WE'RE RAISING THE GAME

ANNUAL REPORT 2022

Tabcorp

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Tabcorp acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land on which we live. We pay our respects to Elders past, present and emerging.

Tabcorp Holdings Limited ABN 66 063 780 709

ABOUT TABCORP

We are a multi-branded, diversified wagering, media and gaming services operator. We have national scale and reach across Australia with our leading TAB, Sky Racing and MAX brands, and international wagering and broadcasting operations through Sky Racing World and Premier Gateway International.

Wagering and Media

783,000	4,000+
Active registered TAB customers	Wagering retail venues

Gaming Services

3,500+	85%
Venues serviced	of Australian EGMs serviced[ii]

Demerger

Tabcorp successfully implemented the demerger of its former Lotteries and Keno businesses on 1 June 2022. Following the Demerger, Tabcorp operates two businesses: its Wagering and Media business; and its Gaming Services business. Tabcorp's former Lotteries and Keno business is now operated by The Lottery Corporation Limited (ASX code 'TLC'), and is disclosed as discontinued operations in this Annual Report.

(i) Data as at 30 June 2022 or in respect of the financial year ended 30 June 2022 (FY22), as applicable.
(ii) Based on total number of electronic gaming machines (EGMs) that MAX provides at least one product or service to.

WE ARE THE BIG AUSTRALIAN PLAYER

Broad national footprint across Australia

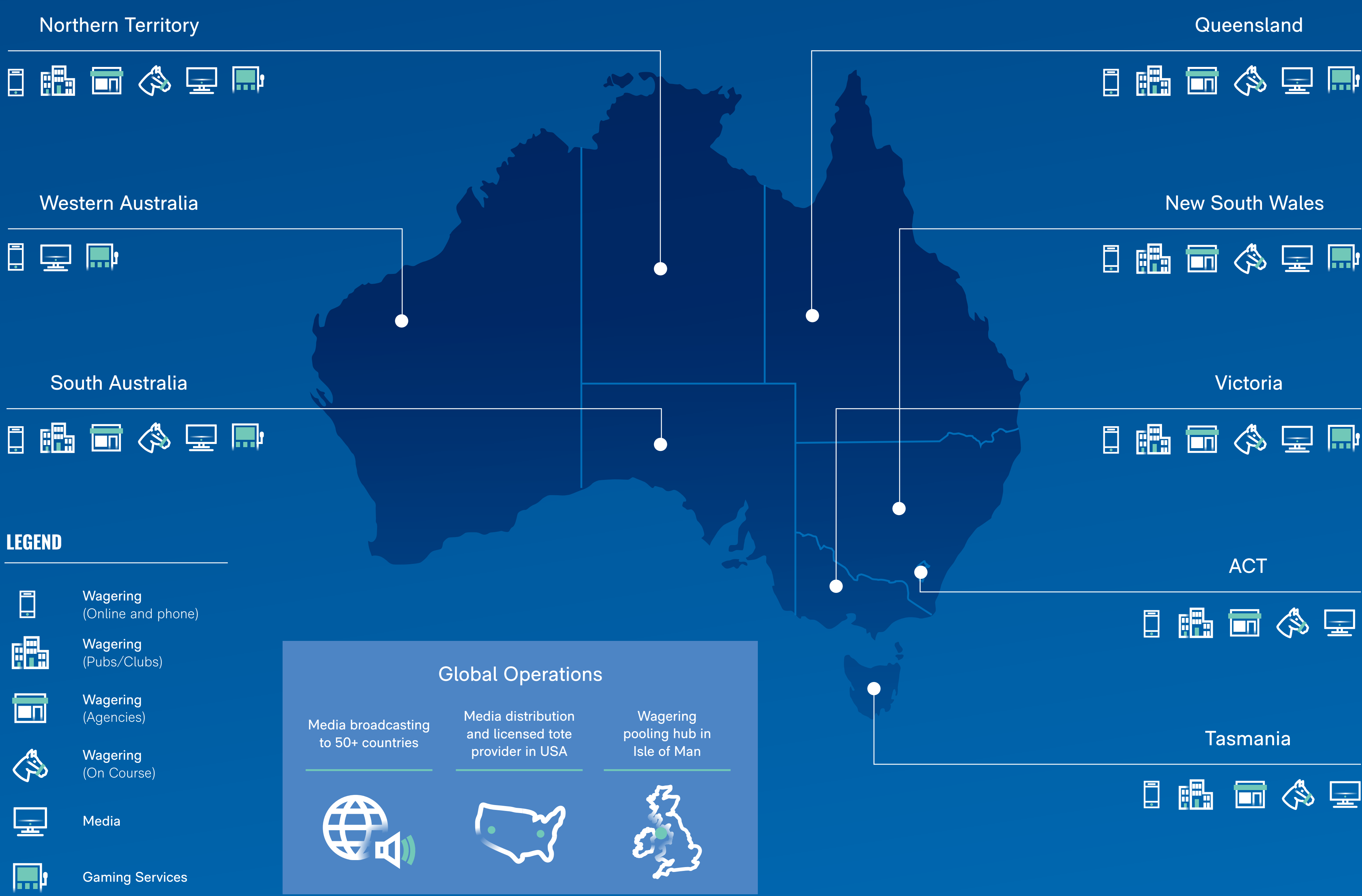
TAB is one of the most recognised wagering brands in Australia. Customers can wager with TAB anywhere in Australia online and by phone, and in more than 4,000 retail venues including pubs, clubs, agencies and on-course (except Western Australia).

Our Sky Racing business provides racing and sports vision to 4,875 venues across Australia, via pay TV and over various digital platforms.

Our Gaming Services business provides regulatory monitoring and related services across NSW, Queensland and Northern Territory, and in-venue EGM services across more than 3,500 venues in NSW and Victoria, as well as other technology and value-added venue services in NSW, Victoria, Queensland, Western Australia, South Australia, Tasmania, ACT and Northern Territory.

Complementary international businesses

Our domestic Wagering and Media business is complemented by Sky Racing World, a US-based international racing content distributor and facilitator of associated tote pools, and Premier Gateway International (PGI), one of the largest global tote hubs based in Isle of Man.


Northern Territory
Western Australia
South Australia
Queensland
New South Wales
Victoria
ACT
Tasmania
LEGEND
Wagering (Online and phone)
Wagering (Pubs/Clubs)
Wagering (Agencies)
Wagering (On Course)
Media
Gaming Services
Global Operations
Media broadcasting to 50+ countries
Media distribution and licensed tote provider in USA
Wagering pooling hub in Isle of Man

CHAIRMAN'S AND MANAGING DIRECTOR'S MESSAGE

Bruce Akhurst
Chairman and independent Non-Executive Director

Adam Rytenskild
Managing Director and Chief Executive Officer

The 2021/22 financial year (**FY22**) was an historic year for Tabcorp.

On 1 June 2022, the Company successfully implemented the demerger of its former Lotteries and Keno business, which is now operated by the ASX listed company The Lottery Corporation Limited (**Demerger**). The Demerger was completed on time and with strong support from our shareholders.

We are confident the Demerger will create value for shareholders, with each business now able to adopt more focused operating structures and strategies, and shareholders better able to value each business on a standalone value.

Tabcorp's results for FY22 includes the activities and results for our continuing operations comprising the Wagering and Media and Gaming Services businesses for the full year, as well as the former Lotteries and Keno business for the 11 month period until 1 June 2022 (treated as discontinued operations in this report).

During FY22, the COVID-19 pandemic continued to disrupt our business, with both the Wagering and Media and Gaming Services businesses heavily impacted in the first half of the year by retail and venue shutdowns in our largest markets of NSW and Victoria. In addition, unprecedented wet weather in the second half led to a record number of race abandonments and rain affected race tracks further impacting our Wagering and Media business.

Tabcorp reported net profit after tax (**NPAT**) of $6,775.9m in FY22, which included a one-off net gain on the Demerger of $6,513.8m after tax and other non-recurring significant items[i]. In the previous year, Tabcorp reported NPAT of $269.4m.

Revenues for the Group were $5,605.5m, down 1.4%, and revenues from continuing operations were $2,373.3m, down 4.3% on the previous year.

Group EBITDA from continuing operations before significant items[i] was $381.6m, down from $487.2m in the previous year.

The Group recorded a net loss before income tax and finance costs from continuing operations of $75.1m, compared to a profit of $66.9m for the previous year.

Pleasingly, following the end of COVID-19 related lockdowns, the performance of Wagering and Media and Gaming Services improved. Importantly, we are seeing stabilisation in our wagering digital market share.

Dividend and a disciplined approach to cost

Tabcorp announced a final dividend of 6.5 cents per share fully franked. The final dividend reflects five months of earnings from the demerged Lotteries and Keno business, and a full six months of earnings from Tabcorp's continuing businesses. Dividends payable in respect of the full year totalled 13.0 cents per share fully franked, representing a payout ratio of 80% of NPAT before significant items.

In FY22, the Group's enterprise-wide optimisation program '3S' was completed, delivering a further $23m of EBIT savings from continuing operations. Pleasingly, the continuing operations of the Group contributed over 75% of the savings over the life of the program.

Cost discipline remains a priority for the Group, and we have established the new Genesis program to improve organisational efficiency and support the management of cost growth within a high inflationary environment.

We're Raising the Game

Following the Demerger, we have commenced a multi-year transformation of Tabcorp. We have a clear strategy that is focused on growth and we are working at pace to transform Tabcorp into a more competitive and profitable digital wagering and integrity services business.

We showed in our first month following the Demerger what we can achieve with this new approach. Proposed reforms to the Queensland wagering industry announced by the Queensland Government will, when implemented, ensure Tabcorp no longer pays more wagering taxes and fees than Northern Territory licensed online wagering operators in that state. We also welcome the announcements in NSW and ACT of changes in the Point of Consumption Tax (**POCT**) rate in those states. These reforms are a positive first step towards allowing us to compete on a level playing field.

(i) Earnings before interest, taxation, depreciation and amortisation (EBITDA) from continuing operations and before significant items is non-IFRS financial information. For details of significant items, refer to page 13.

We have commenced the staged rollout of the new TAB App, which will be simpler, faster and marks the beginning of a new era for the TAB experience. We plan to follow this up with new product releases and an improved customer experience that will enhance our competitiveness.

Our Gaming Services business has begun to pivot towards our unique capabilities in providing integrity services to governments that are increasingly in demand. We are engaged in a sale process for our eBet business following a strategic review process.

Renewed Board and Leadership Team

Upon implementation of the Demerger, Steven Gregg retired as Chairman and Non-Executive Director (**NED**) of Tabcorp, and Harry Boon and Anne Brennan also retired as NEDs to join The Lottery Corporation Limited Board. We'd like to thank them for their contributions to Tabcorp.

Bruce Akhurst was appointed the new Tabcorp Chairman and three new NEDs were appointed to the Board. Raelene Murphy and Brett Chenoweth were formally appointed to the Board in August, having served as Board Observers since 1 June 2022. Karen Stocks also joined the Board on 1 June 2022 as an Observer and will be appointed a NED pending receipt of regulatory approvals. Our new Board is diverse and brings a breadth of knowledge and experience aligned with our new strategy and growth priorities.

David Attenborough retired as Tabcorp MD & CEO after 11 years and Adam Rytenskild was appointed our new MD & CEO, effective 1 June 2022. We thank David for his leadership and contributions to Tabcorp. A new Executive Leadership Team has also been appointed, with new capability and a broad set of skills across customer, digital products, technology and media.

Sustainability

Tabcorp is committed to putting our customers first and delivering experiences that are enjoyed safely and responsibly. We aim to set the benchmark for sustainability and in FY22 Tabcorp adopted a new Sustainability Framework, to be overseen by the Risk, Compliance and Sustainability Committee. Our new approach to sustainability puts responsible gambling and caring for our customers at the centre of how we operate, and underpins our commitment to communities, our people and ensuring we operate our business sustainably for the long-term.

Our continuing progress in sustainability was recognised in FY22, with Tabcorp ranked first globally in the Casinos and Gambling sector in the Dow Jones Sustainability Index (**DJSI**) World and DJSI Australia Indices for the second successive year.

In FY22, we continued to enhance our customer care technology and human-led tools, creating an early intervention model to proactively contact customers and offer responsible gambling tools to assist customers. Looking ahead we will continue to invest in customer care and evolve our practices to ensure we lead the industry in safe and responsible gambling practices.

At a community level, we continued our strategic partnerships with many local racing and community organisations. We also adopted an Environment and Climate Change Position Statement formalising our commitment to minimising our impact on the environment and set medium and long-term emission reduction targets aligned with the Paris Agreement goals.

Our People

We would like to acknowledge our people who have done a remarkable job in successfully delivering the Demerger while also working through the ongoing challenges of COVID-19. Throughout this period our people have remained steadfastly committed to delivering outstanding experiences for our customers.

We're building a new culture at Tabcorp and our people are key to our transformation strategy. In FY23 we will begin implementing the changes required to create a more engaging and easier place to work so we can move faster, be bold and win.

Conclusion

We want to thank our shareholders for your ongoing support.

This is the beginning of a multi-year transformation of Tabcorp into a stronger, more competitive business led by a renewed Board and leadership team.

In the first twelve weeks since the Demerger we've made good progress and have positive early momentum in transforming Tabcorp into a more competitive and growing business. We have a clear plan including specific actionable priorities for FY23, which we are executing at pace.

We look forward to updating shareholders on our progress at Tabcorp's Annual General Meeting in October.

Bruce Akhurst
Chairman

Adam Rytenskild
Managing Director and Chief Executive Officer

OUR STRATEGY

THINGS ARE CHANGING: WE HAVE A NEW PURPOSE AND STRATEGY TO PROPEL US FORWARD

WE'RE RAISING THE GAME

OUR PEOPLE + OUR PRODUCTS, SERVICES & TECHNOLOGY + OUR COMMITMENT TO CUSTOMER

Will be fundamental to...

Growth

- Leverage our unique betting ecosystem to drive digital growth across all channels
- Differentiate media content to enhance TAB customer experience
- Pivot Gaming Services to integrity services
- Move faster, and invest in digital, data capability and innovation

Competitiveness

- Structural reform supporting industry sustainability
- Leader in customer care and sustainability

Financial Strength

- Strong free cashflow generation
- Balance sheet flexibility to pursue value accretive growth
- Disciplined capital and cost management

GROWTH: CREATE THE MOST INTEGRATED CUSTOMER EXPERIENCE ACROSS OUR BETTING ECO-SYSTEM

OUR CUSTOMERS

On device

At home

At a destination

TAB

SKY

Digital

Market leading digital experiences

Personalised and seamless interactive betting experiences with category leading insights and tools

Destinations

Next-gen

Digitally enhanced, social betting and entertainment experiences at tracks, stadia, pubs and clubs

Vision & Content

Revolutionise

Unrivalled access to the most comprehensive live racing and sports vision coupled with stats and analysis delivered by the best talent in market

GROWTH: HOW WE WILL UNLOCK GROWTH AND INCREASE DIGITAL MARKET SHARE

WIN IN DIGITAL	MOVE FASTER & EXTRACT VALUE SOONER	FOCUSED DIFFERENTIATION	INVEST IN TALENT FOR MUST WIN AREAS
Urgently improve digital journeys, including launch of all-new TAB App	Agile operating model	Localised media and marketing strategy	Data science and analytics
Rebalance marketing spend	Start with the customer first: • customer centred design • data driven innovation	Accelerate analytics and data science foundations	Digital acquisition and optimisation
Maximise retail and oncourse channels		Differentiated on demand content	Digital Content, Product Management, Engineering and Design

COMPETITIVENESS

We are seeking to address inequities in our license and regulatory environment to create a more sustainable industry in the long run.

Level the Playing Field

Change the way we participate in the domestic wagering category

– Proactively engage to reshape licences that level the playing field
– Selectively pursue licence structures that maximise economic value

Harmonise Regulations

Work towards driving national regulatory reform

– Promote a unified national regulatory framework making our participation simpler and more efficient
– Improve approvals processes and speed to market for new products

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. Around 55% of Tabcorp's FY22 revenue[i] was returned to governments, racing industry and retail partners, totalling $1.5b[i]. In contrast, other corporate bookmakers contribute only 43% of their revenue in the form of taxes and fees[ii].

CHANGES ARE ALREADY HAPPENING

QLD

Announcement of proposed structural reforms to operator agnostic, sustainable funding model

NSW

Revised POCT announced for all wagering operators

Industry funding model under review

ACT

Revised POCT announced for all wagering operators

(i) Based on FY22 TAB revenue including Victorian Racing Industry interest. Excludes GST.
(ii) Source: Sportsbet Investor Day presentation, September 2021.

Aussie Fair Play Coalition

Through our involvement in the Aussie Fair Play Coalition, we have partnered with industry stakeholders to promote a sustainable future for our industry.

- Supporting Australian jobs, Australian industries and Australian communities.
- Fair and reasonable taxation of gambling products.
- Sustainable and well-funded Australian racing industry.
- Vibrant local pubs and community clubs.
- Well-regulated gambling sector, and a strong commitment to minimising gambling harm.

FY22 OVERVIEW

HIGHLIGHTS	KEY POINTS
Year of transformation	• Demerger successfully implemented • Renewed Board and Leadership Team • New customer focused strategy launched to transform Tabcorp into a more competitive and growing business • Levelling the Playing Field – announcement of proposed QLD structural reforms to an operator agnostic, sustainable funding model. NSW POCT increase announced and industry funding model under review, and ACT POCT increase announced
Positioned for the future	• Transformation underway of our culture to be customer obsessed, bold and unified to win • Commenced staged rollout of new TAB App which is faster, easier and different – on track for launch in September 2022 • Engaged in a sale process of the eBet business following Gaming Services strategic review and pivot towards integrity services • Clear strategy and ambition to be a leader in customer care and sustainability • Genesis cost and efficiency program commenced aimed at restructuring the cost base
Group financial results	• FY22 result reflects a disrupted period and impacts of Demerger • Statutory NPAT of $6,775.9m, including gain on Demerger of $6,513.8m after tax (FY21: $269.4m) • Full year dividends totalled 13.0 cents per share fully franked, including a final dividend of 6.5 cents per share fully franked • Group revenue of $5,605.5m (FY21: $5,685.7m) • Revenue from continuing operations of $2,373.3m (FY21: $2,479.9m) • EBITDA from continuing operations before significant items[i] of $381.6m (FY21: $487.2m) • Strong financial position with $20m net debt[ii] and $950m committed bank facilities

(i) Earnings before interest, taxation, depreciation, amortisation and impairment (EBITDA) from continuing operations and before significant items is non-IFRS financial information. Excludes earnings from Lotteries and Keno (discontinued operation).
(ii) Net debt is total loans and borrowings. Excludes lease liabilities and significantly restricted cash.

REVIEW OF FY22 RESULTS

Demerger

On 1 June 2022, Tabcorp successfully implemented the demerger of its former Lotteries and Keno business, which is now operated by the ASX listed company The Lottery Corporation Limited (**Demerger**).

The Demerger process commenced following the conclusion of a strategic review conducted over March to July in 2021, where the Board evaluated various structural and ownership options to maximise value for Tabcorp shareholders.

On 12 May 2022, at a General Meeting and Scheme Meeting of Tabcorp, shareholders voted overwhelmingly to approve the Demerger. Eligible Tabcorp shareholders received one share in The Lottery Corporation for every share held in Tabcorp.

Tabcorp continues to provide certain transitional services to The Lottery Corporation under the terms of a Transitional Services Agreement for an initial term of up to 14 months. The majority of these services relate to information technology and related services[(i)].

Group results

Following the Demerger, the Group comprises two operating businesses, which represent the Group's continuing operations:

- Wagering and Media
- Gaming Services

The former Lotteries and Keno business is disclosed as discontinued operations in this report.

The financial results of the Tabcorp Group for the financial year ended 30 June 2022 (**FY22**) relate to the Tabcorp Group's operations, which includes the activities and results for these continuing operations throughout FY22 and the discontinued operations for the 11 month period until 1 June 2022.

The Group reported revenues for FY22 from continuing and discontinued operations of $5,605.5m, down 1.4% on the previous year. Revenues from continuing operations were $2,373.3m, down 4.3% on the previous year.

Group NPAT was $6,775.9m, which includes a one-off net gain on Demerger of $6,513.8m after tax and other significant items[(ii)]. In the previous year, Tabcorp reported NPAT of $269.4m.

The Group reported a net loss before income tax and finance costs from continuing operations of $75.1m, compared to a profit of $66.9m for the previous year.

Group EBITDA from continuing operations before significant items[(ii)(iii)] was $381.6m, down from $487.2m in the previous year.

The FY22 results for the continuing operations were heavily impacted by COVID-19 related retail closures in the Group's largest markets of NSW and Victoria in the first half of the financial year (**1H22**) as well as wet weather impacts in the second half of the year (**2H22**) that led to a record number of race abandonments and rain affected race tracks.

Refer to pages 22 to 28 for further details about the performance of each continuing operating business.

In FY22, the Group completed its enterprise-wide '3S' optimisation program, delivering a further $23m of EBIT savings from continuing operations. The continuing business operations of the Group contributed over 75% of the savings over the life of the program.

Cost discipline and commercial rigor continues to be a key priority for the Company. The new 'Genesis' cost and efficiency program has commenced with activities underway across the business to enable the Group to contain cost growth in a high inflationary environment.

For the year ended 30 June

Group results including 11 months from discontinued operations	FY22 $m	FY21 $m	Change %
Revenues	**5,605.5**	5,685.7	(1.4)
NPAT	**6,775.9**	269.4	NM[(iv)]
Dividends per share (cents per share fully franked)	**13.0**	14.5	(10.3)
Group results from continuing operations			
Revenues	**2,373.3**	2,479.9	(4.3)
(Loss)/profit before income tax and finance costs	**(75.1)**	66.9	NM[(iv)]
EBITDA before significant items[(ii)(iii)]	**381.6**	487.2	(21.7)

(i) Refer to the Demerger Booklet dated 30 March 2022 for further information.
(ii) FY22 significant items comprise net gain on Demerger of $6,513.8m and gain on hedge accounting of $64.3m, offset by $151.3m in costs associated with the Racing Queensland settlement and industry reforms, $9.8m in assets write-offs and onerous contract, and $3.5m impairment of non-current assets.
(iii) Earnings before interest, taxation, depreciation and amortisation (EBITDA) from continuing operations and before significant items is non-IFRS financial information.
(iv) Percent change is not meaningful.

REVIEW OF FY22 RESULTS CONTINUED

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.

As part of the Demerger process, Tabcorp's previous US Private Placement notes were cancelled and equivalent notes were issued by The Lottery Corporation to those note holders.

Tabcorp's post-Demerger capital structure has been developed having regard to its business requirements, earnings profile and cash flow generation profile.

The Company has a strong balance sheet, and $950m of committed bank facilities. The Group's average debt maturity is approximately 4.15 years.

Gearing[(i)] is 0.5x as at 30 June 2022, and is projected to move into the target range of 1.0-1.5x after several upcoming payments, including the final dividend, remaining Demerger costs of approximately $55m, and Queensland payments[(ii)] (litigation settlement of $150m and final wagering licence installment of $37.5m).

Dividends

A final dividend for FY22 of 6.5 cents per share fully franked has been announced. The final dividend reflects five months of earnings from the now discontinued Lotteries and Keno business, and a full six months of earnings for Tabcorp's continuing Wagering and Media, and Gaming Services businesses.

The final dividend will be payable on 23 September 2022 to shareholders registered at 1 September 2022. The ex-dividend date is 31 August 2022.

The interim and final dividends payable in respect of FY22 totalled 13.0 cents per share fully franked. This equates to a FY22 dividend payout ratio of 80% of NPAT before significant items.

The Dividend Reinvestment Plan will operate in respect of the FY22 final dividend, with a 2.5% 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	Amount[(iv)]	Record date	Payment date	Total
2022 final	6.5 cents	1 September 2022	23 September 2022	$144.7m
2022 interim	6.5 cents	23 February 2022	7 March 2022	$144.7m
2021 final	7.0 cents	26 August 2021	17 September 2021	$155.5m

Target Net Debt to EBITDA[(i)]	Net Debt[(iii)]	Committed Bank Facilities Capacity
1.0-1.5X	**$20M**	**$950M**
Excluding significantly restricted cash	Excluding lease liabilities and significantly restricted cash	$400m 3-yr, $550m 5-yr revolving loan facilities

(i) Gearing is net debt (including lease liabilities but excluding significantly restricted cash)/EBITDA.
(ii) Subject to the commencement of legislation that will implement the proposed reforms to the Queensland wagering industry announced by the Queensland Government.
(iii) Net debt is total loans and borrowings.
(iv) Amount per share fully franked.

OUR FY23 PRIORITIES

We are working at pace to transform Tabcorp to be a more competitive and growing business operating in a market that is a level playing field.

We have a clear focus on growing our customer base and creating products and experiences that customers love.

GROWTH

- Launch new TAB App and follow with new products
- Urgently improve customers' digital journeys
- Rebalance marketing spend to drive digital growth
- Agile operating model starting with Technology and Customer teams
- Invest in data and analytics
- New customer focused strategy leveraging our unique combination of digital, retail and media assets
- Culture reinvigoration program

COMPETITIVENESS

- Advocate for structural reforms and regulatory harmonisation
- Gaming Services – build and execute on the pipeline of opportunities in integrity services

FINANCIAL STRENGTH

- Remain disciplined on investment of capital, particularly with regard to licenses
- Rigorous cost management to deliver operating leverage and create capacity to reinvest

OUR PEOPLE

We have a winning team and our people are at the heart of our strategy, working together to deliver outstanding experiences for our customers, and achieve our growth strategies.

A GREAT PLACE TO WORK

At Tabcorp, we strive to create an environment that fuels passion and drives innovation. We're committed to fostering an inclusive and safe workplace, where everyone feels comfortable to be their authentic self. We believe in empowering our team members and setting them up with the resources and support they need to succeed.

TOGETHER WE'RE RAISING THE GAME

INCLUSION AND DIVERSITY

- An Employer of Choice for Gender Equality – awarded by the Workplace Gender Equality Agency for the seventh consecutive year
- Gender affirmation support
- Hesta 40:40 Vision signatory
- Member of Pride in Diversity and the Australian Network on Disability

TEAM MEMBER BENEFITS

- Flexible working
- Market leading benefits such as flexi leave, cultural leave and 18 weeks of paid parental leave for all new parents
- 'All Grow Academy' learning and development programs

WELLBEING

- Happy and healthy teams
- Domestic and family violence support
- Free confidential external support services
- BUPA health and wellbeing partnership

COMMUNITY MINDED

- 'Tabcare', our team member and community engagement program
- Matched fundraising
- Community volunteering
- Volunteer leave

Visit the Careers section of our website **www.tabcorp.com.au/careers** for more information.

RENEWED BOARD

We have a diverse Board with a broad set of skills and experience aligned with the Group's strategy.

Bruce Akhurst
Chairman since June 2022
Independent NED since 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.

Mr Akhurst 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, Mr Akhurst 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.

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

Tabcorp Committees:

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

Mr Rytenskild is also a Director of the Australasian Gaming Council.

Mr Rytenskild has over 20 years' 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. His career also includes nine years with Mobil Oil prior to joining Tabcorp.

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

In addition to the qualifications below, Mr Rytenskild 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
Observer since June 2022
Independent NED since August 2022

Raelene Murphy is a Director of Elders Limited (from January 2021), Bega Cheese Limited (from June 2015), Integral Diagnostics Limited (from October 2017) and Altium Limited (from September 2016).

Ms Murphy was previously a Director of Clean Seas Seafood Limited (from July 2018 to October 2020), Service Stream Limited (from November 2015 to October 2019) and Tassal Group Limited.

Ms Murphy 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.

Ms Murphy brings to the Board extensive experience in finance, accounting, capital management, strategy, risk and compliance.

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

Justin Milne
Independent NED since August 2011

Justin Milne is a former Chairman of NetComm Wireless Limited (Director from March 2012 to July 2019), 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.

Mr Milne 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.

Mr Milne 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

Brett Chenoweth
Observer since June 2022
Independent NED since August 2022

Brett Chenoweth is Chairman of Adairs Limited (from November 2020), Madman Entertainment Pty Ltd, Canberra Data Centres and The Bombora Group. He is also a Director of Vodafone New Zealand Limited, Janison Education Group Limited (from July 2014) and Surfing Australia Limited.

Mr Chenoweth 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.

Mr Chenoweth 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:

- Member of Risk, Compliance and Sustainability 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 since July 2020

David Gallop AM is Chairman of Step One Clothing Limited (from October 2021), Alacria Pty Ltd, a Director of Australasian Media Company Pty Ltd and is on the Board of Cricket NSW.

Mr Gallop 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 (Super League) and law firm Holman Webb.

Mr Gallop 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.

Mr Gallop 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 since 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.

Ms Kendall 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, Ms Kendall 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.

Ms Kendall 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

Karen Stocks
Observer since June 2022
Proposed Independent NED[i]

Karen Stocks is currently Managing Director, Global Measurement Solutions at Google Inc.

Ms Stocks 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.

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

Ms Stocks was previously a Director of Netball Australia.

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

Tabcorp Committees:

- Observer of Technology Committee
- Observer of Nomination Committee

Qualifications:

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

(i) Subject to regulatory approval.

EXPERIENCED MANAGEMENT AND NEW CAPABILITIES

Our Executive Leadership Team has a broad skill set across customer, technology, innovation, media and stakeholder engagement.

Jenni Barnett
Chief Customer Officer

Jenni 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 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 Group 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.

Tom Callachor
Chief Industry & Corporate Affairs Officer

Tom commenced with Tabcorp in April 2015 and has been the General Manager Government and Industry Relations responsible for the Group's government and industry affairs strategy and stakeholder engagement. He commenced as Chief Industry & Corporate Affairs Officer of Tabcorp in June 2022 following the completion of Tabcorp's demerger of its former Lotteries and Keno business.

Tom has over 20 years of experience working in government and public affairs. Prior to joining Tabcorp, he spent five years working as a Chief of Staff for various NSW Government Ministers. During this time his responsibilities focused on strategy, policy and working with government, industry and other stakeholders to implement key government decisions. Prior to his time in NSW Government, Tom spent 10 years working at PwC in the government and public sector advisory areas.

Tom is an Alternate Director of the Australasian Gaming Council.

Tom holds a Bachelor of Business (Accounting and Human Resource Management), an Executive Certificate in Positive Psychology Coaching, and has attended Executive Education at the Stanford University's Graduate School of Business. Tom is a Graduate Member of AICD.

Paul Carew
Chief Operating Officer

Paul 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 & Risk Officer

John commenced as Chief Legal & 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.

Dan Renshaw
Chief Financial Officer

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

Dan 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.

Dan has over 20 years of experience in finance, strategy, commercial, investor relations, investment banking and equity markets. Prior to joining Tabcorp Dan 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.

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

Alan Sharvin
Chief Information Officer

Alan 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 in 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 & Mathematics.

Angus Tiet
Chief Strategy & Ventures Officer

Angus commenced as Chief Strategy & 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.

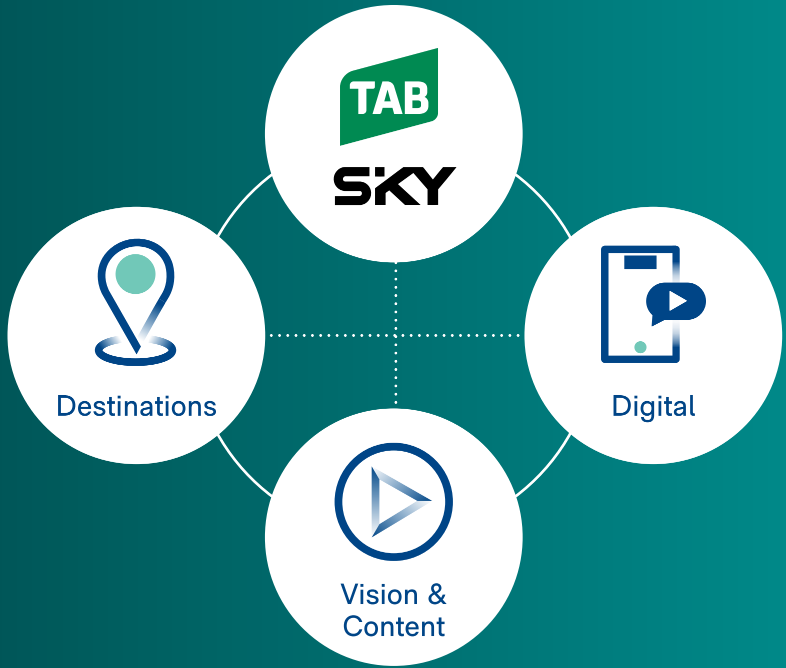
Prior to joining Tabcorp, Angus held the role of Senior Vice President Strategy and Business Development at Aristocrat Digital (now Pixel United). Angus has also previously held the role of Chief Financial Officer at Aristocrat Digital, and Chief of Staff for the broader Aristocrat Group, both based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

WAGERING AND MEDIA

OUR BETTING ECO-SYSTEM

A unique eco-system, with scale, interacting with customers across digital, destinations, vision and content.



57%
Turnover is digital[i]

25%
Digital revenue market share[ii]

783,000
Active customers[iii]

4,000+
Retail venues

~140,000
Live races p.a. on SKY

71,000
Sky Racing Active registered customers[iv]

VENUE MODE

Leverages our unique retail footprint

Provides exclusive customer offers

NEW TAB APP LAUNCH

Evolving our digital betting experience

- Refreshed, easier user interface
- Faster, more efficient technology platform (Google Flutter technology)
- Commenced staged rollout – full launch on track for September 2022

(i) Digital proportion of wagering turnover in FY22 includes Victorian Racing Industry interest.
(ii) For FY22. Based on data supplied by industry partners which account for approximately one-third of the wagering market. All data is before generosities.
(iii) Wagering active digital customers measured on a rolling 12 month basis.
(iv) Reflects life to date Sky Racing Active registered customers.

WAGERING AND MEDIA CONTINUED

Our diverse and complementary portfolio of operations

TAB is a leading omni-channel provider of wagering experiences in Australia, with a unique combination of digital, retail and media assets. TAB's retail network consists of TAB agencies, hotels, pubs and clubs as well as on-course operations, and is complemented by TAB's nationally available online, app 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 operates as a 50:50 joint venture with the Victorian racing industry.

Refer to pages 46 to 47 for further information.

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 is distributed to 4,875 agencies and licensed venues nationwide (as at 30 June 2022), and telecast to millions of viewers in Australia and around the world. 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.

Wagering licences/approvals year of maturity[i]

(i) Refer to page 47 for further information.

Review of FY22 performance

In FY22, Wagering and Media revenues were $2,181.9m, down 5.1%, and EBIT was $91.0m, down 57.8%.

Wagering revenues were $1,727.5m, down 11.7%.

The business was heavily impacted by COVID-19 related retail closures in 1H22 in the business's largest markets of NSW and Victoria.

In addition, wet weather in 2H22 led to a record number of race abandonments and rain affected race tracks.

Given the challenging market conditions, TAB retail wagering turnover declined 22.9%. A customer's ability to transact digitally in-venue and to make account deposits are key drivers of digital turnover. Despite neither of these factors being possible for substantial periods during the year, TAB digital turnover grew 2.5%.

Active digital customers remained stable at 783,000 and digital in-venue turnover grew 7.4%, to $569m, driven by Venue Mode, despite the impacts of retail closures.

Market conditions remained competitive throughout the period, in particular during 1H22 when the wagering market was predominantly digital. This resulted in increased customer generosities in FY22. This investment in generosities was maintained through 2H22 at a higher rate than in 2H21, but lower than 1H22 levels.

The re-opening of venues from the second quarter of FY22 resulted in promising signs of recovery in 2H22, reinforcing the fact that Tabcorp's omni-channel wagering offering performs best when all channels are fully operational.

Media and International revenues were $454.4m, up 33.2%.

The Sky Media business continued to expand racing and sport content and its distribution through digital and retail formats. The number of Sky Racing active registered customers (life to date) increased 20.3% to 71,000 at the end of FY22, and Sky venue subscriptions were stable, down 0.7%.

The performance of the International business benefited from the first full year of ownership of PGI, and higher vision export revenues.

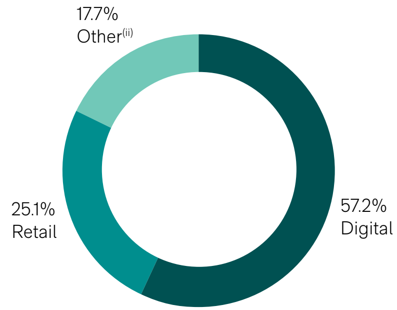
Operating expenses for Wagering and Media grew 5.1%, due to cycling cash preservation and cost reduction measures in the prior year, increased technology investment (including in the development of the new TAB App), partially offset by savings from the 3S program.

In FY22, Tabcorp continued to focus on driving positive industry change with partners and governments. In June 2022, the Queensland Government announced proposed reforms to the Queensland wagering industry which, when implemented, will result in Tabcorp paying wagering taxes and racing product fees on the same basis as our competitors. This was followed by announcements in NSW and ACT of proposed increases to the POCT rate which is a step towards establishing a sustainable industry funding structure in those states. These reforms are positive developments in leveling the playing field and will enable TAB to compete more effectively and support a more sustainable racing industry.

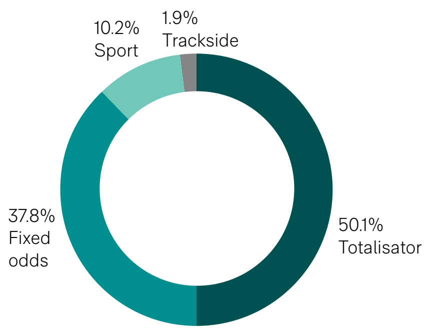
In FY23, Tabcorp is focused on transforming the Wagering and Media business into a more competitive and profitable business, and executing on a number of key deliverables at pace. This includes the launch of the new TAB App (targeted for September 2022), follow on new product releases, and improving our customer experience and marketing effectiveness.

Results for the year ended 30 June	FY22 $m	FY21 $m	Change %
Wagering revenues	1,727.5	1,956.8	(11.7)
Media and international revenue[iii]	454.4	341.2	33.2
Revenues	2,181.9	2,298.0	(5.1)
Taxes, levies, commission and fees	(1,382.6)	(1,414.4)	(2.2)
Operating expenses	(493.3)	(469.5)	5.1
EBITDA before significant items[iv]	306.0	414.1	(26.1)
Depreciation and amortisation	(215.0)	(198.4)	8.4
EBIT before significant items[iv]	91.0	215.7	(57.8)

Wagering turnover by channel[i]



Wagering revenue by product[i]



(i) TAB turnover and TAB revenue includes Victorian Racing Industry interest.
(ii) Other comprises call centre, on-course, premium customers and PGI.
(iii) Includes a full year of PGI in FY22, following the acquisition of the remaining 50% interest of PGI in FY21.
(iv) Non-IFRS financial information.

GAMING SERVICES

MAX GAMING SERVICES

A source of resilient B2B contracted revenue with exposure to integrity services growth.

REGULATORY SERVICES

PERFORMANCE SOLUTIONS

TECHNICAL SERVICES

INTEGRATED SYSTEMS

100% Sole monitoring operator in NSW/NT

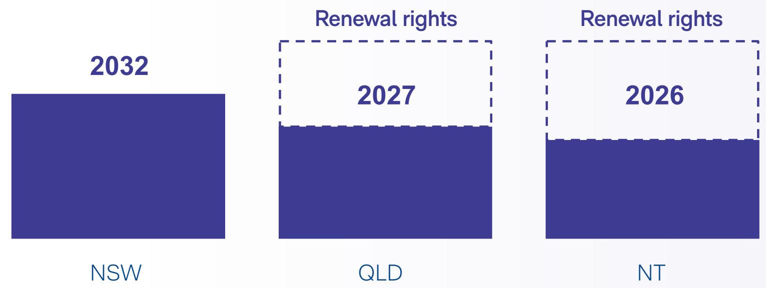
73% Monitoring share in QLD

85% of national EGMs[1]

3,500+ Venue footprint

120,370 EGMs monitored daily

Monitoring Licences Maturity and Renewal Rights (year)



(i) As at 30 June 2022. Based on total number of EGMs that MAX provides at least one product or service to.

GAMING SERVICES CONTINUED

Operations

The MAX business is Australia's largest gaming services provider, offering a comprehensive suite of end-to-end products and gaming services solutions for venues and government, including monitoring systems for regulatory purposes, EGM financing and maintenance, value-added technology solutions and advisory services for venues.

MAX Regulatory Services provides electronic gaming machine (**EGM**) monitoring and related services across NSW, Queensland and Northern Territory.

Max Venue Services comprises the Max Performance Solutions, Max Integrated Systems, and Max Technical Services businesses and operates in NSW, Victoria, Queensland, Western Australia, South Australia, Tasmania, ACT and Northern Territory.

Max Performance Solutions provides procurement and financing support to venues through EGM leasing arrangements, and value-added services to maximise performance of EGMs within venues.

Max Integrated Systems develops and markets a range of technology solutions and system enhancements for venues to improve venue efficiency and performance.

Max Technical Services provides customers 24/7 on-site technical support and maintenance in relation to EGMs, lottery and wagering terminals and other transaction devices.

Refer to pages 47 to 48 for further information.

Review of FY22 performance

In FY22, Gaming Services revenues were $192.9m, up 5.3% and EBIT was $3.8m, up from a loss of $9.7m in the prior year.

Revenues for Max Venue Services were $119.3m, up 20.0% reflecting fewer lost days of trading due to COVID-19 related venue closures in Victoria, the business's largest market.

Max Regulatory Services was, by contrast, heavily impacted by venue shutdowns in NSW, where approximately 75% of monitored EGMs are located. Revenues were $73.6m, down 12.2%.

The business provided significant COVID-related fee relief to customers through most of 1H22, and returned to the full fee model from 1 December 2021.

Operating expenses grew 5.8% to $107.2m, due to the cycling one-off cash preservation and cost reduction opportunities in the prior period.

The Gaming Services business has begun to pivot towards Max Regulatory Services and the opportunity to provide our integrity services capability to government.

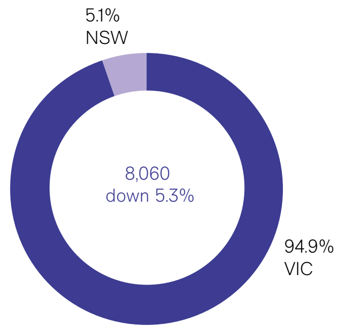
Following a strategic review process, we are engaging in a sale process of the eBet business. eBet is a supplier of loyalty and tracking systems to gaming venues in Victoria and NSW within Max Integrated Systems.

Max Venue Services is pursuing a capital light model focused on generating consistent near term free cashflow through the renewal of contracts toward a more advisory led model combined with the sale of machines to venues that don't extend their contracts. Approximately 50% of Victorian EGM contracts have been renewed (generally to 2027 to 2030) on a full service model, approximately 10% of EGM contracts will be extended on a new advisory-only model, and the remaining balance of EGM contracts will not be extended.

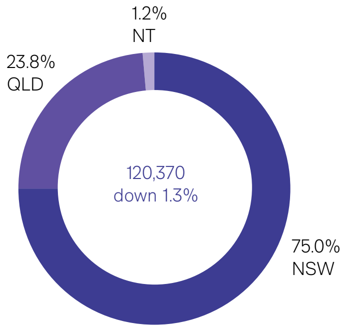
Results for the year ended 30 June	FY22 $m	FY21 $m	Change %
Revenues	192.9	183.2	5.3
Taxes, levies, commission and fees	(10.6)	(11.2)	(6.2)
Operating expenses	(107.1)	(101.3)	5.7
EBITDA before significant items(i)	75.2	70.7	6.4
Depreciation and amortisation	(71.4)	(77.7)	(8.1)
Impairment	-	(2.7)	NM(ii)
EBIT before significant items(i)	3.8	(9.7)	NM(ii)

(i) Non-IFRS financial information.
(ii) Percentage change is not meaningful.

EGMs under contract



EGMs monitored



SUSTAINABILITY

SUSTAINABILITY

Sustainability is at the heart of our business operations and our vision of **Raising the Game**. Our mission is to deliver experiences safely and responsibly and set the benchmark for sustainability in our industry.

Despite another challenging year with COVID-19 and navigating the complexities of the Demerger, we continued to make good progress towards our goal of being a leader in sustainability in our industry.

In FY22, Tabcorp was recognised for its continued improvements in sustainability performance and disclosure, ranking first globally in the Casinos and Gambling sector in the Dow Jones Sustainability Index (**DJSI**) World and DJSI Australia Indices for the second successive year. Tabcorp has also been independently assessed according to the FTSE4Good criteria and continued to be a member of the FTSE4Good Index.

Following the Demerger, and an extensive process of engagement across our business and with key stakeholders, we adopted a new Sustainability Framework (**Framework**). The Framework is aligned with our new enterprise strategy, with customer care at the centre and a strong focus on community, our people and sustainable business practices. The Framework builds upon our good progress in recent years and will help us to create long term value in the management of our environmental, social and governance (**ESG**) risks and opportunities.

During the year we also aligned our Framework and sustainability disclosures with the United Nations Sustainable Development Goals (**SDGs**).

To support the implementation and oversight of our new Sustainability Framework and monitor the management and reporting of our progress, we enhanced our sustainability governance by incorporating sustainability into the remit of the renamed Board Risk, Compliance and Sustainability Committee (effective 1 July 2022).

Looking ahead, we will continue to evolve our sustainability practices as we work closely with our industry partners and stakeholders to deliver leading practices and outcomes.

Our detailed ESG approach and performance will be disclosed in our 2022 Sustainability Report which will be available at **www.tabcorp.com.au**

OUR PRIORITIES	**Customer Care**	**Contribute to our Community**	**Support our People to Succeed**	**Build a Sustainable Future**
GUIDING PRINCIPLES	• We put our customers first, delivering experiences safely and responsibly	• We build collaborative partnerships to shape our industry and impact our communities for the better	• We provide our people with an exciting workplace to succeed	• We are building a sustainable future for our business
OUR GOALS	• Deliver customer-centric responsible wagering and gaming initiatives designed to minimise harm • Build and maintain cyber security controls that protect our customers' privacy and security and drive competitive advantage through customer and stakeholder trust	• 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	• 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	• 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
ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS	3 GOOD HEALTH AND WELL-BEING	17 PARTNERSHIPS FOR THE GOALS	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 10 REDUCED INEQUALITIES 13 CLIMATE ACTION

SUSTAINABILITY CONTINUED

FY22 Highlights

Customer Care

Implemented a new automated monitoring system to improve detection and prevention of self-excluded customers attempting to open new accounts

Delivered an early intervention model to proactively contact customers that may be exhibiting early signs of gambling harm and offering responsible gambling (**RG**) tools

Rolled out enhanced RG training for key customer facing teams to assist in recognising indicators of gambling harm and improve quality of RG conversations with customers

Completion of 11 security projects in FY22, enhancing cyber defence and reducing cyber risk to Tabcorp's products, systems and data

Implementation of a governance program to mitigate potential risks in respect of data during and after the demerger of Tabcorp and The Lottery Corporation

Enhanced crisis management arrangements including disaster response planning and testing

Contribute to our Community

Generated $1.5b in taxes, levies and payments to state and federal governments, the Australian racing industry, and venue partners[i]

Contributed $7.5m to charities and community organisations[ii]

Supported the racing industry's animal welfare efforts through various campaigns, initiatives, and sponsorships

Continued strategic partnerships with Prostate Cancer Foundation of Australia, Australia New Zealand Gynaecological Oncology Group (Team Teal) and National Jockeys Trust

Support our People to Succeed

Signatory to HESTA 40:40 Vision gender diversity initiative

Named an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for seven consecutive years

Lost Time Injury Frequency Rate for the year was 1.3, falling from 2.3 the previous year[i]

Launched All Grow Academy, Tabcorp's new Learning Management System for role specific learning and capability building

Build a Sustainable Future

Ranked first globally in the Casinos and Gambling sector in the 2021 Dow Jones Sustainability Index (**DJSI**) World and DJSI Australia Indices

Member of the FTSE4Good Index

MSCI ESG rating AA – Leader

Formalised our commitment to minimising our environmental impact and responding to climate change in our Environment and Climate Change Position Statement

Set carbon emission reduction targets: 45% in operating emissions by 2030 from 2019 levels, and net zero by 2050

Published our second Modern Slavery Statement in December 2021

(i) Based on FY22 TAB revenue including Victorian Racing Industry interest. Excludes GST.
(ii) Includes 11 months contribution from the now discontinued Lotteries and Keno business before the Demerger was implemented.

Customer Care

Customers are, and always will be, at the heart of our business. We're committed to putting our customers first, delivering experiences safely and responsibly, and supporting a well-regulated and responsible industry.

At Tabcorp, we're committed to being a leader in promoting responsible gambling, and support consumer protection initiatives for responsible advertising.

It's our goal to equip our customers with the tools, information and resources to help them make informed decisions about how they gamble. Our approach to customer care and the responsible provision of our products is underpinned by our Customer Care Principles.

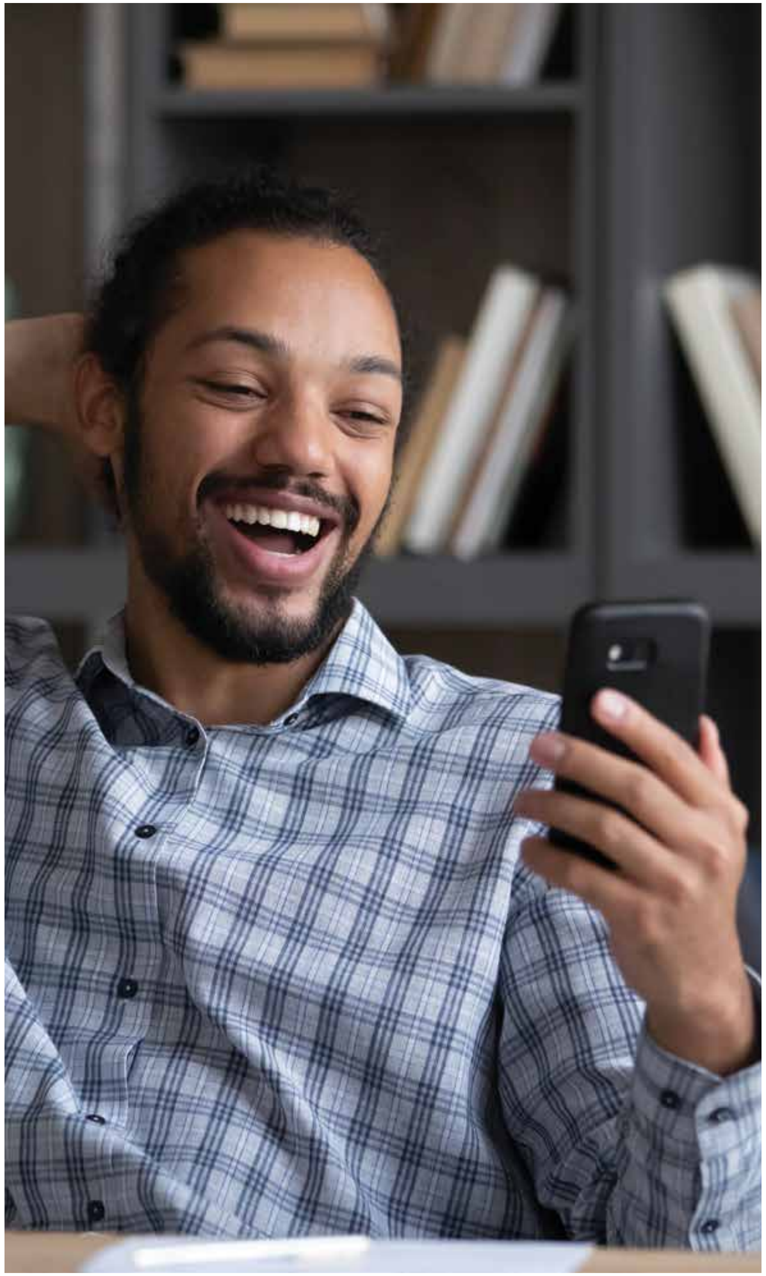
We take responsible gambling seriously. More than simply following the letter of the law, we strive to actively minimise potential harm to customers.

This means working with our partners on initiatives such as education campaigns, self-exclusion programs, research and supporting counselling services.

In FY22, we continued to invest in initiatives to protect our customers:

- Implemented a new system to enhance our ability to pro-actively detect potential self-excluded customers attempting to open accounts
- Enhanced our Early Intervention Model to proactively contact customers that may be exhibiting early signs of problem gambling and offer support where required
- Developed additional Responsible Gambling training for our customer facing team members
- Introduced new Customer Care metrics to support the reporting and monitoring of Customer Care
- Improved visibility and durability of Responsible Gambling signage in our retail venues

We believe we have the right foundations and will continue **Raising the Game** on Customer Care, with work underway on a range of customer-centric initiatives designed to support our customers and minimise potential harm from problem gambling. We will report our progress in our 2022 Sustainability Report, which will be available on our website at **www.tabcorp.com.au**.



SUSTAINABILITY CONTINUED

Our Customer Care Principles

RESPECT THE CUSTOMER DECISION

- We always respect the customer decision, however, there are times when we will take action including proactively closing a customer's account for problem gambling

ENABLE INFORMED CHOICE

- Responsible gambling microsite on tab.com.au
- One stop shop responsible gambling information
- Responsible gambling signage and information in our retail venues

CREATE TOOLS THAT CARE

- Take a break, deposit limits, self-exclusion

INTERACT RESPONSIBLY

- Provision of Responsible Gambling Training to all Tabcorp team members
- Additional specialised Responsible Gambling training for customer facing teams including Customer Service Centre, VIP team, Retail and Oncourse Operators

CUSTOMER CARE BY DESIGN

- Responsible gambling assessments when implementing new products and customer initiatives
- Responsible gambling review of marketing collateral and promotions

ANALYSE CUSTOMER BEHAVIOUR

- Early Intervention Program
- Player Tracking

PROVIDE A SAFETY NET

- Online Self-Exclusion
- Retail Self-Exclusion

CYBER SECURITY

- Best-in-class cyber security to protect customers' privacy and security

Environment and Climate Change Position Statement

We recognise our business has an impact on the environment, directly through our operations, and indirectly through our value chain. We are committed to minimising adverse environmental impacts through our operations and the delivery of our products and services.

Climate change is a significant global challenge and we are committed to reducing our greenhouse gas emissions profile and identifying and managing climate related risks and opportunities across our business. In September 2021, we formalised this commitment by adopting our Environment and Climate Change Position Statement and by setting medium and long term greenhouse gas emissions reduction targets aligned with the Paris Agreement goals.

In FY22, we continued our efforts to reduce our environmental impact by using less electricity in our properties, recycling or donating office equipment, introducing hybrid vehicles in our fleet, reducing the volume of stationery we use and encouraging team members to minimise their impacts on the environment.

Looking ahead, we are progressing work to set a new baseline for our environmental footprint post-Demerger and finalise the development of a 'Net Zero' roadmap to support our emission reduction targets.

Carbon emission reduction targets:

- 45% in operating emissions by 2030 from 2019 levels
- Net zero by 2050

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

Further details on Tabcorp's environmental footprint and progress against the Environment and Climate Change Position Statement, aligned with the Taskforce on Climate-Related Financial Disclosures (**TCFD**) recommendations, will be available in our 2022 Sustainability Report. The Report will be available at **www.tabcorp.com.au** later this year.

GOVERNANCE

We recognise the importance of having strong and effective corporate governance arrangements and maintaining high standards of corporate behaviour, culture and accountability. The governance arrangements adopted by Tabcorp enable the Board and management to make well informed decisions, provide appropriate accountability and transparency, and instil and reinforce a culture of acting ethically, responsibly and in line with our values.

Board membership

As a result of the Demerger, the membership of the Board was renewed:

- Steven Gregg retired as Chairman, Harry Boon and Anne Brennan retired as Non-Executive Directors (**NEDs**) and David Attenborough retired as MD & CEO, on 31 May 2022.
- Bruce Akhurst was appointed Chairman on 1 June 2022.
- Adam Rytenskild was appointed MD & CEO on 1 June 2022.
- Brett Chenoweth and Raelene Murphy commenced as NEDs on 4 August 2022, having acted as Board Observers since 1 June 2022.
- Karen Stocks was appointed a Board Observer on 1 June 2022 and will commence as a NED (subject to receipt of regulatory approvals).

The refreshed Board has a diverse set of skills and experience aligned with the Group's strategic objectives and vision of **Raising the Game**, including in key areas such as governance, strategic and commercial experience, digital innovation, technology, marketing and customer insights.

Refer to pages 18 and 19 for Directors' biographies.

Board Committees

- The Board established the Risk, Compliance and Sustainability Committee to assist the Board in overseeing risk management, compliance and sustainability, effective 1 July 2022 (replacing the previous Risk and Compliance Committee).
- The Board has five standing Committees:
  - Audit Committee
  - Risk, Compliance and Sustainability Committee
  - People and Remuneration Committee
  - Technology Committee
  - Nomination Committee
- Membership of the Committees was refreshed following the Demerger.
- All Committee members, including Chairmen, are independent NEDs.

Tabcorp's Corporate Governance Statement 2022, Appendix 4G, Board and Committee Charters, key policies and governance documents are available from the Corporate Governance section of Tabcorp's website at **www.tabcorp.com.au/company/corporate-governance**

Board skills matrix

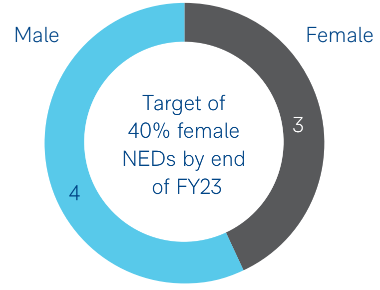
Number of Directors with relevant capability

Technical skills	Not developed	Knowledgeable	Advanced
Leadership	0	0	8
Strategic and commercial acumen	0	0	8
Financial acumen/capital management	0	3	5
Governance	0	2	6
Legal and regulatory	0	5	3
Risk management and compliance	0	2	6
People	0	1	7
Organisational culture	0	1	7
Remuneration	0	3	5
Government/stakeholder relations and public policy	1	2	5

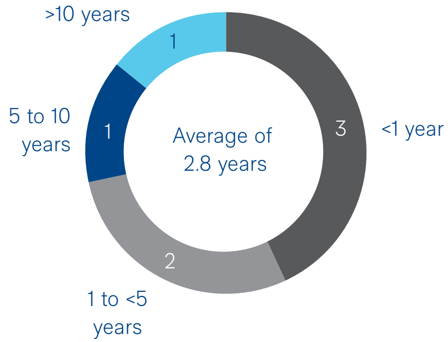
Experience	Not developed	Knowledgeable	Advanced
Gambling industry experience	2	1	5
Experience in other relevant industries	1	2	5
International experience	0	3	5
Information technology	0	3	5
Digital innovation	0	1	7
Retailing, marketing and customer experience	0	1	7
Sustainability	0	2	6

Not developed Knowledgeable Advanced

NED diversity



NED tenure



Includes current and pending NEDs.

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 external landscape, 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 2022 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	Description and potential consequences	Mitigations employed
Breach of laws and licences, and compliance and conduct risks	The Group's businesses, as well as third parties that distribute the Group's products and services, including agencies and retail venues, are regulated by laws, licences, regulations, rules, permits and other approvals (including, for example, responsible gambling and AML/CTF 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. Any such adverse impact may arise as a result of the suspension or loss of applicable material gambling licences, renewal of licences on less favourable terms (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 jackpots, tote and fixed odds dividends, gambling taxes or other stakeholder returns, may require the Group to repay winnings or other financial impacts, or seek reimbursement of any overpayments, while also exposing the Group to litigation, including class actions, or other forms of disputes.	• The Group has risk management, compliance and accountability frameworks, considered risk appetite positions on material matters, and supporting policies, procedures, tools, training and other controls. • Employees and managers 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 systems before deployment. • Systems, processes and equipment are regularly monitored and tested. 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 that relevant third parties are appropriately trained on requirements, and that compliance with such requirements are monitored.

Risk	Description and potential consequences	Mitigations employed
Licences, approvals and other arrangements	The conduct of wagering and the provision of gaming services are regulated by laws, licences, permits and other approvals from relevant state and territory governments. The loss of, or failure to renew, any material licence, permit, authorisation or other approval (or renewal on less favourable terms, including any exclusivity arrangements) may have an adverse impact on the financial position, performance and operations of the Group. The Group's media business holds rights to broadcast, and has agreements in place to distribute, various race meetings domestically and internationally. The loss of, or failure to renew those arrangements on materially the same or similar terms, may have an adverse impact on the operational and financial performance of the Group's wagering and media business.	• The Group operates across a number of jurisdictions, business segments and customer categories which reduces the reliance on any one specific business or jurisdiction. • The Group maintains long term gambling 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.
Changes in laws and the regulatory environment	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 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. • 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.

RISK MANAGEMENT AND MATERIAL BUSINESS RISKS CONTINUED

Risk	Description and potential consequences	Mitigations employed
Litigation, disputes and investigations	From time to time, members of the Group become involved, or could become involved, in litigation and disputes, including class actions, including with Federal or State regulatory or law enforcement bodies (such as Australian Competition and Consumer Commission, Australian Securities and Investments Commission, Australian Transaction Reports and Analysis Centre, Australian Taxation Office and State-based gambling regulators), joint venture and other business partners, stakeholders and third parties. In addition, members of the Group (as well as their current and former officers and executives) may be subject to various investigations carried out by Federal or State regulatory or law enforcement bodies. Probity-related implications may also arise for Tabcorp. This could potentially lead to the suspension or loss of applicable gambling licences, other financial or criminal penalties, disciplinary action, brand damage and/or loss of future business opportunities, each of which may, if they were to occur, have a material adverse effect on the financial position, performance and/or operations of the Group. There is also the risk that Tabcorp's reputation may further suffer due to public scrutiny surrounding any such litigation, dispute or investigations regardless of their outcome, and this may also adversely affect the Group's ability to generate revenue or conduct its operations.	• The Group is supported by legal, regulatory and risk teams and implements robust risk, compliance, contract management processes, and has systems and controls to help mitigate risks of any potential litigation, disputes and investigations where possible. Any litigation, disputes or investigations that arise from time to time are managed in an effective and efficient manner with a view to protecting not only Tabcorp's financial position, but also its reputation and ongoing operations. • As noted, the Group also endeavours to maintain strong working relationships through regular proactive engagement with regulatory and law enforcement bodies, industry controlling bodies, other industry partners and governments. This can help prevent actual and potential issues arising and/or from escalating.
Consumer discretionary spending and preferences	Gambling activities compete with other consumer products for consumers' discretionary spending and in particular with other forms of leisure and entertainment. Consumer discretionary spending may also be affected by adverse changes to general economic or industry conditions, changes in consumers' attitudes towards gambling products and the availability of payment channels, which may in turn adversely affect the financial performance of the Group. If the Group does not adequately respond to competition for consumers' discretionary expenditure, or an existing or new competitor of the Group adapts to changes more rapidly, this could result in a loss of market share or missed opportunities for growth, and have an adverse impact on the Group's financial performance.	• As noted above, the Group operates businesses spanning multiple jurisdictions and market segments, which reduces the reliance on any single business and customer category. • The Group adopts a range of strategies to further mitigate this risk, including using its retail network, customer service and relationship management, alternative payment channels, 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.

Risk	Description and potential consequences	Mitigations employed
Competition and disruption	The Group's businesses are affected, to varying degrees, by competing suppliers of gambling and media products and services, based both in Australia and overseas. New competitors and disruptors may also enter the Group's traditional markets and be subject to less regulation compared to the Group. As a result, there is a risk that the Group may not be able to compete on the same terms as other operators, or may face increased levels of competition from suppliers of gambling products and services, which could adversely affect the operational and financial performance of the Group. A sustained increase in competition from existing competitors or new entrants may result in a material failure to grow, or a loss of market share or revenue in some markets.	• As noted above, the Group operates businesses spanning multiple jurisdictions and market segments, which reduces the reliance on any single business and/or customer category. • 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 supports an industry where all gambling operators can compete effectively and are required to adhere to, and are held to, the same laws, regulations, industry codes and standards.
Financial and balance sheet risks	The Group is exposed to various financial and trading risks arising from operating its Wagering and Media business, 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 environmental, sustainability and governance (**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 and long dated maturities. • Various 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 14 and "Capital and risk management" on pages 102 to 111.

RISK MANAGEMENT AND MATERIAL BUSINESS RISKS CONTINUED

Risk	Description and potential consequences	Mitigations employed
Technology, cybersecurity and data protection and privacy risks	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, malicious attacks on technology systems and customer, company data and regulatory information, 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 COVID-19 working environment has seen an enhanced threat level across all industries and organisations as an increasingly remote workforce increases the cyber attack surface and opportunistic criminals seek to exploit organisations' cyber defenses. Additionally, ransomware cyber-attacks on companies across the world continue to rise. A significant cyber incident or prolonged failure of the computer systems and/or related infrastructure or technology security failure could impact upon the Group's technology systems and equipment, prevent operation of revenue generating functions, result in the loss or exposure of information assets, or personal customer or regulatory data could be wrongfully appropriated, lost or disclosed, which may potentially adversely impact the reputation, operations or financial performance of the Group and expose the Group to significant regulatory enforcement actions, litigation and other disputes.	• The Group's Technology team dedicates resources, systems and expertise to the identification, analysis, and mitigation of technology, cyber and data risks, and leverages the expertise from key technology partners. • Tabcorp has policies, procedures, practices, frameworks and resources in place to manage data security, privacy, and related risks. • A dedicated Cyber Security Information Team is tasked with protecting key information assets, detecting any attempted attacks, and responding appropriately. Regular reviews and assessments with follow up actions assist ongoing defensive strategies and response readiness. • Tabcorp has in place a multi-year cyber security uplift program, focused on the protection of customer data and company-held sensitive information against external threats. • The Group maintains support arrangements for cyber incident response and recovery, and holds a cyber breach insurance policy. • The Group has a Privacy Policy, Privacy Officer, and a number of internal working groups, and adopts practices, procedures and systems to provide oversight and support the appropriate management of data and its privacy. • The Group has disaster recovery plans and business continuity plans in place to manage major technology failures. The Group also a Data Breach Response Plan that sets out procedures for employees to follow in the event of an actual or suspected data breach. • The Board Technology Committee oversees the Group's technology strategy and priorities, including major technology investments to address the Group's technology and cybersecurity risks.
Reliance on infrastructure and third party commercial arrangements	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, and where necessary risk mitigation and remediation action plans. • 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.

Risk	Description and potential consequences	Mitigations employed
Racing and sports products	The Group's Wagering and Media business is reliant on racing industries, stakeholders and sporting bodies across Australia, and internationally, providing a program of events for the purposes of wagering, and obtaining and maintaining the necessary broadcast rights and content for race meetings and sporting events. A significant decline in the quality or number of events that comprise this program (for example due to adverse weather conditions, climate change, natural disasters, epidemic/pandemic outbreaks (such as the COVID-19 pandemic), an outbreak of equine influenza or other animal sickness pandemics, or changes in societal attitudes associated with animal welfare or other sustainability issues) would have a significant adverse effect on Wagering and Media revenue and may potentially have a material adverse effect on the operational and financial performance of the Group.	• As noted above, 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 works closely with racing bodies and industry stakeholders to optimise racing schedules and broadcasts to provide the best racing product available to customers and mitigate the potential for adverse impacts which may result from a decline in racing product. • The Group has in place business continuity plans and maintains an insurance program providing limited cover for major disruptions. • The Group performs financial modelling and sensitivity analysis to monitor and respond to the impacts of racing and sport product supply disruptions.
Changes in race fields and sports product fees and taxes	Each state and territory of Australia has implemented race fields arrangements, under which wagering operators pay product fees for use of that industry's race fields information. Similar arrangements exist in relation to various sports. There is the potential that fees will increase, new fees will be introduced, or the method for determining fees will change, and such changes may have an adverse effect on the operational and financial performance of the Group. In addition, a material increase in the taxes and levies payable by the Group in respect of its Wagering and Media or Gaming Services businesses may reduce margins and have an adverse impact on the financial performance of the Group. There is also a risk that racing, sport or industry bodies may disagree with the Group regarding the application of certain aspects of the race fields regimes, contracts that govern product fees or relevant commercial arrangements generally, or the manner in which taxes, levies and fees are determined. Such disagreements may lead to litigation or other dispute resolution processes being involved, including negotiated settlement of relevant commercial disputes.	• 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 maintains 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	Description and potential consequences	Mitigations employed
Disruption or decline of licensed venues, agencies and retail network	The operating and financial performance of the Group's businesses are materially dependent on the operation of a network of licensed venues (hotels and clubs), TAB agencies, and other retail outlets which offer the Group's products. Significant disruption or closures of, or a decline in, these channels, whether as a result of a particular event (for example, due to adverse weather events or climate change, an epidemic or pandemic outbreak (such as the COVID-19 pandemic), or a natural disaster), economic conditions, changes in consumer behaviour or any other factors, may have a direct adverse effect on the operating and financial performance of the Group.	• The Group operates a diverse portfolio of businesses through a multi-channel strategy across retail and digital networks, which reduces the reliance on any single channel. • The Group regularly reviews its omni-channel strategies and seeks to optimise its investment in the retail network to align with changing market and consumer trends. • The Group works with industry peak bodies and retail network partners to optimise the product and service offering, and enhance the customer experience in retail venues. • The Group has in place business continuity and disaster recovery plans.
COVID-19 and other pandemics or epidemics	The ongoing COVID-19 pandemic and government restrictions and further strains such as Omicron have impacted, and may continue to impact, the Group's operating businesses to varying degrees, and in turn the Group's financial and operational performance. The COVID-19 pandemic and related actions taken in response by the Australian and other governments, including lockdowns, border controls/travel restrictions, and the effects of the pandemic on the global and domestic economy, supply chains and the global sporting and racing calendar have had, and may have, an adverse effect on Tabcorp and its financial performance. There is also no certainty as to whether further COVID-19 outbreaks or the emergence of another epidemic or pandemic will have a material impact on these matters. The long term impacts from COVID-19 on general economic or industry conditions, consumer discretionary spending and consumer confidence are uncertain and may adversely impact the financial and operational performance of the Group and the delivery of its growth strategies in the future. Refer also to the risk topics "Racing and sports products", "Disruption or decline of licensed venues, agencies and retail network", and "People, health, safety and wellbeing" for further information about other risks which could be impacted by COVID-19 and other potential pandemics.	• The Group has plans, processes and resources in place to respond to government restrictions and mitigate health and safety risks, maintain continuity of service (albeit at reduced levels for some of its businesses and channels), and ameliorate the associated financial and operational impacts. • The Group regularly engages with governments, regulators, customers, venue and racing industry partners, and employees to help manage the impact on our stakeholders. • The diversification of the Group's businesses across multiple channels, products and jurisdictions provides greater resilience when such pandemics occur.

Risk	Description and potential consequences	Mitigations employed
People	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 our team members' physical and/or psychological health and wellbeing, or failure to comply with relevant workplace health and safety laws and regulations, could expose the Group (and individual employees and Directors) to civil, criminal and/or regulatory action with associated financial and reputational consequences. There is a heightened risk that the people-related initiatives implemented in response to the COVID-19 pandemic (refer above), may have an adverse impact on the Group's ability to attract and retain certain key senior management and personnel, as well as employee engagement and productivity.	• 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 our team members. 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. • The Group has in place business continuity plans and has implemented COVID Safe Plans across all Tabcorp locations.
Social licence	Changes in societal attitudes and/or adverse media attention in relation to gambling or other ESG issues relevant to Tabcorp, or a failure by the Group to deliver its gambling products responsibly in accordance with Group policies, relevant responsible gambling codes or 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 and our business strategy is our commitment to delivering customer-centric responsible wagering and gaming initiatives designed to minimise harm and set the benchmark for sustainability in our industry. • The Board Risk, Compliance and Sustainability Committee has responsibility for overseeing the Sustainability Framework and the management of ESG issues relevant to the Group, including responsible gambling. • 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. • The Group has adopted an Environment and Climate Change Position Statement outlining our commitment to minimising our impacts on the environment. • 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.

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 2022.

1. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year comprised the provision of gambling and entertainment 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, while the demerged The Lottery Corporation Limited now holds the former Lotteries and Keno business. Tabcorp's former Lotteries and Keno business is reported as a discontinued operation in this report.

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

2. OPERATING AND FINANCIAL REVIEW

The financial results of the Group for the financial year ended 30 June 2022 comprised the operating segments of the Wagering and Media and Gaming Services businesses (for FY22) and the now discontinued Lotteries and Keno business (for the period up to and including 31 May 2022, prior to implementation of the Demerger).

The activities and financial performance of the Group and continuing operating segments for the financial year are set out on pages 1 to 28 and below.

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.

Media operations:

- Three 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.
- Three 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. Sky Racing World also facilitates associated tote pools.

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 Premier Gateway International (PGI) expires in October 2023, with renewal capability every five years.
- North Dakota (US) Totalisator Licence held by Sky Racing World expires in December 2022, with annual renewal capability.

(i) Ordered by population of states/territories.

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 services across NSW, Queensland, and Northern Territory.
- MAX Venue Services provides a mix of services including: EGM and systems supply and expertise, specialised services and strategic advice to licensed gaming venues in NSW and Victoria; value-add services to venues in NSW, Victoria, Queensland, Tasmania, ACT and Northern Territory such as gaming and loyalty systems, business intelligence tools, and cashless and ticket in ticket out (TITO) services; and logistics, installation, relocation, repair and maintenance of EGMs, lottery and wagering terminals and other transaction devices across Australia.

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.
- 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 Dealer's Licence (voluntarily suspended) and 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.

Discontinued Lotteries and Keno business

For the 11 month period from 1 July 2021 to 31 May 2022, the discontinued Lotteries and Keno business contributed the following to the Tabcorp Group. The business' operating revenue was $3,232.2m and profit before income tax was $547.3m in respect of that 11 month period, compared to $3,205.8m and $584.3m respectively for the full 12 months of the previous financial year.

Tabcorp's discontinued Lotteries and Keno business had the following operations and licences/approvals (as at 31 May 2022).

Lotteries operations:

- The Lott is Australia's leading licensed lottery business with operations in all states and territories of Australia, except Western Australia.
- Lotteries game brands included Set for Life, Powerball, Oz Lotto, TattsLotto, Saturday Lotto, Gold Lotto, X Lotto, Monday and Wednesday Lotto, Lucky Lotteries, Lotto Strike, Super 66, Keno and Instant Scratch-Its.
- Lotteries products can be purchased in newsagencies, convenience stores and other retail outlets, online at theLott.com and The Lott mobile app.

Keno operations:

- Keno is a random number game that is played every 3 to 3.5 minutes with players able to win instant prizes and jackpots.
- Keno is played in clubs, hotels and TABs in Victoria, Queensland, South Australia and ACT, and in clubs and hotels in NSW, and is available online in ACT.
- Keno jackpot pooling operated across NSW, Victoria, Queensland and ACT.

Lotteries licences/approvals[i]:

- NSW Operator Licence and various product licences expire in April 2050.
- Victorian Public Lottery Licence expires in June 2028.
- Queensland Licensed Lottery Operator's Licence expires in July 2072.
- Lotteries operates under an agency agreement with the Lotteries Commission of South Australia which runs until December 2052.
- Tasmanian lotteries operate under renewable five year permits linked to Victorian (June 2025) and Queensland (June 2023) licences.
- ACT Approval to conduct a lottery indefinitely unless revoked.
- Northern Territory Lottery Agreement expires in June 2032.

Keno licences/approvals[i]:

- NSW Keno Licence expires in April 2050. Keno in NSW is operated under a management agreement with ClubKENO Holdings Pty Ltd.
- Victorian Keno Licence expires in April 2042.
- Queensland Keno Licence expires in June 2047.
- Keno operates under an agency agreement with the Lotteries Commission of South Australia which runs until December 2052.
- ACT Approval to Conduct Keno expires in October 2064.

(i) Ordered by population of states/territories.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Demerger of The Lottery Corporation Limited from Tabcorp was implemented on 1 June 2022 by way of a Scheme of Arrangement and associated capital reduction and dividend in accordance with Tabcorp's Demerger Booklet dated 30 March 2022. The Demerger resulted in Tabcorp retaining its Wagering and Media business, and its Gaming Services business, while The Lottery Corporation Limited holds the Lotteries and Keno business previously held by Tabcorp. As a result of the Demerger, there were a number of changes to the composition of the Tabcorp Board which are described on pages 36 and 50.

Other than the Demerger 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 2021.

4. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

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 operations of the Group, 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 superior 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 6 to 11 and 15. The priorities of the Group's continuing businesses are set out on pages 22 to 28.

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 continuing 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 38 to 45.

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 18 and 19 and below.

In conjunction with the implementation of the Demerger and Tabcorp's planned Board succession, the following changes to the Tabcorp Board occurred:

- Bruce Akhurst appointed Chairman effective 1 June 2022, following the retirement of Steven Gregg as Chairman and NED;
- Adam Rytenskild appointed MD & CEO effective 1 June 2022, following the retirement of David Attenborough as MD & CEO;
- Brett Chenoweth and Raelene Murphy commenced as NEDs effective 4 August 2022 following the receipt of regulatory approvals (having acted as Observers prior to this since 1 June 2022);
- Harry Boon and Anne Brennan retired as Non-Executive Directors effective 31 May 2022;

In addition, Karen Stocks has been appointed as an Observer effective 1 June 2022 and will commence as a NED following the receipt of all necessary regulatory approvals.

The attendance of Directors at Board and Committee meetings is set out on page 52.

The following Directors retired on 31 May 2022 in conjunction with the implementation of the Demerger. The details provided below were applicable at the time of their retirement.

Steven Gregg was Chairman from January 2021 and Non-Executive Director from July 2012. At the time of his retirement, Mr Gregg was Chairman of Ampol Limited and a Director of Challenger Limited and William Inglis & Son Limited. Mr Gregg had an executive career in investment banking and management consulting. Prior to his retirement Mr Gregg was Chairman of Tabcorp's Nomination Committee and of the Victorian Joint Venture Management Committee. Mr Gregg holds a Bachelor of Commerce. In the past three years, he was a director of other ASX listed companies as follows: Ampol Limited (previously called Caltex Limited) since October 2015; and Challenger Limited since October 2012.

Harry Boon was a Non-Executive Director from December 2017 having joined the Tabcorp Board following the Tabcorp-Tatts combination. He was previously the Chairman of Tatts, and served as a Non-Executive Director of Tatts from May 2005. Mr Boon is the former Chairman of Asaleo Care Limited and a former Director of Toll Holdings Limited. Mr Boon was previously CEO and MD of Ansell Limited . Prior to his retirement, Mr Boon was a member of Tabcorp's Audit Committee, People and Remuneration Committee, Technology Committee and Nomination Committee. Mr Boon holds a Bachelor of Laws (Honours) and a Bachelor of Commerce. In the past three years, he was a director of other ASX listed companies as follows: Asaleo Care Limited from May 2014 to June 2021.

Anne Brennan was a Non-Executive Director from July 2020. At the time of her retirement from Tabcorp, Ms Brennan was a Director of GPT Group and Argo Investments Limited, and she was also on the boards of NSW Treasury Corporation and Rabobank New Zealand Limited. Ms Brennan was previously Executive Finance Director of Coates Group, Chief Financial Officer at CSR Limited and a partner at KPMG, then Arthur Andersen and Ernst & Young. Prior to her retirement Ms Brennan was Chairman of Tabcorp's Audit Committee, and a member of the Risk and Compliance Committee and Nomination Committee. Ms Brennan holds a Bachelor of Commerce (Honours), and is a Fellow of the Chartered Accountants Australia and New Zealand and a Fellow of AICD. In the past three years, she was a director of other ASX listed companies as follows: Argo Investments Limited since September 2011; Charter Hall Group from October 2010 to May 2021; GPT Group from May 2022; Metcash Limited from March 2018 to August 2019; Nufarm Limited from February 2011 to December 2020; and Spark Infrastructure Group since June 2020.

David Attenborough retired as Managing Director and Chief Executive Officer of the Company. Mr Attenborough joined Tabcorp in April 2010 as Managing Director – Wagering. He became Managing Director and Chief Executive Officer when Tabcorp's demerger of its former casinos business was completed in June 2011. He was appointed as the Managing Director and Chief Executive Officer following the Tabcorp-Tatts combination. At the time of his retirement from Tabcorp, he was a Director of Hostplus Pty Ltd. Mr Attenborough was previously the Chief Executive Officer (South Africa) of Phumelela Gaming and Leisure Limited, the leading wagering operator in South Africa. His previous experience also includes the development of casino, bookmaking and gaming opportunities for British bookmaking company Ladbrokes (formerly part of the Hilton Group Plc). Mr Attenborough holds a Bachelor of Science (Honours) and a Master of Business Administration, and is a Graduate Member of AICD. In the past three years, he was not a director of any other ASX listed companies.

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 attendance of the Directors at meetings of the Board and standing Board Committees during the year in review were:

	Board meetings		Audit Committee		Risk and Compliance Committee(i)		People and Remuneration Committee		Technology Committee		Nomination Committee	
Name	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Current Directors												
Bruce Akhurst(ii)	10	10	1	1	5	5	5	5	5	5	1	1
Adam Rytenskild(iii)	2	2	1	1	1	1	1	1	1	1	1	1
Brett Chenoweth(iv)	2	2	-	-	1	1	-	-	1	1	1	1
David Gallop	10	10	5	5	1	1	5	5	-	-	1	1
Janette Kendall	10	10	6	6	-	-	5	5	5	5	1	1
Justin Milne	10	10	1	1	5	5	-	-	5	5	1	1
Raelene Murphy(iv)	2	2	1	1	1	1	-	-	-	-	1	1
Karen Stocks(v)	1	2	-	-	-	-	-	-	1	1	0	1
Former Directors(vi)												
Steven Gregg(ii)	8	8	5	5	4	4	4	4	2	4	-	-
David Attenborough(iii)	8	8	5	5	4	4	4	4	4	4	-	-
Harry Boon	8	8	5	5	-	-	4	4	4	4	-	-
Anne Brennan	8	8	5	5	4	4	-	-	-	-	-	-

A – Number of meetings attended
B – Maximum number of possible meetings available for attendance
(i) The Risk and Compliance Committee became the Risk, Compliance and Sustainability Committee effective from 1 July 2022.
(ii) Also attended meetings of the Victorian Joint Venture Management Committee as Chairman of this Committee.
(iii) The MD & CEO attends Committee meetings, but he is not a member of any Committee. Only Non-Executive Directors are members of Board Committees.
(iv) Commenced as Observers on 1 June 2022 and as Non-Executive Directors on 4 August 2022 following the receipt of all necessary regulatory and ministerial approvals.
(v) Commenced as an Observer on 1 June 2022 and will commence as a Non-Executive Director following the receipt of all necessary regulatory and ministerial approvals.
(vi) Former Directors retired from the Tabcorp Board on 31 May 2022 in conjunction with the implementation of the Demerger.

In addition to the meetings above, Directors also participated in 13 additional meetings of the Board or Board Sub-Committees established for special purposes during the year to consider a broad range of matters, including the Demerger. Management also provided regular briefings to Directors on developments regarding these and other matters during this period.

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 the financial year ended 30 June 2022, 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 donation' 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 FY22, Tabcorp's political contributions totalled $216,160 (FY21: $186,940). These contributions were to meet the cost of memberships of political party 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 nearest 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. In conjunction with organisational changes associated with the Demerger, Tabcorp adopted on an interim-basis a co-sourced internal audit model, with dedicated internal resources supplemented by independent external resources from KPMG. More information relating to the audit functions can be found in the Company's Corporate Governance Statement.

16. NON-AUDIT SERVICES

Ernst & Young, the external auditor to the Company and the Group, provided non-statutory audit services to the Company during the financial year ended 30 June 2022. 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 $1,558,000 in relation to the provision of other assurance services and $1,913,000 in relation to the provision of non-audit services to the Company in respect of the financial year ended 30 June 2022. Of these services $1,290,000 and $1,662,751, respectively, relate to assurance and other services with respect to the Demerger which are non-recurring and are not expected to repeat in the near future. It is expected that the amount of other assurance and non-audit services fees will not continue at the levels observed in 2022. 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 the financial year ended 30 June 2022. This auditor's independence declaration forms part of this Directors' Report.

18. REMUNERATION REPORT

The Remuneration Report for the financial year ended 30 June 2022 forms part of this Directors' Report, and can be found on pages 55 to 88.

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

Bruce Akhurst
Chairman

Melbourne
24 August 2022

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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 2022, 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 2022

REMUNERATION REPORT (AUDITED)

Contents

REMUNERATION REPORT (AUDITED) For the year ended 30 June 2022

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 2022 (**FY22**). 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 FY22.

As for many organisations, FY22 was again impacted by the COVID-19 pandemic and the government enforced shutdowns. Tabcorp's retail business was impacted for more weeks than any of the pandemic's three years. This in conjunction with the devastating floods experienced in Queensland and NSW contributing to a record number of abandoned race meetings, impacted revenues significantly. Despite these challenges, Tabcorp completed FY22 in a sound financial position and our focus is now on executing our strategy to transform the business and pursue growth.

Key business achievements

On 1 June 2022, Tabcorp successfully implemented the demerger of the Lotteries and Keno businesses (**Demerger**) and created the separate ASX listed company The Lottery Corporation Limited (**The Lottery Corporation**). This was a significant transaction delivered within 11 months and with strong shareholder support.

Following Demerger, a renewed Board and Executive Leadership Team commenced the implementation of Tabcorp's transformation strategy to become a more competitive and innovative business over the next three years.

In FY22, we made substantial progress in regulatory reform, including proposed reforms in Queensland that, when implemented, will see Tabcorp pay the same wagering taxes and fees as its competitors in Queensland. Tabcorp also secured significant steps towards a level taxation playing field in NSW, with the government committing to a review of the NSW Wagering Tax and Fees environment.

From a product perspective, Tabcorp progressed the development of a new TAB App which is on target for launch in September, in time for the 2022 Spring Carnival. The new App will be the first of multiple upgrades as the business transforms to focus on digital market share.

Gaming Services earnings improved on the previous year and the business made progress on its plans to pivot the business into an integrity services provider to governments.

Following the successful Demerger, we have made a strong start and have a clear strategy to transform Tabcorp into a more competitive business.

Executive KMP remuneration

Fixed remuneration

There were no changes to Mr Attenborough's remuneration during FY22 and he retired as MD & CEO after 11 years, effective 1 June 2022. Upon ceasing employment, Mr Attenborough received a payment in lieu of working out the remaining eight months of his notice period (equivalent to $1.3 million) in addition to his statutory entitlements to accrued annual and long service leave.

The appointment of Mr Rytenskild as the new Tabcorp MD & CEO, effective 1 June 2022, provided the opportunity to review the MD & CEO remuneration package to improve alignment with the market and the achievement of Tabcorp's strategy and shareholder value creation going forward. Mr Rytenskild's remuneration package includes a lower fixed amount of $1.5 million and a greater weighting on variable (at risk) remuneration in the form of short-and-long term incentives. Further detail on both remuneration packages is shown on page 68.

Two executive KMP received increases in their fixed remuneration during FY22 ranging from 2.5% to 3% in recognition of their performance and to better align to the market. Upon the Demerger these KMP have taken up roles in The Lottery Corporation.

Short Term Incentive (STI)

Tabcorp's FY22 financial performance was significantly impacted by the COVID-19 pandemic and the extreme flooding in Queensland and NSW, compared to STI targets which did not include any assumptions on the potential impacts of COVID-19. This was partially offset by the Lotteries business, which experienced a favourable EBIT result throughout COVID-19 impacted period.

In determining the STI results, the Board took a balanced approach between financial outcomes over the 11 month period pre the Demerger and the one month period post the Demerger, the challenges posed by COVID-19 lockdowns, key events impacting financial performance, including from COVID-19 and the floods, the significant effort by management in successfully delivering the Demerger (and in turn delivering material shareholder value), the positive assessment of performance against key sustainability measures, and key strategic achievements following the Demerger.

As a result, the Board exercised its discretion and resolved that a STI pool (at 100%) be made available to eligible employees after achieving 89% of the 90% EBIT target (STI hurdle, refer to section 5(d)).

Noting the above factors and considering the performance by Mr Attenborough against his individual weighted scorecard, the Board determined to provide Mr Attenborough with an STI award equivalent to 65% of his target STI opportunity (43% of his maximum opportunity).

The Board also determined to provide Mr Rytenskild with an STI award equivalent to 100% of his target STI opportunity (58% of his maximum opportunity) which recognised his time (11 months) as Managing Director, Wagering and Media and one month as MD & CEO. Consideration was given to Mr Rytenskild's weighted scorecard, his efforts in the lead up to the Demerger and the strategic achievements for the Group delivered in his first month as MD & CEO, creating positive momentum to transform Tabcorp and execute on its strategic priorities.

Mr Renshaw, Chief Financial Officer, from 1 June 2022 received a STI award substantially in recognition of his former role of Executive General Manager Finance and Commercial, Wagering and Media. Only the STI award in relation to his KMP role as Chief Financial Officer is disclosed in the remuneration report. Also disclosed are STI amounts accrued by Tabcorp during FY22 for three KMP who commenced with The Lottery Corporation upon the Demerger (Ms Susan van der Merwe, Mr Adam Newman and Mr Patrick McGlinchey). The actual STI amounts awarded to these former KMP are disclosed in the The Lottery Corporation FY22 Remuneration Report.

As disclosed in the Demerger Booklet, the Board determined to release Restricted Shares on foot (allocated to participants as part of the FY21 STI awards) from their two-year restriction period prior to the Demerger. Details on the Restricted Shares released to executive KMP is shown on page 101.

Long Term Incentive (LTI)

The 2018 LTI offer performance measures were tested on 30 June 2021 and 19 September 2021. The testing resulted in relative total shareholder return (**TSR**) being positioned at the 50th percentile of the peer group, and accordingly 50% of the performance rights vested under this tranche. The targets set under the Combination Synergy measure were not met and accordingly, 100% of this tranche lapsed. Overall, 37.5% of the Performance Rights under the 2018 LTI offer vested into Tabcorp shares. In addition, it was deemed that the Combination Synergy measure for the 2019 LTI offer was not met, and the entire Combination Synergy tranche lapsed.

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 (being the 2019, 2020 and 2021 LTI Offers), 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. Approximately 67%, 55% and 21% of the total Performance Rights granted under the 2019, 2020 and 2021 LTI Offers respectively, vested with the remainder of the Performance Rights lapsing. In total, across all three LTI Offers, approximately 47% of the Performance Rights originally granted to participants vested into Shares and 53% lapsed. This is in line with the average LTI vesting experience over the five years prior to the Demerger, of 47%.

Retention Shares

The Board approved a Retention Plan in 2021 to retain key employees through the volatile Demerger period and to assist both Tabcorp and The Lottery Corporation businesses in possessing critical employee skills and knowledge post the Demerger. Executive KMP were included in the offer and received Retention Shares with a face value of between 30% and 50% of their fixed remuneration. Shares were allocated in July 2021 and are restricted until July 2023 under the condition of continuity of service (forfeitable on resignation or dismissal for misconduct).

REMUNERATION REPORT (AUDITED) For the year ended 30 June 2022

Key Remuneration Framework Changes

In response to stakeholder feedback and market expectations, the Board approved the introduction of executive KMP STI scorecard weightings effective FY22. The introduction of weightings provides greater clarity and focus for executives, allocated across key focus areas. The weightings and focus areas were approved by the Board at the beginning of the financial year.

Also introduced was an EBIT hurdle and a sustainability multiplier. The EBIT hurdle, if achieved provides access to a STI pool and if the hurdle is not achieved, the Board may exercise discretion and set a smaller STI pool in exceptional circumstances. The sustainability multiplier provides the Board with a mechanism to adjust the STI pool either up or down by considering Tabcorp's performance against sustainability measures of risk management, responsible gambling, community and reputation.

These changes provide greater clarity and focus for participants and strengthen the link between performance and reward.

Effective FY23 Tabcorp's LTI variable remuneration will operate under a market priced option plan. The Options will be performance tested, with a three-year performance period. The Options if vested will have a one-year exercise period and any Options not vested or exercised, will lapse. More detail will be provided in Tabcorp's FY23 Remuneration Report.

The MD & CEO's FY23 LTI grant will be detailed in Tabcorp's Notice of the Annual General Meeting to be held on 26 October 2022.

Non-Executive Director Fees

In June 2022 (post the Demerger), the Board reviewed the Non-Executive Board and Committee fees, having regard to relevant considerations including ASX benchmark data and the need to attract and retain suitably skilled and experienced Directors to support the delivery of the Group's strategic objectives. The Board considered it appropriate to reduce Committee fees by 10%, the Non-Executive Director base fee by 14% (with the introduction of a Nomination Committee fee) and the Board Chair fee by 15%. The Board also agreed to absorb the increase in the Superannuation Guarantee Contribution rate, effective 1 July 2022 (from 10% to 10.5%). The revised fees were effective 1 July 2022.

FY23 is another important year for Tabcorp as it embarks on the delivery of a transformation strategy to become a more competitive and innovative business.

On behalf of the People and Remuneration Committee, I thank you for your ongoing support of Tabcorp. We invite you to read the Remuneration Report and we look forward to sharing with you the company's future success.

David Gallop
People and Remuneration Committee Chairman

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.

(a) Non-Executive Director changes

As a result of the Demerger, the following changes occurred in FY22:

- Steven Gregg retired as Chairman and from the Tabcorp Board on 31 May 2022.
- Anne Brennan and Harry Boon both retired from the Tabcorp Board on 31 May 2022.
- Bruce Akhurst commenced as Chairman of the Tabcorp Board and as Chairman of the Nomination Committee, effective 1 June 2022.
- Raelene Murphy and Brett Chenoweth were formally appointed Non-Executive Directors on 4 August 2022, having initially been appointed as Board Observers from 1 June 2022.
- Karen Stocks commenced as a Board Observer from 1 June 2022, and will be appointed a Non-Executive Director, pending receipt of regulatory approvals.

(b) Executive KMP changes

As a result of the Demerger, several key changes were made to the executive KMP:

Appointments

- Adam Rytenskild commenced as MD & CEO on 1 June 2022. Prior to this Mr Rytenskild held the role of Managing Director Wagering and Media as executive KMP.
- Daniel Renshaw commenced as an executive KMP upon his appointment to the role of Chief Financial Officer on 1 June 2022. Prior to this Mr Renshaw held the role of General Manager, Finance and Commercial – Wagering and Media.

Departures

- David Attenborough retired as MD & CEO and ceased as executive KMP on 31 May 2022.
- Adam Newman (Chief Financial Officer), Patrick McGlinchey (Chief Legal and Risk Officer) and Sue van der Merwe (Managing Director Lotteries and Keno) ceased as executive KMP and ceased employment with Tabcorp on 31 May 2022 to take up employment within The Lottery Corporation.

Table 1: KMP for FY22

Name	Position held	Period in position if less than full year
Non-Executive Directors		
Bruce Akhurst	Chairman and Non-Executive Director	Chairman from 1 June 2022
David Gallop	Non-Executive Director	
Janette Kendall	Non-Executive Director	
Justin Milne	Non-Executive Director	
Future Non-Executive Directors, pending regulatory approval		
Brett Chenoweth[i]	Observer	1 June 2022 to 3 August 2022
	Non-Executive Director	From 4 August 2022
Raelene Murphy[i]	Observer	1 June 2022 to 3 August 2022
	Non-Executive Director	From 4 August 2022
Karen Stocks	Observer	From 1 June 2022
Former Non-Executive Directors		
Steven Gregg	Chairman and Non-Executive Director	Until and including 31 May 2022
Harry Boon	Non-Executive Director	Until and including 31 May 2022
Anne Brennan	Non-Executive Director	Until and including 31 May 2022
Executive Director		
Adam Rytenskild	Managing Director and Chief Executive Officer (**MD & CEO**)	From 1 June 2022
	Managing Director Wagering and Media	From 1 July 2021 to 31 May 2022
Former executive Director		
David Attenborough	Managing Director and Chief Executive Officer (**MD & CEO**)	Until and including 31 May 2022
Executive KMP		
Daniel Renshaw	Chief Financial Officer	From 1 June 2022
Former executive KMP		
Adam Newman	Chief Financial Officer	Until and including 31 May 2022
Patrick McGlinchey	Chief Legal and Risk Officer	Until and including 31 May 2022
Sue van der Merwe	Managing Director Lotteries and Keno	Until and including 31 May 2022

(i) Mr Chenoweth and Ms Murphy received regulatory approvals and were appointed as Non-Executive Directors effective 4 August 2022.

3. KEY MESSAGES

2018 LTI offer vesting outcomes

Vesting of Performance Rights granted under the 2018 LTI offer was subject to the achievement of targets set under two performance measures, being relative TSR (applicable to 75% of the Performance Rights) and Combination Synergy (applicable to 25% of the Performance Rights). The performance conditions were tested on 19 September 2021 and 30 June 2021 respectively.

The three-year TSR result placed Tabcorp at the 50th percentile of the peer group, and accordingly 50% of the Performance Rights vested under the TSR tranche (or 37.5% of the total Performance Rights allocated) and 50% lapsed (or 37.5% of the total Performance Rights).

In determining the vesting outcomes for the Combination Synergy tranche, the Board considered the achievement of committed cost synergies, balanced with the realised costs incurred to integrate the Tabcorp and Tatts Group businesses, the delays in integration and the impacts of COVID-19 on the business. On balance, the Board determined that the targets set under the Combination Synergy measure were not met and accordingly, 100% of the Combination Synergy tranche lapsed, resulting in participants receiving no benefit from this tranche. The 2019 LTI offer also included the Combination Synergy measure which applied to 25% of the Performance Rights granted. As a result of the Board's decision regarding testing, the 2019 LTI offer Combination Synergy tranche also lapsed.

Overall, 37.5% of the Performance Rights granted under the 2018 LTI offer vested into Tabcorp shares (62.5% of the Performance Rights lapsed).

Treatment of equity awards on foot as a result of the Demerger

During FY22, the Board carefully considered the impact of the Demerger on various employee incentives and other equity awards on foot held by executives, having regard to shareholders expectations, impacts to Tabcorp and the executives themselves. The following principles underpinned the Board's decision with respect to the treatment of executive equity awards impacted by the Demerger:

No undue benefits	The Board approved treatment should not result in any undue benefits for executives.
Fairness	The Board approved treatment should strike an appropriate balance between what is fair for executives and shareholder expectations.
Simplicity and transparency	The Board approved treatment should minimise complexity and be transparent to both the executives and the market.

The Board approved the following treatment:

- **LTI Performance Rights on foot at the date of Demerger (under the 2019, 2020 and 2021 LTI offers):**
  - Performance conditions that were not due to be tested before the Demerger implementation date were waived;
  - Performance Rights vested on a pro rata basis, considering the service period that had elapsed at the date of Demerger, and the remainder lapsed;
  - In total, across all three LTI offers, approximately 47% of the Performance Rights originally granted to LTI participants vested and 53% lapsed; and
  - The Board considered this to be appropriate having regard to:
    - the complexity of carrying over LTI offers into the post-demerged organisations and modifying them (adjusting values and performance conditions);
    - the total vesting outcome of 47% of the Performance Rights vesting into Tabcorp shares aligns with the previous five-year average performance tested LTI outcomes;
    - the anticipated unlocked financial benefits of the Demerger would likely generate higher outcomes for executives if tested; and
    - the fact that 53% of the Performance Rights lapsed and participants received no benefit from this allocation.
- **FY21 STI Restricted Shares**
  - Prior to the Demerger, the Restricted Shares (allocated as part of the FY21 STI awards and with a two-year service-based restriction period) were released from any trading restrictions. The Board determined the release of the Restricted Shares to be appropriate, considering that executives had already earned these shares as part of their STI awards in FY21 and the complexity of continuing restrictions post the Demerger.

2021 Retention Plan

In 2021, the Board approved a limited one-off retention plan (**2021 Retention Plan**) in the form of shareholder aligned Restricted Tabcorp Shares (**Retention Shares**). The Board approved the 2021 Retention Plan in the context of:

- the significant workload placed on key critical employees working up to the Demerger implementation date and who were critical to the delivery of the Demerger;
- retaining critical skills and experience within Tabcorp leading up to the Demerger; and
- the need to retain these critical skills post-Demerger to ensure Tabcorp and The Lottery Corporation were up for success.

The 2021 Retention Plan was offered to a small cohort of key employees, including ELT. Executive KMP were offered Retention Shares with a face value of between 30% and 50% of their fixed remuneration. All Retention Shares are subject to a two-year service-based restriction period (forfeitable on resignation or dismissal for misconduct) with a restriction end date of 31 July 2023.

Upon the Demerger these Restricted Shares were treated differently for different cohorts of employees. Employees who remained with Tabcorp post the Demerger received an equivalent number of shares in The Lottery Corporation (the same as other shareholders). For these employees, the shares in Tabcorp remain restricted until 31 July 2023 and the shares in The Lottery Corporation are under a holding lock until 31 July 2023. Employees who transferred to The Lottery Corporation forfeited their Tabcorp Retention Shares with the intention that these will be substituted for The Lottery Corporation shares of an equivalent value and remain restricted until 31 July 2023. Employees who were not offered new roles in either Tabcorp or The Lottery Corporation exited the business, retaining their shares with all restrictions waived.

Changes to the STI Plan

During 2021, the Board approved several changes to the STI plan including the introduction of executive scorecard weightings, an EBIT hurdle and a sustainability modifier. The introduction of scorecard weightings provides greater clarity and focus for executives and, given the varying lifecycles applicable to each of Tabcorp's businesses, ensures executive KMP are rewarded effectively for Group, business unit and individual performance. Weightings were allocated across financial, strategic, operational excellence, customer first and people and culture dimensions, and were approved by the Board at the beginning of the financial year, reflecting key Group priorities. The STI scorecard weightings that applied for FY22 are:

- For the MD & CEO and executive KMP that lead corporate functions, 50% of the STI scorecard is dependent on Group financial results, and 50% is dependent on the remaining individual scorecard measures.
- For executive KMP that are aligned to a specific business unit, 30% of the STI scorecard relates to Group financial performance, 20% to the respective business unit's financial performance, and the remaining 50% relates to non-financial measures specific to their individual scorecards.

The EBIT hurdle acts as a gateway to the STI pool, which if achieved, a STI pool becomes available to eligible employees (subject to Board discretion). A sustainability modifier was also introduced, acting as a lever to adjust the STI pool either up or down by the Board after considering sustainability measures such as risk management, responsible gambling, community impacts and reputation management. The Board's determination is assisted through feedback from the Risk, Compliance and Sustainability Committee.

Retired MD & CEO's termination arrangements

David Attenborough retired as a Director of Tabcorp and ceased to be the Group's MD & CEO, effective from 31 May 2022. Mr Attenborough ceased employment with the Group on 1 July 2022. As disclosed in the Demerger Booklet, Mr Attenborough did not have any equity on foot under any of Tabcorp's equity plans at the date he ceased employment. Upon ceasing employment, Mr Attenborough received a payment in lieu of working out the remainder of his notice period (equivalent to 8 months' fixed remuneration ($1.3m)) and payment for any accrued but unused annual and long service leave. He did not receive any other termination payments.

Overview of FY22 remuneration outcomes and FY23 changes

The following table summarises the key remuneration outcomes and changes for FY22 and proposed key changes for FY23 (on a per-annum basis):

<table>
<tr><td rowspan="2">Non-Executive Director fees</td><td>FY22</td><td>Board and Board Committee fees</td><td colspan="2">No adjustments.</td></tr>
<tr><td>FY23</td><td>Board and Board Committee fees</td><td colspan="2">A reduction in fees (effective 1 July 2022) was approved by the Board in June 2022.</td></tr>
<tr><td rowspan="7">MD & CEO remuneration</td><td rowspan="5">FY22</td><td></td><td>Outgoing MD & CEO</td><td>Incoming MD & CEO</td></tr>
<tr><td>Fixed remuneration</td><td>$2,000,000 per annum</td><td>$1,500,000 per annum</td></tr>
<tr><td>STI opportunity and award</td><td>Target opportunity: 75% of fixed remuneration ($1,500,000).
Maximum opportunity: 112.5% of fixed remuneration ($2,250,000).
Actual FY22 STI award: 65% of target</td><td>Target opportunity: 100% of fixed remuneration ($1,500,000).
Maximum opportunity: 150% of fixed remuneration ($2,250,000).
Actual FY22 STI award: 100% of prorated target (Refer table 4)</td></tr>
<tr><td rowspan="2">LTI opportunity and vesting</td><td>Target opportunity: 75% of fixed remuneration ($1,500,000).
Maximum opportunity (face value at grant): 150% of fixed remuneration ($3,000,000).</td><td>Target opportunity: 100% of fixed remuneration ($1,500,000).
Maximum opportunity (face value at grant): 200% of fixed remuneration ($3,000,000).</td></tr>
<tr><td colspan="2">2018 LTI offer: Tabcorp's three-year TSR performance placed Tabcorp at the 50th percentile of the peer group and 50% of the TSR Tranche (which comprised 75% of the Performance Rights allocated) vested (i.e. 37.5% of the total Performance Rights vested and 37.5% lapsed). The Combination Synergy measure targets were not met and thus, 100% of the Combination Synergy tranche (which comprised 25% of the Performance Rights allocated) lapsed. In total, 37.5% of the Performance Rights granted under the 2018 LTI offer vested (the remainder 62.5% lapsed).

2019 LTI offer: This offer included a Combination Synergy measure which applied to 25% of the Performance Rights granted. As a result of the Board's decision regarding testing of the Combination Synergy measure, the 2019 LTI offer Combination Synergy tranche lapsed. For the remaining 75% of the Performance Rights, the three-year TSR performance condition was waived and the awards vested on a pro rata basis, considering the service period that had elapsed at the date of Demerger. Approximately 67% of the 2019 LTI Offer vested and the remainder lapsed.

2020 and 2021 LTI offer: The performance conditions (TSR and return on invested capital (ROIC)) that were not due to be tested before the Demerger implementation date were waived, and Performance Rights vested on a pro rata basis considering the service period that had elapsed at the date of Demerger. Approximately 55% of the 2020 LTI offer and 21% of the 2021 LTI Offer vested into Shares, and the remainder of both offers lapsed.</td></tr>
<tr><td rowspan="2">FY23</td><td>Fixed remuneration</td><td>N/A</td><td>No adjustments.</td></tr>
<tr><td>STI and LTI opportunities</td><td>N/A</td><td>No adjustments.</td></tr>
</table>

Other executive KMP remuneration	FY22	Fixed remuneration	In September 2021, as part of the Annual Remuneration Review the average increase for executive KMP was 2.75%. Upon Demerger, the Chief Financial Officer was promoted internally to this role, with an approximate increase of 23%. This was in line with the market and their skills and experience.
		STI opportunity and award	**Target opportunity:** 50% of fixed remuneration. **Maximum opportunity:** 100% of fixed remuneration. **Actual FY22 STI award (average of all current executive KMP):** 107% of target **Former executive KMP:** STI awards in relation to former executive KMP were determined by The Lottery Corporation (refer to table 11).
		LTI opportunity and vesting	**Target opportunity:** The target opportunity for the CFO is 75% of fixed remuneration. **Maximum opportunity:** 100% of fixed remuneration. **2018 LTI offer:** Tabcorp's 3-year TSR performance placed Tabcorp at the 50th percentile of the peer group and 50% of the TSR Tranche (which comprised 75% of the Performance Rights allocated) vested (i.e., 37.5% of the total Performance Rights vested and 37.5% lapsed). The Combination Synergy measure targets were not met and thus, the full Combination Synergy tranche (which comprised 25% of the Performance Rights allocated) lapsed. In total, 37.5% of the Performance Rights granted under the 2018 LTI offer vested (the remainder 62.5% lapsed). **2019 LTI offer:** This offer included a Combination Synergy measure which applied to 25% of the Performance Rights granted. As a result of the Board's decision regarding testing of the Combination Synergy measure, the 2019 LTI offer Combination Synergy tranche lapsed. For the remaining 75% of the Performance Rights, the three-year TSR performance condition was waived and the awards vested on a pro rata basis, considering the service period that had elapsed at the date of Demerger. Approximately 67% of 2019 LTI Offer vested and the remainder lapsed. **2020 and 2021 LTI offer:** The performance conditions (TSR and ROIC) that were not due to be tested before the Demerger implementation date were waived, and Performance Rights vested on a pro rata basis considering the service period that had elapsed at the date of Demerger. Approximately 55% of the 2020 LTI offer and 21% of the 2021 LTI Offer vested into Shares, and the remainder of both Offers lapsed.
	FY23	Fixed remuneration	No adjustments. Fixed remuneration was increased upon promotions to executive roles.
		STI and LTI opportunities	No adjustments.
Remuneration framework changes for FY23			Effective FY23 Tabcorp's LTI variable remuneration will operate under a market priced option plan. The performance period will remain as three years and performance will be measured via two internal measures of return on invested capital (ROIC) and earnings per share (EPS). The Options if vested will have a two-year exercise period and any Options not yet vested or exercised, will lapse. More detail will be provided in Tabcorp's FY23 Remuneration Report.

4. REMUNERATION GOVERNANCE

The People and Remuneration Committee comprises three independent Non-Executive Directors and assists the Board in fulfilling its responsibilities with respect to people-related and remuneration matters as outlined below.

People and remuneration policies, frameworks and structures	Establishing and maintaining people (including talent and retention, diversity and inclusion, and culture and engagement) and remuneration policies, frameworks, and structures. Ensuring that these are strategically aligned and market-competitive, encourage strong employee performance, fairness and equity, engagement and shareholder value creation while mitigating risks.
Non-Executive Director fee structure and levels	Establishing and determining market-competitive and appropriate fee structures and levels that remunerate Non-Executive Directors effectively for their responsibilities in a highly complex and regulated business.
Executive remuneration levels	Setting remuneration levels that are market-competitive and appropriate, encouraging and recognising strong performance and retaining key skills.
Incentive outcomes	Determining performance and incentive outcomes that align with Tabcorp's risk and compliance framework and correlate with business performance and shareholder value creation.
People strategy and projects	Oversee people strategies and projects, including talent and retention, diversity and inclusion, culture and engagement; as well as the health, safety and wellbeing strategy and performance.

The People and Remuneration Committee regularly reviews remuneration arrangements to ensure they continue to be fair, competitive, encourage strong business performance and shareholder value creation, and align with the Group's values and approach to risk management and compliance. The Committee and the Board also considers feedback from shareholders, shareholder representative groups and proxy advisors and other stakeholders. To inform its decisions, the Committee sources a range of data and may receive independent advice, as appropriate. No remuneration-related advice was sought, and no remuneration recommendations were received in respect of KMP during FY22 and to the date of this report. In determining executive KMP remuneration outcomes, the Committee also receives feedback from the Board Risk, Compliance and Sustainability Committee.

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

5. EXECUTIVE KMP REMUNERATION

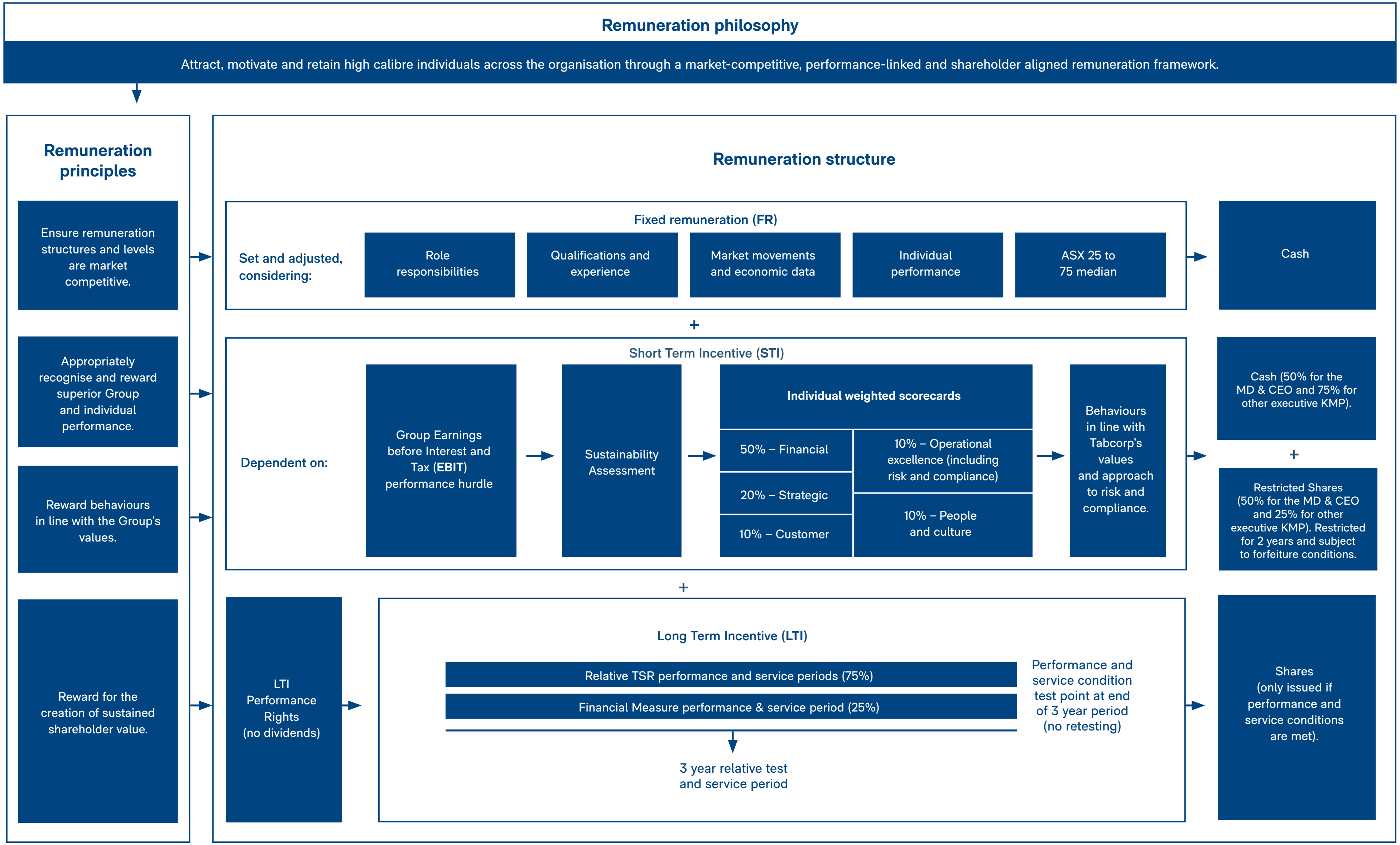
(a) Strategy

Tabcorp aims to reward its executive KMP competitively and appropriately for:

Strong Group financial and non-financial performance	Creating long term shareholder value	Behaving in line with Tabcorp's values	Acting in line with Tabcorp's risk management and compliance framework
The generation of Tabcorp's STI pool is based on a financial hurdle and assessment of non-financial measures (including risk management, customer care, community and other environment and social measures). 30%–50% of executive KMP STI awards are based on Group financial performance, 50% on individual scorecard performance and for executive KMP who align to a specific business unit 20% relate to their business unit's financial performance.	Tabcorp's short and long term incentive performance measures are directly linked to shareholder value creation.	All executive KMP are assessed equally on performance and behaviours annually. This determines fixed and variable remuneration outcomes.	Key scorecard measures and a documented accountability framework (which feeds into the performance management framework) ensures that executive KMP are rewarded for results that are achieved in a sustainable and ethical manner.

(b) Structure

Diagram 1: Executive KMP remuneration structure



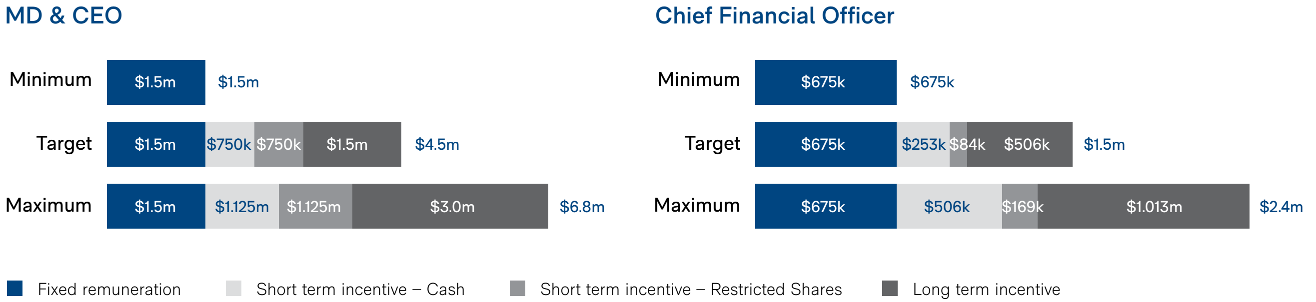
(c) Remuneration packages

The following diagram details current executive KMP annual remuneration packages assuming minimum, target and stretch levels of performance (Group, business unit and individual) effective post the Demerger on 1 June 2022. Executive KMP remuneration packages are set in line with their responsibilities in a complex and highly regulated business and are reviewed annually against market peers to ensure they remain competitive and that their skills are retained. Fixed remuneration is also reviewed on a change in role.

Key Changes as a result of the Demerger

- 66% of the new MD & CEO's target remuneration package is variable and at risk (77% at maximum). On average, 57% of the Chief Financial Officer's target remuneration package is variable and at risk (71% at maximum). In transitioning from the outgoing to the incoming MD & CEO's, the pay mix has moved from 40% fixed remuneration, 30% on-target STI and 30% on-target LTI to 33% across each element. This change has been made to better align with market practice and to achieve a greater portion of variable (at risk) remuneration.
- Overall target remuneration packages for both the incoming MD & CEO and the executive KMP are lower than the outgoing KMP.

Diagram 2: Annual remuneration packages for incoming executive KMP from 1 June 2022

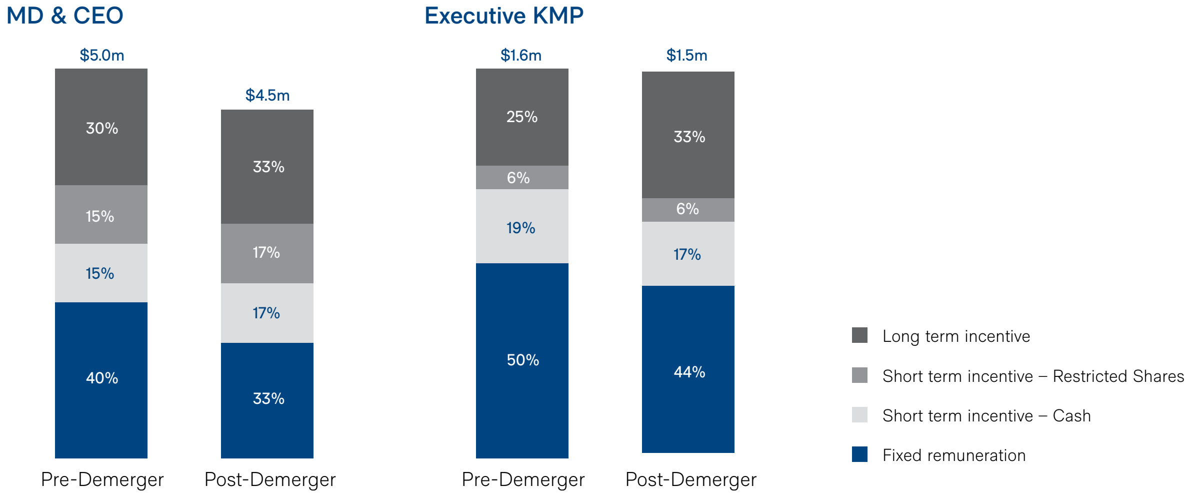


(i) The "minimum" value represents the value of annual remuneration where short and long term performance (Group, business unit and individual) is below target and no STI awards are made and LTI Performance Rights (granted in that year) are assumed not to vest.

(ii) The "target" value represents the value of annual remuneration where target levels of performance (Group, business unit and individual) have been achieved and the target STI opportunity is awarded and 50% of the LTI Performance Rights (granted in that year) are assumed to vest. This LTI value is calculated using Tabcorp's share price as at the grant date.

(iii) The "maximum" value represents the value of annual remuneration where stretch levels of performance (Group, business unit and individual) have been achieved and the maximum STI opportunity is awarded and 100% of the LTI Performance Rights (granted in that year) are assumed to vest. This LTI value is calculated using Tabcorp's share price as at the grant date.

Diagram 3: Annual remuneration executive KMP remuneration package comparison



(i) The "minimum" value represents the value of annual remuneration where short and long term performance (Group, business unit and individual) is below target and no STI awards are made and LTI Performance Rights (granted in that year) are assumed not to vest.

(ii) The "target" value represents the value of annual remuneration where target levels of performance (Group, business unit and individual) have been achieved and the target STI opportunity is awarded and 50% of the LTI Performance Rights (granted in that year) are assumed to vest. This LTI value is calculated using Tabcorp's share price as at the grant date.

(iii) The "maximum" value represents the value of annual remuneration where stretch levels of performance (Group, business unit and individual) have been achieved and the maximum STI opportunity is awarded and 100% of the LTI Performance Rights (granted in that year) are assumed to vest. This LTI value is calculated using Tabcorp's share price as at the grant date.

(d) Remuneration structure

(i) Fixed remuneration

What constitutes fixed remuneration?	Cash salary, statutory superannuation contributions and 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 25 to 75 group of companies. This will be reviewed during FY23 once the volatility in Tabcorp's share price post-demerger eases.

(ii) Short term incentive (**STI**)

Diagram 4: Executive KMP STI operation

Target STI opportunity x Group Financial Hurdle x Sustainability Assessment x Individual Weighted Performance Scorecard → STI award

Group Financial Hurdle

Range	0 or 1
FY22 actual	1

Hurdle: EBIT Hurdle – If the Financial hurdle is not met no STI awards are payable

Board has discretion to set a smaller pool if the target is not met

Sustainability Assessment

The Board considers sustainability measures such as risk management, customer care, community impacts and reputation management and may exercise discretion to adjust the pool (up or down). Sustainability measures are assessed by the People and Remuneration Committee following a report on Risk from the Risk and Compliance Committee.

Individual Weighted Performance Scorecard

Outcomes are assessed against a range of financial and non-financial performance measures within the balanced scorecard

		MD & CEO and Corporate aligned KMP	Business Unit aligned KMP
Financial	Group	50%	30%
	Business Unit	-	20%
Strategic		20%	20%
Operational Excellence		10%	10%
Customer First		10%	10%
People & Culture		10%	10%

Range	MD & CEO	0% to 150% of fixed remuneration(i)
	Other executive KMP	0% to 100% of fixed remuneration(i)
FY22 actual	MD & CEO	Mr Attenborough: 26% Mr Rytenskild: 70%
	Other executive KMP	Average of 39% of individual performance

STI award

Cash (50% for the MD & CEO and 75% for other executive KMP)

Restricted Shares (50% for the MD & CEO and 25% for other executive KMP)

Range	MD & CEO	0% to 150% of fixed remuneration
	Other executive KMP	0% to 100% of fixed remuneration
FY22 actual	MD & CEO	Mr Attenborough: 65% Mr Rytenskild: 100%
	Other executive KMP	Average of 107%

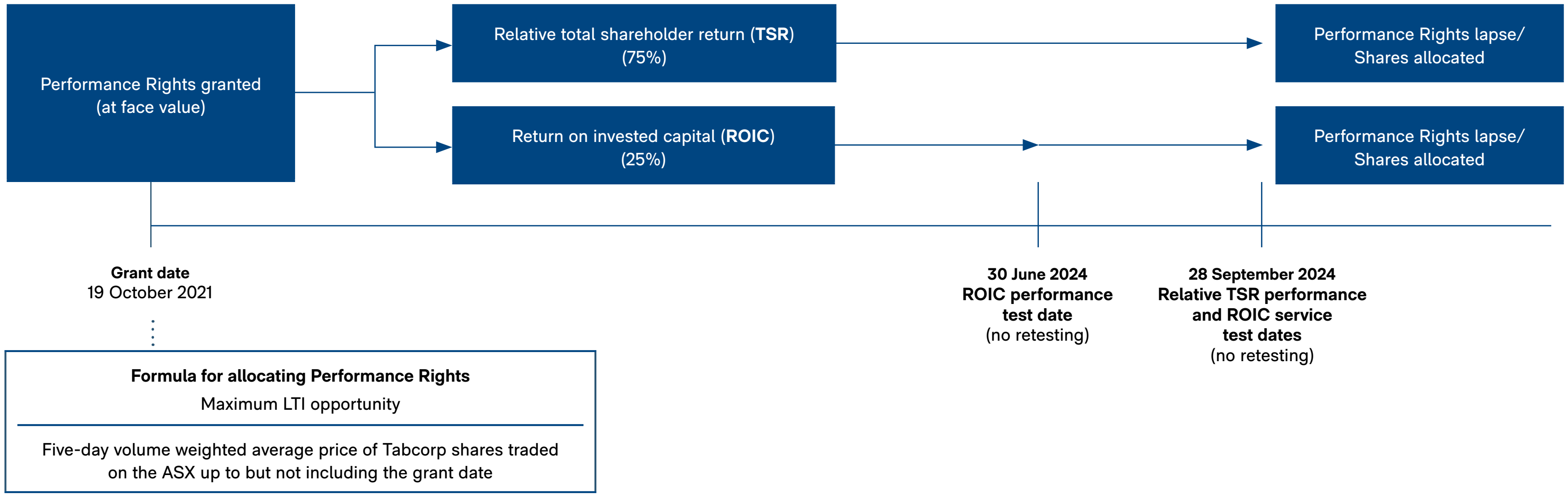
Restricted Shares are restricted for two years and subject to malus and clawback

(i) The percentage of fixed remuneration relates to post Demerger remuneration arrangements, other than for Mr Attenborough.

What is the target STI opportunity?	The value of the STI award if target performance levels are achieved and behaviours are in accordance with the Group's values. The CEO has the opportunity to receive 100% of TEC and all other Executive KMP have the opportunity to receive 50% of TEC. The minimum STI outcome is 0% (if targets are not met).
How does the EBIT Hurdle operate?	The earnings before interest and taxation (**EBIT**) hurdle is based on the Group's EBIT budget as set at the beginning of the financial year and 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.
How does the Sustainability Assessment operate?	The People and Remuneration Committee consider sustainability measures such as risk management, customer care, community impacts and reputation management and may exercise discretion to adjust the pool (up or down). These measures are assessed by the People and Remuneration Committee utilising reports on Risk from the Risk and Compliance Committee.
How does the individual performance scorecard work?	Once the EBIT hurdle has been met, Executive KMP awards are dependent on a weighted balanced scorecard of measures across financial, strategic, operational excellence, customer first and people and culture dimensions. Weightings are agreed with the Board at the beginning of the financial year, reflecting key Group priorities. For the MD & CEO and executive KMP that lead corporate functions, 50% of the STI scorecard is dependent on Group financial results and rewards executives for their contribution. The remaining 50% is dependent on individual scorecard measures (mix of financial and non-financial measures). For executive KMP that are aligned to a specific business unit, 30% of the STI scorecard relates to Group financial performance and 20% to the respective business unit's financial performance. The remaining 50% of the Executive STI scorecard relates to non-financial 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. For example, the financial category for KMP can range from 0% to 100% (0% to 75% for the MD & CEO), with 50% being on-target achievement.
In what form are STI awards made to executive KMP?	Cash (50% for the MD & CEO and 75% for other executive KMP) and Restricted Shares (50% for the MD & CEO and 25% for other executive KMP). The Restricted Shares are restricted for two years and subject to forfeiture and claw back conditions.
What happens to Restricted Shares if an STI participant leaves the Group during the 2-year restriction period?	If the participant resigns or is terminated for cause, Restricted Shares are forfeited (unless the Board determines otherwise). If the participant leaves the Group under any other circumstances (including as a result of 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).
Can Restricted Shares be forfeited or clawed back?	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.
How does the STI framework align with Tabcorp's risk and compliance objectives?	The STI scorecard contains non-financial measures which include adherence with risk management and compliance objectives, appropriate customer outcomes and culture measures. The STI award is also dependent on participants displaying the appropriate behaviours in line with the Group's values. The STI award is delivered partly as Restricted Shares (restricted for two years) and subject to malus and claw back provisions.
What happens in the event of a change in control of the Group?	The Board is required to determine, in its absolute discretion, the appropriate treatment regarding any Restricted Shares.

(iii) Long term incentive (**LTI**)

Diagram 5: FY22 LTI operation



On what basis are Performance Rights allocated?	Participants are allocated a maximum number of Performance Rights (based on their maximum LTI opportunities) using a face value allocation methodology. Each Performance Right provides the right to receive one Tabcorp ordinary share, at no cost to the participant, subject to the satisfaction of specified performance and service conditions. Performance Rights do not attract dividends or voting rights.
What are the performance measures?	For the 2020 LTI Offer, 75% of the Performance Rights are subject to relative TSR performance and 25% to ROIC performance. If performance conditions are not met, Performance Rights will lapse.
What is "relative TSR"?	The return to shareholders (comprising capital returns, dividends and share price movements over the performance period relative to a peer group of companies). It was chosen as an LTI measure as it directly aligns to rewarding executive KMP for sustained shareholder value creation. Relative TSR is measured over a three-year period.
What is "Return on invested capital"?	The ROIC performance condition replaces the Combination Synergy Condition which was adopted (as an interim measure) under the 2018 and 2019 LTI offers. The ROIC performance condition was chosen as the most appropriate second performance measure (post the 2019 LTI offer) because it focuses management on achieving targeted returns on Tabcorp's invested capital (equity and debt). The ROIC performance condition requires three-year average ROIC performance (measured over three financial years, from 1 July 2021 to 30 June 2024) to exceed specified targets. A stretch three-year average ROIC target of 10.0% has been set by the Board, at which point 100% of the ROIC tranche will vest (subject to satisfaction of an additional service condition to be tested in September 2024). The Board is of the view that the stretch target is set at 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. The stretch target has also been set considering past, present, and future expected ROIC performance and market consensus. The ROIC threshold was set at a level that ensures there is sufficient stretch earnings growth after the 2022 financial year and in line with targeted longer term investment returns. The targets have also been set considering Tabcorp's invested capital base.

<table>
<tr><td>When will the performance and service conditions be tested?</td><td colspan="5">Due to the demerger, these performance and service conditions were waived and the Performance Rights vested on a pro-rata basis. Refer to 6(e).</td></tr>
<tr><td rowspan="8">What are the performance conditions?</td><td colspan="3">Relative TSR</td><td colspan="2">Return on invested capital</td></tr>
<tr><td>Percentile ranking</td><td>% of Performance Rights that will vest</td><td>Peer Group</td><td>Average three-year ROIC (between 1 July 2021 and 30 June 2024)</td><td>% of Performance Rights that will vest</td></tr>
<tr><td>Below 50th percentile</td><td>0%</td><td>S&P/ASX 100 index excluding organisations operating in the Metals & Mining and Oil and Gas sectors.</td><td>Below 8.9%</td><td>0%</td></tr>
<tr><td>50th percentile</td><td>50%</td><td></td><td>8.9%</td><td>10.0%</td></tr>
<tr><td>75th percentile</td><td>100%</td><td></td><td>Above 8.9% and below or at 9.5%</td><td>Straight line vesting to occur between 10% and 50%</td></tr>
<tr><td colspan="3">Straight line vesting above the 50th percentile and below the 75th percentile</td><td>Above 9.5% and below 10.0%</td><td>Straight line vesting to occur between 10% and 50%</td></tr>
<tr><td colspan="3"></td><td>At or above 10.0%</td><td>100.0%</td></tr>
<tr><td colspan="5"></td></tr>
<tr><td>What if performance and service conditions are met?</td><td colspan="5">Relative TSR will be calculated by an independent organisation at the end of the performance and service periods.
ROIC performance will be calculated and verified by Tabcorp's external auditors following the end of the performance period. The ROIC service condition will be tested and agreed with the Board. If the service and performance conditions have been met, Tabcorp will issue or transfer ordinary shares to the participant, which will rank equally with other fully paid shares (full voting and dividend rights)</td></tr>
<tr><td>What happens when an LTI participant leaves the Group?</td><td colspan="5">If a participant resigns or is dismissed for cause, Performance Rights will lapse (unless the Board determines otherwise). In all other circumstances a pro rata number of Performance Rights (based on the portion of the performance period that the participant was employed) remain on foot and are subject to the original terms and conditions (including performance conditions), unless the Board determines otherwise</td></tr>
<tr><td>What happens in the event of a change in control of the Group?</td><td colspan="5">The Board can determine, in its absolute discretion, the appropriate treatment regarding any unvested Performance Rights.</td></tr>
<tr><td>Can Performance Rights be cancelled or clawed back?</td><td colspan="5">Performance Rights may lapse at the Board's discretion based on adverse events that have occurred or where adverse material information becomes available after the Performance Rights have been granted to participants. If this adverse event occurred or adverse information becomes available after the Performance Rights 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.</td></tr>
<tr><td>Accounting treatment</td><td colspan="5">Performance Rights are expensed on a straight line basis over the vesting period. Under Accounting Standards, for the relative TSR measure Tabcorp is required to recognise an expense irrespective of whether Performance Rights ultimately vest to the participant. A reversal of the expense is only recognised in the event the Performance Rights lapse due to cessation of employment within the vesting period (for relative TSR and ROIC measures) or the Performance Rights do not vest (for the ROIC measure).</td></tr>
</table>

Treatment of equity awards on foot as a result of the Demerger

As part of the treatment on Demerger, the relative TSR and ROIC performance conditions that applied to the 2021 LTI offer were waived and a pro rata portion of the Performance Rights (based on the portion of the service period that had elapsed) vested and the remainder lapsed. Unrestricted Tabcorp Shares were allocated on vesting of Performance Rights just prior to the Demerger.

Approximately 21% of the Performance Rights originally granted under the 2021 LTI offer to current participants vested into Tabcorp Shares and 79% of the Performance Rights lapsed (participants did not derive any benefit from the lapsed portion). This applied to all participants including the outgoing MD & CEO and executive KMP.

Refer to section 6(e) for further information.

(iv) 2021 Retention Plan

In July 2021, the Tabcorp Board considered and approved the introduction of a Retention Plan for critical employees. The 2021 Retention Plan was established to mitigate the risk identified as a result of the pending Demerger. There was significant uncertainty of the impact of the Demerger on employee roles, a need to retain critical skills and knowledge to ensure the Demerger was successful and to set the new companies up for future success. The 2021 Retention Plan was developed with the intention to retain key talent during a period of significant ambiguity, job insecurity and change for Tabcorp. Restricted Shares were allocated under the 2021 Retention Plan in July 2021 and will be held in restriction until July 2023.

Why was a Retention Plan necessary?	Announcement of the Demerger created significant job insecurity and ambiguity for many Tabcorp employees. It was critical that key employees were retained to ensure stability and retention of key knowledge and leadership through the period of the Demerger and following the Demerger to ensure that each new company was set up for success.
How were participants determined?	Participants were determined based on their critical skills and relationships to both execute on the transaction and to continue to operate the business during the key transaction period and post-Demerger.
How were the retention values determined?	Values were based on a percentage of fixed remuneration, with consideration given to a balance between cost and quantum that was meaningful enough to retain participants.
What instrument was used?	Restricted Tabcorp Shares.
What are the service conditions that apply?	For vesting to occur, participants must remain employed until the vesting date in July 2023.
How was the Retention treated upon Demerger for ongoing Tabcorp employees?	For participants who remained employed by the Tabcorp Group, Restricted Tabcorp Shares held under the 2021 Retention Plan continue to be subject to their original terms and conditions (including trading restrictions) until the end of July 2023. On Demerger the Retention Shares were split between Tabcorp shares and The Lottery Corporation shares, with a holding lock on The Lottery Corporation shares. The Lottery Corporation shares allocated as part of the Demerger were placed under a holding lock until July 2023.
How was the Retention treated for Tabcorp employees who moved to The Lottery Corporation?	The Retention shares for Tabcorp employees who moved to The Lottery Corporation were forfeited prior to the Demerger and an alternative offer was made in The Lottery Corporation upon appointment.
Accounting treatment	Retention Shares are expensed on a straight-line basis over the vesting period from July 2021 to July 2023. The portion relating to The Lottery Corporation shares allocated as part of the Demerger was fully expensed.

(e) Remuneration and accountability

In FY22 no STI or LTI awards were clawed back.

Tabcorp has embedded a set of organisational values of which “Doing the Right Thing” is a core component. Tabcorp is committed to ensuring that employees operate with integrity and that customers and the communities that we operate in benefit from our products in a responsible manner. Tabcorp has a Board approved Code of Conduct which outlines expectations of employees, which is communicated to employees through regular training programs. Tabcorp operates an accountability framework which provides a link between risk management and compliance breaches, and implications for both employee remuneration outcomes and employment.

To assist the People and Remuneration Committee determine appropriate remuneration outcomes for the organisation, including executive KMP, several sources of information are presented. These include risk culture reports which are presented to the Board Risk and Compliance Committee and are then shared and discussed with the People and Remuneration Committee. It also includes culture surveys and workforce snapshot reports to ensure they are taken into consideration when making decisions relating to incentives. The Chairman of the Risk and Compliance Committee is also a member of the People and Remuneration Committee and has a standing agenda item to present risk and compliance performance outcomes when incentive outcomes are discussed.

As mentioned in sections 6(d)(ii) and 6(d)(iii), if an adverse material event has occurred or adverse material information has become available, the Board has the ability to (amongst other things):

- reduce, or not make, STI awards and/or reduce LTI offers (partially or fully) prior to awarding them;
- forfeit STI Restricted Shares and/or lapse Performance Rights (partially or fully) while they are restricted/still on foot; and/or
- request part or full repayment of the value of the Restricted Shares/Performance Rights that have already become unrestricted/vested.

Material events or information may include (but is not limited to) where the participant has:

- acted dishonestly (including, but not limited to, misappropriation of funds, or deliberately concealing material events that would have influenced business outcomes);
- contributed to materially breaching Tabcorp’s compliance obligations (regulatory or legal);
- been accountable for significant reputational harm to the Group; and/or
- acted in such a way that the Group has made a financial misstatement.

In addition to STI and LTI impacts, Tabcorp can terminate employees where such events have occurred. If this was to occur, by default, all STI and LTI awards on foot would be forfeited/lapsed.

(f) Policy prohibiting hedging

Participants in the Group’s incentive plans are restricted from hedging against those equity awards and must not enter into 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.

Equity instruments granted under the incentive plans can only be registered in the name of the participant, are identified as non-tradable on the share register, and cannot be traded or transferred to another party until vested or until any trading restriction period has expired.

(g) Executive Shareholding Policy

The Executive Shareholding Policy (applicable to all executive KMP) ensures that the interests of executives, Tabcorp and shareholders are aligned. In accordance with the policy, the MD & CEO is required to hold the equivalent of 200% of the value of his annual fixed remuneration in Tabcorp shares. Other executive KMP are required to hold the equivalent of 100% of the value of their annual fixed remuneration in Tabcorp shares. The minimum shareholding must be achieved within five years from the executive KMP's appointment or within five years of the date of the Demerger (whichever is later). At the date of this report, all executive KMP complied with this policy. A copy of this policy is available on Tabcorp's website (**www.tabcorp.com.au**) under the Corporate Governance section.

(h) Executive KMP employment contracts

Table 2: Current executive KMP contracts and notice periods

			Minimum notice period (months)	
Current executive KMP	**Position**	**Contract duration**	**Executive**	**Tabcorp**
Adam Rytenskild	MD & CEO	Open ended	6	12
Daniel Renshaw	Chief Financial Officer	Open ended	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.

6. EXECUTIVE KMP REMUNERATION OUTCOMES IN FY22

(a) Five-year business performance

Table 3: Five-year Group financial performance and remuneration outcomes

	Measurement unit	FY18	FY19	FY20	FY21	FY22
Net profit/(loss) after tax (**NPAT**)	$m	29	361	(870)(iii)	269(v)	6,775.9(vii)
Basic earnings per share (**EPS**)	Cents	1.9	17.9	(42.9)(iv)	12.3(vi)	304.6(vii)
Closing share price at 30 June(i)	$	4.46	4.45	3.38	5.18	1.07
Dividends(ii)	Cents per Share	21.0	22.0	11.0	14.5	13.0
STI Group Funding Multiplier (STI pool)	% of target pool	33%	100%	0%	100%	100%
STI awards						
MD & CEO	% of target opportunity	33%	85%	0%	100%	65%(viii)
	% of maximum opportunity	17%	43%	0%	67%	43%(viii)
Other executive KMP (average)	% of target opportunity	33%	89%	0%	105%	107%
	% of maximum opportunity	17%	44%	0%	52%	54%
LTI vesting						
All executive KMP	% of maximum opportunity	80%	0%	0%	54%	37.5%(ix)

(i) Opening share price as at 1 July 2017 was $4.37.
(ii) Includes interim and final dividends. For FY20, a final dividend was not paid.
(iii) Includes impairment of goodwill of $1,090m.
(iv) FY20 EPS before impairment of goodwill was 10.9c.
(v) Includes impairment of goodwill of $122m.
(vi) FY21 EPS before impairment of goodwill was 17.9c.
(vii) FY22 includes 11 months results for Lotteries and Keno prior to the Demerger.
(viii) This represents FY22 STPP outcome for David Attenborough for 11 months.
(ix) Overall, 37.5% of the Performance Rights granted under the 2018 LTI offer vested into Tabcorp shares (62.5% of the Performance Rights lapsed).

(b) FY22 STI outcomes

Under Tabcorp's STI plan, the FY22 STI pool is primarily based on the EBIT result with consideration given to the sustainability measures of risk management, responsible gambling, community and reputation management via the sustainability modifier. The EBIT hurdle was 90% of the EBIT target against which an outcome of 89% was achieved. In determining the STI pool, the Board considered financial and non-financial performance as well as the achievements provided by the sustainability modifier.

The Board exercised its discretion and determined that an STI pool (at 100%) be made available to eligible employees. In applying discretion, the Board carefully considered:

- the significant impact on the FY22 financial results due to COVID-19 related retail closures in NSW and Victoria in 1H22, as well as wet weather impacts in 2H22;
- the fact that the EBIT targets did not include any assumptions on the potential impacts of the COVID-19 pandemic;
- the exceptional effort by employees to deliver the Demerger within 11 months;
- the delivery of key strategic achievements following the Demerger; and
- the positive assessment of performance against key sustainable measures.

When reviewing the individual executive KMP STI outcomes for FY22, the Board considered individual, business performance and the items noted above.

The evaluation of Mr Attenborough's performance and associated STI award was based on his performance against his weighted scorecard, taking a balanced view of financial and non-financial performance for the 11 month period prior to him retiring as MD & CEO.

The evaluation of Mr Rytenskild's performance and associated STI award was based on his performance against his weighted scorecard, taking a balanced approach to financial and non-financial performance, his efforts in the lead up to the Demerger and the key strategic achievements achieved during Mr Rytenskild's first month as MD & CEO, creating positive momentum to transform Tabcorp and execute on its strategic priorities.

Diagram 6: FY22 Group STI scorecard and performance outcomes

Category	Priority	Measures	FY22 Outcome	Comments

Financial	Achieve profit targets
	Cost Management
	Capital Management
		NPAT (before significant items)
		EBITDA
		Opex / revenue ratio
		ROIC
		Gross debt / EBITDA ratio
			Target	• Financial targets set in June 2021 did not include impacts of COVID-19, one less month of Lotteries and Keno earnings or demerger dissynergies.
				  • NPAT from continuing and discontinued operations (before significant items) $362.4m, $72.8m below target.
				  • EBITDA from continuing and discontinued operations (before significant items) $1,027.7m, $137.3m below target
				  • Opex/revenue ratio 15.3% less than target due to demerger impacts
				  • ROIC not meaningful due to demerger impact on invested capital
				  • Gross debt/EBITDA ratio not meaningful due to debt restructure
				• Actual financial performance significantly impacted by government enforced lockdowns during July 2021 to October 2021 with retail outlets unable to trade.
				• Importantly +6% compared to budget for the 7 months post the end of hard lockdown in NSW and Victoria
				• Floods throughout QLD and NSW resulted in a record number of abandoned race meetings

Strategic	Support operating business unit growth and Sustainability Successfully complete the demerger Seamless separation of technology platforms and resources	Delivery of operating business unit strategic plans to ensure success post demerger Demerger approved and completed successfully Implement plan to separate technology platforms and resources with no breaches or outages	Target	• Demerger of the Lotteries and Keno business successfully implemented, delivering value uplift to shareholders • Key employees undertook multiple responsibilities to deliver the demerger • Large scale, complex divestment of technology programs with over 1,300 applications in scope for separation post the demerger • Delivered significant progress in leveling the playing field in June with new arrangements to be enacted in Qld during FY23
Operational Excellence (including risk and compliance)	Compliance and reputation Sustainability Optimal systems, processes and operational performance Business optimisation	Compliance and reputation management Advance sustainability initiatives Achieve technology service levels across key business periods/events Maintain essential learning expectations	Target	• Compliance and reputation management programme delivered with reporting tools established • DJSI Global Leadership ranking maintained • New Sustainability Framework established • Annual Corporate Responsibility Report and Modern Slavery Statement published • Launched Environment and Climate Change Position Statement and set medium and long term targets • Enhancements delivered to support responsible gambling • Several charitable donations and community support programs
Customer First	Customer retention Customer experience	Ensure customer retention during the demerger Best digital experience across all channels	Target	• Increase in active customers and retention rate for Lotteries as at 31 May 2022, although retention rate slightly lower than target of 85% • Keno retention rate above target of >40% as at 31 May 2022 • Wagering customers slightly greater than last year but below target of 820K • Digital product strategy formed • New TAB App on target for delivery by Spring Carnival 2022

Category	Priority	Measures	FY22 Outcome	Comments

People and Culture	Employee engagement
	Inclusion and diversity
	Employee wellbeing
	Executive leader collaboration
		Improve engagement results
		Achieve 40% female representation in total leadership cohort
		LTIFR <2.3
		Programs to enhance wellbeing
				• Employee engagement was measured in August 2021 as 56%, a slight decline on last year. A new baseline will be established in August 2022 (post Demerger)
				• Actual LTIFR result of 1.3 against target of <2.3
				• Female representation in leadership cohort at 42%, above target of 40%
				• Offered many employee wellbeing programs including:
				  • 'The Arena' which focused on physical, psychological, nutrition, mindfulness and personal health risk assessments
				  • Bespoke psychological support through repeated public lockdowns
				  • Physiotherapy advice for working from home
				• Successful appointment of a new Executive Leadership Team and retained key talent post the Demerger, positioning Tabcorp for future growth
				• Managed employee impacts of COVID-19 and the floods within NSW and QLD, continuing to offer assistance such as flexible work arrangements

Table 4: Executive KMP FY22 STI awards

		Total STI awarded(i)				Actual STI achieved	STI foregone	Actual STI achieved
Current executive KMP	**Financial year**	**Target**	**Total(ii) $**	**Cash portion $**	**Deferred portion $**	**As a % of target**	**As a % of target**	**As a % of maximum**
Adam Rytenskild(iii)	**FY22**	**544,570**	**544,570**	**377,605**	**166,965**	**100%**	**0%**	**58%**
	FY21	459,000	440,640	330,480	110,160	96%	4%	48%
Daniel Renshaw(iv)	**FY22**	28,125	**29,690**	**22,267**	**7,423**	**107%**	**0%**	**54%**
Former executive KMP								
David Attenborough(v)	**FY22**	**1,500,000**	**975,000**	**975,000**	**-**	**65%**	**35%**	**43%**
	FY21	1,500,000	1,500,000	750,000	750,000	100%	0%	67%
Adam Newman(vi)	**FY21**	400,000	440,000	330,000	110,000	110%	0%	55%
Patrick McGlinchey(vi)	**FY21**	125,342	127,849	95,887	31,962	102%	0%	51%
Sue van der Merwe(vi)	**FY21**	400,000	440,000	330,000	110,000	110%	0%	55%

(i) Individual outcomes vary in percentage. In FY21, the weighting for Group was 40% for all KMP. In FY22, this changed to 50% for all KMP.
(ii) The minimum STI value possible is zero.
(iii) STI and STI target for Mr Rytenskild reflects the full year including his role of Managing Director, Wagering and Media and his role of MD & CEO post Demerger, effective from 1 June 2022.
(iv) Mr Renshaw commenced as an executive KMP on 1 June 2022. His STI including the 'set target' represents the period as KMP.
(v) Mr Attenborough ceased to be MD & CEO on 31 May 2022 and ceased employment on 1 July 2022. STI represents the full year entitlement.
(vi) Ceased to be an executive KMP on 31 May 2022. STI for FY22 was determined by The Lottery Corporation.

(c) LTI awards granted in FY22

In FY22, LTI grants were provided to executive KMP following shareholder approval of the MD & CEO's 2021 LTI grant received at the Tabcorp Annual General Meeting on 19 October 2021 and obtained under ASX Listing Rule 10.14. These LTI grants were subject to two performance conditions and a service condition as detailed in section 6(d). The Performance Rights allocated under these grants vested on a pro rata basis at the time of the Demerger as detailed in section 6(d).

Table 5 : Performance Rights granted during FY22

Current executive KMP	Grant date[i]	Number granted[ii]	Fair value per Performance Right[iii] – Relative TSR $	Fair value per Performance Right[iii] – Return on invested capital (ROIC) $	Fair value at grant date[iv] $	Scheduled vesting date
Adam Rytenskild	19 October 2021	176,538	2.94	4.66	594,932	28 September 2024
Former executive KMP						
David Attenborough[v]	19 October 2021	576,923	2.94	4.66	1,944,229	28 September 2024
Adam Newman	19 October 2021	158,461	2.94	4.66	534,013	28 September 2024
Patrick McGlinchey	19 October 2021	147,836	2.94	4.66	498,207	28 September 2024
Sue van der Merwe	19 October 2021	176,538	2.94	4.66	594,932	28 September 2024
Total		**1,236,296**			**4,166,313**	

(i) Vesting of the 2021 LTI allocation of Performance Rights was subject to three-year relative TSR and ROIC performance conditions and additional service conditions.
(ii) The number of Performance Rights granted was based on a face value allocation methodology, being the five-day volume weighted average price of Tabcorp Shares traded on the ASX up to but not including the grant date (independently calculated as $5.20). Approval for the issue of Performance Rights to Mr Attenborough was obtained under ASX Listing Rule 10.14.
(iii) The LTI allocation was weighted 75% – relative TSR and 25% – ROIC.
(iv) Represents the maximum value of the grants to each executive KMP for accounting purposes. The minimum possible total value of the grant is nil. For details of the valuation of the Performance Rights, including models and assumptions used, refer to note E1 of the Tabcorp Financial Report.
(v) Mr Attenborough was granted a parallel award on 19 October 2021, which was dependent on the demerger proceeding. Details are outlined in section 6(e). The parallel award comprised 120,750 Performance Rights (being a pro rata portion of the 576,923 Performance Rights noted above) with a fair value at grant date of $614,618 and a vesting date of 23 May 2022. As the demerger proceeded, Tabcorp has only accounted for the parallel award and not the award outlined in the above table.

(d) LTI awards tested in FY22

The 2018 LTI grant comprised two measures – relative TSR (75%) and Combination Synergy (25%). The three-year TSR result was tested on 19 September 2021 and placed Tabcorp at the 50th percentile of the peer group, and accordingly 50% of the Performance Rights vested under this tranche. The Combination Synergy tranche was tested, and the Board determined that the full tranche should lapse due to challenges in measuring and delays in finalising the integration of Tabcorp and Tatts Group, following the combination of these two organisations. Overall, 37.5% of the Performance Rights granted under the 2018 LTI offer vested into Tabcorp shares (62.5% of the Performance Rights lapsed).

The 2019 LTI grant also included the Combination Synergy measure which applied to 25% of the Performance Rights granted. As a result of the Board decision, the Combination Synergy tranche of the 2019 LTI grant was also lapsed.

(e) Treatment of restricted equity on foot upon Demerger

i. 2019 LTI offer

Vesting of Performance Rights held under the 2019 LTPP offer was subject to two performance conditions – relative TSR (75% of the Performance Rights) and a Combination Synergy measure (25% of the Performance Rights). The Combination Synergy tranche lapsed as outlined in section 6(d).

The 2019 LTI Offer was due to be tested on 25 September 2022.

Prior to the Demerger, the relative TSR performance condition was waived and a pro rata portion of the Performance Rights in the relative TSR tranche (based on the portion of the service period that has elapsed) vested and the remainder lapsed. Unrestricted Tabcorp Shares were allocated on vesting of the relative TSR tranche of Performance Rights prior to the Demerger. Approximately 67% of the Performance Rights originally granted under the 2019 LTI offer to current participants vested and 33% lapsed (and participants derived no benefit from the lapsed portion).

ii. 2020 and 2021 LTI offers

Vesting of Performance Rights held under the 2020 and 2021 LTI offers were subject to two performance conditions – relative TSR (75% of the Performance Rights) and a Return on invested capital measure (**ROIC**) (25% of the Performance Rights).

The 2020 and 2021 LTI offers were due to be tested on 23 September 2023 and 29 September 2024 respectively.

Prior to the Demerger, the relative TSR and ROIC performance conditions were waived for all participants and a pro rata portion of the Performance Rights (based on the portion of the service period that has elapsed) vested and the remainder lapsed. Unrestricted Tabcorp Shares were allocated on vesting of the Performance Rights prior to the Demerger. At the date of this report, there are no Performance Rights on issue.

Approximately 55% of the Performance Rights originally granted to KMPs under the 2020 LTI offer to current participants vested into Tabcorp Shares and 45% of the Performance Rights lapsed (and participants derived no benefit from the lapsed portion).

Approximately 21% of the Performance Rights originally granted to KMPs under the 2021 LTI offer to current participants vested into Tabcorp Shares and 79% of the Performance Rights lapsed (and participants derived no benefit from the lapsed portion).

In total, across all three LTI offers (namely the 2019, 2020 and 2021 LTI offers), approximately 58% of the Performance Rights originally granted to KMPs vested into Tabcorp Shares and 42% lapsed. The Tabcorp Board approved this treatment considering that it aligns to the average testing and vesting outcomes of the LTI offers from FY17 to FY22 (and hence participants were not deriving undue benefit), the anticipated unlocked financial benefits of the Demerger would likely generate higher outcomes if tested, the complexity with carrying over Performance Rights into New Tabcorp and The Lottery Corporation post Demerger and modifying these (value and performance conditions) and executives losing the opportunity to receive any benefit on the lapsed Performance Rights which are not compensated for.

iii. FY21 STI Restricted Shares outcomes

Under Tabcorp's STI plan, a portion of the STI awarded to the MD & CEO, members of the ELT and senior managers are provided in the form of cash (50% for the MD & CEO and 75% for other participants) and Restricted Shares (50% for the MD & CEO and 25% for other participants). Restricted Shares awarded under the FY21 STI plan were restricted for two years (until 20 August 2023) and subject to service-based conditions only.

On Demerger, the Restricted Shares held by all participants were released from any trading restrictions and service conditions. The Board determined the release of Tabcorp Shares to be appropriate, considering they have already been earned by participants (under the FY21 STI plan) and the complexity of continuing restrictions post the Demerger.

Table 6: Performance Rights vested and lapsed, and shares issued during FY22

Current executive KMP	Number of Performance Rights vested	Value of Performance Rights exercised(i) $'000	Number of Performance Rights lapsed(ii)	Number of shares issued	Amount paid per share $
Adam Rytenskild	383,551	2,021,250	443,478	383,551	-
Daniel Renshaw	-	-	-	-	-
Former executive KMP					
David Attenborough	1,258,197	6,629,063	1,457,195	1,258,197	-
Adam Newman	271,828	1,451,562	284,478	271,828	-
Patrick McGlinchey	219,605	1,172,691	242,727	219,605	-
Sue van der Merwe	332,185	1,752,936	393,060	332,185	-
Total	**2,465,366**	**13,027,502**	**2,820,938**	**2,465,366**	**-**

(i) Represents the value of Performance Rights exercised during the year. The value is calculated based on the market value of Tabcorp shares at the date of exercise.
(ii) Reflects the number of 2018 LTI Performance Rights that were tested and lapsed during FY22 and the number of Performance Rights that lapsed upon Demerger. Details are outlined in section 6(e).

Table 7: KMP interests in Performance Rights (number)

Current executive KMP	Balance at start of year	Granted as remuneration	Vested	Lapsed(ii)	Balance at end of year(iii)
Adam Rytenskild	650,491	176,538	383,551	443,478	-
Daniel Renshaw(i)	-	-	-	-	-
Former executive KMP					
David Attenborough	2,138,469	576,923	1,258,197	1,457,195	-
Adam Newman	397,845	158,461	271,828	284,478	-
Patrick McGlinchey	314,496	147,836	219,605	242,727	-
Sue van der Merwe	548,707	176,538	332,185	393,060	-
Total	**4,050,008**	**1,236,296**	**2,465,366**	**2,820,938**	-

(i) Reflects Performance Rights held at 1 June 2022 for Mr Renshaw.
(ii) Reflects the number of 2018 LTI Performance Rights that were tested and lapsed during FY22 and the number of Performance Rights that lapsed upon Demerger. Details are outlined in section 6(e).
(iii) The number of Performance Rights vested and exercisable at year end was nil.

There are no current LTI Performance Rights allocations to KMP currently on foot.

(f) Actual remuneration received in FY22

Table 8 provides a non-statutory voluntary disclosure of the actual remuneration received by current executive KMP during FY22. 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 9 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 FY22.

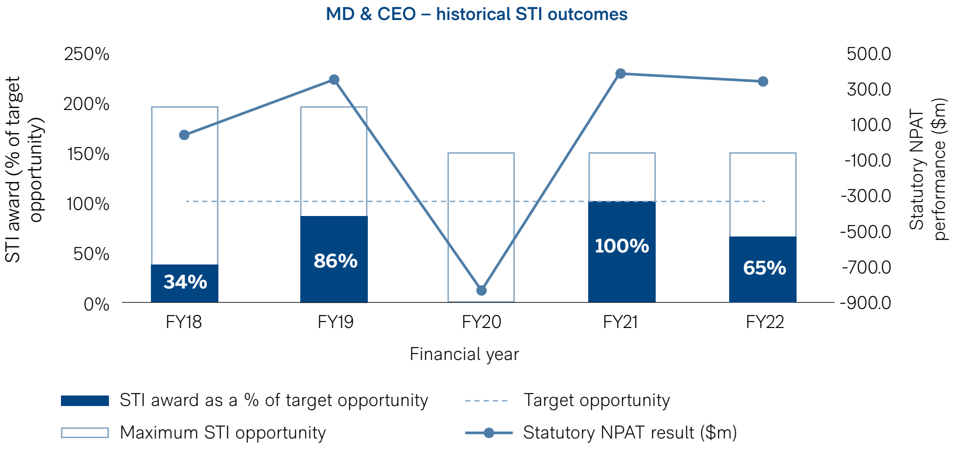
Table 8: Actual value of remuneration received by executive KMP during FY22

Current executive KMP	Salary and fees(i) $	STI cash bonus(ii) $	Superannuation $	Value of Restricted Shares that became unrestricted(iii) $	Value of LTI vested(iv) $	Total $
Adam Rytenskild	942,932	330,480	23,568	220,471	2,021,250	3,538,701
Daniel Renshaw(v)	54,286	-	1,964	-	-	56,250
Former executive KMP(vi)						
David Attenborough(vii)	1,811,729	750,000	21,604	1,528,717	6,629,063	10,741,113
Adam Newman	729,729	330,000	21,604	327,171	1,451,562	2,860,066
Patrick McGlinchey	679,959	256,928	21,604	117,242	1,172,691	2,248,424
Sue van der Merwe	748,429	330,000	95,425	237,052	1,752,936	3,163,842
Total	**4,967,064**	**1,997,408**	**185,769**	**2,430,653**	**13,027,502**	**22,608,396**

(i) Comprises salary and sacrificed benefits (including salary sacrificed superannuation and motor vehicle novated leases including FBT where applicable).
(ii) STI cash bonus reflects the portion of the FY21 STI which was paid in cash in August 2021.
(iii) Comprises both the value of the deferred component of the FY19 and FY20 STI (provided in the form of Restricted Shares) and the value of Restricted Shares allocated on commencement of employment; where restrictions ceased to apply during FY22. Calculated based on the market value of Tabcorp shares at the date the restrictions ceased (being 16 August 2021, 23 May 2022 and 7 October 2021 respectively).
(iv) Value of shares issued during FY22 on the vesting of the 2018, 2019, 2020 and 2021 LTI grants of Performance Rights and calculated based on the market value of Tabcorp shares at the date of exercise (being 5 October 2021 and 23 May 2022)).
(v) Commenced as KMP on 1 June 2022. Remuneration is reflective of period as KMP.
(vi) Former executive KMP ceased to be executive KMP on 31 May 2022. Remuneration is reflective of period as KMP.
(vii) Mr Attenborough received a termination benefit of $1,327,417 in July 2022.

(g) Variable remuneration outcomes over the preceding five financial years

Diagram 7: MD & CEO and executive KMP STI historical outcomes



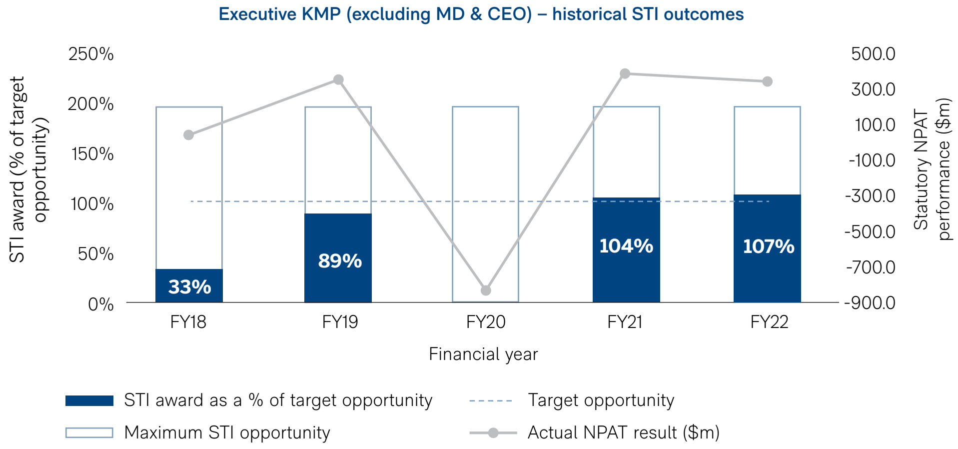
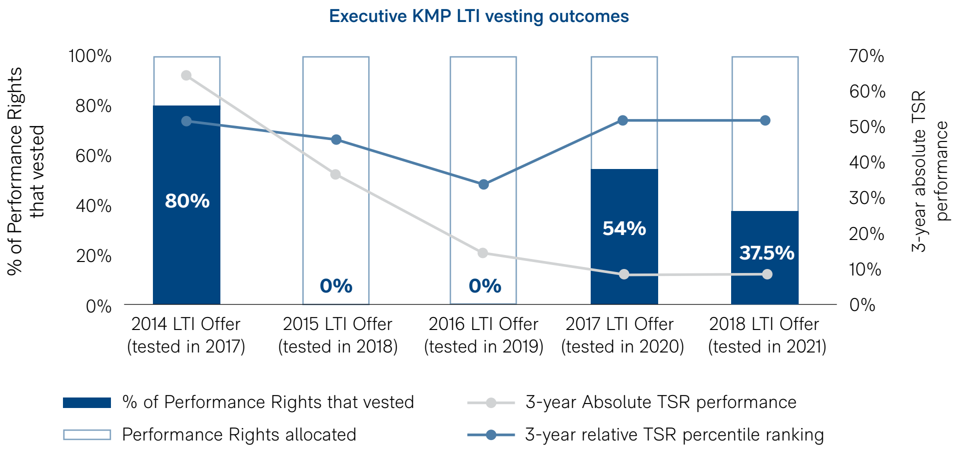


Diagram 8: Executive KMP five-year LTI historical vesting outcomes (excluding Demerger outcomes)



7. REVIEW OF EXECUTIVE REMUNERATION ARRANGEMENTS FOR FY23

The remuneration framework is regularly reviewed to ensure it remains fit for purpose and aligned to Tabcorp's strategic direction.

Effective FY23, Tabcorp's LTI variable remuneration will operate under a market priced option plan. The Options will be performance tested, with a three-year performance period. The Options if vested will have a one-year exercise period and any Options not vested or exercised, will lapse. More details will be provided in Tabcorp's FY23 Remuneration Report.

The MD & CEO's FY23 LTI grant will be detailed in Tabcorp's Notice of Annual General Meeting to be held on 26 October 2022.

8. NON-EXECUTIVE DIRECTOR FEES

(a) Strategy and framework

Non-Executive Director fees are set based on workload, responsibilities, qualifications, experience and market benchmarks. Board and Board Committee fees are benchmarked to the median of a peer group, comprising the ASX 25 to 75 group of companies. The peer group will be reviewed during FY23 once Tabcorp's share price is better established post Demerger. 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 any subsidiaries.

(b) FY22 fee structure

Non-Executive Directors receive a Board fee and a fee for each Board Committee that they chair or are a member of [i]. 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.

In June 2022, the Board reviewed the Board and Committee fees post the Demerger, considering ASX benchmark data and the need to attract and retain suitably skilled and experienced Directors to support Tabcorp's strategic objectives. The Board considered it appropriate to reduce the Committee fees by 10%, the Non-Executive Director base fee by 14% (with the introduction of a Nomination Committee fee) and the Board Chair fee by 15%. The Board also agreed to absorb the increase in the Superannuation Guarantee Contribution rate effective 1 July 2022 (from 10.0% to 10.5%). The revised fees are effective 1 July 2022 and are provided in Table 9.

Table 9: FY22 Non-Executive Director fee structure

		Fees as at 30 June 2022 (inclusive of superannuation contributions) $	Fees effective 1 July 2022 (inclusive of superannuation contributions) $
Board	Chairman	580,350	493,300
	Member	186,150	160,000
Audit Committee	Chairman	54,750	49,280
	Member	24,090	21,680
Risk and Compliance Committee	Chairman	49,275	44,350
	Member	21,900	19,700
People and Remuneration Committee	Chairman	49,275	44,350
	Member	21,900	19,700
Technology Committee	Chairman	49,275	44,350
	Member	21,900	19,700
Nomination Committee	Member	-	7,500

(i) From 1 July 2022, Non-Executive Directors (excluding the Chairman) will receive a fee for membership of the Nomination Committee. Prior to this, no additional fees were paid to Directors for membership of this Committee.

(c) Fees paid during FY22

The mandated Superannuation Guarantee increase of 0.5% (from 9.5% to 10.0%) in July 2021 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 FY22 no such fees were paid. Upon completion of the Demerger and following the retirement of several Directors, changes were made to the Committee memberships during the year, effective 1 June 2022. Table 10 details all fees paid to Non-Executive Directors. Non-Executive Directors are entitled to be reimbursed for all business-related expenses, including travel, which may be incurred as part of their duties.

Table 10: FY22 Non-Executive Director fees during FY22

		Short term		Post-employment	
	Year	Fees $	Non-monetary benefits $	Superannuation[i] $	Total $
Current Non-Executive Directors					
Bruce Akhurst[iii]	**FY22**	**276,653**	**-**	**27,665**	**304,318**
	FY21	241,667	-	22,958	264,625
David Gallop	**FY22**	**235,757**	**-**	**23,576**	**259,333**
	FY21	224,500	-	21,372	245,872
Janette Kendall	**FY22**	**230,945**	**-**	**23,094**	**254,039**
	FY21	160,318	-	15,230	175,548
Justin Milne	**FY22**	**238,079**	**-**	**23,808**	**261,887**
	FY21	205,000	-	19,475	224,475
Future Non-Executive Directors, pending regulatory approval					
Brett Chenoweth[iv]	**FY22**	**17,420**	**-**	**1,742**	**19,162**
Raelene Murphy[iv]	**FY22**	**17,586**	**-**	**1,759**	**19,345**
Karen Stocks[v]	**FY22**	**15,761**	**-**	**1,576**	**17,337**
Former Non-Executive Directors					
Steven Gregg[ii][vi]	**FY22**	**483,625**	**-**	**48,362**	**531,987**
	FY21	383,500	-	36,433	419,933
Anne Brennan[v]	**FY22**	**219,000**	**-**	**21,900**	**240,900**
	FY21	231,621	-	22,004	253,625
Harry Boon[v]	**FY22**	**211,700**	**-**	**21,170**	**232,870**
	FY21	228,667	-	21,723	250,390
Paula Dwyer	FY21	277,588	-	12,587	290,175
Vickki McFadden	FY21	80,000	2,000	7,600	89,600
Total	**FY22**	**1,946,526**	**-**	**194,652**	**2,141,178**
	FY21	2,032,861	2,000	179,382	2,214,243

(i) Contributions made to satisfy Tabcorp's obligation under applicable superannuation guarantee legislation. Excludes Australian Taxation Office approved exemptions.
(ii) Up until his retirement on 31 May 2022, Mr Gregg also received per annum fee of $35,000 (plus superannuation) for the role of Chairman of the Victorian Joint Venture Management Committee. The fee was borne by the Joint Venture, which is jointly controlled by Tabcorp.
(iii) 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.
(iv) 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.
(v) Appointed an Observer on 1 June 2022, pending receipt of regulatory approval.
(vi) Retired from the Board on 31 May 2022.

The current maximum aggregate amount of fees that can be paid to Non-Executive Directors per year for their services (including superannuation contributions) is set at $3.0 million, 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 FY22 was $2,141,178 (which includes Observer fees paid to Mr Chenoweth, Ms Murphy and Ms Stocks).

(d) Non-Executive Director Shareholding Policy

Non-Executive Directors are required to hold a minimum shareholding in Tabcorp equivalent to the annual Board Member fee (excluding superannuation), and the Board Chairman to hold a minimum shareholding equivalent to double his annual Board Chair fee. At the date of this report, all Non-Executive Directors (including the Board Chairman) complied with this policy, noting that Non-Executive Directors are required to reach the applicable threshold within three years of appointment or within three years of the date of Demerger (whichever is later).
A copy of this policy is available on Tabcorp's website (**www.tabcorp.com.au**) under the Corporate Governance section.

9. STATUTORY REMUNERATION DISCLOSURES

(a) Executive KMP statutory remuneration tables

The following table provides a breakdown of the executive KMP remuneration in accordance with statutory requirements and the Australian Accounting Standards.

Table 11: Executive KMP remuneration for FY22

		Short term		Long term	Post-employment	Charge for share-based allocations(iii)		Accelerated and modification charge for share-based payments(iv)				
Current executive KMP	**Financial year $**	**Salary and fees(i) $**	**Cash bonus(ii) $**	**Accrued leave benefits $**	**Super-annuation $**	**Restricted Shares $**	**Performance Rights $**	**Restricted Shares $**	**Performance Rights $**	**Total $**	**Performance related(v) $**	**Termination benefits $**
Adam Rytenskild	**FY22**	**942,932**	**377,605**	**350,227**	**23,568**	**425,857**	**391,247**	**38,690**	**844,179**	**3,394,305**	**61%**	**-**
	FY21	896,306	330,480	13,913	21,694	65,919	385,491			1,713,803	46%	-
Daniel Renshaw(vi)	**FY22**	**54,286**	**22,268**	**2,406**	**1,964**	**19,146**	**-**	**-**	**-**	**100,070**	**41%**	**-**
Former executive KMP												
David Attenborough(vii)	**FY22**	**1,811,729**	**975,000**	**34,096**	**21,604**	**240,120**	**1,202,146**	**283,678**	**1,684,954**	**6,253,327**	**72%**	**1,327,417**
	FY21	1,978,306	750,000	189,078	21,694	456,688	1,236,155	-	-	4,631,921	53%	-
Adam Newman(viii)	**FY22**	**729,729**	**283,250**	**27,256**	**21,604**	**57,691**	**337,117**	**41,606**	**780,112**	**2,278,365**	**66%**	**-**
	FY21	778,306	330,000	44,530	21,694	135,674	232,784	-	-	1,542,988	45%	-
Patrick McGlinchey(viii)	**FY22**	**679,959**	**264,258**	**26,622**	**21,604**	**26,031**	**287,947**	**32,392**	**671,294**	**2,010,107**	**64%**	**-**
	FY21	242,769	95,887	20,579	7,231	15,813	48,890	-	-	431,169	37%	-
Sue van der Merwe(viii)	**FY22**	**748,429**	**279,878**	**143,160**	**95,425**	**35,529**	**328,202**	**41,606**	**823,849**	**2,496,078**	**60%**	**-**
	FY21	712,264	330,000	(19,901)	90,814	70,137	293,143	-	-	1,476,457	47%	-
Total	**FY22**	**4,967,064**	**2,202,259**	**583,767**	**185,769**	**804,374**	**2,546,659**	**437,972**	**4,804,388**	**16,532,252**		**1,327,417**
	FY21	4,607,951	1,836,367	248,199	163,127	744,231	2,196,463	-	-	9,796,338		-

(i) Comprises salary and sacrificed benefits (including salary sacrificed superannuation and motor vehicle novated leases including fringe benefits tax where applicable).
(ii) Cash bonus reflects the cash portion of the STI achieved in the relevant financial year, being 50% for the MD & CEO and 75% for other executive KMP. 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. For former executive KMP cash bonus refer to footnotes (vii) and (viii).
(iii) Represents the fair value of share-based payments expensed by Tabcorp.
(iv) As a result of the Demerger, the remaining fair value of share-based payments not already recognised was expensed when vesting was accelerated for the FY20 and FY21 STPP Restricted Shares; and the 2019, 2020 and 2021 LTPP Performance Rights, including the modification charge as outlined in Table 13. Also includes expensing the remaining portion of Retention Shares relating to The Lottery Corporation shares allocated as part of the Demerger (refer section 5 (d)(iv).
(v) Represents the sum of the cash bonus (from STI awards), Restricted Shares (from STI) and LTI Performance Rights as a percentage of total remuneration, excluding termination payments.
(vi) Commenced as an executive KMP on 1 June 2022. Remuneration reflects period as KMP.
(vii) Mr Attenborough ceased as MD & CEO and executive KMP on 31 May 2022. Cash bonus reflects accrual for 11 months for period as a KMP and was paid in cash post 30 June 2022.
(viii) Ceased as an executive KMP on 31 May 2022. Cash bonus reflects accrual for 11 months for period as a KMP, with the final bonus being settled by The Lottery Corporation post 30 June 2022.

Table 12: KMP interests in Tabcorp shares for FY22 (number)

KMP	Balance at start of FY22	Granted as remuneration	On vesting of Performance Rights	Net change other(ii)	Balance at end of year
Current Non-Executive Directors					
Bruce Akhurst	120,000	-	-	630,000	750,000
David Gallop	7,637	-	-	10,000	17,637
Janette Kendall	-	-	-	29,254	29,254
Justin Milne	50,846	-	-	250,000	300,846
Future Non-Executive Directors, pending regulatory approval					
Brett Chenoweth(i)(v)	-	-	-	86,538	86,538
Raelene Murphy(i)(v)	-	-	-	-	-
Karen Stocks(i)	-	-	-	20,000	20,000
Former Non-Executive Directors					
Steven Gregg	45,820	-	-	-	45,820(iii)
Anne Brennan	8,182	-	-	-	8,182(iii)
Harry Boon	76,364	-	-	-	76,364(iii)
Current executive Director					
Adam Rytenskild	432,137(iv)	116,897	383,551	1,489,289	2,421,874
Current executive KMP					
Daniel Renshaw	162,732(i)	-	-	-	162,732
Former executive Director					
David Attenborough	1,628,649	152,945	1,258,197	(59,508)	2,980,283(iii)
Former executive KMP					
Adam Newman	58,844	22,432	271,828	-	353,104(iii)
Patrick McGlinchey	23,785	17,464	219,605	3,249	264,103(iii)
Sue van der Merwe	112,579	22,432	332,185	-	467,196(iii)
Total	**2,727,575**	**332,170**	**2,465,366**	**2,458,822**	**7,983,933**

(i) Reflects shareholdings when they commenced as KMP, being on 1 June 2022 for Mr Chenoweth, Ms Murphy, Ms Stocks and Mr Renshaw.
(ii) Includes voluntary on-market transactions.
(iii) Reflects shareholdings when they ceased as KMP on 31 May 2022.
(iv) The closing balance for Mr Rytenskild reported in the FY21 remuneration report of 388,500 has been updated to 432,137 in the opening balance for FY22.
(v) Mr Chenoweth and Ms Murphy received regulatory approvals and were appointed as Non-Executive Directors effective 4 August 2022

Table 13: Modification to Performance Rights during FY22

During FY22 as a result of the Demerger, performance conditions were waived for outstanding unvested Performance Rights and a pro rata portion of the Performance Rights vested on the date on which the Demerger became effective, and the remainder lapsed. The effective date was 23 May 2022. The modification to the Performance Rights occurred on 18 March 2022 for all KMP other than the MD & CEO, where the modification date was 2 July 2021.

The conditions affecting the vesting and exercise of the Performance Rights prior to the alteration are outlined in section 6(e).

The market price of the underlying instruments, being Tabcorp Shares, at the date of the modification was $4.98 ($5.20 for MD & CEO).

	Performance Rights – granted:						Total fair value difference immediately before and after modification[i]
	24 October 2019		20 October 2020		19 October 2021		
KMP	Pro rata vest Number	Lapsed Number	Pro rata vest Number	Lapsed Number	Pro rata vest Number	Lapsed Number	$
Current executive Director							
Adam Rytenskild	126,264	15,402	147,601	120,037	36,949	139,589	193,880
Former executive KMP							
David Attenborough[ii]	412,631	50,322	482,359	392,276	n/a	n/a	830,866
Adam Newman	110,035	13,422	128,628	104,608	33,165	125,296	168,961
Patrick McGlinchey	86,983	10,610	101,681	82,692	30,941	116,895	133,565
Sue van der Merwe	110,035	13,422	128,628	104,608	36,949	139,589	168,961
Total	**845,948**	**103,178**	**988,897**	**804,221**	**138,004**	**521,369**	**1,496,233**

(i) Included as Executive KMP remuneration in Table 11.
(ii) Mr Attenborough was granted a parallel award on 19 October 2021 as detailed in footnote (v) of Table 5 and Tabcorp only accounted for the parallel award. There was no modification to the parallel award.

(b) Transactions and loans with KMP

No KMP (including their related parties) have entered into material commercial relationships or transactions with the Company or a subsidiary during FY22 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 made (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 2022

	Note	2022 $m	2021 $m
Continuing operations			
Revenue	A4	**2,373.3**	2,479.9
Other income	A4	**7.2**	46.2
Commissions and fees		**(1,180.4)**	(1,098.0)
Government taxes and levies		**(359.9)**	(334.1)
Employment costs		**(344.0)**	(368.0)
Communications and technology costs		**(131.5)**	(105.9)
Advertising and promotions		**(106.5)**	(100.0)
Other expenses		**(41.9)**	(46.2)
Depreciation and amortisation		**(286.4)**	(276.1)
Impairment – goodwill	C2	**-**	(121.5)
Impairment – other	A4	**(5.0)**	(9.4)
(Loss)/profit before income tax and net finance costs		**(75.1)**	66.9
Finance income		**0.4**	1.1
Finance costs	A4	**(61.5)**	(168.7)
Loss from continuing operations before income tax		**(136.2)**	(100.7)
Income tax benefit/(expense)	A5	**17.8**	(60.2)
Loss from continuing operations after income tax		**(118.4)**	(160.9)
Discontinued operations			
Profit from discontinued operations net of tax	D5	**6,894.3**	430.3
Net profit after tax		**6,775.9**	269.4
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity		**65.9**	(73.9)
Exchange differences on translation of foreign operations		**(1.7)**	0.9
Income tax relating to these items		**(19.8)**	22.1
Items that will not be reclassified to profit or loss			
Actuarial gains on retirement benefit obligation	E2	**0.5**	4.1
Income tax relating to these items		**(0.1)**	(1.4)
Other comprehensive income for the year, net of income tax		**44.8**	(48.2)
Total comprehensive income for the year		**6,820.7**	221.2

	Note	2022 cents	2021 cents
(Loss)/earnings per share:			
From continuing operations			
Basic loss per share	A2	**(5.3)**	(7.4)
Diluted loss per share	A2	**(5.3)**	(7.3)
From continuing operations before goodwill impairment			
Basic loss per share	A2	**(5.3)**	(1.8)
Diluted loss per share	A2	**(5.3)**	(1.8)
Total attributable to shareholders of Tabcorp			
Basic earnings per share	A2	**304.6**	12.3
Diluted earnings per share	A2	**304.6**	12.3
Dividends per share:			
Declared and paid during the year	A3	**483.9**	7.5
Determined in respect of the year	A3	**13.0**	14.5

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

BALANCE SHEET As at 30 June 2022

	Note	2022 $m	2021 $m
Current assets			
Cash and cash equivalents	C6	**199.4**	424.4
Receivables	C7	**129.9**	116.9
Prepayments		**52.4**	45.0
Derivative financial instruments	B4	**0.4**	69.6
Other financial assets	B2	**-**	128.9
Assets held for sale	E7	**34.2**	-
Other		**15.1**	113.4
Total current assets		**431.4**	898.2
Non current assets			
Receivables	C7	**10.8**	1.6
Other financial assets	B2	**-**	128.7
Licences	C1	**693.4**	2,041.5
Other intangible assets	C2	**2,515.0**	8,056.5
Property, plant and equipment	C4	**222.9**	375.5
Right-of-use assets	C5	**126.5**	233.1
Prepayments		**31.2**	25.5
Derivative financial instruments	B4	**1.8**	88.0
Other		**15.7**	19.2
Total non current assets		**3,617.3**	10,969.6
TOTAL ASSETS		**4,048.7**	11,867.8
Current liabilities			
Payables	C8	**598.5**	1,236.6
Interest bearing liabilities	B3	**-**	176.8
Lease liabilities	C5	**42.6**	46.6
Current tax liabilities		**8.5**	54.9
Provisions	C9	**200.0**	60.5
Derivative financial instruments	B4	**12.5**	50.2
Other		**2.2**	90.0
Total current liabilities		**864.3**	1,715.6
Non current liabilities			
Payables	C8	**1.3**	270.8
Interest bearing liabilities	B3	**135.3**	2,298.7
Lease liabilities	C5	**139.1**	262.3
Deferred tax liabilities	A5	**179.5**	525.6
Provisions	C9	**18.1**	25.0
Derivative financial instruments	B4	**-**	54.8
Other		**-**	18.9
Total non current liabilities		**473.3**	3,456.1
TOTAL LIABILITIES		**1,337.6**	5,171.7
NET ASSETS		**2,711.1**	6,696.1
Equity			
Issued capital		**1,635.9**	9,230.0
Retained earnings/(accumulated losses)		**1,074.2**	(1,863.5)
Reserves		**1.0**	(670.4)
TOTAL EQUITY		**2,711.1**	6,696.1

The accompanying notes form an integral part of this balance sheet.
The Lottery Corporation was demerged in June 2022.

CASH FLOW STATEMENT For the year ended 30 June 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**5,608.8**	5,880.6
Payments to suppliers, service providers and employees		**(2,569.9)**	(2,683.8)
Payment of government levies, betting taxes and GST		**(1,980.3)**	(2,120.3)
Finance income received		**-**	1.1
Finance costs paid		**(133.4)**	(166.9)
Income tax paid		**(188.2)**	(191.2)
Net cash flows from operating activities	C6	**737.0**	719.5
Cash flows from investing activities			
Payment for business acquisition net of cash acquired	D4	**-**	51.7
Payment for property, plant and equipment and intangibles		**(202.5)**	(181.8)
Cash reduction through demerger of entities	D5	**(261.7)**	-
Proceeds from sale of property, plant and equipment and intangibles		**6.3**	67.5
Proceeds from sale of shares in an associate		**-**	97.8
Proceeds from sale of other non current assets		**2.2**	-
Payment for other financial assets		**-**	(72.8)
Net cash flows used in investing activities		**(455.7)**	(37.6)
Cash flows from financing activities			
Net cash flows from revolving bank facilities		**75.1**	(0.9)
Repayment of borrowings		**(127.0)**	(994.8)
Proceeds from issue of shares		**-**	600.5
Payment of transaction costs for share issue		**-**	(13.6)
Payment of transaction costs for capital reduction		**(19.7)**	-
Payment of demerger transaction costs		**(75.3)**	-
Payment of lease liabilities		**(48.0)**	(49.8)
Dividends paid		**(279.8)**	(145.8)
Payments for on-market share purchase		**(31.6)**	(2.8)
Net cash flows used in financing activities		**(506.3)**	(607.2)
Net increase/(decrease) in cash held		**(225.0)**	74.7
Cash at beginning of year		**424.4**	349.7
Cash at end of year	C6	**199.4**	424.4

The accompanying notes form an integral part of this cash flow statement.
The cash flow statement includes the cash flows of The Lottery Corporation for the period up to the demerger date. Refer to note D5.

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2022

	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
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 $1,635.9 m			Total reserves $1.0 m			
2021								
Balance at beginning of year	2,032.3	8,618.2	(1.1)	(1,969.3)	41.8	(669.9)	8.5	6,028.2
Profit for the year	-	-	-	269.4	-	-	-	269.4
Other comprehensive income	-	-	-	2.7	(51.8)	-	0.9	(48.2)
Total comprehensive income	-	-	-	272.1	(51.8)	-	0.9	221.2
Dividends paid	-	-	-	(166.3)	-	-	-	(166.3)
Dividend reinvestment plan	4.5	20.5	-	-	-	-	-	20.5
Ordinary shares issued(iii)	184.8	600.5	-	-	-	-	-	600.5
Transaction costs for share issue	-	(9.3)	-	-	-	-	-	(9.3)
Transfers	-	3.1	-	-	-	-	(3.1)	-
Share based payments expense	-	-	0.9	-	-	-	3.2	4.1
Net outlay to purchase shares	-	(2.4)	(0.4)	-	-	-	-	(2.8)
Balance at end of year	2,221.6	9,230.6	(0.6)	(1,863.5)	(10.0)	(669.9)	9.5	6,696.1
		Total issued capital $9,230.0 m			Total reserves ($670.4) m			

(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.
(iii) Ordinary shares issued under a pro rata accelerated renounceable entitlement offer. The proceeds have been used to pay down existing drawn bank facilities in the prior period. Refer to note B3.

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 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 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 For the year ended 30 June 2022

ABOUT THIS REPORT

Tabcorp Holdings Limited (the **Company**) is a company limited by shares which are traded on the Australian Securities Exchange (**ASX**). 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 2022 comprises the Company and its subsidiaries (the **Group**) and the Group's interest in joint arrangements.

On 5 July 2021, Tabcorp announced its intention to demerge its Lotteries and Keno business. The demerger was completed on 1 June 2022, resulting in The Lottery Corporation Limited as a separate ASX listed Company. The Lotteries and Keno business is presented as a discontinued operation. Refer to note D5 for further information.

The COVID-19 pandemic and related actions taken in response by the Australian and other governments, including national lockdowns, border controls/travel restrictions and social distancing measures continued to have an adverse impact on the financial performance of the Group in 2022. The financial statements reflect the impacts of these measures on the results and the cash flows of the Group in both the current and prior year. Refer to the Operating and Financial Review section of the Annual Report for further information.

An assessment of the impact of COVID-19 on the Group's balance sheet is set out below:

Balance sheet item	COVID-19 assessment	Note
Goodwill	The Group considered the ongoing impact of government and other measures taken to address the COVID-19 pandemic on the assumptions used in its annual impairment test. An impairment charge against goodwill was recognised for the Gaming Services segment in the prior year.	C2 and C3
Issued capital	In the prior year the Company completed a 1-for-11 pro rata accelerated renounceable entitlement offer raising gross proceeds of approximately $600m which were used to pay down existing drawn bank debt facilities.	Statement of changes in equity

Further details on the impact of COVID-19 on the Group's results can be found in the Directors' report for the year ended 30 June 2022.

The Financial Report was authorised for issue by the Board of Directors on 24 August 2022.

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 equity instruments 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 not expected to be fully settled within the next 12 months. As at 30 June 2022, it also included $150 million in relation to Racing Queensland settlement payment and $37.5 million for the Queensland wagering licence instalment, which are expected to be settled during 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.

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.
B2 – Other financial assets B4 – 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.
D4 – Business combinations	Acquisition date fair value of identifiable assets and liabilities.
E4 – Contingencies	Assessment of possible obligation and probability of outflow.

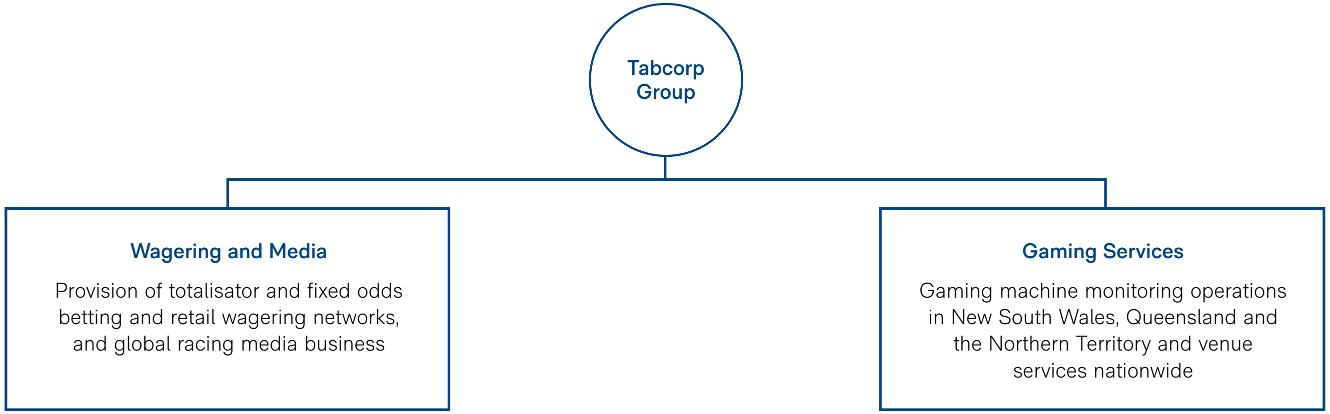
SECTION A – GROUP PERFORMANCE

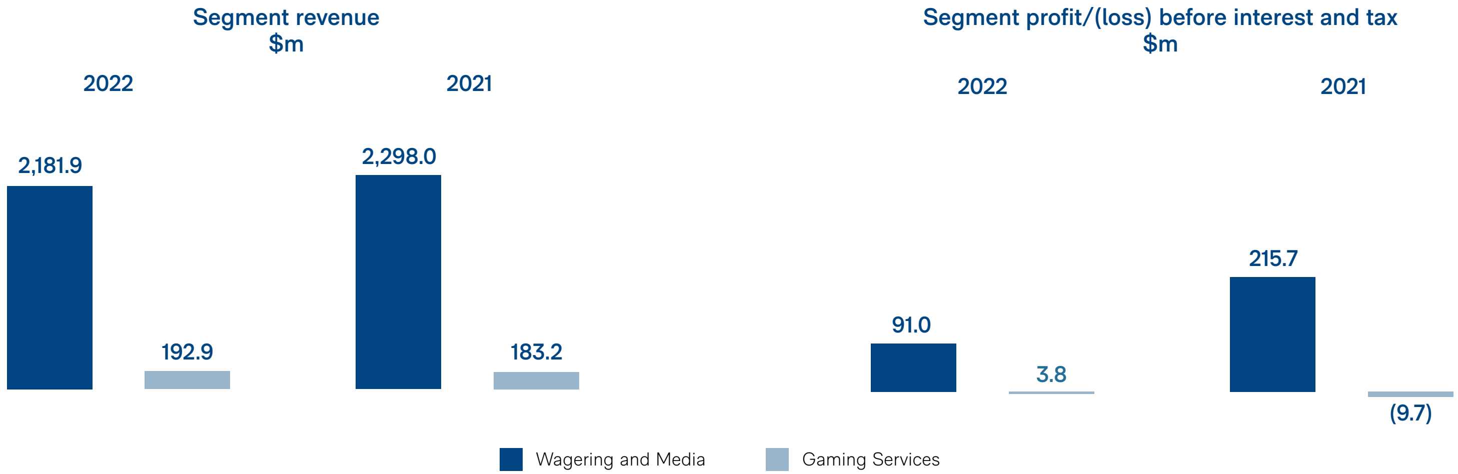
A1 Segment information

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 30 June 2021 financial statements included the Lotteries and Keno segment. This segment was demerged from the Group effective 1 June 2022. Consequently, the segment is no longer presented in the segment disclosures from continuing operations for the current and prior period. Information about discontinued operations is provided in Note D5.

The Group has two operating segments from continuing operations at year end.





	Wagering and Media $m	Gaming Services $m	Total $m
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**
2021			
Revenue – external	2,296.7	183.2	2,479.9
Revenue – intersegment	1.3	-	1.3
Segment revenue	2,298.0	183.2	2,481.2
Segment profit/(loss) before interest and tax	215.7	(9.7)	206.0
Depreciation and amortisation	198.4	77.7	276.1
Impairment – other(ii)	-	2.7	2.7
Capital expenditure(i)	98.1	26.7	124.8

(i) Capital expenditure excludes the acquisition of licences, unallocated items, make good provisions raised during the year and additions to right-of-use assets.
(ii) Prior year includes write down of certain operating assets.

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

	Revenue		Profit/(loss) from continuing operations before income tax		Depreciation and amortisation		Impairment	
	2022 $m	2021 $m	2022 $m	2021 $m	2022 $m	2021 $m	2022 $m	2021 $m
Segment total (per above)	**2,374.8**	2,481.2	**94.8**	206.0	**286.4**	276.1	**-**	2.7
Intersegment revenue elimination	**(1.5)**	(1.3)	**-**	-	**-**	-	**-**	-
Unallocated items:								
– significant items:								
– gain on revaluation of previously held equity interest(i)	**-**	-	**-**	34.9	**-**	-	**-**	-
– implementation costs relating to combination with Tatts Group	**-**	-	**-**	(20.0)	**-**	-	**-**	-
– Racing Queensland arrangements(ii)	**-**	-	**-**	(15.1)	**-**	-	**-**	-
– settlement and other costs relating to Racing Queensland dispute(iii)	**-**	-	**(151.3)**	-	**-**	-	**-**	-
– asset write-off and onerous contract	**-**	-	**(14.1)**	-	**-**	-	**-**	-
– restructuring costs	**-**	-	**-**	(16.7)	**-**	-	**-**	-
– gain on sale of property	**-**	-	**-**	5.3	**-**	-	**-**	-
– impairment – goodwill(iv)	**-**	-	**-**	(121.5)	**-**	-	**-**	121.5
– impairment – other(v)	**-**	-	**(5.0)**	(6.7)	**-**	-	**5.0**	6.7
– strategic review costs	**-**	-	**-**	(1.7)	**-**	-	**-**	-
	-	-	**(170.4)**	(141.5)	**-**	-	**5.0**	128.2
– finance income	**-**	-	**0.4**	1.1	**-**	-	**-**	-
– finance costs(vi)	**-**	-	**(61.5)**	(168.7)	**-**	-	**-**	-
– other	**-**	-	**0.5**	2.4	**-**	-	**-**	-
Total per income statement	**2,373.3**	2,479.9	**(136.2)**	(100.7)	**286.4**	276.1	**5.0**	130.9

(i) Refer to note D4.
(ii) Additional fees related to the minimum performance obligations for three years to December 2020 under Racing Queensland arrangements.
(iii) Refer to note C9.
(iv) Prior year comprises write down of goodwill following the annual impairment review relating to Gaming Services. Refer to notes C2 and C3.
(v) Current year comprises write down of other intangible assets, property plant and equipment and right-of-use assets. Prior year comprises write down of right-of-use assets in respect of surplus corporate lease space.
(vi) Current year includes the gain on cash flow hedges on demerger, refer to note A4 (d). Prior year includes interest charges relating to uncertain tax positions of $8.8m (refer to note E4) and finance costs relating to the strategic review of $4.1m.

A2 Earnings per share

	2022 $m	2021 $m
Loss used in calculation of loss per share (EPS) from continuing operations	**(118.4)**	(160.9)
Adjustment for impairment – goodwill	**-**	121.5
Loss used in calculation of loss per share (EPS) from continuing operations before goodwill impairment	**(118.4)**	(39.4)
Loss from continuing operations after income tax	**(118.4)**	(160.9)
Profit from discontinued operations and net gain on demerger of The Lottery Corporation net of tax	**6,894.3**	430.3
Earnings used in calculation of EPS attributable to shareholders	**6,775.9**	269.4

	2022 Number (m)	2021 Number (m)
Weighted average number of ordinary shares used in calculating basic EPS	**2,224.9**	2,183.5
Effect of dilution from Performance Rights	**-**	5.9
Weighted average number of ordinary shares used in calculating diluted EPS	**2,224.9**	2,189.4

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. There are no Performance Rights outstanding at 30 June 2022.

A3 Dividends

	2022 cents per share	2021 cents per share	2022 $m	2021 $m
Fully franked dividends declared and paid during the year:				
Prior year final dividend	**7.0**	-	**155.5**	-
Interim dividend	**6.5**	7.5	**144.7**	166.3
Demerger distribution(i)	**470.4**	-	**10,470.0**	-
	483.9	7.5	**10,770.2**	166.3
Fully franked dividends determined in respect of the year:				
Interim dividend	**6.5**	7.5	**144.7**	166.3
Final dividend (declared and recognised after balance date)	**6.5**	7.0	**144.7**	155.5
	13.0	14.5	**289.4**	321.8
Franking credits available at balance date			**191.2**	132.8
Impact of estimated current tax (refundable)/payable			**(6.8)**	40.0
Franking credits available at the 30% company tax rate after allowing for tax payable or receivable			**184.4**	172.8

(i) Represents the fair value of The Lottery Corporation shares distributed to shareholders on 1 June 2022. Refer to note D5 for further details on demerger accounting.

A4 Revenue and expenses

(a) Disaggregated revenue information:

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

2022	Wagering $m	Media $m	Gaming services $m	Total $m
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**
2021				
Revenue from contracts with customers	993.6	204.4	183.2	1,381.2
Other revenue(i)	1,098.7	-	-	1,098.7
	2,092.3	204.4	183.2	2,479.9

	Note	2022 $m	2021 $m
Timing of revenue recognition			
Goods and services transferred at a point in time		**2,226.6**	2,363.3
Goods and services transferred over time		**146.7**	116.6
		2,373.3	2,479.9
(b) Other income			
Gain on revaluation of previously held equity interest	D4	**-**	34.9
Net (loss)/gain on disposal of non current assets		**(5.3)**	0.6
Other(ii)		**12.5**	10.7
		7.2	46.2
(c) Employment costs include:			
Defined contribution plan expense		**26.5**	26.1
(d) Finance costs(iii)			
Interest costs on interest bearing liabilities		**108.1**	134.9
Interest costs on lease liabilities		**8.2**	13.1
Net gain on fair value of cash flow hedges(iv)		**(64.3)**	-
Other(v)		**9.5**	20.7
		61.5	168.7
(e) Impairment – other			
Other intangible assets – software		**0.5**	2.7
Right-of-use assets(vi)		**2.5**	6.7
Other tangible assets		**2.0**	-
		5.0	9.4

(i) Includes fixed odds betting revenue, refer accounting policy below.
(ii) Prior year includes subsidy received under the Federal Government's JobKeeper scheme in relation to Gaming Services of $8.5m.
(iii) The finance costs presented includes all finance costs incurred by the Tabcorp Group under the financing arrangements in place prior to the demerger and do not reflect the anticipated financing arrangements of the Group going forward.
(iv) Includes recycling of discontinued cash flow hedges to the income statement; and hedge ineffectiveness. No finance costs have been attributed to the discontinued operations due to the nature of the facilities held by the Group leading up to the demerger.
(v) Prior year includes interest charges relating to uncertain tax positions of $8.8m (refer to note E4) and finance costs relating to the strategic review of $4.1m.
(vi) Prior year comprises write down of right-of-use assets in respect of surplus corporate lease space.

A4 Revenue and expenses (continued)

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 when incurred.

A5 Income tax

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

	2022 $m	2021 $m
Current tax	**7.3**	(32.5)
Adjustments in respect of current income tax of previous years[(i)]	**2.7**	(56.3)
Deferred tax	**7.8**	28.6
	17.8	(60.2)
Income tax reconciliation (continuing operations):		
Loss from continuing operations before income tax	**(136.2)**	(100.7)
Income tax receivable at the 30% company tax rate	**40.9**	30.2
Tax effect of adjustments in calculating taxable income:		
– impairment of goodwill	**-**	(36.5)
– net gain on fair value of cash flow hedges	**19.3**	-
– Racing Queensland settlement	**(45.0)**	-
– amortisation of licences	**(10.5)**	(10.5)
– uncertain tax positions relating to NSW gaming machine monitoring licence[(i)]	**-**	(62.0)
– gain on revaluation of previously held equity interest	**-**	10.5
– research and development claims	**2.6**	2.9
– amounts under/(over) provided in prior years	**2.7**	(0.7)
– other	**7.8**	5.9
Income tax benefit/(expense)	**17.8**	(60.2)

(i) Prior year includes $62.0m relating to uncertain tax positions. Refer to note E4 for details on related contingent asset.

(b) Deferred tax assets/(liabilities)

	Balance at 30 June 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 (liabilities)/assets	**(525.6)**	**237.8**	**(3.9)**	**112.2**	**(179.5)**

	Balance at 1 July 2020 $m	Recognised in income statement[(i)] $m	Recognised directly in equity $m	Balance at 30 June 2021 $m
Licences	(582.5)	19.7	-	(562.8)
Right-of-use assets	(90.8)	12.6	-	(78.2)
Other intangible assets	(33.6)	3.7	-	(29.9)
Research and development	(8.7)	0.3	-	(8.4)
Unclaimed dividends	(6.4)	(1.1)	-	(7.5)
Lease liabilities	103.5	(10.9)	-	92.6
Provisions	22.8	2.8	-	25.6
Property, plant and equipment	14.3	(2.5)	-	11.8
Other	7.6	5.1	(1.4)	11.3
Accrued expenses	4.5	11.1	-	15.6
Fair value of cash flow hedges	(17.8)	-	22.1	4.3
NSW Trackside concessions	1.6	(1.6)	-	-
Net deferred tax (liabilities)/assets	(585.5)	39.2	20.7	(525.6)

(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

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 less unrestricted cash.

At 30 June the Group's gearing ratio was:

	2022 $m
Net debt	**201.9**
EBITDA (before significant items)[i]	**381.6**
Gearing ratio	**0.5**

(i) EBITDA represents continuing operations.

B2 Other financial assets

Prior to the demerger, other financial assets were held to fund payments to winners of certain lottery games, where winnings are payable for up to 20 years. These funds formed part of the net assets disposed on demerger of The Lottery Corporation. Refer to note D5.

	2022 $m	2021 $m
Equity instruments at fair value through other comprehensive income		
Unlisted investments – managed fund	-	21.7
Debt instruments at amortised cost		
Investment – term deposits	-	235.9
	-	257.6
Current	-	128.9
Non current	-	128.7
	-	257.6

Equity instruments at fair value through other comprehensive income were equity instruments for which an irrevocable election to classify as such upon transition to AASB 9 had been made.

After initial measurement, they were subsequently carried at fair value (refer to note B5). Changes in the fair value were recognised in other comprehensive income and accumulated in a reserve within equity. No subsequent recycling of gains or losses to profit or loss was permitted.

Debt instruments at amortised cost were financial assets held in order to collect contractual cash flows that solely represented payments of principal and interest. They were carried at amortised cost.

B3 Interest bearing liabilities

The Group borrows money from financial institutions and debt investors in the form of bank loans, overdraft and foreign currency denominated notes. At 30 June 2022, the Group has undrawn facility of $810.0 million (2021: $909.0 million).

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

Facility	Details	Facility limit $m	Maturity	2022 $m	2021 $m
Bank loans – unsecured	Floating interest rate revolving facility. Subject to financial undertakings as to gearing and interest cover beginning on 30 June 2023.	660.0	n/a(i)	-	449.4(iii)
		400.0	Jul-25	**135.3(iii)**	n/a
		550.0	Jul-27	-	n/a
				135.3	449.4
US private placement	Fixed interest rate US dollar debt. Prior to the demerger and the cancellation of the US private placement the Group had cross currency swaps in place for all US dollar debt. Prior to the cancellation, the facility was subject to financial undertakings as to gearing and interest cover.	USD 133.0	n/a(i)	-	176.8
		USD 105.0	n/a(ii)	-	139.2
		USD 450.0	n/a(ii)	-	596.1
		USD 520.0	n/a(ii)	-	688.7
		USD 175.0	n/a(ii)	-	231.7
		AUD 97.3	n/a(ii)	-	96.8
		AUD 97.3	n/a(ii)	-	96.8
				-	2,026.1
				135.3	2,475.5
Current				**-**	176.8
Non current				**135.3**	2,298.7
				135.3	2,475.5

(i) Facilities were repaid in full and cancelled during the year (original maturity dates were Jul-22 and Apr-22 respectively).
(ii) All Tabcorp US private placement notes outstanding at 1 June were cancelled and equivalent notes issued by The Lottery Corporation to the existing note holders and formed part of the net assets disposed on demerger of The Lottery Corporation. Refer to note D5.
(iii) At 30 June 2022 the value comprises the drawn down value of $140.0 million less borrowing costs of $4.7 million (2021: drawn down value of $451.0 less borrowing costs of $1.6 million).

B3 Interest bearing liabilities (continued)

B3.1 Changes in liabilities arising from financing activities:

	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 $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**

	Balance at 30 June 2020 $m	Cash flows $m	Foreign exchange movement $m	Changes in fair values $m	Lease additions $m	Other $m	Balance at 30 June 2021 $m
Interest bearing liabilities							
Current	249.0	(171.0)	(77.0)	-	-	175.8	176.8
Non current	3,471.0	(824.7)	(176.3)	-	-	(171.3)	2,298.7
Cross currency interest rate swaps							
Current assets	(102.6)	-	-	33.0	-	-	(69.6)
Non current assets	(426.0)	-	-	338.0	-	-	(88.0)
Current liabilities	4.0	-	-	3.0	-	-	7.0
Lease liabilities							
Current	47.3	(49.8)	-	-	-	49.1	46.6
Non current	306.2	-	-	-	2.1	(46.0)	262.3
	3,548.9	(1,045.5)	(253.3)	374.0	2.1	7.6	2,633.8

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.

B4 Derivative financial instruments

The Group holds the following derivative financial instruments, all at fair value based on level 2 observable inputs, other than foreign exchange forward contracts which fair value based on level 1 observable inputs (refer to note B5):

	2022 $m	2021 $m
Current assets		
Foreign exchange forward contracts	**0.4**	-
Cross currency swaps	**-**	69.6
Non current assets		
Foreign exchange forward contracts	**1.8**	-
Cross currency swaps	**-**	88.0
	2.2	157.6
Current liabilities		
Cross currency swaps	**-**	7.0
Interest rate swaps	**-**	30.3
Fixed Odds open betting positions	**12.5**	12.9
	12.5	50.2
Non current liabilities		
Interest rate swaps	**-**	54.8
	12.5	105.0

Derivative financial instruments are recognised initially at cost, and subsequently stated at fair value (refer to note B5). 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.

B4 Derivative financial instruments (continued)

B4.1 Interest rate swaps

Prior to the demerger of The Lottery Corporation in June 2022, these swaps were used to mitigate the risk of variability in cash flows due to movements in the reference interest rate of the designated debt. There were no interest rate swaps at 30 June 2022.

In the prior year, the notional principal amounts and periods of expiry of these interest rate swap contracts were:

	2021 $m
Less than one year	427.0
One to five years	137.0
More than five years	585.0
Notional principal	1,149.0
Fixed interest rate range p.a.	1.9% – 4.9%
Variable interest rate range p.a.	0.02% – 0.04%

Net settlement receipts and payments are recognised as an adjustment to interest expense on an accruals basis over the term of the swaps, such that the overall interest expense on borrowings reflects the average cost of funds achieved by entering into the swap agreements.

Further information about the Group's interest rate risk management is disclosed in note B6.1.

B4.2 Cross currency swaps

Prior to the demerger of The Lottery Corporation in June 2022, these swaps were used to reduce the exposure to the variability of movements in the forward USD exchange rate in relation to the USD private placement debt. There were no cross currency swaps at 30 June 2022.

In the prior year, the principal amounts and periods of expiry of the cross currency swap contracts were:

	2021	
	Pay principal AUD m	**Receive principal USD m**
Less than one year	**127.0**	133.0
One to five years	**137.0**	105.0
More than five years	**1,490.0**	1,145.0
Notional principal	**1,754.0**	1,383.0
Fixed interest rate range p.a.	**5.3% – 5.6%**	4.6% – 5.2%
Variable interest rate range p.a.	**2.1% – 3.9%**	

Further information about the Group's foreign currency risk management is disclosed in note B6.2.

B4.3 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	
	2022 $m	2021 $m
Less than one year	6.1	-
One to five years	22.0	-
More than five years	0.0	-
Notional principal	**28.1**	-

Further information about the Group's foreign currency risk management is disclosed in note B6.2.

B4.4 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.

	2022 $m	2021 $m
Interest rate swaps	-	50.0
Cross currency swaps	-	(295.0)
	-	(245.0)

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

B4.5 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 2021	**(10.0)**
Effective portion of changes in fair value arising from:	
– Interest rate swaps	**35.5**
– Cross currency swaps	**37.9**
Gain 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**

	Hedging reserve $m
As at 1 July 2020	42.0
Effective portion of changes in fair value arising from:	
– Interest rate swaps	50.0
– Cross currency swaps	(295.0)
Loss on revaluation of USD debt	176.0
Other	(5.0)
Tax effect	22.0
As at 30 June 2021	(10.0)

B5 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	
	2022 $m	2021 $m	2022 $m	2021 $m
Financial liabilities				
US private placement	-	2,034.1	-	2,430.7
	-	2,034.1	-	2,430.7

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).

Cross currency and interest rate swaps
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 (level 2 in fair value hierarchy).

Equity instruments at fair value through other comprehensive income
Fair value was determined with reference to market prices prevailing at balance date (level 2 in fair value hierarchy).

There have been no significant transfers between level 1 and level 2 during the financial year ended 30 June 2022.

B6 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 and interest rate risks arising from operational, financing and investment activities, principally interest rate swaps and 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 B6.1 to B6.4.

B6.1 Interest rate risk

The Group had a policy of controlling exposure to interest rate fluctuations by the use of fixed and variable rate debt, floating rate term deposits, interest rate swaps, capped or collar options and forward rate agreements.

Prior to the demerger, it had entered into interest rate swap arrangements to hedge underlying debt obligations and allow floating rate borrowings to be swapped to fixed rate borrowings. Under these arrangements, the Group paid fixed interest rates and receives the bank bill swap rate (**BBSW**) calculated on the notional principal amount of the contracts. The Group had also entered into floating rate term deposits where it receives variable interest that is priced against the BBSW. These formed part of the net assets disposed on demerger of The Lottery Corporation. Refer to note D5.

At 30 June 2022 none of the Group's borrowings are at a fixed rate of interest (2021: 99.4%).

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

	2022 $m	2021 $m
Cash assets	**102.9**	243.6
Short term deposits	**96.5**	83.0
Investment terms deposits – current	**-**	128.9
Investment terms deposits – non current	**-**	106.5
	199.4	562.0
Bank loans – unsecured	**(135.3)**	(449.4)
Interest rate swaps – notional principal amounts	**-**	(1,149.1)
Cross currency swaps – notional principal amounts	**-**	(849.1)
	(135.3)	(2,447.6)

Sensitivity analysis – interest rates – AUD and USD

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)	
	2022 $m	2021 $m	2022 $m	2021 $m
AUD				
+1.0% (100 basis points) (2021: + 0.5%)	**0.2**	1.0	**-**	52.0
-1.0% (100 basis points) (2021: - 0.5%)	**(0.2)**	-	**-**	(54.0)
USD				
+ 0.2% (20 basis points) (2021: + 0.2%)	**-**	(21.0)	**-**	(29.0)
- 0.2% (20 basis points) (2021: - 0.2%)	**-**	22.0	**-**	29.0

The movements in the income statement are insignificant at 30 June 2022 due to the USPP liabilities, derivatives and some of the loans being transferred to The Lottery Corporation on demerger.

Significant assumptions used in the prior year 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;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at balance date; 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.

B6 Financial instruments – risk management (continued)

B6.2 Foreign currency risk

At 30 June 2022, the Group is not materially exposed to foreign currency risk. In the prior year and in the period prior to demerger, the Group's primary currency exposure was to US dollars as a result of issuing US private placement debt. In order to hedge this exposure, the Group had entered into cross currency swaps to fix the exchange rate on the USD debt until maturity. The Group agreed 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 were designated to hedge the principal and interest obligations of the US private placement debt. The US private placement debt together with all existing cross currency swaps formed part of the net assets disposed on demerger of The Lottery Corporation. Refer to note D5.

Sensitivity analysis foreign exchange

The following analysis is based on the Group's foreign currency risk exposures in existence at balance date and demonstrates the Group's sensitivity to reasonably possible changes in the AUD/USD exchange rate. 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)	
	2022 $m	2021 $m	**2022 $m**	2021 $m
AUD/USD +10 cents (2021: +10 cents)	**-**	-	**(2.8)**	(39.0)
AUD/USD -10 cents (2021: -10 cents)	**-**	-	**3.5**	(51.0)

The movements in the income statement are insignificant at 30 June 2022 due to the USPP liabilities, derivatives and some of the loans being transferred to the Lottery Corporation on demerger. Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Significant assumptions used in the prior year in the foreign currency exposure sensitivity analysis include:

- reasonably possible movements were determined based on a review of the last two years' historical movements and economic forecasters' expectations;
- movement of 10 cents was calculated by taking the USD spot rate as at balance date, moving this spot rate by 10 cents and then re-converting the USD into AUD with the 'new spot rate'.

This methodology reflects the translation methodology undertaken by the Group;

- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at balance dates; 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.

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

B6.3 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 B6.4.

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 (2021: 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 (2021: $34.4m).

B6 Financial instruments – risk management (continued)

B6.4 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.

At 30 June 2022 no debt facilities (2021: 7%) will mature in less than one year.

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

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

	2022			2021		
	< 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	**(598.5)**	**(1.3)**	**-**	(1,236.6)	(106.9)	(166.8)
Bank loans – unsecured	**(4.8)**	**(150.0)**	**-**	(6.7)	(451.3)	-
US private placement	**-**	**-**	**-**	(225.1)	(498.7)	(2,055.8)
Lease liabilities	**(48.0)**	**(127.2)**	**(29.2)**	(57.2)	(169.5)	(135.4)
Net outflow	**(651.3)**	**(278.5)**	**(29.2)**	(1,525.6)	(1,226.4)	(2,358.0)
Derivative financial instruments						
Financial assets						
Interest rate swaps – receive AUD floating	**-**	**-**	**-**	0.3	26.8	23.2
Cross currency swaps – receive USD fixed	**-**	**-**	**-**	214.1	454.6	1,757.2
Foreign exchange forward contracts	**0.4**	**1.8**	**-**	-	-	-
	0.4	**1.8**	**-**	214.4	481.4	1,780.4
Financial liabilities						
Interest rate swaps – pay AUD fixed	**-**	**-**	**-**	(29.1)	(79.9)	(32.1)
Cross currency swaps – pay AUD floating	**-**	**-**	**-**	(196.9)	(425.4)	(1,770.6)
Fixed Odds open betting positions	**(12.5)**	**-**	**-**	(12.9)	-	-
	(12.5)	**-**	**-**	(238.9)	(505.3)	(1,802.7)
Net inflow/(outflow)	**(12.1)**	**1.8**	**-**	(24.5)	(23.9)	(22.3)

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

	Lotteries licences $m	Wagering licences $m	Gaming machine monitoring licence $m	Keno licences $m	Total $m
2022					
Carrying amount at beginning of year	**1,236.9**	**595.4**	**152.8**	**56.4**	**2,041.5**
Additions	**-**	**-**	**-**	**25.0**	**25.0**
Amortisation	**(42.0)**	**(41.4)**	**(13.4)**	**(5.1)**	**(101.9)**
Disposals through demerger of entities (refer to note D5)	**(1,194.9)**	**-**	**-**	**(76.3)**	**(1,271.2)**
Carrying amount at end of year	**-**	**554.0**	**139.4**	**-**	**693.4**
Cost	**-**	**978.5**	**199.7**	**-**	**1,178.2**
Accumulated amortisation	**-**	**(424.5)**	**(60.3)**	**-**	**(484.8)**
	-	**554.0**	**139.4**	**-**	**693.4**
2021					
Carrying amount at beginning of year	1,282.8	636.8	166.2	62.3	2,148.1
Amortisation	(45.9)	(41.4)	(13.4)	(5.9)	(106.6)
Carrying amount at end of year	1,236.9	595.4	152.8	56.4	2,041.5
Cost	1,391.0	978.5	199.7	127.9	2,697.1
Accumulated amortisation and impairment	(154.1)	(383.1)	(46.9)	(71.5)	(655.6)
	1,236.9	595.4	152.8	56.4	2,041.5

Amortisation policy – straight line basis over useful life (years):	10 – 55	12 – 93	10 – 15	10 – 34	
Licence expiration date:					
– Victoria	2028	2024		2042	
– Queensland	2072	2098	2027	2047	
– New South Wales	2050	2097	2032	2050	
– Australian Capital Territory		2064[(i)]			
– Northern Territory	2032				
– South Australia	2052	2100			

(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.

Licences that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

C2 Other intangible assets

	Goodwill[i] $m	NSW Trackside concessions $m	Customer related assets $m	Brand names $m	Media content and broadcast rights $m	Other $m	Software $m	Total $m
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 (refer to note D5)	**(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**
2021								
Carrying amount at beginning of year	7,159.6	133.5	123.1	218.1	30.6	36.0	433.2	8,134.1
Additions:								
– acquired	-	-	-	-	-	-	43.0	43.0
– internally developed	-	-	-	-	-	-	91.5	91.5
Acquisition via business combinations (refer to note D4)	-	-	49.3	4.8	-	-	-	54.1
Amortisation	-	(1.8)	(11.4)	(0.3)	-	(2.8)	(115.2)	(131.5)
Impairment	(121.5)	-	-	-	-	-	(2.7)	(124.2)
Transfers	-	-	-	-	-	-	(4.6)	(4.6)
Disposals	-	-	-	-	-	-	(5.9)	(5.9)
Carrying amount at end of year	7,038.1	131.7	161.0	222.6	30.6	33.2	439.3	8,056.5
Cost	8,955.2	150.0	196.2	222.9	30.6	54.5	1,063.2	10,672.6
Accumulated amortisation and impairment	(1,917.1)	(18.3)	(35.2)	(0.3)	-	(21.3)	(623.9)	(2,616.1)
	7,038.1	131.7	161.0	222.6	30.6	33.2	439.3	8,056.5
Includes capital works in progress of:							105.9	105.9

(i) The impairment of goodwill in the prior year relates to the Gaming Services segment. Refer to note C3.

	Goodwill	NSW Trackside concessions	Customer related assets	Brand names	Media content and broadcast rights	Other	Software	Total
Amortisation policy – straight line basis over useful life (years):		87	8 – 20	5 – Indefinite	Indefinite	20	3 – 15	
Expiration date:		2097				2033[ii]		

(ii) 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:	2022 $m	2021 $m
Goodwill		
Wagering and Media	**1,734.0**	1,734.0
Lotteries and Keno	**-**	5,304.1
	1,734.0	7,038.1
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
Lotteries	**-**	108.1
	140.6	248.7

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% (2021: 1.0% to 3.5%). These cash flows are then discounted using a relevant long term post tax discount rate 8.88% (2021: 8.4%). This is considered to be level 3 in the fair value hierarchy (refer to note B5 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 relation to the ongoing wagering operations in Victoria, probability-weighted scenarios were modelled, including the expected conditions and 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.

C3 Impairment testing (continued)

Sensitivities

- 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 and each of the individual scenarios, the estimates of recoverable amount exceed the carrying amount.
- An increase in the long term, post tax discount rate of 1.3% would result in the estimated recoverable amount being equal to carrying amounts.
- A decrease in the cashflows of the business of 12% 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 2021 or 30 June 2022.

Gaming Services

The impairment assessment in the prior year determined the carrying value of the Gaming Services Segment exceeded its recoverable amount. As a result, an impairment charge of $121.5m was recognised in the prior year. At 30 June 2021, the Goodwill attributable to the Gaming Service segment was nil.

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
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 (refer to note D5)	**-**	**(0.1)**	**(17.5)**	**(51.9)**	**(69.5)**
Depreciation	**-**	**(2.1)**	**(13.0)**	**(73.0)**	**(88.1)**
Transfers	**-**	**-**	**-**	**(1.1)**	**(1.1)**
Transferred 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**
2021					
Carrying amount at beginning of year	17.6	15.7	80.0	343.0	456.3
Additions	-	0.4	(0.8)	31.3	30.9
Acquisitions via business combinations (refer to note D4)	-	-	-	0.6	0.6
Disposals	-	-	(0.2)	(15.4)	(15.6)
Depreciation	-	(2.1)	(12.9)	(82.3)	(97.3)
Transfers	-	-	(0.1)	0.7	0.6
Carrying amount at end of year	17.6	14.0	66.0	277.9	375.5
Cost	17.6	35.4	160.2	959.5	1,172.7
Accumulated depreciation and impairment	-	(21.4)	(94.2)	(681.6)	(797.2)
	17.6	14.0	66.0	277.9	375.5
Includes capital works in progress of:		-	-	13.6	13.6

Depreciation policy – straight line basis over useful life (years):		7 – 40	5 – 14	3 – 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 lease terms expiring from 1 to 22 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
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**
2021			
Carrying amount at beginning of year	265.8	9.3	275.1
Additions	0.8	1.3	2.1
Lease remeasurements	6.8	1.0	7.8
Depreciation	(41.0)	(4.4)	(45.4)
Gain on termination	-	0.1	0.1
Impairment	(6.6)	-	(6.6)
Carrying amount at end of year	225.8	7.3	233.1

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

	2022 $m	2021 $m
Carrying amount at beginning of year	**308.9**	353.5
Additions	**11.2**	2.1
Lease remeasurements	**(15.5)**	3.1
Interest expense	**9.8**	13.1
Terminations(i)	**(74.9)**	-
Payments (cash outflow)	**(57.8)**	(62.9)
Carrying amount at end of year	**181.7**	308.9
Current	**42.6**	46.6
Non current	**139.1**	262.3
	181.7	308.9

(i) Includes the termination of certain operating leases, as the leases were novated or sub-leased to The Lottery Corporation on demerger.
(ii) 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 terms of 3 and 5 years and the Group has classified the leases as finance sub-leases.

During the year, the Group recognised a gain of $7.3m on derecognition of the right-of-use assets pertaining to the properties and presented the gain as part of profit from discontinued operations after tax (see note D5).

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

	2022 $m	2021 $m
Less than one year	**3.1**	-
Between one to two years	**3.3**	-
Between two to three years	**2.7**	-
Between three to four years	**1.9**	-
Between four to five years	**1.9**	-
Total undiscounted lease receivable	**12.9**	-
Unearned finance income	**(0.8)**	-
	12.1	-

During the year, the Group terminated its non-cancellable operating sub-leases. Future minimum rentals receivable under non-cancellable operating subleases as at 30 June:

	2022 $m	2021 $m
Not later than one year	**-**	2.1
Later than one year but not later than five years	**-**	7.3
	-	9.4

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:	2022 $m	2021 $m
Cash on hand and in banks	**102.9**	341.4
Short term deposits	**96.5**	83.0
	199.4	424.4

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 (refer to note B3).

Significant 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 $84.3m (2021: $275.0m).

(b) Reconciliation of net profit after tax to net cash flows from operating activities	2022 $m	2021 $m
Net profit after tax	**6,775.9**	269.4
Add items classified as investing/financing activities:		
– gain on demerger of The Lottery Corporation (net of transaction costs)	**(6,513.8)**	-
– net gain on disposal of investment in an associate	**-**	(69.6)
– net loss on disposal of property, plant and equipment and tangibles	**5.0**	-
– net gain on disposal of non current assets	**(1.2)**	(0.9)
Add non cash income and expense items:		
– depreciation and amortisation	**382.3**	380.5
– impairment – goodwill	**-**	121.5
– impairment – other	**5.0**	9.4
– gain on revaluation of previously held equity interest	**-**	(34.9)
– costs relating to Racing Queensland settlement	**150.0**	-
– share based payments expense	**24.5**	4.1
– unwinding of prepaid borrowing costs	**4.8**	-
– other(i)	**(65.7)**	13.6
Net cash provided by operating activities before changes in assets and liabilities	**766.8**	693.1
Changes in assets and liabilities:		
(Increase)/decrease in:		
– debtors	**10.1**	(15.9)
– prepayments	**(18.9)**	-
– other assets	**(77.4)**	(1.5)
(Decrease)/increase in:		
– payables	**117.0**	4.6
– provisions	**(9.6)**	5.1
– deferred tax liabilities	**(19.2)**	(34.0)
– current tax liabilities	**(43.5)**	57.0
– other liabilities	**11.7**	11.1
Net cash flows from operating activities	**737.0**	719.5

(i) Includes recycling of discontinued cash flow hedges to the income statement, refer to note A4.

C7 Receivables

	2022 $m	2021 $m
Current		
Trade debtors	**89.2**	91.8
Allowance for expected credit losses	**(3.5)**	(5.6)
	85.7	86.2
Finance lease receivable[(i)]	**2.8**	-
Other	**41.4**	30.7
	129.9	116.9
Non current		
Trade debtors	**1.6**	0.8
Finance lease receivable[(i)]	**9.2**	-
Other	**-**	0.8
	10.8	1.6

(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

	2022 $m	2021 $m
Current		
Payables	**598.5**	1,236.6
Non current		
Payables	**1.3**	270.8

Non current payables in prior year included the final Queensland wagering licence instalment and prizes payable to the winners of certain lottery games where winnings are payable for up to 20 years, which were disposed through demerger of entities. Refer to note D5.

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

C9 Provisions

	2022 $m	2021 $m
Current		
Employee benefits	**39.9**	43.2
Premises	**4.3**	6.0
Other(i)	**155.8**	11.3
	200.0	60.5
Non current		
Employee benefits	**4.1**	9.1
Premises	**6.0**	12.5
Other	**8.0**	3.4
	18.1	25.0

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

	Premises $m	Other $m
Carrying amount at beginning of year	**18.5**	14.7
Provisions made during year	**4.8**	161.2
Provisions used during year	**(4.7)**	(11.3)
Reduction through demerger of entities	**(8.3)**	(0.8)
Carrying amount at end of year	**10.3**	163.8

(i) 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 is conditional upon the commencement of legislation that will implement the proposed reforms announced by the Queensland Government by 31 March 2023. As at 30 June 2021, the Company had disclosed a contingent liability in connection with this litigation.

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

100% previously owned Australian subsidiaries removed from the deed of cross guarantee with Tabcorp Holdings Limited during the period by way of a revocation deed[i]:

Keno (Qld) Pty Ltd
TAHAL Pty Ltd
Keno (NSW) Pty Ltd
TattsTech Pty Ltd
tatts.com Pty Ltd
Tattersall's Sweeps Pty Ltd
Tatts NT Lotteries Pty Ltd
Tatts Lotteries SA Pty Ltd
Golden Casket Lottery Corporation Limited
50-50 Software Pty Ltd
New South Wales Lotteries Corporation Pty Limited
Keno (Vic) Pty Ltd (formerly Tabcorp Investments No.5 Pty Ltd)
The Lottery Corporation Limited (formerly Tattersall's Holdings Pty Ltd)

100% previously owned Australian subsidiaries incorporated and lost control during the period[ii]:

Tatts Keno Holdings Pty Ltd
L&K Operations Pty Ltd
L&K Finance Pty Ltd
Keno (ACT) Pty Ltd
Keno Online Pty Ltd

100% owned Australian subsidiaries

Tabcorp Gaming Solutions (ACT) Pty Ltd
Tabcorp Gaming Solutions (Qld) Pty Ltd
Tabcorp International No.5 Pty Ltd
Tabcorp International No.6 Pty Ltd
Tabcorp Investments No.9 Pty Ltd
Tabcorp Investments No.10 Pty Ltd
Maxgaming Investments Pty Ltd (formerly George Adams Pty Ltd)
Tabcorp Investments No.11 Pty Ltd
Tabcorp Wagering Manager (Vic) Pty Ltd
OneTab Australia Pty Ltd
OneTab Holdings Pty Ltd
Sky Australia International Racing Pty Ltd
COPL Pty Ltd
eBET Systems Pty Limited
Industry Data Online Pty Ltd
Tabcorp Employee Share Administration Pty Ltd
Sky Channel Marketing Pty Ltd
Ubet Enterprises Pty Ltd

D1 Subsidiaries (continued)

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
Tabcorp UK Limited(iii)	United Kingdom	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

(i) Control of these entities was lost on 1 June 2022 on the demerger of The Lottery Corporation.
(ii) The entities were incorporated during the year and the control of these entities was lost on 1 June 2022 on the demerger of The Lottery Corporation.
(iii) Company was placed in members' voluntary liquidation during 2019.

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. Certain subsidiaries, as identified in note D1, exited the closed group during the year on the demerger of The Lottery Corporation.

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

Income statement	2022 $m	2021 $m
Revenue	**2,216.2**	5,700.3
Expenses	**(2,299.4)**	(5,113.2)
(Loss)/profit before income tax and net finance costs	**(83.2)**	587.1
Finance income	**0.6**	1.1
Finance costs	**(61.5)**	(168.7)
(Loss)/profit before income tax	**(144.1)**	419.5
Income tax expense	**18.9**	(213.7)
(Loss)/profit for the period	**(125.2)**	205.8
Gain on demerger after tax	**7,021.2**	-
Net profit after tax	**6,896.0**	205.8
Other comprehensive income		
Change in fair value of cash flow hedges taken to equity that may be reclassified to profit or loss	**65.9**	(73.9)
Income tax on items that may be reclassified to profit or loss	**(19.8)**	22.2
Items that will not be reclassified to profit or loss	**0.5**	3.0
Income tax on items that will not be reclassified to profit or loss	**(0.1)**	(0.9)
Other comprehensive income for the year, net of income tax	**46.5**	(49.6)
Total comprehensive income for the year	**6,942.5**	156.2
Net profit after tax	**6,896.0**	205.8
Accumulated losses at beginning of year	**(2,044.0)**	(2,085.6)
Adjustment for companies exiting the Closed Group on demerger	**(22.0)**	-
Other comprehensive income	**0.4**	2.1
Transfer to demerger reserve	**(3,538.4)**	-
Dividends paid	**(300.2)**	(166.3)
Retained earnings/(accumulated losses) at end of year	**991.8**	(2,044.0)

D2 Deed of cross guarantee (continued)

	2022 $m	2021 $m
Balance sheet		
Cash and cash equivalents	**107.8**	327.7
Receivables	**93.3**	83.3
Prepayments	**52.0**	45.0
Derivative financial instruments	**0.4**	69.6
Other financial assets	**-**	128.9
Assets held for sale	**34.2**	-
Other	**14.5**	113.4
Total current assets	**302.2**	767.9
Receivables	**10.8**	1.6
Investment in controlled entities	**7.6**	36.4
Other financial assets	**-**	128.7
Licences	**693.4**	2,041.5
Other intangible assets	**2,474.0**	7,909.4
Property, plant and equipment	**216.6**	375.5
Right-of-use assets	**126.5**	233.1
Prepayments	**31.2**	25.5
Derivative financial instruments	**1.8**	88.0
Other	**13.9**	19.2
Total non current assets	**3,575.8**	10,858.9
TOTAL ASSETS	**3,878.0**	11,626.8
Payables	**510.4**	1,182.0
Interest bearing liabilities	**-**	176.8
Lease liabilities	**42.6**	46.6
Current tax liabilities	**8.1**	54.9
Provisions	**200.0**	60.5
Derivative financial instruments	**12.5**	50.2
Other	**1.3**	90.0
Total current liabilities	**774.9**	1,661.0
Payables	**1.3**	270.8
Interest bearing liabilities	**135.3**	2,298.7
Lease liabilities	**139.1**	262.3
Deferred tax liabilities	**179.7**	525.6
Provisions	**18.1**	25.0
Derivative financial instruments	**-**	54.8
Other	**-**	13.0
Total non current liabilities	**473.5**	3,450.2
TOTAL LIABILITIES	**1,248.4**	5,111.2
NET ASSETS	**2,629.6**	6,515.6
Issued capital	**1,635.9**	9,230.0
Retained earnings/(accumulated losses)	**991.8**	(2,044.0)
Reserves	**1.9**	(670.4)
TOTAL EQUITY	**2,629.6**	6,515.6

D3 Parent entity disclosures

	Tabcorp Holdings	
	2022 $m	2021 $m
Result of the parent entity		
Profit for the year	**4,462.7**	471.3
Other comprehensive income	**0.5**	3.1
Total comprehensive income for the year	**4,463.2**	474.4
Financial position of the parent entity		
Current assets	**41.7**	36.4
Total assets	**4,337.7**	8,928.7
Current liabilities	**54.7**	101.4
Total liabilities	**56.6**	101.4
Total equity of the parent entity comprising of:		
Issued capital	**1,635.9**	9,230.0
Retained earnings	**2,645.2**	258.7
Demerger reserve	**-**	(669.9)
Other reserves	**-**	8.5
Total equity	**4,281.1**	8,827.3

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 2022 or 30 June 2021.

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.

The Lottery Corporation Limited and its 100% controlled entities left the Tabcorp Holdings Limited tax consolidation group effective 1 June 2022.

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. Deferred taxes are recognised separately by each member of the tax consolidation group.

D4 Business combinations

Acquisition of Premier Gateway International Limited and Premier Gateway Services Limited in the prior year

In February 2021, the Group purchased the remaining 50% ordinary shares of Premier Gateway International Limited and Premier Gateway Services Limited (PGI) from Phumelela Gold International Limited (Phumelela) and obtained control over these entities. PGI operates an online wagering and betting business in the Isle of Man and was previously operated pursuant to a joint venture arrangement between the Group and Phumelela. The acquisition complemented the Group's existing Wagering and Media business.

(a) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of PGI as at the date of the acquisition were:

	2021 $m
Cash and cash equivalents	71.2
Receivables	30.6
Prepayments	1.5
Property, plant and equipment	0.6
Other intangible assets(i)	54.1
Payables	(103.6)
Net identifiable assets acquired	54.4
Goodwill arising on acquisition	-
Fair value of previously held equity interest(ii)	(34.9)
Purchase consideration transferred (cash)	19.5

(i) Intangible assets have a useful life of 5 – 8 years.
(ii) At the acquisition date, the Group's existing 50% investment in PGI was remeasured to fair value and a gain of $34.9m was recognised in other income in the income statement.

At the acquisition date, the fair value and gross contractual amounts due from trade debtors was $24.0m. This amount was expected to be fully collectible at the acquisition date.

(b) Purchase consideration

The cash inflow on acquisition was:

	2021 $m
Net cash acquired	71.2
Cash paid	(19.5)
Net cash inflow	51.7

(c) Revenue and profit contribution in the prior year

Since the date of acquisition the additional 50% investment in PGI contributed $41.3m revenue and $0.1m profit before income tax expense, after amortisation of the identifiable intangible assets of $2.4m. If the acquisition had taken place at the beginning of the prior year, the Group's revenue and loss before income tax expense from continuing operations would have been $2,562.4m and $101.4m respectively.

D5 Discontinued operations

Demerger of The Lottery Corporation Limited

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	2021 $m
Revenue	3,232.2	3,205.8
Expenses	(2,684.9)	(2,621.5)
Profit before income tax	547.3	584.3
Income tax expense	(166.8)	(154.0)
Gain on demerger after tax[(i)]	6,513.8	-
Profit from discontinued operations after tax	6,894.3	430.3

(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

D5 Discontinued operations (continued)

(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 $m	2021 $m
Basic earnings per share (cents)	309.9	19.7
Diluted earnings per share (cents)	309.9	19.7

(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.

Lotteries revenue is recognised as the gross subscriptions received for lotteries less prizes payable when the official draw for each game is completed. Subscriptions received during the year for games which will be drawn in the next financial period are deferred and recognised as revenue in the next financial period. Revenue from lottery card subscriptions is recognised over the life of the subscription. Management fees recognised in relation to the Master Agent Agreement associated with the operation of SA Lotteries are recognised in revenue.

Keno revenue is recognised as the residual value after deducting the return to customers from Keno turnover.

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 Performance Plan (LTPP)

The LTPP is available at the most senior executive levels. Under the LTPP employees may become entitled to Performance Rights in the Company. Performance Rights are subject to a relative total shareholder return (relative TSR) measure, a market vesting condition. A second performance measure (weighted 25%), being a non-market vesting condition, was introduced in the grants from 2019 onwards.

The fair value of Performance Rights under each performance measure is determined at grant date by an external valuer and takes into account the terms and conditions upon which they were granted. The fair value is recognised as an employee expense (with a corresponding increase in equity) over the vesting period.

For the relative TSR measure the fair value is recognised as an expense irrespective of whether the Performance Rights vest to the holder, and a reversal of the expense is only recognised in the event the instruments lapse due to cessation of employment within the vesting period. For the second performance measure, the amount expensed is based on the expected number of Performance Rights vesting, with the ultimate expense reflecting the actual Performance Rights that vest.

Prior to the demerger of The Lottery Corporation Limited, the Performance Rights on foot were modified whereby the performance conditions were waived for all participants, and a pro rata portion of the Performance Rights vested and the remainder lapsed. The remaining fair value in relation to the Performance Rights was expensed prior to the demerger, together with any uplift in fair value attributable to the modification of the Performance Rights. There are no Performance Rights outstanding at 30 June 2022.

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

Short Term Performance Plan (STPP)

For senior management it is mandatory to defer 25% (50% for the Managing Director and Chief Executive Officer) of their STPP into Restricted Shares, which are subject to a two year service condition. The cost of the Restricted Shares is based on the market price at grant date and is recognised over the vesting period. As a result of the demerger, the Restricted Shares were released from any trading restrictions and the remaining cost was expensed prior to the demerger.

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.

E1 Employee share plans (continued)

Performance Rights (number)

Details of and movements in Performance Rights granted under the LTPP 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)
2022							
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)**	**-**
2021							
27 October 2017	15 September 2020	1,296,970	-	(596,613)	-	(700,357)	-
17 October 2018	19 September 2021	1,486,967	-	(145,937)	-	-	1,341,030
17 October 2018	30 June 2021	495,645	-	(48,646)	-	-	446,999
24 October 2019	25 September 2022	2,022,456	-	(266,033)	-	-	1,756,423
20 October 2020	24 September 2023	-	3,288,875	(143,016)	-	-	3,145,859
		5,302,038	3,288,875	(1,200,245)	-	(700,357)	6,690,311

(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 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.

The weighted average fair value of Performance Rights granted during the year was $2.94 (2021: $2.06).

The assumptions underlying the Performance Rights 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 Performance Right $
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 had two defined benefit superannuation plans (closed to new entrants) during the year, the Tabcorp Superannuation Plan ('Tabcorp plan') and the New South Wales Lotteries Corporation Pty Limited defined benefit plan ('NSW Lotteries plan'), which provide benefits based on salary and length of service. The NSW Lotteries plan was derecognised by the Group during the year on the demerger of The Lottery Corporation (refer to note D5). The plans are governed by the employment laws of Australia and the Group contributes to the plans 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 2020	13.8	(12.9)	0.9
Actuarial gains	-	0.8	0.8
Actual return on plan assets excluding interest income	2.2	-	2.2
Benefits paid	(3.2)	3.2	-
Other	0.3	(0.4)	(0.1)
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**
NSW Lotteries plan			
Balance at 30 June 2020	17.7	(26.0)	(8.3)
Actuarial gains/(losses)	1.7	(0.6)	1.1
Benefits paid	(1.1)	1.1	-
Other	1.5	(0.6)	0.9
Balance at 30 June 2021	19.8	(26.1)	(6.3)
Actuarial gains/(losses)	**(0.8)**	**4.8**	**4.0**
Benefits paid	**(1.1)**	**1.1**	**-**
Other	**1.5**	**(0.9)**	**0.6**
Reduction through demerger of entities	**(19.4)**	**21.1**	**1.7**
Balance at 30 June 2022	**-**	**-**	**-**

(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.

E2 Pensions and other post employment benefit plans (continued)

Amounts recognised in other comprehensive income	2022 $m	2021 $m
Tabcorp plan	**0.5**	3.0
NSW Lotteries plan	**-**	1.1
	0.5	4.1

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		NSW Lotteries plan	
	2022 %	2021 %	2022 %	2021 %
Cash	**7.0**	4.0	**13.7**	12.2
Fixed interest	**19.0**	12.0	**4.6**	6.4
Australian equities	**25.0**	26.0	**17.7**	19.9
International equities	**28.0**	27.0	**33.0**	33.2
Property	**6.0**	8.0	**6.4**	7.9
Alternatives	**15.0**	23.0	**24.6**	20.4
	100.0	100.0	**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.

E3 Commitments

	2022 $m	2021 $m
Capital expenditure commitments		
Property, plant and equipment	**6.1**	7.7
Software	**8.2**	5.3
	14.3	13.0

Included within prior year are capital commitments for The Lottery Corporation of $0.5m which has been classified as a discontinued operation in the current year.

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

During the prior year the Australian Taxation Office (ATO) issued Tatts Group Limited (Tatts) (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 Tatts 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. Tatts has appealed this decision in the Federal Court of Australia. If Tatts is ultimately successful in its claim, the Company expects that the amended assessment amounts will be refunded.

(b) Insurance recoveries

There are outstanding insurance matters on foot between controlled entities and third parties at 30 June 2022. Given the nature of insurance claim processes it is not practicable for the business to disclose an estimate of the asset arising from the settlement and the impact it will have on the Group's financial position.

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) 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 2022. It is expected that any liabilities arising from such regulatory matters and legal action 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 $81,420,029 were received by the Group in 2022 (2021: $75,830,728).

(b) Compensation of Key Management Personnel (KMP)

	2022 $	2021 $
Short term	**9,115,849**	8,479,179
Other long term	**583,767**	248,199
Post employment	**380,421**	342,509
Share based payments	**8,615,616**	2,940,694
Termination benefits	**1,327,417**	-
	20,023,070	12,010,581

E6 Auditor's remuneration

	2022 $	2021 $
Amounts received or due and receivable by Ernst and Young for:		
– audit and review of the statutory financial reports of the Group and subsidiaries	**2,671,947**	1,828,966
– other assurance and agreed upon procedures services under other legislation or contractual arrangements(i)	**1,558,000**	268,000
– other services(ii)	**1,913,000**	842,000
	6,142,947	2,938,966

(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 current year other services include $1,662,751 (2021: $509,000) in relation to services provided with respect to the demerger of The Lottery Corporation, and $250,064 (2021: $333,000) in relation to other services.

In the current and prior year, there were no fees paid or payable to Ernst and Young in relation to assurance services that are required by legislation to be provided by the auditor.

E7 Assets held for sale

	2022 $m	2021 $m
Property, plant and equipment	**26.0**	-
Software	**8.2**	-
	34.2	-

During the year, the Group entered into sale agreements in relation to electronic gaming machines. As the sales are highly probable, the related assets have been classified as held for sale, at 30 June 2022. The sales are expected to be completed within 12 months of balance date.

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 and amended accounting standards and interpretations have been recently issued by the Australian Accounting Standards Board but not yet effective. These 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 B4 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 2022 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 2022.

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 2022

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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 statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 2022 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.

Accounting for the demerger of The Lottery Corporation

Why significant	How our audit addressed the key audit matter
The Lottery Corporation Limited was demerged from the Group on 31 May 2022. As disclosed in Note D5 *Discontinued operations* to the financial statements, the Group has recognised a gain after tax of $6,513.8 million on the demerger distribution. We determined this to be a key audit matter due to the financial impact of the transaction on the Group and the complex accounting and financial reporting implications of the demerger.	Our audit procedures included the following: ▶ We obtained and read the key documents associated with the demerger to identify the terms relevant to the determination of the gain on demerger. ▶ We evaluated the key inputs to the gain on demerger calculation, being the distribution value, the carrying value of The Lotteries Corporation net assets at demerger date, and the transaction costs incurred. ▶ We assessed whether the Group accurately determined the value of assets and liabilities derecognised as at the demerger date and whether the operating result to the point of demerger was correctly recorded. ▶ We involved our tax specialists to consider the tax impacts of the demerger, including consideration of external tax advice obtained by the Group. We assessed whether the associated financial report disclosures were in accordance with the requirements of Australian Accounting Standards.

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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 $693.4 million, other intangibles of $781.0 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 their 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, Keno and Lotteries 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 2022 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.

INDEPENDENT AUDITOR'S REPORT

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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 2022.

In our opinion, the Remuneration Report of Tabcorp Holdings Limited for the year ended 30 June 2022, 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 2022

FIVE YEAR REVIEW

Financial performance	Unit	FY22	FY21	FY20	FY19[i]	FY18
Revenue from continuing operations	$m	**2,373.3**	5,685.7	5,223.9	5,488.0	3,764.7
Revenue from discontinued operations	$m	**3,232.2**	-	-	-	-
EBITDA[ii]	$m	**211.3**	1,031.4	(195.6)	1,081.7	490.0
(Loss)/profit from continuing operations before interest and tax	$m	**(75.1)**	651.2	(573.7)	729.9	241.4
Profit from discontinued operations net of tax	$m	**6,894.3**	-	-	-	-
Profit/(loss) after income tax attributable to members	$m	**6,775.9**	269.4	(870.4)	361.1	28.7
Dividend[iii]	$m	**289.4**	321.8	222.9	443.8	422.5
Financial position and cash flow						
Total assets	$m	**4,048.7**	11,867.8	12,415.6	13,623.0	12,940.8
Total liabilities	$m	**1,337.6**	5,171.7	6,389.0	6,443.1	5,702.2
Shareholders' funds/total equity	$m	**2,711.1**	6,696.1	6,026.6	7,179.9	7,238.6
Net cash flows from operating activities	$m	**737.0**	719.5	670.9	769.6	447.5
Capital expenditure – payments	$m	**202.5**	181.8	290.0	278.4	291.7
Cash at end of year	$m	**199.4**	424.4	348.5	463.0	352.7
Shareholder value						
Earnings per share	cents	**304.6**	12.3	(42.9)	17.9	1.9
Dividends per share[iii]	cents	**13.0**	14.5	11.0	22.0	21.0
Operating cash flow per share[iv]	cents	**24.0**	24.6	18.8	24.4	10.5
Net assets per share	$	**1.22**	3.07	2.97	3.56	4.89
Return on shareholders' funds	%	**(2.2)**	4.1	(12.8)	5.0	0.6
Total shareholder return[v]	%	**15.1**	55.8	(19.9)	4.2	7.5
Share price close	$	**1.07**	5.18	3.38	4.45	4.46
Market capitalisation	$m	**2,370.4**	11,508.0	6,869.2	8,985.9	8,977.9
Segment revenue from continuing operations[vi]						
Wagering and Media	$m	**2,181.9**	2,298.0	2,084.1	2,317.9	2,122.1
Gaming Services	$m	**192.9**	183.2	220.9	304.0	249.7
Lotteries and Keno[vii]	$m	**-**	3,205.8	2,917.1	2,864.9	1,390.7
Employee						
Safety[viii]	LTIFR	**1.3**	2.3	4.1	3.6	2.3
Females in senior management roles	%	**42**	43	39	36	36
Other stakeholder benefits						
Returns to racing industry	$m	**946.5**	1,036.8	953.9	974.5	916.8
State and territory gambling taxes and GST	$m	**2,227.9**	2,239.6	2,085.7	2,099.9	1,166.4
Income tax (benefit)/expense	$m	**(17.8)**	214.2	103.2	160.9	84.8

The Tabcorp-The Lottery Corporation demerger was implemented on 1 June 2022, therefore FY22 represents 11 months results from the Lotteries and Keno business as a discontinued operation. Periods prior to FY22 have not been re-presented.

The Tabcorp-Tatts combination was implemented in December 2017, therefore FY18 includes approximately six months contribution from the Tatts business, and FY19 represents the first full financial year for the combined group.

(i) FY19 has been restated to reflect the impact of the application of AASB 16 Leases which was adopted in FY20. Periods prior to FY19 have not been restated.

(ii) Includes impairment of:
FY21: Goodwill – $122m and other assets – $10m.
FY20: Goodwill – $1,090m and other assets – $43m.
FY19: Other assets – ($4)m.
FY18: Other assets – $39m.

(iii) Dividends attributable to the year, but which may be payable after the end of the period.

(iv) 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.

(v) 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.

(vi) Revenue includes both external and internal revenue.

(vii) No revenue is shown for Lotteries and Keno segment as the segment information is only for the continuing operations and Lotteries and Keno segment was discontinued in FY22 and presented within the discontinued operations.

(viii) The lost time injury frequency rate (LTIFR) is the number of lost time injuries per million hours worked.

SHAREHOLDER INFORMATION As at 29 July 2022

Securities on issue

Tabcorp has on issue 2,225,771,703 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 2021 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.

During FY22, a total of 3,425,545 shares were acquired on market at an average price of $4.93 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
Cooper Investors Pty Ltd	1 July 2022	112,569,499	5.058

(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.

Investor name	Number of ordinary shares	% of issued capital
J P Morgan Nominees Australia Pty Ltd	536,442,115	24.10
HSBC Custody Nominees (Australia) Limited	478,672,818	21.51
Citicorp Nominees Pty Limited	263,226,859	11.83
National Nominees Limited	121,941,644	5.48
BNP Paribas Noms Pty Ltd <DRP>	60,848,676	2.73
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	58,379,109	2.62
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	25,720,262	1.16
UBS Nominees Pty Ltd	17,878,458	0.80
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	14,543,407	0.65
Argo Investments Limited	10,548,951	0.47
Wentworth Investments Pty Limited <Est Alexander Hubbard>	7,654,934	0.34
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	7,177,137	0.32
Netwealth Investments Limited <Wrap Services A/C>	6,583,101	0.30
BNP Paribas Nominees Pty Ltd <ACF Clearstream>	5,509,366	0.25
Wentworth Investments Pty Ltd	5,311,910	0.24
Australian Executor Trustees Limited <IPS IOOF Employer Super A/C>	5,025,720	0.23
Pacific Custodians Pty Limited <TAH Emp Sub Register 1>	4,579,781	0.21
Invia Custodian Pty Limited <Sank Pty Ltd – SJF Disc A/C>	3,549,330	0.16
Tabcorp NRT Limited	3,020,448	0.14
Colonial First State Inv Ltd <Encircle IMA A/C>	2,754,293	0.12
Total of top 20 registered holders	**1,639,368,319**	**73.66**

Distribution of securities held

	Ordinary shares[(i)]		
Number of securities held	Number of holders	Number of securities	% of securities
1 – 1,000	71,216	23,716,912	1.07
1,001 – 5,000	60,035	143,951,719	6.47
5,001 – 10,000	10,572	75,628,550	3.40
10,001 – 100,000	8,388	190,459,230	8.55
100,001 and over	391	1,792,015,292	80.51
Total	**150,602**	**2,225,771,703**	**100%**

(i) Ordinary shares include Restricted Shares offered to employees under the Company's incentive arrangements.

Unmarketable parcels

There were 54,135 shareholders holding less than a marketable parcel of ordinary shares ($500 or more, equivalent to 505 ordinary shares) based on a market price of $0.99 at the close of trading on 29 July 2022.

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)
Demerger	The demerger of the Group's former Lotteries and Keno business that is now operated by the ASX listed company 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
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
NPAT	Net profit after tax
NSW	New South Wales
NT	Northern Territory
Performance Rights	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
Tabcare	The Group's community and employee engagement program
TAH	The ASX ticker code used to identify Tabcorp
TAS	Tasmania
Tatts or Tatts Group	Tatts Group Limited (ABN 19 108 686 040) which 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

Registered office

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Email enquiries@tabcorp.com.au

Share registry

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Telephone 02 8280 7418
Facsimile 02 9287 0303
Facsimile 02 9287 0309 (proxy forms only)
Email tabcorp@linkmarketservices.com.au
Website www.linkmarketservices.com.au

Website

www.tabcorp.com.au

New South Wales office

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Telephone 02 9218 1000

Queensland office

Level 13
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Brisbane QLD 4000
Telephone 07 3877 1010

Sky Racing/Sky Sports Radio

79 Frenchs Forest Road
Frenchs Forest NSW 2086
Telephone 02 9452 8400

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INDICATIVE KEY DATES

2022	
Last day for receipt of AGM director nominations	7 September
Annual General Meeting	26 October

2023*	
Half year results	14 February
Ex-dividend for interim dividend	17 February
Record date for interim dividend	20 February
Last date for receipt of DRP elections	21 February
Interim dividend payment	14 March
End of financial year	30 June
Full year results announcement	17 August
Ex-dividend for final dividend	24 August
Record date for final dividend	25 August
Last date for receipt of DRP elections	28 August
Last date for receipt of AGM director nominations	6 September
Final dividend payment	18 September
Annual General Meeting	25 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 Brisbane time (11.00am Sydney/Melbourne time) on 26 October 2022.

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'.

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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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