

ASX ANNOUNCEMENT

Tabcorp

20 February 2025

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

Results for announcement to the market for the half year ended 31 December 2024

In accordance with the ASX Listing Rule 4.2A, the following information in respect of Tabcorp Holdings Limited's (**Tabcorp's**) results for the half year ended 31 December 2024 is transmitted for lodgment:

1. Appendix 4D; and
2. Interim Financial Report.

The information contained in this announcement should be read in conjunction with Tabcorp's most recent Annual Report.

This announcement was authorised for release by the Tabcorp Board.

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Results for announcement to the market

Half year report for the 6 months ended 31 December 2024
Tabcorp Holdings Limited (ABN 66 063 780 709)

Results	\$m	% change increase / (decrease)
Revenue from continuing operations	1,331.3	10%
Profit after tax from continuing operations	25.3	NM ⁽ⁱ⁾
Profit from ordinary activities after tax attributable to members	25.3	NM
Net profit for the period attributable to members	25.3	NM

(i) Percentage change is not meaningful.

Dividend	Record date	Payment date	Amount per share	Franked amount per share
Final dividend	3 September 2024	20 September 2024	0.3 ¢	0.0 ¢
Interim dividend	26 February 2025	14 March 2025	1.0 ¢	0.0 ¢

No foreign conduit income is attributable to the interim dividend.

Dividend reinvestment plan

Tabcorp's Dividend Reinvestment Plan (DRP) will operate in respect of the interim dividend, with the last date for receipt of election notices being 27 February 2025. 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 14 March 2025 and will rank equally in all respects with existing shares. The price at which shares are allocated is the daily volume weighted average market price of Tabcorp shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of no less than five trading days beginning on the second business day after the dividend record date.

	December 2024	December 2023
Net tangible asset backing ⁽ⁱⁱ⁾	\$	\$
Net tangible asset backing per ordinary share	(0.55)	(0.15)
Net tangible asset backing per ordinary share including licences	(0.06)	0.00

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

Controlled entities

The following controlled entities were incorporated during the half year ended 31 December 2024:

Company name	Date incorporated
Maxgaming VIC Pty Ltd	19 November 2024

Supplementary information

The previous corresponding period is the half year ended 31 December 2023.

For additional Appendix 4D disclosures, refer to the accompanying Interim Financial Report (which includes the Directors' Report) for the half year ended 31 December 2024 and ASX Release.

This Appendix 4D should be read in conjunction with Tabcorp Holdings Limited's Annual Report 2024.

Tabcorp

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2024

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DIRECTORS' REPORT

The Directors of Tabcorp Holdings Limited (ABN 66 063 780 709) (**Tabcorp** or **the Company**) present their report for the consolidated entity comprising the Company and its subsidiaries (**the Group**) and the Group's interests in joint arrangements and associates in respect of the half year ended 31 December 2024 (**1H25**).

PRINCIPAL ACTIVITIES

The principal activities of the Group during 1H25 comprised the provision of gambling, entertainment and integrity services. The Group's principal activities during 1H25 remained unchanged from the previous financial year.

REVIEW OF OPERATIONS

The 1H25 financial results relate to the Group's two businesses:

- Wagering and Media
- Integrity Services (referred to as Gaming Services in prior periods)

Unless otherwise stated, the comparisons to the prior period are in respect of the continuing businesses for the six-month period to 31 December 2023 (**1H24** or **pcp**).

1H25 GROUP RESULTS¹

	Statutory results			Results before significant items ²		
	1H25 \$m	1H24 \$m	Change %	1H25 \$m	1H24 \$m	Change %
Revenues	1,331.3	1,209.6	10.1	1,331.3	1,209.6	10.1
Taxes, levies, commissions and fees	(760.5)	(723.6)	(5.1)	(786.9)	(724.0)	(8.7)
Net operating expenses	(387.9)	(354.3)	(9.5)	(354.2)	(315.8)	(12.2)
EBITDA ^{2 3}	182.9	131.7	38.9	190.2	169.8	12.0
Depreciation and amortisation	(97.5)	(119.8)	18.6	(97.5)	(119.8)	18.6
Impairment - goodwill ⁴	-	(212.8)	NM ⁵	-	-	-
Impairment - other ⁴	-	(639.2)	NM	-	-	-
Profit/(loss) before income tax, net finance costs and equity accounted investment (EBIT)	85.4	(840.1)	NM	92.7	50.0	85.4
Profit/(loss) before income tax	38.9	(856.1)	NM	46.2	26.3	75.7
Net profit/(loss) after income tax (NPAT)	25.3	(636.8)	NM	22.1	17.6	25.6

	Statutory results			Results before significant and certain non-cash items ⁶		
	1H25 \$m	1H24 \$m	Change %	1H25 \$m	1H24 \$m	Change %
Earnings/(loss) per share (EPS) – cents per share (cps)	1.1	(28.2)	NM	1.9	NM	NM

¹ Results from continuing operations.

² Significant items are disclosed on page 5 and in Note A1 of the Financial Report and is non-IFRS financial information and not subject to audit or review.

³ Earnings before interest, tax, depreciation, amortisation and impairment (**EBITDA**) is non-IFRS financial information and not subject to audit or review. Excluding equity accounted result.

⁴ Write down of goodwill and certain operating assets in the pcp following impairment review relating to the Wagering and Media Segment. Refer to Note C1 of the Financial Report.

⁵ Not meaningful.

⁶ Calculated using NPAT before significant items, Victorian Licence amortisation (1H25: \$21.1m) and equity accounted result. This is non-IFRS financial information and not subject to audit or review.

In 1H25, the Group recognised revenue of \$1,331.3m, up 10.1% on the pcp.

The Group reported NPAT of \$25.3m after significant items net benefit totaling \$3.2m (after tax)⁷. This compared to a net loss after tax of \$636.8m in the pcp which was impacted by a non-cash impairment charge of \$731.9m (after tax) in the pcp.

The Group reported a profit before income tax, net finance costs and equity accounted investment of \$85.4m, compared to a loss of \$840.1m in the pcp.

Group EBITDA before significant items⁷ was \$190.2m, up 12.0% on the pcp.

The Group recorded EPS of 1.1 cps. EPS before significant and certain non-cash items was 1.9 cps⁸.

The 25.6% improvement in NPAT before significant items⁷ reflects the benefits from the successful transition to the reformed Victorian Wagering and Betting Licence (**Victorian Licence**) which commenced on 16 August 2024, cost discipline and increased competitiveness that was amplified with new innovations during the TAB Everest, Melbourne Cup Carnival and Magic Millions.

TAB's digital product is competitive, allowing the Group to now move from a predominantly digital focus to a broader set of strategic initiatives across all of Tabcorp's unique assets. The TAB Takeover promotion across the Spring Racing Carnival is an example of how we can compete in the market by leveraging our unique retail and media channels to promote our wagering offering.

Cost and capital discipline has been a core focus during 1H25 with a broad range of actions implemented.

Actions taken to reduce operating costs include embedding strong cost discipline, employee headcount reductions, and discretionary spend reductions. In 1H25, Group operating expenses before significant items grew 12.2% on the pcp. To provide a useful comparison to the current period cost base, underlying operating expenses were down 1.8% when compared to 1H24 after adjusting for the impact of the new Victorian Licence arrangements, demerger dis-synergy, incentive accrual and the sale of the MPS business.

A review of all capital expenditure (**capex**) and re-prioritisation of projects in line with an evolved strategy was undertaken during 1H25. Capex for 1H25 was \$57.0m, down 25% on the pcp, with 67% allocated to investments for growth and transformation initiatives.

The Group's balance sheet remains in a strong position providing flexibility. At 31 December 2024, the Group had net assets of \$1,270.0m and net debt⁹ of \$753.0m. At 31 December 2024, the Group's average maturity of drawn debt was 4.5 years, with undrawn debt facilities and unrestricted cash of \$634.0m.

The Group continues to maintain access to diversified funding sources, with no debt maturities until FY28. The Group's balance sheet places Tabcorp in a strong position to continue to pursue growth opportunities. As at 31 December 2024, the Group's leverage¹⁰ of 2.2 times was below Tabcorp's target leverage range of less than 2.5 times through the cycle.

⁷ Significant items are disclosed on page 5 and in Note A1 of the Financial Report and is non-IFRS financial information and not subject to audit or review.

⁸ Calculated using NPAT before significant items, Victorian Licence amortisation (1H25: \$21.1m) and equity accounted result. This is non-IFRS financial information and not subject to audit or review.

⁹ Net debt is gross debt (Australian Dollar equivalent repayable at maturity), including lease liabilities, less cash. Non-IFRS financial information and not subject to audit or review.

¹⁰ Leverage is net debt/EBITDA on a last 12-month basis, and is non-IFRS financial information and not subject to audit or review.

Significant items

The 1H25 statutory results include the following significant items:

- Costs to implement long term strategic cost reduction program initiatives, including redundancies and one-off transformation initiatives.
- Demerger costs incurred to separate Tabcorp and The Lottery Corporation (**TLC**). These costs exclude certain technology related separation costs which are recharged to TLC.
- In connection with the Victorian Licence, embedded in the Victorian Racing Industry (**VRI**) funding support arrangement was commercial protection against race field fee increases for three years to FY27. Following the October 2024 race fields increase announcement, the three years of funding support liability has been remeasured at 1H25. The \$26.0m net benefit is partly offset by \$6.1m of one-off licence implementation expenses. Refer to Note C2 of the Financial Report for more information.

The table below provides a reconciliation of the statutory results from continuing operations to the results from continuing operations before significant items. The results before significant items are useful to provide an understanding of the financial performance of the Group.

Consolidated (\$m)	Statutory results	Transformation costs	Demerger costs	Victorian Licence	Other	Results before significant items ¹¹
Revenues	1,331.3	-	-	-	-	1,331.3
Taxes, levies, commissions and fees	(760.5)	-	-	(24.6)	(1.8)	(786.9)
Net operating expenses	(387.9)	23.8	3.4	4.7	1.8	(354.2)
EBITDA^{11 12}	182.9	23.8	3.4	(19.9)	-	190.2
Depreciation and amortisation	(97.5)	-	-	-	-	(97.5)
EBIT	85.4	23.8	3.4	(19.9)	-	92.7
Equity accounted loss	(0.5)	-	-	-	-	(0.5)
Net finance costs	(46.0)	-	-	-	-	(46.0)
Profit/(loss) before tax	38.9	23.8	3.4	(19.9)	-	46.2
Income tax	(13.6)	(7.2)	(1.0)	(2.3) ¹³	-	(24.1)
Profit/(loss) after tax	25.3	16.6	2.4	(22.2)	-	22.1

¹¹ Non-IFRS financial information and not subject to audit or review.

¹² Excluding equity accounted result.

¹³ Funding support liability is a permanent difference for tax purposes (i.e. non assessable) and therefore impacts the tax calculation.

IH25 BUSINESS RESULTS

Wagering and Media

	1H25 \$m	1H24 \$m	Change %
Revenues	1,243.2	1,116.6	11.3
Operating expenses	(301.4)	(259.9)	(16.0)
EBITDA before significant items ¹⁴	156.7	134.0	16.9
Depreciation and amortisation	(77.3)	(100.7)	23.2
EBIT before significant items ¹⁴	79.4	33.3	>100

Business overview	<p>Wagering and Media operates a diverse and complementary portfolio of operations.</p> <p>TAB is a leading omni-channel provider of wagering experiences in Australia, with a unique combination of digital, retail destinations and integrated media assets. The wagering licences held by TAB across each Australian State and Territory (excluding Western Australia) enable it to offer totalisator (or pari-mutuel) and fixed odds betting on racing, fixed odds betting on sport and other events, through digital and cash betting in retail.</p> <p>Sky Racing is a leader in multi-venue, multi-channel racing and sports broadcasting. Sky Racing operates a combination of racing and sports channels which are extensively distributed directly to TAB's venue network, in-home to pay TV subscribers and over various digital platforms.</p> <p>Premier Gateway International (PGI) operates an international wagering and tote pooling hub licensed and operating out of the Isle of Man.</p> <p>Sky Racing World (SRW), based in the USA, manages the international marketing and distribution of international racing content. SRW also assists with importing racing content from around the world into Australia and facilitates associated tote pools.</p>
1H25 results before significant items¹⁴	Wagering and Media revenues were \$1,243.2m, up 11.3%, EBITDA was \$156.7m, up 16.9%, and EBIT was \$79.4m, up by more than 100%, on the pcp.
Review of performance before significant items¹⁴	<p>Wagering turnover from domestic Australian operations was down 4.3% driven by a soft trading environment in 1H25.</p> <p>Total domestic wagering revenue was up 16.0%, benefitting from the commencement of the Victorian Licence from 16 August 2024 under which Tabcorp now receives 100% of Victorian wagering revenue following the end of the previous 50:50 joint venture with the VRI. Total domestic wagering revenue, pre-VRI share to provide a like for like comparison, was up 0.8%, reflecting a decline in turnover offset by higher net yields from favourable results and generosity efficiency.</p> <p>Revenue from the Group's international wagering business declined 1.1% on the pcp.</p> <p>Media revenue increased 1.6% on the pcp, reflecting growth in vision distribution partly offset by the impact of the softer domestic wagering market in 1H25 on turnover-linked revenues.</p> <p>Operating expenses increased 16.0% predominantly due to the end of cost sharing arrangements with the VRI joint venture under the previous Victorian Wagering and Betting Licence, incentive accrual, demerger dis-synergy costs and inflation, partly offset by cost reduction initiatives.</p>

¹⁴ Non-IFRS financial information and not subject to audit or review.

Integrity Services

	1H25 \$m	1H24 \$m	Change %
Revenues	88.1	93.0	(5.3)
Operating expenses	(52.8)	(55.9)	5.5
EBITDA before significant items ¹⁵	33.5	35.8	(6.4)
Depreciation and amortisation	(20.2)	(19.1)	(5.8)
EBIT before significant items ¹⁵	13.3	16.7	(20.4)

Business overview	<p>Integrity Services operates the MAX business, which is comprised of MAX Regulatory Services (MRS) and MAX Technical Services (MTS).</p> <p>MRS provides integrity services, including monitoring of electronic gaming machines (EGMs) and other related integrity services across NSW, Queensland, Northern Territory and Tasmania. In Queensland and Northern Territory, MRS also provides additional products, technology and services to licensed gaming venues.</p> <p>MTS provides technical support and maintenance services to customers nationally as well as Tabcorp's other operating businesses.</p>
1H25 results before significant items¹⁵	<p>Integrity Services revenue was \$88.1m, down 5.3%, EBITDA was \$33.5m, down 6.4%, and EBIT was \$13.3m, down 20.4%, on the pcp.</p>
Review of performance before significant items¹⁵	<p>Integrity Services revenue declined in 1H25, reflecting the impact of the sale of MAX Performance Solutions (MPS) (completed in October 2023), partially offset by CPI-linked fee increases, increase in the number of monitored EGMs and growth in project work. Excluding MPS revenue in the pcp, 1H25 revenue was up 9.7% on the pcp.</p> <p>Operating expenses decreased 5.5% on the pcp due to the sale of MPS. Excluding the impact of the MPS business in the pcp, operating expense growth was contained to 2.3%.</p> <p>Excluding the impact of the MPS business in the pcp, EBITDA and EBIT for 1H25 were up 18.4% and 38.5% respectively on the pcp.</p>

DIVIDENDS

A final dividend of 0.3 cents per share (**cps**) unfranked in respect of the year ended 30 June 2024 (**FY24**) was announced on 28 August 2024 and paid to shareholders on 20 September 2024.

An interim dividend of 1.0 cps unfranked in respect of the 1H25 period has been announced. The interim dividend will be payable on 14 March 2025 to shareholders registered as at 26 February 2025. The ex-dividend date is 25 February 2025.

This interim dividend represents a payout ratio of 53% of 1H25 NPAT before significant and certain non-cash items¹⁶.

The unfranked nature of the interim dividend reflects the material impact on the franking balance of tax refunds received in FY24. This included the settlement of several tax matters with the Australian Taxation Office. The Company is unlikely to be in a position to frank dividends in the near-term given cash tax is expected to be nil due to carried forward tax losses, and research and development tax offsets.

¹⁵ Non-IFRS financial information and not subject to audit or review.

¹⁶ Calculated using NPAT before significant items, Victorian Licence amortisation (1H25: \$21.1m) and equity accounted investment result. This is non-IFRS financial information and not subject to audit or review.

The Company's Dividend Reinvestment Plan will operate in respect of this interim dividend, with no discount or underwriting applicable.

The table below shows the dividends paid, declared or recommended by the Company during the 1H25 period and comparison to the pcp.

	1H25 interim	FY24 final	1H24 interim
Amount	1.0 cps unfranked	0.3 cps unfranked	1.0 cps fully franked
Record date	26 February 2025	3 September 2024	28 February 2024
Payment date	14 March 2025	20 September 2024	21 March 2024
Total	\$22.8m	\$6.9m	\$22.8m

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Group successfully transitioned to the new 20 year exclusive Victorian Licence which commenced on 16 August 2024. The Victorian Licence creates a level playing field for wagering taxes and fees in Victoria and enhances Tabcorp's ongoing competitiveness. In connection with the award of the new Victorian Licence, the previous 50:50 joint venture arrangement and Tabcorp's previous industry funding obligations which applied under the previous licence were discontinued. From the commencement of the Victorian Licence, 100% of the relevant transactions and balances of the Victorian wagering operations have been recognised within the Group's Financial Report (previously Tabcorp's 50% interest was recognised). Refer to Note C2 of the Financial Report for more information.

There are no other significant changes in the state of affairs of the Group that occurred during the half year under review not otherwise disclosed in this report.

SIGNIFICANT EVENTS AFTER THE END OF THE HALF YEAR PERIOD

There have been no other matters or circumstances that have arisen since the end of the half year that have significantly affected or may significantly affect the Group's operations which are not otherwise disclosed in the Directors' Report or the Financial Report.

ROUNDING OF AMOUNTS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10. The auditor's independence declaration forms part of the Directors' Report.

DIRECTORS

The Directors of the Company in office during 1H25 and up to the date of this report (unless otherwise stated) are as follows:

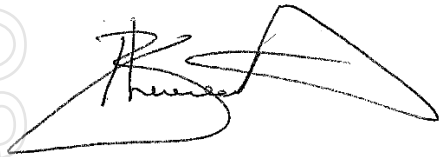
Name	Title
Brett Chenoweth	Chairman and Non-Executive Director
Gillon McLachlan	Managing Director and Chief Executive Officer
David Gallop AM	Non-Executive Director
Janette Kendall	Non-Executive Director
Raelene Murphy	Non-Executive Director
Karen Stocks	Non-Executive Director

Gillon McLachlan commenced as an Observer on 5 August 2024, and formally commenced as Managing Director and Chief Executive Officer on 31 January 2025 following the receipt of the necessary regulatory approvals.

Bruce Akhurst retired from the Board effective 31 January 2025.

Justin Milne retired from the Board effective 31 December 2024.

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



Brett Chenoweth

Chairman

20 February 2025

Melbourne



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with confidence

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Auditor's independence declaration to the directors of Tabcorp Holdings Limited

As lead auditor for the review of the half-year financial report of Tabcorp Holdings Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Michael Collins
Partner
20 February 2025

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INCOME STATEMENT

for the half year ended 31 December 2024

		December 2024 \$m	December 2023 \$m
Continuing operations			
Revenue	A3	1,331.3	1,209.6
Other income	A3	3.3	12.8
Commissions and fees		(525.4)	(545.4)
Government taxes and levies		(235.1)	(178.2)
Employment costs		(175.1)	(157.3)
Communication and technology costs		(70.3)	(63.2)
Advertising and promotions		(77.0)	(68.0)
Other expenses	A3	(68.8)	(78.6)
Depreciation and amortisation		(97.5)	(119.8)
Impairment - goodwill	C1	-	(212.8)
Impairment - other	C1	-	(639.2)
Profit/(loss) before income tax, net finance costs and equity accounted investment		85.4	(840.1)
Loss from equity accounted investment		(0.5)	(2.8)
Finance income		5.6	12.0
Finance costs	A3	(51.6)	(25.2)
Profit/(loss) from continuing operations before income tax		38.9	(856.1)
Income tax (expense)/benefit	A4	(13.6)	219.3
Profit/(loss) from continuing operations after income tax		25.3	(636.8)
Discontinued operations			
Profit from discontinued operations after tax	C3	-	-
Net profit/(loss) after tax		25.3	(636.8)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity		0.3	(3.5)
Exchange differences on translation of foreign operations		4.0	(1.9)
Income tax relating to these items		(0.1)	0.5
Other comprehensive income for the period, net of income tax		4.2	(4.9)
Total comprehensive income for the period		29.5	(641.7)
		December 2024 cents	December 2023 cents
Earnings/(loss) per share:			
From continuing operations			
Basic earnings/(loss) per share		1.1	(28.2)
Diluted earnings/(loss) per share		1.1	(28.2)
Total attributable to shareholders of Tabcorp			
Basic earnings/(loss) per share		1.1	(28.2)
Diluted earnings/(loss) per share		1.1	(28.2)
Dividends per share:			
Declared and paid during the period	A2	0.3	1.0
Determined in respect of the period	A2	1.0	1.0

The income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 31 December 2024

	Note	December 2024 \$m	June 2024 \$m
Current assets			
Cash and cash equivalents		260.3	313.7
Receivables		128.4	160.9
Prepayments		74.9	70.3
Current tax assets		7.4	13.0
Derivative financial instruments	B2	2.3	0.8
Other		12.5	12.4
Total current assets		485.8	571.1
Non current assets			
Receivables		2.8	3.7
Investment in associates		29.6	30.1
Licences		1,122.9	1,151.9
Other intangible assets		1,399.2	1,390.5
Property, plant and equipment		136.1	142.2
Right-of-use assets		69.6	41.8
Deferred tax assets		5.9	11.4
Prepayments		26.7	31.0
Derivative financial instruments	B2	20.5	0.8
Other		7.9	10.8
Total non current assets		2,821.2	2,814.2
TOTAL ASSETS		3,307.0	3,385.3
Current liabilities			
Payables		570.4	554.9
Other financial liabilities		37.7	-
Lease liabilities		30.4	31.4
Provisions		53.2	58.7
Derivative financial instruments	B2	10.6	18.0
Other		2.5	3.6
Total current liabilities		704.8	666.6
Non current liabilities			
Interest bearing liabilities	B1	931.4	1,032.6
Other financial liabilities		288.7	341.2
Lease liabilities		95.4	80.4
Provisions		13.3	11.8
Derivative financial instruments	B2	-	5.2
Other		3.4	0.6
Total non current liabilities		1,332.2	1,471.8
TOTAL LIABILITIES		2,037.0	2,138.4
NET ASSETS		1,270.0	1,246.9
Equity			
Issued capital		1,686.3	1,688.5
Accumulated losses		(420.4)	(438.8)
Reserves		4.1	(2.8)
TOTAL EQUITY		1,270.0	1,246.9

The balance sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

for the half year ended 31 December 2024

	December 2024	December 2023
Note	\$m	\$m
Cash flows from operating activities		
Net cash receipts in the course of operations	1,424.6	1,271.8
Payments to suppliers, service providers and employees	(1,067.0)	(1,091.6)
Payment of government levies, betting taxes and GST	(190.9)	(123.3)
Net cash receipts on transition to New Licence	39.0	-
Finance income received	5.5	17.3
Finance costs paid	(38.4)	(22.0)
Income tax (paid)/received	(0.8)	69.1
	172.0	121.3
Cash flows from investing activities		
Payment for property, plant and equipment and other intangibles	(66.3)	(73.9)
Proceeds from sale of property, plant and equipment and other intangibles	-	1.2
Net proceeds from business divestment	-	21.0
Payment for acquisition of shares in associates	-	(2.6)
Proceeds from sale of other non current assets	-	1.1
	(66.3)	(53.2)
Cash flows from financing activities		
Proceeds from revolving bank facilities	130.0	95.0
Repayments of revolving bank facilities	(260.0)	(95.0)
Payment of lease liabilities	(17.5)	(21.6)
Dividends paid	(6.4)	(21.9)
Payment for on-market share purchase	(5.2)	(1.9)
	(159.1)	(45.4)
Net (decrease)/increase in cash and cash equivalents	(53.4)	22.7
Cash and cash equivalents at beginning of period	313.7	290.7
Cash and cash equivalents at end of period	260.3	313.4

The Group operates under various licences which have regulatory requirements in place that restrict the Group's use of certain cash and cash equivalents. The carrying amount of these balances included within cash and cash equivalents within the consolidated financial statement is \$135.6m (2023: \$87.3m).

The cash flow statement for the prior period ended 31 December 2023 includes the cash flows related to discontinued operations of The Lottery Corporation. Refer to note C3.

The cash flow statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2024

	Issued capital		(Accumulated losses) / Retained earnings	Reserves		Total equity	
	Number of ordinary shares m	Ordinary shares \$m		Treasury shares \$m	Hedging \$m		Other \$m
2024							
Balance at 1 July 2024	2,283.6	1,689.7	(1.2)	(438.8)	(12.0)	9.2	1,246.9
Profit for the period	-	-	-	25.3	-	-	25.3
Other comprehensive income	-	-	-	-	0.2	4.0	4.2
Total comprehensive income	-	-	-	25.3	0.2	4.0	29.5
Dividends paid	-	-	-	(6.9)	-	-	(6.9)
Dividend reinvestment plan	1.2	0.5	-	-	-	-	0.5
Share based payments expense	-	-	2.5	-	-	2.7	5.2
Net outlay to purchase shares	-	-	(5.2)	-	-	-	(5.2)
Balance at 31 December 2024	2,284.8	1,690.2	(3.9)	(420.4)	(11.8)	15.9	1,270.0
		Total issued capital	\$1,686.3m		Total reserves	\$4.1m	
2023							
Balance at 1 July 2023	2,281.5	1,687.9	(0.8)	966.4	(3.2)	8.8	2,659.1
Loss for the period	-	-	-	(636.8)	-	-	(636.8)
Other comprehensive income	-	-	-	-	(3.0)	(1.9)	(4.9)
Total comprehensive income	-	-	-	(636.8)	(3.0)	(1.9)	(641.7)
Dividends paid	-	-	-	(22.8)	-	-	(22.8)
Dividend reinvestment plan	0.8	0.9	-	-	-	-	0.9
Share based payments expense	-	-	1.5	-	-	0.3	1.8
Net outlay to purchase shares	-	-	(1.9)	-	-	-	(1.9)
Balance at 31 December 2023	2,282.3	1,688.8	(1.2)	306.8	(6.2)	7.2	1,995.4
		Total issued capital	\$1,687.6m		Total reserves	\$1.0m	

The statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

ABOUT THIS REPORT

Tabcorp Holdings Limited (the Company) is a company domiciled in Australia. The general purpose condensed consolidated half year financial report of the Company for the six months ended 31 December 2024 (half year financial report) comprises the Company and its subsidiaries (the Group) and the Group's interest in associates.

The half year financial report was authorised for issue by the Board of Directors on 20 February 2025 and has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001 (Cth), and with IAS 34 'Interim Financial Reporting'.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth).

The accounting policies used are consistent with those applied in the 30 June 2024 financial report. Certain comparative information in the financial statements has been reclassified to conform to the current period presentation and classification.

Significant changes in state of affairs

The Group successfully transitioned to the new 20 year exclusive Victorian Wagering and Betting Licence (New Licence) on 16 August 2024 and the previous 50:50 joint venture with the Victorian Racing Industry (VRI) which operated under the previous Victorian Wagering and Betting Licence (Old Licence) ceased to operate. Refer to note C2 for further information.

Net current asset deficiency

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

Note disclosures in this half year financial report have been grouped into the following three sections:

A Group performance

- A1 Segment information
- A2 Dividends
- A3 Revenue and expenses
- A4 Income tax
- A5 Subsequent events

B Capital and risk management

- B1 Interest bearing liabilities
- B2 Derivative financial instruments
- B3 Fair value measurement

C Other disclosures

- C1 Impairment testing
- C2 Victorian Wagering and Betting Licence
- C3 Discontinued operations
- C4 Contingencies

NOTES TO THE FINANCIAL STATEMENTS

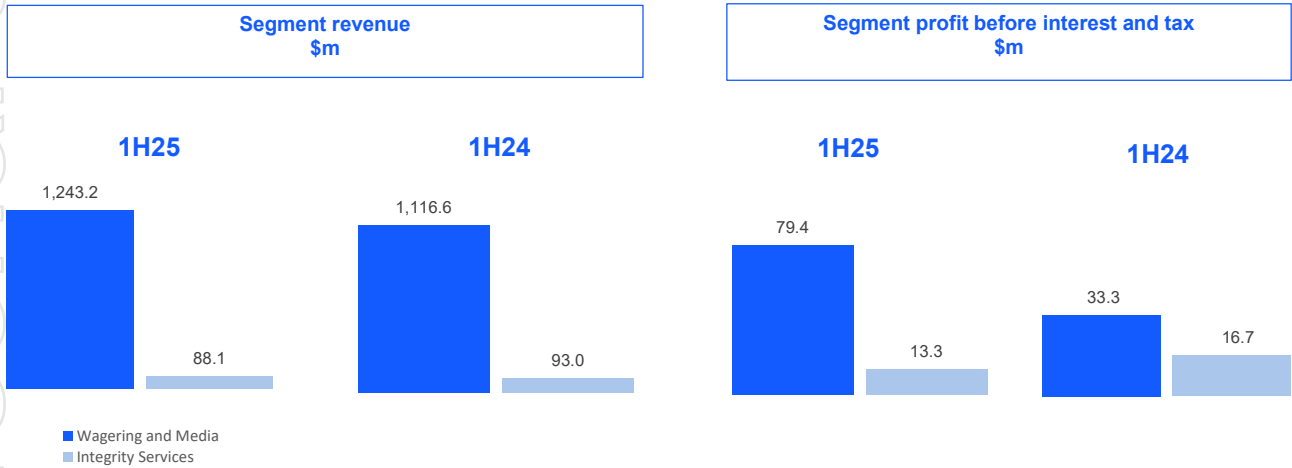
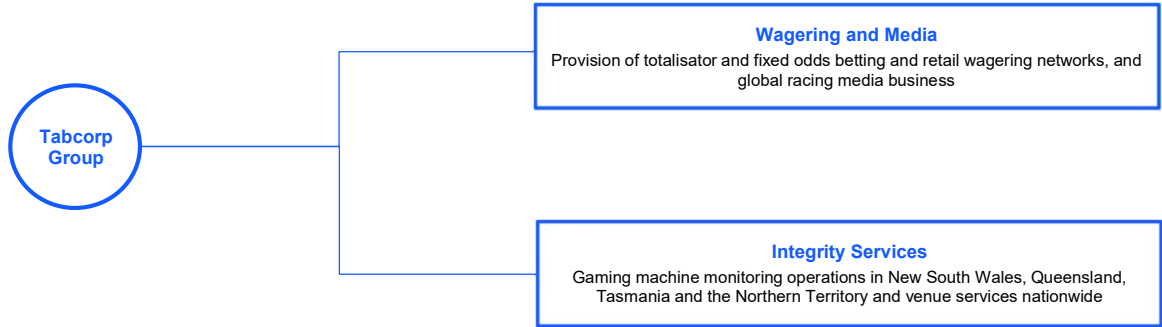
for the half year ended 31 December 2024

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.

The Group has two operating segments from continuing operations at period end: Wagering and Media and Integrity Services (formerly Gaming Services).



NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE (CONTINUED)

A1 Segment information (continued)

	Wagering and Media \$m	Integrity Services \$m	Total \$m
December 2024			
Segment revenue	1,243.2	88.1	1,331.3
Segment profit before interest and tax	79.4	13.3	92.7
December 2023			
Segment revenue	1,116.6	93.0	1,209.6
Segment profit before interest and tax	33.3	16.7	50.0

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

	Revenue		Profit/(loss) from continuing operations before income tax	
	December 2024 \$m	December 2023 \$m	December 2024 \$m	December 2023 \$m
Segment total (per above)	1,331.3	1,209.6	92.7	50.0
Unallocated items:				
- significant items:				
- loss on TGS business divestment ⁽ⁱ⁾	-	-	-	(7.5)
- demerger costs ⁽ⁱⁱ⁾	-	-	(3.4)	(11.1)
- transformation costs ⁽ⁱⁱⁱ⁾	-	-	(23.8)	(13.5)
- costs associated with new Victorian Wagering and Betting Licence ^(iv)	-	-	19.9	(6.0)
- impairment - goodwill ^(v)	-	-	-	(212.8)
- impairment - other ^(vi)	-	-	-	(639.2)
	-	-	(7.3)	(890.1)
- loss from equity accounted investment	-	-	(0.5)	(2.8)
- finance income ^(vii)	-	-	5.6	12.0
- finance costs	-	-	(51.6)	(25.2)
Total per income statement	1,331.3	1,209.6	38.9	(856.1)

- (i) On 31 October 2023, the Group completed the sale of the Tabcorp Gaming Solutions (TGS) business (trading as MAX Performance Solutions) to PVS Australia Pty Ltd and Nexus Services Pty Ltd for \$21.0m in cash, including customary working capital and other minor adjustments. The loss on TGS business divestment includes loss on sale of business of \$3.1m (refer to note A3), onerous contract provision of \$1.7m, inventory write-off of \$2.0m and separation costs of \$0.7m.
- (ii) Costs incurred to separate Tabcorp and The Lottery Corporation into two standalone companies.
- (iii) Relates to establishment and implementation costs of the transformation program and includes redundancies and one-off transformation initiatives.
- (iv) The net gain recorded represents the following components:
- The \$27.6m gain on remeasurement of the VRI Funding Liability in the period, partly offset by the impact of the increase in Victorian Race Field Fees (\$1.6m) recorded within Commissions and Fees expenditure reflecting the protection Tabcorp has against the Race Field Fee increases through to July 2027 under the transitional arrangements agreed with the VRI for the New Licence which commenced in August 2024 (refer to note C2).
 - Costs associated to procure the New Licence and perform preparatory activities amount to \$6.1m (December 2023: \$6.0m).
- (v) Prior period write down of goodwill following the half year impairment review relating to Wagering and Media segment (\$212.8m). Refer to note C1.
- (vi) Prior period write down of certain operating assets relating to New South Wales and South Australia cash generating units (\$639.2m). Refer to note A3.
- (vii) Prior period includes interest received from continuing operations from ATO dispute settlement of \$7.7m (refer to note A4). The portion relating to The Lottery Corporation has been presented as discontinued operations (refer to note C3).

A2 Dividends

Dividends declared and paid during the period:

Prior year final dividend - Unfranked (2023: Fully franked)

December 2024 Cents per share	December 2023 Cents per share	December 2024 \$m	December 2023 \$m
0.3	1.0	6.9	22.8

Dividends determined in respect of the period (declared and recognised after balance date):

Interim dividend - Unfranked (2023: Fully franked)

1.0	1.0	22.8	22.8
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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE (CONTINUED)

A3 Revenue and expenses

(a) Disaggregated revenue information:

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

	Wagering \$m	Media \$m	Integrity Services \$m	Total \$m
December 2024				
Revenue from contracts with customers	507.0	98.5	88.1	693.6
Other revenue ⁽ⁱ⁾	637.7	-	-	637.7
	1,144.7	98.5	88.1	1,331.3
December 2023				
Revenue from contracts with customers	474.5	113.4	93.0	680.9
Other revenue ⁽ⁱ⁾	528.7	-	-	528.7
	1,003.2	113.4	93.0	1,209.6

	December 2024 \$m	December 2023 \$m
Timing of revenue recognition		
Goods and services transferred at a point in time	1,275.7	1,145.5
Goods and services transferred over time	55.6	64.1
	1,331.3	1,209.6

(b) Other income/(loss)

Net gain on disposal of assets	0.4	1.9
Loss on sale of TGS business ⁽ⁱⁱ⁾	-	(3.1)
Transitional Services Agreement (TSA) income ⁽ⁱⁱⁱ⁾	1.5	9.9
Other	1.4	4.1
	3.3	12.8

(c) Finance costs

Interest costs on external borrowing facilities ^(iv)	34.6	18.0
Commitment fees on external borrowing facilities	1.7	3.6
Interest costs on lease liabilities	2.9	2.4
Finance costs on external borrowings and lease liabilities ^(v)	39.2	24.0
Interest expenses on payables and other financial liabilities ^(vi)	11.2	-
Other ^(vii)	1.2	1.2
Total finance costs	51.6	25.2

(d) Impairment - other ^(viii)

Licences	-	283.1
Other intangible assets	-	297.1
Property, plant and equipment	-	22.1
Right-of-use assets	-	36.9
	-	639.2

(e) Other expenses ^(ix)

	68.8	78.6
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(i) Includes fixed odds betting revenue.

(ii) Refer to note A1.

(iii) TSA income relates to the provision of services to The Lottery Corporation in the transition period following its demerger and is accounted for on a gross basis.

The technology separation costs in relation to the demerger are accounted for on a net basis.

(iv) Interest costs on external borrowing facilities increased due to the June 2024 drawdown on bank facilities to fund the New Licence.

(v) Subtotal represents interest costs and commitment fees paid and payable including interest costs on lease liabilities.

(vi) Interest expenses on payables and other financial liabilities represents the notional current year effective interest charge arising on the difference between the present value and the actual value of a future payment. This includes the difference associated with scheduled payments for the New Licence.

(vii) Other finance costs includes amortisation of prepaid establishment fees and the notional effective finance charge on differences between present value and future value of non financial liabilities.

(viii) In addition to these amounts the prior period includes a deferred tax benefit of \$120.1m recognised following the impairment charge recognised in the prior period. Refer to note A4.

(ix) Other expenses includes ongoing expenditure under the transformation program. Refer to note A1.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION A - GROUP PERFORMANCE (CONTINUED)

A4 Income tax

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

	December 2024 \$m	December 2023 \$m
Current tax benefit/(expense)	0.5	(0.5)
Adjustments in respect of current income tax of previous years ⁽ⁱ⁾	-	55.5
Tax settlement ⁽ⁱⁱ⁾	-	44.2
Deferred tax	(8.5)	120.1
Pillar Two tax	(5.6)	-
	(13.6)	219.3

(i) Prior period includes the Racing Queensland settlement previously accounted for as non-deductible. The \$45.0m tax effect was previously disclosed as a permanent difference in calculating taxable income (refer to the annual report for the year ended 30 June 2022).

(ii) In September 2023, Tabcorp received \$94.5m refund representing disputed tax liabilities and interest from ATO in relation to the resolved dispute on income tax treatment of payments for various licences and authorities. The portion relating to Tabcorp's continuing operations in the tax settlement represents \$44.2m for disputed tax liabilities and \$7.7m interest, recognised as adjustment to prior period income tax benefit and finance income, respectively. The portion relating to The Lottery Corporation in the tax settlement has been presented as prior period discontinued operations (refer to note C3). As at 30 June 2023, the Company had disclosed a contingent asset in connection to one matter incorporated in the overall claim.

At 31 December 2024 the Group has a current tax receivable of \$7.4m comprising the 2024 income tax refund and Pillar Two current tax payable for the period (June 2024: \$13.0m comprising the 2024 income tax refund).

Global minimum top-up tax

The Group has adopted AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules (AASB 2023-2) effective immediately in response to the Organisation for Economic Co-operation and Development's (OECD) Two Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy (Pillar Two). Pillar Two of those proposals seeks to apply a global minimum top-up tax that results in the total amount of taxes payable on Global Anti-Base Erosion Rules (GloBE) income in each jurisdiction representing at least the minimum rate of 15%.

As at the reporting date, Australia has substantively enacted Pillar Two tax legislation, which applies to the Company from 1 July 2024. Consequently, the Group is subject to the global minimum top-up tax in respect of its operations in the Isle of Man. The Group recognised a current tax expense of \$5.6m related to that top-up tax which is levied on the Company under Australia's Pillar Two tax legislation. The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

In November 2024, the Isle of Man enacted new tax legislation to implement a domestic minimum top-up tax, which is applied to fiscal years starting on or after 1 January 2025. As a result, from 1 July 2025, the Group's subsidiaries, Premier Gateway International Limited and Premier Gateway Services Limited will be liable for the top-up tax instead of the Company.

A5 Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION B - CAPITAL AND RISK MANAGEMENT

B1 Interest bearing liabilities

The Group borrows money from financial institutions and debt investors in the form of bank loans and foreign currency denominated notes. The following table details the debt position of the Group at 31 December 2024 and 30 June 2024:

Facility	Details	Facility limit \$m	Maturity	December 2024 \$m	June 2024 \$m
Bank loans - unsecured	Floating interest rate revolving facility. Subject to financial undertakings as to gearing and interest cover.	550.0	Jul-27	430.0	550.0
		430.0	Jun-29	40.0	50.0
				470.0	600.0
US private placement	Fixed interest rate US dollar debt. At 31 December 2024 aggregate US dollar principal of \$289.0m. Cross currency swaps are in place for all US dollar debt. Under these swaps the aggregate Australian dollar amount payable at maturity is \$424.9m. Subject to financial undertakings as to gearing and interest cover.	USD 169.0	Mar-30	269.9	253.0
		USD 120.0	Mar-33	191.5	179.6
				461.4 ⁽ⁱ⁾	432.6 ⁽ⁱ⁾
				931.4	1,032.6
Current				-	-
Non current				931.4	1,032.6
				931.4	1,032.6

(i) The value comprises the drawn down value of \$464.9m (June 2024: \$436.3m) less borrowing costs of \$3.5m (June 2024: \$3.7m).

B2 Derivative financial instruments

The Group holds the following derivative financial instruments, all at fair value based on level 2 observable inputs, other than fixed odds open betting positions which are within level 3 in fair value hierarchy (refer to note B3):

	December 2024 \$m	June 2024 \$m
Current assets		
Foreign exchange forward contracts	2.3	0.8
Non current assets		
Foreign exchange forward contracts	-	0.8
Cross currency swaps	20.5	-
	20.5	0.8
	22.8	1.6
Current liabilities		
Cross currency swaps	0.2	3.6
Fixed odds open betting positions	10.4	14.4
	10.6	18.0
Non current liabilities		
Cross currency swaps	-	5.2
	10.6	23.2

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION B - CAPITAL AND RISK MANAGEMENT (CONTINUED)

B3 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	
	December 2024	June 2024	December 2024	June 2024
	\$m	\$m	\$m	\$m
Financial liabilities				
US private placement	464.9	436.3	472.1	434.1
Licence-related payments	298.1	286.9	305.0	286.9

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

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).

Foreign exchange forward contracts

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

The Group incorporates credit valuation adjustments to appropriately reflect the applicable counterparty's non-performance risk in the fair value measurements.

In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Group has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees (level 2 in fair value hierarchy).

Cross currency swaps

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

Fixed odds open betting positions

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

Licence-related payments

Fair value was calculated using discounted future cash flow techniques, where scheduled payments were discounted to present value at the Group's incremental borrowing rate (level 3 in fair value hierarchy).

There have been no significant transfers between the fair value levels during the half year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION C - OTHER DISCLOSURES

C1 Impairment testing

In accordance with the Group's accounting policies, the Group has assessed each cash generating unit (CGU) at the end of the reporting period to determine whether there were any indications of impairment.

Impairment assessment at 31 December 2023

Indicators of impairment were identified by the Group in its assessment at 31 December 2023 in respect of the Wagering business, which is within the Group's Wagering and Media segment. These indicators included softness in the wagering market driven by higher inflation and interest rates impacting consumer spending, higher discount rates and higher taxes in NSW. Accordingly, the Group undertook an impairment assessment. This assessment resulted in impairment charges of \$852.0m being recorded (\$596.4m for the NSW CGU, \$42.8m for the SA CGU, and \$212.8m for the Wagering and Media segment). Impairment charges were also recorded in the annual impairment assessment undertaken at 30 June 2024 as disclosed in the 30 June 2024 annual report.

Impairment assessment at 31 December 2024

After consideration of indicators of impairment relating to the CGUs, the Group concluded that there were no indicators of impairment that would require management to estimate the recoverable amount of any CGU at 31 December 2024.

C2 Victorian Wagering and Betting Licence

(a) Accounting for Victorian Wagering Operations

Up until 15 August 2024, the Group operated the previous Victorian Wagering and Betting Licence (Old Licence) in an unincorporated joint venture with VicRacing Pty Ltd (the joint venture). The principal activity of the joint venture was the organisation, conduct, promotion and development of wagering and betting in Victoria (Victorian wagering operations). The Group's 50% interest in the joint venture resulted in 50% of the relevant transactions and balances of the Victorian wagering operations being recognised within the Group's Income Statement, Balance Sheet and Cash Flow Statement up until the joint venture's cessation.

The Group was awarded the new exclusive Victorian Wagering and Betting Licence (New Licence) by the Victorian Government in December 2023. The New Licence commenced on 16 August 2024 and is solely operated by the Group. Accordingly, 100% of the relevant transactions and balances of the Victorian wagering operations have been recognised within the Group's Income Statement, Balance Sheet and Cash Flow Statement from commencement of the New Licence.

This change impacts the comparability of items disclosed in the financial report, with the operations under the New Licence reflecting the Group's 100% interest as opposed to its previous 50% in relevant transactions and balances under the Old Licence structure. Items significantly impacted include wagering related revenues, expenses and the associated working capital recorded on the balance sheet.

Income statement

Following cessation of the Old Licence there have been a number of changes to the composition of the income statement for the Victorian wagering operations driven by both the change in Group's interest in and structure of the Old Licence and the New Licence. A summary of key impacts has been included below:

- Revenue: recognising 100% of the relevant transactions and balances relating to Victorian wagering operations under the New Licence (as compared to 50% under the Old Licence) increased the Group's revenue by approximately \$130.0m for the half year ended 31 December 2024.
- Commissions and fees / Government taxes and levies: under the Old Licence there were a number of commissions and fees payable to the racing industry together with a 10% Point of Consumption Tax to the Victorian Government. Under the New Licence the Group pays a 15% Point of Consumption Tax and significantly lower fees to the racing industry. For the period ended 31 December 2024, commissions and fees expenditure also includes the associated impact of the New Licence structure on the increased interest in revenue from Victorian wagering operations (i.e. from 50% to 100% interest in relevant transactions and balances).
- Other costs (including Employment costs, Communication and technology costs, Advertising and promotions): previously certain components of these costs that related to Victorian wagering operations were shared within the joint venture. The commencement of the New Licence has resulted in these costs now being borne solely by the Group.

Balance sheet

The commencement of the New Licence has also impacted working capital balances. Working capital relating to Victorian wagering operations is now presented on the Group's balance sheet based on the Group being the sole operator of the New Licence (i.e. 100% of Victorian wagering operations related working capital balances are included on the Group's balance sheet as at 31 December 2024). Under the Old Licence at 30 June 2024, the working capital relating to Victorian wagering operations included on the Group's balance sheet reflected the Group's 50% interest in relevant transactions and balances.

Remaining working capital of the joint venture was transferred to the Group as the operator of the New Licence on or around 16 August 2024.

This working capital had a net asset value of nil and included cash and cash equivalents of \$39.0m, offset by other liabilities, principally customer account balances.

The New Licence intangible asset, other financial liability for staggered licence payments and drawdown to fund the upfront payment were all recorded in the June 2024 balance sheet. As at 31 December 2024 the first annual deferred payment of \$30.0m has been reclassified to Current Other Financial Liabilities reflecting this amount being due to the Victorian government in August 2025.

Cash flow

The commencement of the New Licence has also impacted the cash flow statement with cash flows from 16 August 2024 New Licence commencement date reflecting 100% of Victorian wagering operations as compared to 50% of relevant transactions and balances under the prior joint venture arrangement.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2024

SECTION C - OTHER DISCLOSURES (CONTINUED)

C2 Victorian Wagering and Betting Licence (continued)

(b) New Licence Transitional Arrangements

As part of the New Licence transitional arrangements, funding support was agreed with the Victorian Racing Industry (VRI) bodies which included paying the VRI \$15.0m of additional funding for each of the first three years of the New Licence. An Other Financial Liability (VRI Funding Liability) was recognised on the 30 June 2024 balance sheet for the discounted value of these payments.

From 1 October 2024, the VRI increased Victorian Race Field Fees. Under the terms of the funding support agreed with the VRI, any changes to Victorian Race Field Fees that result in additional Victorian Race Field Fees payable by Tabcorp as compared to the prior regime will reduce the VRI Funding Liability by the amount of additional Race Field Fees paid. Accordingly, the cash flows due to the VRI under the VRI Funding Liability have been re-estimated to reflect the expected increased Victorian Race Field Fees payable through to 1 July 2027. This re-estimation resulted in a \$27.6m reduction in the financial liability (being the present value of expected future increased Race Field Fees) and corresponding gain on remeasurement being recognised in the income statement (included within Commissions and Fees expenditure).

The current period gain on remeasurement of the VRI Funding Liability is estimated to be offset by the timing of additional Commissions and Fees expenditure to be recorded as incurred over FY25 – FY27. The total additional Race Field Fee expenditure recorded in the period ended 31 December 2024 amounts to \$1.6m (refer to note A1).

C3 Discontinued operations

Demerger of The Lottery Corporation Limited

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

The results of discontinued operations for the prior period includes an income tax benefit of \$37.1m from the portion relating to The Lottery Corporation in the ATO dispute settlement, and a \$5.5m portion relating to the interest income received (refer note A4). Both of these amounts were received by Tabcorp as the party to the ATO dispute settlement and subsequently paid to The Lottery Corporation under the terms of the Separation Deed dated 25 March 2022. The profit from discontinued operations after tax is nil for the period (half year ended 31 December 2023: nil).

During the prior period, cash flows from operating activities (contained in the Group cash flow statement) include amounts from discontinued operations. As such, \$42.6m is included in payments to suppliers, service providers and employees, \$5.5m in finance income received and \$37.1m in income tax received. The net impact on the cash flows from operating activities is nil.

Further information on the demerger of The Lottery Corporation is available in the annual report for the year ended 30 June 2022.

C4 Contingencies

Contingent liabilities

Regulatory matters and legal challenges

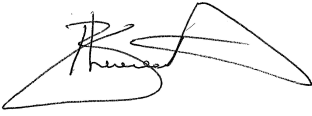
There are outstanding regulatory matters and legal actions on foot and other potential legal exposures between controlled entities and third parties at 31 December 2024. It is expected that any liabilities arising from such regulatory matters, legal actions or other potential exposures would not have a material adverse effect on the Group's financial position.

DIRECTORS' DECLARATION

In the opinion of the Directors of Tabcorp Holdings Limited:

- (a) the financial statements and notes 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 31 December 2024 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001 (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Brett Chenoweth
Chairman



Gillon McLachlan
Managing Director and Chief Executive Officer

Melbourne
20 February 2025



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Independent auditor's review report to the members of Tabcorp Holdings Limited

Conclusion

We have reviewed the accompanying condensed half-year financial report of Tabcorp Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Balance Sheet as at 31 December 2024, the Income Statement, Cash Flow Statement and Statement of Changes in Equity for the half-year ended on that date, explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Ernst & Young

A handwritten signature in black ink that reads 'Michael Collins' in a cursive style.

Michael Collins
Partner
Melbourne
20 February 2025

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