value hierarchy).

Fixed odds open betting positions
Fair value is calculated based upon the latest open market prices on the relevant underlying sporting or other events available at the close of business at the balance date (level 3 in fair value hierarchy). Changes in the fair value of the open positions are recorded in revenue in the consolidated income statement. There are no reasonably probable changes to assumptions and inputs that would lead to material changes in the fair value methodology although final value will be determined by future sporting or other events results.

There have been no significant transfers between level 1 and level 2 during the financial year ended 30 June 2023.

B5 Financial instruments – risk management

The Group's principal financial instruments, other than derivatives, comprise cash, term deposits, unlisted investments and interest bearing liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group also has various other financial assets and liabilities which arise directly from its operations.

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investment activities, principally cross currency swaps. The Group does not hold or issue derivative financial instruments for trading purposes.

The main risks arising from the Group's financial instruments are discussed in section B5.1 to B5.4.

B5.1 Interest rate risk

In general, the Group has a policy of controlling exposure to interest rate fluctuations by the use of fixed and variable rate debt, interest rate swaps, capped or collar options and forward rate agreements.

At 30 June 2023 100% (2022: nil) of the Group's borrowings are at a fixed rate of interest.

The following assets and liabilities are exposed to floating interest rate risk:

	2023 $m	2022 $m
Cash assets	**91.6**	102.9
Short term deposits	**199.1**	96.5
	290.7	199.4
Bank loans – unsecured	**-**	(135.3)

Sensitivity analysis – interest rates – AUD

The Group's sensitivity to reasonably possible changes in interest rates on the affected financial assets and financial liabilities in existence at year end is shown below. With all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
	2023 $m	2022 $m	2023 $m	2022 $m
AUD				
+ 1.0% (100 basis points)	**0.2**	0.2	**-**	-
- 1.0% (100 basis points)	**(0.2)**	(0.2)	**-**	-

The movements in profit are due to higher/lower interest costs from variable rate debt and investments.

Significant assumptions used in the analysis include:

- reasonably possible movements were determined based on the Group's current credit rating and mix of debt, and the level of debt that is expected to be renewed, as well as a review of the last two years' historical movements and economic forecasters' expectations; and
- net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months.

B5.2 Foreign currency risk

The Group's primary currency exposure is to US dollars as a result of issuing US private placement debt. In order to hedge this exposure, the Group has entered into cross currency swaps to fix the exchange rate on the USD debt until maturity. The Group agrees to pay a fixed USD amount in exchange for an agreed AUD amount with swap counterparties, and to re-exchange this again at maturity. These swaps are designated to hedge the principal and interest obligations of the US private placement debt. Based on this, the Group is not materially exposed to foreign currency risk.

The translation of the results of the Group's foreign subsidiaries into the Group presentation currency has not been considered as it represents translation risk rather than transaction risk.

B5.3 Credit risk

The Group's credit risk arises in relation to cash and cash equivalents, receivables, term deposits, financial liabilities and liabilities under financial guarantees. Credit risk on financial assets which have been recognised on the balance sheet, is the carrying amount less any allowance for non recovery.

Credit risk is managed by:

- adherence to a strict cash management policy;
- conducting all investment and financial instrument activity with approved counterparties with investment grade credit ratings and setting exposure limits based on these ratings; and
- reviewing compliance with counterparty exposure limits on a continuous basis, and spreading the aggregate value of transactions amongst the approved counterparties; ensuring no more than 60% of investments are held with any one counterparty.

Credit risk associated with financial liabilities arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in respect of derivative contracts is detailed in the liquidity risk table in note B5.4.

Credit risk includes liabilities under financial guarantees. For financial guarantee contract liabilities the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. The fair value of financial guarantee contract liabilities has been assessed as nil (2022: nil), as the possibility of an outflow occurring is considered remote.

Details of the financial guarantee contracts at balance date are outlined below:

› The Company has entered into a deed of cross guarantee as outlined in note D2.

› The maximum amount of bank guarantee contracts at balance date is $20.4m (2022: $20.4m).

B5.4 Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and notes. To help reduce liquidity risk, the Group targets a minimum level of cash and cash equivalents to be maintained, and has sufficient undrawn funds available.

Due to the measures in place for managing liquidity and access to capital markets, this risk is not considered significant.

At 30 June 2023 no debt facilities will mature in less than one year.

The contractual cash flows including principal and estimated interest payments of financial liabilities in existence at year end are as follows:

	2023			2022		
	< 1 year $m	1 – 5 years $m	> 5 years $m	< 1 year $m	1 – 5 years $m	> 5 years $m
Non-derivative financial instruments						
Financial liabilities						
Payables	**(571.0)**	**-**	**-**	(598.5)	(1.3)	-
Bank loans – unsecured	**-**	**-**	**-**	(4.8)	(150.0)	-
US private placement	**(33.0)**	**(132.2)**	**(544.5)**	-	-	-
Lease liabilities	**(41.4)**	**(111.6)**	**(33.7)**	(48.0)	(127.2)	(29.2)
Net outflow	**(645.4)**	**(243.8)**	**(578.2)**	(651.3)	(278.5)	(29.2)
Derivative financial instruments						
Financial assets						
Cross currency swaps – receive USD fixed	**-**	**-**	**2.4**	-	-	-
Foreign exchange forward contracts	**0.8**	**1.8**	**-**	0.4	1.8	
	0.8	**1.8**	**2.4**	0.4	1.8	-
Financial liabilities						
Fixed Odds open betting positions	**(16.4)**	**-**	**-**	(12.5)	-	-
	(16.4)	**-**	**-**	(12.5)	-	-
Net inflow/(outflow)	**(15.6)**	**1.8**	**2.4**	(12.1)	1.8	-

For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date. For foreign currency receipts and payments, the amount disclosed is determined by reference to the AUD/USD rate at balance date.

SECTION C – OPERATING ASSETS AND LIABILITIES

C1 Licences

	Wagering licences $m	Gaming machine monitoring licence $m	Total $m
2023			
Carrying amount at beginning of year	**554.0**	**139.4**	**693.4**
Additions	**-**	**2.0**	**2.0**
Amortisation	**(41.4)**	**(13.4)**	**(54.8)**
Carrying amount at end of year	**512.6**	**128.0**	**640.6**
Cost	**978.5**	**201.7**	**1,180.2**
Accumulated amortisation and impairment	**(465.9)**	**(73.7)**	**(539.6)**
	512.6	**128.0**	**640.6**
2022			
Carrying amount at beginning of year	595.4	152.8	748.2
Amortisation	(41.4)	(13.4)	(54.8)
Carrying amount at end of year	554.0	139.4	693.4
Cost	978.5	199.7	1,178.2
Accumulated amortisation and impairment	(424.5)	(60.3)	(484.8)
	554.0	139.4	693.4

Amortisation policy – straight line basis over useful life (years):	12 – 93	10 – 20	
Licence expiration date:			
– Victoria	2024		
– Queensland	2098	2027	
– New South Wales	2097	2032	
– Australian Capital Territory	2064(i)		
– South Australia	2100		
– Tasmania		2043(ii)	

(i) ACT sports bookmaking licence granted in 2014 for an initial term of 15 years with further rolling extensions to a total term of 50 years.
(ii) Tasmanian monitoring operator licence commencing 1 July 2023.

Licences that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. The comparative period financial information for the Lotteries and Keno discontinued operations has been excluded to assist comparability with the current period.

C2 Other intangible assets

	Goodwill $m	NSW Trackside concessions $m	Customer related assets $m	Brand names $m	Media content and broadcast rights $m	Other $m	Software $m	Total $m
2023								
Carrying amount at beginning of year	**1,734.0**	**130.0**	**126.0**	**113.4**	**30.6**	**30.5**	**350.5**	**2,515.0**
Additions:								
– acquired	-	-	-	-	-	-	**34.9**	**34.9**
– internally developed	-	-	-	-	-	-	**96.5**	**96.5**
Amortisation	-	**(1.7)**	**(13.1)**	**(0.9)**	-	**(2.6)**	**(84.7)**	**(103.0)**
Impairment	-	-	-	-	-	-	**(13.1)**	**(13.1)**
Transfers	-	-	-	-	-	-	**(0.2)**	**(0.2)**
Disposals	-	-	**(3.3)**	-	-	**(2.2)**	**(19.3)**	**(24.8)**
Transferred to assets held for sale	-	-	-	-	-	-	**(4.7)**	**(4.7)**
Other	-	-	**2.8**	**0.2**	-	-	-	**3.0**
Carrying amount at end of year	**1,734.0**	**128.3**	**112.4**	**112.7**	**30.6**	**25.7**	**359.9**	**2,503.6**
Cost	**3,576.0**	**150.0**	**165.6**	**114.9**	**30.6**	**51.4**	**947.2**	**5,035.6**
Accumulated amortisation and impairment	**(1,842.0)**	**(21.7)**	**(53.2)**	**(2.2)**	-	**(25.7)**	**(587.3)**	**(2,532.1)**
	1,734.0	**128.3**	**112.4**	**112.7**	**30.6**	**25.7**	**359.9**	**2,503.6**
Includes capital works in progress of:							**100.9**	**100.9**
2022								
Carrying amount at beginning of year	7,038.1	131.7	161.0	222.6	30.6	33.2	439.3	8,056.5
Additions:								
– acquired	-	-	-	-	-	-	47.1	47.1
– internally developed	-	-	-	-	-	-	87.5	87.5
Disposals through demerger of entities	(5,304.1)	-	(18.4)	(107.8)	-	-	(88.4)	(5,518.7)
Amortisation	-	(1.7)	(14.8)	(1.0)	-	(2.7)	(126.9)	(147.1)
Impairment	-	-	-	-	-	-	(0.5)	(0.5)
Transfers	-	-	-	-	-	-	3.6	3.6
Disposals	-	-	-	-	-	-	(3.0)	(3.0)
Transferred to assets held for sale	-	-	-	-	-	-	(8.2)	(8.2)
Other	-	-	(1.8)	(0.4)	-	-	-	(2.2)
Carrying amount at end of year	1,734.0	130.0	126.0	113.4	30.6	30.5	350.5	2,515.0
Cost	3,651.1	150.0	168.0	114.5	30.6	54.5	950.5	5,119.2
Accumulated amortisation and impairment	(1,917.1)	(20.0)	(42.0)	(1.1)	-	(24.0)	(600.0)	(2,604.2)
	1,734.0	130.0	126.0	113.4	30.6	30.5	350.5	2,515.0
Includes capital works in progress of:							108.4	108.4
Amortisation policy – straight line basis over useful life (years):		87	8 – 20	5 – Indefinite	Indefinite	20	3 – 15	
Expiration date:		2097				2033[(i)]		

(i) In line with New South Wales Wagering Licence retail exclusivity period.

Goodwill arising in a business combination represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. All business combinations are accounted for by applying the acquisition method. Any contingent consideration is recognised at fair value at the acquisition date. Negative goodwill arising on an acquisition is recognised directly in the income statement. Goodwill is not amortised, and is stated at cost less any accumulated impairment losses. Any impairment losses recognised against goodwill cannot be reversed.

Brand names, media content and broadcast rights with indefinite useful lives are not amortised as the Board of Directors believe that the life of these intangibles to the Group will not materially diminish over time, and the residual value at the end of that life would be such that the amortisation charge, if any, would not be material.

Other intangible assets, including NSW Trackside concessions and customer related assets, that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. The cost of internally developed software includes the cost of materials, direct labour and an appropriate proportion of overheads.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

C3 Impairment testing

Goodwill and indefinite life intangible assets are tested for impairment annually, or whenever there is an indicator of impairment.

Carrying amount of goodwill and other intangible assets with indefinite useful lives allocated to each cash generating unit (CGU) or segment:	2023 $m	2022 $m
Goodwill		
Wagering and Media	**1,734.0**	1,734.0
Other intangible assets with indefinite useful lives		
NSW Wagering	**98.8**	98.8
Sky Racing	**30.6**	30.6
Sky Sports Radio	**6.7**	6.7
ACTTAB	**4.5**	4.5
	140.6	140.6

In accordance with the Group's accounting policies, the Group performs its impairment testing annually at 30 June.

The recoverable amount of each CGU is determined based on fair value less costs of disposal, calculated using discounted cash flows. The cash flow forecasts are principally based upon a four year period and extrapolated using long term growth rates ranging from 0% to 2.5% (2022: 0% to 2.5%). These cash flows are then discounted using a relevant long term post tax discount rate 8.90% (2022: 8.88%). This is considered to be level 3 in the fair value hierarchy (refer to note B4 for explanation of the valuation hierarchy).

Key assumptions on which management has based its recoverable amount estimates:

- Unless otherwise disclosed, the Group's exclusive retail wagering licences held are assumed to be retained. The wagering business competes with bookmakers and other interstate and international wagering operators who accept bets over the phone and the internet. There is a possibility that competition from interstate and international operators may extend further to the Group's retail wagering network in the future.
- The Group's existing exclusive Wagering Licence in Victoria will expire in 2024. In determining recoverable amount estimates at 30 June 2023, probability-weighted scenarios have been modelled, reflecting the potential outcomes of the current licence renewal process. These probability weighted scenarios reflect the Group's assessment of the probability of possible exclusive, non-exclusive retail wagering licence or no licence outcomes.
- State tax regimes and the regulatory environment in which the Group currently operates remain largely unchanged, other than those publicly announced.
- Race fields arrangements implemented in each State and Territory of Australia remain largely unchanged.
- Growth rates used to extrapolate cash flows are either in line with or do not exceed the long-term average growth rate for the industry in which the CGU operates.
- Discount rates applied are based on the post-tax weighted average cost of capital applicable to the relevant CGU.
- Terminal growth rates used are either in line with or do not exceed the forecast long term underlying growth rate in the Consumer Price Index.

The key estimates and assumptions used to determine the fair value less costs of disposal of a CGU are based on management's current expectations after considering past experience and external information, and are considered to be achievable.

Sensitivities

Wagering and Media

- Probability-weighted scenarios were developed for a number of possible exclusive, non-exclusive Victorian retail wagering licence or no licence outcomes. Under the probability-weighted scenario the estimates of recoverable amount exceed the carrying amount at 30 June 2023. The Group consider the probability-weighted outcomes modelled at 30 June 2023 to be reasonable. Should the actual outcome of the Victorian retail wagering Licence renewal process significantly vary from the Group's probability assessment, or in the event a Victorian retail wagering licence is not awarded to the Group, the carrying amount of the Wagering & Media group of CGU's may exceed its recoverable amount.
- An increase in the long term, post tax discount rate of 1.2% would result in the estimated recoverable amount being equal to carrying amounts.
- A decrease in the cashflows of the business of 11.2% would result in the estimated recoverable value of the segments to equal to the carrying amount.

Typically, changes in any one of the aforementioned assumptions (including operating performance) would be accompanied by a change in another assumption which may have an offsetting impact. Action is usually taken to respond to adverse changes in assumptions to mitigate the impact of any such change. However, adverse movements in key assumptions may lead to impairment.

Impairment Charges

Wagering and Media

No impairment charges were identified in the year ended 30 June 2023.

Gaming Services

The impairment assessment for the Tabcorp Gaming Solutions (TGS) business has determined the carrying value of the disposal group exceeded its recoverable amount at the time of classification as a disposal group held for sale. As a result, a reduction in the carrying value of assets for the disposal group totaling $49.0m has been recognised in the income statement. No impairment charges were identified for the other Gaming Services CGUs.

At each balance date, in addition to goodwill and intangible assets with indefinite useful lives, all non-current assets are reviewed for impairment if events or changes in circumstances indicate they may be impaired. When an indicator of impairment exists, the Group makes a formal assessment of recoverable amount. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless the asset's recoverable value cannot be estimated as it does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, the recoverable amount is determined for the CGU, being assets grouped at the lowest levels for which there are separately identifiable cash flows.

Goodwill and intangible assets with indefinite useful lives (brand names, broadcast rights and media content) acquired through business combinations have been allocated to each CGU or group of CGUs expected to benefit from the business combination's synergies for impairment testing.

C4 Property, plant and equipment

	Freehold land $m	Buildings $m	Leasehold improvements $m	Plant and equipment $m	Total $m
2023					
Carrying amount at beginning of year	**17.5**	**10.8**	**35.5**	**159.1**	**222.9**
Additions	**-**	**0.1**	**4.1**	**40.7**	**44.9**
Disposals	**-**	**-**	**-**	**(8.8)**	**(8.8)**
Depreciation	**-**	**(0.8)**	**(9.8)**	**(39.8)**	**(50.4)**
Transfer to assets held for sale	**-**	**-**	**-**	**(9.7)**	**(9.7)**
Impairment	**-**	**-**	**-**	**(26.9)**	**(26.9)**
Carrying amount at end of year	**17.5**	**10.1**	**29.8**	**114.6**	**172.0**
Cost	**17.5**	**34.3**	**137.2**	**466.2**	**655.2**
Accumulated depreciation and impairment	**-**	**(24.2)**	**(107.4)**	**(351.6)**	**(483.2)**
	17.5	**10.1**	**29.8**	**114.6**	**172.0**
Includes capital works in progress of:		**-**	**3.8**	**24.2**	**28.0**
2022					
Carrying amount at beginning of year	17.6	14.0	66.0	277.9	375.5
Additions	-	-	0.7	41.2	41.9
Disposals	(0.1)	-	(0.1)	(7.6)	(7.8)
Disposals through demerger of entities	-	(0.1)	(17.5)	(51.9)	(69.5)
Depreciation	-	(2.1)	(13.0)	(73.0)	(88.1)
Transfers	-	-	-	(1.1)	(1.1)
Transfer to assets held for sale	-	-	-	(26.0)	(26.0)
Impairment	-	(1.0)	(0.6)	(0.4)	(2.0)
Carrying amount at end of year	17.5	10.8	35.5	159.1	222.9
Cost	17.5	35.1	133.3	619.8	805.7
Accumulated depreciation and impairment	-	(24.3)	(97.8)	(460.7)	(582.8)
	17.5	10.8	35.5	159.1	222.9
Includes capital works in progress of:		-	0.1	33.5	33.6
Depreciation policy – straight line basis over useful life (years):		20 – 40	7 – 10	4 – 10	

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

C5 Leases

(a) Group as a lessee

The Group has lease contracts for various properties, motor vehicles and other equipment with remaining lease terms expiring from 1 to 21 years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or are subject to market rate review.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Property $m	Other $m	Total $m
2023			
Carrying amount at beginning of year	**120.9**	**5.6**	**126.5**
Additions	**0.4**	**2.5**	**2.9**
Lease remeasurements	**2.8**	**0.7**	**3.5**
Terminations	**(0.9)**	**(0.1)**	**(1.0)**
Depreciation	**(29.7)**	**(2.5)**	**(32.2)**
Carrying amount at end of year	**93.5**	**6.2**	**99.7**
2022			
Carrying amount at beginning of year	225.8	7.3	233.1
Additions	9.4	1.8	11.2
Lease remeasurements	(9.1)	0.1	(9.0)
Terminations(i)	(59.4)	-	(59.4)
Derecognition(ii)	(4.9)	-	(4.9)
Depreciation	(38.4)	(3.6)	(42.0)
Impairment	(2.5)	-	(2.5)
Carrying amount at end of year	120.9	5.6	126.5

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 $m	2022 $m
Carrying amount at beginning of year	**181.7**	308.9
Additions	**2.9**	11.2
Lease remeasurements	**2.3**	(15.5)
Interest expense	**5.4**	9.8
Terminations(i)	**(1.4)**	(74.9)
Payments (cash outflow)	**(50.4)**	(57.8)
Carrying amount at end of year	**140.5**	181.7
Current	**37.2**	42.6
Non current	**103.3**	139.1
	140.5	181.7

(i) Prior year includes the termination of certain leases, as the leases were novated or sub-leased to The Lottery Corporation on demerger.

(ii) Prior year includes the derecognition of right-of-use assets as a result of entering into finance sub-leases with The Lottery Corporation on demerger.

(b) Group as a lessor

The Group has sub-leased properties that have previously been presented as part of right-of-use assets. The sub-leases have remaining terms of 2 and 4 years and the Group has classified the leases as finance sub-leases.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2023 $m	2022 $m
Less than one year	**3.3**	3.1
Between one to two years	**2.7**	3.3
Between two to three years	**1.9**	2.7
Between three to four years	**1.9**	1.9
Between four to five years	**-**	1.9
Total undiscounted lease receivable	**9.8**	12.9
Unearned finance income	**(0.6)**	(0.8)
	9.2	12.1

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Right-of-use assets are recognised at the commencement date of the lease, which is when the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, any make good costs, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Lease liabilities are recognised at the commencement date of the lease, measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. Lease payments include fixed payments or variable lease payments that depend on an index or a rate, incorporating the Group's expectations of extension options which is a key area of judgement. Option periods are only included in determining the lease term at inception when they are reasonably certain to be exercised.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. Lease liabilities are remeasured when there is a modification, a change in the lease term, or changes in future lease payments arising from a change in rates or index used to determine the payments.

Short term leases (lease term of 12 months or less) and **leases of low value assets** are recognised as an expense as incurred.

The Group enters into lease arrangements as lessor in respect of some property leases. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately.

The sub-lease is a finance lease where it transfers substantially all the risks and rewards of ownership to the lessee. All other sub-leases are operating leases. The determination of whether a sub-lease is classified as a finance lease or operating lease is made by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group recognises on the Balance Sheet a net investment in a lease as the sum of the lease payments receivable plus any unguaranteed residual value, discounted at the interest rate implicit in the lease.

C6 Notes to the cash flow statement

(a) Cash and cash equivalents comprise:	2023 $m	2022 $m
Cash on hand and in banks	**91.6**	102.9
Short term deposits	**199.1**	96.5
	290.7	199.4

For the purpose of the cash flow statement, cash comprises cash and short term deposits with an original maturity of three months or less, and bank overdrafts.

Restrictions

The Group operates under various state based licences which have regulatory requirements in place that restrict the Group's use of certain cash balances. The carrying amount of these cash balances included within the consolidated financial statements is $63.0m (2022: $84.3m).

(b) Reconciliation of net profit after tax to net cash flows from operating activities	2023 $m	2022 $m
Net profit after tax	**66.5**	6,775.9
Add items classified as investing/financing activities:		
– gain on demerger of The Lottery Corporation (net of transaction costs)	**12.5**	(6,513.8)
– gain on sale of eBET business	**(34.2)**	-
– net loss on disposal of property, plant and equipment and intangibles	**(10.3)**	5.0
– net gain on disposal of non current assets	**-**	(1.2)
– other	**(5.4)**	-
Add non cash income and expense items:		
– depreciation and amortisation	**240.5**	382.3
– impairment – other	**49.0**	5.0
– costs relating to Racing Queensland settlement	**-**	150.0
– share based payments expense	**3.8**	24.5
– unwinding of prepaid borrowing costs	**1.2**	4.8
– loss from equity accounted investment	**2.7**	-
– onerous contract provision release	**(6.5)**	-
– other(i)	**9.9**	(65.7)
Net cash provided by operating activities before changes in assets and liabilities	**329.7**	766.8
Changes in assets and liabilities:		
(Increase)/decrease in:		
– debtors	**(39.5)**	10.1
– prepayments	**(1.1)**	(18.9)
– net current tax assets	**(16.4)**	(43.5)
– other assets	**0.9**	(77.4)
(Decrease)/increase in:		
– payables	**4.2**	117.0
– provisions	**(160.3)**	(9.6)
– deferred tax liabilities	**2.5**	(19.2)
– other liabilities	**(0.7)**	11.7
Net cash flows from operating activities	**119.3**	737.0

(i) Prior year includes recycling of discontinued cash flow hedges to the income statement, refer to A4.

C7 Receivables

	2023 $m	2022 $m
Current		
Trade debtors	**103.1**	89.2
Allowance for expected credit losses	**(0.8)**	(3.5)
	102.3	85.7
Finance lease receivable[i]	**3.0**	2.8
Other	**60.5**	41.4
	165.8	129.9
Non current		
Trade debtors	**0.6**	1.6
Finance lease receivable[i]	**6.2**	9.2
	6.8	10.8

(i) Further information about the Group's leases is disclosed in note C5.

Trade debtors are recognised and carried at original invoice amount less an allowance for any uncollectible amount.

Expected credit losses for the Group are calculated using a lifetime expected loss allowance under the simplified approach of AASB 9. The expected credit loss is based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

C8 Payables

	2023 $m	2022 $m
Current		
Payables	**571.0**	598.5
Non current		
Payables	**-**	1.3

Current payables consist of trade payables, accruals, customer account balances and other payables.

C9 Provisions

	2023 $m	2022 $m
Current		
Employee benefits	**37.1**	39.9
Premises	**1.0**	4.3
Other[(i)]	**1.9**	155.8
	40.0	200.0
Non current		
Employee benefits	**4.5**	4.1
Premises	**5.6**	6.0
Other	**-**	8.0
	10.1	18.1

Movement in provisions other than employee benefits during the year are set out below:

	Premises $m	Other $m
Carrying amount at beginning of year	**10.3**	**163.8**
Provisions made during year	**1.0**	**3.7**
Provisions reversed during year	**(1.5)**	**(6.5)**
Provisions used during year	**(3.2)**	**(159.1)**
Carrying amount at end of year	**6.6**	**1.9**

(i) Prior year includes provision of $150m relating to Racing Queensland dispute. On 5 June 2022 Tabcorp and Racing Queensland entered into an agreement to settle the legal proceedings in relation to disputes concerning the calculation of fees payable by Tabcorp following the introduction of point of consumption tax in Queensland. The settlement to Racing Queensland occurred in December 2022.

Premises provisions comprise make good provisions for leasehold properties requiring remedial work at the end of the lease arrangement.

A **provision** is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recorded as a finance cost.

Employee benefits (short term) are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided and the obligation can be estimated reliably.

Employee benefits (long term) – the Group's net obligation is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is discounted to determine its present value. Remeasurements are recognised in the income statement in the period in which they arise. This excludes pension plans.

SECTION D – GROUP STRUCTURE

D1 Subsidiaries

The ultimate parent entity within the Group is Tabcorp Holdings Limited.

The consolidated financial statements incorporate the assets, liabilities and results of Tabcorp Holdings Limited and the following controlled entities, that were held in both current and prior period unless otherwise stated:

100% owned Australian subsidiaries in a deed of cross guarantee with Tabcorp Holdings Limited (refer to note D2):

Tabcorp Assets Pty Ltd	Tabcorp Wagering Participant (Vic) Pty Ltd	Ubet Radio Pty Ltd
Aussie Fair Play Coalition Pty Ltd	Tab Limited	Ubet SA Pty Ltd
Luxbet Pty Ltd	Tabcorp Services Pty Ltd	Ubet Tas Pty Ltd
Tabcorp Wagering Holdings Pty Ltd	Tabcorp Finance Pty Ltd	Tasradio Pty Ltd
Tabcorp ACT Pty Ltd	Sky Channel Pty Ltd	Maxgaming Holdings Pty Ltd
Tabcorp Gaming Holdings Pty Ltd	2KY Broadcasters Pty Ltd	Maxgaming NSW Pty Ltd
Tabcorp Gaming Solutions (NSW) Pty Ltd	Tabcorp Training Pty Ltd	Maxgaming Qld Pty Ltd
Tabcorp Gaming Solutions Pty Ltd	Tabcorp International Pty Ltd	Reaftin Pty Ltd
Tabcorp Wagering (Vic) Pty Ltd	Tabcorp International No.4 Pty Ltd	Bytecraft Systems Pty Ltd
Tabcorp Wagering Assets (Vic) Pty Ltd	Ubet Qld Limited	Bytecraft Systems (NSW) Pty Ltd
Tabcorp Investments No.6 Pty Ltd	Ubet NT Pty Ltd	Tabcorp Maxgaming Holdings Limited (formerly Tatts Group Limited)

100% previously owned Australian subsidiaries sold during the period[i]:

eBET Systems Pty Limited	Industry Data Online Pty Ltd
Intecq Limited	eBET Gaming Systems Pty Limited

100% owned Australian subsidiaries

Tabcorp Gaming Solutions (ACT) Pty Ltd	Tabcorp Ventures Pty Ltd (formerly Tabcorp Investments No.11 Pty Ltd)	Tabcorp Employee Share Administration Pty Ltd
Tabcorp Gaming Solutions (Qld) Pty Ltd	Tabcorp Wagering Manager (Vic) Pty Ltd	Sky Channel Marketing Pty Ltd
Tabcorp International No.5 Pty Ltd	OneTab Australia Pty Ltd	Ubet Enterprises Pty Ltd
Tabcorp International No.6 Pty Ltd	OneTab Holdings Pty Ltd	Maxgaming TAS Pty Ltd
Tabcorp Investments No.9 Pty Ltd	Sky Australia International Racing Pty Ltd	Tabcorp Ventures Australia 1 Pty Ltd
Tabcorp Investments No.10 Pty Ltd	COPL Pty Ltd	Tabcorp VIC Pty Ltd
Maxgaming Investments Pty Ltd		

International subsidiaries

Name	Country of incorporation	% equity interest
Premier Gateway International Limited	Isle of Man	100
Premier Gateway Services Limited	Isle of Man	100
Tabcorp Europe Holdings Limited	Isle of Man	100
Tabcorp Europe Limited	Isle of Man	100
Bytecraft Systems (NZ) Limited	New Zealand	100
Sky Racing World Holdco, LLC	United States of America	100
Sky Racing World, LLC	United States of America	100
Tabusa, LLC	United States of America	100

100% previously owned International subsidiaries deregistered during the period(ii):
Tabcorp UK Limited

(i) Control of these entities was lost on 1 February 2023 on the sale of the eBET business.
(ii) Company was dissolved on 19 March 2023.

Subsidiaries are entities controlled by the Company. The Group controls an entity if and only if the Group has:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

The financial statements of subsidiaries are included in the consolidated financial report from the date control commences until the date control ceases.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of the exchange prevailing at balance date, and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

Elimination of intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are undertaken in preparing the consolidated financial statements.

All **investments** are initially recognised at cost, being the fair value of the consideration given, and if acquired prior to 1 July 2009 included acquisition charges associated with the investment. Subsequently investments are carried at cost less any impairment losses.

A **joint arrangement** is an arrangement over which the Group has joint control with other parties and is bound by a contractual arrangement. A joint arrangement is classified as either a joint operation or a joint venture depending upon the rights and obligations of the parties to the arrangement.

- A **joint operation** is where the parties have rights to the assets and obligations for the liabilities, relating to the arrangement. The Group recognises in relation to its interest in a joint operation its assets, including its share of assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue including its share of revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.
- A **joint venture** is where the parties have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since acquisition date.

D2 Deed of cross guarantee

The parties to the deed of cross guarantee, as identified in note D1, each guarantee the debts of the others. By entering into the deed, the subsidiaries are relieved from the requirements of preparation, audit and lodgement of a financial report and a Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. Together with Tabcorp Holdings Limited, the entities represent a 'Closed Group' for the purposes of the ASIC Instrument.

The consolidated income statement and balance sheet of all entities included in the Closed Group are set out below.

Income statement	**2023 $m**	**2022 $m**
Revenue	**2,264.7**	2,216.2
Expenses	**(2,227.1)**	(2,299.4)
Profit/(loss) before income tax and net finance costs	**37.6**	(83.2)
Finance income	**3.7**	0.6
Finance costs	**(37.1)**	(61.5)
Profit/(loss) before income tax	**4.2**	(144.1)
Income tax (expense)/benefit	**(14.1)**	18.9
Loss for the period	**(9.9)**	(125.2)
Gain on demerger after tax	**-**	7,021.2
Net (loss)/profit after tax	**(9.9)**	6,896.0
Other comprehensive income		
Change in fair value of cash flow hedges taken to equity that may be reclassified to profit or loss	**(6.9)**	65.9
Income tax on items that may be reclassified to profit or loss	**2.1**	(19.8)
Items that will not be reclassified to profit or loss	**-**	0.5
Income tax on items that will not be reclassified to profit or loss	**-**	(0.1)
Other comprehensive income for the year, net of income tax	**(4.8)**	46.5
Total comprehensive income for the year	**(14.7)**	6,942.5
Retained earnings/(accumulated losses) at beginning of year	**991.8**	(2,044.0)
Adjustment for companies exiting the Closed Group	**79.3**	(22.0)
Net (loss)/profit after tax	**(9.9)**	6,896.0
Other comprehensive income	**-**	0.4
Transfer to demerger reserve	**-**	(3,538.4)
Dividends paid	**(174.3)**	(300.2)
Retained earnings at end of year	**886.9**	991.8

NOTES TO THE FINANCIAL STATEMENTS: GROUP STRUCTURE For the year ended 30 June 2023

Balance sheet	2023 $m	2022 $m
Cash and cash equivalents	**218.5**	107.8
Receivables	**105.2**	93.3
Prepayments	**50.5**	52.0
Current tax assets	**11.2**	-
Derivative financial instruments	**0.8**	0.4
Assets held for sale	**22.9**	34.2
Other	**13.2**	14.5
Total current assets	**422.3**	302.2
Receivables	**6.8**	10.8
Investment in controlled entities	**7.2**	7.6
Licences	**638.6**	693.4
Other intangible assets	**2,460.7**	2,474.0
Property, plant and equipment	**165.7**	216.6
Right-of-use assets	**99.7**	126.5
Prepayments	**33.6**	31.2
Derivative financial instruments	**4.2**	1.8
Other	**4.0**	13.9
Total non current assets	**3,420.5**	3,575.8
TOTAL ASSETS	**3,842.8**	3,878.0
Payables	**449.0**	510.4
Lease liabilities	**37.2**	42.6
Current tax liabilities	**-**	8.1
Provisions	**39.9**	200.0
Derivative financial instruments	**16.4**	12.5
Liabilities directly associated with assets held for sale	**1.9**	-
Other	**0.5**	1.3
Total current liabilities	**544.9**	774.9
Payables	**-**	1.3
Interest bearing liabilities	**431.9**	135.3
Lease liabilities	**103.3**	139.1
Deferred tax liabilities	**180.2**	179.7
Provisions	**10.0**	18.1
Total non current liabilities	**725.4**	473.5
TOTAL LIABILITIES	**1,270.3**	1,248.4
NET ASSETS	**2,572.5**	2,629.6
Issued capital	**1,687.1**	1,635.9
Retained earnings	**886.9**	991.8
Reserves	**(1.5)**	1.9
TOTAL EQUITY	**2,572.5**	2,629.6

D3 Parent entity disclosures

	Tabcorp Holdings	
	2023	2022
Result of the parent entity	$m	$m
Profit for the year	**231.2**	4,462.7
Other comprehensive income	**-**	0.5
Total comprehensive income for the year	**231.2**	4,463.2
Financial position of the parent entity		
Current assets	**188.9**	41.7
Total assets	**4,431.8**	4,337.7
Current liabilities	**38.1**	54.7
Total liabilities	**41.4**	56.6
Total equity of the parent entity comprising of:		
Issued capital	**1,687.1**	1,635.9
Retained earnings	**2,701.9**	2,645.2
Other reserves	**1.4**	-
Total equity	**4,390.4**	4,281.1

Contingent liabilities

Refer to note E4.

Capital expenditure

The parent entity did not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2023 or 30 June 2022.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in note D2.

Tax consolidation

Tabcorp Holdings Limited (the Head Company) and its 100% owned Australian tax resident subsidiaries have formed an income tax consolidation group, and are therefore taxed as a single entity. Members of the tax consolidation group entered into a tax sharing arrangement that provides for the allocation of income tax liabilities between the entities should the Head Company default on its tax payment obligations. At balance date, the possibility of default is remote.

Members of the tax consolidation group have entered into a tax funding agreement which requires each member of the tax consolidation group to make a tax equivalent payment to or from the Head Company, based on the current tax liability or current tax asset of the member. These amounts are recognised as either an increase or decrease in the subsidiaries' intercompany accounts with the Head Company. Tabcorp adopts the stand-alone taxpayer' approach as defined in AASB Interpretation 1052 Tax Consolidation Accounting, which requires each subsidiary member to record income taxes as though they each continued to be a taxable entity in their own right.

D4 Investment in an associate

In October 2022, the Group acquired 4,106,756 shares equivalent to a 20% interest in Dabble Sports Pty Ltd (Dabble) for a purchase price of $32.8m paid in cash. Dabble is a popular online racing and sports bookmaker in Australia that holds a betting licence in the Northern Territory.

Dabble is a private entity that is incorporated in Australia. The Group has representation on Dabble's Board of Directors and participates in the significant financial and operating decisions. The Group has therefore determined that it has significant influence over the investee.

The following table illustrates the summarised financial information of the Group's investment in Dabble.

	2023(i) $m
Revenue	48.3
Expenses	(62.0)
Loss before income tax	(13.7)
Income tax expense	-
Loss for the year	(13.7)
Group's share of loss for the year	(2.7)
Current assets	16.6
Non current assets	9.5
Current liabilities	(10.0)
Non current liabilities	(0.6)
Equity	15.5
Group's share of the associate's equity – 20%	3.1
Group's carrying amount of the investment	30.6

There were no dividends received from the investee during the year.

(i) Loss for the year from date of acquisition to 30 June 2023.

An **associate** is an entity over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating decisions of the investee. Investments in associates are accounted for using the equity method.

D5 Discontinued operations

Demerger of The Lottery Corporation Limited in the comparative period

The Lottery Corporation was demerged on 1 June 2022 and is reported as a discontinued operation. The Lottery Corporation operates Lotteries and Keno pursuant to licences and approvals in certain Australian states and territories.

The demerger distribution of The Lottery Corporation was recognised at the fair value of The Lottery Corporation shares of $10,470m. The fair value was determined using the volume weighted average price (VWAP) of The Lottery Corporation's shares as traded on the ASX over the first five trading days starting from the date of commencement of trading (including on a deferred settlement basis).

The demerger distribution is accounted for as a reduction in equity, split between a share capital reduction and a demerger reserve; and was settled through the transaction of The Lottery Corporation shares under the scheme of arrangement. The difference between the book value of the net assets of The Lottery Corporation transferred and the demerger distribution value is recognised as a gain on demerger.

(a) Financial performance of discontinued operations

	2022 $m
Revenue	3,232.2
Expenses	(2,684.9)
Profit before income tax	547.3
Income tax expense	(166.8)
Gain on demerger after tax(i)	6,513.8
Profit from discontinued operations after tax	6,894.3

(i) Net of pre-tax transaction costs of $89.2m, including non cash items of $7.0m.

(b) Assets and liabilities at date of demerger

The major classes of assets and liabilities demerged were:

	1 June 2022 $m
Assets	
Cash and cash equivalents	261.7
Other current assets	105.6
Debt instruments	285.8
Licences	1,271.2
Other intangible assets and goodwill	5,518.7
Property, plant and equipment	69.5
Right-of-use assets	60.4
Derivative financial instruments	187.0
Other	64.3
TOTAL ASSETS	7,824.2
Liabilities	
Payables	1,023.4
Interest bearing liabilities	2,312.0
Lease liabilities	70.6
Provisions	19.6
Derivative financial instruments	11.0
Deferred tax liabilities	383.3
Other	120.7
TOTAL LIABILITIES	3,940.6
NET ASSETS	3,883.6

(c) Cash flow from discontinued operations (contained in the Group cash flow statement)

	2022 $m
Net cash inflow from operating activities	586.8
Net cash outflow from investing activities	(112.0)
Net cash inflow from financing activities	(437.3)
Net cash inflow	37.5

(d) Earnings per share from discontinued operations

	2022 cents
Basic earnings per share	309.9
Diluted earnings per share	309.9

(e) Gain on demerger

	June 2022 $m
Consideration – demerger distribution	10,470.0
Book value of net assets disposed	(3,883.6)
Transaction costs	(89.2)
Gain on demerger before income tax	6,497.2
Income tax benefit	16.6
Gain on demerger after tax	6,513.8

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations, or is a controlled entity acquired or held exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

SECTION E – OTHER DISCLOSURES

E1 Employee share plans

The Company operates share plans which provide equity instruments to senior executives and management as a component of their remuneration.

Long Term Incentive Plan (LTI)

Effective 1 July 2022 the Company granted Options as part of its 2022 Long Term Incentive Plan to senior level employees.

The exercise price of the share options is equal to the market share price as at grant date using a daily Volume Average Weighted Price (**VWAP**) of Tabcorp shares traded on the ASX during the previous 10 trading days.

The share options vest if and when the Company's predetermined ROIC targets are met over a three year period and the participant remains employed on such date. The share options granted will not vest if the ROIC performance condition is not met.

The fair value of the share options is estimated at the grant date, participants are allocated a maximum number of Options (based on their maximum LTI opportunities) using a fair value allocation methodology determined by an independent third party using a Black-Scholes methodology. The fair value is recognised as an employee expense (with a corresponding increase in equity) over the vesting period.

The performance period is three financial years commencing 1 July in the year the grant is made. The 2022 LTI Plan grant has a performance period commencing 1 July 2022 and ending 30 June 2025. The 12-month exercise period will commence at the vesting date allowing participants 12 months to choose whether to exercise any vested Options. The end of the exercise period is the expiry date for the Options. There are no cash settlement alternatives, the Company does not have a past practice of cash settlement for these share options. The Company accounts for the options as an equity-settled plan.

The dilutive effect, if any, of outstanding Options is reflected in the computation of diluted earnings per share.

Short Term Incentive Plan (STI)

For senior management it is mandatory to defer 25% (50% for the Managing Director and Chief Executive Officer) of their STI into Restricted Shares, which are subject to a two year service condition. The cost of the Restricted Shares is recognised over the vesting period.

The maximum number of shares that can be outstanding at any time under these plans is limited to 5% of the Company's issued capital.

The share based payments expense in respect of the equity instruments granted is recognised in the income statement for the period.

In addition, the Company has granted Restricted Shares to key critical employees including executives as part of a one-off retention plan as a result of the demerger. At the time of the demerger, Restricted Shares issued under this plan were cancelled for employees ceasing employment and a reversal of the expense was recognised. For continuing employees, the cost of the Tabcorp Restricted Shares are recognised over the vesting period until July 2023, and the cost of The Lottery Corporation shares allocated as part of the demerger were placed under a holding lock and the remaining cost was expensed prior to the demerger.

Further explanation of the share plans is disclosed in the Remuneration Report.

Performance Rights and Options (number)

Details of and movements in Performance Rights and Options granted under the LTI that existed during the current or prior year are:

Grant date	Expiry date	Balance at start of year	Movement during the year Granted	Forfeited	Expired[(i)]	Vested	Balance at end of year[(ii)]
2023							
Options							
26 October 2022	31 August 2026	-	**47,993,858**	**(2,625,000)**	-	-	**45,368,858**
		-	**47,993,858**	**(2,625,000)**	-	-	**45,368,858**
2022							
Performance rights							
17 October 2018	19 September 2021	1,341,030	-	(670,845)	-	(670,185)	-
17 October 2018	30 June 2021	446,999	-	(446,999)	-	-	-
24 October 2019	25 September 2022	1,756,423	-	(455,596)	(127,026)	(1,173,801)	-
20 October 2020	24 September 2023	3,145,859	-	(107,765)	(1,332,469)	(1,705,625)	-
19 October 2021	29 September 2024	-	2,309,593	-	(1,826,217)	(483,376)	-
		6,690,311	2,309,593	(1,681,205)	(3,285,712)	(4,032,987)	-

(i) As a result of the demerger of The Lottery Corporation, Performance Rights vested on a pro rata basis, considering the service period that had elapsed at the date of the demerger. Any Performance Rights that did not vest lapsed. These are shown as expired during the 2022 year.

(ii) No Performance Rights were exercisable at the end of the current or prior year.

Fair value of equity instruments

Performance Rights have been independently valued at the date of grant using a modified form of Monte-Carlo simulation-based model. Options have been independently valued at the date of grant using a Black-Scholes methodology.

The weighted average fair value of Performance Rights granted during the year was $nil (2022: $2.94).

The weighted average fair value of Options granted during the year was $0.20 (2022: $nil).

The assumptions underlying the Performance Rights and Options valuations are:

Grant date	Expiry date	Share price at date of grant $	Expected volatility in share price[(i)] %	Expected dividend yield[(ii)] %	Risk free interest rate[(iii)] %	Value per Option/ Performance Right $
2023						
Options						
26 October 2022	31 August 2026	0.99	30.00	2.84	3.49	0.20
2022						
Performance rights						
27 October 2017	15 September 2020	4.45	22.00	5.50	2.04	2.37
17 October 2018	19 September 2021	4.76	21.00	5.06	2.05	2.59
17 October 2018	30 June 2021	4.76	21.00	5.06	2.05	4.16
24 October 2019	25 September 2022	4.85	20.00	4.62	0.73	2.42
24 October 2019	25 September 2022	4.85	20.00	4.62	0.73	4.24
20 October 2020	24 September 2023	3.44	30.00	3.40	0.27	1.71
20 October 2020	24 September 2023	3.44	30.00	3.40	0.27	3.11
19 October 2021	29 September 2024	5.09	27.50	3.00	0.00	2.94
19 October 2021	29 September 2024	5.09	27.50	3.00	0.00	4.66

(i) Reflects the assumption that the historical volatility is indicative of future trends.

(ii) Reflects the assumption that the current payout ratio will continue with no anticipated increases.

(iii) Represents the zero coupon interest rate derived from government bond market interest rates on the valuation date and vary according to each maturity date.

E2 Pensions and other post employment benefit plans

The Group has one defined benefit superannuation plan which is closed to new entrants.

This plan is governed by the employment laws of Australia and the Group contributes to the plan at rates based on actuarial advice.

Reconciliation of the net defined benefit asset/(liability) recognised in the balance sheet[i]	Fair value of plan assets $m	Present value of defined benefit obligation $m	Net defined benefit plan assets/ (liabilities) $m
Tabcorp plan			
Balance at 30 June 2021	13.1	(9.3)	3.8
Actuarial gains	-	1.0	1.0
Actual return on plan assets excluding interest income	(0.5)	-	(0.5)
Benefits paid	(1.5)	1.5	-
Other	0.3	(0.2)	0.1
Balance at 30 June 2022	11.4	(7.0)	4.4
Actuarial gains	**-**	**(0.3)**	**(0.3)**
Actual return on plan assets excluding interest income	**0.3**	**-**	**0.3**
Benefits paid	**(1.7)**	**1.7**	**-**
Other	**(0.8)**	**(0.4)**	**(1.2)**
Balance at 30 June 2023	**9.2**	**(6.0)**	**3.2**

(i) Net defined benefit plan assets and net defined benefit plan liabilities are recognised on the balance sheet in other non current assets and other non current liabilities respectively.

Amounts recognised in other comprehensive income	2023 $m	2022 $m
Tabcorp plan	**-**	0.5

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Fair value of plan assets

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Tabcorp plan	
	2023 %	**2022 %**
Cash	**4.0**	7.0
Fixed interest	**19.0**	19.0
Australian equities	**25.0**	25.0
International equities	**24.0**	28.0
Property	**8.0**	6.0
Alternatives	**20.0**	15.0
	100.0	100.0

The Trustees are responsible for the governance and administration of the funds, the management and investment of the fund assets and compliance with other applicable regulations.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The funds have no significant concentration of investment risk or liquidity risk.

The Group's total defined benefit obligation is not materially sensitive to changes in assumptions.

Defined benefit plans are recognised in the balance sheet as the difference between the present value of the estimated future benefits that will be payable to plan members and the fair value of the plan's assets. An annual adjustment is made to recognise all movements in the carrying amount of the plan in the income statement, except for the portion of the movement that is attributable to actuarial gains and losses, which are recognised directly in equity. Actuarial gains and losses represent the difference between previous actuarial assumptions of future outcomes and the actual outcome, in addition to the effect of changes in actuarial assumptions.

The comparative period financial information for the Lotteries and Keno discontinued operations has been excluded to assist comparability with the current period.

E3 Commitments

	2023 $m	**2022 $m**
Capital expenditure commitments		
Property, plant and equipment	**2.3**	6.1
Software	**7.5**	8.2
	9.8	14.3

E4 Contingencies

Details of contingencies where the probability of future payments is not considered remote are set out below as well as details of contingencies, which although considered remote, the Directors consider should be disclosed as they are not disclosed elsewhere in the notes to the financial statements.

Contingent assets

(a) Australian Taxation Office Audit

In November 2020, the Australian Taxation Office (**ATO**) issued Tabcorp Maxgaming Holdings Limited (TMHL, formerly know as Tatts Group Limited) (a wholly owned subsidiary of Tabcorp) with an amended assessment for the tax year ended 30 June 2016. The amended assessment relates to the deductibility of the licence fee incurred by TMHL in relation to monitoring gaming machines in New South Wales. The primary amount in dispute of $62.0m and interest charges of $8.8m were paid in December 2020. An objection was lodged with the ATO in January 2021 in relation to the amended assessment and a Notice of Decision was issued in June 2021 disallowing the objection. TMHL has appealed this decision in the Federal Court of Australia. If TMHL is ultimately successful in its claim, the Company expects that the amended assessment amounts will be refunded.

Contingent liabilities

(a) Charge

A controlled entity, Tabcorp Wagering Participant (Vic) Pty Ltd, which is a participant in the joint venture outlined in note E5(a), has entered into a deed of cross charge with its joint venture partner to cover the non payment of a called sum in the event of the joint venture incurring a loss. The charge is over undistributed and future earnings of the joint venture to the level of the unpaid call.

(b) Regulatory matters and legal challenges

There are outstanding regulatory matters and legal actions on foot and other potential legal exposures between controlled entities and third parties at 30 June 2023. It is expected that any liabilities arising from such regulatory matters, legal actions or other potential exposures would not have a material adverse effect on the Group's financial position.

E5 Related party disclosures

(a) Transactions with joint arrangements

The Group conducts an unincorporated joint venture with VicRacing Pty Ltd in Victoria (the joint venture). The principal activity of the joint venture is the organisation, conduct, promotion and development of wagering and betting in Victoria. The Group receives 50% of the revenue and expenses of the joint venture, which is accounted for as a joint operation.

The Group charges the joint venture for the provision of employee, management and asset services. On consolidation, 50% of the charges eliminate (being the Group's interest in the joint venture). Charges for the remaining 50% of $87,813,746 were received by the Group in 2023 (2022: $81,420,029).

(b) Compensation of Key Management Personnel (KMP)

	2023 $	2022 $
Short term	**4,530,309**	9,115,849
Other long term	**(7,924)**	583,767
Post employment	**228,597**	380,421
Share based payments	**1,170,109**	8,615,616
Termination benefits	**-**	1,327,417
	5,921,091	20,023,070

E6 Auditor's remuneration

	2023 $	2022 $
Amounts received or due and receivable by Ernst and Young for:		
– audit and review of the statutory financial reports of the Group and subsidiaries	**2,927,155**	2,671,947
– other assurance and agreed upon procedures services under other legislation or contractual arrangements(i)	**304,900**	1,558,000
– other services(ii)	**363,000**	1,913,000
	3,595,055	6,142,947

(i) In 2022, other assurance and agreed upon procedures include $1,290,000 in relation to assurance services with respect to The Lottery Corporation Group demerger, and $268,000 other assurance procedures.

(ii) The Group engages Ernst and Young to provide permitted non-audit services where there is a compelling reason to do so provided stringent independence requirements are satisfied. In the prior year other services include $1,662,751 in relation to the demerger of The Lottery Corporation and $250,064 in relation to other services.

E7 Assets held for sale

(a) Assets held for sale

	2023 $m	2022 $m
Property, plant and equipment	-	26.0
Software	-	8.2
	-	34.2

During the prior year, the Group entered into sale agreements in relation to electronic gaming machines. The sale was completed in August 2022. This resulted in a net gain of $6.5m recognised in Other Income (refer to note A4 (b)).

(b) Disposal group sold during the year

In February 2023, the Group completed the sale of its eBET business to Venue Digital Technology Pty Ltd for $59.0m in cash, including customary working capital and other minor adjustments, as part of the Group's pivot toward integrity services. eBET is a supplier of loyalty and tracking systems to gaming venues in Victoria and NSW, and was part of the Group's Gaming Services operating segment. The net gain on sale of $34.2m is recognised in Other Income (refer to note A4(b)).

(c) Disposal group held for sale

On 1 April 2023, Tabcorp commenced the sale of the Tabcorp Gaming Solutions (TGS) business as part of the Group's pivot toward integrity services. TGS is a supplier of electronic gaming machines and specialised services to licensed gaming venues, and is part of the Group's Gaming Services operating segment. The sale is targeted for completion by the end of 31 March 2024 subject to no material adverse change occurring.

At 30 June 2023, TGS is classified as a disposal group held for sale, with the major classes of assets and liabilities set out below.

	2023 $m
Assets	
Receivables	**6.3**
Other intangible assets	**4.7**
Property, plant and equipment	**9.7**
Deferred tax assets	**2.2**
Assets held for sale	**22.9**
Liabilities	
Payables	**1.9**
Liabilities directly associated with assets held for sale	**1.9**
Net assets directly associated with disposal group	**21.0**

A net write down of assets of $41.5m (post tax) was recognised immediately prior to classification as held for sale. No further impairment loss was recognised as at 30 June 2023 as the carrying amount of the disposal group did not exceed its fair value less cost to sell.

Assets classified as held for sale (and all assets and any liabilities in a disposal group) are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and any gains and/or losses on subsequent measurement are included in the income statement. No depreciation or amortisation is charged on these assets while they are classified as held for sale.

E8 Other accounting policies

(a) Statement of compliance

(i) Changes in accounting policy and disclosures

A number of new and amended accounting standards became mandatorily applicable for the Group for the first time in the current financial year. The adoption of these new and amended standards had no impact on the financial position or performance of the Group, or the disclosures included in this Financial Report.

(ii) New Australian Accounting Standards or International Financial Reporting Standards issued but not yet effective

A number of new or amended accounting standards and interpretations have been recently issued by the Australian Accounting Standards Board (**AASB**) but not yet effective.

In June 2023, the AASB issued AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules and makes amendments to AASB 112 Income Taxes. The amendments will introduce a mandatory temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. This exception has been applied by the Group in the current period.

The Group is currently in the process of assessing the exposure to this amendment.

Except for the amendments to AASB 112, other new or amended accounting standards and interpretations have not been early adopted and are not expected to have a material impact on the financial position or performance of the Group.

(b) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- wagering and certain Keno revenues, due to the GST being offset against government taxes; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(c) Foreign currency translation and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement with the exception of differences on foreign currency borrowings that are in an effective hedge relationship. These are taken directly to equity until the liability is extinguished at which time they are recognised in the income statement. Refer to note B3 for further detail.

Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

DIRECTORS’ DECLARATION

In the opinion of the Directors of Tabcorp Holdings Limited:

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001* (Cth), including:
   (i) giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its performance for the year ended on that date; and
   (ii) complying with Accounting Standards and *Corporations Regulations 2001* (Cth);

(b) the financial statements and notes also comply with International Financial Reporting Standards; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note D2 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of Directors.

Bruce Akhurst
Chairman

Adam Rytenskild
Managing Director and Chief Executive Officer

Sydney
24 August 2023

INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report to the Members of Tabcorp Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tabcorp Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2023, the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Impairment Assessment of licence intangibles, other intangibles and goodwill

Why significant	How our audit addressed the key audit matter
The Group has licence intangibles of $640.6 million, other intangibles of $769.6 million and goodwill of $1,734.0 million. An impairment assessment is performed on an annual basis for goodwill and indefinite life intangibles. Finite life intangibles are assessed for impairment when there is a trigger. This assessment determines whether the carrying value of these assets and the related non-current assets exceed the recoverable amount. There are judgements inherent in the cash flow forecast including forecast business growth rates, discount rates, licence renewal and terminal value assumptions. Given the value of goodwill, licences and other intangibles and the judgements and estimation involved in impairment testing, this was a key audit matter.	Our audit procedures included the following: ▶ We evaluated the Group's future cash flow forecasts supporting the impairment assessments for goodwill, licence intangibles, other intangibles, and the related non-current assets within the Group's cash generating units (CGUs) and segments. ▶ We evaluated the appropriateness of the forecasts by comparing the future cash flows to approved budgets and compared the Group's results to historical forecasts to assess forecast accuracy. ▶ We performed sensitivity analysis around the key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an additional impairment charge. ▶ We assessed the discount rates applied by comparing them to the cost of capital for the Group and with comparable businesses. ▶ We involved our valuation specialists to assess whether the methodology applied is in accordance with Australian Accounting Standards and evaluated key assumptions including licence renewal and terminal values, long term growth rates, discount rates, capital expenditure assumptions and working capital requirements applied in the impairment model. ▶ We performed market capitalisation and earnings multiples cross checks in comparison with other comparable businesses to corroborate the output of impairment testing models. ▶ We assessed the Group's determination of the Cash Generating Units (CGUs) used for its impairment assessment is in accordance with Australian Accounting Standards. ▶ Tested the mathematical accuracy of the discounted cash flow models. ▶ We assessed the adequacy of the associated disclosures made within note C3 - Impairment testing.

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Reliance on automated processes and controls related to revenue

Why significant	How our audit addressed the key audit matter
The Group's financial reporting processes are heavily reliant on IT systems with automated processes and controls over the capture and recording of Wagering transactions, fees and charges. Given the significance of these processes and controls to the accounting records and financial reporting process, the impact of these IT systems, and the related processes and controls was a key audit matter.	With the involvement of our IT specialists, we assessed the effectiveness of the control environment and transaction processing controls relevant to the recording of revenue transactions. When testing controls was not considered an appropriate or efficient testing approach, alternative audit procedures were performed on the financial information being produced by IT systems.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Tabcorp Holdings Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Michael Collins
Partner
Melbourne
24 August 2023

FIVE YEAR REVIEW

Financial performance	Unit	FY23	FY22[i]	FY21	FY20	FY19[ii]
Revenue from continuing operations	$m	**2,434.4**	2,373.3	5,685.7	5,223.9	5,488.0
Revenue from discontinued operations	$m	**-**	3,232.2	-	-	-
EBITDA[iii]	$m	**358.4**	211.3	1,031.4	(195.6)	1,081.7
Profit/(loss) from continuing operations before interest and tax	$m	**82.7**	(75.1)	651.2	(573.7)	729.9
Profit/(loss) after income tax attributable to members	$m	**66.5**	6,775.9	269.4	(870.4)	361.1
Dividend[iv]	$m	**52.4**	289.4	321.8	222.9	443.8
Financial position and cash flow						
Total assets	$m	**4,052.4**	4,048.7	11,867.8	12,415.6	13,623.0
Total liabilities	$m	**1,393.3**	1,337.6	5,171.7	6,389.0	6,443.1
Shareholders' funds/total equity	$m	**2,659.1**	2,711.1	6,696.1	6,026.6	7,179.9
Net cash flows from operating activities	$m	**119.3**	737.0	719.5	670.9	769.6
Capital expenditure – payments	$m	**196.9**	202.5	181.8	290.0	278.4
Cash at end of year	$m	**290.7**	199.4	424.4	348.5	463.0
Shareholder value						
Earnings per share	cents	**2.9**	304.6	12.3	(42.9)	17.9
Dividends per share[iv]	cents	**2.3**	13.0	14.5	11.0	22.0
Operating cash flow per share[v]	cents	**(3.5)**	24.0	24.6	18.8	24.4
Net assets per share	$	**1.20**	1.22	3.07	2.97	3.56
Return on shareholders' funds	%	**1.6**	(2.2)	4.1	(12.8)	5.0
Total shareholder return[vi]	%	**12.5**	15.1	55.8	(19.9)	4.2
Share price close	$	**1.11**	1.07	5.18	3.38	4.45
Market capitalisation	$m	**2,532.5**	2,370.4	11,508.0	6,869.2	8,977.9
Segment revenue from continuing operations[vii]						
Wagering and Media	$m	**2,230.8**	2,181.9	2,298.0	2,084.1	2,122.1
Gaming Services	$m	**203.6**	192.9	183.2	220.9	304.0
Employee						
Safety[viii]	LTIFR	**2.6**	1.3	2.3	4.1	3.6
Females in senior management roles	%	**37**	42	43	39	36

(i) The Tabcorp-The Lottery Corporation demerger was implemented on 1 June 2022, therefore FY22 includes 11 months results from the Lotteries and Keno business as a discontinued operation. Periods prior to FY22 have not been re-presented.

(ii) FY19 has been restated to reflect the impact of the application of AASB 16 Leases which was adopted in FY20.

(iii) Includes impairment of:
FY23: Other assets – $49.0m.
FY22: Other assets – $5.0m.
FY21: Goodwill – $122m and other assets – $10m.
FY20: Goodwill – $1,090m and other assets – $43m.
FY19: Other assets – ($4)m.

(iv) Dividends attributable to the year, but which may be payable after the end of the period.

(v) Net operating cash flow per the cash flow statement does not include payments for property plant and equipment and intangibles, whereas these items are included in the calculation for the operating cash flow per share ratio.

(vi) Total shareholder return (**TSR**) is calculated from 1 July to 30 June. The share price used for calculating TSR is the volume weighted average share price used in the Tabcorp Dividend Reinvestment Plan (**DRP**). Where no DRP was in operation, the closing share price on the dividend payment date is used. For FY22, includes the value of The Lottery Corporation Limited shares at 31 May 2022 of $4.74, prior to implementation of the Demerger.

(vii) Revenue includes both external and internal revenue.

(viii) The lost time injury frequency rate (**LTIFR**) is the number of lost time injuries per million hours worked.

SHAREHOLDER INFORMATION

Securities on issue (as at the date of this report)

Tabcorp has on issue 2,281,575,076 fully paid ordinary shares (**shares**) which are quoted on the Australian Securities Exchange (**ASX**) under the code '**TAH**'. The issued capital has increased since 30 June 2022 due to shares issued pursuant to Tabcorp's Dividend Reinvestment Plan. These shares represent the only Company securities quoted on the ASX. There currently isn't a share buy-back in operation in respect of the Company's shares.

Tabcorp also has 45,368,858 Options issued to executives pursuant to Tabcorp's long term incentive arrangements which are not quoted on the ASX.

During FY23, a total of 2,680,788 shares were acquired on market at an average price of $0.99 per share pursuant to Tabcorp's employee incentive plans.

Shareholding restrictions

There are a number of restrictions applying to shareholdings in Tabcorp, which arise under legislation, requirements of various regulatory authorities and in the Company's Constitution. Some of these restrictions limit the number of shares and/or voting power in the Company that can be held by a shareholder. In particular, the Company's Constitution (to be read in conjunction with applicable legislation) contains restrictions prohibiting a person from having voting power in the Company in excess of 10% without obtaining the written consent of relevant Government Ministers in NSW and Queensland. In addition, legislative change to the *Totalizator Act 1997* (NSW) (and related legislation) would also be required in order for a person to hold in excess of 10% of the shares in the Company (or the NSW Wagering Licence holder, TAB Limited). The Company may refuse to register any transfer of shares which would contravene relevant shareholding restrictions or require divestiture of the shares that cause an individual to exceed the shareholding restrictions.

Voting rights

Shares issued by Tabcorp carry one vote per share. Failure to comply with certain provisions of the Victorian Gambling Regulation Act 2003 or Tabcorp's Constitution, including the shareholder restrictions discussed above, may result in suspension of voting rights.

Substantial shareholders

The following is a summary of the substantial shareholders pursuant to notices lodged with the ASX in accordance with section 671B of the Corporations Act 2001:

Name	Date of interest	Number of ordinary shares(i)	% of issued capital(ii)
AustralianSuper Pty Ltd	13 July 2022	213,701,339	9.60
Vanguard Group	17 August 2023	114,610,313	5.02

(i) As disclosed in the last notice lodged with the ASX by the substantial shareholder.
(ii) The percentage set out in the notice lodged with the ASX is based on the total issued share capital of Tabcorp at the date of interest.

Twenty largest registered holders of ordinary shares (as at 31 July 2023)

Investor name	Number of ordinary shares	% of issued capital
HSBC Custody Nominees (Australia) Limited	539,379,286	23.64
J P Morgan Nominees Australia Pty Limited	496,428,270	21.76
Citicorp Nominees Pty Limited	359,154,080	15.74
National Nominees Limited	138,116,471	6.05
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	79,230,648	3.47
BNP Paribas Noms Pty Ltd <DRP>	48,563,222	2.13
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	28,583,027	1.25
Wentworth Investments Pty Ltd <Est Alexander Hubbard>	7,654,934	0.34
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	7,173,193	0.31
Wentworth Investments Pty Ltd	5,311,910	0.23
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	4,620,432	0.20
Pacific Custodians Pty Limited <TAH Emp Sub Register 1>	4,207,325	0.18
Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	4,052,846	0.18
Sandhurst Trustees Ltd <SISF A/C>	3,948,441	0.17
Netwealth Investments Limited <Wrap Services A/C>	3,800,769	0.17
IOOF Investment Services Limited <IPS Superfund A/C>	3,665,476	0.16
Invia Custodian Pty Limited <Sank Pty Ltd – SJF Disc A/C>	3,549,330	0.16
HSBC Custody Nominees (Australia) Limited	3,499,019	0.15
Tabcorp NRT Limited	3,275,890	0.14
Navigator Australia Limited <Antares Ex-20 SMA A/C>	2,872,801	0.13
Total of top 20 registered holders	**1,747,087,370**	**76.57**

Distribution of securities held (as at 31 July 2023)

	Ordinary shares(i)			Options(ii)		
Number of securities held	Number of holders	Number of securities	% of securities	Number of holders	Number of securities	% of securities
1 – 1,000	68,111	22,663,088	0.99	-	-	-
1,001 – 5,000	55,112	132,305,385	5.80	-	-	-
5,001 – 10,000	9,259	66,493,731	2.91	-	-	-
10,001 – 100,000	7,794	182,530,415	8.00	-	-	-
100,001 and over	373	1,877,582,457	82.30	13	45,368,858	100.00
Total	**140,649**	**2,281,575,076**	**100.00**	**13**	**45,368,858**	**100.00**

(i) Ordinary shares includes Restricted Shares offered to employees under the Company's incentive arrangements.
(ii) Options were issued pursuant to the Company's long term incentive arrangements. Refer to the Remuneration Report on pages 52 to 75 for more information about the Company's incentive arrangements.

Unmarketable parcels (as at 31 July 2023)

There were 49,137 shareholders holding less than a marketable parcel of ordinary shares ($500 or more, equivalent to 474 ordinary shares) based on a market price of $1.055 at the close of trading on 31 July 2023.

GLOSSARY

AASB	Australian Accounting Standards Board
ACT	Australian Capital Territory
ACTTAB	The Tabcorp business located in the ACT
AGM	Annual General Meeting
AML/CTF	Anti-Money Laundering/Counter-Terrorism Financing
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollar
Board	The Company's Board of Directors
Company or Tabcorp	Tabcorp Holdings Limited (ABN 66 063 780 709)
Dabble	Tabcorp has a 20% equity interest in socialised digital wagering platform Dabble Sports Pty Ltd
Demerger	The demerger of the Group's former Lotteries and Keno business was implemented on 1 June 2022 and is now operated by The Lottery Corporation Limited
Director	Director of the Company
DPS	Dividends per share
DRP	Dividend Reinvestment Plan
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation, and which is non-IFRS financial information
EGM	Electronic gaming machine
ELT	Executive Leadership Team
EPS	Earnings per share
ESG	Environmental, social and governance sustainability matters
Financial year or FY	The Group's financial year is 1 July to 30 June
Gaming Services	The Group's business that provides services to licensed gaming venues and EGM monitoring services
Group	The Tabcorp group of companies
IFRS	International Financial Reporting Standards
KMP	Key management personnel
Lotteries and Keno	The Group's former business that is reported as a discontinued operation following the Demerger
LTI	Long term incentive
MAX	The Group's Gaming Services brand
MD & CEO	Managing Director and Chief Executive Officer
NED	Non-Executive Director
NM	Not meaningful
Notes	Long term debt issued to investors in the US Private Placement market
NPAT	Net profit after tax
NSW	New South Wales
NT	Northern Territory
Options	Securities allocated to executives under the LTI plan, which may vest subject to achieving specified performance hurdles
PGI	The Premier Gateway International wagering pooling hub located in Europe
POCT	Point of Consumption Tax
QLD	Queensland
Restricted Shares	Ordinary shares allocated to executives under the STI plan, and which may not be traded for a specified period
ROIC	Return on invested capital
SA	South Australia
Sky Racing	Part of the Group's Media business, broadcasting racing and sport throughout Australia and internationally
SRW or Sky Racing World	The vision distribution and wagering pooling hub based in the US
STI	Short term incentive
TAB	The Group's wagering brand
TAH	The ASX ticker code used to identify Tabcorp
TAS	Tasmania
Tatts or Tatts Group	Tatts Group Limited (ABN 19 108 686 040)(now called Tabcorp Maxgaming Holdings Limited) was acquired by Tabcorp Holdings Limited in December 2017
Trackside	The Group's animated racing game
TSR	Total shareholder return
USD	United States dollar
VIC	Victoria
Wagering and Media	The Group's business that operates fixed odds and pari-mutuel betting products and services on racing, sport and novelty products, and racing and sports broadcasting

COMPANY DIRECTORY

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Email tabcorp@linkmarketservices.com.au
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Sky Racing/Sky Sports Radio

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Frenchs Forest NSW 2086
Telephone 02 9452 8400

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INDICATIVE KEY DATES

2023	
Last date for receipt of AGM director nominations	6 September
AGM	25 October

2024*	
Half year results announcement	22 February
Ex-dividend for interim dividend	27 February
Record date for interim dividend	28 February
Last date for receipt of DRP elections	29 February
Interim dividend payment	21 March
End of financial year	30 June
Full year results announcement	22 August
Ex-dividend for final dividend	27 August
Record date for final dividend	28 August
Last date for receipt of DRP elections	29 August
Last date for receipt of AGM director nominations	4 September
Final dividend payment	20 September
AGM	23 October

* Proposed dates set out above are subject to change. Payment of any dividend is subject to Board approval and the key dates for each dividend will be confirmed to the ASX. Refer to the Company's website for any updates.

Notice of meeting

The Annual General Meeting of Tabcorp Holdings Limited will commence at 10.00am (Melbourne time) on 25 October 2023.

Corporate information

The Company is a company limited by shares that is incorporated and domiciled in Australia.

Stock exchange listing

The Company's ordinary shares are quoted on the Australian Securities Exchange (**ASX**) under the code '**TAH**'.

Investment warning

Past performance of shares is not necessarily a guide to future performance. The value of investments and any income from them is not guaranteed and can fall as well as rise. Tabcorp recommends investors seek independent professional advice before making investment decisions.

Privacy

Tabcorp respects the privacy of its stakeholders. Tabcorp's Privacy Policy is available on the Company's website at **www.tabcorp.com.au**.

Currency

References to currency are in Australian dollars unless otherwise stated.

Trade Marks

® These trade marks are registered in Australia (either across Australia or limited to certain state/s or territory/ies) and are owned by or licensed to a company in the Tabcorp Group.

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