Tabcorp

18 August 2021

Australian Securities Exchange
Companies Announcements Platform
20 Bridge Street
Sydney NSW 2000

RESULTS FOR ANNOUNCEMENT TO THE MARKET

FOR THE FULL YEAR ENDED 30 JUNE 2021

In accordance with the ASX Listing Rule 4.3A, the following information in respect of Tabcorp Holdings Limited's (**Tabcorp**) results for the full year ended 30 June 2021 is transmitted for lodgment:

1. Appendix 4E; and
2. Annual Report.

This announcement was authorised for release by the Tabcorp Board.

For more information:
Media: Nicholas Tzaferis, GM Corporate Communications, +61 3 9868 2529
Investors/Analysts: Chris Richardson, GM Investor Relations & Treasury, +61 3 9868 2800

APPENDIX 4E

Tabcorp

Results for announcement to the market

Preliminary final report for the year ended 30 June 2021
Tabcorp Holdings Limited (ABN 66 063 780 709)

Results	$m	% change increase/ (decrease)
Revenue from ordinary activities	5,686	9%
Profit from ordinary activities after tax before goodwill impairment	391	78%
Profit from ordinary activities after tax attributable to members	269	NM (i)
Net profit for the period attributable to members	269	NM

(i) Percentage change is not meaningful.

Dividend	Record date	Payment date	Amount per share	Franked amount per share
Final dividend	26 August 2021	17 September 2021	7.0 ¢	7.0 ¢
Interim dividend	23 February 2021	17 March 2021	7.5 ¢	7.5 ¢
Total dividend per share (interim plus final)			14.5 ¢	14.5 ¢

No foreign conduit income is attributable to the final dividend.

Dividend reinvestment plan

Tabcorp's Dividend Reinvestment Plan (DRP) will operate in respect of the final dividend, with the last date for receipt of election notices being 27 August 2021. No discount is applicable to shares allocated to participants and no brokerage, commission or other transaction costs will be payable by participants on shares acquired under the DRP. Shares will be allocated on 17 September 2021 and will rank equally in all respects with existing shares. The price at which shares are allocated is the daily volume weighted average market price of Tabcorp shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of 10 business days beginning on the second business day after the dividend record date.

Net tangible asset backing (ii)	**30 June 2021 $**	30 June 2020 $
Net tangible asset backing per ordinary share	(1.53)	(2.09)
Net tangible asset backing per ordinary share including licences	(0.61)	(1.04)

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

Supplementary information

The previous corresponding period is the year ended 30 June 2020.

For additional Appendix 4E disclosures, refer to the Annual Report 2021 and the Media Release lodged with the ASX on 18 August 2021.

This Appendix 4E should be read in conjunction with the Directors' Report and the audited Financial Report for the year ended 30 June 2021.

Excitement with Integrity

Tabcorp

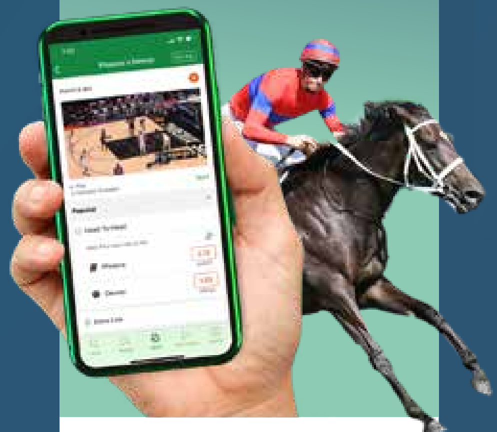
ANNUAL REPORT 2021

Contents

Tabcorp operates three market leading businesses

Lotteries and Keno

Wagering and Media



Gaming Services

ABOUT TABCORP

- We are an Australian based company with a rich heritage in lotteries and wagering.
- We manage iconic Australian brands which ignite passion and excitement in millions of customers.
- We also have international operations, with the European based Premier Gateway International wagering pooling hub and the US based Sky Racing World vision distribution hub and licensed tote provider.
- We offer a unique portfolio of market leading products through our omni-channel network: in retail, online, phone, and apps.
- Our goal is to build a sustainable future for gambling entertainment while making a positive impact for our stakeholders.
- Our operations return billions of dollars each year to the Australian community, the racing industry and venue partners including newsagents, hotels, clubs and TAB agents.

$5.7 billion
Revenues

$6.7 billion
Net assets

$4.9 billion
Benefits to stakeholders

For the financial year ended 30 June 2021 (FY21), or as at 30 June 2021, as applicable.

OUR VISION AND PURPOSE

Our vision is to be	**THE TRUSTED GAMBLING ENTERTAINMENT COMPANY**
Our purpose is	**EXCITEMENT WITH INTEGRITY**

- ✓ We create excitement and value for our stakeholders while acting responsibly and with integrity.
- ✓ We work collaboratively with all our stakeholders to achieve success in a responsible, enjoyable and sustainable manner.
- ✓ We do this by delivering on our strategic pillars, modelling our values in our behaviours, and leveraging our strong foundations.

Our Strategic Pillars

Customer Led	Superb Experience	Brilliant Execution	Collaborative Partnerships

Our Values

Do it as one team	Do the right thing	Explore what's possible	Create awesome moments	Make a difference

Our Foundations

- Outstanding people and teams
- Commitment to community and integrity
- Leading technology and innovation

CREATING STAKEHOLDER VALUE

Tabcorp has a rich lotteries and wagering heritage. Our iconic Australian brands have been a part of everyday Australian life for decades, and they continue to provide entertainment enjoyed by millions of Australians.

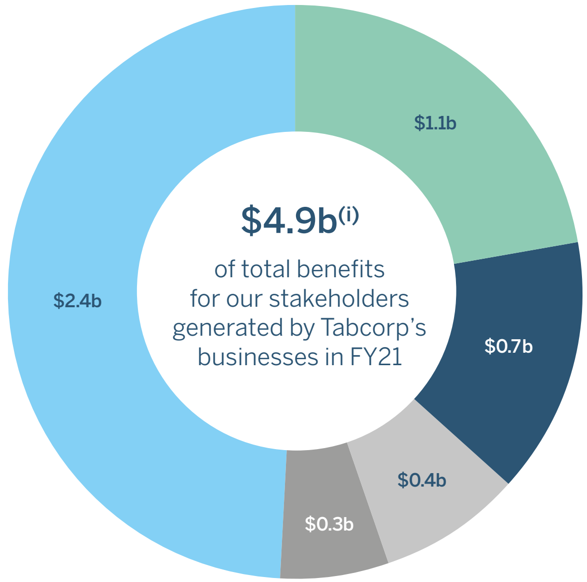
Our unique business model generates significant economic benefits that are shared with our stakeholders.

In FY21, almost 70% of Tabcorp's revenue[(i)] was returned to governments, racing industry and retail partners, totalling $4.2b[(i)] (up 7.7%).

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

In FY21, we continued to support our stakeholders during the COVID-19 pandemic. Initiatives included providing approximately $95m of fee relief for venue partners when they were unable to trade because of lockdowns.

We also contributed $9.1m in voluntary community funding through donations, unclaimed prize money, in-kind giving and other support[(ii)].



State and Federal Government taxes
(Lottery, wagering and Keno taxes, GST, and income taxes paid and payable)

Racing industry
(Payments to state and territory racing industry bodies)

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

Employee costs
(Salaries, training and development)

Shareholders
(Dividends paid and payable)

(i) Total includes 100% of Victorian Racing Industry joint venture interest and 100% of Keno NSW interest.

(ii) Refer to the Community section on page 28 for further details.

CHAIRMAN'S AND MANAGING DIRECTOR'S MESSAGE

Steven Gregg Chairman	**David Attenborough** Managing Director and Chief Executive Officer

The 2020/21 financial year (FY21) saw the COVID-19 pandemic continue to disrupt our way of life and challenge our businesses.

Tabcorp's priority has been ensuring the safety and wellbeing of our people and supporting our business partners and the community.

While Tabcorp's operations were impacted by various government-imposed lockdowns and other restrictions, our businesses proved resilient and delivered a strong operational result and earnings growth. Tabcorp's net profit after tax (NPAT) was $269m in FY21, after incurring a non-cash goodwill impairment charge of $122m relating to the Gaming Services business and other significant items totalling $8m[i]. Revenues were $5,686m, up 8.8%, and EBITDA[ii] was $1,107m, up 11.3% on the prior corresponding period.

Our Lotteries and Keno business produced a record profit result and continued its strong growth trajectory since the Tabcorp-Tatts combination in December 2017. Pleasingly, we saw improved performance from Wagering and Media, with growth in its TAB, Media and International businesses. Gaming Services, however, was severely impacted by the COVID-19 restrictions on hotels and clubs, which limited its ability to derive fees from these venues.

The pandemic, and associated restrictions, saw a continued shift to customers interacting and purchasing through digital channels across many sectors. Our Lotteries and Keno and Wagering and Media businesses recorded healthy digital growth, underpinned by some of the recent investments we have made in digital capability. We are sharing the benefits of this with our venue partners through a digital commissions initiative while continuing to offer our products through an omni-channel approach that puts customer choice front and centre.

Our three-year enterprise-wide optimisation program, called '3S' (Simpler, Smarter, Stronger) continued to advance. The program delivered $30m in EBIT savings in FY21. Further savings from the 3S program are expected in FY22.

Dividend and capital management

Growing returns to shareholders is a core focus and Tabcorp has announced a final dividend of 7.0 cents per share fully franked, bringing the full year dividend to 14.5 cents per share fully franked, up 31.8% on FY20, and representing a payout ratio of 80% of NPAT (before significant items).

During the year we executed a successful equity raising – involving both institutional and retail shareholders – with the proceeds of approximately $600m used to pay down existing debt facilities, creating a stronger, more resilient balance sheet in these challenging times.

We also sold our holding in Jumbo Interactive Limited, following the extension of our long-standing commercial distribution partnership with Jumbo. The sale generated gross proceeds of $98m. Our gearing ratio (gross debt to EBITDA) now sits at 2.4 times, against the target range of 2.5 to 3.0 times.

Strategic review and demerger

The strategic review initiated by the Board in March 2021 evaluated all relevant structural and ownership options to maximise value for shareholders.

As part of the process, the Board engaged with a number of bidders who had submitted unsolicited, non-binding and indicative proposals to acquire our Wagering and Media business. The Board, together with its advisers, carefully considered these proposals. However, at the conclusion of its review, the Board determined that a demerger of our Lotteries and Keno business is the optimal and most certain path to unlock value for shareholders.

The demerger will create two standalone, market leading ASX-listed companies with distinct operating profiles, strategies and growth opportunities:

- A new listed company that comprises our Lotteries and Keno business: **Lotteries & KenoCo**[iii]
- The existing listed Tabcorp group continuing to hold the Wagering and Media and Gaming Services businesses: **Wagering & GamingCo**[iii]

(i) For details of goodwill impairment and significant items, refer to page 8.
(ii) Earnings before interest, taxation, depreciation and amortisation (EBITDA) excluding significant items is non-IFRS financial information.
(iii) The names "Lotteries & KenoCo" and "Wagering & GamingCo" have been created for the purposes of illustration only.

The two businesses (Lotteries & KenoCo and Wagering & GamingCo) are expected to be leaders in their respective markets, creating great experiences for millions of customers. They will both build on their heritage of sharing the benefits of their commercial success with governments, the racing industry, licensed venues, newsagents and other retail and business partners.

Tabcorp is targeting the completion of the demerger, via a scheme of arrangement, by the end of June 2022, subject to all relevant approvals, including shareholder approval at an extraordinary general meeting expected to be held in 2022.

More details will be contained in a scheme booklet to be sent to shareholders in due course.

Board changes

As part of an orderly Board succession process, overseen by the Nomination Committee, there were some changes to the composition of the Tabcorp Board during FY21.

Paula Dwyer retired as Chairman and from the Board of Directors at the end of 2020. Paula was instrumental in making Tabcorp '***The Trusted Gambling Entertainment Company***' and led the Board through the Tabcorp-Tatts combination and successful integration. We'd like to place on record her significant contribution to Tabcorp.

Vickki McFadden, who chaired the Board's Audit Committee, retired from the Board at the 2020 Annual General Meeting. She was succeeded in that role by Anne Brennan, who formally joined the Board in July last year.

In September 2020, we welcomed Janette Kendall to the Tabcorp Board. Janette is a highly experienced director who brings deep experience in the gambling and entertainment industry. She is serving as an Observer and will join the Board fully on receipt of regulatory and ministerial approvals.

The current Board of Directors will oversee the implementation of the demerger and David Attenborough will continue to lead the Company as Managing Director and CEO until the demerger is completed. The CEO and Chairman designates of the proposed demerged companies are:

- Lotteries & KenoCo:
  Chair designate: Steven Gregg
  CEO designate: Sue van der Merwe
- Wagering & GamingCo:
  Chair designate: Bruce Akhurst
  CEO designate: Adam Rytenskild

Community

Tabcorp is proud of its role as the provider of Australia's official lotteries, TAB wagering and other gambling entertainment products.

In FY21, our businesses generated $4.2b in taxes, levies and payments to state and federal governments, the Australian racing industry, and venue partners such as newsagents, hotels and clubs. This underscores the important role Tabcorp has in the community beyond the responsible delivery of gambling entertainment to millions of Australians.

In addition, Tabcorp was proud to support several charitable causes including the University of Queensland's research into vaccines for COVID-19, and strokes and heart attacks, along with initiatives tackling cancer and child safety. These initiatives were financially supported by voluntary contributions and the proceeds of unclaimed prize money.

Tabcorp ranked first globally in the Casinos and Gambling sector in the 2020 Dow Jones Sustainability Index (DJSI) World and DJSI Australia Indices. Maintaining strong sustainability practices has been core to Tabcorp's purpose of delivering '***Excitement with integrity***'. This ethos will move forward with both new companies if the proposed demerger goes ahead.

Our people

The whole Tabcorp team has done an extraordinary job during the pandemic, showing resilience and flexibility in the face of rapidly changing restrictions, and adapting well to new ways of working. They have continued to serve our customers safely, working with our venue partners and the racing industry. We would like to thank them for their commitment and professionalism.

We are aiming to recapture the benefits of collaboration in an office environment during FY22 through our balanced work model, which will see employees working in the office when COVID-19 restrictions permit, while maintaining the flexibility of remote working.

Conclusion

As well as managing the ongoing impacts of COVID-19, our main priority for FY22 will be the successful execution of the proposed demerger.

We look forward to the prospect of two companies operating independently, building on their market leading positions, and delivering long term growth and significant value for shareholders. We are focused on ensuring that the businesses are well positioned to maintain their momentum and set up for success into the future.

Finally, we'd like to thank shareholders for your support during FY21 and we look forward to updating you on our progress at Tabcorp's Annual General Meeting in October.

Steven Gregg
Chairman

David Attenborough
Managing Director and Chief Executive Officer

STRATEGIC REVIEW CONCLUSION AND INTENTION TO DEMERGE LOTTERIES AND KENO

Tabcorp has announced that it intends to undertake a demerger of its Lotteries and Keno business

The decision to pursue a demerger of the Lotteries and Keno business (Demerger) follows the conclusion of a comprehensive strategic review of all relevant structural and ownership options to maximise value for shareholders, including a demerger, a sale of one or more of Tabcorp's businesses and the retention of the status quo with a disciplined approach to driving growth. The Board carefully considered the unsolicited proposals received from third parties for the sale of the Wagering and Media business, and concluded that the Demerger is the optimal, and most certain, path to maximise the value of both businesses for Tabcorp shareholders.

The proposed Demerger will create two standalone, market leading ASX-listed companies with distinct operating profiles, strategies and growth opportunities. The transaction will allow these two businesses to operate independently with focused management, optimise their capital structures and to trade at market values which reflect their individual characteristics.

Lotteries & KenoCo(i)

- ✓ A new standalone listed company that comprises the Lotteries & Keno business.
- ✓ One of the highest performing Lotteries businesses globally and offers infrastructure like qualities, with low capital intensity and upside from continuing digital growth.
- ✓ Chairman designate: Steven Gregg; CEO designate: Sue van der Merwe.

Wagering & GamingCo(i)

- ✓ The existing listed Tabcorp Group will continue to hold the Wagering and Media and Gaming Services businesses.
- ✓ Has national scale and reach, a unique omni-channel offering, organic growth options, and potential upside from future domestic structural reform and further international expansion.
- ✓ Chairman designate: Bruce Akhurst; CEO designate: Adam Rytenskild.

(i) The names "Lotteries & KenoCo" and "Wagering & GamingCo" have been created for the purposes of illustration only. All appointments subject to formal board approvals and all necessary regulatory approvals.

The rationale for the Demerger is compelling...

The Demerger is expected to realise significant value for shareholders at a significantly lower level of execution risk compared to a sale of Wagering and Media and Gaming Services.

- ✓ Creates two market leading businesses with focused management
- ✓ Shareholders continue to benefit from the increased scale and diversification already achieved through the combination with Tatts Group
- ✓ Shareholders retain full upside from potential future regulatory reform and international expansion opportunities in Wagering and Media
- ✓ Allows each business to adopt a more focused operating profile and an optimised capital structure more aligned to its core operations
- ✓ Shareholders preserve the ability to benefit from participating in future merger and acquisition activity in respect of both Lotteries & KenoCo and Wagering & GamingCo
- ✓ Creates access to new and different investor categories with different investment preferences and environmental, social and governance (ESG) criteria
- ✓ Allows shareholders to value each business on a standalone basis with potential for market re-rating

...and represents the next phase in the Tabcorp journey

The foundations have been laid for Lotteries & KenoCo and Wagering & GamingCo to deliver long term growth. The Tabcorp and Tatts integration(i) concluded in FY21 and has set up both businesses to benefit from enhanced scale and diversification.

The proposed Demerger is subject to shareholder, court, regulatory and other approvals. Tabcorp is targeting completion of the Demerger by the end of June 2022. For further information refer to Tabcorp's ASX announcements of 5 July 2021.

Indicative Demerger timetable(ii)

July – September
- Detailed planning and preliminary execution phase

April
- First court hearing and scheme booklet dispatched

May
- Demerger scheme meeting
- Second court hearing

May/June
- Demerger completion

2021 2022

(i) Following the combination of Tabcorp and Tatts Group Limited (Tatts).
(ii) Dates are indicative only and subject to change.

FY21 OVERVIEW

REVENUE
$5,686m
UP 8.8%

NPAT
$269m
UP FROM $870M LOSS

TOTAL DIVIDENDS
14.5cps
80% PAYOUT RATIO

HIGHLIGHTS	KEY POINTS
Strong Group results	✓ Group revenue up 8.8% to $5,686m ✓ Group statutory NPAT of $269m[(i)] up from $870m loss in FY20 ✓ Group NPAT excluding significant items[(ii)] up 47.2% to $399m ✓ Group EBITDA[(iii)] up 11.3% to $1,107m ✓ Gearing 2.4x gross debt/EBITDA[(iii)] ✓ Full year dividends totalled 14.5 cents per share fully franked, including a final dividend of 7.0 cents per share fully franked
Businesses delivered strong operational performance	✓ Lotteries and Keno: • Record profit result (despite below average jackpots) • Digital turnover growth of 30%; resilient performance in retail ✓ Wagering and Media: • Improved performance and revenue growth across Wagering, Media and International • Digital wagering turnover growth of 27%[(iv)]; resilient performance in retail venues when re-opening after lockdowns ✓ Gaming Services: • Venue Services continued to be heavily COVID-19 impacted • Progressing with plan to simplify and streamline the business
Strategic initiatives	✓ Announced strategic review outcome and intention to demerge the Lotteries and Keno business ✓ Tabcorp's enterprise-wide optimisation program, '3S', delivered $30m EBIT savings[(v)]

(i) FY21 statutory NPAT includes a non-cash goodwill impairment charge of $122m relating to the Gaming Services business. FY20 statutory net loss after tax included a non-cash goodwill impairment charge of $1,090m relating to the Wagering and Media and Gaming Services businesses.

(ii) Excludes significant items (after tax) in FY21 of $130m which comprise impairment of goodwill following the annual impairment review relating to Gaming Services $122m, amended tax treatment of MAX CMS Licence $69m, Tatts Group combination implementation costs $14m, restructure costs $12m, Racing Queensland arrangements $11m, strategic review costs $4m and property (net) $2m, partly offset by the profit on sale of Jumbo $69m and PGI revaluation gain $35m.

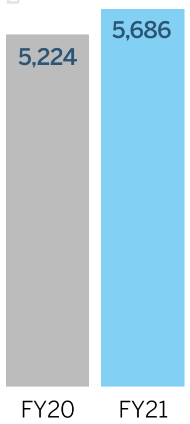
(iii) Earnings before interest, taxation, depreciation, amortisation and impairment (EBITDA) excluding significant items is non-IFRS financial information.

(iv) Digital includes digital and call centre channels in which a customer transacts using their account.

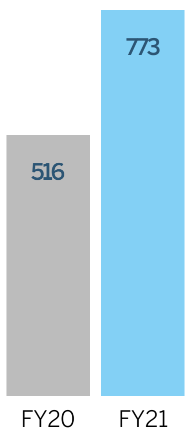
(v) Before costs to implement (program costs) of $5m (pre tax).

FY21 FINANCIAL PERFORMANCE

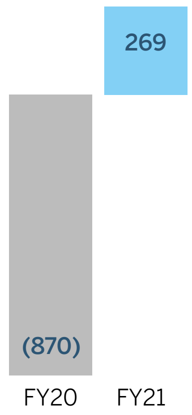
Revenues
$m



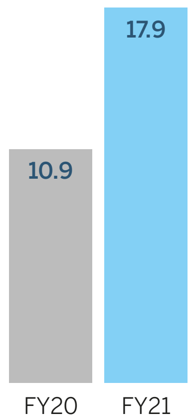
EBIT before goodwill impairment
$m



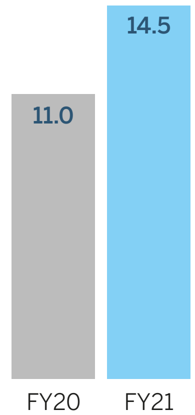
NPAT
$m



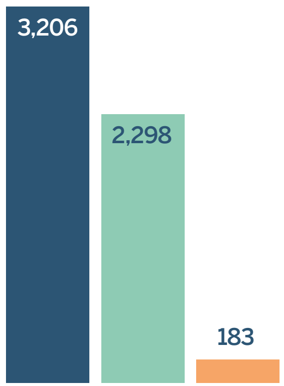
Earnings per share before goodwill impairment[iii]
Cents per share



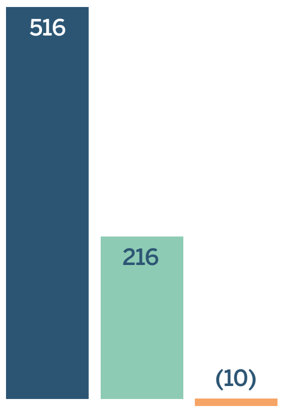
Dividends per share
Cents per share (fully franked)



Segment revenues
$m



Segment profit/(loss) before interest and tax[ii]
$m



Lotteries and Keno
Wagering and Media
Gaming Services

Group results For the year ended 30 June	FY21 $m	FY20 $m	Change %
Revenues	**5,686**	5,224	8.8
Taxes, levies, commission and fees	**(3,770)**	(3,447)	9.4
Operating expenses	**(753)**	(840)	(10.4)
Depreciation and amortisation	**(380)**	(378)	0.5
Impairment – other	**(10)**	(43)	(76.7)
EBIT before goodwill impairment	**773**	516	49.8
Impairment – goodwill[i]	**(122)**	(1,090)	(88.8)
EBIT	**651**	(574)	NM[iv]
Statutory NPAT	**269**	(870)	NM
NPAT before significant items[ii]	**399**	271	47.2
EPS – cents per share	**12.3**	(42.9)	NM
EPS before goodwill impairment – cents per share	**17.9**	10.9	64.2
DPS – cents per share (fully franked)	**14.5**	11.0	31.8

(i) For details of goodwill impairment, refer to page 8.
(ii) For details of significant items, refer to page 8. Refer to note A1 of the Financial Report for segment information.
(iii) Refer to note A2 of the Financial Report.
(iv) Percent change is not meaningful.

Review of FY21 results

The financial results for FY21 relate to the Tabcorp Group's operations, which comprise its three businesses of:

- Lotteries and Keno
- Wagering and Media
- Gaming Services

The Group reported FY21 revenues of $5,686m, up 8.8% on the previous year. Group NPAT was $269m after incurring a non-cash goodwill impairment charge of $122m relating to the Gaming Services business, and other significant items(i) totalling $8m. This was up from a net loss after tax of $870m in the previous year.

Group NPAT excluding significant items(i) was $399m, up 47.2% on the previous year.

Earnings per share (EPS) before goodwill impairment was 17.9 cents per share, up from 10.9 cents per share in the previous year.

During FY21, and in the face of substantial ongoing challenges from the COVID-19 pandemic, our businesses delivered a strong operational performance and revenue growth of 8.8%. Our teams and business partners continued to work collaboratively and our omni-channel business model ensured our customers could continue to safely enjoy our gambling entertainment experiences.

The Group's FY21 operational performance and results reflects the strong Lotteries and Keno result and the improved performance of the Wagering and Media business during the course of FY21.

The Lotteries and Keno business produced another record profit result driven by game development, active portfolio and sequence management, and strong digital turnover growth.

The Wagering and Media business was impacted heavily by COVID-19 disruptions, but importantly delivered improved performance, achieving revenue growth across its Wagering, Media and International businesses. Growth was supported by recent investments in customer experience, including improvements in data and personalisation capability, and further enhancements to our unique digital in-venue capability.

The Gaming Services business was most impacted by the COVID-19 related trading restrictions on hotels and clubs, particularly in Victoria.

A non-cash goodwill impairment charge of $122m related to Gaming Services reflects reduced expectations for future growth and contract extensions, particularly due to the ongoing COVID-19 impacts. The business made good progress in delivering its plan to simplify and streamline its operations during the year and this remains a key focus moving forward.

Refer to pages 12 to 23 for further details about the performance of each business.

In FY21, Tabcorp's enterprise-wide optimisation program, '3S', delivered $30m in EBIT savings(ii) primarily from improved reseller agreements (Lotteries and Keno), agency rationalisation (Wagering and Media), operating model changes (Wagering and Media and Gaming Services) and process simplification and redesign (Group-wide). Tabcorp is targeting $20m-$25m of EBIT savings from the 3S program in FY22.

The Tabcorp-Tatts integration was substantially completed in FY21. Annual cost synergies totalling $95m of annual EBITDA savings have been achieved.

$399m

NPAT excluding significant items(i)

UP 47.2%

17.9cps

EPS before goodwill impairment

UP 64.2%

$30m

In EBIT savings delivered in FY21 from the '3S' optimisation program

(i) For details of significant items, refer to page 8.

(ii) Comprises Lotteries and Keno $5m, Wagering and Media $19m, Gaming Services $6m. Amounts are before costs to implement (program costs) of $5m (pre tax).

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. Our approach to capital management includes the following key objectives:

Target	Gearing of 2.5x – 3.0x gross debt / EBITDA	Minimise the cost of borrowing	Maintain investment grade credit rating	Increase returns to cost of capital over time
FY21 actual	2.4x at 30 June 2021	Average interest rate of 5.3%(i)	S&P rating BBB-/stable	ROIC: 7.9%(ii)

(i) Based on drawn facilities (based on available facilities: 3.8%).
(ii) Return on invested capital (ROIC) is an absolute measure, defined as earnings before interest, tax and significant items (EBIT before significant items), divided by the average invested capital base. Invested capital base has been adjusted to reflect the goodwill impairments of FY20 and FY21 as if they had occurred at the beginning of FY20.

In FY21, the Group undertook numerous actions to preserve liquidity and mitigate the financial and earnings impacts of the COVID-19 pandemic.

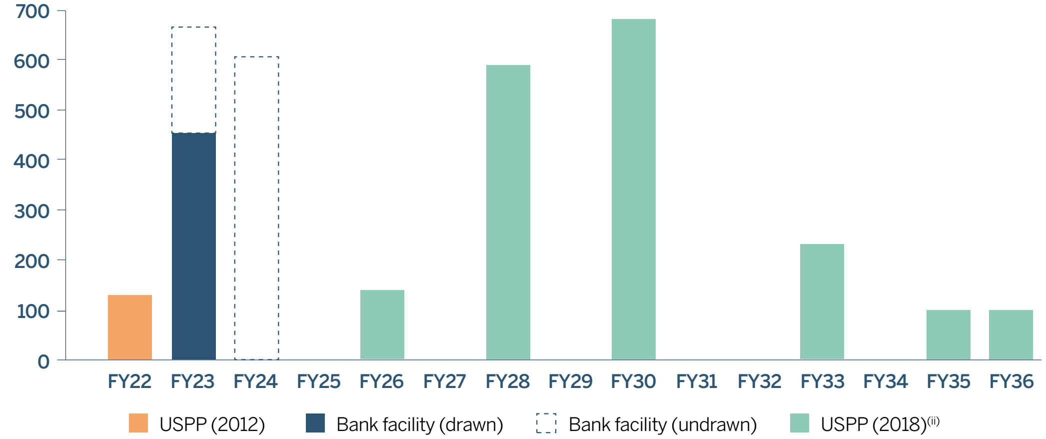
In September 2020, the Company completed a 1-for-11 pro rata accelerated renounceable entitlement offer (with retail entitlements trading) raising gross proceeds of approximately $600m which were used to pay down existing drawn bank debt facilities, strengthen the Company's balance sheet and provide greater financial flexibility and additional credit metric headroom for covenant and rating purposes.

Our target gearing ratio is gross debt to EBITDA of 2.5 – 3.0 times. As at 30 June 2021, the Company's gearing was 2.4 times.

The Company has a strong balance sheet, as well as available headroom of $909m under existing bank facilities as at 30 June 2021.

The Group's average debt maturity is approximately 5.7 years and approximately 99.4% of interest rate risk is fixed, as at 30 June 2021. The Company is mindful of maintaining a suitable balance between certainty and flexibility. Refer to the graph above of the Group's debt profile.

Debt structure(i)
$m



(i) Excludes $100m overdraft facility maturing February 2022.
(ii) Tabcorp has reached preliminary agreement with holders of its US Private Placement (USPP) notes that would result in these notes being tendered and exchanged for USPP notes in the proposed demerged Lotteries & KenoCo entity, subject to demerger completion and the satisfaction of certain conditions.

Dividends

A final dividend of 7.0 cents per share fully franked has been announced. The final dividend will be payable on 17 September 2021 to shareholders registered at 26 August 2021. The ex-dividend date is 25 August 2021.

The interim and final dividends payable in respect of FY21 totalled 14.5 cents per share fully franked.

This equates to a FY21 dividend payout ratio of 80% of NPAT before significant items. As part of its response to managing the financial impacts of COVID-19, the Board resolved not to pay a FY20 final dividend.

The Board is pleased that the Group is emerging from COVID-19 in a strong financial position and resumed the payment of dividends in FY21.

The Dividend Reinvestment Plan will operate in respect of the FY21 final dividend, with no discount applicable.

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

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

Description	Amount(i)	Record date	Payment date	Total
2021 final	7.0 cents	26 August 2021	17 September 2021	$156m
2021 interim	7.5 cents	23 February 2021	17 March 2021	$166m

(i) Amount per share fully franked.

A year of wins

A winning performance with 455 division one winners who received $1.3b of division one prize money from the Lott in FY21.

187.7m
Individual prizes won across all Lottery and Keno games and prize levels in FY21.

LOTTERIES AND KENO

Licensee Brands

Game Brands

Operations

The Lott is Australia's leading official licensed lottery business with operations in NSW, Victoria, Queensland, South Australia, Tasmania, ACT and Northern Territory.

We operate a portfolio of leading game brands, such as:

- TattsLotto
- Powerball
- Oz Lotto
- Set for Life
- Lotto
- Gold Lotto
- X Lotto
- Super '66'
- Lucky Lotteries
- Lotto Strike
- Keno
- Instant Scratch-Its

Customers can purchase lottery tickets and Instant Scratch-Its in newsagents, convenience stores and other retail outlets, and lottery tickets can also be purchased online.

Keno is a social lottery-style game that is played every three minutes. It is played in licensed clubs, hotels and TABs in Victoria, Queensland, South Australia and ACT, and in clubs and hotels in NSW, and is available online in ACT.

Refer to pages 43 and 44 for further information.

Highlights

- ✓ Long track record of strong organic growth.
- ✓ One of the highest performing lotteries businesses globally[(i)] with a significant and broad customer base.
- ✓ High profile trusted brands, a portfolio of exclusive and/or long dated licences[(ii)] and products with wide customer acceptance.
- ✓ Extensive, highly visible retail network with accelerating digital distribution.
- ✓ Low capital intensity, strong free cash flow generation and margin expansion from digital growth.
- ✓ Pipeline of potential growth opportunities available, both domestically and internationally.

(i) Third highest draw lottery (lotto) game sales per capita worldwide. Source: La Fleur's almanac 2020.
(ii) Refer to pages 43 and 44 for further information.

LOTTERIES AND KENO

Review of FY21 performance

In FY21, Lotteries and Keno had a record result. Revenues were $3,206m, up 9.9%, and EBIT was $516m, up 16.7%.

The business delivered strong revenue performance during the period as a result of game development, and active portfolio and sequence management. Customer-centred improvements also led to better player experiences, increased digital conversion, which was positive for margins, and greater retail integration.

Investments in product enhancements, the omni-channel program, the Lott's digital platform and payment options, helped deliver compelling offers and the ability for customers to buy when, where and how they wished.

Lotteries revenues were $2,951m, up 8.3% despite the cumulative value of Division 1 jackpots offered for Powerball and Oz Lotto draws being down 20% due to less favourable sequences. Adjusting for those sequence impacts, turnover in Powerball was up 21% and Oz Lotto was up 17%. All base games grew: Set for Life (33%), Keno (33%), Saturday Lotto (22%), Instant Scratch-Its (15%) and Mon/Wed Lotto (11%). Game changes in Saturday Lotto and Set for Life were well received by customers and contributed at least half of the growth for the respective games.

Lotteries digital turnover grew 26.6% and accounted for 32.8% of all Lotteries turnover. Retail turnover grew 0.9% and continues to be the major Lotteries distribution channel. The number of active registered players across digital and retail, as part of the omni-channel program, grew by approximately 100,000 to 3.8m.

Keno revenues were $255m, up 33.5%, as retail rebounded from the COVID-19 venue closures in FY20, and supported by a very strong digital performance, with digital turnover growing 73.8% and representing 15.5% of all Keno turnover. Performance also benefited from enhanced trade and loyalty programs, and alignment of the game in South Australia with draws conducted along the east coast of Australia.

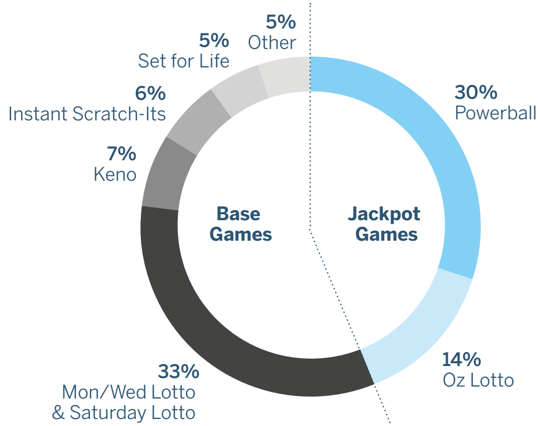
Lotteries and Keno results for the year ended 30 June	FY21 $m	FY20 $m	Change %
Revenues	**3,206**	2,917	9.9
Taxes, levies, commission and fees	**(2,348)**	(2,163)	8.6
Operating expenses	**(238)**	(212)	12.3
EBITDA	**620**	542	14.4
Depreciation and amortisation	**(104)**	(100)	4.0
EBIT	**516**	442	16.7

ACTIVE REGISTERED LOTTERIES CUSTOMERS

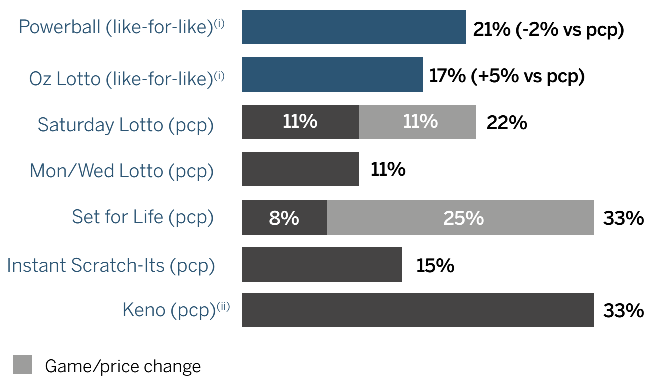
3.8m

UP 2.7%

FY21 Lotteries revenue by product



FY21 Lotteries turnover growth on like-for-like offers



(i) Powerball and Oz Lotto adjusted to reflect comparable jackpot sequences.

(ii) Includes an estimated 24% net benefit due to the relatively greater opening of retail venues in FY21 vs FY20 due to lesser COVID restrictions.

LOTTERIES AND KENO

Key growth strategies

Lotteries and Keno growth to be underpinned by a customer-led focus on product innovation, deepened engagement across all channels and digital expansion.

DRIVE INNOVATION WITH A CUSTOMER FOCUS	OPTIMISE DIGITAL ENGAGEMENT	EVOLVE RETAIL FOOTPRINT	PURSUE GROWTH OPPORTUNITIES
• Continue to evolve game portfolio to align with changing player motivations – Review and refresh existing games – Develop and/or acquire new games • Leverage large known player base to deliver tailored customer experiences to drive engagement	• Optimise channel mix to further reflect consumer behaviour and build loyalty • Customer-led digital innovation to enhance the user experience and maximise engagement • Innovative and data driven personalised marketing, including continued investment in digital capability	• Continue to diversify retail channel mix to meet changing customer behaviours • Continue to promote the omni-channel offering across the retail network • Customer-driven retail experience design to support broad range of outlet types	• Explore opportunities for enhancements to existing licences • Evaluate potential future new licence opportunities • Leverage international profile to explore partnerships with global industry players

Back your champions

Wagering and Media provides a unique omni-channel customer offering with an integrated retail and digital experience, and leading racing and sports media content.

784,000
Active registered wagering customers

WAGERING AND MEDIA

Operations

TAB is a leading omni-channel wagering operator in Australia, offering a broad range of betting experiences across digital channels and in retail (on-course, in licensed venues and agencies) 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.

Premier Gateway International (PGI) operates an international wagering and tote pooling hub, licensed and operating out of the Isle of Man.

Sky Racing is a leader in multi-venue, multi-channel racing and sports broadcasting in Australia. Sky Racing distributes racing vision to wagering operators including TAB and Racing WA, as well as digital content through the Sky Racing Active app.

Sky Racing World, based in the US and licensed in North Dakota, manages international distribution of Australian and international racing content and facilitates associated tote pools.

Refer to pages 44 and 45 for further information.

Highlights

- ✓ Most diversified wagering operator in Australia, with large and active customer base and strong, well-recognised brands.
- ✓ TAB is the most recognised wagering brand in Australia.
- ✓ 784,000 active registered wagering customers and more than 1 billion bets taken annually.
- ✓ Unique omni-channel offering: long-dated licences(i), unmatched media capabilities and improved, unified digital platform.
- ✓ Well-established and profitable international business in the US and Europe, with significant growth potential.

(i) Refer to page 45 for further information.

WAGERING AND MEDIA

Review of FY21 performance

In FY21, Wagering and Media revenues were $2,298m, up 10.3%, and EBIT was $216m, up 23.4%.

The business delivered improved performance, despite COVID-19 related shutdowns and government mandated restrictions which meant that retail channels were impacted at various points in time. Revenue growth was achieved across each of its Wagering, Media and International businesses.

A number of customer-driven initiatives strengthened the omni-channel experience, including in the exclusive licensed venue network where customers are most engaged. Venue Mode, which gives customers access to exclusive offers when betting digitally in TAB venues, continued to grow in popularity, supported by enhancements such as differential pricing. More than one in three of TAB's 784,000 active registered customers used Venue Mode in FY21 and turnover through that channel grew 51.4%.

TAB digital wagering turnover grew 27% to $9.5b and active digital customers grew 9.7% to 784,000. Additionally, the retail channel was resilient when it re-opened after lockdowns, with retail turnover down just 0.9%, to $5.3b, and further steps were taken to optimise the venue footprint with agency rationalisation and a pilot of a digital only venue offering.

The wagering market continued to be highly competitive in FY21, including significantly increased customer generosities. During the period, Tabcorp enhanced its marketing and generosity program in a more digitally oriented market through new data and personalisation capability.

The Sky Media business continued to expand racing and sporting content and its distribution through digital and retail formats. Registered customers of the over-the-top media platform, Sky Racing Active, grew 55.3%.

In International, Tabcorp built on its established and profitable business by increasing its shareholding in the international totalisator betting hub, Premier Gateway International, to 100% from 50%. Tabcorp also recently enabled the co-mingling of its domestic pools with US wagering operators through a totalisator licence acquired in North Dakota by Sky Racing World.

Wagering and Media results for the year ended 30 June	FY21 $m	FY20 $m	Change %
Revenues	**2,298**	2,084	10.3
Taxes, levies, commission and fees	**(1,414)**	(1,259)	12.3
Operating expenses	**(470)**	(454)	3.5
EBITDA	**414**	371	11.6
Depreciation and amortisation	**(198)**	(192)	3.1
Impairment	**-**	(4)	NM[(iv)]
EBIT	**216**	175	23.4

ACTIVE REGISTERED WAGERING CUSTOMERS[(i)]

784,000

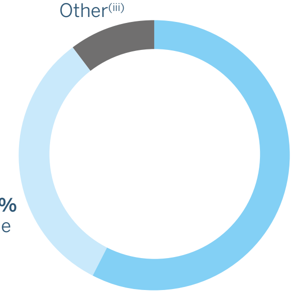
UP 9.7%

DIGITAL SHARE OF WAGERING TURNOVER[(ii)]

57.7%

UP 27%

Wagering turnover by channel



(i) Wagering active customers measured on a rolling 12 month basis. For comparability, prior period data adjusted to exclude duplication between TAB and ex UBET customers.

(ii) Digital includes digital and call centre channels in which a customer transacts using their account.

(iii) Other comprises on-course, premium customers and PGI.

(iv) Percent change is not meaningful.

WAGERING AND MEDIA

Key growth strategies

Wagering and Media growth to be underpinned by a unique and improved customer experience, domestic structural reform and targeted international expansion.

CREATE THE BEST CUSTOMER EXPERIENCE ACROSS ALL CHANNELS	UNLEASH THE FULL POTENTIAL OF SKY	STRUCTURAL REFORM AND TARGETED INTERNATIONAL EXPANSION
• Further enhancement of the TAB App • Unique customer experiences – Digital-in-venue – Vision and sports information innovation – Tote revitalisation – Product innovation – Live in-play – High-value customers	• New SKY brand and vision experience for racing and sport • Unique vision in digital and retail • New content and formats • Enhance capability, creativity and value through all channels • Expanded distribution channels and unique integration to TAB brand	• Advocate for sustainable gambling regulation and licence reform to ensure long term industry sustainability • Achieve regulatory simplification • Targeted growth of the existing international businesses, particularly in the US

Success starts here

As Australia's largest gaming services provider, MAX offers the most comprehensive suite of end-to-end solutions for venues, governments and industry. Our dedicated service and support, coupled with well-established relationships, has seen us deliver value for pubs and clubs across the country.

National reach across

Over 85%

of the Australian EGM market

GAMING SERVICES

Operations

Tabcorp operates the MAX business, which is Australia's largest gaming services provider.

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

MAX Venue Services provides a range of services, including the supply, financing and maintenance of EGMs, specialist advice to licensed gaming venues in NSW and Victoria, and other technology and value-added venue services in NSW, Victoria, Queensland, Tasmania, ACT and Northern Territory.

Refer to page 45 for further information.

Highlights

- ✓ Australia's largest gaming services provider.
- ✓ National reach across over 85% of the EGM market in Australia.
- ✓ Long dated monitoring licences[i].
- ✓ Offering a complete solution platform for venues and government.
- ✓ Extensive range of services, including monitoring systems for regulatory purposes, EGM financing and maintenance, value-added technology solutions and consultancy for venues.
- ✓ Strong longstanding relationships with licensed venues.

(i) Refer to page 45 for further information.

GAMING SERVICES

Review of FY21 performance

In FY21, Gaming Services revenues were $183m, down 17.2%, and the business reported a loss before interest and tax of $10m.

Gaming Services was significantly impacted by the COVID-19 restrictions on licensed venues (hotels and clubs). In support of its venue partners, Tabcorp suspended all material fees for venues during the period in which their gaming floors were not operational. As gaming floor operations recommenced, fees were scaled up progressively to return to pre-COVID-19 levels.

Revenues for MAX Venue Services were $99m, down 34.0%. The business was heavily impacted by the closures and restrictions placed on venues as a result of COVID-19, especially in Victoria which has the most gaming machines under contract.

The performance of the gaming machine monitoring business, MAX Regulatory Services, was more resilient, with revenues growing 18.3% to $84m due primarily to lesser impacts in FY21 from venue closures in Queensland and NSW.

Gaming Services' earnings were also impacted by the non-renewal of a Telstra service contract, and the expiry of the NSW Inter-Club Linked Gaming Systems Licence and Inter-Hotel Linked Gaming Systems Licence. These income streams ceased in the latter part of FY20 and contributed $5m to EBITDA in that year.

Gaming Services continued to progress its plan to simplify and streamline its operations. A key initiative has been simplifying its operating structure, which helped deliver a significant reduction in operating expenses.

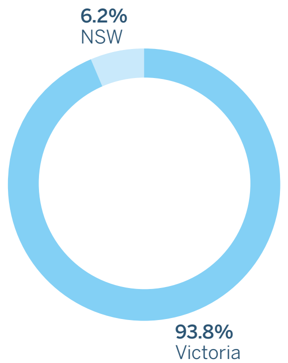
Gaming Services results for the year ended 30 June	FY21 $m	FY20 $m	Change %
Revenues	**183**	221	(17.2)
Taxes, levies, commission and fees	**(11)**	(11)	0.0
Operating expenses	**(101)**	(126)	(19.8)
EBITDA	**71**	84	(15.5)
Depreciation and amortisation	**(78)**	(86)	(9.3)
Impairment	**(3)**	(12)	(75.0)
EBIT	**(10)**	(14)	NM(i)

(i) Percent change is not meaningful.

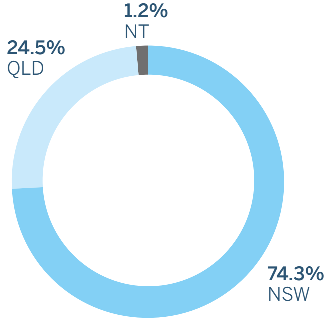
EGMS UNDER CONTRACT
8,510
DOWN 16.2%

EGMS MONITORED
122,010
DOWN 2.8%

EGMs under contract



EGMs monitored



GAMING SERVICES

Key strategies

Gaming Services is focused on executing the current plan to simplify the operating and business model, and streamline the operating cost base amidst continued COVID-19 disruptions.

EXECUTE PLAN TO SIMPLIFY AND STREAMLINE THE BUSINESS	INVEST TO GROW THE CORE
• Leaner management and simplified operating structure • Develop and implement new products for core MAX Venue Services offer, targeting capex reductions • Review and modify operating model of field services activities • Streamline the product portfolio of the systems business • Focus on core monitoring activity within MAX Regulatory Services	• Pursue additional monitoring products and licences • Pursue venue advisory opportunities • Continue to grow data and analytics function and revenues • Expand product portfolio via third party distribution partnerships

CORPORATE RESPONSIBILITY

Our purpose of ***Excitement with Integrity*** underpins everything we do at Tabcorp. We aim to deliver superb entertainment experiences ethically, responsibly and sustainably. We believe in taking responsibility for the role we play in our communities and sharing the benefits of our success with all our stakeholders – our shareholders, customers, people, industry partners, governments, and the community. Tabcorp's corporate responsibility program supports our strategy and vision to be ***The Trusted Gambling Entertainment Company***.

In FY21, Tabcorp was recognised for our 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. Tabcorp has also been independently assessed according to the FTSE4Good criteria and continued to be a member of the FTSE4Good Index in 2021.

More detail about Tabcorp's corporate responsibility activities can be found on our website and in our annual Corporate Responsibility Report available at **www.tabcorp.com.au**.

Making a positive impact

We aim to deliver superb entertainment experiences ethically, responsibly and sustainably. We are committed to supporting our customers, people and communities.

$9.1m

Contributed to charities and community organisations in FY21

Customer Care

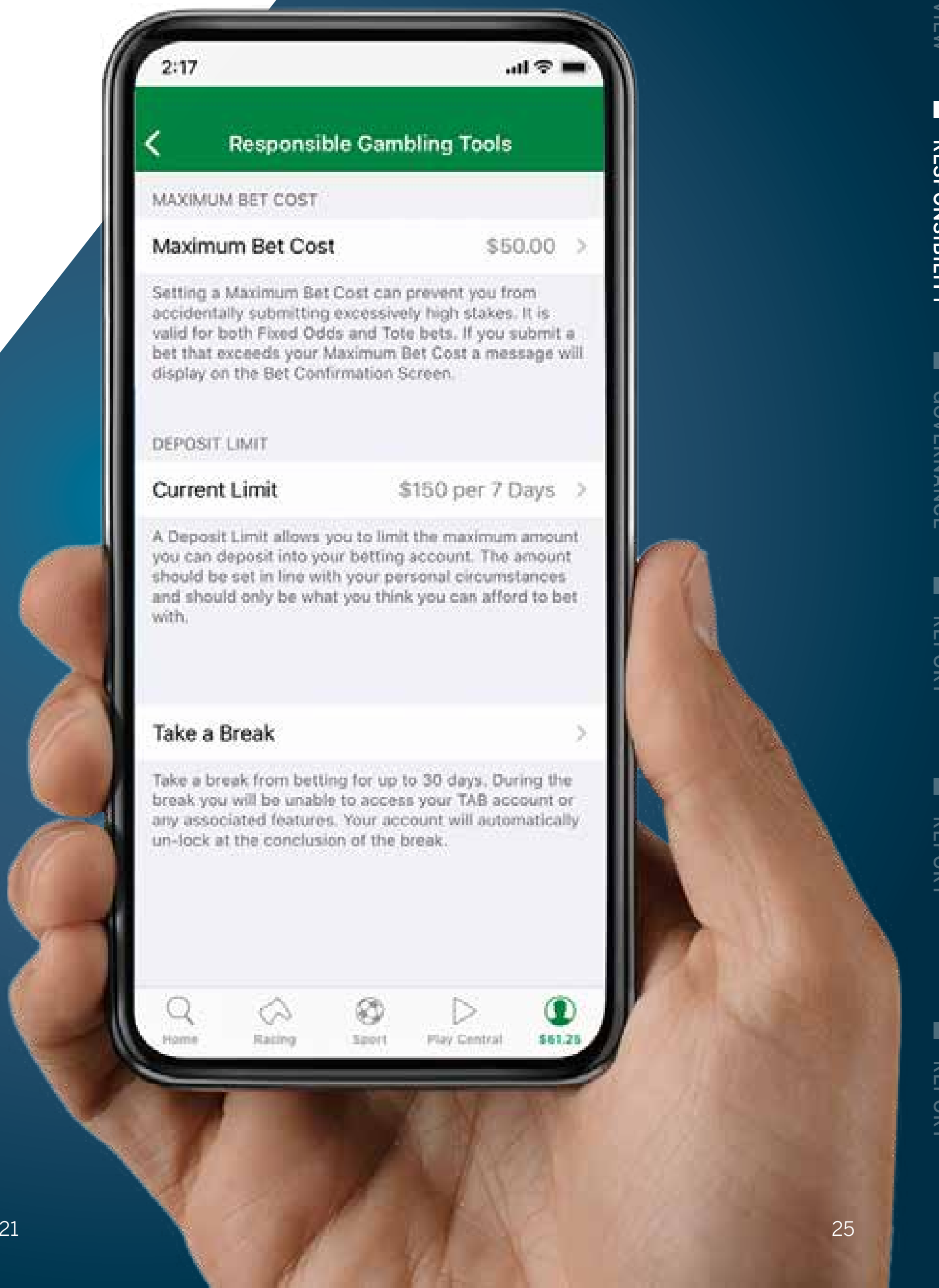
Tabcorp is committed to responsible gambling, gaming and play – it's integral to our long term success. We are committed to complying with, or exceeding, the requirements of relevant legislation in all areas in which we operate.

Tabcorp's approach to customer care is underpinned by our Customer Care Principles for responsible gambling. These principles demonstrate our commitment to the responsible provision and use of our products, empower our team members to support responsible gambling use, raise awareness about responsible gambling through sharing information and encourage wider use of responsible gambling tools. We also provide customers with information and resources to help them make informed decisions about how they gamble to minimise potential harm.

In FY21, Tabcorp launched a program to further enhance our approach to customer care in Wagering and Media. A number of enhancements that reflect leading practice in customer care research and industry and community expectations have been identified. These enhancements will be progressively implemented across the business.

In FY21, we also continued to enhance customer care technology and human-led tools that work hand-in-hand to better understand gambling behaviour and empower customer choice. Recent initiatives to minimise gambling harm include:

- improved governance and reporting on customer care related issues;
- enhanced responsible gambling signage across all our retail venues;
- enhancing the early intervention model for Keno digital customers to better identify risk of gambling harm;
- additional Responsible Gambling Training to relevant Tabcorp teams; and
- improved customer notifications for deposit limit changes.



CORPORATE RESPONSIBILITY

Tabcorp's Customer Care Principles

Customer Care Principles

RESPECT THE CUSTOMER DECISION	ENABLE INFORMED CHOICE	CUSTOMER CARE BY DESIGN	CREATE TOOLS THAT CARE
Our customers are adults and we respect their freedom to make their own choices, except in specific situations where individual safety is compromised. Meaning, when a customer informs us they need help directly, or when Tabcorp analysis indicates the customer is displaying signs of problem gambling behaviour that present an unacceptable risk.	We distribute 'helpful yet human' educational messages along with legally required messages, to give our customers the right information, at the right time, to make their own individual decisions.	We always put our customers first, especially when designing new products. From a fresh idea to product design and implementation; customer needs are central to everything we do. That's why our products support our customers, and our business.	We develop gambling management tools to minimise harm and enable our customers to make informed choices. From implementing self-service tools, to AI that helps us better understand our customers and our business – our commitment goes both ways.

ANALYSE CUSTOMER BEHAVIOUR	INTERACT RESPONSIBLY	PROVIDE A SAFETY NET
We unlock insights that help us understand the impact our products, services and experiences have on our customers. We use technology and human sourced data, and we use it with integrity to further benefit our customers – and our business.	We equip our people with the training to know when and how they should interact with customers; from providing customers with helpful self-service tools online, to knowing when to step in and address high risk behaviour in a retail location.	We endeavour to protect our customers and minimise harm. We do this by placing restrictions and exclusions on our products and services when either; a customer informs us they wish to self-exclude or when Tabcorp analysis indicates the customer is displaying signs of problem gambling behaviour that present an unacceptable risk.

People

When it comes to our people, our mission is to make Tabcorp the most exciting place to succeed. We aim to be the inclusion and diversity leader in our industry and an employer of choice. Tabcorp is committed to fostering an inclusive culture that reflects a diverse workplace, where team members can share their unique perspectives and contribute their experience to achieve the best possible business outcomes.

In FY21, Tabcorp continued to focus on the wellbeing of its people in response to the ongoing COVID-19 pandemic. Tabcorp continually reviews its organisation-wide COVID Safe Plan to ensure compliance with health orders in order to protect our employees, contractors, customers and the public.

Tabcorp supports employees through flexible work practices to enable employees to work remotely and supports wellbeing through our Employee Assistance Program. This year Tabcorp provided additional support to our employees by offering one week of additional annual leave to permanent employees, additional personal leave for employees receiving COVID-19 vaccinations, and reimbursement for specific home office equipment for employees who have been required to work from home during this period.

Inclusion and Diversity

The Board has set a target for the Tabcorp Board to comprise at least 40% female Non-executive Directors by the end of FY23 and to have at least 40% female representation in the Senior Leadership Cohort by the end of FY21.

At 30 June 2021, Tabcorp's representation of women in the Senior Leadership Cohort was 43%, exceeding this target. The proportion of female Non-executive Directors on the Board is 29%. Due to the impending demerger of the Lotteries and Keno business, the Board has maintained the Senior Leadership Cohort gender diversity target at 40% female representation for FY22. This target will be revised by the end of FY22.

Tabcorp has further cemented its commitment to achieving gender balance in our executive leadership ranks by becoming a signatory to the investor led HESTA 40:40 Vision initiative in 2021.

Tabcorp has once again been recognised for its strong performance in gender equality, being named an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for six consecutive years.

In FY21, Tabcorp progressed the delivery of its Inclusion and Diversity Strategy as part of our commitment to creating a safe and inclusive workforce.

This included:

- Developing a Gender Affirmation Statement of Support outlining our approach to gender affirmation, including leave, flexible work arrangements and financial support.
- Establishing the Tabcorp Pride Allies Network, an employee group to promote respect and inclusion of all LGBTIQ identifying people.
- Introducing paid leave for employees to take part in cultural activities.

CORPORATE RESPONSIBILITY

Community

Tabcorp has a long history of supporting the community. We believe that contributing to the wellbeing of the communities in which we operate is critical to our long term success.

In FY21, Tabcorp contributed $9.1m[i] to charities and community organisations. This community funding was provided through direct donations, unclaimed prize money donations, in-kind giving and foregone revenue (predominantly Sky advertising costs and margin), management costs and employee time.

In addition to supporting our long-term community partners, this year we continued to provide assistance to community and sporting groups through the Lott and Tabcorp's Charitable Games.

The Lott's community contributions

The Lott has a long history of contributing to causes that support healthy and happy communities. In FY21, the Lott, via Golden Casket, contributed $2.4m from unclaimed prize money to long-term projects, including:

- Funding two research projects at the University of Queensland to improve health outcomes for Australians recovering from stroke and heart attack and developing new technology to improve future vaccines.
- Supporting the Daniel Morcombe Foundation to continue its important work in child safety education.
- For the third consecutive year, funding research into improved treatments and survivorship outcomes for children diagnosed with brain cancer at the Children's Brain Cancer Centre.

Charitable Games

Tabcorp's Charitable Games Division facilitates fundraising for more than 500 charities and sporting clubs around Australia through Play For Purpose and the 50-50 Charity Raffle.

Play For Purpose is the first charity raffle of its kind in Australia enabling participants to play for prizes while supporting their favourite cause. Five Play For Purpose draws were conducted in FY21 with $1.5m in prizes awarded and $1.9m distributed to more than 200 charities. In partnership with the Australian Sports Foundation and Sport Australia, Play For Purpose has helped raise funds for a variety of charitable projects at over 360 grassroots sporting clubs across Australia.

The 50-50 Charity Raffle gives sports fans and the public the chance to play for large cash prizes while supporting local charities at major sporting events. The 50-50 Charity Raffle is Australia's largest event-based charity and sports fundraising raffle, and has partnered with teams from the NRL, AFL, ARL, racing, cricket and netball across NSW and Queensland. In FY21, the 50-50 Charity Raffle held almost 200 raffles, raising approximately $400,000 for local charities and contributing over 4,000 volunteer hours.


The Starlight Children's Foundation supports sick kids and their families.


The Daniel Morcombe Foundation is helping to keep kids safe.


The Stars Foundation delivers health and education outcomes for young indigenous women.

(i) Independently verified by B4SI (LBG was rebranded to Business for Societal Impact).

Business Integrity

Tabcorp is committed to building a sustainable future for its business and industry and aims to set the standard for integrity in every aspect of its business.

Human Rights and Modern Slavery

In FY21, Tabcorp formalised its commitment to upholding human rights by launching a Human Rights Policy. The policy embeds human rights into Tabcorp's operations and through its supply chain and other business relationships. The policy aims to protect the values of respect, dignity and equality for every person, free of discrimination based on race, ethnicity, religion, gender identity, sexual orientation, mental or physical disability, relationship status or political opinion.

In December 2020, Tabcorp published its first Modern Slavery Statement under the *Modern Slavery Act 2018 (Cth)*.

Tabcorp's Human Rights Policy and Modern Slavery Statement are available on our website at **www.tabcorp.com.au/who-we-are/corporate-governance**.

Health and Safety

Tabcorp is committed to providing a safe environment for employees and visitors, and actively promotes health, safety and wellbeing in the workplace.

In FY21, the Group reported a decrease in lost time injuries resulting in a lost time injury frequency rate of 2.3 (per million hours worked), down from 4.1 in FY20. This reduction is due to focussed work undertaken during the year, with continuing risk reviews, proactive reporting and promotion of Tabcorp's early intervention program to support injured and ill employees. This rate is well below the industry average of 7.7 based on Safe Work Australia benchmarks.

Animal Welfare

As part of our commitment to building a sustainable future for our business and industry, Tabcorp expects the highest standards of animal welfare and integrity. We have a zero tolerance to animal cruelty, in racing and in society in general. Tabcorp recognises the significant efforts the racing industry has made in advancing animal welfare and the progress made by the existing animal welfare initiatives. Tabcorp will continue to work in partnership with the thoroughbred, harness and greyhound racing industries to ensure the welfare of animals is prioritised.

In FY21, Tabcorp supported the racing industry's animal welfare efforts through several initiatives, including the Sock Stable campaign, donating 100% of profits of sock sales to Racing Victoria's Off The Track program and Team Thoroughbred NSW. Tabcorp was also a major contributor to the national Thoroughbred Welfare initiative, working with racing industry bodies to improve the welfare of horses.

Environment

Tabcorp aims to understand and minimise our environmental impact to reduce the cost of doing business and protect the environment. We are committed to complying with, or exceeding, the requirements of relevant environmental legislation, regulation and codes in all areas in which we operate. Tabcorp recognises that climate change is a significant global challenge and is committed to reducing our environmental impact and identifying and managing climate related risks and opportunities across our business.

While Tabcorp has in recent years experienced physical climate related events such as bushfires and other extreme weather events, these have had a limited impact on the Group, primarily to the operations of the Wagering and Media business due to the disruption or cancellation of some racing and sporting events, and temporary closure of a small number of retail venues and agencies.

In FY21, Tabcorp undertook modelling with a view to setting greenhouse gas emission reduction targets over the medium and long term. Looking ahead, Tabcorp plans to expand its climate risk and opportunity analysis and set emissions reduction targets in line with the Task Force on Climate-Related Financial Disclosures recommendations.

Details of Tabcorp's environmental footprint and greenhouse gas emission reduction initiatives are available in Tabcorp's Corporate Responsibility Report available on our website at **www.tabcorp.com.au/corporate-responsibility**.

Tabcorp team members used their volunteer leave to plant trees for Conservation Volunteers Australia's annual Tree Planting Challenge.

BOARD OF DIRECTORS

Steven Gregg

Independent Chairman from January 2021 and Independent Non-executive Director from July 2012

Steven Gregg is Chairman of Ampol Limited and a Director of Challenger Limited and thoroughbred bloodstock company William Inglis & Son Limited. He is also a Trustee of the Australian Museum Trust and Chairman of Unisson Disability Limited.

He is the former Chairman of Goodman Fielder Limited and former Chairman of Austock Group Limited, and he was a Member of the Grant Samuel non-executive Advisory Board.

Mr Gregg had an executive career in investment banking and management consulting, including as Global Head of Investment Banking and CEO at ABN Amro Bank, and Partner and Senior Adviser to McKinsey & Company.

Mr Gregg brings to the Board extensive experience in corporate finance and capital management, strategic and commercial acumen, leadership, retailing and racing industry experience.

Tabcorp Committees:

- Chairman of Nomination Committee

Qualifications:

- Bachelor of Commerce

Other ASX company directorships in past 3 years:

- Ampol Limited (previously called Caltex Limited) since October 2015
- Challenger Limited since October 2012

David Attenborough

Managing Director and Chief Executive Officer from June 2011

David 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 in 2017.

Mr Attenborough is also a Director of the Australasian Gaming Council and 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 brings to the Board extensive gambling industry experience, strategic and commercial acumen, international experience, retailing and customer experience, and corporate responsibility.

Qualifications:

- Bachelor of Science (Honours)
- Master of Business Administration
- Graduate Member of AICD

Other ASX company directorships in past 3 years:

- Nil

Bruce Akhurst

Independent Non-executive Director from July 2017

Bruce Akhurst is a Director of McMillan Shakespeare Limited. 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 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 and Compliance Committee
- Member of People and Remuneration Committee
- Member of Technology Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Economics (Honours)
- Bachelor of Laws
- Fellow of AICD

Other ASX company directorships in past 3 years:

- McMillan Shakespeare Limited since April 2021
- Vocus Group Limited from September 2018 to July 2021

Harry Boon

Independent Non-executive Director from December 2017

Harry Boon joined the Tabcorp Board in December 2017 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 Chief Executive Officer and Managing Director of ASX listed company Ansell Limited until he retired in 2004, a position which capped a career spanning some 28 years with the Ansell Group. Mr Boon has held senior positions in Australia, Europe, the US and Canada.

Mr Boon brings to the Board extensive experience in global marketing and sales, retailing and customer experience, gambling industry experience, leadership, remuneration, people and organisational culture.

Tabcorp Committees:

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

Qualifications:

- Bachelor of Laws (Honours)
- Bachelor of Commerce

Other ASX company directorships in past 3 years:

- Asaleo Care Limited from May 2014 to June 2021

Anne Brennan

Independent Non-executive Director
from July 2020

Anne Brennan is a Director of Spark Infrastructure Group and Argo Investments Limited. She is also on the boards of NSW Treasury Corporation and Rabobank New Zealand Limited.

Ms Brennan previously served as Deputy Chair of Echo Entertainment Group Limited, and as a Director of Charter Hall Group, Nufarm Limited, Metcash Limited, Myer Holdings Limited and Rabobank Australia Limited.

Ms Brennan was formerly the Executive Finance Director of Coates Group and Chief Financial Officer at CSR Limited. She was previously a partner at KPMG, then Arthur Andersen and Ernst & Young.

Ms Brennan brings to the Board extensive experience in finance, capital management, risk and compliance, gambling industry experience and experience in retail and highly regulated industries.

Tabcorp Committees:

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

Qualifications:

- Bachelor of Commerce (Honours)
- Fellow of the Chartered Accountants Australia and New Zealand
- Fellow of AICD

Other ASX company directorships in past 3 years:

- Argo Investments Limited since September 2011
- Charter Hall Group from October 2010 to May 2021
- Metcash Limited from March 2018 to August 2019
- Nufarm Limited from February 2011 to December 2020
- Spark Infrastructure Group since June 2020

David Gallop AM

Independent Non-executive Director
from July 2020

David Gallop AM is Chairman of 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 Audit Committee
- Member of Nomination Committee

Qualifications:

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

Other ASX company directorships in past 3 years:

- Nil

Janette Kendall

Board Observer from September 2020.
Proposed to be an independent Non-executive Director (subject to regulatory approval)

Janette Kendall is a Director of Vicinity Centres, Costa Group Holdings Limited, Australian VenueCo and KM Property Funds Limited.

Ms Kendall previously served as a Director of Nine Entertainment Co. Holdings Limited, Wellcom Worldwide Pty Ltd 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

Other ASX company directorships in past 3 years:

- Vicinity Centres since December 2017
- Costa Group Holdings Limited since October 2016
- Nine Entertainment Co. Holdings Limited from June 2017 to December 2018

Justin Milne

Independent Non-executive Director
from August 2011

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

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 Risk and Compliance Committee
- Member of Nomination Committee

Qualifications:

- Bachelor of Arts
- Fellow of AICD

Other ASX company directorships in past 3 years:

- MYOB Group Limited from March 2015 to May 2019
- NetComm Wireless Limited from March 2012 to July 2019

EXECUTIVE LEADERSHIP TEAM

David Attenborough

Managing Director and
Chief Executive Officer

David 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.

David has an extensive background in totalisator and fixed odds betting, racing and broadcasting. He 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).

David is a Director of the Australasian Gaming Council and a Director of Hostplus Pty Ltd.

David holds a Bachelor of Science (Honours) and a Master of Business Administration, and he is a Graduate Member of AICD.

Adam Newman

Chief Financial Officer

Adam joined Tabcorp in October 2019 as Chief Financial Officer.

He was previously the Chief Financial Officer of ASX-listed energy company AusNet Services Limited. He also held senior leadership roles at BlueScope Steel in Australia and the USA, and worked at BHP and in Coopers & Lybrand's Perth and London Corporate Advisory groups.

Adam holds a Bachelor of Business, a Post Graduate Diploma of Business, and a Graduate Diploma in Applied Finance. He has also attended the Advanced Management Program at INSEAD (France). Adam is a Member of Chartered Accountants Australia and New Zealand and FINSIA.

Paul Carew

Chief Operating Officer
– Gaming Services

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

Prior to joining Tabcorp, Paul was Sales Manager at Fosters Group and was a licensed venue operator.

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

Patrick McGlinchey

Chief Legal and Risk Officer
and Co-Company Secretary

Patrick leads the Legal, Risk, Regulatory and Governance teams and commenced at Tabcorp in March 2019.

Prior to joining Tabcorp, he was Regional General Counsel Asia Pacific at LafargeHolcim Group leading the legal, corporate governance and compliance teams across the region. Patrick has extensive international experience in a range of senior roles with multi nationals and also the gambling entertainment industry, having served previously as Chief Legal Officer and Company Secretary at Aristocrat Leisure Limited.

Patrick holds a Bachelor of Laws (Honours) and a Bachelor of Economics (Soc Sc). He has attended various executive development courses including the International Institute for Management Development in Switzerland and the Wharton School in the USA.

Françoise Russo

Chief Information Officer

Françoise commenced as Tabcorp's Chief Information Officer in May 2020.

With over 25 years of experience in IT and Transformation, prior to joining Tabcorp, Françoise was Global Chief Information Officer at Toll Group, where she led a multi-year business transformation underpinned by a program of global technology modernisation. She has also worked overseas with organisations such as Procter & Gamble Ltd, Diageo PLC and British American Tobacco PLC, where she was the Regional Chief Information Officer for Europe, Middle East and Africa.

Françoise holds a Masters of Business Administration, a Masters in Information Systems and a Bachelor in Psychology. She has attended the University of Oxford's Said Business School and Warwick Business School at the University of Warwick, UK. She is also a Graduate of the AICD.

Adam Rytenskild

Managing Director
– Wagering and Media

Adam 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.

Adam has 25 years of experience leading large, highly regulated complex businesses, focused on transforming retail and digital through periods of increasing competition and significant change while delivering businesses to be customer led, digitally-integrated and competitive.

Adam has led expansion to new markets, established digital channels, disrupted old business models, turned-around declining businesses, successfully led difficult negotiations and has been at the forefront of several large acquisitions, mergers and business integrations.

He is an Alternate Director of the Australasian Gaming Council.

Adam holds a Masters of Business Administration, has attended the Senior Executive Program at the London Business School and the Executive Breakthrough Program with Egon Zehnder. He is a Member of AICD.

Ben Simons

Chief Strategy Officer

Ben commenced with Tabcorp in July 2017 in the position of Chief Strategy Officer. He has oversight of corporate strategy and branding, business development, and the Office of the CEO, which includes corporate communications and government and stakeholder relations.

He was previously with Telstra where he held positions as Director of Retail Product Strategy and Director of Telstra Air, Australia's largest wifi hotspot network. Prior to Telstra, he was a Principal at management consulting firm Bain and Company.

Ben holds a Masters in Business Administration, a Bachelor of Economics, a Bachelor of Laws, and a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

Sue van der Merwe

Managing Director
– Lotteries and Keno

Sue became Tabcorp's Managing Director – Lotteries and Keno following the Tabcorp-Tatts combination in December 2017. Previously she held the role of Chief Operating Officer – Lotteries at Tatts Group.

Sue has extensive experience in lotteries spanning 31 years. She has played a central role in the successful development of the Australian lottery industry, and was instrumental in the acquisition of multiple lottery licences and the successful integration of these businesses. Today she is responsible for one of the most complex multi-jurisdictional lottery businesses in the world.

She is Chairman of the Asia Pacific Lottery Association, sits on the World Lottery Association Executive Committee and was inducted into PGRI's Lottery Industry Hall of Fame in 2016, recognising her contribution to world lottery excellence and integrity.

Sue holds a Bachelor of Social Science, Marketing and Economics, and is a Member of AICD.

Michelle Williams

Chief People Officer

Michelle commenced with Tabcorp in February 2020 as Chief People Officer.

Prior to joining Tabcorp, she was Group Director Human Resources at Fairfax Media Limited and was responsible for setting and implementing human resources strategy across Fairfax's portfolio of newspapers, websites, radio stations, events and digital ventures in Australia and New Zealand. Prior to Fairfax, she held human resources roles with AXA and Colonial Limited.

Michelle holds a Bachelor of Commerce and a Bachelor of Science, and is a member of the Australian Human Resources Institute.

CORPORATE GOVERNANCE

Tabcorp's Board recognises the importance of having proper and effective corporate governance arrangements and maintaining high standards of corporate behaviour, culture and accountability. The governance arrangements adopted by the Group enable the Board and management to make well informed decisions, provide appropriate accountability and transparency, and instil and reinforce a culture and behaviours that support Tabcorp's vision to be ***The Trusted Gambling Entertainment Company***.

Key updates

- As part of the orderly and coordinated Board renewal process, Steven Gregg succeeded Paula Dwyer as Chairman following Ms Dwyer's retirement from the Board on 31 December 2020.
- Janette Kendall was appointed as a new Non-executive Director (subject to regulatory approval), and Vickki McFadden retired from the Board.
- David Attenborough, who previously announced his intention to retire as MD & CEO, will remain as MD & CEO of Tabcorp until the proposed demerger of the Lotteries and Keno business is completed.

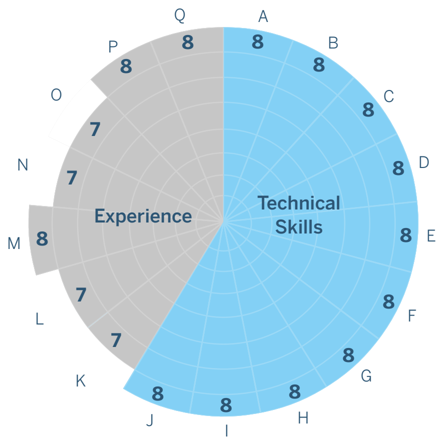
Balanced Board

- The Board comprises a mix of longer serving Non-executive Directors (NEDs) and more recent appointments, with three new Directors appointed in the past two years.
- The Board has a target of at least 40% female NEDs by the end of FY23 (FY21: 29%).
- All of Tabcorp's NEDs are considered by the Board to be independent.
- The Board is comprised of Directors who bring a diverse range of skills, experience, qualifications and backgrounds to provide effective leadership and add value.

Board Committees

- In FY21 the Board established a Technology Committee to provide strong governance and oversight of Tabcorp's technology strategy and roadmap.
- The Board has five standing Committees:
  - Audit Committee
  - Risk and Compliance Committee
  - People and Remuneration Committee
  - Technology Committee
  - Nomination Committee
- All Committee members, including Chairmen, are independent Non-executive Directors.

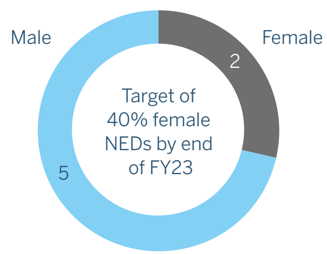
Board skills matrix



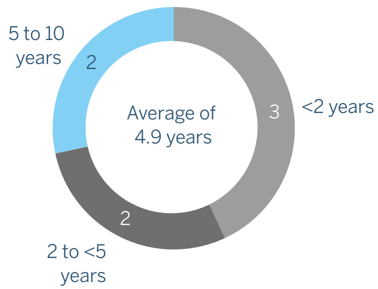
A. Leadership
B. Strategic and commercial acumen
C. Financial acumen/capital management
D. Governance
E. Legal and regulatory
F. Risk management and compliance
G. People
H. Organisational culture
I. Remuneration
J. Government/stakeholder relations and public policy
K. Gambling industry experience
L. Experience in other relevant industries
M. International experience
N. Information technology
O. Digital innovation
P. Retailing, marketing and customer experience
Q. Corporate responsibility

Number of Directors with developed capability

NED diversity



NED tenure



Tabcorp's Corporate Governance Statement 2021, Appendix 4G, Board and Committee Charters, key policies and governance documents are available from the Who We Are > Corporate Governance section of Tabcorp's website at **www.tabcorp.com.au**

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:

Name	Board meetings A	Board meetings B	Audit Committee A	Audit Committee B	Risk and Compliance Committee A	Risk and Compliance Committee B	People and Remuneration Committee A	People and Remuneration Committee B	Technology Committee[i] A	Technology Committee[i] B	Nomination Committee A	Nomination Committee B
Current Directors												
Steven Gregg[ii]	10	10	6	6	3	3	4	4	2	3	4	4
David Attenborough[iii]	10	10	6	6	4	4	4	4	3	3	4	4
Bruce Akhurst	10	10	-	-	4	4	4	4	3	3	4	4
Harry Boon	10	10	6	6	2	2	4	4	3	3	4	4
Anne Brennan	10	10	6	6	4	4	-	-	-	-	4	4
David Gallop	10	10	6	6	2	2	2	2	-	-	4	4
Janette Kendall[iv]	7	7	4	4	-	-	2	2	3	3	2	2
Justin Milne	10	10	-	-	4	4	-	-	3	3	4	4
Former Directors												
Paula Dwyer[v]	5	5	2	3	1	2	1	2	-	-	3	3
Vickki McFadden[v]	3	3	2	2	1	1	-	-	-	-	1	1

A – Number of meetings attended

B – Maximum number of possible meetings available for attendance

(i) The Board established the Technology Committee effective from 16 February 2021.

(ii) Steven Gregg also attended meetings of the Victorian Joint Venture Management Committee as Chairman of this Committee from 1 January 2021.

(iii) David Attenborough attends Committee meetings, but he is not a member of any Committee. Only Non-executive Directors are members of Board Committees.

(iv) Janette Kendall's appointment is subject to the receipt of all necessary regulatory and ministerial approvals. For the meetings disclosed above, Ms Kendall attended as an Observer whilst awaiting regulatory approval, for which she was not required to attend and could not vote on any matter.

(v) Paula Dwyer and Vickki McFadden retired as Directors of Tabcorp on 31 December 2020 and 20 October 2020 respectively.

In addition to the meetings above, Directors also participated in 22 additional meetings of the Board or Board Sub-Committees established for special purposes during the year to consider a range of matters, including the impacts of the COVID-19 pandemic on the Group, the 2020 Entitlement Offer and the strategic review of the Group's structural and ownership options. 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.

Directors' interests in Tabcorp securities

At the date of this report, the Directors had the following relevant interests in the securities of the Company, as notified to the ASX in accordance with section 205G(1) of the Corporations Act 2001:

Name	Number of Ordinary shares
Current Directors	
Steven Gregg[i]	45,820
David Attenborough[ii]	1,628,649
Bruce Akhurst	120,000
Harry Boon	76,364
Anne Brennan[iii]	8,182
David Gallop[iii]	7,637
Janette Kendall[iv]	0
Justin Milne	50,846
Former Directors	
Paula Dwyer[v]	136,364
Vickki McFadden[v]	54,547

(i) Steven Gregg commenced as Chairman on 1 January 2021.

(ii) David Attenborough also has an interest in 2,138,469 Performance Rights.

(iii) Anne Brennan and David Gallop commenced as Non-executive Directors on 17 July 2020 and 3 July 2020 respectively following the receipt of all necessary regulatory and ministerial approvals.

(iv) Janette Kendall's appointment is subject to the receipt of all necessary regulatory and ministerial approvals.

(v) Paula Dwyer and Vickki McFadden retired as Directors of Tabcorp on 31 December 2020 and 20 October 2020 respectively, and the interests disclosed above were applicable at the time of their retirement.

(vi) The MD & CEO's shareholding is within the Executive Shareholding Policy. All NED shareholdings are within the Non-executive Director Shareholding Policy, noting that NEDs are required to reach the applicable threshold within three years of appointment (as referenced above) to achieve the minimum shareholding threshold.

RISK MANAGEMENT AND MATERIAL BUSINESS RISKS

The Group has a structured and proactive approach to understanding, identifying and managing risk which is 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 and Compliance 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 management and risk governance, refer to Tabcorp's 2021 Corporate Governance Statement.

Risk Management Framework

There are various risks that could potentially have a material impact at a whole-of-Group level on the achievement of the Group's strategies and future prospects which are presented below, in no particular order, together with existing mitigations employed by the Group. Many of the risks may arise due to events occurring that are outside the control of the Group.

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, retail venues and retailers, 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, 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.
Licences and other approvals	The conduct of wagering, lotteries, Keno and the provision of gaming services are regulated by laws, licences, permits and other approvals from relevant state and territory governments. The loss of, or failure to renew, any material licence, permit, authorisation or other approval (or renewal on less favourable terms) may have an adverse impact on the financial position, performance and operations of the Group.	• The Group operates a diverse portfolio of businesses 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.

Risk	Description and potential consequences	Mitigations employed
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. From time to time, government policy and decisions shift and are influenced by societal attitudes and political and/or media attention. 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. • The Group continues to invest in and embed customer care initiatives and responsible gambling practices.
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. If the Group does not adequately respond to competition for consumers' discretionary expenditure, there may be an adverse effect on the operational and financial performance of the Group. 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.	• As noted above, the Group operates a diverse portfolio of businesses with operations 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 exclusive 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 MANAGEMENT AND MATERIAL BUSINESS RISKS

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 a diverse portfolio of businesses with operations 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 risks	The Group is exposed to risks relating to the cost and availability of funds to support its operations, including changes in interest rates and foreign currency exchange rates, counterparty credit and liquidity risks which could impact its financing activities. The Group is also exposed to various financial and trading risks arising from operating its Wagering and Media and Lotteries and Keno businesses. 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. • Refer to the sections titled "Capital Management" on page 11 and "Capital and risk management" on pages 90 to 100.
Technology, cybersecurity and data/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 opportunistic criminals seek to exploit organisations' cyber defenses. Additionally, ransomware cyber-attacks on companies across the world are on the 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. • A dedicated information and cyber-security team within the Technology function 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. • 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, cyber-security attacks and privacy breaches should they occur. Following an incident at a third party managed data centre that impacted a number of the Group's systems in November 2020, a number of enhancements have been made and are planned to further strengthen the Group's enterprise resilience and disaster recovery processes. • In FY21, the Board established a Technology Committee to oversee the Group's technology strategy, including major technology investments to address the Group's technology and cybersecurity risks.

Risk	Description and potential consequences	Mitigations employed
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.
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 diverse portfolio of businesses with operations spanning multiple jurisdictions and market segments, which reduces the reliance on any single business 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, lotteries or gaming 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 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 MANAGEMENT AND MATERIAL BUSINESS RISKS

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, newsagencies, convenience stores and other retail outlets which offer the Group's products. Significant disruption or closures of, or a decline in, these channels, whether as a result of a particular event (for example, due to adverse weather events or climate change, epidemic/pandemic outbreak (such as the COVID-19 pandemic), or natural disaster), economic conditions, changes in consumer behaviour or any other factors, may have a direct adverse effect on the operating and financial performance of the Group.	• 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 pandemic	The ongoing COVID-19 pandemic and government restrictions 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. In FY21, the main impacts have been to the Group's Gaming Services business (due to the temporary closure of licensed venues) and Wagering and Media business (due primarily to the temporary closure of licensed venues (hotels and clubs) and TAB agencies, crowd restrictions at racing events, and disruption to Australian and international sport and racing events). 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 have had, and are likely to continue to have, an adverse effect on Tabcorp and its financial performance. There is ongoing uncertainty as to the frequency and length of Australian and other government restrictions in the future. The long term impacts from COVID-19 on general economic or industry conditions and consumer discretionary spending are uncertain and may adversely impact the financial and operational performance of the Group and the delivery of its growth strategies in the future. 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. • During FY21, the Group continued to implement initiatives to mitigate the financial and earnings impacts on the Group, including reducing operating and capital expenditure, securing debt covenant waivers and preserving liquidity, not paying a FY20 final dividend, securing government agreement for the temporary deferral of lottery, Keno and payroll taxes, encouraging retail customers to use digital channels, and actively promoting remaining available products. A range of people related initiatives were also implemented, including standing down some groups of employees, promoting remote and flexible working arrangements, and accessing the Federal Government's JobKeeper scheme. • The Group established the Pandemic Preparedness Working Group to coordinate and oversee the Group's response to the COVID-19 pandemic.

Risk	Description and potential consequences	Mitigations employed
People, health, safety and wellbeing	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), and the previously announced intention to demerge the Lotteries and Keno business, 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. COVID-19 has also heightened both physical and psychological health risks, with mental wellbeing an area of particular focus due to ongoing public health directions.	• 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 undertakes regular surveys of team members to monitor employee engagement and wellbeing, and has implemented various policies and programs aimed at supporting team member wellbeing. • 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.
Demerger	The Group is undergoing significant change across the organisation as it executes a proposed demerger of the Lotteries and Keno business, including in relation to its organisational structure, business operations and technology. There are risks associated with executing the proposed demerger, including that it does not proceed, it may take longer than expected to complete, one-off and ongoing costs may be higher than expected, key shareholder, regulatory, stakeholder and other approvals may not be obtained, business disruption from technology separation, and potential impacts on people and the delivery of the Group's strategies and operations. Refer also to the risk topics "Licences and other approvals", "Technology, cybersecurity and data/privacy risks", and "People, health, safety and wellbeing" for further information about other risks which could be impacted by the proposed demerger.	• The Group has established a Steering Committee, with a clear governance structure and defined workstream leads, to oversee the planning, design and delivery of the proposed demerger, reporting to the Executive Leadership Team and Board. • The Group has dedicated and experienced internal resources, with external advisors and resources engaged to support the program to deliver the proposed demerger.

DIRECTORS' REPORT

Contents

The Directors of Tabcorp Holdings Limited (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 2021.

1. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year comprised the provision of gambling and entertainment services. The Group's principal activities remain unchanged from the previous financial year, except as disclosed elsewhere in this Directors' Report.

2. OPERATING AND FINANCIAL REVIEW

The financial results of the Group for the financial year ended 30 June 2021 comprise its three operating segments of Lotteries and Keno, Wagering and Media, and Gaming Services. The activities and financial performance of the Group and each of its operating segments for the financial year are set out on pages 1 to 23 and below.

Lotteries and Keno

The Lotteries and Keno business has the following operations and licences/approvals.

Lotteries operations:

- The Lott is the brand that unites Tabcorp's licensed lottery operations under one banner. Tabcorp conducts lotteries under licence arrangements in all states and territories of Australia, except Western Australia.
- Our leading game brands include 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.
- Our lotteries products can be purchased in newsagencies, convenience stores and other retail outlets, online at theLott.com and via our mobile app.

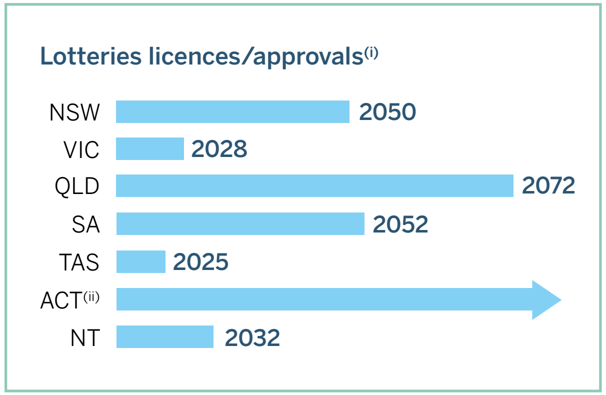
Keno operations:

- Keno is a random number game that is played every 3 to 3.5 minutes with the chance for customers to win instant prizes and multi-million dollar lifechanging 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 across NSW, Victoria, Queensland and ACT.

Lotteries licences/approvals(i):

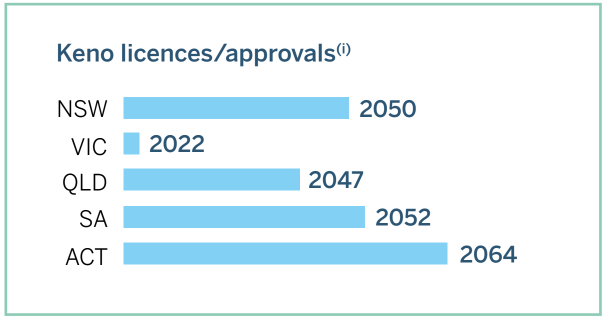
- NSW Operator Licence and various product licences expire in April 2050.
- Victorian Public Lottery Licence expires in June 2028.
- Queensland Licensed Lottery Operator's Licence expires in July 2072.
- Lotteries operates under an agency agreement with the Lotteries Commission of South Australia which 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.

(i) Ordered by population of states/territories.
(ii) Indefinitely unless revoked.



Keno licences/approvals[(i)]:

- NSW Keno Licence expires in April 2050. Tabcorp operates Keno in NSW under a management agreement with ClubKENO Holdings Pty Ltd.
- Victorian Keno Licence expires in April 2022.
- 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.



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 (the Group has 100% interest in PGI after acquiring the remaining 50% interest in February 2021) and Sky Racing World in the US.

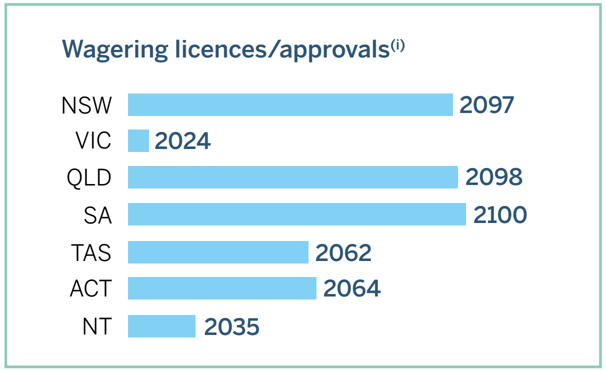
Media operations:

- 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 US.

(i) Ordered by population of states/territories.

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, and may be extended by the State of Victoria for a further two year period.
- 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 2021, with annual renewal capability.



Gaming Services

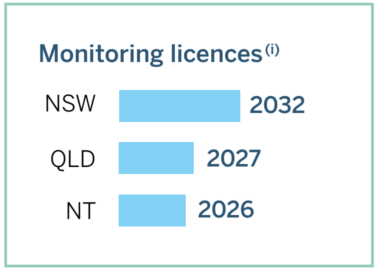
The Gaming Services business has the following operations and licences/approvals.

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.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than matters arising from the impacts of the COVID-19 pandemic 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 2020.

4. OTHER MATTERS

Entitlement Offer

In September 2020, the Company completed a 1-for-11 pro rata accelerated renounceable entitlement offer (with retail entitlements trading) raising gross proceeds of approximately $600m. The proceeds of the Entitlement Offer were used to pay down existing drawn bank debt facilities, strengthen the Company's balance sheet and provide greater financial flexibility and additional credit metric headroom for covenant and rating purposes.

Jumbo share disposal

In September 2020, the Group disposed its 11.6% interest in Jumbo Interactive Limited (ASX code: JIN) for gross proceeds of approximately $98m, with a profit before tax of $69m.

Premier Gateway International (PGI)

In February 2021, the Group acquired the remaining 50% interest in the PGI wagering pooling hub business located in the Isle of Man, and now has 100% interest in this business.

Amended 2016 tax assessment

During FY21, the Australian Taxation Office issued the Group with an amended assessment for the 2016 taxation year in relation to the deductibility of the licence fee incurred by Tatts Group Limited in relation to monitoring gaming machines in NSW. The primary tax in dispute of $62m and interest charges of $9m were paid in December 2020. The Group lodged an objection against the amended assessment and a Notice of Decision was issued in June 2021 disallowing the objection. The Group intends to appeal this decision, and if successful, the Group expects that the amended assessment amounts should be refunded.

5. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 5 July 2021, Tabcorp announced the intention to demerge its Lotteries and Keno business and create two standalone ASX-listed companies. The demerger is expected to be implemented through a court-approved Scheme of Arrangement, subject to shareholder, final Board, regulatory and third party approvals and consents. Tabcorp is targeting completion of the demerger by the end of June 2022. The decision to pursue a demerger follows the conclusion of a comprehensive strategic review of all relevant structural and ownership options to maximise value for shareholders, including the evaluation of unsolicited approaches and proposals received for the sale of the Group's Wagering and Media and Gaming Services businesses.

The Group notes the recent developments since the end of the financial year in relation to the COVID-19 pandemic in NSW, Victoria, South Australia and Queensland, and related actions taken by respective state governments, including imposing lockdowns, travel and other government-mandated restrictions. These restrictions have resulted in the temporary closure at various times of licensed venues (hotels and clubs) and TAB agencies which offer Tabcorp's Wagering and Media, Keno and Gaming Services products (particularly in metropolitan Sydney and Melbourne). At the reporting date a definitive assessment of the future effects of these restrictions, and COVID-19 more generally, on the Group cannot be made.

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.

6. 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 priorities, which are discussed on pages 1 to 23. The priorities of the Group's operating businesses are set out on pages 12 to 23.

7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Each year the Board participates in a formal strategic review and planning process 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 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 36 to 41.

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.

8. DIRECTORS

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

Paula Dwyer retired as Chairman and independent Non-executive Director of the Company on 31 December 2020, having served as Chairman of the Company from June 2011 and as a Director of the Company from August 2005. At the time of her retirement, she was Chairman of Allianz Australia Limited and a Director of Australia and New Zealand Banking Group Limited and Lion Pty Ltd. She was also a Member of the Kirin Holdings International Advisory Board and a Member of the Takeovers Panel. Ms Dwyer was formerly the Chairman of Healthscope Limited and a Director of Leighton Holdings Limited, Suncorp Group Limited and Foster's Group Limited. She was formerly a member of the ASIC External Advisory Panel, the Victorian Casino and Gaming Authority and of the Victorian Gaming Commission. Ms Dwyer held senior executive positions with Ord Minnett (now JP Morgan) and PricewaterhouseCoopers. Ms Dwyer was Chairman of the Tabcorp Nomination Committee and the Victorian Joint Venture Management Committee. She was also a member of Tabcorp's Audit Committee, Risk and Compliance Committee and People and Remuneration Committee. Ms Dwyer holds a Bachelor of Commerce. She is a Fellow of the Chartered Accountants Australia and New Zealand, Senior Fellow of the Financial Services Institute of Australasia and Fellow of AICD. In the past three years, she was a director of other ASX listed companies as follows: Healthscope Limited from June 2014 to June 2019; and Australia and New Zealand Banking Group Limited from April 2012.

Vickki McFadden retired as an independent Non-executive Director of the Company on 20 October 2020, having served as a Director of the Company from July 2017. At the time of her retirement, she was Chairman of GPT Group, a Director of Newcrest Mining Limited, Allianz Australia Ltd and Myer Family Investments Pty Ltd, and a Member of Chief Executive Women. Ms McFadden was Chairman of Eftpos Payments Australia Limited and Skilled Group Limited, President of the Takeovers Panel, and was previously a Director of Leighton Holdings Limited. Prior to this, she was Managing Director, Investment Banking at Merrill Lynch (Australia) Pty Ltd. Ms McFadden was Chairman of Tabcorp's Audit Committee and a member of Tabcorp's Risk and Compliance Committee and Nomination Committee. She holds a Bachelor of Commerce and a Bachelor of Laws, and is a Member of AICD. In the past three years, she was a director of other ASX listed companies as follows: GPT Group from March 2018; and Newcrest Mining Limited from October 2016.

9. 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.

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 SECRETARIES

Chris Murphy commenced as Acting Company Secretary on 23 March 2018 and was formally appointed as Company Secretary on 6 February 2019 following receipt of the necessary regulatory and ministerial approvals. 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.

Patrick McGlinchey was appointed as Company Secretary on 26 June 2020. Patrick is Tabcorp’s Chief Legal and Risk Officer with responsibility for the Group’s Legal, Risk, Regulatory and Governance functions. Prior to joining Tabcorp in March 2019, he held senior legal, governance and compliance roles at LafargeHolcim Group and Aristocrat Leisure Limited. Patrick holds a Bachelor of Laws (Honours) and a Bachelor of Economics (Soc Sc). He has also attended various executive development courses including the International Institute for Management Development in Switzerland and the Wharton School in the USA.

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 2021, 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 FY21, Tabcorp's political contributions totalled $186,940 (FY20: $190,445). 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 and the Directors' Report have been rounded to the nearest million and in the Remuneration Report 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 fully resourced by Tabcorp, with specialist independent external support where necessary. More information relating to the audit functions can be found in the Company's Corporate Governance Statement.

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 2021. 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 $1,110,000 in relation to the provision of non-statutory audit services to the Company in respect of the financial year ended 30 June 2021. These services relate to other assurance and agreed upon procedures services under other legislation or contractual arrangements and other services. 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 2021. This auditor's independence declaration forms part of this Directors' Report.

18. REMUNERATION REPORT

The Remuneration Report for the financial year ended 30 June 2021 forms part of this Directors' Report, and can be found on pages 51 to 76.

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

Steven Gregg
Chairman

Melbourne
18 August 2021

EY
Building a better working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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 2021, 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; and

b) no contraventions of 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

David Shewring
Partner
18 August 2021

REMUNERATION REPORT (AUDITED)

Contents

1. LETTER FROM THE PEOPLE AND REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholder,

On behalf of the Tabcorp Board of Directors, I am pleased to present Tabcorp's 2021 Remuneration Report.

Tabcorp delivered a strong operational performance and earnings growth in a year marked by significant disruptions resulting from COVID-19. The pandemic continues to impact our company and communities and we have remained focused on prioritising the wellbeing of our people and partners. This included supporting our venue partners who were impacted by temporary closures, by suspending their contracted service and equipment fees.

Facing into the uncertainty of COVID-19, we strengthened the Group's balance sheet through an equity raising and sold our equity stake in Jumbo Interactive. These actions, combined with a strong recovery in operational cash flows, have significantly reduced our gearing ratio. We also accelerated the Group's enterprise-wide optimisation program which delivered efficiencies and EBIT savings in FY21.

Lotteries and Keno delivered a record profit result on the back of strong revenue growth driven by game development and active portfolio and sequence management. Wagering and Media showed improved performance and revenue growth across its TAB, Media and International segments. Both businesses made good progress on their strategic priorities, which included enhancing the customer experience through our successful omni-channel model. This delivered good customer acquisition and strong digital growth. However, the impact of closures and other restrictions on licensed venues significantly disrupted our Gaming Services business. Notwithstanding this, the business is progressing its plan to simplify and streamline its operations and reduced its operating costs in FY21.

Unfortunately, the year was not without other challenges. In November 2020, an outage at a third-party owned data centre impacted our customers and stakeholders. We have completed a comprehensive review of the event and implemented changes to strengthen our disaster recovery capability.

Due to the strong operational result and good progress achieved across key business areas, albeit with some challenges, the Board determined the Short Term Incentive (STI) Group Funding Multiplier (GFM) (STI pool) to be 1.00. Under the STI plan, given the above target Group financial results, a higher GFM would have applied. However, the Board exercised its discretion to reduce the GFM, reflecting a balanced assessment of Group and operating business unit performance in FY21.

MD & CEO remuneration

Fixed remuneration

There were no adjustments to the MD & CEO's remuneration structure or levels in FY21 and it is intended that these will remain the same in FY22. The MD & CEO's fixed remuneration has not increased since 2017.

Short Term Incentive (STI)

Given the balance of strong operational and strategic performance, offset by the data centre outage, the Board determined to provide the MD & CEO with an STI award equivalent to 100% of his target STI opportunity (67% of his maximum opportunity) in the form of a combination of cash (50%) and Restricted Shares (50%). Restricted Shares will be restricted for two years and subject to forfeiture, malus and clawback conditions. The treatment of Restricted Shares on completion of a demerger is yet to be determined and will be disclosed in the demerger scheme booklet.

Long Term Incentive (LTI)

Mr Attenborough's 2017 LTI offer performance conditions were tested in September 2020. The testing resulted in relative total shareholder return (the only performance measure) being positioned at the 52nd percentile rank against the peer group. 54% of the Performance Rights under this offer vested and the remainder (46%) lapsed.

During the year, the Board considered providing Mr Attenborough with a 2021 LTI offer having regard to his intention to retire and the proposed demerger. Given Mr Attenborough has a contractual entitlement to a long term remuneration component, the proposed demerger is still subject to regulatory and shareholder approvals, and his employment end date is yet to be decided, the Board believes it is in shareholders' best interests to provide him with a 2021 LTI offer. The rationale for this being:

- if Mr Attenborough retired during the offer's performance period, a pro rata portion of the Performance Rights would remain on foot and be subject to the original terms and conditions. This means that Mr Attenborough would only retain Performance Rights that were relevant to his employment period and that these would be subject to performance conditions after he has ceased employment;
- if regulatory and shareholder approvals for the proposed demerger are not obtained and Tabcorp continues as a consolidated Group, Mr Attenborough would still be measured against long term performance hurdles, even if he retired; and
- if regulatory and shareholder approvals for the proposed demerger are obtained and the demerger completes, only a pro rata number of Performance Rights would vest and the majority of the Performance Rights would lapse at this point.

The proposed 2021 LTI offer to Mr Attenborough will be put to a shareholder vote at Tabcorp's 2021 AGM (and will be included in the 2021 Notice of Meeting).

Executive KMP remuneration

Fixed remuneration

There were no adjustments to executive KMP remuneration structures or levels during FY21. There will be modest adjustments to executive KMP fixed remuneration levels in FY22 (average of 1.83% increase) with the exception of the Managing Director Lotteries and Keno, reflecting an alignment to market peers and the importance for the Group to retain critical experience and knowledge. The Managing Director Lotteries and Keno's fixed remuneration level increased from $800,000 to $918,000 (effective 1 July 2021), to align her remuneration with market and internal peers and to recognise her performance since the combination with Tatts.

Short Term Incentive

The average STI award for the executive KMP (other than the MD & CEO) was 105% of their target opportunity or 52% of their maximum opportunity, reflecting strong Group financial and operational performance and the delivery of individual business unit strategic priorities.

2021 Long Term Incentive offer

The Board has agreed that the 2021 LTI offer will proceed with 75% of the Performance Rights being subject to relative TSR performance and 25% subject to return on invested capital (ROIC) performance. This is consistent with the 2020 LTI offer.

FY22 STI Structure

A new STI structure has been implemented in FY22, which has been designed considering market best practice, Tabcorp's three-year strategy, the need to balance financial and non-financial priorities (including sustainability) and feedback from shareholders. The new design ensures that participants are rewarded for strong Group performance, incentivised to deliver sustainable business unit strategic and operational objectives and are recognised for their individual contributions. Importantly, the plan includes a "Sustainability Modifier" which allows the Board to adjust the STI pool when considering risk management, responsible gambling, community and reputation impacts and performance, ensuring results are achieved in a sustainable manner.

Non-executive Director fees

The Board reviewed Non-executive Director fees and elected not to increase fees during FY21 and FY22. As a result of the changes to the Superannuation Guarantee Contribution rate from 9.5% to 10% (effective 1 July 2021), the Board agreed to absorb the increase into current fees, thereby reducing cash fees. This will have the effect of keeping total Board fees (inclusive of Superannuation Guarantee Contributions) at the same level as those for FY21.

FY22 is an important year for Tabcorp as the Group executes on the proposed demerger, while also continuing to focus on achieving strong financial and non-financial results. The Board remains confident that Tabcorp is well positioned to execute the demerger and is looking forward to it creating two highly profitable, market leading businesses with exciting futures.

David Gallop
People and Remuneration Committee Chairman

2. PURPOSE

This Remuneration Report details the remuneration policies and arrangements for the Key Management Personnel (KMP) of the Group, comprising Tabcorp and its subsidiaries, for the year ended 30 June 2021 (FY21). KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of Tabcorp and the Group, and comprises the Directors of Tabcorp and certain members of the Executive Leadership Team. This Remuneration Report is presented in accordance with the requirements of the Corporations Act 2001 (Cth) (Act) and its regulations and has been audited as required by section 308(3C) of the Act.

3. OVERVIEW

The COVID-19 pandemic was very challenging for Tabcorp in FY20. The shutdown of retail venues and disruption to racing and sporting competitions had a material impact on the Group's business operations. No short term incentives were paid in respect of FY20 and executive KMP (including the Managing Director and Chief Executive Office (MD & CEO)) did not receive any increases to fixed remuneration in FY21. Non-executive Director fees were also not increased in FY21.

Notwithstanding the ongoing COVID-19 impacts, Tabcorp delivered strong operational and strategic outcomes in FY21. On 5 July 2021, Tabcorp announced its intention to demerge its Lotteries and Keno business (subject to the receipt of regulatory and shareholder approvals). Tabcorp anticipates that the demerger will be complete by June 2022. The next twelve months will be critical for Tabcorp, as it aims to execute the demerger and procure the many necessary approvals, while maintaining business performance across the Group. This heightens the responsibilities and expectations placed on the Executive Leadership Team and other key employees. The Board determined that the following remuneration outcomes in FY21 were appropriate, considering the strong performance outcomes, the need to retain critical skills during this period and maintaining alignment with shareholder value creation.

Non-executive Director fees	FY21	Board and Board Committee fees	No adjustments.
	FY22	Board and Board Committee fees	No adjustments will be made.
MD & CEO remuneration	FY21	Fixed remuneration	No adjustments.
		Short term incentive (STI) opportunity and award	**Target opportunity:** 75% of fixed remuneration (unchanged). **Maximum opportunity:** 112.5% of fixed remuneration (unchanged). **Actual FY21 STI award:** 75% of fixed remuneration (100% of target).
		Long term incentive (LTI) opportunity and vesting	**Target opportunity:** 75% of fixed remuneration (unchanged). **Maximum opportunity (at grant):** 150% of fixed remuneration (unchanged). **2020 LTI grant:** Made in October 2020 and includes two performance measures, being relative total shareholder return (TSR) (75% weighting) and return on invested capital (ROIC) (25% weighting). **2017 LTI grant:** Tabcorp's 3-year TSR (the only measure) performance placed the Group at the **52nd** percentile of the peer group. **54%** of the Performance Rights granted under the offer vested (the remainder (46%) lapsed).
	FY22	Fixed remuneration	No adjustments will be made.
		STI and LTI opportunities	No adjustments will be made.

Other executive KMP remuneration	FY21	Fixed remuneration	No adjustments.
		STI opportunity and award	**Target opportunity:** 50% of fixed remuneration (unchanged). **Maximum opportunity:** 100% of fixed remuneration (unchanged). **Actual FY21 STI award:** Average STI award of 52.5% of fixed remuneration (105% of target).
		LTI opportunity and vesting	**Target opportunity:** 50% of fixed remuneration (unchanged). **Maximum opportunity:** 100% of fixed remuneration (unchanged). **2020 LTI grant:** Made in October 2020 and includes two performance measures, being relative TSR (75% weighting) and ROIC (25% weighting). **2017 LTI grant:** Tabcorp's 3-year TSR (the only measure) performance placed the Group at the **52nd** percentile of the peer group. **54%** of the Performance Rights granted under the offer vested (the remainder (46%) lapsed).
	FY22	Fixed remuneration	Average increase of 1.83% across executive KMP. This excludes an increase for the Managing Director Lotteries and Keno from $800,000 to $918,000 which aims to align her remuneration with internal and external peers and is in recognition of her performance.
		STI and LTI opportunities	No adjustments will be made.
Remuneration framework changes for FY22			A new simpler and strategically aligned plan was introduced from 1 July 2021. More details are outlined in section 8.

In July 2020, Tabcorp announced that following the successful integration of the Tatts business, David Attenborough would retire as Tabcorp's MD & CEO and cease employment with the Group in the first half of the 2021 calendar year.

In March 2021, Tabcorp announced that it would undertake a strategic review of all structural and ownership options and that it would pause its MD & CEO recruitment process pending the outcome of the review. Mr Attenborough agreed to continue as MD & CEO during that time.

The Board resolved to provide Mr Attenborough with a 2020 LTI grant (which was approved at the 2020 Annual General Meeting) on the basis that:

- Mr Attenborough was employed at all times during the relevant period having continued to lead the Tabcorp business through the COVID-19 pandemic and the strategic review, and his employment has once again been extended due to the announced demerger;
- an LTI offer to Mr Attenborough was in the best interests of shareholders as it ensures that Mr Attenborough's remuneration will continue to be impacted by Group performance for a significant period.

If Mr Attenborough retires during the 2020 LTI performance period:

- a pro rata portion of the Performance Rights granted under this offer will lapse; and
- a pro rata portion of the Performance Rights granted under this offer will continue on foot and be subject to the original terms and conditions of that offer.

Treatment of this LTI grant in the event a demerger is completed will be in line with disclosures to be presented in the demerger scheme booklet which will be communicated to shareholders in due course.

4. KEY MANAGEMENT PERSONNEL

(a) Non-executive Director changes during FY21

As part of a coordinated process of Board renewal, the following changes occurred in FY21:

- Vickki McFadden retired from the Tabcorp Board on 20 October 2020;
- Paula Dwyer retired as Chairman and from the Tabcorp Board on 31 December 2020;
- Steven Gregg commenced as Chairman of the Tabcorp Board and as Chairman of the Nomination Committee, effective 1 January 2021. At this time, he also ceased to be Chairman of the People and Remuneration Committee and a member of the Audit Committee; and
- Janette Kendall joined the Tabcorp Board initially as an Observer and will formally commence as a Director following the receipt of all necessary regulatory approvals.

(b) Executive KMP changes during FY21

Patrick McGlinchey was appointed to the role of Chief Legal and Risk Officer and became a KMP, effective 1 March 2021. His role was expanded from Group General Counsel and became Chief Legal and Risk Officer (CLRO) from 1 March 2021 to include executive responsibility for risk and compliance across the Group.

Table 1: KMP for FY21

Name	Position held	Period in position if less than full year
Non-executive Directors		
Steven Gregg	Chairman and Non-executive Director	Chairman from 1 January 2021
Bruce Akhurst	Non-executive Director	
Harry Boon	Non-executive Director	
Anne Brennan	Non-executive Director	From 17 July 2020, previously was an Observer
David Gallop	Non-executive Director	From 3 July 2020, previously was an Observer
Justin Milne	Non-executive Director	
Future Non-executive Directors, pending regulatory approval		
Janette Kendall	Observer	From 21 September 2020
Former Non-executive Directors		
Paula Dwyer	Chairman and Non-executive Director	Until and including 31 December 2020
Vickki McFadden	Non-executive Director	Until and including 20 October 2020
Executive Director		
David Attenborough	Managing Director and Chief Executive Officer (MD & CEO)	
Executive KMP		
Patrick McGlinchey	Chief Legal and Risk Officer	From 1 March 2021
Adam Newman	Chief Financial Officer	
Adam Rytenskild	Managing Director (MD) Wagering and Media	
Sue van der Merwe	MD Lotteries and Keno	

5. 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 the Group's people strategies and projects, including talent and retention, diversity and inclusion, culture and engagement, as well as the Group's 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 FY21 and to the date of this report. In determining executive KMP remuneration outcomes, the Committee also receives feedback from the Risk and Compliance Committee.

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

6. EXECUTIVE KMP REMUNERATION

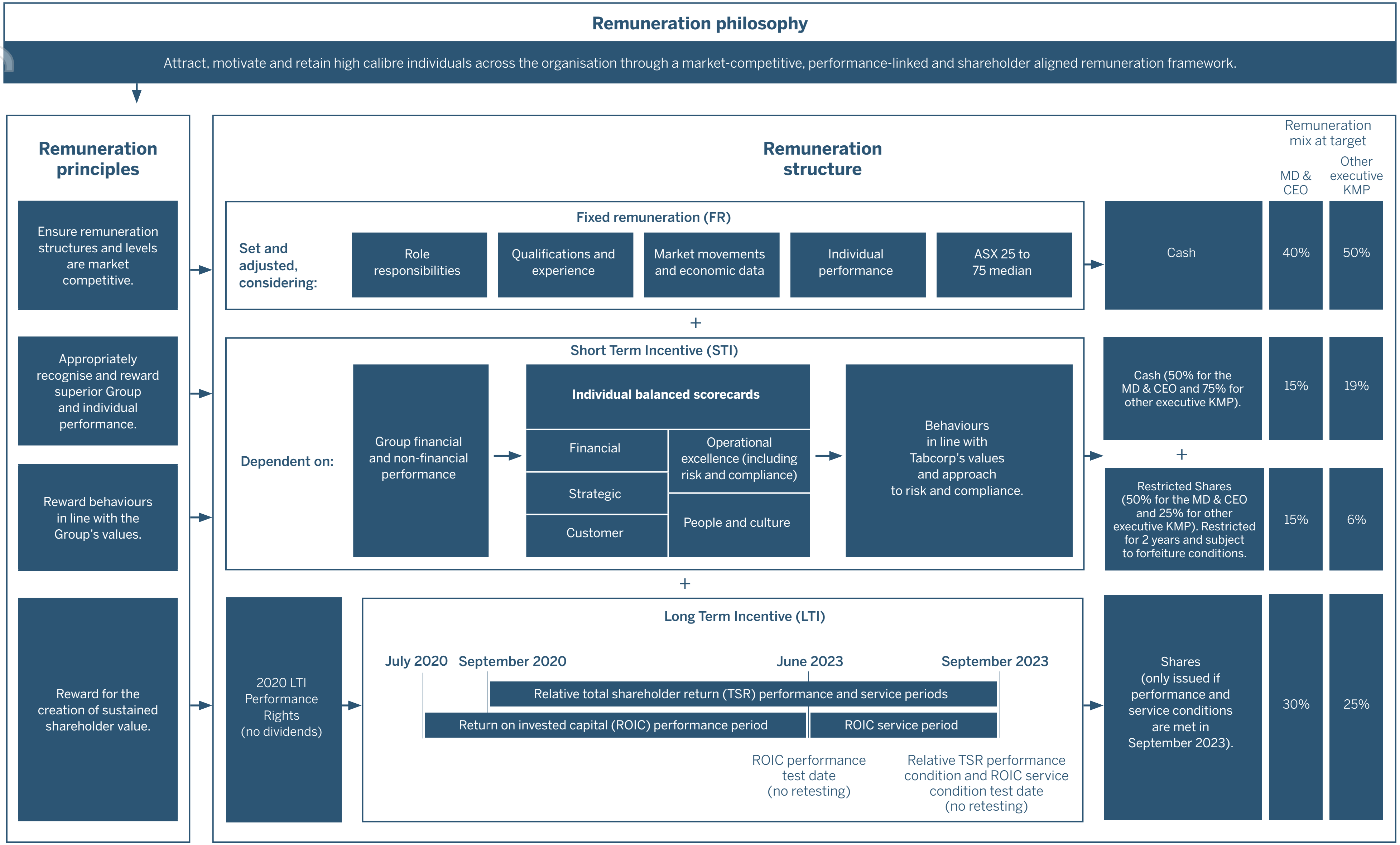
(a) Strategy

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
Tabcorp's short term incentive pool and 60% of short term incentive awards are based on Group performance (financial and non-financial).	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



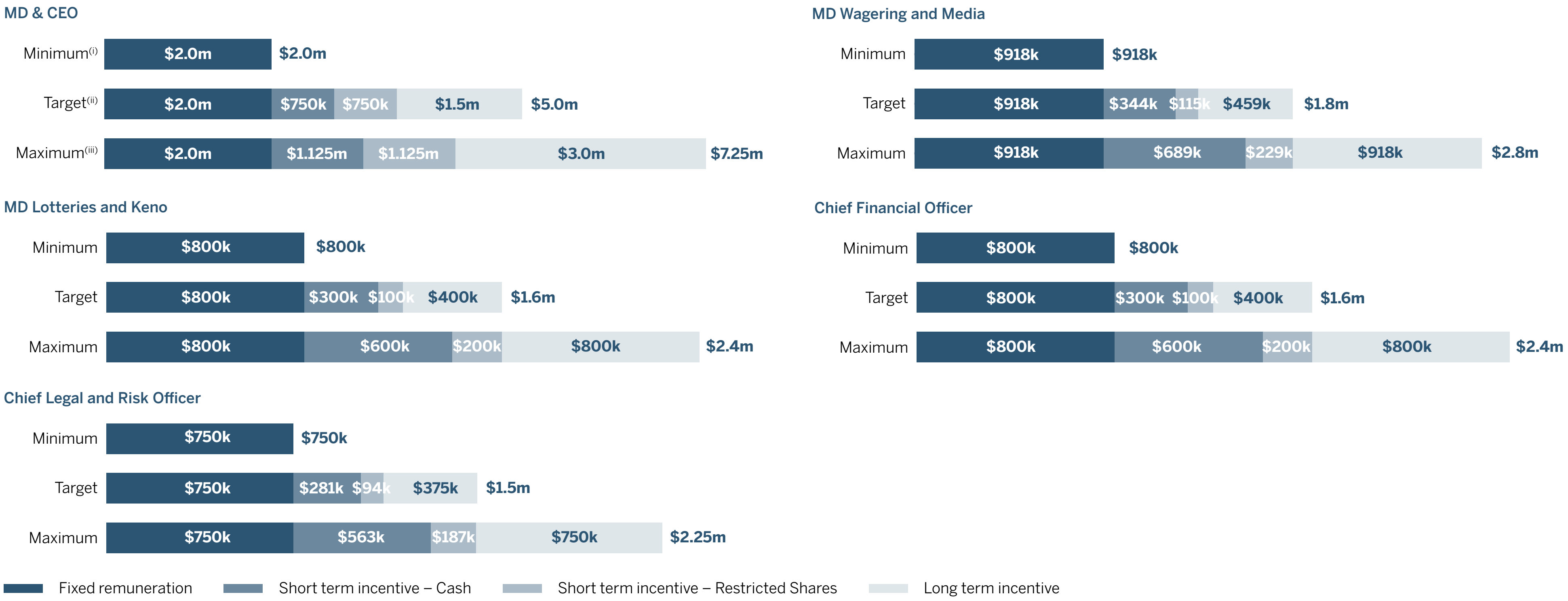
(c) Remuneration packages

The following diagram details executive KMP FY21 annual remuneration packages assuming minimum, target and stretch levels of performance (Group, business unit and individual). 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 (being the ASX 25 to 75 group of companies) to ensure they remain competitive and that their skills are retained.

60% of the MD & CEO's target remuneration package is variable and at risk (72% at maximum). 50% of the executive KMP (excluding the MD & CEO) target remuneration packages are variable and at risk (67% at maximum).

There were no increases to the MD & CEO's and the executive KMP's remuneration packages in FY21.

Diagram 2: Annual executive KMP remuneration packages



(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 LTI 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 LTI grant date.

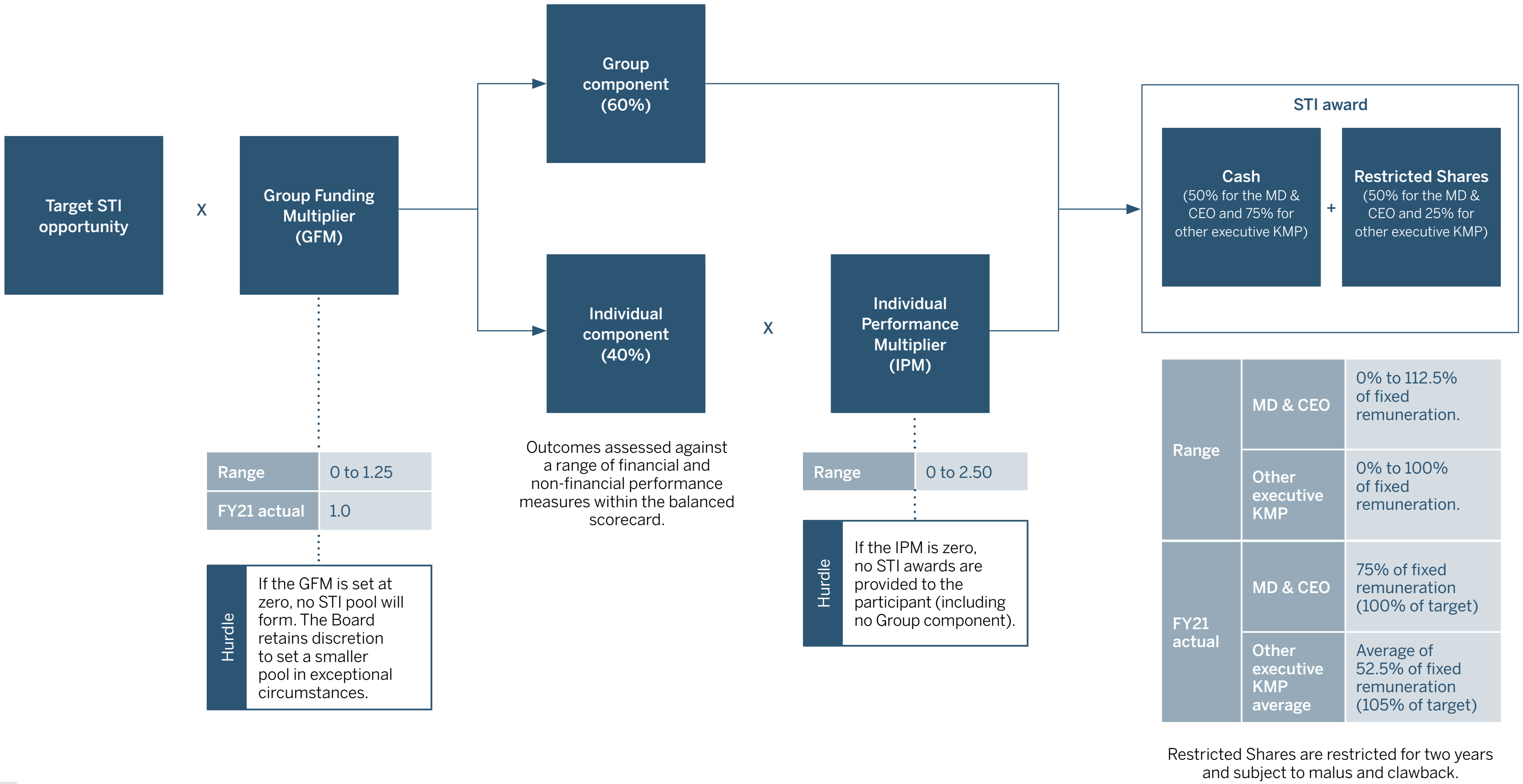
(d) Remuneration structure and operation

(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.

(ii) Short term incentive (STI)

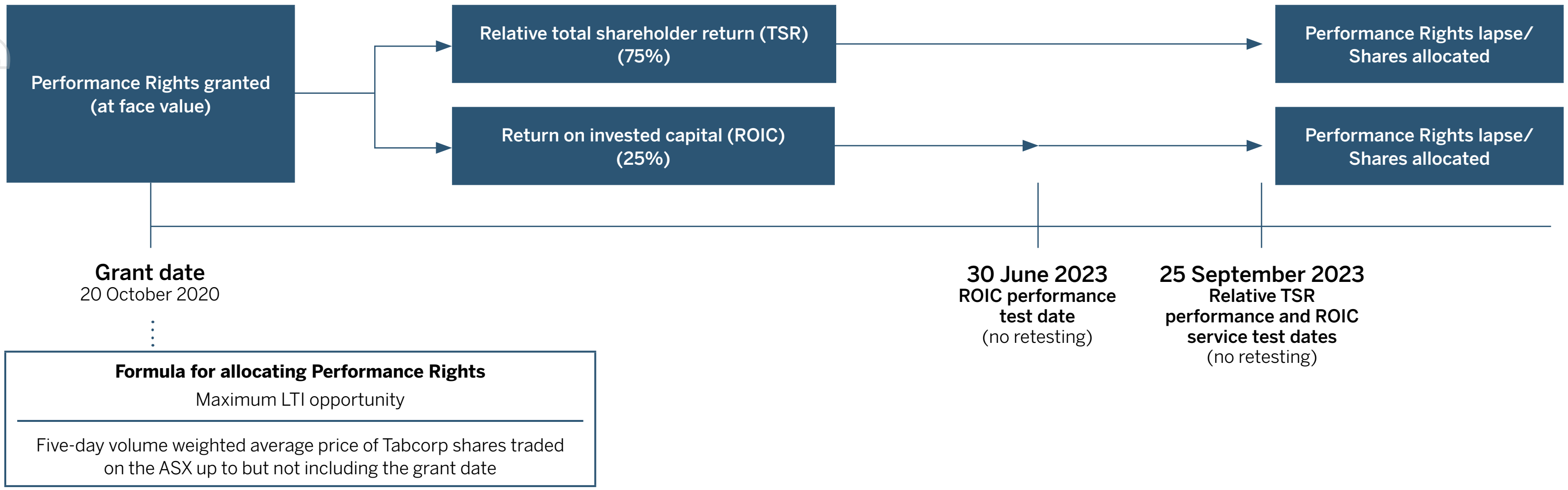
Diagram 3: Executive KMP STI operation



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.
How does the GFM operate?	It is set at the end of the financial year by the People and Remuneration Committee. It is based on the Group's net profit/loss after tax (NPAT) before significant items result but also considers strategic, operational, risk and compliance and customer performance. It can range from between 0 and 1.25. No STI awards are provided to any participant if the GFM is set at 0 (first gateway). It was set at 1.0 for FY21.
What are the "Group" and "Individual" components?	60% of the STI opportunity is dependent on Group results and rewards participants for their contribution to it. 40% of the STI opportunity is dependent on individual performance (financial and non-financial). For executive KMP, other than the MD & CEO, individual performance is reflective of business unit and individual performance.
How does the IPM operate?	Executive KMP are assigned IPMs depending on their business unit performance (against a scorecard of measures) and their behaviours as assessed against the Group's values. If the IPM is set at 0, the full STI award is forfeited (second gateway).
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 clawback 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 cultural 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 clawback 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) 2020 Long term incentive (LTI)

Diagram 4: 2020 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 for the 2020 LTI offer because it focuses management on achieving targeted returns on Tabcorp's invested capital (equity and debt). This is particularly important following the combination between Tabcorp and Tatts Group ("Combination") which required significant investment.

The ROIC performance condition requires three-year average ROIC performance (measured over three financial years, from 1 July 2020 to 30 June 2023) to exceed specified targets.

For the 2020 LTI offer, a stretch three-year average ROIC target of 8.4% was 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 2023). The Board is of the view that the stretch target was 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 was also 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 2021 financial year and in line with targeted longer term investment returns. The targets have also been set considering Tabcorp's invested capital base which contains goodwill and Tabcorp's investments, following the combination with Tatts.

When will the performance and service conditions be tested?

Relative TSR performance will be tested on 23 September 2023.

ROIC performance will be tested at the end of June 2023 and the service condition will be tested on 23 September 2023.

Any potential vesting of Performance Rights and issuing of shares will only occur after the 23 September 2023 test date and there is no retesting.

What are the performance conditions?

	Relative TSR			Return on invested capital	
	Percentile ranking(i)	% of the Performance Rights that will vest	Peer Group	Average three-year ROIC (between 1 July 2020 and 30 June 2023)	% of Performance Rights that will vest
Below threshold	Below 50th percentile	0%	S&P/ASX 100 index excluding organisations operating in the Metals & Mining and Oil and Gas sectors.	Below 7.1%	0%
Threshold(ii)	N/A	N/A		7.1%	2.5%
Target(ii)	50th percentile	37.5%		7.6%	12.5%
Maximum(ii)	75th percentile	75%		8.4%	25%

What if performance and service conditions are met?

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 30 June 2023. The ROIC service condition will be tested and agreed with the Board on 23 September 2023. 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).

What happens when an LTI participant leaves the Group?

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 service 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.

(i) The vesting schedule aligns to predominant ASX 100 practice.
(ii) Straight line (pro rata) vesting occurs between threshold and target, and target and maximum performance levels.

What happens in the event of a change in control of the Group?	The Board can determine, in its absolute discretion, the appropriate treatment regarding any unvested Performance Rights.
Can Performance Rights be cancelled or clawed back?	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 these adverse events 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.
Accounting treatment	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).

(e) Remuneration and accountability

In FY21 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 its employees operate with integrity and that its customers and the communities that we operate in can benefit from our products in a responsible manner. Tabcorp has a Board approved Code of Conduct which outlines expectations of its employees and 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 to determine appropriate remuneration outcomes for the organisation, including for executive KMP, several sources of information are presented. These include risk culture reports which are presented to the Risk and Compliance Committee and 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 staff 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 the value of Restricted Shares and unvested Performance Rights 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 (where applicable).

(g) Executive Shareholding Policy

The Executive Shareholding Policy (applicable to all executive KMP) ensures that the interests of executives, the Group and shareholders are aligned. Under 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 by December 2022 (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)	
Executive KMP	**Position**	**Contract duration**	**Executive**	**Tabcorp**
David Attenborough	MD & CEO	Open ended	6	12
Patrick McGlinchey	Chief Legal and Risk Officer	Open ended	6	9
Adam Newman	Chief Financial Officer	Open ended	6	9
Adam Rytenskild	MD Wagering and Media	Open ended	6	9
Sue van der Merwe	MD Lotteries and Keno	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 worked. On cessation of employment, STI or LTI awards may vest, lapse or be forfeited in accordance with the relevant plan rules.

7. EXECUTIVE KMP REMUNERATION OUTCOMES IN FY21

(a) Five-year business performance

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

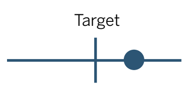
	Measurement unit	FY17	FY18	FY19	FY20	FY21
Net profit/(loss) after tax (NPAT)	$m	(21)	29	361	(870)[iii]	269[iv]
Basic earnings per share (EPS)	Cents	(2.5)	1.9	17.9	(42.9)[v]	12.3[vi]
Closing share price[i]	$	4.37	4.46	4.45	3.38	5.18
Dividends[ii]	Cents per share	25.0	21.0	22.0	11.0	14.5
STI Group Funding Multiplier (STI pool)	% of target pool	30%	33%	100%	0%	100%
STI awards						
MD & CEO	% of target opportunity	0%	33%	85%	0%	100%
	% of maximum opportunity	0%	17%	43%	0%	67%
Other executive KMP (average)	% of target opportunity	17%	33%	89%	0%	105%
	% of maximum opportunity	8%	17%	44%	0%	52%
LTI vesting						
All executive KMP	% of maximum opportunity	100%	80%	0%	0%	54%[vii]

(i) Closing share price is as at 30 June of the respective financial year. Opening share price as at 1 July 2016 was $4.57.
(ii) Includes interim and final dividends. For FY20, a final dividend was not paid.
(iii) Includes impairment of goodwill of $1,090m.
(iv) Includes impairment of goodwill of $122m.
(v) FY20 EPS before impairment of goodwill was 10.9c.
(vi) FY21 EPS before impairment of goodwill was 17.9c.
(vii) The 2017 LTI grant of Performance Rights was tested on 15 September 2020. Tabcorp's 3-year TSR performance placed the Group at the 52nd percentile of the peer group and, accordingly, 54% of the Performance Rights granted under the offer vested. The remainder of the Performance Rights (46%) lapsed.

As detailed in Table 3 both the overall Group STI pool and executive KMP incentive outcomes (long and short term) have varied over the preceding five years in line with business results (financial and non-financial), demonstrating a strong link between variable pay and Group performance.

(b) FY21 STI outcomes

Diagram 5: FY21 Group STI scorecard and performance outcomes

Scorecard category	Key priority	Measures	FY21 performance outcome	Comments
Financial	Achieve profit targets Prudent capital management Enterprise optimisation Integration of Tabcorp and Tatts Group	NPAT (before significant items) Variable contribution ROIC Gross debt / EBITDA ratio Cost savings Deliver integration		• NPAT (statutory) result of $269m, after incurring a $122m non-cash goodwill impairment charge for the Gaming Services business. • NPAT (before significant items) result of $399m, exceeding target. NPAT (before significant items) is the basis for setting the STI group funding multiplier (STI pool). • Variable contribution result of $1,914m, in line with target. • ROIC performance was above target at 7.9%[i], largely driven by strong EBIT performance and cash flow generation. • Following the $600m equity raising, the gross debt/EBITDA ratio reduced significantly (from FY20) to 2.4x to be at the lower end of the revised target range. This outcome was supported by disciplined capital expenditure and effective management of working capital. • Enterprise-wide optimisation program (3S), delivered efficiencies and $30m in EBIT savings. • The Tabcorp-Tatts integration is largely complete and has delivered above target cost synergy savings of $95m. However, total integration costs exceeded the original target. On balance, this metric had a neutral effect on STI payouts.

(i) FY21 ROIC before impairment of goodwill was 7.8%.

Scorecard category	Key priority	Measures	FY21 performance outcome	Comments
Strategic	Grow domestic business Explore international opportunities Business transformation	Progress opportunities to acquire new licences Extend and enhance existing licences Gaming Services review Technology transformation	Target 	• New licence opportunities and renewals continue to be progressed but have been impacted by COVID-19. • Successful completion of the pro rata accelerated renounceable entitlement offer with retail trading rights which raised approximately $600m in new equity. This has successfully strengthened Tabcorp's balance sheet, provided greater financial flexibility during the COVID-19 pandemic and provided credit metric headroom. • Increased shareholding in Premier Gateway International (PGI) to 100% from 50% providing greater exposure to international tote pooling. • Successful sale of Tabcorp's shareholding in Jumbo Interactive Limited. This has allowed Tabcorp to pay down existing drawn bank debt facilities and further strengthen the balance sheet. • Preliminary agreement with US Private Placement (USPP) holders to allocate all outstanding debt notes to the Lotteries and Keno entity upon demerger, subject to satisfaction of certain conditions, thereby avoiding significant make-whole costs. • Gaming Services operational review has been completed. Resulting action plan has been mobilised with early benefits, including a simplified operating structure. • The technology operating model review is complete with significant changes implemented to simplify and upweight capability. Technology transformation plans progressing well.
Operational excellence (including risk and compliance)	Compliance and reputation Responsible gambling Business optimisation Relationship management Corporate responsibility Optimal systems, process and operational performance	Compliance and reputation management Advance Tabcorp's responsible gambling program Operational efficiency External stakeholder management Collaborate with and support stakeholders on animal welfare initiatives Dow Jones Sustainability Index Achieve technology service levels across key business periods and events	Target 	• The data centre outage (7-8 November 2020) resulted in impact to customers, and stakeholders. A formal review was completed and changes have been implemented to strengthen disaster recovery processes. • Regulators have been proactively engaged on Tabcorp's responsible gambling program with regular updates at strategy meetings in each jurisdiction. Responsible gambling has been a core focus for Tabcorp over the year. • Lotteries received re-certification by the World Lotteries Association with the Lott's program meeting all criteria across the 10 assessment categories and was called out as best practice in the remote Gaming Channels (digital) category. • In August 2020, Tabcorp made a submission to the national Thoroughbred Welfare Initiative's Thoroughbred Aftercare Welfare Working Group (TAWWG). Tabcorp's financial contribution helped fund the working group's operations. • Tabcorp was recognised as the global leader in the Casino and Gaming sector in the 2020 Dow Jones Sustainability Index. Recognised by the Australasian Investor Relations Association (AIRA) in 2021 as a gold award winner for ranking first globally in the industry.
Customer first	Customer growth and retention	Grow the customer base Customer loyalty Digital turnover growth Market share Customer experience	Target 	• Strong customer acquisition within both Lotteries and Keno and Wagering and Media. • Customer retention in Wagering and Media up, despite challenging market conditions and COVID-19 impacts. • Strong digital growth in Lotteries and Keno and Wagering and Media. • Positive net promoter scores across Lotteries and Keno and Gaming Services. • Re-certification of World Lotteries Association Level 4 status which is the highest attainable and demonstrates continuous improvement and international best practice.
People and Culture	Improve employee experience Strong health and safety performance Employee wellbeing	Engagement Inclusion and diversity LTIFR Future of work strategy and pandemic support	Target 	• Senior female leadership representation has exceeded the stated target of 40%. • Employee wellbeing was a core focus for Tabcorp during the COVID-19 pandemic. Tabcorp supported employees through various employee wellbeing policies and initiatives. Return to workplace strategies were well executed with no impact to employee health and wellbeing. • Significant reduction to LTIFR demonstrating strong focus on health and wellbeing. • Employee engagement results declined towards the end of FY21, impacted by the uncertain environment as a result of COVID-19, operating model changes and the recent strategic review of the Group. This is a strong focus for FY22.

Under Tabcorp's STI plan, the FY21 Group STI pool was principally based on the NPAT (before significant items) result which was above target for the year. This outcome would have ordinarily resulted in an STI pool of 125% of the target pool. In determining the FY21 STI pool, the Board considered financial, strategic, operational (including risk and compliance), customer and people performance as well as market consensus and feedback from the Group's shareholders. The Board exercised discretion to reduce the STI pool to 100%. In applying discretion, the Board carefully considered:

- The above target financial results in a challenging year (acknowledging the impact of COVID-19 on the Group's financial results, its customers and its people);
- Operational excellence outcomes which were slightly below target, primarily as a result of the impact of the November 2020 data centre outage; and
- Strong customer acquisition and retention performance offset by revenue market share challenges in Wagering and Media.

When reviewing the individual executive KMP STI outcomes for FY21, the Board considered individual and business performance and the need to retain critical expertise and knowledge while the proposed demerger completes. In assessing the individual KMP STI outcomes the Board considered the following:

- MD & CEO - Balanced assessment of financial and non-financial performance across the Lotteries and Keno, Wagering and Media, and Gaming Services businesses.
- Chief Legal and Risk Officer – The continued evolution of risk and compliance frameworks since commencing in the role and the significant legal support provided to the business, which has resulted in strong commercial outcomes.
- Chief Financial Officer – The successful delivery of strategic projects which have strengthened Tabcorp's balance sheet and financial resilience.
- MD Wagering and Media – Delivery of the business unit's strategic priorities balanced with challenging market conditions (resulting in reduced market share).
- MD Lotteries and Keno – Strong financial and customer outcomes, resulting from significant strategic and product changes.

Table 4: Executive KMP FY21 STI awards

		Group component (60%)		Individual component (40%)		Total STI awarded			Actual STI achieved	STI foregone	Actual STI achieved
	Financial year	Target $'000	Awarded $'000	Target $'000	Awarded $'000	Total[i] $'000	Cash portion $'000	Deferred portion $	As a % of target	As a % of target	As a % of maximum
Executive KMP											
David Attenborough	FY21	900	900	600	600	1,500	750	750	100%	0%	67%
	FY20	900	-	600	-	-	-	-	-	100%	-
Patrick McGlinchey[ii]	FY21	75	75	50	53	128	96	32	102%	0%	51%
Adam Newman	FY21	240	240	160	200	440	330	110	110%	0%	55%
	FY20	240	-	160	-	-	-	-	-	100%	-
Adam Rytenskild	FY21	275	275	184	165	440	330	110	96%	4%	48%
	FY20	275	-	184	-	-	-	-	-	100%	-
Sue van der Merwe	FY21	240	240	160	200	440	330	110	110%	0%	55%
	FY20	240	-	160	-	-	-	-	-	100%	-

(i) The minimum STI value possible is zero.
(ii) Mr McGlinchey commenced as an executive KMP from 1 March 2021. STI represents the period as KMP.

(c) LTI awards granted in FY21

In FY21, LTI grants were provided to executive KMP following shareholder approval of the MD & CEO's 2020 LTI grant received at the Tabcorp Annual General Meeting on 20 October 2020 and obtained under ASX Listing Rule 10.14. These LTI grants are subject to two performance conditions and a service condition as detailed in section 6(d)(iii).

Table 5: Performance Rights granted during FY21

			Fair value per Performance Right[iii]			
Current executive KMP	Grant date[i]	Number granted[ii]	Relative TSR $	Return on invested capital (ROIC) $	Fair value at grant date[iv] $'000	Vesting date
David Attenborough	20 October 2020	874,635	1.71	3.11	1,802	23 September 2023
Patrick McGlinchey[v]	20 October 2020	184,373	1.71	3.11	380	23 September 2023
Adam Newman	20 October 2020	233,236	1.71	3.11	480	23 September 2023
Adam Rytenskild	20 October 2020	267,638	1.71	3.11	551	23 September 2023
Sue van der Merwe	20 October 2020	233,236	1.71	3.11	480	23 September 2023
Total		**1,793,118**			**3,693**	

(i) Vesting of the 2020 LTI allocation of Performance Rights is subject to three-year relative TSR and ROIC performance conditions and additional service conditions. Accordingly, no testing or vesting of the 2020 LTI grant occurred during FY21. The value of the Performance Rights is amortised over the vesting period.

(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 $3.43). Approval for the issue of Performance Rights to Mr Attenborough was obtained under ASX Listing Rule 10.14.

(iii) The LTI allocation is 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) Granted prior to Mr McGlinchey commencing as a KMP from 1 March 2021.

(d) LTI awards tested in FY21

The 2017 LTI grant (which had one performance measure – relative TSR) was tested on 15 September 2020. The three-year TSR result placed Tabcorp at the 52nd percentile of the peer group, and accordingly 54% of the Performance Rights vested (46% of the Performance Rights lapsed).

Table 6: Performance Rights vested and lapsed and shares issued during FY21

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 $
David Attenborough	309,632	1,068	263,762	309,632	-
Patrick McGlinchey	-	-	-	-	-
Adam Newman	-	-	-	-	-
Adam Rytenskild	111,467	385	94,955	111,467	-
Sue van der Merwe	-	-	-	-	-
Total	**421,099**	**1,453**	**358,717**	**421,099**	**-**

(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) Performance Rights that lapsed were granted on 27 October 2017 under the 2017 LTI offer.

Table 7: KMP interests in Performance Rights (number)

Executive KMP	Balance at start of year[i]	Granted as remuneration	Vested	Lapsed[ii]	Balance at end of year[iii]
David Attenborough	1,837,228	874,635	(309,632)	(263,762)	2,138,469
Patrick McGlinchey	314,496	-	-	-	314,496
Adam Newman	164,609	233,236	-	-	397,845
Adam Rytenskild	589,275	267,638	(111,467)	(94,955)	650,491
Sue van der Merwe	315,471	233,236	-	-	548,707
Total	**3,221,079**	**1,608,745**	**(421,099)**	**(358,717)**	**4,050,008**

(i) Reflects Performance Rights held at 1 March 2021 for Mr McGlinchey.
(ii) Reflects the number of 2017 LTI Performance Rights that were tested and lapsed during FY21.
(iii) The number of Performance Rights vested and exercisable at year end was nil.

Table 8: Current LTI Performance Rights allocations to KMP on foot

Grant year	Grant date	Number of Performance Rights on foot	Allocation to	Performance measures	Performance test date	Service test date and expiry date
2018	17 October 2018	743,535	MD & CEO, senior management	Relative TSR	19 September 2021	19 September 2021
		247,843		Combination Synergy	30 June 2021	19 September 2021
2019	24 October 2019	949,136	MD & CEO, senior management	Relative TSR	25 September 2022	25 September 2022
		316,376		Combination Synergy	30 June 2021	25 September 2022
2020	20 October 2020	1,344,840	MD & CEO, senior management	Relative TSR	23 September 2023	23 September 2023
		448,278		Return on invested capital	30 June 2023	23 September 2023

(e) Actual remuneration received in FY21

Table 9 provides a non-statutory voluntary disclosure of the total remuneration received by executive KMP during FY21. 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 10 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 FY21.

Table 9: Actual value of remuneration received by executive KMP during FY21

Executive KMP	Salary and fees(i) $'000	STI cash bonus(ii) $'000	Superannuation $'000	Value of Restricted Shares that became unrestricted(iii) $'000	Value of LTI vested(iv) $'000	Total $'000
David Attenborough	1,978	-	22	174	1,068	3,242
Patrick McGlinchey(v)	243	-	7	75	-	325
Adam Newman	778	-	22	-	-	800
Adam Rytenskild	896	-	22	26	385	1,329
Sue van der Merwe	712	-	91	11	-	814
Total	**4,607**	**-**	**164**	**286**	**1,453**	**6,510**

(i) Comprises salary and sacrificed benefits (including salary sacrificed superannuation and motor vehicle novated leases including fringe benefits tax (FBT) where applicable).

(ii) No bonus was paid in relation to the FY20 STI.

(iii) Comprises both the value of the deferred component of the FY18 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 FY21. Calculated based on the market value of Tabcorp shares at the date the restrictions ceased (being 1 August 2020 and 31 March 2021 respectively).

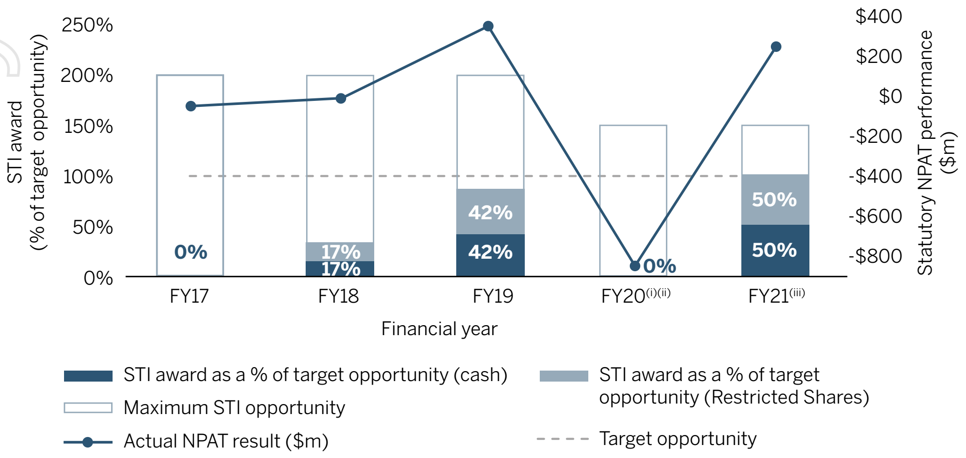
(iv) Value of shares issued during FY21 on the vesting of the 2017 LTI grant of Performance Rights and calculated based on the market value of Tabcorp shares at the date of exercise (being 23 September 2020).

(v) Mr McGlinchey commenced as an executive KMP on 1 March 2021. Remuneration is reflective of the period as KMP. Remuneration includes Restricted Shares allocated on commencement of employment (in 2019) as restrictions ceased to apply during the period as KMP.

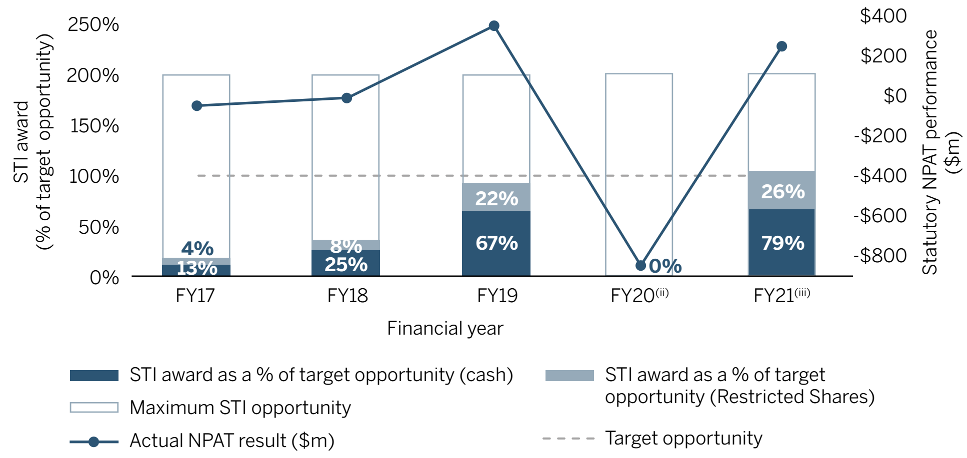
(f) Variable remuneration outcomes over the preceding five financial years

Diagram 6: MD & CEO and executive KMP STI historical outcomes

MD & CEO – historical STI outcomes



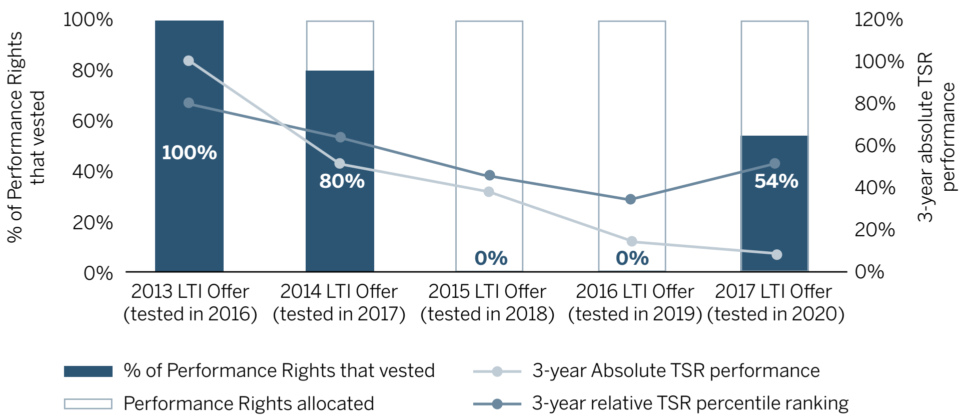
Executive KMP (excl. MD & CEO) – historical STI outcomes



(i) The MD & CEO's maximum STI opportunity was reduced to 150% of the target opportunity in FY20.
(ii) FY20 statutory NPAT includes impairment of goodwill of $1,090m.
(iii) FY21 statutory NPAT includes impairment of goodwill of $122m.

Diagram 7: Executive KMP five year LTI historical vesting outcomes

Executive KMP LTI vesting outcomes



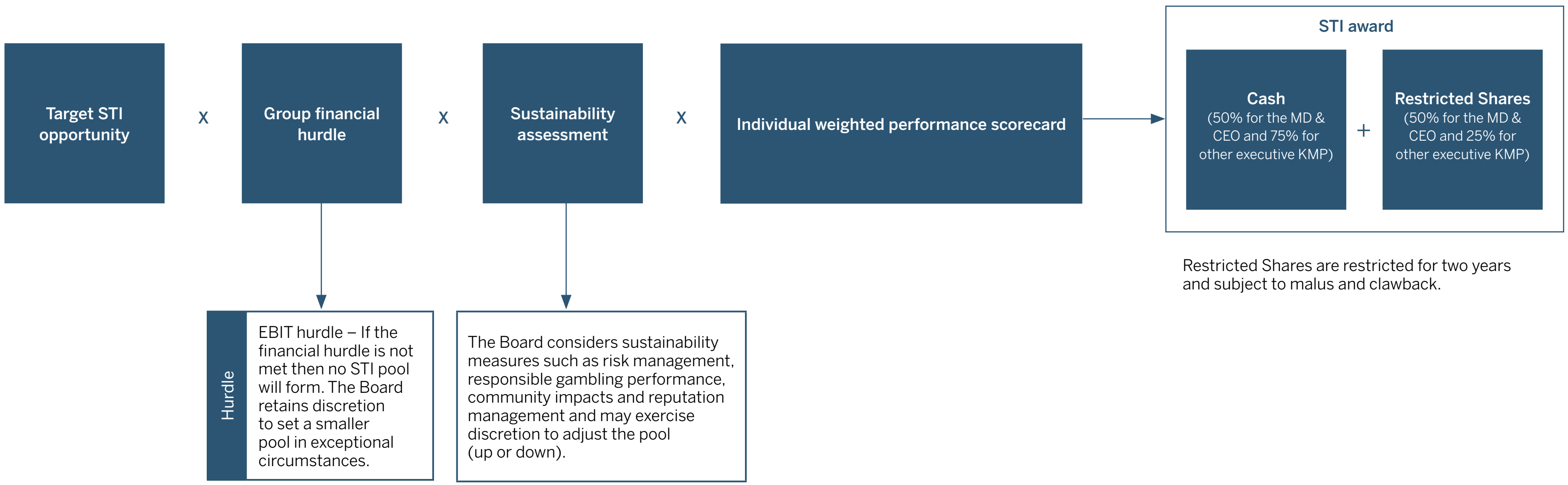
8. FY22 SHORT TERM INCENTIVE STRUCTURE

With the Tatts integration largely complete, a new STI structure was introduced from 1 July 2021. The new structure retains the overarching remuneration philosophy to:

- ensure participants' incentive outcomes are appropriate and linked to Group performance through the introduction of a Group EBIT hurdle (which replaced the previous NPAT hurdle);
- recognise good risk and compliance and sustainability practices and behaviours through the introduction of a 'Group Sustainability' modifier. This provides the Board with discretion to adjust the pool when considering risk management, responsible gambling performance, community impacts and reputation management;
- provide greater clarity and focus for participants and the market through the introduction of executive KMP STI scorecard weightings (to be disclosed in the FY22 Remuneration Report); and
- ensure executive KMP are rewarded for Group, business unit and individual performance.

There is no change to eligibility and opportunities. Awards remain as a combination of cash and restricted shares.

Diagram 8: Executive KMP STI operation for FY22



If the EBIT hurdle is not met, the Board may set a smaller STI pool in exceptional circumstances. These circumstances may include (but not limited to):

- where financial performance has been impacted by factors outside of management's control (eg COVID-19) but non-financial performance has been at or above target; or
- where financial performance has been impacted by strategic activities that benefit shareholders (eg acquisitions) and non-financial performance has been at or above target.

An example of this has been the exercising of the Board's discretion to reduce the Group Funding Multiplier (STI Pool) in FY21 from 1.25 to 1.00.

More details will be provided in Tabcorp's FY22 Remuneration Report.

9. 2021 LONG TERM INCENTIVE OFFER

Although Tabcorp has announced a demerger of its Lotteries and Keno business, it is still subject to regulatory and shareholder approvals. It is important that the Group's executive team continue to be measured on long-term performance hurdles.

During the demerger process it will also be important to ensure the Group retains critical experience and knowledge. Given this, and employment contractual obligations, it is intended that an LTI offer will be provided to the MD & CEO (for which Tabcorp will seek shareholder approval at the 2021 Annual General Meeting) and other executive KMP in FY22.

The 2021 LTI grant (intended to be made in October 2021) will include two performance measures. Vesting of 75% of the grant will be subject to relative TSR performance over a three-year period. Vesting of 25% of the grant will be based on ROIC performance over three financial years (commencing with FY22).

More details will be provided in Tabcorp's FY22 Remuneration Report and the 2021 Notice of Meeting.

10. 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. 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) FY21 fee structure

Non-executive Directors receive a base Board fee and a fee for each Board Committee that they chair or are a member of (except for the Nomination Committee, where no additional fees are paid). The Board Chairman receives a single fixed fee which is inclusive of services on applicable Board Committees. Superannuation contributions form part of the fees and Non-executive Directors are not eligible to receive any other retirement benefits.

On 1 July 2021, the Superannuation Guarantee Contribution rate increased from 9.5% to 10%. The Board agreed to absorb this change into existing fees, thereby reducing the Non-executive Director cash fees by 0.45%. This results in no changes to total fees (inclusive of superannuation) in FY22.

Table 10: FY21 Non-executive Director fee structure

		Non-executive Director fees ($'000 per annum, including superannuation) as at 30 June 2021 $'000
Board	Chairman	580
	Member(i)	186
Audit Committee	Chairman	55
	Member	24
Risk and Compliance Committee	Chairman	49
	Member	22
People and Remuneration Committee	Chairman	49
	Member	22
Technology Committee(ii)	Chairman	49
	Member	22

(i) The fee paid to Board members is inclusive of services on the Nomination Committee.
(ii) The Technology Committee commenced from 16 February 2021.

There were no changes to the Non-executive Director fee structure or levels in FY21 (other than the establishment of the Technology Committee).

(c) Fees paid during FY21

During FY21, in recognition of the strategic importance of technology to the Group, the Board Technology Committee was established with the primary purpose of overseeing the Group's technology strategy and roadmap, including major technology investments. Certain Non-executive Directors may receive additional fees for membership of other Board Sub-Committees, however during FY21 no such fees were paid. As part of the coordinated process of Board renewal a number of changes were made to Committee membership during the year. Table 11 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 11: FY21 Non-executive Director fees paid during FY21

		Short term		Post-employment	
	Year	Fees $'000	Non-monetary benefits	Superannuation(ii) $'000	Total $'000
Current Non-executive Directors					
Steven Gregg(i)	**FY21**	**384**	**-**	**36**	**420**
	FY20	239	-	23	262
Bruce Akhurst	**FY21**	**242**	**-**	**23**	**265**
	FY20	236	-	22	258
Harry Boon	**FY21**	**228**	**-**	**22**	**250**
	FY20	229	-	22	251
Anne Brennan	**FY21**	**232**	**-**	**22**	**254**
	FY20	83	-	8	91
David Gallop	**FY21**	**225**	**-**	**21**	**246**
	FY20	133	-	13	146
Justin Milne	**FY21**	**205**	**-**	**19**	**224**
	FY20	191	-	18	209
Future Non-executive Directors, pending regulatory approval					
Janette Kendall(iii)	**FY21**	**160**	**-**	**15**	**175**
Former Non-executive Directors					
Paula Dwyer(i)(iv)	**FY21**	**278**	**-**	**12**	**290**
	FY20	551	-	26	577
Vickki McFadden(v)	**FY21**	**80**	**2**	**8**	**90**
	FY20	237	-	23	260
Zygmunt Switkowski(vi)	FY20	130	-	12	142
Total	**FY21**	**2,034**	**2**	**178**	**2,214**
	FY20	2,029	-	167	2,196

(i) Mr Gregg (in FY21) and Ms Dwyer (in FY20) also received a per annum fee of $35,000 (plus superannuation at 9.5%) 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.
(ii) Recent legislation changes now allow persons with multiple employers to instruct one or more (but not all) of those employers to stop superannuation deductions and receive these fees in cash. Certain Non-executive Directors directed Tabcorp to stop superannuation deductions in FY21 and receive the equivalent superannuation contributions in cash.
(iii) Appointed as an Observer on 21 September 2020.
(iv) Retired from the Board on 31 December 2020.
(v) Retired from the Board on 20 October 2020.
(vi) Retired from the Board on 28 February 2020.

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 $3.0m, as approved by shareholders at the Annual General Meeting held on 17 October 2018. No adjustment to this limit is proposed for FY22. The total fees paid (including superannuation) to Non-executive Directors in FY21 was $2.2m (which includes Observer fees paid to Ms Brennan, Mr Gallop and Ms Kendall).

(d) Non-executive Director Shareholding Policy

This policy requires Non-executive Directors to hold a minimum shareholding in Tabcorp equivalent to the annual Board Member base fee (currently $170,000, excluding superannuation), and the Board Chairman to hold a minimum shareholding equivalent to double this annual Board Member base 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. A copy of this policy is available on Tabcorp's website (**www.tabcorp.com.au**) under the Corporate Governance section.

11. 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 12: Executive KMP remuneration for FY21

		Short term		Long term	Post-employment	Charge for share based allocations[iii]					
Current executive KMP	**Financial year**	**Salary and fees[i] $'000**	**Cash bonus[ii] $'000**	**Accrued leave benefits $'000**	**Superannuation $'000**	**Restricted Shares $'000**	**Merger Completion Award (Restricted Shares)[iv] $'000**	**Performance Rights $'000**	**Total $'000**	**Performance related%[v]**	**Termination benefits $'000**
David Attenborough	**FY21**	**1,978**	**750**	**189**	**22**	**457**	**-**	**1,236**	**4,632**	**53%**	**-**
	FY20	1,879	-	(109)	21	287	63	1,565	3,706	52%	-
Patrick McGlinchey[vi]	**FY21**	**243**	**96**	**21**	**7**	**16**	**-**	**49**	**432**	**37%**	**-**
Adam Newman[vii]	**FY21**	**778**	**330**	**45**	**22**	**136**	**-**	**233**	**1,544**	**45%**	**-**
	FY20	560	-	11	16	75	-	132	794	26%	-
Adam Rytenskild	**FY21**	**896**	**330**	**14**	**22**	**66**	**-**	**385**	**1,713**	**46%**	**-**
	FY20	894	-	(33)	21	42	11	507	1,442	39%	-
Sue van der Merwe	**FY21**	**712**	**330**	**(19)**	**91**	**70**	**-**	**293**	**1,477**	**47%**	**-**
	FY20	709	-	95	80	39	-	262	1,185	25%	-
Former executive KMP											
Damien Johnston[viii]	FY20	233	-	(6)	5	3	5	106	346	33%	450
Frank Makryllos[ix]	FY20	427	-	8	13	16	-	154	618	27%	175
Total	**FY21**	**4,607**	**1,836**	**250**	**164**	**745**	**-**	**2,196**	**9,798**		**-**
	FY20	4,702	-	(34)	156	462	79	2,726	8,091		625

(i) Comprises salary and sacrificed benefits (including salary sacrificed superannuation and motor vehicle novated leases including fringe benefits tax where applicable). FY20 outcomes were impacted by adjustments made to accommodate for COVID-19 impacts.

(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 Accounting Standards.

(iii) Represents the fair value of share-based payments expensed by Tabcorp. Includes the restricted portion of the Merger Completion Award that was expensed by Tabcorp during the year.

(iv) Merger Completion Awards were granted to select employees (employed by Tabcorp prior to the Combination) in recognition of their contribution to the successful completion of the Combination. This included only the following executive KMP – Mr Attenborough (MD & CEO), Mr Rytenskild (MD Wagering and Media) and Mr Johnston (the previous Chief Financial Officer). More details can be found in Tabcorp's FY18 Annual Report. For executive KMP who participated, vesting of the Awards are subject to Combination Synergy performance measures, measured over a 3.5-year (approximately) period.

(v) Represents the sum of the cash bonus (from STI awards), Restricted Shares (from STI and Merger Completion Awards) and LTI Performance Rights as a percentage of total remuneration, excluding termination payments.

(vi) Mr McGlinchey commenced as an executive KMP on 1 March 2021. Remuneration reflects period as KMP. Mr McGlinchey was allocated 15,957 Restricted Shares on commencement of employment. These Restricted Shares, were subject to a 2-year service condition.

(vii) Commenced employment and as executive KMP from 7 October 2019. Mr Newman was allocated 40,985 Restricted Shares on commencement of employment. These Restricted Shares, which replaced foregone entitlements, are subject to a 2-year service condition.

(viii) Mr Johnston ceased as an executive KMP on 6 October 2019.

(ix) Mr Makryllos ceased as an executive KMP on 17 February 2020.

Table 13: KMP interests in Tabcorp shares for FY21 (number)

KMP	Balance at start of year(i)	Granted as remuneration(ii)	On vesting of Performance Rights	Net change other(iii)	Balance at end of year(iv)
Current Non-executive Directors					
Steven Gregg	42,000	-	-	3,820	45,820
Bruce Akhurst	100,000	-	-	20,000	120,000
Harry Boon	70,000	-	-	6,364	76,364
Anne Brennan	7,500	-	-	682	8,182
David Gallop	7,000	-	-	637	7,637
Justin Milne	46,608	-	-	4,238	50,846
Future Non-executive Directors, pending regulatory approval					
Janette Kendall(v)	-	-	-	-	-
Former Non-executive Directors					
Paula Dwyer	125,000	-	-	11,364	136,364
Vickki McFadden	50,000	-	-	4,547	54,547
Executive Director					
David Attenborough	1,209,097	-	309,632	109,920	1,628,649
Executive KMP					
Patrick McGlinchey(vi)	23,785	-	-	-	23,785
Adam Newman	53,940	-	-	4,904	58,844
Adam Rytenskild	257,942	-	111,467	19,091	388,500
Sue van der Merwe	103,196	-	-	9,383	112,579
Total	**2,096,068**	**-**	**421,099**	**194,950**	**2,712,117**

(i) Reflects shareholdings on 21 September 2020 for Ms Kendall and 1 March 2021 for Mr McGlinchey.
(ii) No Restricted Shares were issued during FY21, as a bonus was not paid in relation to the FY20 STI.
(iii) Includes voluntary on-market transactions.
(iv) Reflects shareholdings on 31 December 2020 for Ms Dwyer and 20 October 2020 for Ms McFadden, when they ceased as KMP.
(v) Ms Kendall commenced as an Observer on 21 September 2020.
(vi) Mr McGlinchey commenced as executive KMP on 1 March 2021.

(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 FY21 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 into 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 2021

	Note	2021 $m	2020 $m
Revenue	A4	**5,686**	5,224
Other income	A4	**114**	1
Commissions and fees		**(1,618)**	(1,442)
Government taxes and levies		**(2,152)**	(2,005)
Employment costs		**(419)**	(378)
Communications and technology costs		**(116)**	(111)
Advertising and promotions		**(148)**	(155)
Other expenses		**(184)**	(197)
Depreciation and amortisation		**(380)**	(378)
Impairment – goodwill	C2	**(122)**	(1,090)
Impairment – other	A4	**(10)**	(43)
Profit/(loss) before income tax and net finance costs		**651**	(574)
Finance income		**1**	2
Finance costs	A4	**(169)**	(195)
Profit/(loss) before income tax		**483**	(767)
Income tax expense	A5	**(214)**	(103)
Net profit/(loss) after tax		**269**	(870)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity		**(74)**	146
Exchange differences on translation of foreign operations		**1**	2
Income tax relating to these items		**22**	(44)
Items that will not be reclassified to profit or loss			
Actuarial gains on retirement benefit obligation	E2	**4**	1
Income tax relating to these items		**(1)**	-
Other comprehensive income for the year, net of income tax		**(48)**	105
Total comprehensive income for the year		**221**	(765)

	Note	2021 cents	2020 cents
Earnings per share:			
Basic earnings per share	A2	**12.3**	(42.9)
Diluted earnings per share	A2	**12.3**	(42.9)
Earnings per share before goodwill impairment:			
Basic earnings per share	A2	**17.9**	10.9
Diluted earnings per share	A2	**17.9**	10.8
Dividends per share:			
Declared and paid during the year	A3	**7.5**	22.0
Determined in respect of the year	A3	**14.5**	11.0

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

BALANCE SHEET As at 30 June 2021

	Note	2021 $m	2020 $m
Current assets			
Cash and cash equivalents	C6	**424**	349
Receivables	C7	**117**	72
Prepayments		**45**	33
Derivative financial instruments	B4	**70**	103
Other financial assets	B2	**129**	26
Assets held for sale	E7	**-**	39
Other		**113**	105
Total current assets		**898**	727
Non current assets			
Receivables	C7	**2**	3
Investment in an associate	D5	**-**	29
Other financial assets	B2	**129**	159
Licences	C1	**2,041**	2,148
Other intangible assets	C2	**8,056**	8,134
Property, plant and equipment	C4	**376**	456
Right-of-use assets	C5	**233**	275
Prepayments		**26**	20
Derivative financial instruments	B4	**88**	426
Other		**20**	39
Total non current assets		**10,971**	11,689
TOTAL ASSETS		**11,869**	12,416
Current liabilities			
Payables	C8	**1,237**	1,178
Interest bearing liabilities	B3	**177**	249
Lease liabilities	C5	**47**	47
Current tax liabilities		**55**	-
Provisions	C9	**61**	47
Derivative financial instruments	B4	**50**	44
Other		**89**	81
Total current liabilities		**1,716**	1,646
Non current liabilities			
Payables	C8	**271**	238
Interest bearing liabilities	B3	**2,299**	3,471
Lease liabilities	C5	**262**	306
Deferred tax liabilities	A5	**526**	586
Provisions	C9	**25**	29
Derivative financial instruments	B4	**55**	104
Other		**19**	9
Total non current liabilities		**3,457**	4,743
TOTAL LIABILITIES		**5,173**	6,389
NET ASSETS		**6,696**	6,027
Equity			
Issued capital		**9,230**	8,617
Accumulated losses		**(1,864)**	(1,970)
Reserves		**(670)**	(620)
TOTAL EQUITY		**6,696**	6,027

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

CASH FLOW STATEMENT For the year ended 30 June 2021

	Note	2021 $m	2020 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**5,881**	5,243
Payments to suppliers, service providers and employees		**(2,684)**	(2,523)
Payment of government levies, betting taxes and GST		**(2,120)**	(1,754)
Finance income received		**1**	2
Finance costs paid		**(167)**	(197)
Income tax paid		**(191)**	(100)
Net cash flows from operating activities	C6	**720**	671
Cash flows from investing activities			
Cash acquired net of payment for business acquisition	D4	**52**	-
Payment for property, plant and equipment and intangibles		**(183)**	(290)
Proceeds from sale of property, plant and equipment and intangibles		**68**	12
Proceeds from sale of shares in an associate		**98**	-
Payment for other financial assets		**(73)**	(15)
Loan repayments received from customers		**-**	1
Net cash flows used in investing activities		**(38)**	(292)
Cash flows from financing activities			
Net cash flows from revolving bank facilities		**(1)**	(80)
Proceeds from borrowings		**-**	226
Repayment of borrowings		**(995)**	(192)
Proceeds from issue of shares		**600**	-
Payment of transaction costs for share issue		**(13)**	-
Payment of lease liabilities		**(49)**	(52)
Dividends paid		**(146)**	(392)
Payments for on-market share purchase		**(3)**	(3)
Net cash flows used in financing activities		**(607)**	(493)
Net increase/(decrease) in cash held		**75**	(114)
Cash at beginning of year		**349**	463
Cash at end of year	C6	**424**	349

The accompanying notes form an integral part of this cash flow statement.

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2021

		Issued capital			Reserves			
	Number of ordinary shares m	Ordinary shares $m	Treasury shares $m	Accumulated losses $m	Hedging $m	Demerger $m	Other $m	Total equity $m
2021								
Balance at beginning of year	**2,032**	**8,618**	**(1)**	**(1,970)**	**42**	**(670)**	**8**	**6,027**
Profit for the year	-	-	-	**269**	-	-	-	**269**
Other comprehensive income	-	-	-	**3**	**(52)**	-	**1**	**(48)**
Total comprehensive income	-	-	-	**272**	**(52)**	-	**1**	**221**
Dividends paid	-	-	-	**(166)**	-	-	-	**(166)**
Dividend reinvestment plan	**5**	**21**	-	-	-	-	-	**21**
Ordinary shares issued (i)	**185**	**600**	-	-	-	-	-	**600**
Transaction costs for share issue	-	**(9)**	-	-	-	-	-	**(9)**
Transfers	-	**3**	-	-	-	-	**(3)**	-
Share based payments expense	-	-	**1**	-	-	-	**4**	**5**
Net outlay to purchase shares	-	**(2)**	**(1)**	-	-	-	-	**(3)**
Balance at end of year	**2,222**	**9,231**	**(1)**	**(1,864)**	**(10)**	**(670)**	**10**	**6,696**
		Total issued capital $9,230m			**Total reserves $(670)m**			
2020								
Balance at beginning of year	2,019	8,562	-	(656)	(60)	(670)	4	7,180
Loss for the year	-	-	-	(870)	-	-	-	(870)
Other comprehensive income	-	-	-	1	102	-	2	105
Total comprehensive income	-	-	-	(869)	102	-	2	(765)
Dividends paid	-	-	-	(445)	-	-	-	(445)
Dividend reinvestment plan	13	53	-	-	-	-	-	53
Transfers	-	3	-	-	-	-	(3)	-
Restricted shares issued	-	-	(3)	-	-	-	-	(3)
Share based payments expense	-	-	2	-	-	-	5	7
Balance at end of year	2,032	8,618	(1)	(1,970)	42	(670)	8	6,027
		Total issued capital $8,617m			**Total reserves ($620m)**			

(i) Ordinary shares issued under a pro rata accelerated renounceable entitlement offer. The proceeds have been used to pay down existing drawn bank facilities. 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.

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.

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.

ABOUT THIS REPORT

Tabcorp Holdings Limited (the Company) is a company limited by shares which are traded on the Australian Securities Exchange. The Company is incorporated and domiciled in Australia, and is a for-profit entity. The Financial Report of the Company for the year ended 30 June 2021 comprises the Company and its subsidiaries (the Group) and the Group's interest in joint arrangements and associates.

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 continue to have an adverse impact on the financial performance of the Group. 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.

The Group accessed the Federal Government's JobKeeper scheme in relation to Gaming Services (refer to note A4). This business suspended all material fees for venues and temporarily stood down most of its workforce during the period where impacted by COVID-19 venue closures.

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
Interest bearing liabilities	The Group engaged with the respective lending groups and secured covenant relief for 30 June 2020 and 31 December 2020 testing dates.	B1 and B3
Goodwill	The Group considered the 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 current and prior year, and for the Wagering and Media segment in the prior year.	C2 and C3
Receivables	Prior year trade debtors include the impact of the temporary closure of venues resulting in suspension of invoicing and increase in allowance for expected credit losses.	C7
Payables	Prior year current payables include lottery and Keno taxes and payroll tax deferred as a result of government support received during the COVID-19 pandemic and reflect employee bonus accruals of nil.	C8
Provisions	Employee benefits provisions reflect the utilisation of leave entitlements as part of COVID-19 response measures taken in the prior year.	C9
Issued capital	In September 2020, 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 2021.

The Financial Report was authorised for issue by the Board of Directors on 18 August 2021.

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 million 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 and assets held for sale that have been measured at the lower of cost and fair value.

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:

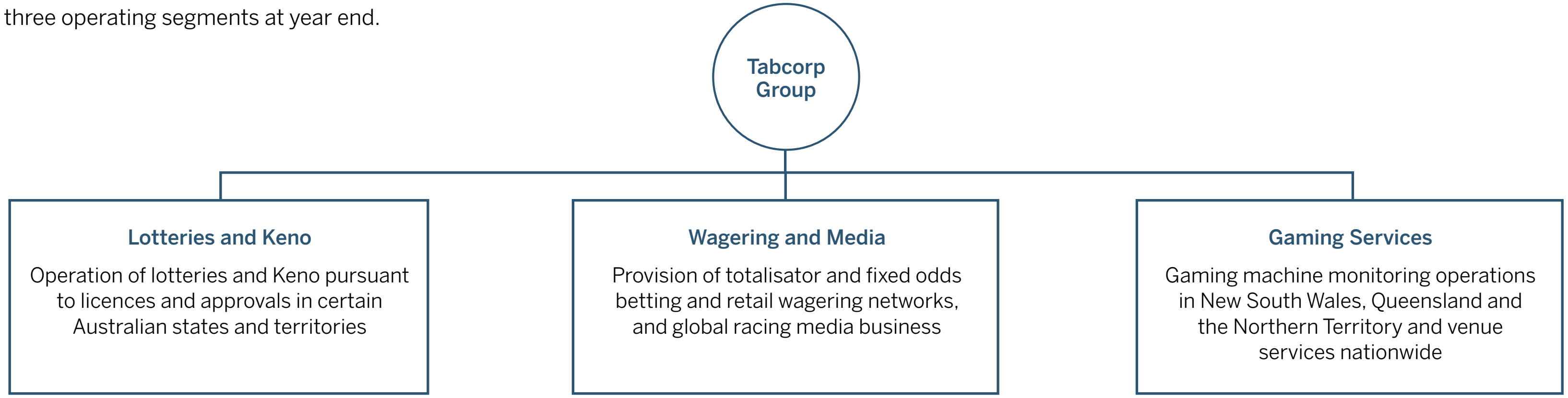
Note	Underlying estimates and assumptions
A5 – Income tax	Calculation of provision for income tax.
B2 – Other financial assets B4 – Derivative financial instruments	Fair value measurement.
C1 – Licences C2 – Other intangible assets C4 – Property, plant and equipment	Asset useful lives.
C3 – Impairment 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

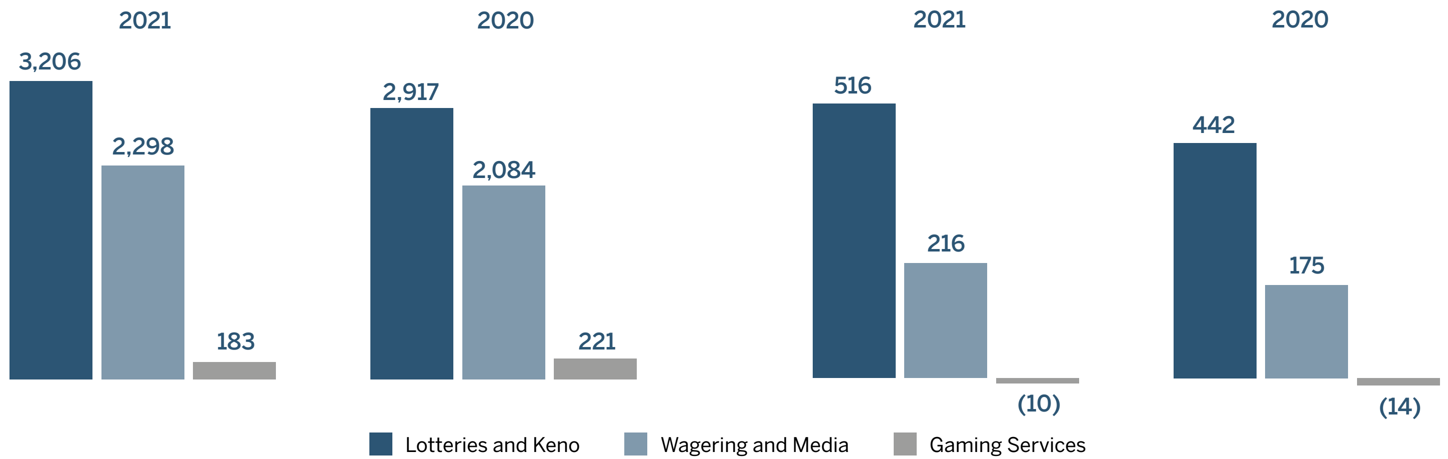
Operating segments reflect the business level at which financial information is provided to the Managing Director and Chief Executive Officer (Chief Operating Decision Maker), for decision making regarding resource allocation and performance assessment. The measure of segment profit used excludes significant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

The Group has three operating segments at year end.



Segment revenue $m

Segment profit/(loss) before interest and tax $m



	Lotteries and Keno $m	Wagering and Media $m	Gaming Services $m	Total $m
2021				
Revenue – external	**3,206**	**2,297**	**183**	**5,686**
Revenue – intersegment	**-**	**1**	**-**	**1**
Segment revenue	**3,206**	**2,298**	**183**	**5,687**
Segment profit/(loss) before interest and tax	**516**	**216**	**(10)**	**722**
Depreciation and amortisation	**104**	**198**	**78**	**380**
Impairment – other	**-**	**-**	**3**	**3**
Capital expenditure (i)	**37**	**98**	**26**	**161**
2020				
Revenue – external	2,917	2,083	221	5,221
Revenue – intersegment	-	1	-	1
Segment revenue	2,917	2,084	221	5,222
Segment profit/(loss) before interest and tax	442	175	(14)	603
Depreciation and amortisation	100	192	86	378
Impairment – other (ii)	-	4	12	16
Capital expenditure (i)	55	144	63	262

(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) before income tax		Depreciation and amortisation		Impairment (vii)	
	2021 $m	2020 $m	2021 $m	2020 $m	2021 $m	2020 $m	2021 $m	2020 $m
Segment total (per above)	**5,687**	5,222	**722**	603	**380**	378	**3**	16
Intersegment revenue elimination	**(1)**	(1)	**-**	-	**-**	-	**-**	-
Unallocated items:								
– significant items:								
– net gain on disposal of investment in an associate (i)	**-**	-	**69**	-	**-**	-	**-**	-
– gain on revaluation of previously held equity interest (ii)	**-**	-	**35**	-	**-**	-	**-**	-
– implementation costs relating to combination with Tatts Group	**-**	-	**(20)**	(26)	**-**	-	**-**	-
– Racing Queensland arrangements (iii)	**-**	-	**(15)**	(27)	**-**	-	**-**	-
– restructuring costs	**-**	-	**(17)**	-	**-**	-	**-**	-
– gain on sale of property	**-**	-	**5**	-	**-**	-	**-**	-
– impairment – goodwill (iv)	**-**	-	**(122)**	(1,090)	**-**	-	**122**	1,090
– impairment – other (v)	**-**	-	**(7)**	(22)	**-**	-	**7**	22
– strategic review costs	**-**	-	**(1)**	-	**-**	-	**-**	-
– onerous contract	**-**	-	**-**	(5)	**-**	-	**-**	-
	-	-	**(73)**	(1,170)	**-**	-	**129**	1,112
– finance income	**-**	-	**1**	2	**-**	-	**-**	-
– finance costs (vi)	**-**	-	**(169)**	(195)	**-**	-	**-**	-
– other	**-**	3	**2**	(7)	**-**	-	**-**	5
Total per income statement	**5,686**	5,224	**483**	(767)	**380**	378	**132**	1,133

(i) Refer to note D5.
(ii) Refer to note D4.
(iii) Additional fees related to the minimum performance obligations for three years to December 2020 under Racing Queensland arrangements.
(iv) Comprises write down of goodwill following the annual impairment review relating to Gaming Services of $122m (2020: $185m) and Wagering and Media (2020: $905m). Refer to notes C2 and C3.
(v) Current year comprises write down of right-of-use assets in respect of surplus corporate lease space. Prior year comprises write down of certain operating assets relating to Wagering and Media ($15m) and Gaming Services ($7m).
(vi) Current year includes interest charges relating to uncertain tax positions of $9m (refer to note E4) and finance costs relating to the strategic review of $4m.
(vii) Prior year includes impairment of surplus corporate properties ($5m).

A2 Earnings per share

	2021 $m	2020 $m
Earnings used in calculation of earnings per share (EPS) attributable to shareholders	**269**	(870)
Profit/(loss) after income tax	**269**	(870)
Adjustment for impairment – goodwill	**122**	1,090
Earnings used in calculation of EPS before goodwill impairment	**391**	220

	2021 Number (m)	2020 Number (m)
Weighted average number of ordinary shares used in calculating basic EPS	**2,183**	2,026
Effect of dilution from Performance Rights	**6**	4
Weighted average number of ordinary shares used in calculating diluted EPS	**2,189**	2,030

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.

A3 Dividends

	2021 cents per share	2020 cents per share	2021 $m	2020 $m
Fully franked dividends declared and paid during the year:				
Prior year final dividend	-	11.0	-	222
Interim dividend	**7.5**	11.0	**166**	223
	7.5	22.0	**166**	445
Fully franked dividends determined in respect of the year:				
Interim dividend	**7.5**	11.0	**166**	223
Final dividend (determined and recognised after balance date)	**7.0**	-	**156**	-
	14.5	11.0	**322**	223
Franking credits available at balance date			**133**	12
Impact of estimated current tax payable/(refunds)			**40**	(16)
Franking credits/(deficit) available at the 30% company tax rate after allowing for tax payable or receivable			**173**	(4)

A4 Revenue and expenses

	Note	2021 $m	2020 $m
(a) Revenue comprises:			
Revenue from contracts with customers		**4,585**	4,239
Other revenue (i)		**1,101**	985
		5,686	5,224
(b) Other income			
Net gain on disposal of investment in an associate	D5	**69**	-
Gain on revaluation of previously held equity interest	D4	**35**	-
Net gain/(loss) on disposal of non current assets		**1**	(5)
Other (ii)		**9**	6
		114	1
(c) Employment costs include:			
Defined contribution plan expense		**30**	32
(d) Finance costs			
Interest costs on interest bearing liabilities		**135**	163
Interest costs on lease liabilities		**13**	16
Other (iii)		**21**	16
		169	195
(e) Impairment – other			
Buildings (iv)		**-**	5
Plant and equipment (iv)		**-**	10
Other intangible assets – software (iv)		**3**	27
Right-of-use assets (v)		**7**	1
		10	43

(i) Includes fixed odds betting revenue, refer accounting policy below.
(ii) Includes subsidy received under the Federal Government's JobKeeper scheme in relation to Gaming Services of $8m (2020: $4m).
(iii) Current year includes interest charges relating to uncertain tax positions of $9m (refer to note E4) and finance costs relating to the strategic review of $4m.
(iv) Prior year includes write down of certain operating assets and surplus corporate properties. Refer to note A1.
(v) Current 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:

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.

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.

In the prior year, the Group operated loyalty programmes enabling customers to accumulate award credits for wagering spend. A portion of the spend was allocated to the loyalty points awarded to customers on relative stand-alone selling price and was recognised as a contract liability until the points were redeemed. Revenue from the award credits was recognised when the award was redeemed or expired.

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 are:

	2021 $m	2020 $m
Current tax	**(197)**	(127)
Adjustments in respect of current income tax of previous years [i]	**(56)**	(2)
Deferred tax	**39**	26
	(214)	(103)
Income tax reconciliation:		
Profit/(loss) before income tax	**483**	(767)
Income tax receivable/(payable) at the 30% company tax rate	**(145)**	230
Tax effect of adjustments in calculating taxable income:		
– impairment of goodwill	**(37)**	(327)
– amortisation of licences	**(12)**	(12)
– uncertain tax positions relating to NSW gaming machine monitoring licence[i]	**(62)**	-
– net gain on disposal of investment in an associate	**21**	-
– gain on revaluation of previously held equity interest	**10**	-
– research and development claims	**3**	3
– other	**8**	3
Income tax expense	**(214)**	(103)

(i) Current year includes $62m relating to uncertain tax positions. Refer to note E4 for details on related contingent asset.

(b) Deferred tax assets/(liabilities)

	Balance at 1 July 2019 $m	Recognised in income statement $m	Recognised directly in equity $m	Balance at 30 June 2020 $m	Recognised in income statement $m	Recognised directly in equity $m	Balance at 30 June 2021 $m
Licences	(603)	20	-	(583)	**20**	-	**(563)**
Right-of-use assets	(109)	19	-	(90)	**12**	-	**(78)**
Other intangible assets	(42)	8	-	(34)	**4**	-	**(30)**
Research and development	(16)	7	-	(9)	-	-	**(9)**
Unclaimed dividends	(8)	1	-	(7)	**(1)**	-	**(8)**
Lease liabilities	123	(19)	-	104	**(11)**	-	**93**
Provisions	26	(3)	-	23	**3**	-	**26**
Property, plant and equipment	14	-	-	14	**(3)**	-	**11**
Other	6	2	-	8	**6**	**(1)**	**13**
Accrued expenses	10	(6)	-	4	**11**	-	**15**
Fair value of cash flow hedges	26	-	(44)	(18)	-	**22**	**4**
NSW Trackside concessions	5	(3)	-	2	**(2)**	-	-
Net deferred tax assets/(liabilities)	(568)	26	(44)	(586)	**39**	**21**	**(526)**

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

Subsequent events other than those disclosed elsewhere in this report are:

Announced intention to demerge Lotteries and Keno business

On 5 July 2021, Tabcorp announced the intention to demerge its Lotteries and Keno business and create two standalone ASX-listed companies. The demerger is expected to be implemented through a court-approved Scheme of Arrangement, subject to shareholder, final Board, regulatory and third party approvals and consents. Tabcorp is targeting completion of the demerger by the end of June 2022. The decision to pursue a demerger follows the conclusion of a comprehensive strategic review of all relevant structural and ownership options to maximise value for shareholders, including the evaluation of unsolicited approaches and proposals received for the sale of the Group's Wagering and Media and Gaming Services businesses.

COVID-19 restrictions

The Group notes the recent developments since the end of the financial year in relation to the COVID-19 pandemic in NSW, Victoria, South Australia and Queensland, and related actions taken by respective state governments, including imposing lockdowns, travel and other government-mandated restrictions. These restrictions have resulted in the temporary closure at various times of licensed venues (hotels and clubs) and TAB agencies which offer Tabcorp's Wagering and Media, Keno and Gaming Services products (particularly in metropolitan Sydney and Melbourne). At the reporting date a definitive assessment of the future effects of these restrictions, and COVID-19 more generally, on the Group cannot be made.

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.

The Group has a target of an investment grade credit rating. Gearing is managed primarily through the ratio of gross debt to earnings before interest, tax, depreciation, amortisation and impairment (EBITDA).

At 30 June the Group's gearing ratio was:

	2021 $m	2020 $m
Gross debt (US private placement debt at the Australian dollar principal repayable under cross currency swaps)[(i)]	**2,708**	3,748
EBITDA (before significant items)	**1,107**	995
Gearing ratio	**2.4**	3.8

(i) Includes lease liabilities following the implementation of AASB 16.

B2 Other financial assets

Other financial assets are held to fund payments to winners of certain lottery games, where winnings are payable for up to 20 years.

	2021 $m	2020 $m
Equity instruments at fair value through other comprehensive income		
Unlisted investments – managed fund	**22**	22
Debt instruments at amortised cost		
Investment – term deposits	**236**	163
	258	185
Current	**129**	26
Non current	**129**	159
	258	185

Equity instruments at fair value through other comprehensive income are equity instruments which the Group intends to hold for the foreseeable future, and for which an irrevocable election to classify as such upon transition to AASB 9 has been made.

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

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

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

Facility	Details	Facility limit $m	Maturity	2021 $m	2020 $m
Bank overdraft	Floating interest rate overdraft facility.	100	Feb-22	-	-
Bank loans – unsecured	Floating interest rate revolving facility. Subject to financial undertakings as to gearing and interest cover.	226	n/a(i)	-	226
		660	Jul-22	**449**	299
		600	Jul-23	-	148
		600	n/a(i)	-	598
		2,086		**449**	1,271
US private placement	Fixed interest rate US dollar debt. At 30 June 2021 aggregate US dollar principal of $1,383m (2020: $1,553m). Cross currency swaps are in place for all US dollar debt. Under these swaps the aggregate Australian dollar amount payable at maturity is $1,754m (2020: $1,925m). Subject to financial undertakings as to gearing and interest cover.	USD 170	n/a	-	249
		USD 133	Apr-22	**177**	193
		USD 105	Jun-26	**139**	152
		USD 450	Jun-28	**596**	653
		USD 520	Jun-30	**689**	754
		USD 175	Jun-33	**232**	254
		AUD 97	Jun-35	**97**	97
		AUD 97	Jun-36	**97**	97
				2,027	2,449
				2,476	3,720
Current				**177**	249
Non current				**2,299**	3,471
				2,476	3,720

(i) Facilities were repaid in full and cancelled during the year (original maturity dates were Jul-21 and Jul-24 respectively).

B3 Interest bearing liabilities (continued)

B3.1 Changes in liabilities arising from financing activities:

	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**	**(171)**	**(77)**	**-**	**-**	**176**	**177**
Non current	**3,471**	**(825)**	**(176)**	**-**	**-**	**(171)**	**2,299**
Cross currency interest rate swaps							
Current assets	**(103)**	**-**	**-**	**33**	**-**	**-**	**(70)**
Non current assets	**(426)**	**-**	**-**	**338**	**-**	**-**	**(88)**
Current liabilities	**4**	**-**	**-**	**3**	**-**	**-**	**7**
Lease liabilities							
Current	**47**	**(49)**	**-**	**-**	**-**	**49**	**47**
Non current	**306**	**-**	**-**	**-**	**2**	**(46)**	**262**
	3,548	**(1,045)**	**(253)**	**374**	**2**	**8**	**2,634**

	Balance at 30 June 2019 $m	Cash flows $m	Foreign exchange movement $m	Changes in fair values $m	Lease additions $m	Other $m	Balance at 30 June 2020 $m
Interest bearing liabilities							
Current	192	(192)	-	-	-	249	249
Non current	3,527	146	51	-	-	(253)	3,471
Cross currency interest rate swaps							
Current assets	(19)	-	-	(84)	-	-	(103)
Non current assets	(289)	-	-	(137)	-	-	(426)
Current liabilities	5	-	-	(1)	-	-	4
Lease liabilities							
Current	51	(52)	-	-	1	47	47
Non current	358	-	-	-	11	(63)	306
	3,825	(98)	51	(222)	12	(20)	3,548

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 (refer to note B5):

	2021 $m	2020 $m
Current assets		
Cross currency swaps	**70**	103
Non current assets		
Cross currency swaps	**88**	426
	158	529
Current liabilities		
Cross currency swaps	**7**	4
Interest rate swaps	**30**	31
Fixed Odds open betting positions	**13**	9
	50	44
Non current liabilities		
Interest rate swaps	**55**	104
	105	148

Derivative financial instruments are recognised initially at cost, and subsequently are 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 are 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

These swaps are used to mitigate the risk of variability in cash flows due to movements in the reference interest rate of the designated debt.

The notional principal amounts and periods of expiry of these interest rate swap contracts are:

	Notional principal	
	2021 $m	**2020 $m**
Less than one year	**427**	-
One to five years	**137**	427
More than five years	**585**	722
Notional principal	**1,149**	1,149
Fixed interest rate range p.a.	**1.9% – 4.9%**	1.9% – 4.9%
Variable interest rate range p.a.	**0.02% – 0.04%**	0.1% – 0.1%

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.

There is an economic relationship between the hedged item and the hedged instrument as the key terms of the interest rate swap are similar to the key terms of the floating rate borrowings. The Group has established a hedge ratio of 1:1 which has been determined by comparing the notional principal of the swap with the notional amount of the designated debt.

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

B4.2 Cross currency swaps

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

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

	2021		2020	
	Pay principal AUD m	**Receive principal USD m**	**Pay principal AUD m**	**Receive principal USD m**
Less than one year	**127**	**133**	171	170
One to five years	**137**	**105**	127	133
More than five years	**1,490**	**1,145**	1,627	1,250
Notional principal	**1,754**	**1,383**	1,925	1,553
Fixed interest rate range p.a.	**5.3% – 5.6%**	**4.6% – 5.2%**	5.3% – 5.6%	4.6% – 5.2%
Variable interest rate range p.a.	**2.1% – 3.9%**		2.2% – 4.0%	

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

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

B4.3 Impact of hedging on balance sheet

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

	2021 $m	2020 $m
Interest rate swaps	**50**	(23)
Cross currency swaps	**(295)**	222
	(245)	199

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

B4.4 Impact of hedging on equity

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

	Hedging reserve $m
As at 1 July 2020	**42**
Effective portion of changes in fair value arising from:	
– Interest rate swaps	**50**
– Cross currency swaps	**(295)**
Gain on revaluation of USD debt	**176**
Other	**(5)**
Tax effect	**22**
As at 30 June 2021	**(10)**
As at 1 July 2019	(60)
Effective portion of changes in fair value arising from:	
– Interest rate swaps	(23)
– Cross currency swaps	222
Loss on revaluation of USD debt	(51)
Other	(2)
Tax effect	(44)
As at 30 June 2020	42

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	
	2021 $m	**2020 $m**	**2021 $m**	**2020 $m**
Financial assets				
Investment in an associate	-	29	-	69
	-	29	-	69
Financial liabilities				
US private placement	**2,034**	2,459	**2,431**	3,037
	2,034	2,459	**2,431**	3,037

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

Investment in an associate
Fair value was determined using quoted market price (level 1 in fair value hierarchy).

US private placement
Fair value is 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 is 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 is 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 2021.

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 has 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. It has 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 pays fixed interest rates and receives the bank bill swap rate (BBSW) calculated on the notional principal amount of the contracts. The Group also has entered into floating rate term deposits where it receives variable interest that is priced against the BBSW.

At 30 June 2021 after taking into account the effect of interest rate swaps and floating rate term deposits, approximately 99.4% (2020: 71.0%) of the Group's borrowings are at a fixed rate of interest.

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

	2021 $m	2020 $m
Cash assets	**243**	217
Short term deposits	**83**	93
Investment terms deposits – current	**129**	26
Investment terms deposits – non current	**107**	137
	562	473
Bank loans – unsecured	**(449)**	(1,271)
Interest rate swaps – notional principal amounts	**(1,149)**	(1,149)
Cross currency swaps – notional principal amounts	**(849)**	(1,021)
	(2,447)	(3,441)

B6 Financial instruments – risk management (continued)

B6.1 Interest rate risk (continued)

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)	
	2021 $m	2020 $m	2021 $m	2020 $m
AUD				
+ 0.5% (50 basis points) (2020: + 0.5%)	**1**	(3)	**52**	63
- 0.5% (50 basis points) (2020: - 0.5%)	**-**	1	**(54)**	(66)
USD				
+ 0.2% (20 basis points) (2020: + 0.2%)	**-**	-	**(21)**	(29)
- 0.2% (20 basis points) (2020: - 0.2%)	**-**	-	**22**	29

The movements in profit are due to higher/lower interest costs from variable rate debt and investments. The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges.

Significant assumptions used in the analysis include:

- reasonably possible movements were determined based on the Group's current credit rating and mix of debt, and the level of debt that is expected to be renewed, as well as a review of the last two years' historical movements and economic forecasters' expectations;
- 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.

B6.2 Foreign currency risk

The Group's primary currency exposure is to US dollars as a result of issuing US private placement debt. In order to hedge this exposure, the Group has entered into cross currency swaps to fix the exchange rate on the USD debt until maturity. The Group agrees to pay a fixed USD amount in exchange for an agreed AUD amount with swap counterparties, and to re-exchange this again at maturity. These swaps are designated to hedge the principal and interest obligations of the US private placement debt.

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)	
	2021 $m	2020 $m	2021 $m	2020 $m
AUD/USD + 10 cents (2020: + 10 cents)	**-**	-	**(39)**	(65)
AUD/USD - 10 cents (2020: - 10 cents)	**-**	-	**51**	87

The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges. Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Significant assumptions used 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.

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 (2020: 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 $34m (2020: $34m).

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.

The Group's current policy is that not more than 33% of debt facilities should mature in any financial year. At 30 June 2021, 7% (2020: 7%) of debt facilities 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:

	2021			2020		
	< 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	**(1,237)**	**(107)**	**(167)**	(1,178)	(95)	(143)
Bank loans – unsecured	**(7)**	**(451)**	**-**	(25)	(1,332)	-
US private placement	**(225)**	**(499)**	**(2,056)**	(286)	(528)	(2,316)
Lease liabilities	**(57)**	**(170)**	**(135)**	(60)	(190)	(167)
Net inflow/(outflow)	**(1,526)**	**(1,227)**	**(2,358)**	(1,549)	(2,145)	(2,626)
Derivative financial instruments						
Financial assets						
Interest rate swaps – receive AUD floating	**-**	**27**	**23**	2	16	24
Cross currency swaps – receive USD fixed	**214**	**455**	**1,757**	275	484	2,006
	214	**482**	**1,780**	277	500	2,030
Financial liabilities						
Interest rate swaps – pay AUD fixed	**(29)**	**(80)**	**(32)**	(32)	(89)	(52)
Cross currency swaps – pay AUD floating	**(197)**	**(425)**	**(1,771)**	(247)	(409)	(1,973)
Fixed Odds open betting positions	**(13)**	**-**	**-**	(9)	-	-
	(239)	**(505)**	**(1,803)**	(288)	(498)	(2,025)
Net inflow/(outflow)	**(25)**	**(23)**	**(23)**	(11)	2	5

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
2021					
Carrying amount at beginning of year	**1,283**	**636**	**166**	**63**	**2,148**
Amortisation	**(46)**	**(41)**	**(13)**	**(7)**	**(107)**
Carrying amount at end of year	**1,237**	**595**	**153**	**56**	**2,041**
Cost	**1,391**	**978**	**200**	**128**	**2,697**
Accumulated amortisation and impairment	**(154)**	**(383)**	**(47)**	**(72)**	**(656)**
	1,237	**595**	**153**	**56**	**2,041**
2020					
Carrying amount at beginning of year	1,328	678	179	69	2,254
Amortisation	(45)	(42)	(13)	(6)	(106)
Carrying amount at end of year	1,283	636	166	63	2,148
Cost	1,391	978	200	128	2,697
Accumulated amortisation and impairment	(108)	(342)	(34)	(65)	(549)
	1,283	636	166	63	2,148

	Lotteries licences	Wagering licences	Gaming machine monitoring licence	Keno licences
Amortisation policy – straight line basis over useful life (years):	10 - 55	12 - 93	15	10 - 34
Licence expiration date:				
– Victoria	2028	2024		2022
– Queensland	2072	2098		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 was granted 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
2021								
Carrying amount at beginning of year	**7,160**	**133**	**123**	**218**	**31**	**36**	**433**	**8,134**
Additions:								
– acquired	-	-	-	-	-	-	**43**	**43**
– internally developed	-	-	-	-	-	-	**91**	**91**
Acquisition via business combinations	-	-	**49**	**5**	-	-	-	**54**
Amortisation	-	**(1)**	**(11)**	-	-	**(3)**	**(116)**	**(131)**
Impairment	**(122)**	-	-	-	-	-	**(3)**	**(125)**
Transfers	-	-	-	-	-	-	**(4)**	**(4)**
Disposals	-	-	-	-	-	-	**(6)**	**(6)**
Carrying amount at end of year	**7,038**	**132**	**161**	**223**	**31**	**33**	**438**	**8,056**
Cost	**8,956**	**150**	**196**	**223**	**31**	**55**	**1,062**	**10,673**
Accumulated amortisation and impairment	**(1,918)**	**(18)**	**(35)**	-	-	**(22)**	**(624)**	**(2,617)**
	7,038	**132**	**161**	**223**	**31**	**33**	**438**	**8,056**
Includes capital works in progress of:							**106**	**106**
2020								
Carrying amount at beginning of year	8,250	135	138	218	31	39	373	9,184
Additions:								
– acquired	-	-	-	-	-	-	40	40
– internally developed	-	-	-	-	-	-	149	149
Amortisation	-	(2)	(15)	-	-	(3)	(99)	(119)
Impairment	(1,090)	-	-	-	-	-	(27)	(1,117)
Transfers	-	-	-	-	-	-	2	2
Disposals	-	-	-	-	-	-	(5)	(5)
Carrying amount at end of year	7,160	133	123	218	31	36	433	8,134
Cost	8,956	150	147	218	31	55	960	10,517
Accumulated amortisation and impairment	(1,796)	(17)	(24)	-	-	(19)	(527)	(2,383)
	7,160	133	123	218	31	36	433	8,134
Includes capital works in progress of:							136	136

(i) The impairment of goodwill in the current year relates to the Gaming Services segment. Refer to note C3. The impairment of goodwill in the prior year relates to the Wagering and Media and Gaming Services segments reflecting the direct impact of the government and other measures to address the COVID-19 pandemic, the possible acceleration of retail contraction, the level of competitive intensity and structural changes and the potential decline in consumer confidence and increased economic uncertainty.

	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) 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 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:	2021 $m	2020 $m
Goodwill		
Lotteries and Keno	**5,304**	5,304
Wagering and Media	**1,734**	1,734
Gaming Services	**-**	122
	7,038	7,160
Other intangible assets with indefinite useful lives		
Lotteries	**108**	108
NSW Wagering	**99**	99
Sky Racing	**31**	31
Sky Sports Radio	**6**	6
ACTTAB	**5**	5
	249	249

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 1.0% to 3.5% (2020: 1.0% to 3.5%). These cash flows are then discounted using a relevant long term post tax discount rate, ranging between 7.5% and 8.4% (2020: 7.5% and 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 cash flow projections:

- Impact of the government and other measures on the business to address the COVID-19 pandemic.
- Fees paid to Racing Queensland (RQ) following the introduction of point of consumption tax have been calculated on the basis of the Group's interpretation of the calculation. This is subject to a dispute with RQ (refer note E4 Contingencies).
- State tax regimes and the regulatory environment in which the Group currently operates remain largely unchanged, other than announced.
- 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.
- 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 rate used is in line with the forecast long term underlying growth rate in Consumer Price Index.

C3 Impairment testing (continued)

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.

The impairment assessment has determined the carrying value of the Gaming Services segment, including allocation of corporate assets, exceeded its recoverable amount at 30 June 2021. As a result, an impairment charge against goodwill of $122m has been recognised in the income statement.

The COVID-19 pandemic and government restrictions have impacted this business to varying degrees, and in turn its financial and operational performance primarily due to the closure of licensed venues and venue density requirements. The outlook for FY22 and beyond continues to be uncertain due to the timing of lifting of government imposed COVID-19 restrictions, any potential longer term changes to consumer behaviour as an indirect result of the pandemic and reduced expectations for future growth and contract extensions in an uncertain economic environment.

The carrying value of the Gaming Services segment has been impaired to its recoverable amount at 30 June 2021. Adverse movements in key assumptions may lead to further impairment.

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
2021					
Carrying amount at beginning of year	**18**	**15**	**80**	**343**	**456**
Additions	-	-	-	**27**	**27**
Acquisitions via business combinations	-	-	-	**1**	**1**
Disposals	-	-	-	**(16)**	**(16)**
Depreciation	-	**(1)**	**(13)**	**(82)**	**(96)**
Transfers	-	-	**(1)**	**5**	**4**
Carrying amount at end of year	**18**	**14**	**66**	**278**	**376**
Cost	**18**	**35**	**160**	**960**	**1,173**
Accumulated depreciation and impairment	-	**(21)**	**(94)**	**(682)**	**(797)**
	18	**14**	**66**	**278**	**376**
Includes capital works in progress of:		-	-	**14**	**14**
2020					
Carrying amount at beginning of year	61	27	86	381	555
Additions	-	-	15	58	73
Disposals	(6)	(3)	(1)	(2)	(12)
Depreciation	-	(2)	(14)	(88)	(104)
Transfers	-	-	(6)	4	(2)
Transferred to assets held for sale	(37)	(2)	-	-	(39)
Impairment	-	(5)	-	(10)	(15)
Carrying amount at end of year	18	15	80	343	456
Cost	18	35	162	997	1,212
Accumulated depreciation and impairment	-	(20)	(82)	(654)	(756)
	18	15	80	343	456
Includes capital works in progress of:		-	2	21	23
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

The Group has lease contracts for various properties, motor vehicles and other equipment with lease terms expiring from 1 to 12 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
2021			
Carrying amount at beginning of year	**266**	**9**	**275**
Additions	**1**	**1**	**2**
Lease remeasurements	**7**	**1**	**8**
Depreciation	**(41)**	**(4)**	**(45)**
Impairment	**(7)**	**-**	**(7)**
Carrying amount at end of year	**226**	**7**	**233**
2020			
Carrying amount at beginning of year	317	11	328
Additions	8	4	12
Lease remeasurements	(16)	-	(16)
Depreciation	(43)	(6)	(49)
Gain on termination	1	-	1
Impairment	(1)	-	(1)
Carrying amount at end of year	266	9	275

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

	2021 $m	2020 $m
Carrying amount at beginning of year	**353**	409
Additions	**2**	12
Lease remeasurements	**3**	(16)
Interest expense	**13**	16
Payments (cash outflow)	**(62)**	(68)
Carrying amount at end of year	**309**	353
Current	**47**	47
Non current	**262**	306
	309	353

Future minimum rentals receivable under non-cancellable operating subleases as at 30 June:

	2021 $m	2020 $m
Not later than one year	**2**	2
Later than one year but not later than five years	**7**	9
	9	11

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.

C6 Notes to the cash flow statement

(a) Cash and cash equivalents comprise:	2021 $m	2020 $m
Cash on hand and in banks	**341**	256
Short term deposits	**83**	93
	424	349

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 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 $275m (2020: $206m).

(b) Reconciliation of net profit/(loss) after tax to net cash flows from operating activities	2021 $m	2020 $m
Net profit/(loss) after tax	**269**	(870)
Add items classified as investing/financing activities:		
– net gain on disposal of investment in an associate	**(69)**	-
– net (gain)/loss on disposal of non current assets	**(1)**	5
– other	**-**	(2)
Add non cash income and expense items:		
– depreciation and amortisation	**380**	378
– impairment – goodwill	**122**	1,090
– impairment – other	**10**	43
– gain on revaluation of previously held equity interest	**(35)**	-
– share based payments expense	**5**	7
– other	**13**	(6)
Net cash provided by operating activities before changes in assets and liabilities	**694**	645
Changes in assets and liabilities:		
(Increase)/decrease in:		
– debtors	**(16)**	50
– current tax assets	**-**	29
– other assets	**(2)**	(6)
(Decrease)/increase in:		
– payables	**6**	3
– provisions	**5**	(9)
– deferred tax liabilities	**(34)**	(26)
– current tax liabilities	**57**	-
– other liabilities	**10**	(15)
Net cash flows from operating activities	**720**	671

C7 Receivables

	2021 $m	2020 $m
Current		
Trade debtors (i)	**92**	43
Allowance for expected credit losses (ii)	**(6)**	(5)
	86	38
Other	**31**	34
	117	72

(i) Prior year includes the impact of suspending Gaming Services fees for venues during the period they were not trading due to COVID-19.

(ii) The impact of COVID-19 on the recoverability of receivables has been considered and reflected in the allowance for expected credit losses.

	2021 $m	2020 $m
Non current		
Trade debtors	**1**	1
Other	**1**	2
	2	3

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

	2021 $m	2020 $m
Current		
Payables	**1,237**	1,178

Prior year balance includes the deferral of lottery and Keno taxes of $114m as a result of government support received during the COVID-19 pandemic, and reflects employee bonus accruals of nil.

	2021 $m	2020 $m
Non current		
Payables	**271**	238

Non current payables includes prizes payable to the winners of certain lottery games where winnings are payable for up to 20 years and the final Queensland wagering licence instalment.

Non current payables relating to the Queensland wagering licence are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

C9 Provisions

	2021 $m	2020 $m
Current		
Employee benefits [i]	**43**	41
Premises	**6**	1
Other	**12**	5
	61	47
Non current		
Employee benefits	**9**	7
Premises	**12**	16
Other	**4**	6
	25	29

(i) Employee benefits provisions in the prior year reflect the utilisation of leave entitlements as part of COVID-19 response measures.

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

	Premises $m	Other $m
Carrying amount at beginning of year	**17**	**11**
Provisions made during year	**3**	**30**
Provisions reversed during year	**(2)**	**-**
Provisions used during year	**-**	**(25)**
Carrying amount at end of year	**18**	**16**

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

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

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

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

SECTION D – GROUP STRUCTURE

D1 Subsidiaries

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

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

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

Tabcorp Assets Pty Ltd	Tabcorp Wagering Participant (Vic) Pty Ltd	Maxgaming Holdings Pty Ltd
Tabcorp Participant Pty Ltd	Tab Limited	Maxgaming NSW Pty Ltd
Luxbet Pty Ltd	Tabcorp Services Pty Ltd	Maxgaming Qld Pty Ltd
Tabcorp Wagering Holdings Pty Ltd	Tabcorp Finance Pty Ltd	Reaftin Pty Ltd
Tabcorp ACT Pty Ltd	Sky Channel Pty Ltd	Bytecraft Systems Pty Ltd
Tabcorp Gaming Holdings Pty Ltd	2KY Broadcasters Pty Ltd	Bytecraft Systems (NSW) Pty Ltd
Keno (Qld) Pty Ltd	Tabcorp Training Pty Ltd	Tattersall's Holdings Pty Ltd
TAHAL Pty Ltd	Tabcorp International Pty Ltd	Tattersall's Sweeps Pty Ltd
Keno (NSW) Pty Ltd	Tabcorp International No.4 Pty Ltd	George Adams Pty Ltd
Tabcorp Gaming Solutions (NSW) Pty Ltd	Tatts Group Limited	Tatts NT Lotteries Pty Ltd
Tabcorp Gaming Solutions Pty Ltd	Ubet Qld Limited	New South Wales Lotteries Corporation Pty Limited
Intecq Limited	Ubet NT Pty Ltd	Golden Casket Lottery Corporation Limited
eBET Gaming Systems Pty Limited	Ubet Radio Pty Ltd	Tatts Lotteries SA Pty Ltd
Tabcorp Investments No.5 Pty Ltd	Ubet SA Pty Ltd	TattsTech Pty Ltd
Tabcorp Investments No.6 Pty Ltd	Ubet Tas Pty Ltd	50-50 Software Pty Ltd
Tabcorp Wagering (Vic) Pty Ltd	Tasradio Pty Ltd	tatts.com Pty Ltd
Tabcorp Wagering Assets (Vic) Pty Ltd		

100% owned Australian subsidiaries

Tabcorp Gaming Solutions (ACT) Pty Ltd	OneTab Holdings Pty Ltd	Industry Data Online Pty Ltd
Tabcorp Gaming Solutions (Qld) Pty Ltd	Tattersall's Gaming Pty Ltd	Tabcorp Employee Share Administration Pty Ltd
Tabcorp International No.5 Pty Ltd	Tatts Employment Co (NSW) Pty Ltd	Sky Channel Marketing Pty Ltd
Tabcorp International No.6 Pty Ltd	Tatts Employee Share Plan Pty Ltd	Tattersall's Gaming Systems NSW Pty Ltd
Tabcorp Investments No.9 Pty Ltd	Sky Australia International Racing Pty Ltd	Tatts Online Pty Ltd
Tabcorp Investments No.10 Pty Ltd	Club Gaming Systems (Holdings) Pty Ltd	Thelott Enterprises Pty Ltd
Tabcorp Investments No.11 Pty Ltd	COPL Pty Ltd	Ubet Enterprises Pty Ltd
Tabcorp Wagering Manager (Vic) Pty Ltd	eBET Systems Pty Limited	Wintech Investments Pty Ltd
OneTab Australia Pty Ltd		

D1 Subsidiaries (continued)

International subsidiaries

Name	Country of incorporation	% equity interest
Premier Gateway International Limited (i)	Isle of Man	100
Premier Gateway Services Limited (i)	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
Tattersall's Investments (South Africa) (Pty) Limited	South Africa	100
Tabcorp UK Limited (ii)	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) Equity interest at 30 June 2020 was 50% with the remaining equity acquired during the current year (refer to note D4).
(ii) 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.

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

Income statement	2021 $m	2020 $m
Revenue	**5,700**	5,219
Expenses	**(5,113)**	(5,853)
Profit/(loss) before income tax and net finance costs	**587**	(634)
Finance income	**1**	2
Finance costs	**(169)**	(195)
Profit/(loss) before income tax	**419**	(827)
Income tax expense	**(214)**	(104)
Net profit/(loss) after tax	**205**	(931)
Other comprehensive income		
Change in fair value of cash flow hedges taken to equity that may be reclassified to profit or loss	**(74)**	146
Income tax on items that may be reclassified to profit or loss	**22**	(44)
Items that will not be reclassified to profit or loss	**3**	(1)
Income tax on items that will not be reclassified to profit or loss	**(1)**	-
Other comprehensive income for the year, net of income tax	**(50)**	101
Total comprehensive income for the year	**155**	(830)
Net profit/(loss) after tax	**205**	(931)
Accumulated losses at beginning of year	**(2,085)**	(708)
Other comprehensive income	**2**	(1)
Dividends paid	**(166)**	(445)
Accumulated losses at end of year	**(2,044)**	(2,085)

D2 Deed of cross guarantee (continued)

Balance sheet	2021 $m	2020 $m
Cash and cash equivalents	**328**	338
Receivables	**83**	71
Prepayments	**45**	33
Derivative financial instruments	**70**	103
Other financial assets	**129**	26
Assets held for sale	**-**	39
Other	**113**	105
Total current assets	**768**	715
Receivables	**2**	3
Investment in controlled entities	**36**	36
Other financial assets	**129**	159
Licences	**2,041**	2,148
Other intangible assets	**7,909**	8,039
Property, plant and equipment	**375**	456
Right-of-use assets	**233**	275
Prepayments	**26**	20
Derivative financial instruments	**88**	426
Other	**20**	24
Total non current assets	**10,859**	11,586
TOTAL ASSETS	**11,627**	12,301
Payables	**1,181**	1,184
Interest bearing liabilities	**177**	249
Lease liabilities	**47**	47
Current tax liabilities	**55**	-
Provisions	**61**	47
Derivative financial instruments	**50**	44
Other	**89**	81
Total current liabilities	**1,660**	1,652
Payables	**271**	238
Interest bearing liabilities	**2,299**	3,471
Lease liabilities	**262**	306
Deferred tax liabilities	**527**	588
Provisions	**25**	29
Derivative financial instruments	**55**	104
Other	**13**	1
Total non current liabilities	**3,452**	4,737
TOTAL LIABILITIES	**5,112**	6,389
NET ASSETS	**6,515**	5,912
Issued capital	**9,230**	8,617
Accumulated losses	**(2,044)**	(2,085)
Reserves	**(671)**	(620)
TOTAL EQUITY	**6,515**	5,912

D3 Parent entity disclosures

	Tabcorp Holdings	
	2021 $m	2020 $m
Result of the parent entity		
Profit for the year	**471**	321
Other comprehensive income	**3**	(1)
Total comprehensive income for the year	**474**	320
Financial position of the parent entity		
Current assets	**36**	71
Total assets	**8,928**	7,959
Current liabilities	**101**	43
Total liabilities	**101**	52
Total equity of the parent entity comprising of:		
Issued capital	**9,230**	8,617
Retained earnings/(accumulated losses)	**259**	(48)
Demerger reserve	**(670)**	(670)
Other reserves	**8**	8
Total equity	**8,827**	7,907

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 2021 or 30 June 2020.

Parent entity guarantees in respect of debts of its subsidiaries

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

Tax consolidation

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

Members of the tax consolidation group have entered into a tax funding agreement which requires each member of the tax consolidation group to make a tax equivalent payment to or from the Head Company, based on the current tax liability or current tax asset of the member. These amounts are recognised as either an increase or decrease in the subsidiaries' intercompany accounts with the Head Company. 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 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
Receivables	31
Prepayments	1
Property, plant and equipment	1
Other intangible assets[(i)]	54
Payables	(104)
Net identifiable assets acquired	54
Goodwill arising on acquisition	-
Fair value of previously held equity interest[(ii)]	(35)
Purchase consideration transferred (cash)	19

(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 $35m 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 $24m. 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
Cash paid	(19)
Net cash inflow	52

(c) Revenue and profit contribution

Since the date of acquisition, the additional 50% investment in PGI has contributed $41m revenue and nil profit before income tax expense, after amortisation of the identifiable intangible assets of $2m. If the acquisition had taken place at the beginning of the year, the Group's revenue and profit before income tax expense would have been $5,769m and $482m respectively.

D5 Investment in an associate

	2021 $m	2020 $m
Investment in Jumbo Interactive Ltd (Jumbo)	-	29

During the year, the Group disposed of its 7,234,178 shares (11.6% interest) in Jumbo at a price of $13.52 per share, with a profit before tax impact of $69m. Jumbo is a retailer of official government and charitable lotteries in Australia, and is listed on the ASX under the ticker 'JIN'.

The equity accounted profit recognised during the year was nil (2020: $3m). Dividends received from Jumbo during the year were $1m (2020: $3m).

The above associate was incorporated in Australia. The Group did not have representation on the Board of Directors, although it did have the option to have representation. The Group did not participate in the significant financial and operating decisions but has arrangements in place with the associate which are material to Jumbo's operational financial performance. The Group had therefore determined that it had significant influence over this entity. In the normal course of business, commission is paid to Jumbo for acting as an agent in regards to the sale of lottery tickets.

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

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.

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.

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.

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

Performance Rights (number)

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

		Balance at	Movement during the year			Balance at
Grant date	Expiry date	start of year	Granted	Forfeited	Vested	end of year
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**
2020						
25 October 2016	14 September 2019	1,110,418	-	(1,110,418)	-	-
27 October 2017	15 September 2020	1,333,108	-	(36,138)	-	1,296,970
17 October 2018	19 September 2021	1,727,310	-	(240,343)	-	1,486,967
17 October 2018	30 June 2021	575,758	-	(80,113)	-	495,645
24 October 2019	25 September 2022	-	2,153,685	(131,229)	-	2,022,456
		4,746,594	2,153,685	(1,598,241)	-	5,302,038

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 $2.06 (2020: $2.87).

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 $
25 October 2016	14 September 2019	4.91	22.00	5.00	1.78	2.51
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

(i) Reflects the assumption that the historical volatility is indicative of future trends.
(ii) Reflects the assumption that the current payout ratio will continue with no anticipated increases.
(iii) Represents the zero coupon interest rate derived from government bond market interest rates on the valuation date and vary according to each maturity date.

E2 Pensions and other post employment benefit plans

The Group has two defined benefit superannuation plans (closed to new entrants), the New South Wales Lotteries Corporation Pty Limited defined benefit plan ('NSW Lotteries plan') and the Tabcorp Superannuation Plan ('Tabcorp plan'), which provide benefits based on salary and length of service. 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
NSW Lotteries plan			
Balance at 30 June 2019	17	(28)	(11)
Actuarial gains	-	3	3
Benefits paid	(1)	1	-
Other	1	(1)	-
Balance at 30 June 2020	17	(25)	(8)
Actuarial gains/(losses)	**2**	**(1)**	**1**
Benefits paid	**(1)**	**1**	**-**
Other	**1**	**(1)**	**-**
Balance at 30 June 2021	**19**	**(26)**	**(7)**

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 2019	15	(13)	2
Actuarial losses	-	(1)	(1)
Actual return on plan assets excluding interest income	(1)	-	(1)
Benefits paid	(1)	1	-
Other	1	-	1
Balance at 30 June 2020	**14**	**(13)**	**1**
Actuarial gains	**-**	**1**	**1**
Actual return on plan assets excluding interest income	**2**	**-**	**2**
Benefits paid	**(3)**	**3**	**-**
Other	**-**	**-**	**-**
Balance at 30 June 2021	**13**	**(9)**	**4**

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

Amounts recognised in other comprehensive income	2021 $m	2020 $m
NSW Lotteries plan	**1**	3
Tabcorp plan	**3**	(2)
	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:

	NSW Lotteries plan		Tabcorp plan	
	2021 %	2020 %	**2021 %**	2020 %
Cash	**12.2**	10.2	**4.0**	5.0
Fixed interest	**6.4**	7.5	**12.0**	17.0
Australian equities	**19.9**	18.1	**26.0**	28.0
International equities	**33.2**	29.7	**27.0**	25.0
Property	**7.9**	8.3	**8.0**	6.0
Alternatives	**20.4**	26.2	**23.0**	19.0
	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

	2021 $m	2020 $m
Capital expenditure commitments		
Property, plant and equipment	**8**	6
Software	**5**	6
	13	12

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 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 $62m and interest charges of $9m 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 intends to appeal this decision. If Tatts is ultimately successful in its claim, the Company expects that the amended assessment amounts will be refunded.

Contingent liabilities

(a) Charge

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

(b) Legal challenges

There are outstanding legal actions on foot and other potential legal exposures between controlled entities and third parties at 30 June 2021. It is expected that any liabilities arising from such legal action or other potential exposures would not have a material adverse effect on the Group's financial position, except as set out below.

(c) Racing Queensland Dispute

On 28 June 2019 Racing Queensland (RQ) commenced legal proceedings against the Company and UBET Qld Limited (UBET). RQ is seeking damages and other relief. The proceedings are in relation to two interrelated disputes relating to the calculation of fees following the introduction of the point of consumption tax in Queensland on 1 October 2018. The Company and UBET currently consider, on the balance of probability, that no provision for liability is required. The relevant variable fees are paid monthly. If the Company and UBET are ultimately unsuccessful in the proceedings, the estimated financial impact covering the 33 month period to 30 June 2021 is an expense of up to $66m post tax (30 June 2020: $44m post tax). The impact of the alleged underpayment on the relevant variable fees would extend until June 2044 when the relevant deed expires.

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 $76m were received by the Group in 2021 (2020: $80m).

(b) Compensation of Key Management Personnel (KMP)

	2021 $000	2020 $000
Short term	**8,479**	6,731
Other long term	**250**	(34)
Post employment	**342**	323
Share based payments	**2,941**	3,267
Termination benefits	**-**	625
	12,012	10,912

E6 Auditor's remuneration

	2021 $000	2020 $000
Amounts received or due and receivable by Ernst and Young for:		
– audit and review of the statutory financial reports of the Group and subsidiaries	**1,829**	1,868
– other assurance and agreed upon procedures services under other legislation or contractual arrangements	**268**	280
– other services(i)	**842**	862
	2,939	3,010

(i) 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.

E7 Assets held for sale

	2021 $m	2020 $m
Freehold land	**-**	37
Buildings	**-**	2
	-	39

During the prior year, the Group entered into sale agreements in relation to two surplus corporate properties. The sales were completed by 30 June 2021.

Assets classified as held for sale are recognised at the lower of carrying amount and fair value less costs to sell. Gains and losses on subsequent re-measurement are included in the income statement. No depreciation or amortisation is charged on these assets while they are classified as held for sale.

E8 Other accounting policies

(a) Statement of compliance

(i) Changes in accounting policy and disclosures

A number of new and amended accounting standards became mandatorily applicable for the Group for the first time in the current financial year. The adoption of these new and amended standards had no impact on the financial position or performance of the Group, or the disclosures included in this Financial Report.

The IFRS Interpretations Committee (IFRIC) recently issued an agenda decision providing guidance on the treatment of costs for configuring or customising a supplier's application software in a Software as a Service (Saas) arrangement, where the customer is provided with the right to receive access to the supplier's application software over a contracted term, and for which no intangible asset is recognised as the customer does not have control of the software. Entities are required to assess whether any configuration or customisation costs incurred result in an intangible asset, by considering if these activities create a resource controlled by the entity which is separate from the software, and from which the entity has the power to obtain economic benefit, and restrict others' access to these benefits. If no intangible asset can be recognised, these costs are expensed when the services are deemed to be received. The adoption of the agenda decision did not have a material effect on the Group's 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 2021 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 2021.

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.

Steven Gregg
Chairman

David Attenborough
Managing Director and Chief Executive Officer

Melbourne
18 August 2021

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

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 2021, 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 2021 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.

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.

Building a better working world

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 $2,041 million, other intangibles of $1,018 million and goodwill of $7,038 million. An impairment charge of $122 million was recognised in relation to goodwill in the Gaming Services segment during the period. 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. Our focus was considering whether the impairment charge recorded was appropriate. This involved assessing the judgements inherent in the cash flow forecast and testing key assumptions supporting the impairment model such as forecast business growth rates, discount rates, licence renewal and terminal value assumptions. Given the quantum of goodwill, licences and other intangibles, the estimation in impairment testing and the material impairment charge recorded in FY21 relating to the Gaming Services segment, impairment testing was a key audit matter.	▸ We evaluated the Group's future cash flow forecasts, including the potential impacts of government and other measures to address the COVID-19 pandemic supporting the impairment assessments for goodwill, licence intangibles, other intangibles, property plant and equipment and right of use leased assets within the Group's cash generating units (CGUs) and segments. ▸ We evaluated the appropriateness of the key assumptions in the forecasts. 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. ▸ 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 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. ▸ We evaluated the adequacy of impairments that had been recognised during the financial year. ▸ We assessed the adequacy of the disclosures made within note C3- Impairment testing.

Building a better working world

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 capturing 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 understanding and testing 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 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 2021 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.

Building a better working world

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.

EY
Building a better working world

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 2021.

In our opinion, the Remuneration Report of Tabcorp Holdings Limited for the year ended 30 June 2021, 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

David Shewring
Partner
Melbourne
18 August 2021

FIVE YEAR REVIEW

Financial performance	Unit	FY21	FY20	FY19[i]	FY18	FY17
Total revenue[ii]	$m	**5,686**	5,224	5,488	3,765	2,234
EBITDA[iii]	$m	**1,031**	(196)	1,082	490	285
Profit/(loss) before interest and tax	$m	**651**	(574)	730	241	102
Profit/(loss) after income tax attributable to members of parent entity	$m	**269**	(870)	361	29	(21)
Dividend[iv]	$m	**322**	223	444	423	209
Financial position and cash flow						
Total assets	$m	**11,869**	12,416	13,623	12,941	3,741
Total liabilities	$m	**5,173**	6,389	6,443	5,702	2,258
Shareholders' funds/total equity	$m	**6,696**	6,027	7,180	7,239	1,483
Net cash flows from operating activities	$m	**720**	671	770	448	223
Capital expenditure – payments	$m	**183**	290	278	292	197
Cash at end of year	$m	**424**	349	463	353	114
Shareholder value						
Earnings per share	cents	**12.3**	(42.9)	17.9	1.9	(2.5)
Dividends per share[iv]	cents	**14.5**	11.0	22.0	21.0	25.0
Operating cash flow per share[v]	cents	**24.6**	18.8	24.4	10.5	3.0
Net assets per share	$	**3.07**	2.97	3.56	4.89	1.78
Return on shareholders' funds	%	**4.1**	(12.8)	5.0	0.6	(1.3)
Total shareholder return[vi]	%	**55.8**	(19.9)	4.2	7.5	0.6
Share price close	$	**5.18**	3.38	4.45	4.46	4.37
Market capitalisation	$m	**11,508**	6,869	8,986	8,978	3,650
Segment revenue from continuing operations[vii]						
Lotteries and Keno[viii]	$m	**3,206**	2,917	2,865	1,391	213
Wagering and Media[ii]	$m	**2,298**	2,084	2,318	2,122	1,873
Gaming Services	$m	**183**	221	304	250	144
Employee						
Safety[ix]	LTIFR	**2.3**	4.1	3.6	2.3	1.5
Females in senior management roles	%	**43**	39	36	36	39
Other stakeholder benefits						
Returns to racing industry	$m	**1,037**	954	975	917	813
State and territory gambling taxes and GST	$m	**2,240**	2,086	2,100	1,166	406
Income tax expense	$m	**214**	103	161	85	46

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) Periods since FY18 (which was restated) reflect the impact of the application of AASB 15 Revenue from Contracts with Customers.

(iii) 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.
FY17: Other assets – $28m.

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

(v) Net operating cash flow per the cash flow statement does not include payments for property plant and equipment and intangibles, whereas these items are included in the calculation for the operating cash flow per share ratio.

(vi) Total shareholder return (TSR) is calculated from 1 July to 30 June. The share price used for calculating TSR is the volume weighted average share price used in the Tabcorp Dividend Reinvestment Plan (DRP). Where no DRP was in operation, the closing share price on the dividend payment date is used.

(vii) Revenue includes both external and internal revenue.

(viii) Prior to FY18, this was the Keno segment.

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

SHAREHOLDER INFORMATION As at 30 July 2021

Securities on issue

Tabcorp has on issue 2,221,617,545 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 2020 due to shares issued under the 1 for 11 pro rata accelerated renounceable entitlement offer which concluded in September 2020, and shares issued pursuant to Tabcorp's Dividend Reinvestment Plan. These shares represent the only Company securities quoted on the ASX. There currently isn't a share buy-back in operation in respect of the Company's shares.

Tabcorp also has 6,690,311 Performance Rights issued to executives pursuant to Tabcorp's Long Term Incentive Plan which are not quoted on the ASX.

During FY21, a total of 123,965 shares were acquired on market at an average price of $4.76 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. Performance Rights do not carry any rights to vote at general meetings of the Company's shareholders. 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	16 March 2020	174,180,122	8.60
BlackRock Group	22 January 2020	121,798,304	6.01
The Vanguard Group, Inc	29 December 2017	106,462,742	5.295

(i) As disclosed in the last notice lodged with the ASX by the substantial shareholder.
(ii) The percentage set out in the notice lodged with the ASX is based on the total issued share capital of Tabcorp at the date of interest.

Twenty largest registered holders of ordinary shares

Investor name	Number of ordinary shares	% of issued capital
HSBC Custody Nominees (Australia) Limited	573,923,576	25.83
J P Morgan Nominees Australia Pty Limited	495,926,965	22.32
Citicorp Nominees Pty Limited	246,614,427	11.10
National Nominees Limited	90,116,862	4.06
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	43,212,652	1.95
HSBC Custody Nominees (Australia) Limited <A/C 2>	26,859,886	1.21
BNP Paribas Noms Pty Ltd <DRP>	24,914,503	1.12
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	18,854,314	0.85
BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	16,292,047	0.73
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	14,223,758	0.64
Argo Investments Limited	10,548,951	0.47
BNP Paribas Nominees Pty Ltd ACF Clearstream	9,381,867	0.42
Est Robin Edward Davey <Est Alexander Hubbard A/C>	7,654,934	0.34
UBS Nominees Pty Ltd	5,989,702	0.27
Wentworth Investments Pty Ltd	5,311,910	0.24
Netwealth Investments Limited <Wrap Services A/C>	5,193,453	0.23
Seymour Group Pty Ltd	5,090,911	0.23
Australian Executor Trustees Limited <IPS Super A/C>	4,503,848	0.20
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	3,985,232	0.18
Neweconomy Com Au Nominees Pty Limited <900 A/C>	3,885,138	0.17
Total of top 20 registered holders	**1,612,484,936**	**72.58**

Distribution of securities held

	Ordinary shares(i)			Performance Rights(ii)		
Number of securities held	Number of holders	Number of securities	% of securities	Number of holders	Number of securities	% of securities
1 – 1,000	76,246	25,143,830	1.13	-	-	-
1,001 – 5,000	63,777	151,567,245	6.82	-	-	-
5,001 – 10,000	11,247	79,599,326	3.58	-	-	-
10,001 – 100,000	8,394	180,065,575	8.11	16	969,459	14.49
100,001 and over	379	1,785,241,569	80.36	14	5,720,852	85.51
Total	**160,043**	**2,221,617,545**	**100%**	**30**	**6,690,311**	**100%**

(i) Ordinary shares includes Restricted Shares offered to employees under the Company's incentive arrangements.
(ii) Performance Rights were issued pursuant to the Company's long term incentive arrangements. Refer to the Remuneration Report on pages 51 to 76 for more information about the Company's incentive arrangements.

Unmarketable parcels

There were 11,558 shareholders holding less than a marketable parcel of ordinary shares ($500 or more, equivalent to 102 ordinary shares) based on a market price of $4.95 at the close of trading on 30 July 2021.

COMPANY DIRECTORY

Registered office

Tabcorp Holdings Limited
Level 21, Tower 2, Collins Square
727 Collins Street
Melbourne VIC 3008
Australia
Telephone 03 9246 6010
Facsimile 03 9246 6684
Email enquiries@tabcorp.com.au

Share registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
Telephone 1300 665 661
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

Level 31
680 George Street
Sydney NSW 2000
Telephone 02 9218 1000

Queensland office

Level 8
180 Ann Street
Brisbane QLD 4000
Telephone 07 3877 1010

Sky Racing/Sky Sports Radio

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

Follow us on social media

INDICATIVE KEY DATES

2021	
Last date for receipt of AGM director nominations	31 August
Annual General Meeting	19 October

2022*	
Half year results announcement	17 February
Ex-dividend for interim dividend	22 February
Record date for interim dividend	23 February
Last date for receipt of DRP elections	24 February
Interim dividend payment	17 March
End of financial year	30 June
Full year results announcement	24 August
Ex-dividend for final dividend	31 August
Record date for final dividend	1 September
Last date for receipt of DRP elections	2 September
Last date for receipt of AGM director nominations	7 September
Final dividend payment	23 September
Annual General Meeting	26 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 (AEDT) on 19 October 2021.

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'.

Copyright

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.

RECYCLED CONTENT FOREST MANAGEMENT EMS ENVIRONMENTAL MANAGEMENT SYSTEMS ECF ELEMENTAL CHLORINE FREE

WWW.TABCORP.COM.AU