Nine

ANNUAL REPORT 2023

AUSTRALIA'S MEDIA COMPANY

Nine Entertainment Co. Holdings Limited
ABN 60 122 203 892

We shape culture by sparking conversations, challenging perspectives and entertaining our communities. We bring people together by celebrating the big occasions and connecting the everyday moments.

Australia belongs here.

Contents

OVERVIEW

Through FY23, Nine has continued to solidify its position at the forefront of media in Australia, and further build on its digital future. Whilst economic conditions have been more difficult this year, Nine has risen to the challenge, continuing to invest in its premium content, resulting in growth in audience and revenue share across key advertising segments and platforms.

In FY23, Nine was the Number 1 Metro FTA Network and primary channel in our targeted 25-54s as well as Total People; Number 1 in BVOD; Number 1 in Talk Radio; Number 1 in Publishing readership and Australia's leading local SVOD business.

On revenue of $2.7 billion, Nine reported EBITDA of $591 million, down 16% on FY22. Net Profit after Tax and Minorities was $262 million, and earnings per share was 15.7 cents, down 23% on pcp. Whilst down on the record FY22 result, Nine's EBITDA and EPS in FY23 were the second-highest since the Group listed in 2013.

During the year, Nine continued to invest in the content that defines who we are. This included Australia's favourite entertainment brands through shows like *Married At First Sight*, *The Block* and *Lego Masters*; key sporting moments through the State of Origin as well as an amazing season of NRL, tennis and cricket including The Ashes and the World Cup. Nine's journalists investigated and broke many key news stories, highlighting to all of Australia the value and importance of public interest journalism. Ray Hadley posted 150 consecutive survey wins in Sydney Radio, and Stan Originals took four of the top six spots in both series and movies on Stan. And of course, during the year, we secured a deal with the IOC to make Nine the home of the Olympic Games for the next decade, culminating with Brisbane in 2032, and with Paralympics Australia for the Games in 2024. We are proud to say that Australia Belongs at Nine.

GROUP REVENUE[1]

$2.7b

GROUP EBITDA[1]

$591m

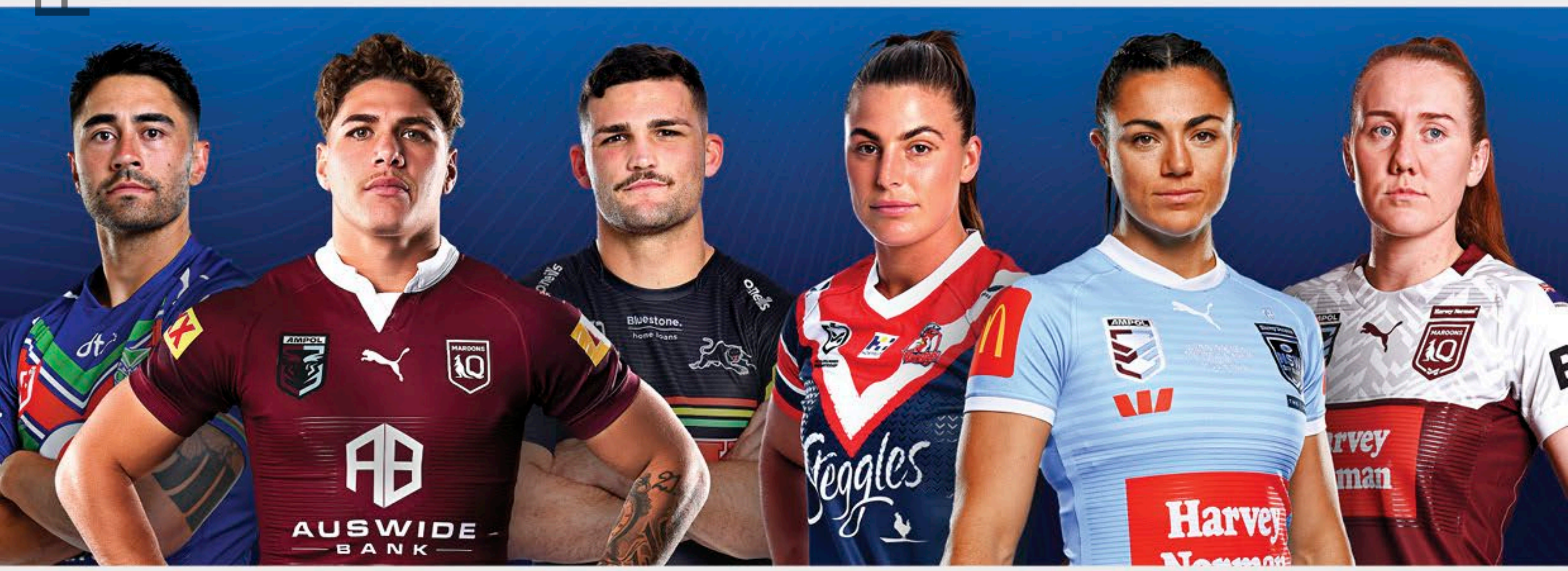
EARNINGS PER SHARE[1]

15.7c

DIVIDEND PER SHARE

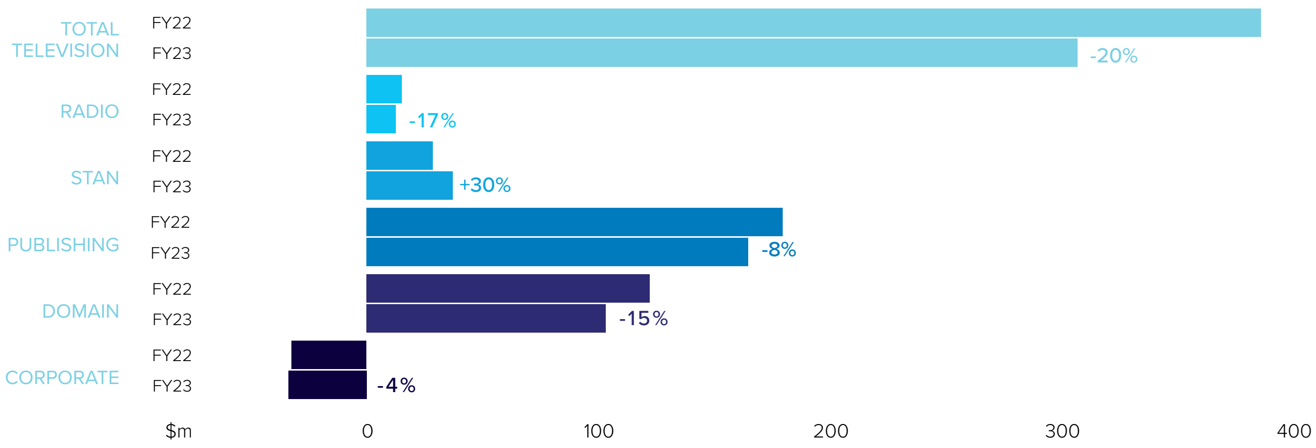
11c

1. Before Specific Items.



RESULTS IN BRIEF

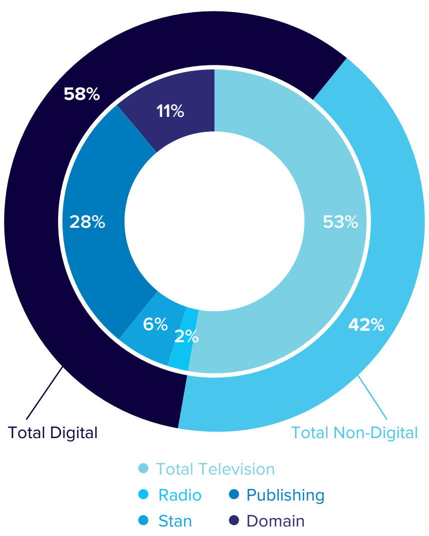
Group EBITDA of $591m



For the year to June 2023, Nine reported Group EBITDA before Specific Items of $591 million, the second-highest Group total since listing in 2013. Revenue across Nine grew marginally to $2.7 billion. Net Profit after Tax before Specific Items was $262 million, which was down 25% on FY22. After a Specific Item (non-recurring) cost of $85 million, the majority of which related to non-cash accounting adjustments, a Statutory Profit of $195 million was reported.

Earnings per share of 15.7c was down 23% on FY22, and dividends of 11c per share were paid from the year's profits.

EBITDA Split[1] FY23



1. Economic interest adjusted basis, excludes Corporate.

Yr to June, $m	FY23	FY22	Variance
Revenue[1]	2,694.6	2,688.8	0%
Group EBITDA[1]	591.2	700.7	(16%)
EBIT[1]	435.5	551.6	(21%)
NPAT, after Minorities[1]	262.1	348.5	(25%)
Statutory Net Profit, including Specific Items[2]	194.5	315.3	(38%)
Earnings per Share – cents[1]	15.7	20.5	(23%)
Dividend per Share – cents	11.0	14.0	(21%)

1. Before Specific Items.
2. Before Minorities.

Wholly owned operating free cash flow for the year, before Specific Items, was $444 million. Net Debt on a wholly owned basis at 30 June 2023 was $339 million, inclusive of the impact of the on-market buy-back of $154 million of Nine shares. During the year, Nine also distributed $220 million in dividends to shareholders, capital expenditure[2] was $62 million and cash tax paid[2] was $127 million.

Reported, as at	30 June 2023	30 June 2022	Variance
Net Debt[2] $m	338.7	172.9	+165.8
Net Leverage[2]	0.7x	0.3x	+0.4x

2. Wholly owned.

OPERATIONAL HIGHLIGHTS

TOTAL TELEVISION

TOTAL MARKET[1]

$2.9b

-9%

NINE'S REVENUE

$1.2b, -2%

FOR A SHARE OF 41.8% (+2.8% PTS)[2]

No.1

RATINGS SHARE ACROSS ALL KEY DEMOGRAPHICS[2]

No.1

FREE TO AIR REVENUE SHARE[3]

AT 40.7%, +2.5% PTS

No.1

BVOD REVENUE SHARE AT (+4.1 PTS)[4]

49.1%

REVENUE

+16%

TO $176m

GROWTH IN LIVE MINUTES

22%[5]

ACTIVE SUBSCRIBERS APPROACHING

2.6m

REVENUE

+12%

TO $428m

AVERAGE REVENUE PER USER

+9%

EBITDA UP 30% TO

$37m

1. Metro FTA + BVOD (9Now, 7Plus and TenPlay), KPMG data, 12 months to 30 June 2023.
2. OzTAM data, 12 months to 30 June 2023, 6pm-midnight, primary channel and network (Metro).
3. Metro FTA, KPMG data, 12 months to 30 June 2023.
4. BVOD market includes revenues from 9Now, 7Plus and TenPlay, KPMG data, 12 months to 30 June 2023 on pcp.
5. OzTAM Events data, based on monthly averages, 12 months to 30 June 2023 on pcp.

NINE PUBLISHING

DIGITAL ACCOUNTS FOR MORE THAN

60%

OF TOTAL REVENUE

MORE THAN

+1.3m

REGISTERED USERS[1]

ACTIVE SUBSCRIPTIONS[1]

>460,000

GROWTH IN TOTAL SUBSCRIPTION REVENUE

+3%

NINE RADIO

AGENCY SHARE OF

17.3%

+0.4PTS

GROWTH IN DIGITAL REVENUES

+115%

HANNAH'S STORY – AWARDED OUTSTANDING PODCAST AT THE KENNEDY AWARDS

DOMAIN

+8%

GROWTH IN RESIDENTIAL YIELD

+1%

GROWTH IN CORE DIGITAL REVENUE

CONTINUED STRONG GROWTH IN NATIONAL DEPTH PENETRATION

ONGOING INVESTMENT IN MARKETPLACES STRATEGY

ACQUISITION OF OLYMPIC AND PARALYMPIC RIGHTS

OFFERING UNPRECEDENTED CROSS-PLATFORM OPPORTUNITIES

Total Television

Total Publishing

Total Audio

1. As at 30 June 2023.

CHAIRMAN'S ADDRESS

'Nine is incredibly well positioned and continues to gain ground'

In FY23, Nine successfully built audience share and revenue share across all our key platforms. We have a strong balance sheet and unrivalled diversity in Australian media platforms. Our focus is to create the best content, distribute it broadly and thereby engage our audiences and advertisers. In particular, we continue to use our premium content to build our digital future.

FY23 was more challenging than FY22. The local economy stumbled against a backdrop of higher inflation and rapid interest rate rises. Nine performed well, maintaining revenue on FY22 and taking market share. Nine recorded Group EBITDA in FY23 of $591 million, our second-highest on record, and Net Profit After Tax (before Specific Items) of $262 million.

There was some cyclical softness in advertising markets, but Nine's ability to create and monetise the best content was reflected in clear share gains across our unique suite of platforms – Television, Radio and Publishing. In FTA, our market-leading revenue share was above 40% in FY23, which is the highest share recorded by any broadcaster since OZTAM began collecting data in 2001. We reported growth in Digital revenue and EBITDA from our wholly owned businesses, and our success in diversifying the drivers of revenue is shown by subscription revenue now contributing 28% of the wholly-owned total.

Nine continued to implement its previously announced on-market buy-back. Since it began in September 2022, Nine has bought back around 78 million shares, or just under 5% of issued capital – reflecting both our strong balance sheet and conviction in the value and future opportunities of Nine's business.

Across the financial year, Nine also announced fully franked dividends of 11 cents per share, totalling $182 million, and consistent with our stated policy of a 60-80% payout.

Content is the key to Nine's business and will be instrumental in our future success. Across all our platforms – Total Television, Radio, Publishing, Stan and Domain – Nine is focused on our audiences, the content they want, and how best to distribute and monetise it. Through 2023, we have been very pleased with the performance of our content – with strong audiences in Television, Talk Radio and Publishing resulting in further growth in revenue share.

Of course, premium content comes at a cost. This year the Federal Court handed down its decision in the defamation case brought against *The Age* and the *Sydney Morning Herald* by Mr Roberts-Smith. It is now on appeal by Mr Roberts-Smith. The legal costs have been high, in many ways unprecedented. We don't receive taxpayer funds to cover the cost of litigation. It is borne by the Company and ultimately the shareholders. The Board believed this was a matter of genuine public interest and committed the resources to defending that position in Court.

We believe that sport will remain a key driver of Television into the future, and to this end we have recently renewed our agreement with Tennis Australia through to 2029 and brought the Olympics back to Nine for the next 10 years – the next five Games through to Brisbane in 2032. We will also broadcast the Paralympics in 2024. We are excited about the opportunities these events, including the NRL through to 2027, will give across all of our businesses – Television, Radio, Publishing and Streaming. We are committed to maximising the value of our partnerships with the various sporting bodies who conduct these competitions.

We believe the Olympics, and the Paralympics, epitomise Nine – the broadcaster of premium events that bring all of Australia together. We will bring those unforgettable Olympic and Paralympic moments to all screens, all publications and all audio and we will join with our audiences and advertisers to celebrate Australia as a sporting nation.

We continue to work with the Government on a range of regulatory issues, all of which we believe could have a marked impact on Australia's media sector. The Government has stated its support for requiring free-to-air television and apps from Australian free-to-air television networks to be in a prominent position on screens, such as connected televisions, to ensure the continued relevance of locally made and focused content. We look forward to the Government progressing laws to give effect to that commitment.

The Government is also looking to make substantial reforms to the Privacy Act 1988. We continue to caution against the all-encompassing changes which are being considered, including the right to sue media outlets for breaches of privacy which would harm our valued freedom of the press. This would clearly not be in the broader public interest.

And whilst we support the Government's objectives to develop the local production industry, we believe that its proposed policy to impose Australian content quotas on all streaming services would lead to damaging unintended consequences such as stretching finite creative and production resources which would diminish quality and significantly increase costs for Australian production. Across all of these issues, we continue to work cooperatively with the Government to ensure a suitable outcome for the Australian media industry and our Australian audiences.

Much has been written, particularly over the past six months, about the impact of Artificial Intelligence (or AI), and specifically Generative AI on the media sector, as well as the rest of the Australian economy. Over the past 12 months, both the Board and management team have spent time assessing how Nine currently uses AI, what the opportunities are for further development of these uses and new initiatives that could be implemented. We also see potential for Nine to use AI to drive significant longer-term benefits across content production, optimisation and commercialisation throughout the business.

Of course there will be challenges. We see the biggest challenge being our content and our data being used or 'mined' for training AI models that could eventually produce future copy without human intervention. This would mean the past and current work of journalists and our intellectual property being used, without fair compensation, to compete back against them in future news reporting. A model for fair compensation could be the News Media Bargaining Code where large digital platforms that are using third party content to drive their business models are required to fairly compensate the owners of that content.

This year, we have furthered our commitment to Community, Company and Climate after completing our initial Materiality Assessment, and Environmental, Social and Governance (ESG) Policy last year. We appointed global sustainability consultants South Pole as our partner, to help with progressing our planning on carbon reduction. We have also actively engaged through industry steering groups Sustainable Screens Australia, the AANA, the IAB and Commercial Radio & Audio.

After a thorough search to fill the Board vacancy created when Nick Falloon retired, we welcomed Mandy Pattinson to the Board in August. Mandy has a wealth of experience in the Australian media sector, and brings particular strength in premium subscription television content and multi-platform strategies. We believe Mandy adds valuable skills to our Board as we continue to navigate and build Nine's position within the Australian media sector.

I would like to thank our CEO Mike Sneesby and his leadership team, on behalf of our Board and all our shareholders, for ensuring the continued focus and momentum of the business. Nine is well positioned and continues to gain ground in a competitive market – a testament to the management team and their vision and implementation.

We are excited about where our business is, but we do not lose sight of the challenges ahead. We believe we are in a leading position to weather those challenges and emerge a stronger, and more innovative Australian media company.

Thank you.

PETER COSTELLO, AC

Chairman

CEO'S ADDRESS

'Nine's broad base of revenue and scale enables us to maintain investment in content and product'

Nine finished 2023 in an incredibly strong position, notwithstanding the challenging operating environment. Over the past year, the relative position of each of our businesses – Total Television, Streaming, Radio, Publishing and Marketplaces – has been further strengthened.

This has resulted from Nine's clear strategy and execution across the Company – particularly through our focus and investment in content, technology and data. We remain committed to developing and delivering the content and public interest journalism that Australians want across Nine's breadth of platforms – attracting larger audiences and creating greater targeted and cross-platform opportunities for advertisers – as we continue to challenge the traditional paradigms in the markets in which we operate.

Across Total Television, Radio and Publishing, we have gained share against our traditional competitors. But the opportunity today is far greater than those traditional media categories. The Digital Video, Digital Audio and Digital Publishing markets are all growing and, in some cases, are already larger than their traditional counterparts.

Our business has embraced the opportunities presented, extending Nine's content across these evolving digital platforms. This broad distribution base delivers us a reach of around 20 million people each month and our extensive signed-in user base enables us to offer advertising solutions across the consumer lifecycle and the marketing funnel.

We have a strong balance sheet and cash flow and will continue to look for opportunities to further strengthen our position in Australia's media landscape.

In FY23, Nine reported EBITDA of $591 million, our second-highest result since listing in 2013. The clear highlight of the year was our share performance, both audience and revenue across all of our platforms, which continued its positive trajectory. For the year, Nine achieved a 20-year high for Metro FTA revenue share, up 2.5 percentage points on FY22 to 40.7%; a 49.1% revenue share in BVOD and growth in Radio with a market-leading share of streaming audiences. Our content and journalism underpinned around 9% growth in Subscription and Licensing revenue at Nine's wholly owned businesses, Stan and Publishing, now accounting for 28% of total Group revenue, as Nine continues to successfully diversify its revenue base.

This outperformance reflects the targeted and considered investments in content that Nine continues to make – be it innovative new strips for television like *The Summit* and *My Mum, Your Dad*, timely content in news and public interest journalism, extended content in Publishing in genres like *Good Food* and *Traveller*, new cross-platform sports or unique Stan Originals – these investments are paying off and solidifying Nine's position as Australia's Media Company.

In an evolving video market, the value of premium sports rights is clear. Major sporting events like the State of Origin show us year in, year out that audiences and advertisers are committed and engaged in premium sports, while a season of the NRL provides audience consistency. Sport drives audiences to a destination, acting as a strong promotional platform for Nine's other content, across all platforms. Our unique model enables us to offer unrivalled exposure to the largest audiences (across free and subscription television) with the media assets to support that coverage and build fan engagement.

We are pleased to have our key sports of NRL and Tennis, as well as Rugby Union and UEFA, locked in for the longer term. And during the year, we reached an agreement with the IOC, locking in the next five Olympics for Nine with exclusive broadcast rights to the Olympic Games all the way to Brisbane 2032. Across Publishing, Audio and Television (including

Streaming), Nine will bring the 2024 Paris Olympics and Paralympics to all Australians, with an unprecedented cross-platform strategy.

The performance of our Total Television business was underpinned by Nine's content – the *Australian Open*, *Married At First Sight*, *The Block* and the NRL and of course augmented by our leading News and Current Affairs coverage. Whilst competition for eyeballs continues to increase, it is clear that great content continues to be rewarded with strong audience performance. The value of Total Television is becoming clear to both audiences and advertisers as we continue to make in-roads into the $3.4 billion digital video market.

The global subscription streaming market continues to evolve as major US studios begin to shift their strategic focus away from direct-to-consumer distribution to an increased focus on content licensing and profitability. Stan remains focused on profitable growth; and in FY23 not only did we grow our sport and original content offering, but we also grew subscribers and profitability. FY23 was Stan's fourth year of profit and positive cash flow.

Stan's strategic positioning in Originals and Sport, alongside the best of global licensed content, coupled with an active subscriber base approaching 2.6 million and strong P&L, stands it in good stead as the global market continues to evolve and international streamers rationalise their approach. Stan's position as part of Nine creates significant benefits from content acquisition and production to marketing and cross-promotion.

In FY23, Nine's Publishing business reported EBITDA of $165 million, with Digital accounting for more than 60% of revenue. We are incredibly proud of the work our journalists do to ensure the Australian public is reliably informed about the news they care about. Be it the day's biggest stories, award-winning investigative journalism or engaging lifestyle content, Nine is there. Strong audience engagement enabled us to lift digital subscription prices, for the first time since the introduction of digital packages. We see further opportunities for Nine Publishing to grow its footprint and engage more deeply with more consumers.

One of the key challenges for media in Australia is the impact of the global digital platforms and their increasing presence in the Australian market. We want to maintain a future that ensures Australia's voices and key moments are heard, shared and celebrated with maximum potential audiences. As Peter highlighted in his letter, we continue to work with the Government through issues like prominence on connected devices, streaming quotas and anti-siphoning to ensure the health and security of Australia's media companies; and are confident we share the same values and ambitions.

The further development of AI, artificial intelligence, creates similar challenges – but also opportunities for our business. AI is already embedded in many of Nine's current operations – including user segmentation and engagement optimisation across our 14.2 million signed-in 9Now user-base, as well as personalised content recommendations and process automation across our publishing assets and at Stan. We also see potential for Nine to use AI to drive meaningful longer-term benefits in content production, operational efficiency and commercialisation throughout the business.

Of course there will be challenges as well, the most immediate being that of companies utilising our content and data as the basis for training AI Platforms. This is not unlike the benefits the digital platforms receive from Nine's content, which resulted in mutually beneficial commercial agreements supported by the News Media Bargaining Code. We continue to look for positive engagement with the Government to address the potential risks which the growth of AI will pose to the local media landscape.

In a difficult property market, Domain has made clear progress diversifying its revenue base, and building on the foundations of its Marketplace Strategy. Whilst its result was impacted by markedly lower listing volumes around Australia in FY23, we remain confident about the Group's strategy and long-term future and continue to explore mutually beneficial ways our two groups can work together.

Over the second half of the year, the Executive team has again been focused on the development of our long-term plan, and the setting of our strategic priorities. We continue to remain very focused on the long-term positioning and growth of Nine and, notwithstanding the general operating environment, can see real progress and opportunities across each of our businesses – Television including Streaming, whether it is subscription or advertising based, Digital Publishing, Total Audio and Marketplaces – and all have opportunities to strengthen their relative position, and to grow. The Board has been engaged throughout the process, and I thank them for their support and insights along the way.

Whilst the current market conditions remain challenging, Nine's broad base of revenue and scale enables us to maintain investment in content and product. This is expected to result in further improvement in Nine's competitive position through the cycle, while the Group also remains disciplined around operating costs and underlying efficiencies. Nine's strong cash flow and balance sheet enables the continuation of the buy-back and a targeted 60-80% dividend payout, as well as providing the flexibility to consider strategic investments that will underpin the longer-term growth of the business. Once again, I would like to thank the team and acknowledge their focus and determination, notwithstanding the more difficult economic backdrop which has challenged the entire industry. Nine has risen to this challenge and continues to build its audience and revenue share, and invest in its future.

A difficult economic environment creates challenges, but Nine's strategy and momentum, strong market position and balance sheet also create an opportunity to further strengthen our competitive position – we remain committed to seizing that opportunity.

Thank you.

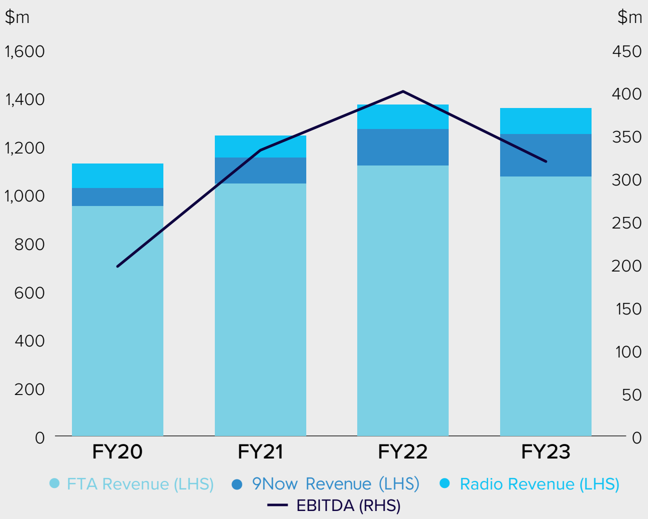
MIKE SNEESBY
CEO

BROADCAST

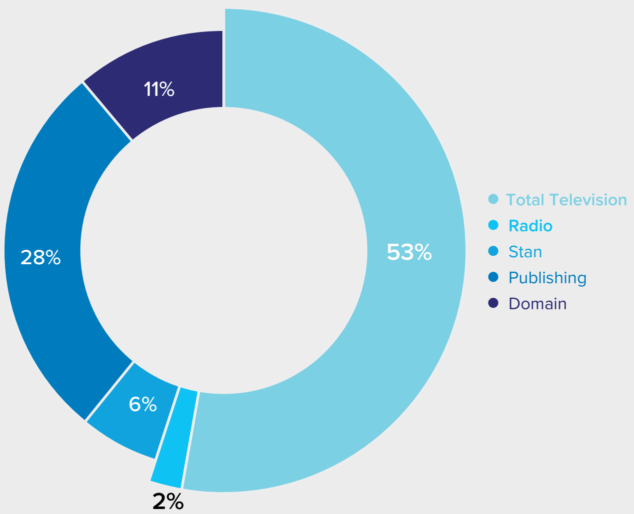
IN FY23, NINE'S BROADCAST DIVISION REPORTED EBITDA OF $320M ON REVENUES OF $1.4B FOR THE YEAR.

Nine's Broadcast division comprises Total Television (Nine and 9Now) as well as Nine Radio.

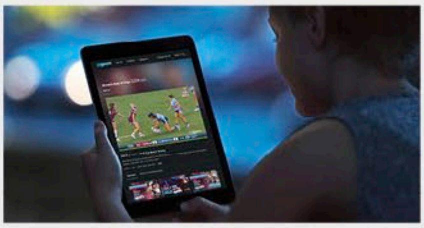
Broadcast results



EBITDA[1] contribution – FY23



1. Economic interest-adjusted basis, excludes corporate costs.



Total Television

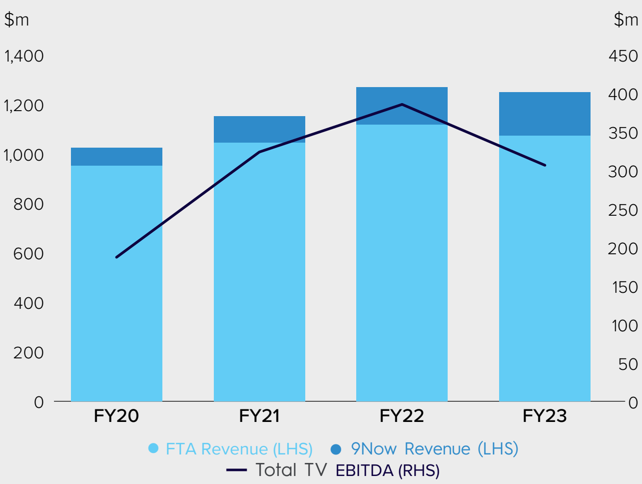
In a difficult economic and advertising environment, the Total Television market, defined as Metro free-to-air plus Broadcast Video On Demand (BVOD), declined by 9% to $2.9 billion in FY23.

Reflecting the strong performance of Nine's programming slate and the benefit of the Group's continued investment in its content, Nine gained revenue share, with a market-leading 41.8% across the year, up 2.8pts on FY22. As a result, Nine's Total TV revenues were down by just 2%, with the growth in digital revenues (9Now) partially offsetting the decline in free-to-air (Nine Network). Around 15% of Nine's Total Television revenues in FY23 were digital, up from around 13% in FY22.

Total TV costs increased by just under 7% as Nine continued to invest in its high quality schedule, with incremental sports, entertainment content and a continual refresh of the core. Specific investments included sports like the T20 Cricket World Cup and UK Ashes as well as entertainment content like *The Summit*, the format for which has subsequently been sold offshore, and dating series, *My Mum, Your Dad*. In addition, Nine invested in the 9Now platform, ensuring Nine's strength in the BVOD and broader digital video market continued. These investments enabled the strong growth in revenue share, as the traditional television market paradigm continues to be tested.

Total Television EBITDA in FY23 declined by 20% to $307 million. Whilst down on FY22's record year, FY23 was Nine's second-most profitable year from Total Television over the past 10 years.

Total TV Results



BROADCAST

Premium content

Nine's slate of premium television content is now being distributed across three different platforms – linear television, live streaming and catch-up, as consumption trends evolve. And while linear television continues to account for the majority of the audience, Nine is experiencing strong growth in the other platforms, particularly live streaming, as consumers turn to 9Now for their linear (live) television consumption. In FY23, almost half of 9Now's viewing was of live content, with the balance being catch-up, as audiences increasingly embrace digital delivery.

News and Current Affairs, Sport and Entertainment are the three key content genres of Nine's Total Television business.

News & Current Affairs

Nine's commitment to news is evidenced across the entire business. Breaking stories, shared footage, depth of analysis and cross-platform usage of talent are all benefitted by Nine's portfolio of assets – across Television, Radio and Publishing. Nine's newsroom is uniquely designed to enable our businesses to maximise interaction and efficiency.

Further reflecting Nine's broader commitment to news, during 2023 Nine undertook a number of major joint investigations, delivered across multiple distribution platforms. The exposé on sex trafficking and border security in Australia which resulted in the Stan documentary *Revealed:Trafficked* was based on the *60 Minutes* story first reported by Nine's award-winning journalist, Nick McKenzie, in collaboration with *The Age* and *The Sydney Morning Herald.* Nine's leading investigative podcast *Hannah's Story* was a result of the collaboration between Nine's podcasts team and Queensland's news and radio teams and received a Kennedy Award for Outstanding Podcast.

News and Current Affairs is also the backbone to Nine's regular television schedule with more than 60 hours of broadcast content across Nine and 9now each week of the year. This core of news provides the network with reliable audiences at scale, with Nine's nightly 6pm bulletin, attracting more than one million Australians each night, forming an important lead-in to each evening's entertainment schedule and epitomising Nine's Purpose – Australia Belongs Here.

Younger Australians are also connecting with 9News in record numbers on social media platforms. 9News is Australia's most engaged news brand across Facebook and Instagram[1]. Vertical video content is watched 50 million times monthly across TikTok, Instagram and Facebook[2]. Nine's digital audience growth continues on YouTube with 1.22 million subscribers choosing 9News as their premium source of news[3].

At the end of 2022, after 17 years, Tracy Grimshaw stepped down as host of *A Current Affair*. Grimshaw, a Walkley-award winning journalist, first joined Nine as a reporter in the Melbourne newsroom in 1981 before she began presenting 9News daytime bulletins four years later. In 1996, she became the co-host of *Today*, before making the move to *A Current Affair* in 2006.

At *ACA*, Tracy prided herself on telling the stories that matter to her viewers, which included prime ministers, Hollywood stars, sports icons and everyone in between.

At the start of 2023, Ally Langdon made her debut at *A Current Affair*, moving from Nine's *Today* show which she had co-hosted for three years. The transition has been smooth with audiences holding above 900,000 each night and social feedback very positive about the next stage of *ACA*.

Respected journalist Ally Langdon joined Australia's No. 1 daily current affairs program, *A Current Affair*, as host in 2023.

Sport

Sport is also a key pillar to Nine's Total Television strategy, attracting similarly reliable and committed audiences. In FY23, Nine broadcast more than 1,900 hours of premium sports content, as well as a further 177 hours of sport-related content. Nine's broad coverage through free linear and streaming is complemented by the deeper offering of Stan, while Nine's radio and publishing assets can be employed to further the exposure of its key sports.

The core of Nine's sporting coverage is the NRL, with Nine holding broadcast and live, free streaming rights through to the end of season 2027. In season 2023, Nine's broadcast of the NRL performed well, with average audiences up 3% on 2022 and with 9Now accounting for almost 10% of the 500,000-plus total. The State of Origin in 2023 confirmed our long-held view that audiences will find the right content. Game one attracted a total TV audience of a massive 3.4 million, with all of Metro, Regional and BVOD recording double-digit growth on 2022. Records tumbled at the time, including the largest-ever live streaming audience in Australia. Across the series, audiences grew by 2% to an average of around 3 million viewers.

Nine also broadcast the Women's State of Origin series in FY23, which attracted an average audience of more than 600,000 across the two-match series, up 34% on the 2022 game; with 9Now audiences up 110% to 10% of the total.

The 2023 Australian Open boasted record attendance despite the absence of some big name players, as Melbourne got out and about once again after two years of COVID disruptions. After an enormous 2022, with Ash Barty, the Special Ks, and Dylan Alcott, television audiences were down on the record levels of 2022. Notwithstanding, across the fortnight, Tennis on Nine reached a national audience of 11.8 million people, while 525 million live

1. CrowdTangle Intelligence report, 12 months to August 2023.
2. Internal data for Nine + Crowdtangle, July 2023.
3. YouTube data.

9News Sydney chief newsreader Peter Overton celebrated 22 years with Nine in 2023.

minutes were streamed through 9Now. In terms of minutes viewed, 9Now accounted for around 10% of the total, up from 7.6% in 2022.

In November, Nine entered into an agreement with Tennis Australia for the rights to all premium tennis played in Australia for the 2025-2029 seasons, extending Nine's partnership with Tennis Australia for a further five years. During the year, Nine also showed its year-round commitment to the sport, augmenting its Australian Open coverage with the other Grand Slams – Roland-Garros, US Open and Wimbledon shown across Nine and Stan.

In February, Nine announced that it had secured the rights to the next five Olympics, culminating in Brisbane in 2032. This is a long-term strategic investment for Nine across Total TV, Stan, Publishing and Radio. It is complementary to the existing sports portfolio which drives audiences to a destination and also acts as a strong promotional platform for our network programs. The longevity of the deal will allow Nine to build value in the partnership on the road to Brisbane, driving consumption across Nine and growth for 9Now and Stan over the long term, as it helps define Nine's digital platforms as the destination of choice for Australia.

In a separate agreement, Nine has also secured the exclusive free and subscription audio-visual and audio rights for the Paris 2024 Paralympic Games, complementing Nine's already extensive sporting line-up.

Every Olympic Games delivers iconic sporting moments that engage and unite Australia. Nine will bring these moments to Australia across its breadth of platforms like never before. Live broadcast across FTA, streamed not just through 9Now and Stan, but also embedded in the Group's Publishing platforms and Audio assets. On big screens, on tablets and on phones. The broadcast of the Olympic Games provides huge growth opportunities, leveraging short-term uplift in consumption to establish longer-term behaviours.

Entertainment

The third key pillar of Total Television is Entertainment content, and Nine continues to demonstrate that it has the most popular and resilient entertainment brands. Over the past few years, Nine's strategy has been to develop and trial new concepts around the core of proven strips – and 2023 was no different.

Nine's proven brands continue to perform and, in some cases, grow their total television audiences. Season 18 of *The Block*, *Travel Guides, Love Island* and *Married At First Sight* are all evidence that good content will always find an audience.

In particular, *The Block* in October 2022 continued to be a proven time slot winner. The average audience of more than 1.6 million viewers across Australia for each episode equated to growth of 5% over season 17. 9Now accounted for a growing share of total audience – 17% in FY23, up from 14% in FY22.

For the latest season of *Married At First Sight*, Total Television audiences also grew, a result of 24% growth in live streaming coupled with 22% growth in catch-up audiences – making MAFS Australia's biggest strip for the year.

Across the year, *Love Island Australia* was complemented by the Love Islands UK and US which all drew young and dedicated audiences, primarily on 9Now. Of *Love Island Australia's* 450,000 average audience across the season, around 77% were 9Now viewers, making it one of Nine's key pieces of content across the year. Across all the Love Islands, around 1.9 billion minutes were streamed across FY23.

During the year, Nine continued to invest in new content and concepts. *The Summit* launched in May, with audiences building throughout the season and the subsequent sale of the concept offshore. *My Mum, Your Dad* launched in late 2022. Both of these reflect Nine's focus on owning many of its creative concepts and IP (intellectual property) looking forward.

In May, with the long-awaited roll-out of VirtualOz (VOZ), the Television industry prepared to change the way it reports and analyses audience data. VOZ is an industry-wide ratings product that brings together broadcast viewing on TV sets and connected devices to provide all-screen, cross-platform reporting for Australia's Total Television industry. For the first time, the industry will be able to accurately measure and sell Total Television reach, a key buying metric for advertisers which, despite the enormous evolution of television over the past 10 years, has held well over that time period. No other two mediums can be combined and measured in a consistent, de-duplicated way. Moreover, VOZ enables the measurement of co-viewing, for the first time allowing broadcasters and marketers to more accurately estimate audiences rather than just devices. It is expected that VOZ will become the industry-wide trading currency in calendar 2024.

Nine now has three unique ways to monetise Total Television content – linear Free To Air, and Broadcast Video on Demand, both live streaming and catch-up.

BROADCAST

Free To Air Television (FTA)

In FY23, the Metro FTA revenue market declined by 11% as the advertising market reflected the behaviour of the broader economy. Nine recorded a market leading share of Metro FTA revenues for the year of 40.7%, up from 38.2% in FY22, underpinned by Nine's strong content and ratings performance. Total FTA revenue declined by a modest 4% with share gains across both metro markets and regional (both affiliate revenues from WIN as well as wholly-owned Northern NSW and Darwin) offsetting much of the underlying market weakness.

FY23 was another strong ratings year for Nine. For the year to June, Nine was the #1 Free To Air Network in all of the key demographics – in Nine's targeted 25-54s, Nine was the clear leader on both a Network and main channel basis, 5.7 points and 6.8 points respectively ahead of its nearest rival.

NINE NETWORK LEADS IN ALL KEY RATINGS

#1	25-54s	40.7% commercial share (+1.0 pts)
#1	16-39s	41.1% commercial share (+2.4 pts)
#1	GS + CH	43.5% commercial share (+2.9 pts)
#1	Total People	40.7% commercial share (+0.9 pts)

OzTAm data, linear Metro TV, main channel, 6pm – midnight, 12 months to 30 June 2023 vs 12 months to 30 June 2022 (ex Olympics).

Big Miracles captivated viewers with the intimate and emotional journey to parenthood; returning to the Nine Network in 2024.

9News Perth weekend news presenter, Tracy Vo.

Novak Djokovic made history at the 2023 Australian Open on Channel Nine and 9Now – winning his tenth AO and equalling the men's Grand Slam record.

9NOW

9Now – Broadcast Video On Demand

In FY23, the Broadcast Video On Demand (BVOD) market grew by 6%, with underlying structural growth muted by the weaker economic conditions. Nine recorded the market leading share of BVOD revenues for the year of 49.1%, resulting in revenue growth of 16% to $176 million.

9Now continues to record strong growth in audiences. Growth in live streams of 21% again outpaced growth in on-demand viewing (+6%) and now accounts for around 50% of total streams. From initially being established as a catch-up service for past Nine content, 9Now continues to evolve and is expected to further grow audiences as viewers embrace streamed delivery of their Total Television content.

9Now's success primarily reflects the strength of Nine's core network content. However, targeted content continues to be added to 9Now to augment Nine's core network content – content like *Love Island* which brings incremental viewing and minutes to 9Now.

Nine has also continued to invest in the key technologies behind 9Now, with better-than-broadcast picture quality and startover two key additions through FY23.

Nine's opportunity is to gain an increasing share of the overall digital video market, estimated currently to be more than $3.4 billion, and dominated by YouTube and Facebook. Beyond Nine's premium content, 9Now has clear advantages over these global platforms – a brand safe environment, unskippable ads and a third party, auditable measuring system. The rollout of Virtual Oz, which brings broadcast viewing on TV sets and connected devices together in a single database, will also enable Nine to sell the de-duplicated reach of Total Television – a key opportunity looking forward.

Melbourne's No. 1 breakfast show, Breakfast with Ross and Russ; and the new team at 4BC Breakfast – Laurel, Gary and Mark.

Nine Radio

Nine Radio operates Australia's leading Talk Radio Network through 3AW (Melbourne), 2GB (Sydney), 4BC (Brisbane) and 6PR (Perth). Nine also owns music stations in three of the same markets through Magic 1278, 2UE and 4BH, which are operated by Ace Radio.

In FY23, the total linear radio market (through Nine's four markets) was broadly flat at ~$625 million, with Nine's revenue growing by 1%. Total revenues at Nine Radio grew by 4% to $106 million of which $4.3 million, up 115%, were digital or streaming revenues, the key growth segment of the market. Costs increased by 8% due to the associated investment in digital and other content, coupled with higher sales and marketing costs, resulting in EBITDA of $13 million for the year.

Nine's live and local content continued to resonate in FY23, with 3AW maintaining its dominance in the Melbourne market. 3AW returned #1 results overall, as well as in Breakfast and Mornings across each of the eight surveys. 2GB won six of the eight surveys overall, with Breakfast dominating three surveys in the most contested and competitive radio market in Australia. 2GB Mornings continued its winning tally notching up a record 150 consecutive survey victories.

In June, industry body Commercial Radio & Audio (CRA) launched Radio 360, the new audience measurement system which incorporates streaming audiences for each radio station alongside total and broadcast audience figures, enabling a rank of networks and stations according to the new metric.

The first Radio 360 survey highlighted what Nine has known for some time – the power of talk radio. From a streaming perspective, Nine's talk stations in Melbourne and Sydney recorded leading audience shares, well above the traditional metrics, with talk far outpacing music radio in a streaming environment.

Around 22% of Nine's audience are now streaming Nine Radio, with the associated single sign-on (SSO), enabling data and analysis of audience composition and preferences across all of Nine's ecosystem. Nine is committed to broadening its current podcast offering, focusing on Sport, Entertainment and long form narrative podcasts. The extension of Radio's traditional content into podcasts is expected to provide incremental opportunities for audiences and advertisers.

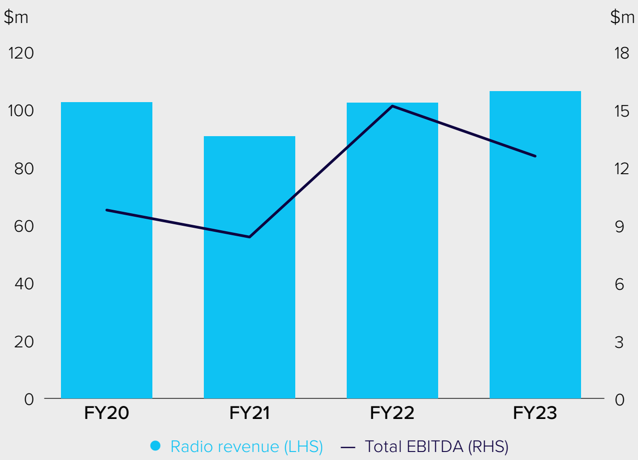
In May, Nine launched *Hannah's Story*, which immediately shot to Number 1 on the Australian charts. Nine's Queensland Newsreader, Melissa Downes, and producer Jess Lodge, were behind this powerful retelling of the events that led to the horrific death of Hannah Clarke and her three children on a Brisbane street three years ago, at the hands of her abusive partner.

It is a further example of collaboration across Nine, across Television, Radio and Publishing and also Sales, which ensured the commercial success of the podcast series.

6PR's morning presenter, Gary Adshead.

Legendary broadcaster, Ray Hadley, recently celebrated his 150th consecutive ratings win at 2GB.

Total Radio Results



The importance of data

Across the Group's portfolio of platform assets, Nine has unrivalled reach with more than 20 million signed-in users. As consumers enter Nine's ecosystem, and engage with Nine's content, the Group has an opportunity to gather data and intelligence on user habits and preferences. The benefit of this is two-fold. Firstly, it enables the analysis of content consumption – what works and what doesn't and with whom – helping to support future content investment and inform digital product development; and secondly, it enables the delivery of more relevant advertising – a benefit to the consumer, advertisers and Nine, as advertisers will pay a premium for effective targeting.

With an increasing focus on privacy, the recent changes to Apple's iOS settings and the expected phasing out of third party cookies by Google from January 2024, Nine's access to this leading pool of first party data (information a company collects directly from its customers and owns) is expected to become increasingly important and valuable.

With a broad range of platforms to contribute to this data pool, and a similarly broad range of platforms to distribute content and advertise through, Nine is well placed to continue to grow its data revenue. In FY23, Nine's revenue from data increased by 16% to $115 million.

STAN

IN FY23, STAN REPORTED EBITDA OF $37M (+30%) ON REVENUES OF $428M (+12%).

Stan is Nine's subscription video on demand streaming business, which launched in 2015 and has been consistently profitable since the June half of FY19.

Revenue growth in FY23 was underpinned by 9% growth in ARPU (average revenue per user), reflecting the success of price increases for both Stan Entertainment (in September 2022) and Stan Sport (March 2023) during the financial year. This ability to raise pricing, with limited impact on churn, reflects Stan's confidence in its content slate and the engagement of its subscriber base. It also contributed to Stan's 30% growth in EBITDA, despite costs increasing by 11% as a result of new first run content and increased investment in Originals and Sport.

Stan has forged a unique position in the Australian market as the only subscription streaming service to offer the combination of domestic and international TV and movies as well as live sports and pay per view events all in one place. Over the past two years, as well as aggregating key content from the Hollywood Studios, including Starz Lionsgate, Sony, Paramount, NBCU and Warner Bros Discovery, Stan has been focused on furthering its differentiation from the global DTC operators through growth in both Originals and Sport. Furthermore, as a profitable local player, with approaching 2.6 million active subscribers (more than 2.2 million paying) and a registered subscriber base of approximately 9 million since inception, Stan is truly unique.

Across the year, Stan continued to expand its commitment to Stan Originals, launching 21 new titles. Original projects are developed and commissioned with a broad range of partners, both local and offshore, with Stan retaining exclusive rights in the Australian market. Stan achieved particularly strong viewership in FY23 with new Original series such as *Black Snow*, *Poker Face*, *Ten Pound Poms*, *Bali 2002* and *Totally Completely Fine* complementing returning series such as *Bump* and *Ru Paul's Drag Race Down Under* as well as Original movies including *Transfusion*, *Poker Face* and *The Portable Door*. Over the past 12 months, Stan Originals have accounted for four of the six most viewed features and four of the most viewed series on the platform. They have also featured across many of the world's leading networks and platforms including Hulu, Peacock, Paramount+, BBC and HBO Max.

Stan also made its first foray into reality television with *Love Triangle*, from the producers of Nine smash hit *Married At First Sight* (Endemol Shine). Releasing eight weekly episodes, *Love Triangle* attracted a young and dedicated audience and will return for a second season in 2024.

In a cross-platform approach to content that is unique to Nine, Stan continues to work closely with Nine's award-winning journalists as well as key filmmakers and philanthropists from Australia and around the world – and with support from Screen NSW, VicScreen, Shark Island Foundation and Fremantle – to develop the *Revealed* series of Original documentaries. In FY23, these series included *Trafficked*, inside the world of human trafficking in Australia; *Reefshot*, documenting efforts to protect the Great Barrier Reef from the effects of climate change; and *The Cape*, a haunting documentary about the mysterious tragedies befalling an isolated community in Australia's Cape York.

Stan Originals *Bali 2002* (top) and *The Portable Door.*

Stan.

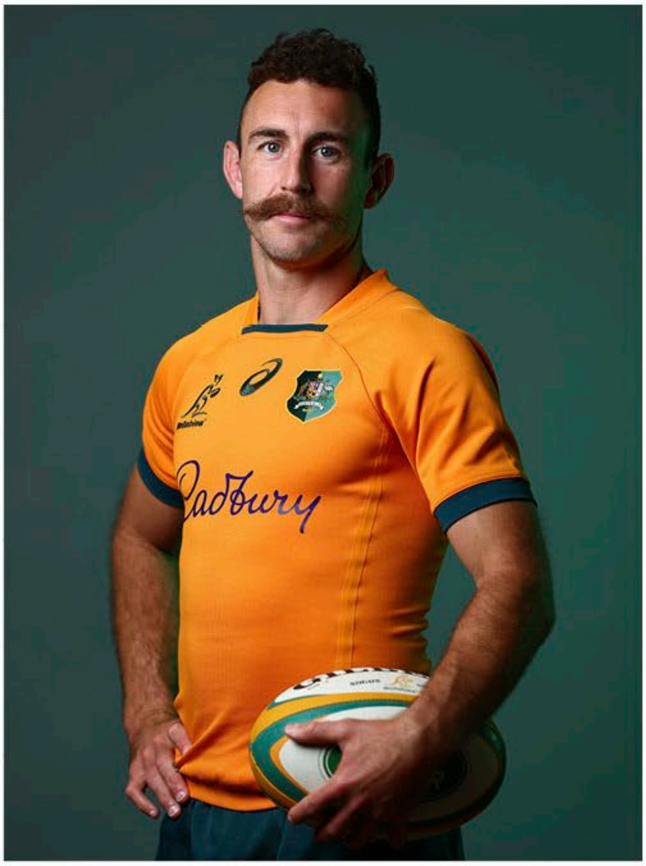
STAN

This investment in Originals is significant as it not only differentiates Stan's offering from the global players by bringing the best local stories to Australian audiences, but it also creates the foundations of a long-term content library asset. Stan will again increase its output of original productions in 2024.

Stan also continued to bring high quality licensed content to Australian audiences including popular shows such as *Yellowstone, Power, Your Honour* and *From*. During the year, Stan signed a new multi-year output deal with Sony which saw the launch of new titles such as *Lucky Hank* and *Panhandle* and the successful release of the highly anticipated series *Twisted Metal*, based on the Playstation game. Towards the end of the year, Stan announced the successful acquisition of three new spin-offs to the global smash hit franchise *The Walking Dead* from AMC, a new partner, with the first of these titles *Dead City* released in June.

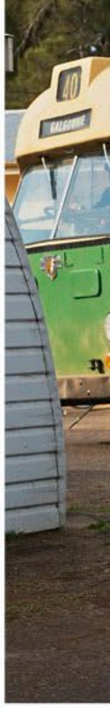
Live streaming provides another key point of differentiation compared with its competitors – across entertainment and Stan Sport. During the year, Stan launched its first forays into entertainment live streaming, broadcasting the Queen's funeral, Golden Globes and the King's Coronation event. Stan also strengthened its Stan Sport proposition; extending key partnerships with Rugby Australia; Grand Slam tennis events the Australian Open, Roland Garros and Wimbledon; as well as the Union of European Football Associations (UEFA). Stan also continues to provide access to other high quality sporting competitions, with international and domestic motorsport including Formula E, INDYCAR, World Endurance Championship, World Rally Championship, SpeedSeries, Australian Superbike Championship, Australian Pro MX and FIM Motocross as well as the emerging MMA competition, the Professional Fighters League, which during FY23 announced the additions of superstars Jake Paul and Francis Ngannou to its line-up. Stan Sport's strategy is premised on delivering premium sports with large and committed supporter bases via its high quality platform. The unique combination of sport and entertainment is a significant point of difference for Stan and continues to drive high engagement among subscribers and positive contribution to the business.

Stan Sport also enables Nine to offer a whole of television approach to Sport, a benefit for both Nine and the relevant sporting bodies who value the merits of Nine's whole of company commitment, with audiences and editorial focus across both free and subscription platforms.



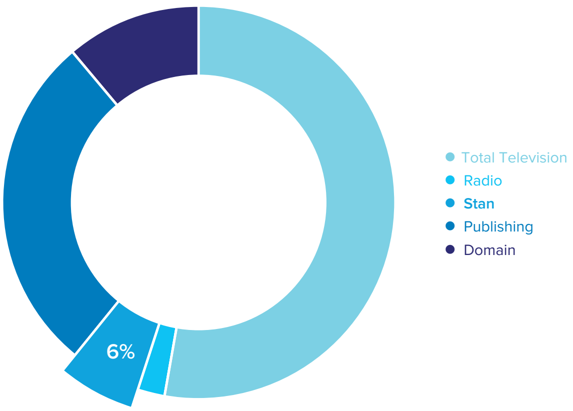
Stan also offers subscribers access to premium Pay Per View events and in FY23 Stan brought audiences two big fight nights headlined by Joseph Parker vs Joe Joyce in September, followed by the blockbuster match-up between Sonny Bill Williams and former UFC star Mark Hunt in November.

Stan's continued success is taking place in an ever-changing global streaming landscape, where global streaming services have significantly pivoted their strategies from a focus on building global subscriber numbers at any cost (often by launching direct-to-consumer offerings in a large number of markets) to a renewed focus on profitability. As a consequence, a number of the global players are expected to evolve their strategies in Australia, with some returning to a third party licensing model for some of their content. With a profitable active subscriber base approaching 2.6 million, as well as an inactive subscriber base of more than twice this level, Stan is well positioned to play a part in the evolution of SVOD in Australia.

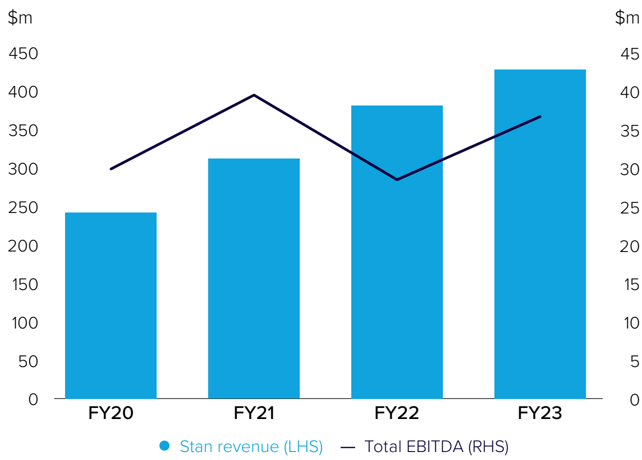


Stan Original series, *Ten Pound Poms.*

EBITDA[1] contribution – FY23



Stan Results



1. Economic interest-adjusted basis, excludes corporate costs.

Beloved Stan Original *Bump*, returned to Stan in 2023 for its third season.

PUBLISHING

COMBINED REACH[1]

16.4m

ACROSS MASTHEADS AND OTHER DIGITAL PUBLISHING PLATFORMS, DE-DUPLICATED

MONTHLY AUDIENCE[1]

Over 12m

ACROSS PRINT AND DIGITAL MASTHEADS, DE-DUPLICATED

REGISTERED USERS[2]

1.3m

AS AT JUNE, 2023

ACTIVE SUBSCRIBERS[2]

More than 460,000

1. Roy Morgan Research, People 14+, last 4 weeks averaged over the 12 months to June 2023.
2. Nine internal data.

IN FY23, NINE PUBLISHING REPORTED EBITDA OF $165M (-8%) ON REVENUE OF $575M (-3%).

Nine's Publishing division includes the mastheads *The Sydney Morning Herald, The Age, The Australian Financial Review, The Brisbane Times* and *WAtoday*, as well as Nine's other Digital Publishing titles including Pedestrian, Drive and nine.com.au.

During 2023, in a more difficult economic and advertising market, the quality, diversity and veracity of Nine's content underpinned continued growth in reader revenue (subscription, licensing and circulation) which now accounts for more than half of total revenue. This longer-term reweighting has been the result of Nine's clear commitment to audiences, and the content that drives engagement and, ultimately, subscription.

As in Television and Radio, Nine Publishing is focused on extending audiences of its content across existing and emerging digital platforms, and is the most progressed of the Nine assets on that journey. In FY23, more than 60% of revenues were digitally-sourced, up from less than 50% in 2019.


THE AGE

MATILDAS WIN 1-0

Over the past three years, Nine has seen 14% total growth in subscribers to the core mastheads *The Sydney Morning Herald, The Age* and *The Australian Financial Review*, with that growth coming entirely from digital. In FY23, digital subscription and licensing revenue grew by 5%, more than offsetting the decline in print. This strong performance in digital enabled Nine to increase digital subscription rates, for the first time since digital packages began, boosting ARPU, and with a minimal impact on churn.

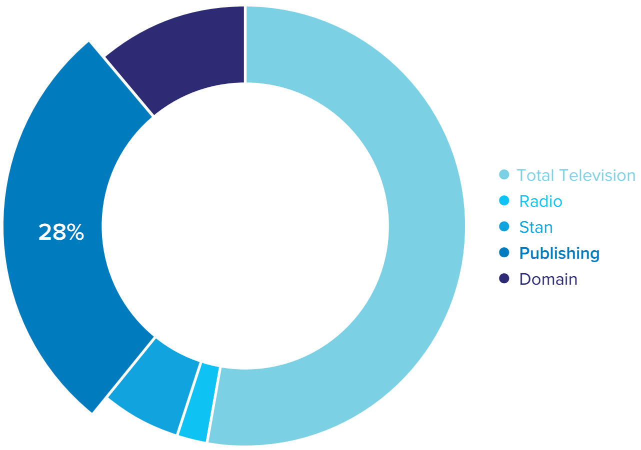
Nine's pool of around 1.3 million incremental registered users has provided Nine with valuable data on consumption and engagement, enabling targeting of advertising to more of the Group's 16 million monthly readership base.

During the year, Nine continued to receive licensing revenues from the key digital platforms, in recognition of the quality of the Group's journalism and the contribution Nine's content makes to the business models of these platforms. As distribution paths continue to proliferate, Nine remains focused on monetising its content across all available platforms – crucial in ensuring the long-term vibrancy and uniqueness of the Group's premium journalism. The growth of TikTok and surge of AI (artificial intelligence) platforms such as ChatGPT creates incremental opportunities for Nine to continue to build its licensing revenues.

After a strong start to the year, Nine Publishing was impacted by the softer advertising market through the second half of FY23. Digital advertising revenue declined by 14% across the year, primarily reflecting softness in programmatic advertising. Print advertising was broadly flat across the year – first half growth being followed by a markedly softer second half.

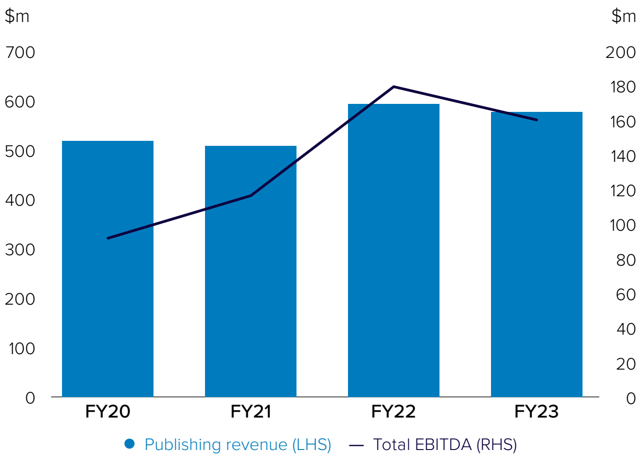
Growth in audiences, and utilisation of Nine's Group-wide data will provide further opportunities to continue to grow our share of the $1.5 billion addressable digital advertising market. In FY23, Nine Publishing continued to grow share in a market which was impacted by the underlying economic conditions.

EBITDA[1] contribution – FY23



1. Economic interest-adjusted basis, excludes corporate costs.

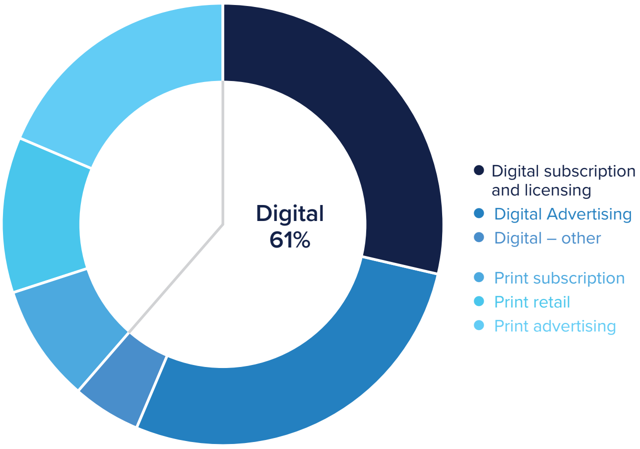
Total Publishing Results

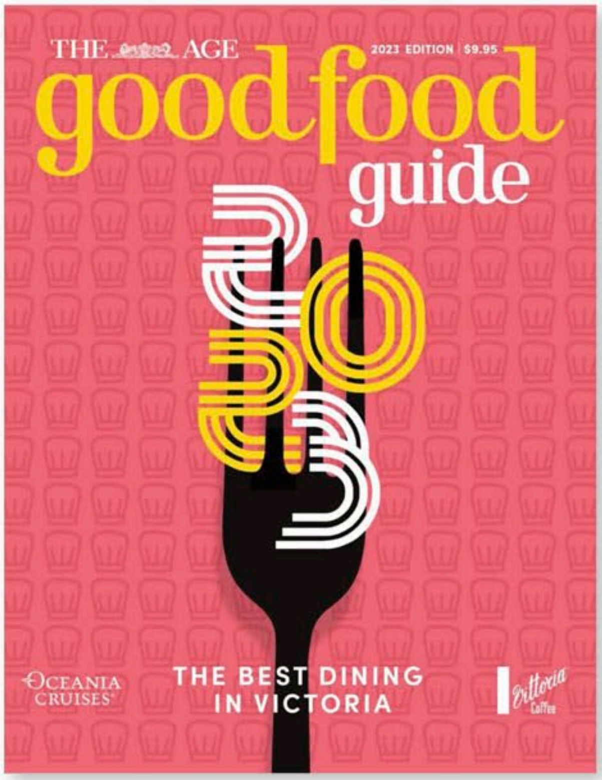


PUBLISHING

Notwithstanding a more challenging cost environment, which reflected the outcome of the EBA (enterprise bargaining agreement) and higher paper and distribution costs as well as some underlying investment in content, costs in FY23 were marginally down on FY22.

Contribution to revenue





Nine superbrand, *Good Food*, relaunched in March 2023, with a revamped digital offering.

A win for public interest journalism

In June 2023, the Federal Court, after more than 100 days in court and 10 months of consideration, determined that the investigations by *The Age* and *The Sydney Morning Herald* were substantially correct in their reporting that Ben Roberts-Smith committed war crimes. This judgement was vindication for Nine's investigative journalists Nick McKenzie and Chris Masters who began reporting on this difficult and complicated story more than seven years ago. It was a vindication for the many people in Nine's newsrooms and organisation who support this public interest journalism. It is also a vindication for the brave soldiers of the Australian Defence Force's SAS who served their country with distinction and then had the courage to speak the truth about what happened in Afghanistan.

Publishing a story of this magnitude is never easy, but high quality investigative journalism is vital to a thriving democracy. Nine's unequivocal backing of this story and the associated defence (and now the appeal brought about by Mr Roberts-Smith) is a clear demonstration of Nine's commitment to quality journalism.

New product launches in FY23

During 2023, without the impact of pandemic news consumption, readers increasingly turned to lifestyle and sport content. In keeping with this theme, Nine invested in two key categories – where it already had a presence, but which the Group believed could become more significant subscriber and advertising drivers in the medium term. These products also offer advertisers a differentiated opportunity to access engaged and highly relevent audiences.

In March, Nine re-launched its *Good Food* product, Australia's trusted food media brand, across both digital and print.

With a monthly cross-platform readership of 1.5 million[1] and a social media presence of nearly 700,000 people, the relaunched *goodfood.com.au* is now fully integrated into the *Sydney Morning Herald, The Age, Brisbane Times* and *WAtoday* websites, with new tech and product features; a revamped navigation of localised restaurant reviews; regular columns from some of food's biggest names, and new editorial features including more cooking tips, eating out guides and trends coverage. Enhanced content from some of the biggest names in Australian food is complemented by state-of-the-art technology features improving navigation and ultimately engagement.

The annual *Good Food* Awards are the home of Australia's most-recognised and respected restaurant awards – the coveted chef's hats have been given out for more than 40 years – making *Good Food* a cross-platform brand like no other spanning print, digital, television, events and retail.

1. Source: Roy Morgan Research; People 14+ for the 12 months ending December 2022. Based on L4W.

14 time Walkley-award winning investigative journalist, Nick McKenzie.

In April, Nine re-launched *Traveller*, a new-look digital home for high-quality travel content for Australia's most discerning audiences and advertisers. With the site now fully integrated into *The Sydney Morning Herald, The Age, Brisbane Times* and *WAToday* websites, Traveller.com.au offers holiday and destination guides, an affordable travel series, enhanced site navigation and search capabilities, supported by great editorial content. The section provides dynamic opportunities for travel brands, connecting them with a high value and engaged audience through immersive branded content, contextual alignment and sponsorship opportunities. With a monthly cross-platform readership of 1.6 million[2] and a social media presence of nearly 300,000 people, *Traveller* is a travel destination in its own right. Across Nine Publishing, travel-related ad revenues grew by more than 50% in FY23, as Australians embraced the opportunity for travel again.

Nine.com.au

Nine.com.au is Nine's free, mass market online news publication, which leverages the broader Nine strength and brands as the digital home for the Nine Group. With a monthly audience of more than 10 million[3], nine.com.au opens the door to some of Australia's leading websites for news, sport, lifestyle and entertainment – through affiliated sites, including 9news.com.au, WWOS.com.au (Wide World of Sports), 9Entertainment with news on all of Nine's key television shows, and 9Honey for the latest celebrity and lifestyle news. Nine.com.au is purely advertiser funded, relying on its high levels of traffic and the associated demographic insights to build advertising revenues.

Drive

Drive is one of Australia's largest automotive content networks, reaching over 16 million Australians each month. Consumers can experience Drive automotive content on TV across the 9Network, 9Now, radio, social, podcasts, in print and on site at Drive.com.au. Drive's motoring experts review and drive every car available for Australians to buy and provide expert advice, opinion, new car showrooms, Drive Car of the Year awards and extensive listings of dealer accredited cars for sale.

Pedestrian

Nine also owns 100% of Pedestrian Group, one of Australia's leading youth media groups. With a monthly audience of 3.5 million young Australians[3] on its websites (a notoriously hard to reach demographic), Pedestrian Group breaks the stories that matter to those readers, from culture to tech, business to gaming, fashion to entertainment and politics to lifestyle through its diverse brand portfolio across pedestrian.tv, VICE, Refinery 29, Gizmodo, Kotaku and Lifehacker. It is also home to Open Air Cinemas.

Advertising constituted around 85% of total gross revenues in FY23, as the Group continued to extend its monetisation of audiences through affiliate and commerce revenues as well as continued engagement on Pedestrian Jobs, a jobs board for young Aussies in the creative and media industries.

The Group also expanded its operations into New Zealand, led by VICE AU's work with the Ministry of Social Development to launch their multi-year Love Better initiative.

2. Source: Roy Morgan Research; People 14+ Last four weeks average over the 12 months to December 2022.
3. Source: IPSOS, July 2023.

DOMAIN

IN FY23, DOMAIN REPORTED EBITDA OF $103M ($109M[1]) ON REVENUES OF $355M ($346M[1]) FOR THE YEAR.

Nine holds a 60% stake in the separately listed Domain Group (ASX: DHG), one of Australia's leading property technology and services businesses. Domain's integrated suite of assets offers both consumers and agents a cohesive and integrated suite of property-related services including core listings, agent solutions, consumer solutions and property data solutions.

Nine's relationship with Domain extends beyond this equity stake. Editorial content, support of Domain brand through Nine's news and shows like *The Block* as well as the bringing together and utilisation of the Groups' extensive first party data-bases are key examples of mutually beneficial co-operation between Nine and Domain.

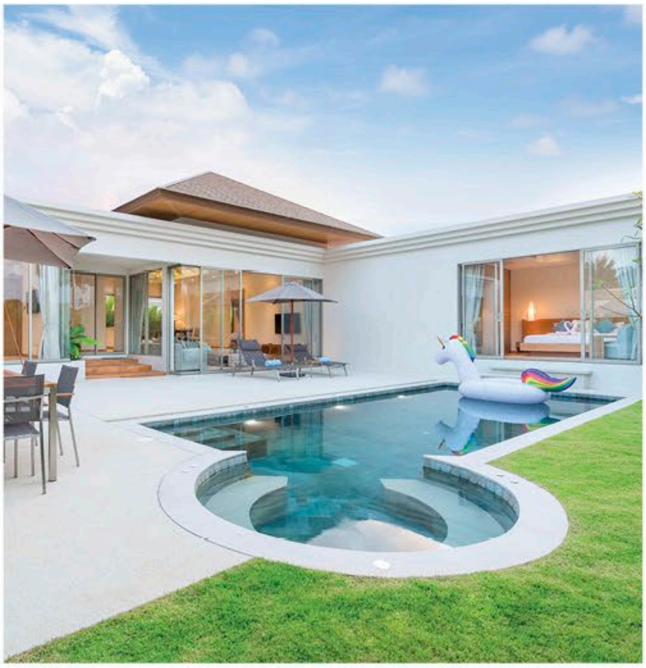
In FY23, Domain's result reflected the challenging property environment, particularly in its core markets of Sydney and Melbourne. Domain's Residential revenues, 63% of the total, fell by 7%, with 8% growth in controllable yield, a function of both price and depth penetration, more than offset by the weaker listing market, and Domain's geographic mix. This yield performance was supported by Domain's new product launches during the year including the Social Boost All tier early in FY23. These initiatives continue the Group's focus on increasing the value Domain provides to agents and consumers, consistent with the Marketplaces model.

Media, Developers and Commercial recorded a slight decline in revenues to 13% of the Group total. Commercial Real Estate (CRE), which provides subscription, depth listing and advertising for the office, industrial and retail sector, was the best performing business, with revenue growth of 6%. Conversely, Media had a more difficult period, in line with both the property cycle and broader advertising market.

Domain's Agent Solutions business is focused on providing agents with enhanced tools and solutions to enable them to strengthen and grow their businesses. In FY23, revenue grew by a reported 86% (6% underlying), boosted by a full year contribution from Realbase. Realbase is the leading campaign management platform in Australia and New Zealand with its initial contribution impacted by the weaker listing environment. Real Time Agent provides enhanced digital tools for the property transaction process while Pricefinder delivers property data, insights and reporting tools and Homepass provides database tools to support the open for inspection process.

Domain Insight recorded revenue growth of 16% (4% underlying), which includes the performance of Pricefinder (non-Agent), Australian Property Monitors and a full year of Insight Data Solutions (IDS), which provides land and property valuation data to Government and corporate customers. Domain Insight is focused on building Australia's best quality data asset, available to all customers, by combining all of Domain's data sources.

1. As reported by Domain Group (ASX: DHG), excludes discontinued businesses (Domain Home Loans).



While announcing its decision to exit its current Domain Home Loans joint venture, Domain remains confident about the future role that home loans can play in driving the Marketplace strategy.

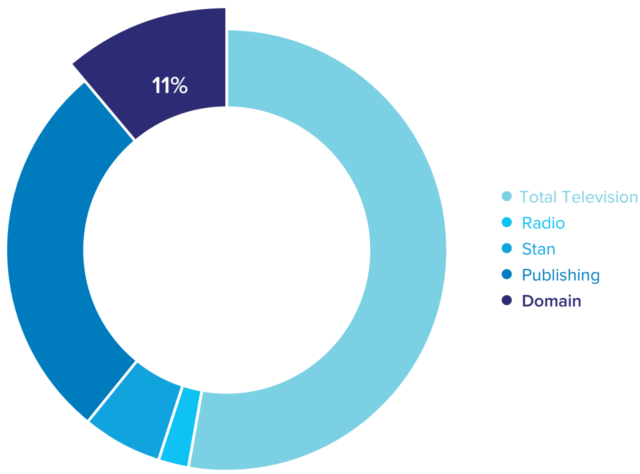
Domain services print audiences with property listings and editorial through the Domain, Domain Prestige, Allhomes and Domain Review magazines. Domain and Domain Prestige are distributed through Nine's leading publications – *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*. Domain's print revenues declined by 24% to $17 million, reflecting the underlying listing market weakness, particularly in Domain's key markets of Melbourne and Sydney. Print continues to deliver strategic value to Domain, from both an agent and consumer perspective.

Across the year, as the listings market weakened, Domain responded to the changing market conditions with second half costs down 18% on first half, which resulted in a full year underlying cost increase of 7%[1] – slightly bettering guidance provided to the market during the year. Fourth quarter initiatives included proactive annual leave management, staff recruitment phasing and further discretionary cost controls.

Across its Marketplace ecosystem, Domain's unique digital audience of 8.3 million[2] supports the Group's extensive data and related infrastructure, enabling greater utilisation and insights for Domain's customers. During the year, Domain continued its commitment to the three key areas of Platforms, Personalisation and Privacy which together contribute to Domain's data quality, user experience and ability to monetise its solutions across its entire marketplace.

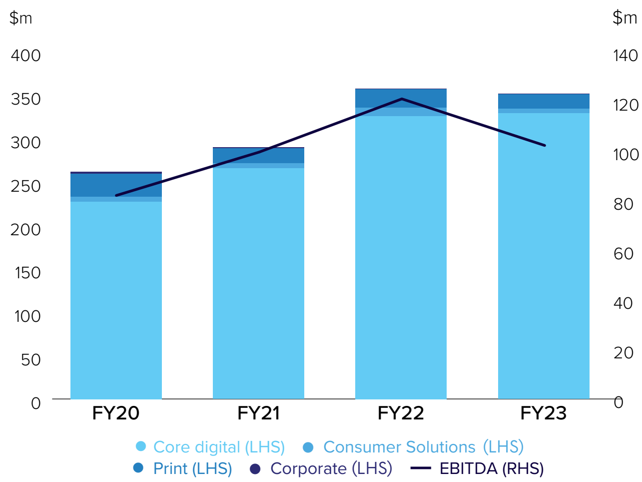
1. As reported by Nine, including Domain Home Loans.
2. Source: Nielsen Digital Content Ratings, Monthly Tagged, July 2022 to June 2023, July 2021 to June 2022, Domain Media (including Domain, Allhomes and Commercial Real Estate), P2+, Digital C/M, Text, Domain, Unique Audience.

EBITDA[3] contribution – FY23



3. Economic interest-adjusted basis, excludes corporate costs.

Total Domain Results[4]



4. As reported by Nine, including Domain Home Loans.

COMPANY, COMMUNITY & CLIMATE

This is the lens through which Nine considers all the factors that matter to the sustainable growth of our business; environmentally, socially and through good governance.

Company

We want everyone to know they have the opportunity to join the Nine community

Community

We will create opportunities for all Australians to feel they belong here

Climate

We are focused on developing the tools and framework to give us the ability to fully measure our corporate greenhouse gas footprint across the business

Company – People and Culture

This year was a year of reset for our people – of resetting what it means to be part of Nine, resetting our purpose and our values, resetting connection with our audiences, resetting how we work and resetting our commitments. Together with our people, we co-created our Purpose – *Australia Belongs Here* – and our Values – Walk the Talk, Turn Over Every Stone and Keep it Human. Our Purpose and Values always existed – they are the behaviours our people use to display their passion for Nine – but co-creating and articulating the Purpose and Values helps to unify our people, and align our expectations of behaviour at Nine. It's this purpose and values that now underpin all that we do at Nine, the way we make decisions, how we show up. And the People and Culture strategy is anchored on the Purpose, delivering in Purpose and Values, Talent, Leadership and Inclusion, Learning and Development, and Health, Safety and Wellbeing.

Delivering on Purpose and Values

In FY22, we began a process to hear from people from all parts of our business, right around the country. More than 1,000 people engaged in digital sessions and interactive workshops to debate what unites us.

These workshops created conversation about values and behaviours, identifying what was important to us. We heard that empathy, humility, courage, credibility, curiosity and innovation mattered most. Despite being a large, diverse organisation, we found that consistent themes came up time and time again. Our shared purpose was already there, driving our passion and belief in what we do. It was a part of our DNA; who we all are at Nine, and why we can consistently deliver success for our audiences, the wider community and our shareholders.

Delivering on Leadership

With the launch of our Purpose and Values, changing market conditions and the increased opportunity of our Olympic Games deals, our leaders are critical to supporting our people to be the best they can be and deliver our long-term strategy.

Over FY23, we continued to support our leaders, launching our first Group-wide leadership conference. 230 senior leaders from across all areas of Nine came together to connect, exchange ideas and align on the future direction of our business.

With the launch of our Purpose and Values, resources and workshops were also created for our leaders to help them lead with purpose and bring our values to life within their teams. To continue to further ensure we have the leadership capability we need for our future, we have also defined what it means to lead at Nine and identified the core capabilities our leaders need. In FY24, we will launch a new Leadership Portal with resources for our leaders; as well as a leadership program, Leading@Nine. All leaders will go through this program over the course of two years, ensuring they have the skills required to lead and support our people to be the best they can be.

Delivering on Diversity, Equity and Inclusion

Following our review in FY21, and partnership with leading consultancy Diversity Partners, a new team was created within People & Culture to further the Diversity, Equity and Inclusion agenda Group-wide. This team has now been in place for close to 12 months, and over this time we have launched a number of planned activities and initiatives, both to the business and behind the scenes.

During FY23, we created and launched Employee Resource Groups (ERGs) across multiple diverse lenses, spanning the breadth of the Nine Group. Each with a dedicated Executive Sponsor and co-chairs, Nine Communities exist to provide support for people with lived experience, encouraging them to come together as a group to raise awareness and champion change within our organisation. Nine Communities (Gender Equity, Cultural Diversity, Pride, All Abilities and First Nations) have come together and rallied around causes and issues alike, launching internally through events such as Lunar New Year events, International Womens' Day and World Pride celebrations.

In particular, we have convened an Employee Resource Group consisting of employees with Aboriginal and Torres Strait Islander backgrounds. This group of employees meet regularly, and are advising Nine on approaches to our First Nations Strategy, areas of importance and future focus for the organisation.

In FY23, we again celebrated our First Nations employees and the wider community with the launch of Cultural Competency training modules, available Group-wide, delivered online by Arrilla and Shelley Reyes AO. We also placed Acknowledgement of Country plaques across all of our offices nationwide, referencing the specific lands of each of our locations.

While in its early stages, we see the future of this group as one of our key advisory lenses, coupled with external expertise in relevant areas.

The success of our efforts in Diversity, Equity and Inclusion would not be possible without the shared knowledge of our peers and partners. In FY23, Nine solidified relationships with peak industry bodies, including our membership investment in Media Diversity Australia, while also embarking on new partnerships across multiple lenses. The Australian Network on Disability, Pride in Diversity, and the Diversity Council of Australia are now strategic partners and assisting us with resources, training and advisory on our Diversity, Equity and Inclusion journey.

Details on our objectives for gender diversity can be found in the Corporate Governance Statement on page 38.

Risk and Compliance/Respect at Work

With the recent legislation changes and upcoming mandates we are working towards full compliance by executing a deep dive into the experiences of our people across Nine. We have engaged and are working with Intersection at Work, a leading consultancy whose members were involved in crafting the legislation itself, to assist us in uncovering any areas of concern and updating our policies, processes and employee experiences to not only meet requirements but also provide support and guiderails into the future. We expect to see this work complete by the end of the calendar year.

Delivering Engagement

Results from the annual Nine Employee Engagement Survey in 2022 told us that whilst our people feel connected to their team and the brand or product their role relates to, they wanted to learn more and get closer to the broader Group and its many different products and brands.

A new concept initiative called 'Employee Exclusives' was developed to provide unique value around our incredible content that only employees at Nine can experience. The initiative includes an annual calendar of unique events, behind-the-scenes access, and special perks related to our products such as competitions, prizes, exclusive stories, merchandise, discounts and more.

Delivering our Value Proposition

The need for Nine to identify, develop and retain the best talent in the market has never been stronger. This is impacted by many factors, including the current employment market, and changes in employee expectations about the working environment and corporate citizenship, particularly around responsibility, ESG and inclusion.

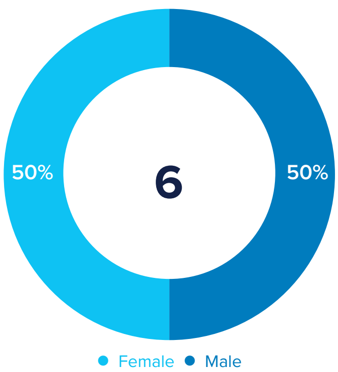
In FY23, we undertook research and qualified our available data to get an insight into both the internal and external perceptions of our employer brand. Utilising these and other inputs, including our work on Purpose and Values and linked to the Group strategy and goals, we have worked with our employees, tested assumptions and then crafted our Group-wide Employer Value Proposition. As a result, we have developed a visual identity and narrative that we can take to market, articulating the true experience of working at Nine.

Delivering on Health and Wellbeing

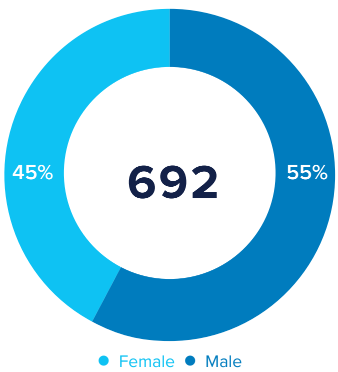
Psychosocial Safety

With the regulatory changes across Australia pertaining to the management of psychosocial safety in the workplace, Nine continues to review its operation in light of the new obligations. In particular, Nine has continued to deliver on training and reviewed the strategy for FY24, which will have clear governance around the strategic pillars of Protect, Promote and Respond and programs of work behind each element.

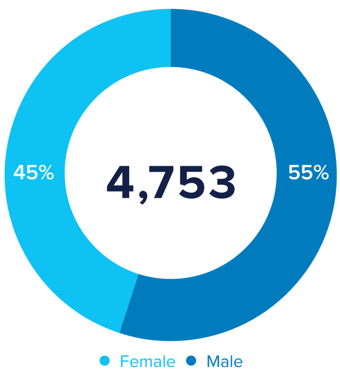
NEC Board



NEC Management



NEC Total Employees



As at 30 June 2023.

Mental Health Awareness Training

During FY23, Nine's Safety team have trained over 200 leaders in an in-house 'Mental Health for Leaders program' aimed at providing awareness, changing the stigma and giving practical conversation tools for leaders to enable practical support and management of psychosocial safety in the workplace. 98% of leaders rated this training to be 'very good' or 'excellent', with 94% stating that it was 'Very relevant' or 'Extremely relevant' to their role.

To supplement knowledge at a leadership level, Nine has continued to roll out the Thrive Ambassador program, which is a peer-support mental health program. This is supported by an external provider, who provides suitable supervision and instruction to Thrive Ambassadors. Nine will continue to deploy this program throughout FY24.

FY23 has seen an increased uptake of Converge, our Employee Assistance Program (EAP) partner. This has been seen as a direct result of the education provided to leaders and employees, and an understanding of the proactive support available to Nine's employees and their families. Nine's safety team curate a monthly publication which is generated from Converge; and 'Thrive at Nine' is a digital magazine shared across the Nine Group, and is widely read by our people.

To safeguard Nine's Safety team from psychosocial harm, we have implemented a 'Care for the Carer' program so that the members of this team can appropriately receive suitable professional assistance as required. Given the nature of conversations and matters the safety team are involved in, the psychological support required is more tailored and specialised than EAP and allows team members to build trust and rapport with a clinician for ongoing care and supervision. This program was nominated in the ARPA NSW industry awards and was a finalist for 'Outstanding Achievement in Return to Work Award – ARPA Associate Members and Industry Stakeholders'.

Building on the Respect@Work legislation changes, Nine has co-designed a capability module with external psychologists for Nine's leaders, initially being deployed in our Publishing division. The identified risk in this business unit is exposure of journalists to disrespectful behaviour from external stakeholders, that ranges from incivility to overt discriminatory behaviour or commentary, and online violence. Female journalists have been identified as being at a greater risk of exposure to these types of behaviour, including sexualised discrimination. This module is designed to upskill leadership in how to respond to employees who have been exposed to these behaviours, and how to refer them to support. This training will continue into FY24 and be shared with all news gathering departments.

Fatigue study

Nine is engaged in a broad range of activities to collect and gather content from across the business in relation to the management of fatigue across the Group. In FY23, we have undertaken a study of our people to listen to them and gain their perspectives, insights and thoughts on the work they undertake and the risks and opportunities associated with fatigue.

This research demonstrated the need for further fatigue planning and processes; and in FY24, Nine will focus on development of a fatigue risk management system and practical tools for our people to use to assess and manage fatigue.

Manual Handling Project

At Nine, the primary workplace-related injuries are musculoskeletal injuries; and slips, trips and falls. To gather more insight into this, we continued to invest in onsite physiotherapists at our main broadcast centre in Sydney, and provide treatment and education to those involved in physical roles associated with news gathering including camera operators, photographers etc. There is high engagement and participation with this program and we aim to broaden this across the Nine operating group in FY24.

In addition to this, a review of equipment was undertaken to understand the physical demands placed on these higher risk employees. Recommendations have been made and initial implementation of carrying aids to reduce the physical load on employees is expected across the country in FY24.

Injury Management and Workers Compensation

Nine continues to invest in support for injured workers and has achieved good pre-injury outcomes for our people this year. This has resulted in a stable premium result, below the industry average. We are pleased to see the increase in reported hazards back to pre-COVID levels (acknowledging the reduction in FY22 primarily due to the prevalence of working from home in that year).

	FY23	FY22
Total injury numbers	24	24
Lost time injury	7	16
Lost time injury frequency rate	0.86	2.00
Total recordable injury frequency rate	2.95	3.00
Hazards identified	48	15
EAP (Employee Assistance Program) usage	4.9%	5.1%

Company – Corporate Governance

Nine's Corporate Governance Statement, which starts on page 38, demonstrates the extent to which Nine has complied with the ASX's Corporate Governance Council Principles and Recommendations and corporate governance best practice.

The Charters which Nine has adopted and related corporate governance policies are available on Nine's website (https://www.nineforbrands.com.au/corporate-governance-2/).

Consumer Data and Privacy

Nine collects consumer data and information through the Group's base of more than 20 million unique, registered users. Nine recognises that it is critically important to have controls and frameworks in place to protect consumers' data and privacy. Without appropriate controls, the business risks losing public faith, social licence to operate and shareholder value.

Collection and usage of this data is governed by the Australian Privacy Principles (APPs) and *Privacy Act 1988* (Cth) (Privacy Act) and Nine's privacy policy. Nine has recently engaged an independent third party to review Nine's policy and procedures for data governance, which recommended a number of data management practices that Nine is looking to implement in the short term. Nine is also engaging with the Government through the current Privacy Act reform proposals, to seek to ensure a fair balance between protecting the rights of individuals and ensuring an effective free press.

Details on Nine's security and privacy policy can be found at https://login.nine.au/privacy.

Facilitating trusted journalism

As a public facing media outlet, it is important that Nine promotes independent journalism. There are, in place, governance frameworks that ensure truthfulness, accuracy, objectivity and independence of editorial decision making, from commercial decision making. These are underpinned by the external frameworks which apply to journalism activities, specifically:

- For online and print journalism, Nine is committed to complying with the various standards developed by the Australian Press Council in conjunction with its constituent members (https://www.presscouncil.org.au/statements-of-principles). This includes a Statement of General Principles, a Statement of Privacy Principles, Specific Principles covering matters such as the reporting of suicides, and Advisory Guidelines on matters such as reporting elections. As a member of the Press Council, Nine must cooperate with the Press Council's consideration of complaints against it and publish any decisions by the Press Council following a complaint to Nine.
- Television broadcast journalism, including the handling of personal information, is governed by the Commercial Television Code of Practice (https://www.freetv.com/resources/code-of-practice) and the ACMA Privacy Guidelines (https://acma.gov.au/publications/2016-09/guide/privacy-guidelines-broadcasters). The Commercial Television Code of Practice prohibits certain types of programs and advertisements, requires classification of program material and broadcasts in suitable time slots, and puts limits on the amount of advertising and other non-programming matter which can be broadcast. It also promotes editorial accuracy, fairness and protection of privacy for individuals in relation to news and current affairs.

  The Commercial Television Code of Practice also requires Nine to ensure advertisers comply with the AANA Advertiser Code of Ethics and the AANA Code of Advertising and Marketing Communications to Children.

  Further, Nine's commercial television licences, issued under the Broadcasting Services Act, are subject to conditions around specific matters such as advertising of tobacco and interactive gambling, obligations to broadcast matters of national interest, and prohibitions on the broadcast of material with certain classifications.
- For Radio journalism, Nine complies with the standards developed by Commercial Radio & Audio (https:///www.commercialradio.com.au/legal/regulation-codes). In respect of its Radio business, Nine is bound by the Commercial Radio Code of Practice and the Commercial Radio Guidelines which also promote editorial accuracy and guide reporting on sensitive topics such as mental illness. As in television, Nine's commercial radio licences, issued under the Broadcasting Services Act, are subject to conditions around specific matters such as advertising of tobacco and interactive gambling, obligations to broadcast matters of national interest, and prohibitions on the broadcast of material with certain classifications.

Community – Internal

The Fairfax Foundation

The Fairfax Foundation, established in 1959 with an independent charter, provides assistance to current and former employees and their families through a range of grants and other benefits. Grants can assist individuals who are in financial hardship, facing significant out-of-pocket medical expenses, or seeking support for education costs or personal development activities. The Foundation provided over $650,000 in financial grants and other benefits to eligible applicants during the 2023 financial year. The grants program was expanded in 2023 to include financial assistance for expenses related to wellbeing, resilience and recovery. This new initiative supports applicants to improve their wellbeing and access the specialist services they need.

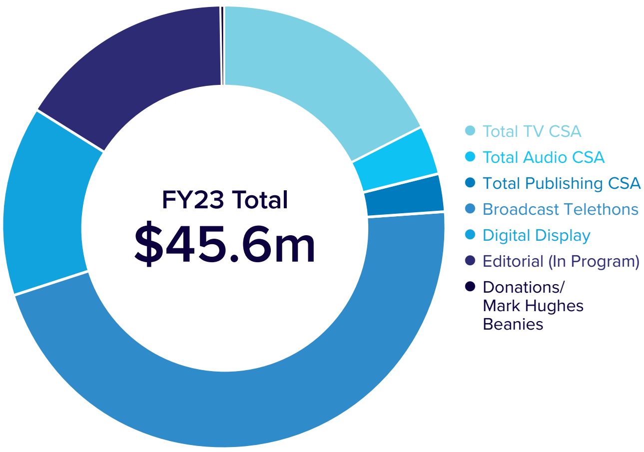
Community – External

Nine Cares contributes to the Community pillar in our ESG program. In the last 12 months Nine has provided more than $45 million in value for our partner charities, supporting important causes across mental health, child bereavement, disability and special needs, childhood cancer, stillbirth, people experiencing homelessness and domestic violence.

Nine Cares also delivers indirectly within the Company pillar, ensuring our people have the opportunity and encouragement from Nine to support our charity partners and to give back to the community in a number of ways. Each employee receives two extra days annual leave to volunteer and anyone volunteering on a weekend day receives a day in lieu. The uptake amongst our people has been exceptional and the ease with which Nine helps them to navigate volunteering outside work hours has been appreciated. We know that to both attract and retain top talent, it is essential we continue to give employees a range of opportunities to engage and contribute to the stories and journeys of Australians in need.

Our charity partners produce impact reports as a requirement of our relationship, which is reviewed on an ongoing basis by People and Culture to ensure good governance.

The media value of our support across our charity partners comprises the following:



1. Includes 100% of donations to Australia Unites.

KEY HIGHLIGHTS:

Volunteers Morning Tea

A national initiative in its second year, giving our people the opportunity to engage directly with our partner charities, and specifically, to learn more about volunteering. We have strong support from our Nine talent on this day, as several of the team have deep associations with their chosen charities. Livinia Nixon hosted in Melbourne, Sylvia Jeffreys in Sydney and Brenton Raglass in Adelaide. Ten of our national partner charities attended this year including Goanna Academy, Gidget Foundation, Feel the Magic and The Bill Crews Foundation – all of whom had volunteers signing up on the day.

Top: Ronald McDonald House in Perth welcomed to Volunteers Morning Tea.
Bottom: Livinia Nixon and Seeing Eye Dogs Australia in Melbourne.

Gotcha4Life – Virtual One Pass SOO

The Gotcha4Life Foundation and the National Rugby League (NRL) teamed up over the 2023 Ampol State of Origin Series with the new 'One Pass At A Time' campaign to raise much-needed awareness and funds to fuel mental fitness workshops in grassroots Rugby League clubs around the country.

With one in two Australians needing mental health support in the last three months, building mental fitness has never been more important. One Pass At A Time seeks to inspire the community to take action and build mental fitness together. Fans can play their part by purchasing a Virtual One Pass for $20, $40 or $80 at onepass.gotcha4life.org. Every dollar raised will help fund much needed preventative mental fitness programs and resources in grassroots clubs – changing, and potentially saving, lives.

Two Good Work Work Program

Two Good is a social enterprise focused on the creation of high-quality food and products, to support, empower and employ women with lived experience of homelessness, domestic violence and complex trauma. The Two Good program is designed to rebuild self-worth and independence, in order to break the cycle of disadvantage.

Last year, eight women from Nine, from across the business, participated in the Two Good Work Work program, mentoring and supporting women as they prepared to re-enter the workforce. Nine's volunteers attended workshops on Trauma training, worked in the Two Good Kitchen, and proudly attended a graduation held at Nine's headquarters in Sydney.

COMPANY, COMMUNITY & CLIMATE

Telethons (NSW, VIC, SA, WA)

This year, Nine continued to support children's charities through broadcast Telethons in Sydney, Melbourne, Adelaide and Perth.

The Grand Final My Room Telethon helped raise more than $3.3 million for My Room Children's Cancer Charity with Clint Stanaway and Lauren Phillips joining the AFL Sunday Footy Show team to share the stories of brave young cancer warriors and their families fighting childhood cancer. Nine supported with over $6 million worth of coverage across television, print and audio.

In Sydney Richard Wilkins, David Campbell and Brooke Boney joined forces for the Channel 9 Light Up Xmas Appeal to raise money for the Sydney Children's Hospital Foundation for research, state-of-the-art equipment and care across New South Wales. More than $4.5 million was raised with Nine providing $3.6 million in support.

Goanna Academy

Strengthening our commitment to First Nations priorities and our love of Sport, Nine has joined forces with Goanna Academy. Goanna Academy is the first accredited and Indigenous-owned mental health education provider across Australia, with a purpose to help end the stigma surrounding mental health and improve wellbeing for all Australians.

Nine has been working with Goanna Academy to bring to light the health clinics that take place all over the country. These clinics use sport to educate communities on the services in and around their local areas that can help. NBN ran a story covering the clinic at Woodburn Public School along with an integrated story within the *Sunday Footy Show* covering the clinic being held at Casino High School which resulted in donations being made to fund upcoming camps.

Staff in action volunteering

Bear Cottage

Bill Crews

Nine Volunteers and Bill Crews.

Future Women

Future Women launched in 2018 under the stewardship of ex-Nine executive Helen McCabe. It was developed to help women enter, progress and thrive in paid employment. Future Women attracts a diverse community of professional women, allies and employers. Individual and corporate membership unlock access to a digital community of resources, ideas, discussion, debate and support. Future Women membership benefits include: small group mentoring, events, interactive career-advancing webinars, regular live online events, exclusive access to articles, videos, resources and podcasts, invitations to private networking groups; and career tips and tricks from experts delivered fully virtually. Future Women also hosts four flagship events: the Future Women Leadership Summit, an International Women's Day First Nations dinner, the May post-budget gala dinner and a July NAIDOC breakfast. In partnership with Commonwealth Bank, Future Women's There's No Place Like Home won Mumbrella's podcast of the year.

Public and private organisations also engage Future Women to train men and women through the Platinum+ Emerging Leaders program and Change Makers: Navigating a Gender Equal Workforce. In 2020, Future Women secured Federal Government funds to pilot the Future Women Jobs Academy. This successfully combines online training with connections to study and employment. In 2022 the pilot was extended to focus solely on assisting women 40+. In 2023, the NSW Labor Party announced it would support a State-based extension of the program which is expected to be launched in 2024. Future Women reaches over 1.5 million women a month and employs 27 people full-time.

Climate – Environmental Measurement and Reporting

In January 2023, Nine appointed internationally recognised environmental specialists South Pole, to support us in GHG accounting and goal setting across the Group. Relative to similar media corporations globally, we anticipate our Scope 1+2 not to exceed 5% of our GHG emissions; the remainder being our supply chain relationships in Scope 3. On completion this calendar year, Nine will be able to consider whether it is able to set science-based targets, report to stakeholders, and adopt a Net Zero roadmap.

Nine has joined Sustainable Screens Australia as a foundation member to support the establishment of albert in Australia. Founded in 2011 in the UK, albert is a BAFTA-owned industry backed organisation that supports the film and television industry to reduce the environmental impact of its productions.

Nine provides senior Sustainability representation across the industry (IAB, AANA, CRA, SSA) and regularly reviews industry initiatives. Our mastheads continue to drive agenda setting sustainability conversations. This year's *Australian Financial Review* ESG Summit was a sell-out and our *Sydney Morning Herald* Sustainability Summit continues to educate and inform the industry. We strongly believe this is a time for collaboration not competition, as we work together to build better environmental outcomes.

BOARD OF DIRECTORS

Peter Costello

Independent Non-Executive Director

Peter Costello was appointed to the Board in February 2013 as an independent, Non-Executive Director and in March 2016 became Chairman of the Board. He is also a member of the Audit & Risk Management Committee.

Mr Costello is currently Chairman of the Board of Guardians of Australia's Future Fund and serves on a number of domestic and international advisory boards. He commenced his career as a solicitor, and then a barrister. Mr Costello was a member of the Australian House of Representatives from 1990 to 2009 and Treasurer of the Commonwealth of Australia from March 1996 to December 2007. From 2009, Mr Costello has worked as a corporate advisor in the field of mergers, acquisitions and foreign investment.

He has a Bachelor of Arts and a Bachelor of Laws LLB (Hons) and a Doctorate of Laws (Honoris Causa) from Monash University. In 2011, Mr Costello was appointed a Companion of the Order of Australia.

Mike Sneesby

Chief Executive Officer and Director

Mr Sneesby was appointed Chief Executive, and Director of both Nine, and Domain, Nine's 60%-owned associate, in April 2021. Prior to this, Mike was the CEO of Nine's Subscription Video On Demand business, Stan, heading the Group from its inception in 2013 through to profitability and a 2 million-plus subscriber base.

Mike has a depth of Media and Telco experience, gained both in Australia and overseas, having led a range of start-up and digital businesses across these industries. Mike's previous media experience has been instrumental in the growth of Nine's digital revenues, as the Company focuses on extending the distribution of its premium content across key digital platforms.

Mike is also committed to enhancing Nine's culture and employee engagement, recognising the importance of both in the success of a business. To this end, he has overseen Nine's recent work on Purpose and Values – a unifying statement that provides the framework for a high performance culture at Nine.

Mike spent his earlier career in leadership and consulting positions gaining broad experience in digital media, technology and telecommunications in Australia, Asia and the USA. He holds a Degree in Electrical Engineering from the University of Wollongong and a Masters of Business Administration from the Macquarie Graduate School of Management. In May 2022, Mike was appointed as an external member of the University of Wollongong Council.

Andrew Lancaster

Non-Executive Director

Andrew Lancaster is CEO of the WIN Corporation and Birketu Pty Ltd, Nine Entertainment Co's largest individual shareholder.

After more than 29 years working in the media sector, Andrew has extensive experience in both metropolitan and regional television and radio. He has a broad knowledge of strategic, structural, operational, financial and resource management as well as a proven history of driving strong revenue growth across all areas of these businesses.

He is currently a Director of Free TV Australia, Broadcast Transmission Services, Illawarra Community Foundation and NRL team St George Illawarra Dragons.

Andrew holds a Master of Commerce Human Resource Management and a Bachelor of Economics and Management, both from the University of Wollongong.

Sam Lewis

Independent Non-Executive Director

Samantha Lewis joined the Board in March 2017 as an independent, Non-Executive Director and is Chair of the Audit & Risk Management Committee and a member of the People & Remuneration Committee.

Ms Lewis is a chartered accountant, with extensive experience in accounting, finance, auditing, risk management, corporate governance, capital markets and due diligence. Ms Lewis has been a Non-Executive Director since 2014, and in addition to Nine Entertainment, serves on the Boards of ASX-listed Orora Ltd and Aurizon Holdings Ltd. She is also a Non-Executive Director of Australia Pacific Airports Corporation Limited (APAC).

Prior to becoming a Non-Executive Director, Ms Lewis spent 20 years at Deloitte Touche Tohmatsu including 14 years as a Partner. In that role, she led the audit of a number of major Australian listed companies, in the retail/fast moving consumer goods (FMCG) and industrial sectors. During her time at Deloitte, Ms Lewis also provided accounting advice and transactional advisory services, including due diligence, IPOs and debt/equity raisings.

Mandy Pattinson

Independent Non-Executive Director

Mandy Pattinson joined the Board in August 2023 as an independent, Non-Executive Director.

Mandy is currently an executive consultant, drawing on her more than 25 years experience in the media and entertainment industries both locally and internationally. Prior to this, Mandy spent more than 10 years at the global media giant, Discovery Communications. In her role as Executive Vice President and General Manager – Australia, New Zealand & Pacific Islands, Mandy led a team focusing on building audience engagement and driving the rapid growth of Discovery's brand portfolio across subscription TV channels and on-demand services locally in Australia and New Zealand. Mandy previously held senior positions in the Consumer & Multimedia division of Optus across legal, regulatory, television and new media content. Mandy was also a Board member of ASTRA, the Australian Subscription Television and Radio Association.

Mandy is a graduate of the Australian Institute of Company Directors, and has a Master of Laws Degree from the University of NSW (Honours).

Mickie Rosen

Independent Non-Executive Director

Mickie Rosen served on the Fairfax Board from March 2017, before moving on to the Nine Board when Nine and Fairfax merged in December 2018. Ms Rosen has three decades of strategy, operating and advisory experience at the intersection of media, technology, and e-commerce. She has built and led businesses for iconic global brands such as Yahoo, Fox and Disney, as well as early-stage companies such as Hulu and Fandango.

Ms Rosen currently serves on boards in Australia and in the United States, including the Bank of Queensland, FaZe Clan and Fabletics, and she advises early to growth stage companies. Prior, she served on the board of Pandora Media, and was the President of Tribune Interactive and concurrently the President of the Los Angeles Times. Ms Rosen also served as a Senior Advisor to the Boston Consulting Group.

Earlier in her career, Ms Rosen served as Senior Vice President of Global Media & Commerce for Yahoo, where she led Yahoo's media and e-commerce division worldwide. She was also a partner with Fuse Capital, a consumer Internet focused venture capital firm and was an executive with Fox Interactive Media, Fandango and The Walt Disney Company.

The foundation of Ms Rosen's career was built with McKinsey & Company, and she holds an MBA from Harvard Business School.

Catherine West

Independent Non-Executive Director

Catherine West was appointed to the Board in May 2016 as an independent, Non-Executive Director and is the Chair of the People & Remuneration Committee and a member of the Audit & Risk Management Committee.

Ms West has more than 25 years of business and legal affairs experience in the media industry, both in Australia and the UK. Her most recent executive role was Director of Legal – Content Commercial and Joint Ventures for Sky Plc in the UK. In this role, she was responsible for all of Sky's content relationships, distribution, commercial activities and joint ventures.

Ms West has been a Non-Executive Director since 2016 and in addition to Nine, serves on the Boards of ASX-listed Monash IVF Group and Peter Warren Automotive. She is also a Director and Vice-President of the Sydney Breast Cancer Foundation, a Director of NIDA and the NIDA Foundation Trust, and a Governor of Wenona School. She is a consultant to media companies internationally and to the healthcare sector.

Ms West is a Graduate Member of the Australian Institute of Company Directors and holds a Bachelor of Laws (Hons) and Bachelor of Economics degree from the University of Sydney.

CORPORATE GOVERNANCE

This Corporate Governance Statement provides an outline of the corporate governance framework for Nine Entertainment Co. Holdings Limited (**Nine** or the **Company**) for the year to 30 June 2023 (**Reporting Period**), demonstrating the extent to which Nine has complied with the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).

This statement was approved by the Board.

1. Board and Management

1.1 Role of the Board

The role and responsibilities of Nine's Board, as set out in the Board Charter[1], include:

i. defining Nine's purpose and strategic objectives;

ii. approving Nine's budgets and business plans;

iii. approving Nine's Annual Report including the Financial Statements, Directors' Report, Remuneration Report and this Corporate Governance Statement;

iv. approving major borrowing and debt arrangements, the acquisition, establishment, disposal or cessation of any significant business of the Company, any significant capital expenditure and the issue of any shares, options, equity instruments or other securities in Nine;

v. assessing performance against strategies to monitor both the performance of the Chief Executive Officer and other executives as determined from time to time by the People & Remuneration Committee;

vi. ensuring that Nine acts legally and responsibly on all matters and that the highest ethical standards are maintained. This includes approving Nine's environmental, social and governance (**ESG**) policy and strategy;

vii. maintaining a constructive and ongoing relationship with the Australian Securities Exchange and other regulators, and overseeing implementation of policies regarding disclosure and communications with the market and Nine's shareholders; and

viii. monitoring and approving changes to internal governance including delegated authorities, and monitoring resources available to senior management.

Further, with the guidance of the Board's People & Remuneration Committee, the Board is responsible for:

i. ensuring Nine's remuneration framework and policies are aligned with its purpose, values, strategic objectives and risk appetite;

ii. evaluating and approving the remuneration packages of the Chief Executive Officer and other members of senior management;

iii. monitoring compliance with the Non-Executive Director remuneration pool and recommending any changes to the pool;

iv. administering short- and long-term incentive plans and engaging external remuneration consultants, as appropriate; and

v. appointing, evaluating or removing the Chief Executive Officer, and approving appointments or removal of all other members of senior management.

With the guidance of the Audit & Risk Management Committee, the Board is ultimately responsible for:

i. preparing and presenting Nine's financial statements and reports;

ii. overseeing Nine's financial reporting, including reviewing the integrity and suitability of Nine's accounting policies and principles and how they are applied, and ensuring they are used in accordance with the statutory financial reporting framework;

iii. assessing information from external auditors to ensure the quality of financial reports;

iv. overseeing the adequacy of Nine's financial controls and systems;

v. reviewing, monitoring and approving Nine's risk management framework, policies, procedures and systems for managing financial and non-financial risks;

vi. overseeing Nine's ESG initiatives; and

vii. managing internal and external audit arrangements and auditor independence.

1. Copies of the Board Charter, Committee Charters and governance policies referred to in this Corporate Governance Statement are all available on Nine's website www.nineforbrands.com.au/corporate-governance-2/

1.2 Delegation to Management

The responsibility for the operation and administration of Nine and its wholly owned subsidiaries (the **Group**) is delegated, by the Board, to the Chief Executive Officer and senior management within levels of authority specified by the Board from time to time. The Board ensures that this team is appropriately qualified and experienced to discharge its responsibilities and has in place procedures to assess the performance of the senior management team. During the year, the delegation of authority across the Group was reviewed and updated.

The Chief Executive Officer's role includes:

i. responsibility for the effective leadership of the management team;

ii. the development of strategic objectives for the business; and

iii. the day-to-day management of Nine's operations.

The Chief Executive Officer may delegate aspects of his authority and power but remains accountable to the Board for Nine's performance and is required to report regularly to the Board on the conduct and performance of Nine's business units.

1.3 Board composition

The Board consisted of a majority of independent Directors during the Reporting Period.

At all times during the Reporting Period, the Chairman was an independent Director and not the same person as the Chief Executive Officer.

During the Reporting Period, the Board and its committees consisted of the following individuals:

Name	Tenure	Independent	Committee membership
Peter Costello	From 6 February 2013	Yes	Member of the Audit & Risk Management Committee
Michael Sneesby	From 1 April 2021	No	None
Nicholas Falloon	From 7 December 2018 to 9 November 2022	Yes	Member of the People & Remuneration Committee till 9 November 2022
Andrew Lancaster	From 1 April 2021	No	Member of the People & Remuneration Committee (from 9 November 2022)
Samantha Lewis	From 20 March 2017	Yes	Chair of the Audit & Risk Management Committee Member of the People & Remuneration Committee
Mickie Rosen	From 7 December 2018	Yes	None
Catherine West	From 9 May 2016	Yes	Member of the Audit & Risk Management Committee Chair of the People & Remuneration Committee

Mr Falloon resigned as a director during the financial year. Since the end of the financial year, the Board has appointed Mandy Pattinson as an additional independent non-executive director.

Details of Directors' skills, experience and expertise and their attendances at Board and Committee meetings are contained in the Annual Report. The Board has considered whether the Chairman remains independent, given he has been a director for over 10 years, and has confirmed that he is still properly considered an independent director, as he brings independent judgement to matters before the Board.

1.4 Company Secretary

The Board appoints and removes the Company Secretary. All Directors have direct access to the Company Secretary who supports the effectiveness of the Board by monitoring that Board policy and procedures are followed, and co-ordinates the completion and despatch of Board agendas and papers. The Company Secretary is accountable to the Board through the Chair, on all corporate governance matters.

2. Board appointment and reviews

2.1 Board appointment and induction

The processes to address succession of Directors and ensuring that the Board is comprised of an appropriate mix of skills, knowledge, diversity, independence and experience are managed by the Board, rather than by a separate Nominations Committee. Those processes are described in this section and section 2.3.

The process for nomination of new Directors is managed by the Board, under the leadership of the Chairman.

Where a casual vacancy is to be filled, the Board typically considers the skills and expertise which it would be beneficial to add to the Board, then identifies suitable candidates (using an external search adviser if necessary). A review process is carried out by the Chairman, before a candidate is proposed to the whole Board for approval.

When Directors are proposed to shareholders for election or re-election, detailed information about the Director, their professional background and areas of expertise are provided to shareholders, so that the shareholders have all material information relevant to a decision whether or not to elect or re-elect that Director.

All Directors are issued with a letter of appointment that sets out the key terms of their appointment and the Company's expectations regarding involvement with Nine. Nine provides briefings to new Directors on its business and strategy and the Directors' roles and responsibilities and access to previous board papers, as part of the induction. Directors may meet with the Company's auditors to receive a detailed briefing on Nine's financial reporting and audit issues.

All Directors are expected and encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their roles as Directors. In addition, ongoing engagement with senior management across the business provides the Directors with development of their knowledge of industry issues.

Directors may obtain independent professional advice at Nine's expense on matters arising in the course of their Board and committee duties, after obtaining the Chairman's approval. The other Directors must be advised if the Chairman's approval is withheld.

2.2 Remuneration

The Remuneration Report sets out Nine's policies and practices regarding the remuneration of non-executive Directors, executive Directors and other senior management of the group. It also provides details of the remuneration paid to Directors and certain other senior management of Nine in the Reporting Period.

Nine has a written employment agreement with each senior executive, setting out the terms on which she or he is engaged by the Company, including the components of fixed and variable or at risk remuneration payable to the senior executive.

2.3 Board skills matrix

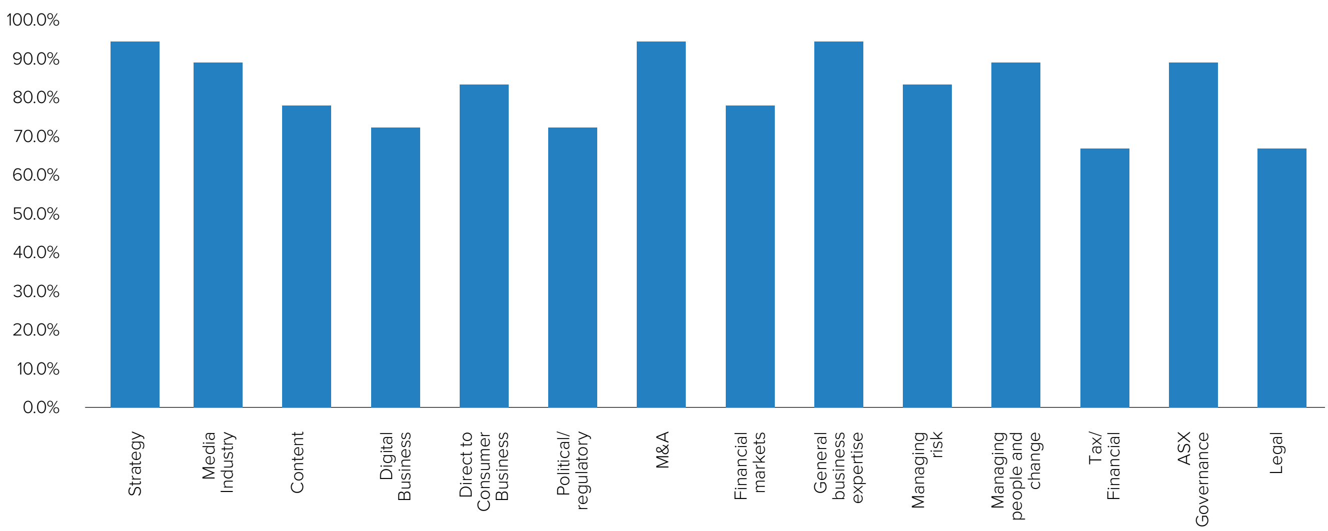
The Board has adopted a skills matrix which is used, together with a consideration of the diversity present among the Board, in assessing the composition of the Board from time to time. During the Reporting Period, the Board reviewed the skills matrix and confirmed it remains appropriate. The skills identified are:

Media Industry	Working in or with the media industry in a significant capacity
Content	Working in or with businesses that acquire, create or exploit content
Digital/New Media	Working in or with digital/online businesses and emerging forms of media and technology
Direct to consumer	Working in or with businesses that are consumer facing
General business expertise	Gained in a substantial business, as a senior executive or director
Strategy	Developing and implementing the strategic direction of an organisation
Managing Risk	Developing, implementing and overseeing risk management policies and procedures for a substantial organisation
Managing People & Change	Expertise in human resource management, particularly through periods of change in a business or industry
Political/regulatory	Managing and influencing the political and regulatory environment
Mergers & Acquisitions	Expertise in undertaking corporate mergers or acquisitions activities
Financial Markets	Expertise in debt and capital markets
ASX Governance	Knowledge of the corporate governance and regulatory framework that applies to an ASX listed company
Legal	Experience practising as a lawyer in a relevant field or exposure to legal issues relevant to Nine's business
Tax/Financial	Expertise in overseeing or managing the tax and financial affairs of a substantial Australian business

The Board considers that the current members, taken as a whole, satisfy the mix of skills identified in the skills matrix, as a majority of Directors have a high level of expertise across each of the skills identified in the skills matrix. The Board also demonstrates diversity in terms of gender and international work experience.

The chart below shows the degree to which Board members, considered as a group, demonstrate a high level of the skills which form part of Nine's skills matrix (with a score of 100% indicating that all Directors have the skill to a high degree).

SKILLS MATRIX



2.4 Review processes

The Board carries out a review of the performance of the Board and Directors and each committee reviews its performance. The Chairman discussed performance of the Board with each Director in respect of the Reporting Period. Each Committee Chair also reviewed the performance of that Committee.

Nine has an employee performance review process which operates throughout the Company. In addition, the People & Remuneration Committee reviews performance of the Chief Executive Officer and other senior management, in the context of determining incentives and remuneration. This took place in respect of the Reporting Period.

3. Committees

3.1 People & Remuneration Committee

The People & Remuneration Committee Charter sets out the terms of reference for the People & Remuneration Committee. The Committee's key responsibilities and functions are to assist the Board in discharging its responsibilities in connection with:

i. Remuneration framework and policies (including approving remuneration arrangements for the Chief Executive Officer, Directors and senior management);

ii. Short- and long-term incentive plans;

iii. Succession and development plans for the Chief Executive Officer and senior management;

iv. Setting objectives for achieving diversity and monitoring progress in meeting those objectives;

v. Work health and safety; and

vi. Employee engagement and Nine's Code of Conduct.

At all times during the Reporting Period, the People & Remuneration Committee comprised a majority of independent Directors and was chaired by an independent Director.

At all times during the year, the Committee was comprised of three members.

3.2 Audit & Risk Management Committee

The Audit & Risk Management Committee Charter sets out the terms of reference for the Audit & Risk Management Committee. The Committee's key responsibilities and functions are to assist the Board in discharging its responsibilities:

i. to prepare and present Nine's financial statements and reports;

ii. in relation to Nine's financial reporting, including reviewing the integrity and suitability of accounting policies and principles, assessing significant estimates and judgements in financial reports and assessing information from internal and external auditors to ensure the quality of financial reports;

iii. in relation to the entry into, approval, or disclosure, of related party transactions (if any);

iv. in overseeing the adequacy of Nine's financial controls and systems;

v. to review, monitor and approve Nine's risk management framework, policies, procedures and systems for financial and non-financial risks;

vi. to manage audit arrangements and auditor independence; and

vii. overseeing Nine's ESG initiatives.

At all times during the Reporting Period, the Audit & Risk Management Committee comprised a majority of independent Directors and was chaired by an independent Director. It had at least three members throughout the Reporting Period.

4. Reporting and Risk

4.1 Risk management

Nine recognises that risk is an accepted part of doing business, enabling the creation of long-term shareholder value. Nine is committed to the identification, monitoring and management of key risks, to protect and enhance shareholder interests.

Responsibility for risk management is shared across the organisation:

i. The Board is responsible for approving Nine's Risk Management Policy and for determining Nine's approach to risk, taking into account Nine's strategic objectives and other factors including stakeholder expectations.

ii. The Board has delegated to the Audit & Risk Management Committee responsibility for:

   a. identifying major risk areas;

   b. periodically reviewing, monitoring and approving Nine's risk management framework, policies, procedures and systems to provide assurance that major business risks are identified, consistently assessed and appropriately addressed;

   c. ensuring that risk considerations are incorporated into strategic and business planning;

   d. providing risk management updates to the Board and any supplementary information required to provide the Board with confidence that key risks are being appropriately managed and making recommendations on changes to Nine's risk management framework;

   e. reviewing reports from management concerning compliance with key laws, regulations, licences and standards which Nine is required to satisfy in order to operate;

   f. overseeing the effectiveness of Nine's financial controls and systems;

   g. overseeing tax compliance and tax risk management;

   h. reviewing any significant findings of any examinations by regulatory agencies;

   i. reviewing any material incident involving a fraud or a breakdown of Nine's risk controls; and

   j. evaluating the structure and adequacy of the Group's insurance coverage.

iii. Nine management is responsible for establishing operational processes and policies to support Nine's risk management framework, including identifying major risk areas and effectively identifying, monitoring, reporting on and managing key business risks.

iv. Each employee and contractor is expected to understand and manage the risks within their responsibility and boundaries of authority, as set out in Nine's internal policies, when making decisions and undertaking day-to-day activities.

Nine has processes in place to identify and assess key risks, whether at an enterprise level or a project level, and to manage those risks. Nine's Risk and Assurance function, with oversight from the Audit & Risk Management Committee, implements a continuous process of communication with internal stakeholders to understand and influence the risk environment affecting Nine. It also conducts annual examinations of Nine's external and internal environments, to establish the parameters within which risks must be managed. Key business risks are discussed below and are further outlined in the Operating and Financial Review section of the Annual Report.

Nine's internal processes for risk management include establishing operating plans and budgets, periodic reforecasting and monitoring of progress against the approved plans and budgets. There are controls in place in relation to matters such as approval of payments and approval of contracts, which are designed to ensure that levels of delegated authority are adhered to. Staff and business units have both financial and non-financial KPIs, which are monitored.

Nine has a thorough system for managing workplace safety, including regular reviews of policies and standard operating procedures, training for staff, consultation with staff through WHS committees at each site and regular site inspections to identify any changes in risks.

During the Reporting Period, Nine, including through the Audit & Risk Management Committee, continued to review its risk management framework, including re-assessing the major risk areas for the business. Through these activities, the Audit & Risk Management Committee has reviewed Nine's risk management framework and satisfied itself that it continues to be sound and that Nine is operating with due regard to an appropriate risk appetite.

4.2 Internal Audit

Responsibility for internal audit is part of the broader Risk and Assurance function, managed by the Director of Risk, who reports on internal audit activities at each meeting of the Audit & Risk Management Committee.

The internal audit function's goal is to bring a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance over business processes, through independent, objective assurance.

The internal audit plan is agreed with the Audit & Risk Management Committee annually, however is able to be adapted as the need arises following consultation with the Committee. During the year, Nine conducted a number of reviews in the internal audit plan, using an external service provider to provide specialist skills and capacity.

4.3 Reporting by CEO and CFO

The Chief Executive Officer and Chief Financial Officer are each responsible for reporting to the Audit & Risk Management Committee any proposed changes to the risk management framework. Any exposures or breaches of key policies or incidence of risks, where significant, must be reported to the Audit & Risk Management Committee and the Board.

The Chief Executive Officer and Chief Financial Officer are required to provide to the Board declarations in accordance with section 295A of the Corporations Act which confirm:

i. that the financial records of Nine have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of Nine's financial position and performance;

ii. their view that the Company's financial reporting is founded on the basis of a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and

iii. that the Company's risk management and internal compliance and control system is operating effectively in all material respects.

These declarations were provided before the half year accounts to 31 December 2022 and the full year accounts to 30 June 2023 were approved by the Board.

4.4 Verification of the integrity of unaudited corporate reports

Nine periodically releases reports which have not been audited or reviewed by the auditors, such as the Directors' Report and operating review which accompanies the financial statements, this Corporate Governance Statement and other elements of the Annual Report.

Nine has a process to ensure that those reports are complete and accurate before they are released, which includes:

- Preparation of drafts by experienced staff of Nine, who consult with relevant colleagues to ensure information is collected from necessary departments within Nine and consult with advisers as required;
- Review of the drafts by relevant stakeholders who will have knowledge of the matters covered in the report, which may include the General Counsel, Head of Investor Relations, Chief Financial & Strategy Officer, Deputy Chief Financial Officer, Group Financial Controller and Director of Risk; and
- Where necessary or appropriate, approval by the Board or by the Company's Disclosure Committee (which consists of the Chief Executive Officer, General Counsel & Company Secretary and Chief Financial & Strategy Officer).

4.5 Material exposure to risks

Nine has exposure to specific risks that could impact on its ability to create value for its shareholders, including (in no particular order):

- Ransomware and other destructive cyber activity;
- Managing the transition to digital and new markets;
- Changes in industry structure and the competitive environment;
- Breach of data/privacy laws;
- Execution of Nine's digital strategy, including delivery of platform development;
- Impact of regulatory changes;
- Mental health and wellbeing of staff;
- Attraction and retention of talent; and
- Operational disruption due to technology failures.

Further discussion regarding the key risks affecting Nine's business and the way in which Nine manages those risks is outlined in the Operating and Financial Review in Nine's Annual Report.

Nine has adopted an Environmental, Social and Governance Policy. Nine's initial priorities in this regard are in the areas of:

- Facilitating independent journalism
- Consumer data security and privacy
- Community engagement and contribution
- Carbon footprint accounting
- Diversity and inclusion
- ESG disclosure and transparency

Nine does not have material exposure to environmental risks, given the nature of Nine's business. However, Nine understands that its impact on the environment is an important matter requiring increased attention and reporting. Nine has previously committed to expanding the tracking and reporting of its carbon footprint, to support the identification of opportunities for Nine to do more to reduce its environmental impact and its carbon emissions. To support this, in January 2023, Nine appointed environmental specialists South Pole, to support Nine in GHG accounting and goal setting. Consistent with similar media corporations globally, Nine anticipates its Scope 1+2 emissions will be less than 5% of total GHG emissions, the remainder being from supply chain relationships in Scope 3. On completion of that exercise in the 2023 calendar year, Nine will be able to consider whether it is able to set science-based targets, report to stakeholders, and adopt a Net Zero roadmap.

Nine has joined Sustainable Screens Australia as a foundation member, to support the establishment of the albert initiative in Australia. Founded in 2011 in the UK, albert is a BAFTA-owned, industry backed organisation that supports the film and television industry to reduce the environmental impact of its productions.

Nine provides senior Sustainability representation across the industry (via IAB, AANA and Sustainable Screens Australia) and regularly reviews industry initiatives. Nine's mastheads drive agenda-setting sustainability conversations, including the *Australian Financial Review* ESG Summit and the *Sydney Morning Herald* Sustainability Summit.

Nine understands that, as a media company, it has a role to play in supporting the community and upholding high standards in relation to its content. Nine undertakes a number of activities, including those described below, to engender trust and confidence in Nine. This is necessary for its continued social licence to operate and to mitigate social risks relating to Nine's operations.

Nine's activities as a broadcaster and publisher are managed in compliance with the *Broadcasting Services Act 1992* (Cth), Commercial Television Code of Practice, Commercial Radio Code of Practice, the Press Council's Statement of General Principles and other regulatory obligations which affect the material which Nine can broadcast and publish, and the manner in which Nine conducts operations. These set minimum standards for Nine's content and provide its stakeholders with assurance about Nine as a trusted source of news and entertainment.

There are a number of legislative reform projects being pursued which could impact on the way in which Nine carries out its business activities, including its journalism. Nine contributes to these projects by making submissions, both directly and through industry bodies, to ensure that the role of broadcasters, publishers and content creators is properly taken account of, when policies which impact on their roles, such as the proposed reforms of the Privacy Act, are considered.

Nine has prepared its Modern Slavery Statement for the Reporting Period. In doing so, Nine has reviewed elements of its supply chain to investigate whether Nine and its key suppliers are engaging in modern slavery practices. Nine's Modern Slavery Statement provides further details of its focus in this area.

As part of its commitment to enhancing Diversity and Inclusion, during the last year Nine introduced Diversity, Equity and Inclusion communities, built on Gender Equity, LGBTQIA+, Culture, Disability and First Nations. Each of these communities has an Executive Sponsor and co-chairs drawn from across Nine. They provide support for people with lived experience, encouraging them to come together as a group to raise awareness and champion change within its organisation.

Nine takes its role as a community participant seriously, and undertakes a number of initiatives to support the communities we operate in, including:

- providing free airtime and advertising space to community service organisations and charities for community service announcements;
- actively supporting fundraising for a number of charities including the Sydney Children's Hospital Gold Telethon and the Mark Hughes Foundation Beanies for Brain Cancer fundraising drive; and
- providing opportunities for staff to volunteer (through paid volunteer leave) both with the charities supported by Nine Cares, including Adopt Change, St Vincent de Paul, and Two Good Co, and charities of the individual's choosing.

5. Diversity

5.1 Diversity Policy

Nine has adopted a Diversity & Inclusion Policy, to recognise the value of creating a workplace that is inclusive and respectful of diversity. Nine acknowledges the positive outcomes that can be achieved from a diverse workforce, and recognises the contribution of diverse skills and talent from its Directors and employees. In the context of the policy, diversity includes gender, age, ethnicity, cultural background, religion, sexual orientation, disability and mental impairment.

The Diversity Policy requires the Board to set and monitor on an annual basis Nine's performance against measurable objectives in relation to gender diversity, and other aspects of diversity.

5.2 Female representation

As at 30 June 2023, the proportion of men and women employed by Nine was as follows:

	Women	Men
Board of Directors	50%	50%
Senior Executives	36%	64%
Total Nine workforce	45%	55%

For this purpose, "Senior Executives" are the Chief Executive Officer and the Chief Executive Officer's direct reports.

5.3 Objectives for FY23

Nine's performance against the objectives for achieving gender diversity which were adopted for the Reporting Period is as follows:

Objective	Performance
At least 30% of board positions to be held by women and at least 30% of such positions to be held by men	This was satisfied. At 30 June 2023, three out of six (50%) board members are men and three out of six (50%) are women.
At least 40% of senior executive positions (CEO and direct reports) to be held by women	This was not satisfied. Following some changes in the CEO's direct reports, five out of 14 (36%) of these positions are held by women. However, women make up 47% (nine out of 19) of the Group Leadership Team. Further, there are a number of women identified as potential successors for senior executive roles within Nine.
At least 40% of management positions to be held by women	This was satisfied. Representation of women in management has remained stable at 45%, demonstrating the impact of Nine's work in providing development and opportunities for women at Nine.
Gender balance in leadership and talent development	This was satisfied. 54% of promotions in the Reporting Period were awarded to women. Nine continued to provide opportunities for development for a number of women through participation in the Future Women Platinum+ program and an increased number of participants at the annual Future Women conference. 44% of identified internal talent are women.
Monitor and review initiatives that drive equity across the business such as pay equity review and flexible working	In FY23, Nine introduced Diversity, Equity and Inclusion communities, built on Gender Equity, LGBTQIA+, Culture, Disability and First Nations. The Gender Community has undertaken internal research and is building an action plan to continue to grow equity, with support from Executive Sponsors and the dedicated Diversity, Equity and Inclusion lead. Nine has continued to provide flexible working opportunities to all employees, including remote work, shift work and part time employment. The gender pay equity review was expanded and no meaningful gaps were identified on a like-for-like comparison. Vacation care continues to be offered across Nine, particularly in Sydney.

5.4 Objectives for FY24

The Board has adopted the following measurable objectives for FY24 for achieving gender diversity:

- At least 30% of board positions to be held by women and at least 30% of such positions to be held by men;
- At least 40% of senior executive positions to be held by women (for this purpose, senior executives are the Chief Executive Officer, direct reports to the Chief Executive Officer, and other senior leaders in group leadership roles);
- At least 40% of management positions to be held by women;
- Achieve gender balance in leadership and talent development; and
- Monitor and review initiatives that drive equity and inclusion, including, but not limited to gender equity, across the business such as pay equity review, Diversity, Equity and Inclusion communities and flexible working.

6. Corporate Governance Policies

6.1 Values

During the Reporting Period, Nine completed development of a statement of its purpose.

> ***At Nine, we shape culture by sparking conversations, challenging perspectives, informing and entertaining our communities. We bring people together by celebrating the big occasions and connecting the everyday moments.***
>
> ***Australia Belongs Here.***

In conjunction with that purpose, Nine also developed and unveiled three values (www.nineforbrands.com.au/about/careers-at-nine/):

- ***Walk The Talk***
- ***Turn Over Every Stone***
- ***Keep It Human***

Nine's purpose is why we do what we do and is designed to guide decisions with a shared perspective, across all of Nine. The values are "how we do it". The values have been rolled out across Nine's business, as each part of the business considers what those values mean for how they work and the behaviours expected of all employees to demonstrate the values.

6.2 Code of Conduct

Nine has a Code of Conduct which applies to all Directors and employees of Nine and its subsidiaries. The Code of Conduct:

- sets the ethical standards required in relation to conduct of Nine's business;
- provides clear guidance on Nine's values and expectations of staff, in relation to matters such as protecting confidential information, receipt of gifts, compliance with laws, protecting Company assets and outside interests of employees;
- prohibits giving or taking any bribes or improper payments in connection with doing business with Nine; and
- offers guidance to shareholders and other stakeholders on its values, standards and expectations and what it means to work for or with Nine.

Any material breaches of the Code of Conduct would be reported to the People & Remuneration Committee or, if any such breaches involved fraud or other financial misconduct, would be reported to the Audit & Risk Management Committee. Nine is not aware of any material breaches of the Code of Conduct during the Reporting Period.

6.3 Securities Trading Policy

Nine's Securities Trading Policy has been developed to educate the Board and employees of the Group about their obligations under the Corporations Act in relation to trading in securities. The policy sets black out periods in which shares cannot be traded by Directors and employees to whom the policy applies. It requires those individuals to obtain consent before any trading outside a black out period is undertaken.

The Securities Trading Policy prohibits employees from entering derivative or other transactions which limit economic risk in respect of any Nine securities which are unvested or subject to a holding lock.

Nine is not aware of any breaches of the Securities Trading Policy during the Reporting Period.

6.4 Disclosure Policy

Nine has a Disclosure Policy which sets out the processes which are followed to ensure compliance with the ASX Listing Rules in relation to continuous disclosure. Nine has a Disclosure Committee which is tasked with determining whether announcements on potentially price sensitive matters are required, the content of announcements and ensuring that announcements are made within the time frame required by the ASX Listing Rules.

Nine's Disclosure Policy requires that any briefing and presentation materials containing previously undisclosed information will be disclosed to the market through the ASX and Nine's corporate website.

Nine is not aware of any breaches of the Disclosure Policy during the Reporting Period.

Directors are on an email distribution list which ensures they receive copies of all material market announcements promptly after they are released to the ASX.

Nine ensures that any new and substantive investor or analyst presentation, such as the Annual General Meeting presentation and results presentations, is provided to the ASX Markets Announcement Platform before the presentation is provided to any third parties.

6.5 Shareholder Communications and participation

Nine has a Shareholder Communications Policy which promotes effective two way communications with shareholders and other stakeholders and encourages effective participation at Nine's general meetings. Nine's website (www.nineforbrands.com.au) provides ready access for shareholders to key corporate governance documents, ASX releases, financial reports and other information of relevance to shareholders. The website is updated as soon as possible after documents are released to the ASX under Nine's continuous disclosure obligations. The policy was complied with during the Reporting Period.

Nine and its share registry, Link Market Services, encourage shareholders to receive communications from Nine and its share registry electronically. The websites of Nine and the registry both provide contact points for shareholders to communicate with Nine and the registry electronically.

Nine provides a webcast/teleconference facility for its results announcements, so that all shareholders can attend the presentation of the results, and its Annual General Meeting. In 2022, Nine held its AGM as a hybrid meeting, in preference to an in person only meeting, to facilitate shareholder participation, and will do this again in 2023. In addition, Nine's constitution allows direct voting, giving shareholders a greater ability to participate directly in voting at the Annual General Meeting, if they are unable to attend the meeting.

Shareholders are invited to submit questions ahead of the Annual General Meeting, so that any issues raised by shareholders in advance can be responded to. There is also an opportunity for shareholders to ask questions or comment on matters relevant to Nine at the Annual General Meeting. The Company's auditor is always present at Annual General Meetings to answer questions about the conduct of the audit and the audit report.

For some years, Nine has put all resolutions at its Annual General Meeting to shareholders by a poll, rather than by a show of hands. This is to support the principle of "one share, one vote" which is captured by the ASX Listing Rules, and ensures that the outcome of resolutions reflects the will of the shareholders.

6.6 Whistleblower Policy

Nine has a Whistleblower Policy which applies to all Directors and employees of Nine and its subsidiaries and has appointed a third party service provider to provide a confidential, anonymous means for notifications to be provided under the Whistleblower Policy. Any material incidents reported under that policy will be reported to the People & Remuneration Committee or, if the incident relates to fraud or other financial misconduct, to the Audit & Risk Management Committee.

A copy of the policy is available on Nine's website.

Nine

FINANCIAL REPORT 2023

CONTENTS

DIRECTORS' REPORT

The Directors present the financial report for the year ended 30 June 2023. The financial report includes the results of Nine Entertainment Co. Holdings Limited (the "Company") and the entities that it controlled during the period (the "Group").

Directors

The Directors of the Company at any time during the year or up to the date of this report were as follows:

Name	Title	Date Appointed	Date Resigned
Peter Costello	Independent Non-Executive Chairman	6 February 2013	
Nick Falloon	Independent Non-Executive Deputy Chairman	7 December 2018	9 November 2022
Mike Sneesby	Chief Executive Officer	1 April 2021	
Andrew Lancaster	Non-Executive Director	1 April 2021	
Samantha Lewis	Independent Non-Executive Director	20 March 2017	
Mandy Pattinson	Independent Non-Executive Director	1 August 2023	
Mickie Rosen	Independent Non-Executive Director	7 December 2018	
Catherine West	Independent Non-Executive Director	9 May 2016	

Peter Costello *(Independent Non-Executive Chairman)*

Mr Costello was appointed to the Board in February 2013 as an independent, Non-Executive Director and in March 2016 became Chairman of the Board. He is also a member of the Audit & Risk Management Committee. Mr Costello is currently Chairman of the Board of Guardians of Australia's Future Fund and serves on a number of domestic and international advisory boards. He commenced his career as a solicitor and then a barrister. Mr Costello was a member of the Australian House of Representatives from 1990 to 2009 and was Treasurer of the Commonwealth of Australia from March 1996 to December 2007. From 2009, Mr Costello has worked as a corporate adviser in the fields of mergers, acquisitions and foreign investment.

He has a Bachelor of Arts and a Bachelor of Laws (Hons) and a Doctorate of Laws (Honoris Causa) from Monash University. In 2011, Mr Costello was appointed a Companion of the Order of Australia.

Mike Sneesby *(Chief Executive Officer)*

Mr Sneesby was appointed Chief Executive Officer, and Director of Nine with effect from 1 April 2021. Prior to this, Mike was the CEO of Nine's subscription streaming business, Stan, heading the group from its inception in 2013 through to profitability and a 2 million plus subscriber base. He is also a Director of Domain Holdings Australia Ltd (since 21 April 2021).

Mr Sneesby has a depth of Media and Telco experience, gained both in Australia and overseas, having led a range of start-up and digital businesses across these industries. His previous media experience has been instrumental in the growth of Nine's digital revenues, as the Company focuses on extending the distribution of its premium content across key digital platforms.

Mr Sneesby spent his earlier career in leadership and consulting positions gaining broad experience in digital media, technology and telecommunications in Australia, Asia and the USA. He holds a Bachelor of Engineering (Electrical) from the University of Wollongong and an MBA from the Macquarie Graduate School of Management. In May 2022, Mr Sneesby was appointed as an external member of the University of Wollongong Council.

Andrew Lancaster *(Non-Executive Director)*

Mr Lancaster joined the Board on 1 April 2021 as a Non-Executive Director. Mr Lancaster is CEO of the WIN Corporation and Birketu Pty Ltd, Nine Entertainment Co's largest individual shareholder (so is not an independent director). After more than 29 years working in the media sector, Mr Lancaster has extensive experience in both metropolitan, and regional television and radio. He has a broad knowledge of strategic, structural, operational, financial and resource management as well as a proven history of driving strong revenue growth across all areas of these businesses.

Mr Lancaster is currently a Director of Free TV Australia, Broadcast Transmission Services, Illawarra Community Foundation and NRL team St George Illawarra Dragons.

Mr Lancaster holds a Master of Commerce Human Resource Management and a Bachelor of Economics and Management, both from the University of Wollongong.

Samantha Lewis *(Independent Non-Executive Director)*

Ms Lewis joined the Board in March 2017 as an independent, Non-Executive Director and is Chair of the Audit & Risk Management Committee and a member of the People & Remuneration Committee. Ms Lewis is a chartered accountant with extensive experience in accounting, finance, auditing, risk management, corporate governance, capital markets and due diligence. Ms Lewis has been a Non-Executive Director since 2014, and in addition to Nine Entertainment, serves on the Boards of ASX-listed Orora Ltd (since March 2014) and Aurizon Holdings Ltd (since February 2015) and is also a Non-Executive Director of Australia Pacific Airports Corporation Limited. Prior to becoming a Non-Executive Director, Ms Lewis spent 20 years at Deloitte including 14 years as a Partner. In that role, she led the audit of a number of major Australian listed companies, in the retail/FMCG and industrial sectors. During her time at Deloitte, Ms Lewis also provided accounting advice and transactional advisory services, including due diligence, IPOs and debt/equity raising. Ms Lewis holds a Bachelor of Arts, Economics from the University of Liverpool.

Mandy Pattinson *(Independent Non-Executive Director)*

Ms Pattinson joined the Board in August 2023 as an independent, Non-Executive Director.

Ms Pattinson is currently an executive consultant, drawing on her more than 25 years experience in the media and entertainment industries both locally and internationally. Prior to this, she spent more than 10 years at the global media giant, Discovery Communications. In her role as Executive Vice President and General Manager – Australia, New Zealand & Pacific Islands, Ms Pattinson led a team focusing on building audience engagement and driving the rapid growth of Discovery's brand portfolio across subscription TV channels and on-demand services locally in Australia and New Zealand. She previously held senior positions in the Consumer & Multimedia division of Optus across legal, regulatory, television and new media content. She was also a Board member of the Australian Subscription Television and Radio Association.

Ms Pattinson is a graduate of the Australian Institute of Company Directors, and has a Master of Laws Degree from the University of NSW (Honours).

Mickie Rosen *(Independent Non-Executive Director)*

Ms Rosen served on the Fairfax Board from March 2017, before moving on to the Nine Board when Nine and Fairfax merged in December 2018. Ms Rosen has three decades of strategy, operating, and advisory experience at the intersection of media, technology and e-commerce. She has built and led businesses for iconic global brands such as Yahoo, Fox, and Disney, and early stage start-ups such as Hulu and Fandango.

Ms Rosen currently serves on boards in Australia and the United States including Bank of Queensland (since March 2021), FaZe Clan and Fabletics, and she advises early to growth stage companies. Prior, she served on the board of Pandora Media, and was the President of Tribune Interactive, and concurrently the President of the Los Angeles Times. Ms Rosen has also served as a Senior Advisor to the Boston Consulting Group.

Earlier in her career, Ms Rosen served as Senior Vice President of Global Media & Commerce for Yahoo, where she led Yahoo's media division worldwide. She was also a partner with Fuse Capital, a consumer Internet focused venture capital firm, and was an executive with Fox Interactive Media, Fandango, and The Walt Disney Company.

The foundation of Ms Rosen's career was built with McKinsey & Company, and she holds an MBA from Harvard Business School.

Catherine West *(Independent Non-Executive Director)*

Ms West was appointed to the Board in May 2016 as an Independent, Non-Executive Director and is the Chair of the People & Remuneration Committee and a member of the Audit & Risk Management Committee. Ms West has more than 25 years of business and legal affairs experience in the media industry, both in Australia and the UK. Her most recent executive role was Director of Legal — Content Commercial and Joint Ventures for Sky Plc in the UK. In this role, Ms West was responsible for all of Sky's content relationships, distribution, commercial activities and joint ventures. Ms West has been a Non-Executive Director since 2016 and in addition to Nine serves on the Boards of ASX listed Monash IVF group (since September 2020) and Peter Warren Automotive (since April 2021). She was a director of the Endeavour Group (from June 2021 to April 2022). Ms West is also a Director and Vice President of the Sydney Breast Cancer Foundation, a director of NIDA and the NIDA Foundation Trust and a Governor of Wenona School. She is a consultant to media companies internationally and to the healthcare sector.

Ms West is a Graduate Member of the Australian Institute of Company Directors and holds both a Bachelor of Laws (Hons) and Bachelor of Economics degree from the University of Sydney.

Nick Falloon

Mr Falloon was appointed to the Board in 7 December 2018 as an independent, Non-Executive Director and retired on 9 November 2022. Prior to the merger of Nine and Fairfax, Mr Falloon was Chairman of the Fairfax Board before taking up the role of Deputy Chairman of Nine in December 2018. He is also Chairman of Domain Holdings Australia (since November 2017). Mr Falloon has had 30 years experience in the media industry, 19 years working for the Packer-owned media interests from 1982 until 2001.

Mr Falloon served as CEO of Publishing and Broadcasting Limited (PBL) from 1998 to 2001 and before that as Chief Executive Officer of PBL Enterprises and Group Financial Director of PBL. PBL provided a strong background in the television, pay TV, magazine, radio and digital industries. From 2002, Mr Falloon spent nine years as Executive Chairman and CEO of Ten Network Holdings. He holds a Bachelor of Management Studies (BMS) from Waikato University in New Zealand.

Operating and Financial Review

Remuneration Report

The Remuneration Report is set out on the pages that follow and forms part of this Directors' Report.

Directors' Interests

The relevant interests of each Director in the equity of the Company and related bodies corporate as at the date of this report are disclosed in the Remuneration Report.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year, and the number of meetings attended by each Director, were as follows:

	Board		Audit and Risk Management Committee		People and Remuneration Committee	
	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held[2]	Meetings attended
Peter Costello	11	11	4	4	–	–
Nick Falloon[1]	5	5	–	–	3	3
Mike Sneesby	11	11	–	–	–	–
Andrew Lancaster	11	11	–	–	2	2
Samantha Lewis	11	11	4	4	5	5
Mickie Rosen	11	11	–	–	–	–
Catherine West	11	11	4	4	5	5

1. Meetings held and attended before resignation from the Board on 9 November 2022.
2. Represents meetings eligible to attend as member of the Committee.

Company Secretary

Rachel Launders (General Counsel and Company Secretary)

Ms Launders was appointed joint Company Secretary on 4 February 2015 and became sole Company Secretary on 29 February 2016. Ms Launders holds the role of General Counsel and Company Secretary at the Group. Prior to joining the Group in January 2015, Ms Launders was a Partner at Gilbert + Tobin for over 13 years where she specialised in mergers and acquisitions, corporate governance and compliance.

Ms Launders holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Sydney. She also completed the Graduate Diploma of Applied Finance and Investment at the Financial Services Institute of Australasia and is a Fellow of the Financial Services Institute of Australasia and a graduate of the Australian Institute of Company Directors.

Principal Activities

The principal activities of the entities within the Group during the year were:

- Broadcasting and program production across Free to Air television, Broadcast video on demand and metropolitan radio networks in Australia;
- Publishing across digital platforms and newspapers;
- Real estate media and technology services; and
- Subscription Video On Demand.

There have been no significant changes in the nature of activities during the financial year.

Dividends

Nine Entertainment Co. Holdings Limited paid an interim dividend of 6.0 cents per share, fully franked, in respect of the year ended 30 June 2023 amounting to $100,182,690 on 20 April 2023. Since the year end, the Company has proposed a dividend in respect of the year ended 30 June 2023 of 5.0 cents per share, fully franked, amounting to $81,385,339.

The Company paid a dividend of 7.0 cents per share, fully franked, in respect of the year ended 30 June 2022 amounting to $119,377,528 during the current year.

Corporate Information

Nine Entertainment Co. Holdings Limited is a company limited by shares that is incorporated and domiciled in Australia. It is the parent entity of the Group.

The registered office of Nine Entertainment Co. Holdings Limited is: Level 9, 1 Denison Street, North Sydney NSW 2060.

Review of Operations

For the year to 30 June 2023, the Group reported a consolidated net profit after income tax of $194,543,000 (2022: $315,288,000).

The Group's revenues for the year to 30 June 2023 increased by $13,008,000 (0%) to $2,704,413,000 (2022: $2,691,406,000).

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) and before specific items (Note 2.4) for the year ended 30 June 2023 was a profit of $591,158,000 (2022: $700,733,000).

The Group's cash flows generated in operations for the year to 30 June 2023 were $351,776,000 (2022: $487,228,000). Further information is provided in the Operating and Financial Review on pages 76 to 81.

Significant Changes in the State of Affairs

On 25 August 2022, the Group announced an on-market buyback of up to 10 percent of the Group's current issued share capital. This commenced in September 2022 and was ongoing as at 30 June 2023. At 30 June 2023, 77,686,472 shares, equating to 4.6% of total issued share capital, have been purchased for a total cost of $154.0 million.

Significant Events after the Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Likely Developments and Expected Results

Other than the developments described in this report, the Directors are of the opinion that no other matters or circumstances will significantly affect the operations and expected results of the Group.

Unissued Shares and Options

As at the date of this report, there were no unissued ordinary shares or options. There have not been any share options issued during the year or subsequent to the year end.

Indemnification and Insurance of Directors and Officers

During or since the financial year, Nine Entertainment Co. Holdings Limited has paid premiums in respect of a contract insuring all the Directors and officers of the parent entity and its controlled entities against costs incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as Director or officer of Nine Entertainment Co. Holdings Limited or its controlled entities. The insurance contract specifically prohibits disclosure of the nature of the insurance cover, the limit of the aggregate liability and the premiums paid.

Auditor's Independence Declaration

The Directors have received the Auditor's Independence Declaration, a copy of which is included on page 55.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided by the auditor during the year are set out in Note 7.3 of the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Rounding

The amounts contained in the financial statements have been rounded off to the nearest thousand dollars (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Nine Entertainment Co. Holdings Limited is an entity to which the Instrument applies.

Signed on behalf of the Directors in accordance with a resolution of the Directors.

P Costello

PETER COSTELLO, AC
Chairman

MIKE SNEESBY
Chief Executive Officer and Director

Sydney, 24 August 2023

AUDITOR'S INDEPENDENCE DECLARATION

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Sydney NSW 2000 Australia
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Auditor's independence declaration to the directors of Nine Entertainment Co. Holdings Limited

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

a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

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

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

Ernst & Young

Christopher George
Partner
24 August 2023

REMUNERATION REPORT (AUDITED)

CONTENTS

LETTER FROM COMMITTEE CHAIR

On behalf of the Board, I am pleased to present the Company's Remuneration Report for the financial year ended 30 June 2023 (FY23).

Following a record year in FY22, financial year 2023 was challenged by the economic and operating environment. Nine still delivered a strong result for FY23 and on a pre-specific item basis, Nine delivered Group EBITDA of $591 million and a Net Profit After Tax of $262 million (pre specific items), the second highest Group result recorded. We continued to execute on our strategy of investment in high quality content which resulted in growth in audiences and revenue share, and our ongoing digital transformation with strong results in 9Now and Stan. Our digital earnings now account for 58% of Group EBITDA.

Nine's remuneration structure awards short and long term incentives to Nine's Executive Key Management Personnel (Executive KMP) based on metrics which are aligned with the creation of shareholder value.

FY23 Short-Term Incentives outcomes

The Short Term Incentive plan for FY23 was structured with 50% allocated to achievement of the Group EBITDA target and 50% allocated to individual objectives which were made up of financial and non-financial objectives aligned to our strategy.

In challenging environment and market conditions, the Group EBITDA result of $591 million (pre specific items) did not meet the target set by the Board of $675 million (pre specific items), and therefore no bonus was paid to Executive KMP for this portion of the STI. The Individual objectives were assessed by the Board and were mainly achieved at target performance, resulting in overall STI outcomes for Executive KMP being below target opportunity for FY23.

FY21 Long-Term Incentives Plan outcome in FY23

The FY21 Long Term Incentive Plan (LTI) grant was tested at the conclusion of FY23. The required targets for the FY21 LTI grant were Total Shareholder Return (TSR) and Earnings Per Share Growth (EPSG) weighted to 50% each (40% for the CEO) measured over a three-year performance period for all LTI participants. The CEO had a further Strategic hurdle based on Nine digital transformation weighted at 20%.

The EPSG target was achieved which resulted in 100% vesting of this portion of the grant.

The TSR performance was achieved, resulting in vesting of 100% of the rights attributable to that hurdle.

The Strategic hurdle only applies to the CEO and, for the FY21 LTI grant, was based on measures of success related to Nine's digital transformation strategy. The Board determined that the Digital transformation objectives had been mostly achieved and vested 95% of this portion of the grant.

This resulted in the CEO receiving 99% and other Executive KMP receiving 100% of the maximum possible benefits under the FY21 LTI.

The unvested FY21 LTI Rights lapsed.

Changes in remuneration during FY23

During the year, the Board reviewed the Executive remuneration arrangements taking into consideration the performance of the Executives and appropriate external benchmarking, and increased the fixed remuneration by 3% for both Michael Stephenson and Maria Phillips effective from 1 July 2022.

There was no change to the CEO remuneration, or the Directors' fees in FY23.

Changes in FY24

The People and Remuneration Committee and the Board review the Executive Remuneration Framework and the Executive team remuneration arrangements on an annual basis.

Following a review of CEO Mike Sneesby and the Executive team remuneration arrangements, the Board increased the fixed remuneration of Mike Sneesby by 7.1% to $1,500,000, and Michael Stephenson by 4% to $990,000 effective from 1 July 2023. Mike Sneesby has not had an increase in his fixed remuneration since his appointment as CEO in 2021. The Board took into consideration appropriate external benchmarking and the performance of executives in making its decision.

Whilst we have made no changes to the structures of the STI plan, we have made one change to the LTI plan for FY24. Given the nature of the media business, and ongoing economic uncertainties, the Board made the decision to change the Earnings Per Share (EPS) performance hurdle, which represents 40% of the performance required for vesting, from a compound annual growth rate (CAGR) approach to a point to point measure. The Board and Management believe this approach removes volatility in years one and two, and incentivises management to drive medium term growth to FY26. Point to point was previously used in the FY21 LTI Plan (just vested). Going forward, our intention is to maintain a point to point measure in future LTI plans, rather than applying a CAGR hurdle.

Following the departure of CFO Maria Phillips from Nine on 4 August 2023, the business took the opportunity to restructure the executive team with Matt Stanton taking up the new role of Chief Financial and Strategy Officer effective from 7 August 2023. Bringing the finance and strategy teams together will enhance Nine's capacity in dealings with our commercial partners and driving efficiency across the business. Maria has been a valued member of the Nine Executive team since she joined Nine three years ago, including leading Nine's finance transformation. On behalf of the Board, I wish Maria well in the next chapter of her career.

In closing, FY23 has been a strong year for Nine despite the economic and operating challenges faced. On behalf of the Board I would like to thank Mike, the Executives and the entire Nine team for continuing to execute the strategic priorities of the business to create value for shareholders.

I trust you will find this report informative. I encourage you to vote in favour of the report and welcome any questions at the Annual General Meeting.

Yours faithfully,

Catherine West
Chair of the People and Remuneration Committee

1. Key Management Personnel

The Remuneration Report details the remuneration framework and arrangements for Key Management Personnel (KMP), as set out below for the year ended 30 June 2023. KMP are those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company. The table details movements during the 2023 financial year in Executive KMP and Directors.

Key Management Personnel

Name	Position	Term 2023
Non-Executive Directors (NEDs)		
Peter Costello	Chairman (independent, Non-Executive)	Full year
Nick Falloon[1]	Deputy Chairman (independent Non-Executive)	Up to 9 November 2022
Andrew Lancaster	Director (Non-Executive)	Full Year
Catherine West	Director (independent Non-Executive)	Full year
Mickie Rosen	Director (independent Non-Executive)	Full year
Samantha Lewis	Director (independent Non-Executive)	Full year
Executive Director		
Mike Sneesby	Chief Executive Officer	Full year
Other Executive KMP		
Maria Phillips[2]	Chief Financial Officer	Full year
Michael Stephenson	Chief Sales Officer	Full year

1. Mr Falloon retired from the Board on 9 November 2022.
2. Ms Phillips departed the company on 4 August 2023.

2. Executive Summary

The table below outlines each component of the remuneration framework, metrics and the link to Group strategic objectives.

Component	Performance Measure	At risk portion	Link to Strategic Objective
Fixed remuneration Salary, non-monetary benefits and statutory superannuation. *Further detail in section 3.4.*	Performance and delivery of key responsibilities as set out in the position description.	Not applicable	Fixed remuneration is set at competitive levels to attract and retain high performance individuals. Other considerations include: • Scope of role and responsibility; • Capability, experience and competency; and • Internal and external benchmarks.
Annual short term incentive (STI) Cash payments and deferred shares. *Further detail in section 3.5.*	Group Financial measure: 50% – Group Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) before specific items. Individual measures: 50% – Individual objectives related to the Executive KMP's role and responsibilities.	Chief Executive Officer: Target 100% of fixed remuneration, Maximum 125% of fixed remuneration. Other Executive KMP: Target 50% of fixed remuneration, Maximum 75% of fixed remuneration.	The group financial measure rewards Group performance. Individual measures reflect individual's performance and contribution to the achievement of both Group and business unit short and long term objectives. This year's focus was on executing key FY23 initiatives including continuing the growth in the digital business revenue and audiences, securing key commercial content, cost base management, embedding our Purpose and Values across the Group, and building on the Executive team structure and effectiveness including development and succession plans. A portion is paid in cash (67%) and a portion (33%) delivered as Nine shares deferred for up to two years to ensure continued alignment to shareholder outcomes.
Long term incentive (LTI) Performance rights used to align the reward of executives to the returns generated for Nine shareholders. *Further detail in section 3.6.*	40% – Total Shareholder Return (TSR) – relative to S&P/ASX 200 Index companies. 40% – Earnings Per Share Growth (EPSG). 20% – Strategic Objectives. Hurdles measured over a three-year performance period. No retesting.	Chief Executive Officer: 125% of fixed remuneration. Other Executive KMP: 50% of fixed remuneration.	Creates a strong link with the creation of shareholder value. Relative TSR was chosen as it provides an external market performance measure having regard to S&P/ASX 200 Index companies representing Consumer Discretionary, Consumer Staples, Information Technology and Communication Services. EPSG was chosen as it aligns with shareholder dividends over time. Strategic and transformation objectives are chosen to focus on key initiatives to position Nine for medium to long term growth and sustainability. For the FY23 grant, performance was based on measures supporting Nine's continued transformation as a digitally focused organisation, including but not limited to growth in digital EBITDA, digital revenue growth, and growth in non-advertising revenue.
Total Remuneration	The remuneration mix is designed to align Executive remuneration and rewards to the creation of long term shareholder value. The remuneration of Executive KMP is set on appointment and then reviewed annually. We set both fixed remuneration and the total remuneration opportunity by considering factors such as experience, competence and performance in the role, competitive market pressures and internal equity with peers.		

2.1 Summary of remuneration outcomes for current Executive KMP

The table below is a summary of remuneration outcomes for financial year 2023.

Fixed remuneration	• Following a review of the Executive team's remuneration arrangements by the Board, Ms Phillips and Mr Stephenson received a 3% increase in fixed remuneration effective 1 July 2022. • During FY23 there was no increase to the fixed remuneration of Mr Sneesby.
Short-term incentive (STI)	• The Group financial target for FY23 was set at Group EBITDA of $675 million (before specific items). • The reported FY23 Group EBITDA (before specific items) was $591 million, resulting in the Group Financial target not being achieved and therefore no payment for this portion of the STI. This represents 50% of the STI opportunity. • The Individual measures were assessed against specific targets and awarded where achieved. This represents 50% of the STI opportunity. • FY23 short-term incentive payments to Executive KMP were consequently below target levels at payouts of between 50% and 52% of target opportunity.
Long-term Incentive (LTI)	• LTI grants were made in line with plan rules for Executive KMP in financial year 2023.
Award vesting	• LTI grants made in financial year 2021 were tested at 30 June 2023 in line with the plan rules. • TSR requirements were met, resulting in maximum vesting of this portion of the grant (40% of the total grant for the CEO and 50% for other KMP) • The EPS growth target was achieved at maximum performance, resulting in maximum vesting of this portion of the grant (40% of the total grant for the CEO and 50% for other KMP). • The Strategic hurdle is only applicable to the CEO and for the FY21 LTI grant was based on measures of success related to Nine's digital transformation strategy. The Board assessed the overall performance of this hurdle on an aggregate basis and vested 95% of this portion of the grant (19% of the CEO's total grant). • The CEO received 99% and other Executive KMP received 100% of the possible benefits under the FY21 LTI plan. • The unvested FY21 Rights lapsed.
Non-executive director fees	• The total amount paid by Nine to Non-Executive Directors in financial year 2023 was $983,125. This is well below the aggregate fee pool of $3 million approved by shareholders at the AGM on 21 October 2013.

3. Executive Remuneration

3.1 Remuneration Principles

The remuneration framework is designed to attract and retain high performing individuals, align executive reward to Nine's business objectives and to create shareholder value. The remuneration framework reflects the Company's remuneration approach and considers industry and market practices and advice from independent external advisers.

The Company's Executive reward structure is designed to:

- Align rewards to the creation of shareholder value, implementation of business strategy and delivery of results;
- Implement targeted goals that encourage high performance and establish a clear link between executive remuneration and performance, both at Company and individual business unit levels;
- Attract, retain and motivate high calibre executives for key business roles;
- Provide a balance between fixed remuneration and at-risk elements and short and long-term outcomes that encourages appropriate behaviour to provide reward for short-term delivery and long-term sustainability; and
- Implement an industry competitive remuneration structure.

3.2 Approach to Setting Remuneration

Our Executive KMP reward is designed to support and reinforce the Nine strategy, reward delivery against our objectives and align to returns to shareholders. The Group aims to reward the Chief Executive Officer and other Executive KMP with competitive remuneration and benefits based on consideration of all the relevant inputs and provides a mix of remuneration (comprising fixed remuneration, short and long-term incentives) appropriate to their position, responsibilities and performance within the Group and aligned with industry and market practice.

The key components of the remuneration framework for Executive KMP detailed in this remuneration report include fixed remuneration and at-risk remuneration:

- Fixed remuneration is made up of base salary, non-monetary benefits and superannuation; and
- At-Risk remuneration is made up of Short Term and Long Term incentives which form the at-risk component of Executive KMP remuneration.

The Company reviews remuneration on a periodic and case-by-case basis taking into consideration market data, performance of the Company and individual and market conditions. The policy is to position remuneration for Executive KMP principally within a competitive range of industry peers in light of the small pool of executive talent with appropriate media and entertainment industry experience and skills. There is also consideration of other Australian listed companies of a similar size, complexity and prominence.

The tables in section 3.3 summarise the Executive KMP remuneration structure and mix under the Company's Remuneration Framework.

3.3 Remuneration Mix (at target)

Chief Executive Officer

Fixed Remuneration	Short-Term Incentive		Long-Term Incentive	
30.8%	30.8%		38.4%	**Total at Risk 69.2%**
	Cash – 67%	Deferred Shares – 33%		

Other Executive KMP

Fixed Remuneration	Short-Term Incentive		Long-Term Incentive	
50%	25%		25%	**Total at Risk 50%**
	Cash – 67%	Deferred Shares – 33%		

Longer term focus through incentive deferral

The remuneration mix is structured so that a substantial portion of remuneration is delivered through Deferred STI or LTI. The table below shows that remuneration awards to Executive KMPs are earned over a period of up to three years. This ensures that the interests of executives are aligned with shareholders and the delivery of the long-term business strategy.

Year 1	Year 2	Year 3
Fixed remuneration		
STI – cash (67%)	STI – deferred shares (16.5%)	STI – deferred shares (16.5%)
LTI – 3 year performance period		

3.4 Fixed Remuneration

Fixed remuneration represents the amount comprising base salary, non-monetary benefits and superannuation appropriate to the Executive KMP's role. Fixed Remuneration is set at a competitive level to attract and retain talent and considers the scope of the role, knowledge and experience of the individual and the internal and external market.

3.5 Short Term Incentive (STI) Plan

Purpose and overview

- The STI plan is the annual incentive plan that is used for the Executive KMPs and other Executives. The STI plan is designed to align individual performance to the achievement of the business strategy and increased shareholder value.
- Awards are made annually and are aligned to the attainment of clearly defined Group, business unit and individual targets.
- The STI plan is subject to annual review by the People and Remuneration Committee (**PRC**). The structure, performance measures and weightings may therefore vary from year to year.

STI funding

- The pool to fund STI rewards is determined by the Group's financial performance before specific items.

Weighting of STI Measures

- The STI is weighted 50% to a Group financial measure and 50% to individual objectives.

STI Opportunity (at target)

	% of fixed remuneration
CEO	100%
Other Executive KMP	50%

Group Financial Measures
(50% of the STI)

- Group EBITDA – chosen as it aligns executive performance with the key drivers of shareholder value and reflects the short-term performance of the business.
- Group financial performance measures for future years will be determined annually.
- Payouts based on financial measures are detailed below (pro-rata between bands).

	% Payout (of Group Financial Component)	
Performance against target	CEO	Other Executive KMP
<95%	Subject to Board consideration	Subject to Board consideration
95%	50%	50%
100%	100%	100%
105%	105%	110%
110%	112.5%	125%
>115%	125%	150%

Individual Objectives
(50% of the STI)

- Executive KMPs are assigned individual objectives based on their specific area of responsibility. These objectives are set annually and are directly aligned to the Board approved financial, operational and strategic objectives and include quantitative measures where appropriate. At least one objective will be a non-financial measure. Weightings are assigned to each objective to reflect their relative importance to delivery of the strategy and required focus.
- This year's focus was on executing key initiatives including continuing the growth in the digital business revenue and audiences, securing key commercial content, cost base management, embedding our Purpose and Values across the Group, and to build on the Executive team structure and effectiveness including development and succession plans.

Payouts based on individual measures are detailed below.

	% Payout (of Individual Component)	
Performance Assessment based on delivery of Individual KPIs	CEO	Other Executive KMP
Unsatisfactory	Nil	Nil
Performance Requires Development	25 – 75%	25 – 75%
Valued Contribution	75 – 100%	75 – 110%
Superior Contribution	100 – 110%	110 – 130%
Exceptional Contribution	110 – 125%	130 – 150%

Deferred STI Payment

- 33% of any STI outcome is deferred into Nine shares (**Shares**) that vest in two tranches and cannot be traded until after they have vested.
- Any unvested Shares may be forfeited if the executive ceases to be an employee before a vesting date.

The following allocation of any STI payment between cash and Shares applies for financial year 2023:

	Cash	Deferred Shares	
Date Payable/of Vesting	Following results release	1 year following end of performance period	2 years following end of performance period
Percentage	67%	16.5%	16.5%

- The number of Shares subject to deferral is determined by dividing the deferred STI amount (being 33% of the STI payable) by the volume weighted average price (VWAP). VWAP is calculated over the period commencing 5 trading days before and ending 4 trading days after the performance period results release (i.e. over a total period of 10 trading days).
- The Executive KMP will receive all benefits of holding the Shares in the period before vesting, including dividends, capital returns and voting rights.
- Shares which have vested can only be traded, within specified trading windows, consistent with Nine's Securities Trading Policy or any applicable laws (such as the insider trading provisions).
- The Board has determined that Shares will be acquired on-market to satisfy any awards under this component of the STI Plan.

Assessment and Board discretion

- Actual performance against Group financial and individual measures is assessed at the end of the financial year.
- In assessing the achievement of Group financial and individual measures the People and Remuneration Committee (PRC) may recommend that the Board exercise its discretion to adjust outcomes for significant factors that are considered outside the control of management that contribute positively or negatively to results. Adjustments are by exception and are not intended to be regular. Any adjustment will require the judgement of the Board and will balance fair outcomes that reflect management's delivery of financial performance, with the outcomes experienced by Nine's shareholders.
- The Board determines the amount, if any, of the short-term incentive to be paid to each Executive KMP, seeking recommendations from the PRC and CEO as appropriate, as well as the Chair of the Audit and Risk Committee.
- For significant outperformance of financial measures and individual objectives, executives may be awarded an STI payment of up to 125% for the CEO, and 150% for other executives, of the target STI.
- The Board has the discretion to clawback awards made under the Short Term Incentive plan to ensure that participants do not unfairly benefit, including in the event of fraud, dishonesty or a breach of obligation to the Company. In addition, the Board may also clawback awards in the case of material risk issues arising or where any information becomes available after awards are granted, which suggests that the outcome was not justified.

3.6 Long Term Incentive (LTI) Plan

The LTI plan involves the annual granting of conditional Performance Rights to participants.

Overview	The Long Term Incentive Plan is an equity incentive plan used to align the Executive KMP remuneration to the returns generated for Nine shareholders.
Grant Date	The FY23 grant was issued on 1 December 2022 and remains on foot (subject to testing against vesting conditions at the end of the performance period).
Consideration	Nil
Award	Performance Rights are awarded based on the fixed amount to which the individual is entitled divided by the VWAP. The VWAP is calculated over the period commencing 5 trading days before and ending 4 trading days after the results release immediately following the start of the performance period (i.e. over a total period of 10 trading days). Upon satisfaction of Vesting Conditions, each Performance Right will, at the Company's election convert to a Share on a one-for-one basis, or at the Board's discretion, entitle the Participant to receive cash to the value of a Share. No amount is payable on conversion.
LTI opportunity (at target)	

	% of fixed remuneration
CEO	125%
Other Executive KMP	50%

Performance Period	For the FY23 grant, the performance period is the three year period from 1 July 2022 to 30 June 2025 (**Vesting Date**).
Vesting Dates	Subject to the Vesting Conditions and Employment Conditions described below, Performance Rights held by each Participant will vest on the Vesting Date (with no opportunity to retest).
Vesting Conditions	Performance Rights granted for the FY23 allocation will vest on performance of the following hurdles:

- **Total Shareholder Return (TSR) Hurdle:**
40% of the FY23 grant is subject to the Company's TSR performance against S&P/ASX 200 Index companies representing Consumer Discretionary, Consumer Staples, Information Technology and Communication Services. TSR was chosen as it provides a relative, external market performance measure.

TSR vesting schedule:

Outcome	Vesting
Ranked at the 75th percentile or higher (Maximum)	100%
Ranked at the 50th percentile (Threshold)	50%
Ranked below the 50th percentile	0%

Vesting is pro-rated if the outcome is between the Threshold and Maximum band.

- **Earnings Per Share Growth (ESPG) Hurdle:**
40% of the FY23 grant is subject to the achievement of fully diluted Earnings Per Share Growth (EPSG) targets as set by the Board over the Performance Period. EPSG was chosen as it aligns with shareholder dividends over time and provides a clear focus on meeting the earnings expectations delivered to the market.

EPSG vesting schedule:

Outcome	Vesting
The EPSG hurdle assesses cumulative growth in EPS as the sum of the annual EPS growth relative to an EPS starting point determined by the Board. This is calculated at the end of each financial year over the performance period.	
Vesting occurs when:	
Cumulative annual growth over the period exceeds the Maximum Vesting Target	100%
Cumulative annual growth over the period exceeds the Threshold	33%
Cumulative annual growth over the period of less than the Threshold	0%

Vesting Conditions continued

Vesting is pro-rated if the outcome is between the Threshold and Maximum band.

EPSG hurdles are determined at the issue of each grant having regard to factors including:

- Internal forecasting estimates, taking into account the outlook for the industry
- Market expectations, including reference to sell-side equity analyst forecasts
- Recent actual performance
- Market practice and competitor benchmarking

Due to the competitively sensitive nature of these hurdles and the implied outlook for Nine earnings, the Nine Board has determined to disclose these EPSG targets upon vesting of any performance rights.

- **Strategic Hurdle – Digital strategy:**
  20% of the FY23 grant is subject to a strategic hurdle. For the FY23 grant, performance will be assessed on measures supporting Nine's continued transformation as a digitally focused organisation, including but not limited to growth in digital EBITDA, digital revenue growth, and growth in non-advertising revenue.

  The number of rights that vest will be based on the Board's assessment of performance, on an aggregated level, across a group of quantitative measures.

  Due to the competitively sensitive nature of these digital measures, the Nine Board has determined to disclose their assessment upon vesting of any performance rights.

The Board may vary the Vesting Conditions for each Plan issue.

The PRC undertakes reviews of the targets on LTI grants on-foot to ensure they remain relevant in light of any Company transactions and external or legislative impacts.

Cessation of employment (Employment Conditions)

If the Participant is not employed by Nine or any Nine Group member on a particular Vesting Date due to the Participant:

– having been summarily dismissed;

– resigning (subject to the Board exercising discretion to allow rights to be retained); or

– having terminated his/her employment agreement otherwise than in accordance with the terms of that agreement,

any unvested Performance Rights held on or after the date of termination will lapse.

If the Participant has ceased to be employed by Nine in any other circumstances (e.g. redundancy, retirement, ill health), the Participant will retain a time based, pro-rated number of unvested Performance Rights determined on a tranche by tranche basis (where the time based proportion of each tranche is determined as the length of time from the start of the performance period to the date on which employment ceases divided by the total performance period of a particular tranche).

Any unvested Performance Rights that do not lapse in accordance with the above, remain on foot until the relevant Vesting Date. Any vesting at that time will be determined based on Vesting Conditions for those Performance Rights being met.

Disposal restrictions

Where vesting occurs during a trading blackout period under the Company's Securities Trading Policy, any Shares issued or transferred to the Participant upon vesting of any Performance Rights will be subject to restrictions on disposal from the date of issue (or transfer) of the Shares until the commencement of the business day following the end of that blackout period, or such later date that the Board may determine under the Company's Securities Trading Policy.

A Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to their Performance Rights.

Clawback provision

The Board has the discretion to clawback awards made under the Long Term Incentive plans to ensure that participants do not unfairly benefit, including in the event of fraud, dishonesty or a breach of obligation to the Company.

In addition, the Board may also clawback awards in the case of material risk issues arising or where any information becomes available after awards are granted (whether vested or unvested), which suggests that the initial grant or result was not justified.

Change of control

The Board has the discretion to accelerate vesting of some or all of a Participant's Performance Rights in the event of certain transactions which may result in a change of control of Nine Entertainment Co. Holdings Ltd. The discretion will be exercised having regard to all relevant circumstances at the time. Unvested Performance Rights will remain in place unless the Board determines to exercise that discretion.

Amendments

To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the Performance Rights Plan. This includes varying the number of Performance Rights or the number of Shares to which a Participant is entitled upon a reorganisation of capital of Nine.

Capital Initiatives

The Board will endeavour to amend the terms of any Performance Rights on issue to equitably deal with any capital return, share consolidation or share split, such that the value of those rights is not prejudiced. The Board's actions in this regard will be at their sole discretion.

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4. Linking Pay to Performance

4.1 Link Between Remuneration and Company Performance

A key principle of the Nine remuneration framework is to align Executive remuneration outcomes with the Company performance. The People & Remuneration Committee makes recommendations to the Board on performance objectives, both financial and non-financial, for Executive KMP which are intended to be strongly linked between remuneration outcomes and shareholder value.

The Company performance and remuneration outcomes link is demonstrated in the STI plan with 50% linked to the Group's Financial target (Group EBITDA for FY23) and the remaining 50% related to Individual Objectives made up of both a financial and non-financial nature.

In the LTI plan, Company performance and remuneration outcomes are linked with key shareholder value measures of Earnings Per Share, relative TSR, and a strategic hurdle based on digital transformation required to be achieved for any vesting to occur for all LTI participants.

The following table provides a summary of the Group financial performance over the last five years and the link to Executive KMP remuneration outcomes over this period.

	30 June 23[1] $m	30 June 22[1] $m	30 June 21[1] $m	30 June 20[1] Restated[2] $m	30 June 19[3] Pro-Forma $m	30 June 19[4] $m
Revenue	2,694.6	2,688.8	2,331.5	2,155.3	2,341.7	1,965.1
Group EBITDA	**591.2**	**700.7**	**564.7**	**394.8**	**423.8**	**349.9**
Group EBITDA %	22%	26%	24%	18%	18%	18%
Digital EBITDA % of Group EBITDA	58%	51%	44%	48%	27%	–
Net Profit after Tax and Minorities (pre specific items)	**262.1**	**348.5**	**261.1**	**142.4**	**224.8**	**187.1**
Earnings per share – cents	15.7 cents	20.5 cents	15.3 cents	8.3 cents	11.6 cents	13.0 cents
	30 June 23 Cents/Share	30 June 22 Cents/Share	30 June 21 Cents/Share	30 June 20 Cents/Share	30 June 19 Cents/Share	30 June 19 Cents/Share
Opening share price	183	291	138	188	248	248
Closing share price	196	183	291	138	188	188
Dividend	11	14	10.5	7	10	10
Executive KMP STI Payments	30 June 23	30 June 22	30 June 21	30 June 20	30 June 19	30 June 19
Awarded	51%	124%	131%	0%	69%	69%
Forfeited (at target)	49%	–	–	100%	31%	31%

1. Results are presented pre specific items on a continuing operations basis.
2. Details of the restatements in relation to the year ended 30 June 2020 are provided in the financial statements of the FY21 Annual Report.
3. FY19 Pro-forma results aggregate the results for the former Nine and Fairfax businesses for the full 12 months to 30 June 2019, including 100% of Stan. They are presented pre specific items and purchase price accounting adjustments and on a continuing operations basis. These figures are unaudited.
4. FY19 includes the contribution from the former Fairfax businesses since the merger implementation date of 7 December 2018 and are from continuing operations only. They are presented pre specific items but inclusive of purchase price accounting adjustments.

4.2 Short Term Incentives (STI) Outcomes

The Short Term Incentive Plan for Executive KMP in FY23 was allocated 50% towards the achievement of the Group EBITDA target and the remaining 50% for individual measures that reflect the individuals' performance and contribution to the achievement of both Group and business unit objectives.

In a challenging operating environment, the FY23 reported Group EBITDA result of $591 million (pre specific items) did not meet the target set by the Board of $675 million (pre specific items) and therefore no bonus was paid to Executive KMP for this portion of the STI.

For each Executive KMP, clear targets for the Individual Objectives that were important to the delivery of the company's strategic goals were agreed. For FY23, the focus was on executing key initiatives including continuing the growth in the digital business revenue and audiences, securing key commercial content, cost base management, embedding our Purpose and Values across the Group, and building on the Executive team structure and effectiveness including development and succession plans. The Individual measures were assessed by the PRC who made recommendations to the Board and were mainly achieved at target performance. The Board believes the overall STI outcomes appropriately reflected the performance in FY23.

The proportions of target and maximum STI that were awarded and forfeited by each Executive KMP in relation to the current financial year and last year are set out below.

		Proportion of Target STI (%)		Proportion of Maximum STI (%)	
Executive KMP		Awarded %	Forfeited %	Awarded %	Forfeited %
Mike Sneesby	FY23	51%	49%	41%	59%
	FY22	120%	0%	96%	4%
Maria Phillips	FY23	50%	50%	33%	67%
	FY22	125%	0%	83%	17%
Michael Stephenson	FY23	52%	48%	35%	65%
	FY22	138%	0%	92%	8%

4.3 Long Term Incentives (LTI) Outcomes

Plan	Grant Date	Test Date	Performance Hurdles	Vesting outcome (%)
FY18 LTI	1 December 2017	30 June 2020	• 50% – Total Shareholder Return • 50% – Earnings Per Share Growth	37%
FY19 LTI	26 November 2018	30 June 2021	• 50% – Total Shareholder Return • 50% – Earnings Per Share Growth	25%
FY20 LTI	1 December 2019	30 June 2022	• 40% CEO & 50% other KMP – Total Shareholder Return • 40% CEO & 50% other KMP – Earnings Per Share Growth	50%
	1 December 2020	30 June 2022	• 20% – Digital Transformation (former CEO only)	100%
FY21 LTI	1 December 2020	30 June 2023	• 40% CEO & 50% other KMP – Total Shareholder Return • 40% CEO & 50% other KMP – Earnings Per Share Growth	100%
			• 20% – Digital Transformation (former CEO only)	95%
FY22 LTI	1 December 2021	30 June 2024	• 40% – Total Shareholder Return • 40% – Earnings Per Share Growth • 20% – Digital Transformation	N/A
FY23 LTI	1 December 2022	30 June 2025	• 40% – Total Shareholder Return • 40% – Earnings Per Share Growth • 20% – Digital Transformation	N/A

The performance period of the FY21 Long Term Incentive Plan (FY21 LTI) commenced on 1 July 2020 and expired on 30 June 2023. Performance was assessed at the conclusion of the 2023 financial year, and as a result of performance over the three year period, almost full vesting was achieved.

The Total Shareholder Return (TSR) hurdle was achieved at the 78th percentile which was above the maximum required level of performance, and therefore resulted in 100% vesting of this portion of the grant.

In setting the Earnings Per Share Growth (EPSG) targets for the FY21 LTI plan, in the midst of impacts relating to the global pandemic COVID-19, the Board changed the calculation method for EPSG from a cumulative CAGR approach to a point-to-point calculation. This change was made to acknowledge the potential impacts surrounding COVID-19, such as the volatility and uncertainty surrounding the impacts and future recovery. The growth targets were set at threshold 6.1% (2% per annum compounding) and maximum 15.8% (5% per annum compounding) on a point-to-point calculation basis. This is from a pre COVID-19 starting point using the FY19 adjusted pro forma EPS of 10.5c. This change was communicated to shareholders in the People & Remuneration Committee Chair's Letter in the FY20 Remuneration Report. The EPS growth performance over the three-year period was achieved at maximum performance which resulted in 100% vesting of this portion of the grant.

For the FY21 LTI plan, the Strategic hurdle focused on Digital transformation and was only applicable to the CEO. The Board assessed the overall performance of this hurdle on an aggregate basis, taking into account the success of key indicators in the digital transformation strategy, including but not limited to, digital revenue growth measures and subscription revenue growth expectations that met their targets, Digital EBITDA which grew to 58% of overall Group EBITDA, and strong performances in 9Now, Metro digital platforms, and Stan. The Board therefore determined that the Digital transformation objectives had mostly been achieved and on an aggregate basis vested 95% of this portion of the grant.

The unvested FY21 rights lapsed. There is no retesting of the hurdles.

5. Executive Agreements

Each Executive KMP has a formal employment agreement. Each of these employment agreements, which are of a continuing nature and have no fixed term, provide for the payment of fixed and performance-based remuneration, superannuation and other benefits such as statutory leave entitlements.

The key terms of current Executive KMP contracts at 30 June 2023 were as follows:

	Fixed Remuneration[1]	Target STI	Target LTI	Notice Period by Executive	Notice Period by Company	Restraint
Mike Sneesby	$1,400,000	$1,400,000	$1,750,000	12 months	12 months	12 months
Maria Phillips	$741,600	$370,800	$370,800	12 months	12 months	12 months
Michael Stephenson	$951,720	$475,860	$475,860	12 months	12 months	12 months

1. Fixed remuneration comprises of base cash remuneration, superannuation and other non-monetary benefits.

6. Remuneration Governance

6.1 The Board

The Board approves the remuneration arrangements of the Chief Executive Officer (CEO) and other key executives and awards made under short-term incentive (STI) and long-term incentive (LTI) plans, following recommendations from the PRC. The Board also sets the remuneration levels of Non-Executive Directors (NEDs), subject to the aggregate pool limit approved by shareholders.

6.2 The People and Remuneration Committee (PRC)

The PRC assists the Board in fulfilling its responsibilities for corporate governance and oversight of Nine's human resources policies and practices and workplace health and safety (WHS) management. The PRC's goal is to ensure that Nine attracts the industry's best talent, appropriately aligns their interests with those of key stakeholders, complies with WHS obligations and effectively manages WHS risks.

The PRC makes recommendations to the Board on CEO and Non-Executive Director remuneration. The PRC approves the executive reward strategy, and incentive plans and provides oversight of management's implementation of approved arrangements.

Details of the membership, number and attendance at meetings held by the PRC are set out on page 52 of the Directors' Report.

Further information on the PRC's role, responsibilities and membership is included in the committee charter which is available on Nine's website (www.nineforbrands.com.au).

6.3 Management

Management prepares recommendations and information for the PRC's consideration and approval. Management also implements the approved remuneration arrangements.

6.4 Use of Remuneration Consultants

From time to time, the PRC seeks external independent remuneration advice. Remuneration consultants are engaged by, and report directly to, the Committee. In selecting a remuneration consultant, the Committee considers potential conflicts of interest and requires the consultant's independence from management as part of their terms of engagement.

Where the consultant's engagement requires a remuneration recommendation, the recommendation is provided to the Chair of the PRC to ensure management cannot unduly influence the outcome.

There were no remuneration recommendations provided to the Committee by any consultants in the 2023 financial year.

6.5 Associated Policies

The Company has established a number of policies to support reward and governance, including the Code of Conduct, Disclosure Policy and Securities Trading Policy. These policies have been implemented to promote ethical behaviour and responsible decision making. These policies are available on Nine's website (www.nineforbrands.com.au).

7. Detailed disclosure of executive remuneration

7.1 Non-statutory remuneration disclosures

The actual remuneration awarded to current Executive KMPs in the year ended 30 June 2023 (FY23) is set out in the table below. This information is considered to be relevant as it provides details of the remuneration actually receivable by the Company's Executive KMPs in regard to FY23. STI amounts include both the cash and deferred shares elements awarded for the respective financial year. Only LTIs which were tested and have vested during the year are included. The table differs from the statutory disclosure in Section 7.2 principally because the table in Section 7.2 includes a value for LTI which may or may not vest in future years.

		Salary and fees $	Cash Bonus $	Fixed salary and fees and cash bonus $	Other Remuneration[1] $	Deferred STI[2] $	Long-term incentives[3] $	Remuneration for 2023 $
Executive Director								
Mike Sneesby	FY23	1,374,708	482,132	1,856,840	46,952	237,468	558,202	2,699,462
	FY22	1,376,432	1,120,910	2,497,342	128,414	552,090	–	3,177,846
Other Executive KMP								
Maria Phillips	FY23	716,308	185,400	901,708	44,006	–	451,072	1,396,786
	FY22	695,924	301,500	997,424	76,758	148,500	–	1,222,682
Michael Stephenson	FY23	926,428	167,065	1,093,493	103,052	82,286	541,287	1,820,118
	FY22	900,276	425,618	1,325,894	97,594	209,633	236,249	1,869,370
Total Current Executive KMP	FY23	3,017,444	834,597	3,852,041	194,010	319,754	1,550,561	5,916,366
	FY22	2,972,632	1,848,028	4,820,660	302,766	910,223	236,249	6,269,898

1. Other remuneration relates to superannuation and movement in annual leave and long service leave balances. The values may be negative where the KMP's annual leave taken in the year exceeds that accrued.
2. Deferred STI relates to STI awarded in relation to the financial year but deferred in Nine shares. This will be settled in two equal tranches over the next two years, assuming continuity of employment.
3. Rights which vested subsequent to 30 June 2023 but which were measured based on performance up to 30 June 2023. The value attributed to these Rights has been calculated based on the share price as at 1 August 2023 as an approximation of the cash value on vesting.

7.2 Statutory remuneration disclosures

Details of the remuneration of the executives for the year ended 30 June 2023 are set out in the following table in accordance with statutory disclosure requirements.

KMP remuneration outcomes 2023		Short term benefits		Post-Employment Benefits			Long term benefits			
		Salary and fees $	Cash Bonus $	Super-annuation $	Annual Leave[1] $	Long Service Leave $	Deferred STI[2] $	Long-term incentives[3] $	Total $	Performance Related %
Executive Director										
Mike Sneesby	FY23	1,374,708	482,132	25,292	–	21,660	237,468	1,272,929	3,414,189	58
	FY22	1,376,432	1,120,910	23,568	63,528	41,319	552,090	746,201	3,924,048	62
Other Executive KMP										
Maria Phillips	FY23	716,308	185,400	25,292	16,530	2,184	–	328,972	1,274,686	40
	FY22	695,924	301,500	23,568	50,012	3,178	148,500	230,420	1,453,102	47
Michael Stephenson	FY23	926,428	167,065	25,292	49,885	27,875	82,286	410,955	1,689,786	39
	FY22	900,276	425,618	23,568	29,118	44,908	209,633	372,969	2,006,090	50
Total Current Executive KMP	FY23	3,017,444	834,597	75,876	66,415	51,719	319,754	2,012,856	6,378,661	
	FY22	2,972,632	1,848,028	70,704	142,658	89,405	910,223	1,349,590	7,383,240	

1. Amounts may be negative where the KMP's annual leave taken in the year exceeds that accrued.
2. Deferred STI relates to STI awarded in relation to the financial year but deferred in Nine shares. This will be settled in two equal tranches over the next two years, assuming continuity of employment.
3. Details of the Long Term Incentive Plan are outlined in section 3.6.

7.3 Performance Rights and Share Interests of Key Management Personnel

2023 Rights over shares held by Executive KMP

The number of Performance Rights granted to Executive KMP as remuneration, the number vested and lapsed during the year and the number outstanding at the end of the year are shown below.

Performance Rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met.

	Share Rights Outstanding at Start of Year No.	Share Rights granted in year No.	Award date	Fair Value per Share Right at award date $	Vesting Date	Vested[1] No.	Lapsed during the year No.	Share Rights Outstanding at End of Year No.
Executive Director								
Mike Sneesby	261,038		1-Dec-21	1.940	1-Jul-23	258,427	2,611	–
	628,817		1-Dec-21	2.220	1-Jul-24			628,817
		826,641	1-Dec-22	1.690	1-Jul-25			826,641
Other Executive KMP								
Maria Phillips	208,830		1-Dec-20	1.940	1-Jul-23	208,830	–	–
	129,356		1-Dec-21	2.220	1-Jul-24			129,356
		175,513	1-Dec-22	1.690	1-Jul-25			175,513
Michael Stephenson	250,596		1-Dec-20	1.940	1-Jul-23	250,596	–	–
	166,007		1-Dec-21	2.220	1-Jul-24			166,007
		224,780	1-Dec-22	1.690	1-Jul-25			224,780

1. Rights which vested subsequent to 30 June 2023 but which were measured based on performance up to 30 June 2023.

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2023 Shareholding of Key Management Personnel

The Board has a policy of encouraging directors to acquire shares to the value of one year's base fees, to be acquired within five years of appointment.

Nine Entertainment Co. Holdings Limited shares held by KMP and their related parties are as follows:

	As at 1 July 2022 Ord	Granted on conversion of Share Rights Ord	Granted as STI Ord	Other Net Changes Ord	Held directly as at 30 June 2023 Ord	Held nominally as at 30 June 2023 Ord
Non-Executive Directors						
Peter Costello	301,786	–	–	–	–	301,786
Nick Falloon[1]	396,222	–	–	–	51,142	345,080
Andrew Lancaster	20,000	–	–	22,500	–	42,500
Catherine West	100,000	–	–	–	–	100,000
Mickie Rosen	80,000	–	–	–	80,000	–
Samantha Lewis	60,000	–	–	40,000	-	100,000
Executive Director						
Mike Sneesby	127,772	–	260,788	–	307,477	81,083
Other Executive KMP						
Maria Phillips	42,482	–	70,146	–	112,628	–
Michael Stephenson	174,099	114,130	99,023	(185,332)	141,920	60,000
Total	**1,302,361**	**114,130**	**429,957**	**(122,832)**	**693,167**	**1,030,449**

1. Nick Falloon retired from the Board on 9 November 2022. The number of shares provided in the table is as at the start of the financial year and as at the end of his term as KMP.

Related Body Corporate – Domain Holdings Australia Limited (Domain) equity holdings of Directors

The following table represent the number of Domain ordinary shares and Domain rights over shares held by Directors of Nine and their related parties.

Director	Related Body Corporate	Relevant Interest as at 1 July 2022	Relevant Interest as at 9 November 2022
Nick Falloon[1]	Domain Holdings Australia Limited	692,123 ordinary shares 31,105 share rights	723,228 ordinary shares

1. Nick Falloon retired from the Nine Board on 9 November 2022. The number of shares and rights provided in the table is as at the start of the financial year and as at the end of his term as a KMP of Nine. The share rights Mr Falloon held at the start of the reporting period were exercised on 7 September 2022 and converted to ordinary shares. Further details can be found in the Domain Annual Report.

Further information on the securities in Domain Holdings Australia Limited is available in its annual report and on other ASX disclosures.

8. Non-Executive Director (NED) Remuneration Arrangements and detailed disclosures of NED remuneration

8.1 Remuneration Policy

The Board seeks to set aggregate Non-Executive remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, at a cost that is acceptable to shareholders.

The shareholders of Nine approved an aggregate fee pool of $3 million at the AGM on 21 October 2013. The Board will not seek any increase to the NED fee pool at the 2023 AGM.

8.2 Structure

The remuneration of NEDs consists of Directors' fees and Committee fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on committees. The Chairman of the Board does not receive any additional fees in addition to Board fees for being a member of any committee. All Board fees include any superannuation entitlements, as applicable. These arrangements are set out in the written engagement letters with each Director.

The NED fees are set out below:

Role	Fees
Chairman	$374,000
Directors	$148,500
Audit and Risk Committee chair	$33,000
Audit and Risk Committee member	$20,000
People and Remuneration Committee chair	$27,500
People and Remuneration Committee member	$15,000

NEDs do not receive retirement benefits, nor do they participate in any incentive programs. No Share Rights or other share-based payments were issued to NEDs during the 2023 financial year. The statutory table below includes fees for the period, when they held the position of NEDs.

8.3 Directors Fees Paid By Domain Holdings Australia Limited

In the following statutory table representing fees paid to Nine NEDs for financial years 2022 and 2023, Mr Falloon is a Board member of Domain Holdings Australia Limited (Domain). Mr Falloon is the Chairman of the Domain Board and a member of the Domain People, Culture and Sustainability Committee, and the Audit and Risk Committee. In FY23, the Chairman's fee on the Domain Board was $310,000 per annum. The Chairman does not receive any additional fees for being a member of Committees at Domain. The fees paid to Mr Falloon in these years are included as controlled entity transactions. The fees are paid by Domain.

Mr Sneesby, Nine's CEO, joined the Domain Board on 21 April 2021 as a Non-Executive Director. Mr Sneesby receives no fees for his services on the Domain Board.

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8.4 NED Remuneration for years ended 30 June 2023 and 2022

		Nine		Domain (Controlled Entity)			
	Financial year $	Nine Non-Executive Director Fees $	Super-annuation paid by Nine $	Domain Non-Executive Director Fees $	Super-annuation paid by Domain $	Fair Value of Domain's Project Zipline Share Right $	Total $
Non-Executive Directors							
Peter Costello	FY23	374,000	–	–	–	–	374,000
	FY22	357,000	–	–	–	–	357,000
Nick Falloon[1]	FY23	64,241	3,884	103,359	9,147	–	180,631
	FY22	156,750	–	228,146	22,815	17,769	425,480
Andrew Lancaster[2]	FY23	–	–	–	–	–	–
	FY22	–	–	–	–	–	–
Catherine West	FY23	177,376	18,624	–	–	–	196,000
	FY22	170,909	17,091	–	–	–	188,000
Mickie Rosen	FY23	143,796	4,704	–	–	–	148,500
	FY22	128,864	12,886	–	–	–	141,750
Samantha Lewis	FY23	177,828	18,672	–	–	–	196,500
	FY22	171,136	17,114	–	–	–	188,250
Total NED	**FY23**	**937,241**	**45,884**	**103,359**	**9,147**	**–**	**1,095,631**
	FY22	984,659	47,091	228,146	22,815	17,769	1,300,480

1. Mr Falloon retired from the Nine Board on 9 November 2022. Mr Falloon received Director fees from a controlled entity, Domain Holdings Australia Limited (Domain), in respect of his services as Chairman of Domain. The amount is disclosed separately as it was paid by Domain and only represents fees up to 9 November 2022 when Mr Falloon ceased to be a Nine KMP. The Project Zipline share rights were exercised on 7 September 2022 and converted to ordinary shares. The fair value amount for FY23 is zero (FY22: $17,769). Further details of the Domain program can be found in the Domain Annual Report.
2. Mr Lancaster joined the Board on 1 April 2021 and has agreed that he will not be paid any Director's fees for serving on the Board or any Committees to which he may be appointed.

9. Loans to Key Management Personnel and their related parties

No loans have been made to KMP or their related parties.

10. Other transactions and balances with Key Management personnel and their related parties

The following related party arrangement has been entered into by a Nine Group member:

– Sebastian Costello, the son of Peter Costello, is employed on a full time basis as a journalist and presenter on commercial, arm's length terms.

OPERATING AND FINANCIAL REVIEW

Review of Operations

	2023 $m	2022 $m	Variance 2023 to 2022 $m	Variance 2023 to 2022 %
Revenue (before specific items)	2,694.6	2,688.8	5.8	0%
Group EBITDA (before specific items)[1]	591.2	700.7	(109.5)	(16%)
Depreciation and Amortisation	(155.7)	(149.1)	(6.6)	4%
Group EBIT (before specific items)	435.5	551.6	(116.1)	(21%)
Net Finance Costs	(41.3)	(25.2)	(16.1)	64%
Profit after tax (before specific items)	279.0	373.5	(94.5)	(25%)
Specific items (after income tax)	(84.5)	(58.2)	(26.3)	45%
Profit after Income Tax	194.5	315.3	(120.8)	(38%)
Net Cash Flows generated from operating activities	351.8	487.2	(135.4)	(28%)
Net Debt[2]	523.2	324.4	198.8	61%
Leverage[3]	0.9X	0.5X		

1. EBITDA plus share of associates.
2. Bank facilities unsecured, less cash at bank.
3. Net Debt/Group EBITDA (before Specific Items).

Revenue before Specific items held stable during the year, showing a marginal increase of $5.8 million (0%) to $2,694.6 million. This result was underpinned by continued audience strength across all key platforms, driven by Nine's premium content, and was achieved in an increasingly challenging and uncertain macro-economic environment which impacted most of the markets that Nine operates in.

Group EBITDA before Specific Items decreased by $109.5 million (16%) to $591.2 million with the increase in costs, which were primarily a result of investment in premium content, flowing to EBITDA. Depreciation and Amortisation increased by 4% at $155.7 million and Net Finance Costs increased from $25.2 million in the prior year to $41.3 million in the current year, as a result of increased debt drawdown and rising interest rates.

Specific Items of $119.1 million pre-tax (refer to Note 2.4) relate principally to the impairment of assets in the radio cash generating unit ($84.5 million), Impairment of other assets ($19.6 million) and group restructuring costs ($14.7 million).

Operating Cash Flow decreased $135.4 million to $351.8 million year-on-year due to the decrease in the EBITDA. In addition, the Group commenced an on-market buyback during the year, purchasing 4.6% of total issued share capital for a total of $154.0 million. The Group made dividend payments of $219.6 million, or 13.0 cents per share, to shareholders during the year. Net Debt at 30 June 2023 was $523.2 million (excluding lease liabilities) which resulted in net leverage of 0.9x, well within bank covenants.

Segmental Results

	2023 $m	2022 $m	Variance 2023 to 2022 $m	Variance 2023 to 2022 %
Revenue[1, 2]				
Broadcasting	1,356.0	1,371.9	(15.9)	(1%)
Digital and Publishing	575.2	593.5	(18.3)	(3%)
Stan	427.6	381.2	46.4	12%
Domain Group	354.5	356.7	(2.2)	(1%)
Corporate	2.2	4.8	(2.6)	(54%)
Total Revenue[1]	**2,715.5**	**2,708.1**	**7.4**	**0%**
EBITDA[2]				
Broadcasting	319.5	401.1	(81.6)	(20%)
Digital and Publishing	164.7	179.5	(14.8)	(8%)
Stan	37.1	28.5	8.6	30%
Domain Group	103.3	122.1	(18.8)	(15%)
Corporate	(33.6)	(32.3)	(1.3)	4%
Share of Associates	0.2	1.8	(1.6)	(89%)
Group EBITDA	**591.2**	**700.7**	**(109.5)**	**(16%)**

1. Before elimination of inter-segment revenue and excluding interest income.
2. Pre specific items (Note 2.4).

A summary of each division's performance is set out below.

Broadcasting

	2023 $m	2022 $m	Variance 2023 to 2022 $m	Variance 2023 to 2022 %
Revenue	1,356.0	1,371.9	(15.9)	(1%)
EBITDA	319.5	401.1	(81.6)	(20%)
Margin	24%	29%		(5 pts)

Nine's Broadcast division comprises Total Television (Nine Network and 9Now) as well as Nine Radio. Together, Broadcast reported EBITDA of $320 million on revenues of $1.4 billion for the 12 months. Whilst down on the record FY22 result, Nine Broadcast's FY23 result was above pre-COVID levels.

Both Nine Network and 9Now comfortably outperformed their respective markets, growing Total Television share to an historically high level of 41.8% for the year, up 2.8 percentage points on FY22. Total Television revenue of $1.2 billion, was down 2% on FY22, with growth from 9Now close to offsetting the impact of weaker advertising markets on Nine Network. EBITDA of $307 million was down 20% on FY22.

The Metro Free-To-Air (FTA) advertising market declined by 11%[1] for the year, and 15% for the second half, reflecting both the underlying weaker economy as well as Election-affected comparables. Nine Network markedly outperformed, with second half share growth of 1.4 percentage points to 42.0% resulting in a Metro Free to Air (FTA) revenue share for FY23 of 40.7%, which is a more than 20-year high. As a result, Nine Network reported a revenue decline of just 4% for the 12 months to $1.1 billion.

1. Source: Think TV, Metro Free To Air revenue and share, 12 months to June 2023.

Across the year, Nine Network was the #1 Network and Primary Channel of its targeted 25-54 demographic, attracting a commercial network share of 39.4%[2] and a primary channel share of 40.7%[2], the latter a record share for any channel since OzTAM commenced. Nine Network was also #1 in 16-39s and Grocery Buyers with Children, as well as Total People.

Nine's revenue from regional markets continues to reflect the strength of our content and affiliation with WIN Corporation. For the 12 months to June, revenue share for Nine's content across all regional markets (affiliated and wholly-owned) increased by 2.8 percentage points to 38.3%[3].

In FY23, 9Now revenue growth outperformed both the traditional BVOD market and the digital video market. During the year, 9Now's revenue growth of 16% outperformed the traditional BVOD market of 9Now, 7-Plus and Ten Play, which grew by 6% to $392 million[3]. Over the same time period, the digital video market is estimated to have grown by ~7% to $3.4 billion[4]. Live viewing remains the primary growth audience driver for 9Now and is the key component of Nine's Total Television strategy. From a live perspective, Daily Active Users grew by 18%[5] for the year, while live streaming minutes were up by 22%[5].

Total Television costs increased by just under 7% as Nine continued to invest in its premium leading schedule, with the significant growth in Nine's revenue share reflecting the payback from this investment. The 12% first half cost increase, mainly content driven, was followed by a 3% increase in the second half. The primary components of the second half increase were the step up in NRL costs and the first part of the 2023 UK Ashes. Excluding these events, second half Total TV costs would have been flat on H2 FY22. Other programming investments across the year included The Block Treechange as well as the new content adventure strip The Summit (the format for which has subsequently been sold offshore) and dating series My Mum, Your Dad.

The Metro radio advertising market slowed as the year progressed, but still finished the year up 0.2%[6] on FY22. Nine gained further share across the year, with linear advertising revenues up 1% for the year. Digital revenues grew by 115%, which included a doubling of audio streaming revenues, as Nine's focus on Total Audio gathers momentum. Costs increased by around $7m or 8%, reflecting both investment in new content, including digital, and higher sales and marketing costs. Nine Radio's reported EBITDA of $13 million was down $3 million on FY22.

Digital and Publishing

	2023 $m	2022 $m	Variance 2023 to 2022 $m	%
Revenue	575.2	593.5	(18.3)	(3%)
EBITDA	164.7	179.5	(14.8)	(8%)
Margin	29%	30%		(1 pts)

Nine's Digital and Publishing division includes the core Metro Media business, as well as nine.com.au, Pedestrian Group and Drive. Together, Publishing reported revenue of $575 million and a combined EBITDA of $165 million, down 8% on FY22's record result. Digital accounts for approximately 60% of Publishing revenue.

After a strong first half, Nine Publishing's full year result was primarily impacted by the softer advertising market. Total advertising revenue was down by 16% in the second half, after a broadly flat H1, with digital advertising revenue (down 19% in H2 on the prior comparative period) reflecting softness in programmatic advertising and a decline in print advertising (down 13% in H2 on the prior comparative period) which compares against a previous corresponding period that was boosted by advertising associated with the 2022 Federal Election.

Total subscription revenue grew by 3%, despite the challenging consumer environment. Strong readership across The Sydney Morning Herald, The Age and The Australian Financial Review continued to translate to paying audiences, showing mid-single digit (%) growth in digital subscriptions over the past 12 months, to more than 460,000 active subscriptions at June year end. Registered users also grew, to more than 1.3 million. Print subscription and retail sales revenue slipped slightly across the year, which was more than offset by digital subscription and licensing revenue growth. This strong audience performance enabled digital price increases to be implemented in May, the first across the base since the introduction of starter digital and premium digital subscriptions.

Publishing costs were slightly lower across the year, with wage increases (EBA-related), higher distribution costs, and incremental content investment offset by tighter cost controls.

In total, Digital and Publishing EBITDA decreased by 8% to ~$165 million for the year.

2. Source: OzTam, 6pm-midnight 5 capital cities.
3. Source: Think TV, BVOD revenue (9Now, 7Plus, 10Play), 12 months to June 2023.
4. Source: IAB data for 9 months to March 2023, plus estimate of June quarter data.
5. Source: OzTAM Events data, based on monthly averages, July to June 2023 on pcp.
6. Source: Commercial Radio Australia, 12 months to June 2023, 4 city basis, linear revenues only.

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Stan

	2023 $m	2022 $m	Variance 2023 to 2022 $m	Variance 2023 to 2022 %
Revenue	427.6	381.2	46.4	12%
EBITDA	37.1	28.5	8.6	30%
Margin	9%	7%		2 pts

Stan reported 30% growth in EBITDA to $37 million, the Group's fourth consecutive year of profit and positive cash flow, which is a strong performance in the context of the economic conditions and competitive environment.

Revenue growth of 12% to $428 million for the year was underpinned by price increases across both Entertainment and Sport subscriptions, reflecting ongoing strong engagement with both platforms, and delivering 9% growth in ARPU[7], with minimal churn impact.

The 11% increase in costs partially reflected the continued ramp-up investment in Stan Sport. Ex Sport, costs were up by ~8%, primarily reflecting the increased roll-out of Stan Originals, the impact of the new Sony output deal and other key licensed content.

Over the past 12 months, Stan's commitment to expanding Stan Originals, and investing further into Stan Sport, has helped to maximise the Group's control over its content pipeline and de-risk the business, particularly pertinent in the context of the ongoing Hollywood writers' and actors' strikes. This also positions Stan well to respond to any opportunities which arise as a result of the strategic shift by the Hollywood Studios to place greater reliance on profitability and content licensing models, rather than direct-to-consumer streaming investment. This shift in strategy is expected to lead to more content becoming available to license in Australia, and potentially to consolidation within the market.

Stan's Originals have been a significant driver of performance, proving to be one of the keys to Stan's success, delivering four of the top six series and movies available on Stan in FY23. New original series such as Black Snow, Ten Pound Poms and Bali 2002 attracted strong viewership, complementing returning series such as Bump and Ru Paul's Drag Race Down Under as well as Original movies including Transfusion, Poker Face and The Portable Door. These titles performed strongly alongside key licensed titles including Yellowstone, Your Honor, From, Lucky Hank and The Great.

Stan Sport also continued to extend its consumer proposition, securing the rights to the Rugby World Cup and successfully broadcasting the Women's tournament, as well as the UCI World Championship cycling event in Wollongong. These sports complement Stan's already strong line-up including the recently extended UEFA champions league and Grand Slam tennis, domestic and international rugby, as well as an emerging motorsport and combat sports proposition.

Domain Group

	2023 $m	2022 $m	Variance 2023 to 2022 $m	Variance 2023 to 2022 %
Revenue	354.5	356.7	(2.2)	(1%)
EBITDA	103.3	122.1	(18.8)	(15%)
Margin	29%	34%		(5 pts)

Domain's result reflected the challenging property environment, particularly in Sydney and Melbourne. Domain reported EBITDA of $103 million, down 15% on FY22.

Core digital revenue increased by 1%. Residential listings revenue declined by 7%, with the 8% increase in controllable yield, inclusive of the impact of Social Boost, more than offset by the 14% decline in property listings. Domain's Media, Developers and Commercial business recorded a 3% revenue decline, with Commercial Real Estate, up 6%, the best performing business. Revenue from Agent Solutions nearly doubled, primarily due to the acquisition of Realbase in April 2022, with underlying growth reported of 6%, underpinned by 25% revenue growth from Real Time Agent. Domain Insights recorded revenue growth of 16%, boosted by a full period contribution from IDS, or 4% underlying. In a challenging property market, Domain has made clear progress diversifying its revenue base, and building on the foundations of its Marketplace Strategy.

Domain reported costs of $251 million, with H2 costs down 18% on H1. Reflecting the lower-than-expected listing volumes, fourth quarter initiatives included proactive annual leave management, staff recruitment phasing and further discretionary cost controls.

7. Average revenue Per User – 12 months to June 2023 compared with pcp.

Corporate

Net corporate profit decreased by $1.4 million or 4% across the year, mainly as a result of a reduction in sublease income related to the Media house property.

Business Strategies and Future Prospects

The Group has identified and is focused on delivering against the following strategic priorities:

• Growing distribution of video content

The Group will continue to strengthen its position as a leading supplier of premium video content in Australia, through its FTA, Broadcast Video On Demand (9Now) (together "Total TV") and Subscription (Stan) businesses. Ongoing investment in content that appeals to Australian audiences, and in platform functionality and prominence, will support the expansion of the Group's audiences. By delivering premium content across Entertainment, News and Current Affairs and Sport, the Group's goal is to increase its revenues via advertising across our Total TV businesses and subscriptions on Stan. Stan remains on a strong growth trajectory, underpinned by its focus on investment in Stan Originals, growth in the Stan Sport proposition and extensions to key strategic licensing deals, supported by increasing efficiency of customer acquisition, a world class platform and cross-promotion across the wider Nine business.

• Accelerating the shift to Digital

The Group continues to successfully grow audiences and advertisers on digital platforms across streaming (Total TV, Audio) and Publishing. This evolution ensures long term sustainability in the business model and increased opportunities to diversify content and better monetise audiences. Our Metro Publishing business is targeting a doubling of subscribers across our mastheads through the next five years, 9Now continues to drive growth in Total TV audience for our tentpole entertainment and sport programming and Nine's radio audiences continue to increase listening online and via smart speakers and apps.

• Continued optimisation of traditional media assets

While the transition to digital platforms is a key driver of long-term success, the Group's traditional media assets remain important and optimisation of performance is an ongoing priority. The restructure of the Radio business since acquisition has realised strong growth in market share as the business builds talkback radio for the new generation. The Group's Publishing business continues to outperform the market through its print advertising proposition and achieve cost efficiencies despite structural headwinds. Content investment also continues to balance targeted investment by platform and the production of content that works across both linear and digital platforms.

• Growth of Marketplaces

The Group's marketplace strategy continues to be led by Domain. Across the economic and real estate cycle, Domain is focused on continually increasing the value that they bring to their customers and consumers, supporting them at more points of their property journeys. The business remains structured across Core Listings, Agent Solutions, Consumer Solutions and Property Data Solutions, each forecast to deliver continued growth. Delivery of this strategy is underpinned by the relationship with and access to Nine's other assets, most notably FTA television and digital, building increased brand recognition and enhanced traffic to Domain.com.au.

• Optimising connections across platforms

Across its businesses, Nine provides and supports the establishment of valuable connections between content, audiences and advertisers on a national basis. Product, technology and user experience are at the core of everything the business does, supporting the production and distribution of the Group's content and driving premium revenue opportunities. The transition to digital will also strengthen the Group's data assets, supporting product initiatives across all business units, improving yields and supporting increased effectiveness in planning and execution. The Group continues to explore potential opportunities for targeted investment in aligned growth opportunities, focused on driving long term returns for the business and continuing to build on the scale and diversity of Nine's portfolio.

Material Business Risks

The following section outlines the material business risks that may impact on the Group achieving its strategic objectives and business operations, including the mitigating factors put in place to address those risks. The material risks are not set out in any particular order and exclude general risks that could have a material effect on most businesses in Australia under normal operating conditions. These risks are managed on an ongoing basis as part of our risk management framework. Mitigations and strategies to address them are maintained and regularly reviewed, including via regular reporting to the Board via our Audit & Risk Committee.

Revenue — the major risks which could affect the revenue of the Group are:

- Impact of competitor strategies or new market entrants;
- A change in the way content is viewed or consumed by audiences;
- Transition of advertising towards digital whilst maintaining traditional sources of revenue;
- A significant change to advertising market conditions that leads to a prolonged decline in the advertising market or an adverse shift in FTA television, Radio, Print or Digital publishing relative shares of the broader advertising market;
- Creation of successful content and securing quality licensed content;
- Nine's share of the FTA market itself;
- Longer term impact of COVID-19, including the timing and extent of recovery and potential for future outbreaks; and
- Declines in property market conditions.

A key contributor to these risks is a change in audience behaviours and preferences, which in turn impacts advertiser behaviour and subscription revenue. Peak-time programming performance or loss of key programming rights may also contribute to these risks materialising. The continued development of alternative forms of media may lead to increased competition for advertising revenue. Nine's strategies are focused on ensuring we effectively anticipate and respond to the potential risks through having the best platforms, creating and securing the content audiences want to consume and delivering it to them when and where they want it. Our digital strategy enables us to maximise our revenue opportunities across all of our platforms.

Operational — from an operational perspective, the business is subject to operational risks of various kinds, including transmission failure, systems failure, data loss, reliance on key third party partners, inaccurate reporting, industrial action (such as at film and television production studios, in sporting competitions broadcast by Nine and in Publishing), defamation and other execution risks, including those that significantly impact production. These risks could have a negative effect in various ways on Nine's reputation and its ability to conduct its business without disruption or at the budgeted level of cost.

Technology, cyber security — Nine's strategy to leverage all our digital assets requires us to ensure our technology and infrastructure is able to deliver our content when, and where, our audiences choose to consume it. We invest in the latest technologies to ensure we remain at the forefront of industry developments, deliver the best experience for our audiences and maximise operating efficiencies. Whilst the threat of cyber-attacks exists in all businesses, Nine's reliance on technology and key partners to deliver our products and services increases the potential impact of cyber risks. We continue to invest in uplifting our cyber capabilities to keep pace with the ever-evolving cyber security threats.

Regulation and Legislation — Nine's businesses are subject to changes in regulation at Federal, State and local level, as well as changes in government policy and decisions by the courts. These risks include changes to: the regulatory environment under which the FTA industry operates; anti-siphoning legislation; the licence conditions under which Nine operates (including the granting of a fourth FTA television licence in the major markets in which Nine operates); regulation of content; advertising restrictions in relation to certain types of products; and interpretation of privacy and defamation laws. These risks could adversely impact Nine's reputation and/or Nine's revenues, costs or financial performance. The Group's internal processes are regularly assessed and tested as part of robust risk and assurance programs. Further to this, Nine manages the costs of compliance to ensure our costs of doing business are not significantly impacted. We do this by ensuring we proactively identify changes to regulatory requirements and respond with effective programs to ensure compliance.

People and culture — The increasingly competitive landscape and the ongoing need for media organisations to remain agile in order to anticipate and respond to changing audience preferences, continues to place pressure on the competition for talent. The ability to attract and retain talent with the necessary skills and capabilities to operate in a challenging market, whilst being able to continue to adapt, is critical to Nine's success. The ongoing impact of COVID-19 continues to place pressure on securing and retaining talent. We recognise the increasing challenges to mental wellbeing, not only to our own people but in the community due to broader societal factors which we manage both through our internal programs and by making responsible content choices. Nine continues to be an employer of choice by investing in our people through training and development opportunities, promoting diversity and workplace flexibility, providing support programs and maintaining succession planning.

Domain — Domain is a separate company which is listed on the ASX and has minority investors. As such, decisions by the board and the actions of Domain must be made having regard to their best interests. This may mean that if their interests diverge from those of Nine, Domain may adopt an approach contrary to the preferences of Nine.

Nine Entertainment Co. Holdings Limited
ABN 60 122 203 892

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Revenues	2.1	2,704,413	2,691,406
Expenses	2.3	(2,380,804)	(2,217,262)
Finance costs	2.3	(48,738)	(26,302)
Share of profits of associate entities	6.2(d)	233	1,793
Net profit before income tax expense		**275,104**	**449,635**
Income tax expense	5.1	(80,561)	(134,347)
Net profit after income tax expense		**194,543**	**315,288**
Net profit for the period attributable to:			
Owners of the parent		181,806	297,143
Non-controlling interest		12,737	18,145
Net profit for the period		**194,543**	**315,288**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		102	873
Fair value movement in derivative financial instruments (net of tax)	4.5	(748)	1,693
Items that will not be reclassified subsequently to profit or loss:			
Fair value movement in investment in listed equities (net of tax)	7.1	(1,985)	(179)
Actuarial gain/(loss) on defined benefit plan (net of tax)	7.2	(444)	(730)
Other comprehensive income for the period		**(3,075)**	**1,657**
Total comprehensive income attributable to equity holders		**191,468**	**316,945**
Total comprehensive income attributable to:			
Owners of the parent		178,731	298,800
Non-controlling interest		12,737	18,145
Total comprehensive income for the period		**191,468**	**316,945**
Earnings per share			
Basic and diluted earnings attributable to ordinary equity holders of the parent	2.5	$0.11	$0.17

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Current assets			
Cash and cash equivalents	3.1	119,676	153,464
Trade and other receivables	3.2	423,199	408,380
Program rights & inventories	3.3	299,452	291,259
Prepayments		44,065	33,792
Other assets		2,477	2,691
Derivative financial instruments	4.5	2,852	3,214
Income tax receivable		2,053	–
Assets held for sale		7,146	–
Total current assets		**900,920**	**892,800**
Non-current assets			
Receivables	3.2	2,094	10,113
Program rights & inventories	3.3	156,470	168,236
Investments accounted for using the equity method	6.2	33,056	33,606
Other financial assets	7.1	4,526	6,511
Property, plant and equipment	3.5	442,136	491,490
Intangible assets	3.6	2,448,156	2,512,285
Derivative financial instruments	4.5	–	1,333
Prepayments		4,122	–
Defined benefit plan	7.2	24,149	23,925
Total non-current assets		**3,114,709**	**3,247,499**
Total assets		**4,015,629**	**4,140,299**
Current liabilities			
Trade and other payables	3.4	532,596	530,105
Financial Liabilities	4.1	136,036	115,132
Current income tax liabilities		–	44,622
Provisions	3.7	192,602	215,924
Derivative financial instruments	4.5	1,038	1,721
Liabilities held for sale		5,146	–
Total current liabilities		**867,418**	**907,504**
Non-current liabilities			
Payables	3.4	107,420	126,211
Financial Liabilities	4.1	877,203	745,515
Deferred tax liabilities	5.2	268,858	267,864
Provisions	3.7	18,243	21,249
Derivative financial instruments	4.5	142	406
Total non-current liabilities		**1,271,866**	**1,161,245**
Total liabilities		**2,139,284**	**2,068,749**
Net assets		**1,876,345**	**2,071,550**
Equity			
Contributed equity	4.2	1,958,642	2,111,752
Reserves		(63,545)	(54,922)
Retained earnings		(212,397)	(178,820)
Total equity attributable to equity holders of the parent		**1,682,700**	**1,878,010**
Non-controlling interest		**193,645**	**193,540**
Total equity		**1,876,345**	**2,071,550**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Contributed equity $'000	Rights Plan Shares $'000	Foreign currency translation reserve $'000	Fair Value reserve of financial assets at FVOCI $'000	Share-based payments reserve $'000	Cash flow hedge reserve $'000	Other reserve $'000	Retained earnings $'000	Total attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total Equity $'000
At 1 July 2022	2,134,803	(23,051)	(1,028)	(6,715)	19,545	1,693	(68,417)	(178,820)	1,878,010	193,540	2,071,550
Profit for the period	–	–	–	–	–	–	–	181,806	181,806	12,737	194,543
Other comprehensive income/(loss) for the period	–	–	102	(2,429)	–	(748)	–	–	(3,075)	–	(3,075)
Total comprehensive income/(loss) for the period	**–**	**–**	**102**	**(2,429)**	**–**	**(748)**	**–**	**181,806**	**178,731**	**12,737**	**191,468**
Transfers from reserves to equity	–	–	–	–	(4,791)	–	–	4,177	(614)	–	(614)
Vesting of Rights Plan shares (Note 4.4)	–	901	–	–	(901)	–	–	–	–	–	–
Vesting of Share Based Payments	–	–	–	–	(3,000)	–	(2,615)	–	(5,615)	–	(5,615)
Transactions with non-controlling interests	–	–	–	–	–	–	–	–	–	7,103	7,103
Share buy-back (Note 4.2)	(154,011)	–	–	–	–	–	–	–	(154,011)	–	(154,011)
Share-based payment expense, net of tax	–	–	–	–	5,759	–	–	–	5,759	–	5,759
Dividends to shareholders	–	–	–	–	–	–	–	(219,560)	(219,560)	(19,735)	(239,295)
At 30 June 2023	**1,980,792**	**(22,150)**	**(926)**	**(9,144)**	**16,612**	**945**	**(71,032)**	**(212,397)**	**1,682,700**	**193,645**	**1,876,345**
At 1 July 2021	2,134,803	(12,657)	(1,901)	(5,806)	21,571	–	(56,534)	(264,925)	1,814,551	145,050	1,959,601
Profit for the period	–	–	–	–	–	–	–	297,143	297,143	18,145	315,288
Other comprehensive income/(loss) for the period	–	–	873	(909)	–	1,693	–	–	1,657	–	1,657
Total comprehensive income/(loss) for the period	**–**	**–**	**873**	**(909)**	**–**	**1,693**	**–**	**297,143**	**298,800**	**18,145**	**316,945**
Transfers from reserves to equity	–	–	–	–	(2,136)	–	–	2,136	–	–	–
Vesting of Rights Plan shares (Note 4.4)	–	1,720	–	–	(1,720)	–	–	–	–	–	–
Vesting of Share Based Payments	–	–	–	–	(7,301)	–	(11,883)	–	(19,184)	–	(19,184)
Transactions with non-controlling interests	–	–	–	–	–	–	–	–	–	48,969	48,969
Purchase of Shares (Note 4.2)	–	(12,114)	–	–	–	–	–	–	(12,114)	–	(12,114)
Share-based payment expense, net of tax	–	–	–	–	9,131	–	–	–	9,131	–	9,131
Dividends to shareholders	–	–	–	–	–	–	–	(213,174)	(213,174)	(18,624)	(231,798)
At 30 June 2022	**2,134,803**	**(23,051)**	**(1,028)**	**(6,715)**	**19,545**	**1,693**	**(68,417)**	**(178,820)**	**1,878,010**	**193,540**	**2,071,550**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Cash flows from operating activities			
Receipts from customers		2,948,981	2,945,170
Payments to suppliers and employees		(2,412,865)	(2,290,122)
Dividends received – associates		485	168
Government grants repaid		–	(6,322)
Interest received		6,195	1,048
Interest and other costs of finance paid		(45,349)	(24,643)
Income tax paid		(145,671)	(138,071)
Net cash flows generated from operating activities	3.1	**351,776**	**487,228**
Cash flows from investing activities			
Purchase of property, plant and equipment		(20,586)	(18,780)
Purchase of intangible assets		(77,254)	(55,987)
Proceeds on disposal of property, plant and equipment		2,995	3,333
Acquisition of subsidiaries, net of cash acquired		(46)	(226,104)
Net proceeds from disposal of investments and assets held for sale		1,250	658
Net (payment)/receipt of contingent consideration		(23,766)	49
Funding to associates		–	(500)
Net cash flows used in investing activities		**(117,407)**	**(297,331)**
Cash flows from financing activities			
Proceeds from borrowings		918,500	817,000
Repayments of borrowings		(752,500)	(760,000)
Payment of debt refinancing fees		(2,846)	(1,565)
Proceeds from issue of shares by subsidiary with non-controlling shareholder		–	56,514
Purchase of rights plan shares		–	(12,114)
Purchase of non wholly-owned subsidiary treasury shares		–	(32,709)
Payment of the principal portion of leases		(40,585)	(45,768)
Proceeds from exercise of non wholly-owned subsidiary share options		–	5,978
Net receipt/(repayment) of loan to non-controlling shareholder		2,580	(3,897)
Dividends paid to non-controlling interest		(19,735)	(18,625)
Dividends paid to shareholders of the Group	4.3	(219,560)	(213,174)
Share buyback	4.2	(154,011)	–
Net cash flows used in financing activities		**(268,157)**	**(208,360)**
Net increase/(decrease) in cash and cash equivalents		**(33,788)**	**(18,463)**
Cash and cash equivalents at the beginning of the financial period		153,464	171,927
Cash and cash equivalents at the end of the period		**119,676**	**153,464**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2023

1. About this report

The financial report includes the consolidated entity consisting of Nine Entertainment Co. Holdings Limited (the "Company" or "Parent Entity") and its controlled entities (collectively, the "Group") for the year ended 30 June 2023.

Nine Entertainment Co. Holdings Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report. Information on the Group's structure is provided in Note 6. Information on other related party relationships is provided in Note 6.6.

The consolidated general purpose financial report of the Group for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 24 August 2023. The Directors have the power to amend and reissue the financial report.

1.1 Significant events during the period

On 25 August 2022, the Group announced an on-market buyback of up to 10 percent of the Group's current issued share capital. This commenced in September 2022 and was ongoing as at 30 June 2023. At 30 June 2023, 77,686,472 shares, equating to 4.6% of total issued share capital, have been purchased for a total cost of $154.0 million.

1.2 Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared using the going concern basis of accounting and the historical cost convention, except for derivative financial instruments and investments in listed equities which have been measured at fair value, and investments in joint ventures and associates which have been accounted for using the equity method.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the instrument applies.

The accounting policies adopted in the preparation of the financial report are consistent with those applied and disclosed in the 2022 annual report. The consolidated financial statements provide comparative information in respect of the previous period, which is reclassified where necessary in order to provide consistency with the current financial year.

Statement of compliance

The financial report complies with Australian Accounting Standards. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Key Judgements and Estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

Note 3.3 Program rights and inventories

Note 3.4 Trade and other payables

Note 3.6 Intangible assets

Note 3.7 Provisions

Note 6.1 Business combinations

1. About this report *continued*

1.3 Notes to the Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position or performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business or it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

1. About this report: provides an introduction to the structure and preparation of the report;
2. Group performance: provides a breakdown of individual line items in the statement of profit or loss and other comprehensive income that the directors consider most relevant and the accounting policies, judgements and estimates relevant to understanding these line items;
3. Operating assets and liabilities: provides a breakdown of the key assets and liabilities and the accounting policies, judgements and estimates relevant to understanding these line items;
4. Capital structure and management: provides information about the capital management practices of the Group, shareholders' return and the Group's exposure to various financial risks, how they affect the Group's performance and are managed;
5. Taxation: discusses the tax position of the Group;
6. Group structure: explains aspects of the Group structure and how changes have affected the financial position and performance of the Group; and
7. Other: provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements. However, these are not considered critical in understanding the historical financial performance or position of the Group.

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2. Group Performance

2.1 Segment information

	Segment revenue[1]		EBITDA before specific items		Depreciation and amortisation		EBIT before specific items	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Broadcasting	1,356,049	1,371,926	319,491	401,109	(56,259)	(57,331)	263,232	343,778
Digital and Publishing	575,195	593,535	164,728	179,534	(43,316)	(43,033)	121,412	136,501
Domain Group	354,490	356,729	103,250	122,098	(44,380)	(32,801)	58,870	89,297
Stan	427,571	381,203	37,124	28,544	(11,751)	(15,944)	25,373	12,600
Segment total	**2,713,305**	**2,703,393**	**624,593**	**731,285**	**(155,706)**	**(149,109)**	**468,887**	**582,176**
Corporate	2,149	4,751	(33,668)	(32,345)	–	–	(33,668)	(32,345)
Associates	–	–	233	1,793	–	–	233	1,793
Total Group	**2,715,454**	**2,708,144**	**591,158**	**700,733**	**(155,706)**	**(149,109)**	**435,452**	**551,624**

1. Includes inter-segment revenue of $20,852,000 (2022: $19,377,000).

Reconciliation of segment revenue to total group revenue on the Consolidated Statement of Profit or Loss and Other Comprehensive Income	30 June 2023 $'000	30 June 2022 $'000
Total Group revenue (per above)	2,715,454	2,708,144
Inter-segment eliminations	(20,852)	(19,377)
Total Group revenue	**2,694,602**	**2,688,767**
Interest income	6,521	1,148
Specific item income	3,290	1,491
Revenue per the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**2,704,413**	**2,691,406**

Reconciliation of EBIT before specific items to profit after tax	Note	30 June 2023 $'000	30 June 2022 $'000
EBIT before specific items (per above)		435,452	551,624
Interest income		6,521	1,148
Finance costs before specific items		(47,798)	(26,302)
Income tax expense		(115,147)	(152,983)
Profit before specific items		**279,028**	**373,487**
Specific items	2.4	(119,071)	(76,835)
Income tax benefit on specific items	2.4	34,586	18,636
Net profit after income tax expense		**194,543**	**315,288**

Geographic Information

A majority of the Group's external revenues arise out of sales to customers within Australia.

Major customers

The Group did not have any customers which accounted for more than 10% of operating revenue for the year (2022: none).

2. Group Performance *continued*

Accounting Policy

For the financial report for the year ended 30 June 2023, management has reviewed the segments to reflect how the Chief Operating Decision Makers (determined to be the Board of Directors) review and manage the business.

The reportable segments for the period ended 30 June 2023 are:

- Broadcasting – includes free to air television activities, 9Now and metropolitan radio networks in Australia.
- Digital and Publishing – includes Nine Digital (Nine.com.au and other digital activities) and Metropolitan Media (metropolitan news, sport, lifestyle and business media across various platforms).
- Domain Group – real estate media and services businesses.
- Stan – subscription video on demand service.

Segment performance is evaluated based on segment earnings before interest, tax, depreciation and amortisation (EBITDA), before specific items. Specific items are items that by size and nature or incidence are relevant in explaining the financial performance of the Group and are excluded when assessing the underlying performance of the business. These are detailed in Note 2.4.

Group finance costs on bank facilities, interest income and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties and are eliminated on consolidation.

2.2 Revenue and other income

In the following table, revenue is disaggregated by major products/service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 2.1).

	Broadcasting $'000	Digital and Publishing $'000	Domain Group $'000	Stan $'000	Corporate $'000	Total $'000
Period ended 30 June 2023						
Advertising revenue	1,229,339	239,859	248,360	–	–	**1,717,558**
Subscription revenue	–	219,333	51,148	427,571	–	**698,052**
Affiliate revenue	79,276	–	–	–	–	**79,276**
Circulation revenue	–	65,051	–	–	–	**65,051**
Program Sales	14,847	–	–	–	–	**14,847**
Other revenue	32,587	50,952	54,982	–	2,149	**140,670**
Total segment revenue (Note 2.1)[1]	**1,356,049**	**575,195**	**354,490**	**427,571**	**2,149**	**2,715,454**

1. Includes inter-segment revenue of $20,852,000.

	Broadcasting $'000	Digital and Publishing $'000	Domain Group $'000	Stan $'000	Corporate $'000	Total $'000
Period ended 30 June 2022						
Advertising revenue	1,258,154	263,950	287,808	–	–	**1,809,912**
Subscription revenue	–	214,212	53,047	381,203	–	**648,462**
Affiliate revenue	76,778	–	–	–	–	**76,778**
Circulation revenue	–	67,642	–	–	–	**67,642**
Program Sales	14,431	–	–	–	–	**14,431**
Other revenue	22,563	47,731	15,874	–	4,751	**90,919**
Total segment revenue (Note 2.1)[1]	**1,371,926**	**593,535**	**356,729**	**381,203**	**4,751**	**2,708,144**

1. Includes inter-segment revenue of $19,377,000.

Accounting Policy

Revenue

The Group recognises revenue only when the performance obligation is satisfied and the control of goods or services is transferred, typically at the point of being published, broadcast or streamed. Where performance obligations have not been satisfied, the related revenue is deferred until such time that the performance obligations are met (refer to Note 3.4).

Amounts disclosed as revenue are net of commissions, rebates, discounts and returns which are recognised when they can be reliably measured. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecasts and the current economic conditions. In addition, the uncertainty on the variable consideration is generally resolved within a short time frame.

The following specific recognition criteria must also be met before revenue is recognised:

Type of sales revenue	Recognition Criteria
Advertising revenue	**Broadcasting** • Recognised by reference to when an advertisement has been broadcast and specific viewer metrics contained in the agreement with the customer have been met. **Publishing and Domain:** • Revenue from advertising for newspapers, magazines and other publications is recognised on the publication date. • Revenue from the provision of advertising on websites is recognised over the period the advertisements are placed. • Revenue from the provision of property listings is accounted for as a single performance obligation, the provision of a listing being a distinct service. Revenue is recognised over the listing period.
Subscription revenue	• Revenue from subscriptions for newspapers, magazines, other publications is recognised on the publication date. • Revenue for digital subscriptions and Stan subscriptions is recognised over time.
Affiliate revenue	• Revenue from affiliates is recognised on a monthly basis based on a percentage of revenue generated by the affiliate. Affiliate revenue relates to the Group's entitlement to a percentage of advertising revenue derived by broadcast partners, payable to the Group as consideration for use of the Group's program inventory.
Circulation revenue	• Revenue from circulation for newspapers, magazines and other publications is recognised on the publication date.
Program sales revenue	• Revenue from program sales and recoveries, including syndicated programming content, is recognised when it is broadcast or as the program content is distributed.

Other revenue includes transactional and non-trading revenue, which is recognised when the services are performed, and sublease income, which is recognised on a straight-line basis over the term of the operating lease.

Type of other income	Recognition Criteria
Interest	Recognised as the interest accrues using the effective interest method (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).
Dividends	Recognised when the right to receive payment has been established.

2. Group Performance *continued*

2.3 Expenses

	30 June 2023 $'000	30 June 2022 $'000
Expenses		
Broadcasting[2]	1,186,308	1,028,148
Digital and Publishing	454,861	458,372
Domain Group	308,528	294,156
Stan	402,198	368,603
Other[1]	28,909	67,983
Total expenses	**2,380,804**	**2,217,262**
Included in the expenses above are the following:		
Depreciation and amortisation (excluding program rights)	155,706	149,109
Salary and employee benefit expenses	777,972	755,516
Program rights	660,813	580,669
Total depreciation, salary and program rights	**1,594,491**	**1,485,294**
Finance Costs		
Interest on debt facilities	32,463	11,289
Interest on lease liabilities	14,190	14,448
Amortisation of debt facility establishment costs	2,085	565
Total finance costs	**48,738**	**26,302**

1. Includes corporate costs and specific items not allocated to segments, offset by inter-segment revenue of $20.9 million (2022: $19.4 million).
2. Includes an impairment charge of $84.5 million recognised in respect of the Nine Radio cash generating unit. Refer to Note 3.6 for details.

Accounting Policy

Borrowing costs

Interest is recognised as an expense when it is incurred. Debt establishment costs are recognised as a reduction of the financial liability on initial recognition, and amortised using the effective interest method.

2.4 Specific items

The net profit after tax includes the following specific items, which by size and nature or incidence are relevant in explaining the financial performance of the Group:

	30 June 2023 $'000	30 June 2022 $'000
Impairment of Radio licences, tangible and other intangible assets (Note 3.6)	(84,465)	–
Net loss on contingent consideration payable (Note 3.4)	(1,298)	(9,018)
Net profit on sale of investments and assets held for sale	2,435	–
Impairment of other assets	(19,586)	(28,933)
Restructuring costs	(14,674)	(30,904)
Other	(1,483)	(7,980)
Net specific items expense before tax	**(119,071)**	**(76,835)**
Income tax benefit on specific items	**34,586**	**18,636**
Net specific items expense after tax	**(84,485)**	**(58,199)**

Impairment of Radio licences, tangible and other intangible assets

An impairment charge of $84.5 million has been recognised in respect of the Nine Radio cash generating unit. Refer to Note 3.6 for details.

Net loss on contingent consideration payable

Remeasurement loss of $1.3 million relating to the remeasurement of the Insight Data Solutions Holdings Pty Ltd contingent consideration payable, offset by a release of the Commercialview Pty Ltd tranche 3B contingent consideration payable.

In the year ended 30 June 2022, a $7.8 million loss related to an increase in contingent consideration payable recognised in respect of the acquisition of Insight Data Solutions Pty Ltd, a net loss of $1.0 million related to the buy-out of the Drive (formerly 'CarAdvice') minority shareholders put option liability, and a $0.2 million loss for the final settlement of the contingent consideration for the acquisition of Bidtracker Holdings Pty Ltd and Real Time Agent Pty Ltd.

Net profit on sale of investments and other assets

A net profit on sale of investments and assets held for sale of $2.4 million, consisting of:

- $1.3 million profit on divestment of the Rate City Pty Ltd associate investment; and
- $1.1 million net gain on disposal of land and property in Tamworth and Darwin.

Impairment of other assets

The impairment of other assets includes:

- $16.0 million of right of use assets relating to surplus property leases and other assets no longer considered recoverable; and
- $4.2 million impairment of assets related to the Domain Home Loans business; offset by
- $0.6 million reversal of previous debtor write-offs.

In the year ended 30 June 2022, an impairment of $29.4 million was recognised in respect of right of use assets relating to surplus property leases and other assets no longer considered recoverable; offset by a $0.5 million reversal of previous debtor write-offs.

2. Group Performance *continued*

Restructuring costs

Restructuring costs include:

- $6.7 million related to the implementation of a new organisational structure at Domain Group;
- $4.3 million related to the implementation of new financial systems. This expense, in large part, would have been capitalised before the 30 June 2021 accounting policy change related to configuration or customisation costs in a cloud computing arrangement;
- $2.3 million of redundancy and restructuring costs incurred during the period; and
- $1.4 million of onerous short-term property leases excess to requirements.

In the year ended 30 June 2022, $30.9 million of restructuring costs were incurred, $20.8 million of which related to the implementation of new financial systems, including $8.1 million in Domain Group, $5.6 million of onerous short-term property leases, $2.3 million of Domain Group loss on early exit of leased office space and $2.9 million of other one-off expenses, offset by a $0.7 million gain resulting from a modification of the Domain Group syndicated loan facility agreement

Other

The Group has incurred $1.5 million of legal and advisory fees and other costs related to acquisition activity during the period. In the year ended 30 June 2022, the Group incurred $8.0 million of legal and advisory fees and other costs related to the acquisitions of the Insight Data Solutions Group and the Realbase Group by the Domain Group.

2.5 Earnings per share

	30 June 2023	30 June 2022
From continuing operations (in cents)		
Basic and diluted earnings per share before specific items[1] (non-IFRS Measure)	$0.16	$0.20
Basic earnings per share after specific items (IFRS Measure)	$0.11	$0.17
Diluted earnings per share after specific items[1] (IFRS Measure)	$0.11	$0.17
Profit attributable to the ordinary equity holders of the parent used in calculating the basic and diluted earnings per share ($'000)	181,806	297,143
Weighted average number of ordinary shares used as denominator for basic earnings per share ('000)	1,671,636	1,703,627
Effect of dilution:		
Rights Plan shares under the performance rights plan (Note 4.4) ('000)	6,930	1,797
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	**1,678,566**	**1,705,424**

1. Diluted earnings per share assumes that the executive long term incentive plan (Refer Note 4.4) is satisfied by issuing new shares. The Group's practice to date has been to purchase the shares on the open market and if this practice continues there will be no difference between basic and diluted earnings per share.

Accounting Policy

Basic Earnings Per Share

Basic earnings per share amounts are calculated by dividing the net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, as adjusted for shares held in Trust (refer Note 4.2).

Diluted Earnings Per Share

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent by the sum of the weighted average number of ordinary shares outstanding during the year plus the number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (such as performance rights) into ordinary shares.

3. Operating assets and liabilities

3.1 Cash and cash equivalents

	30 June 2023 $'000	30 June 2022 $'000
(a) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
– Cash on hand and at bank	119,676	153,464
Total cash and cash equivalents	**119,676**	**153,464**
(b) Reconciliation of profit after tax to net cash flows from operations:		
Profit after tax	194,543	315,288
Gain/(Loss) on sale of properties and other assets	401	(302)
Depreciation and amortisation	155,706	149,109
Impairment of property, plant and equipment	18,660	29,451
Impairment of other assets	7,534	–
Impairment of Intangibles	78,992	–
Share based payment expense	5,759	9,131
Share of associates net profit	(233)	(1,793)
Other non-cash items	538	(5,283)
Changes in assets and liabilities		
Trade and other receivables	(6,849)	(28,698)
Program rights and inventories	3,573	(61,939)
Prepayments and other assets	(22,086)	5,228
Trade and other payables	13,814	66,690
Provision for income tax	(44,622)	(12,094)
Provision for employee entitlements	(21,751)	(4,761)
Other provisions	(33,298)	15,295
Deferred income tax liability	994	10,824
Foreign currency movements in assets and liabilities of overseas controlled entities	101	1,082
Net cash flows from operating activities	**351,776**	**487,228**

3. Operating assets and liabilities *continued*

3.1.1 Changes in liabilities from financing activities – Bank Facilities

	Bank Facilities $'000
At 1 July 2022	477,907
Net cash flows	166,000
Borrowing cost recognition / (amortisation)	(1,024)
At 30 June 2023	**642,883**
At 1 July 2021	421,850
Net cash flows	57,000
Borrowing cost recognition / (amortisation)	(943)
At 30 June 2022	**477,907**

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand, deposits held at call with financial institutions and other short-term investments with original maturities of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the Consolidated Statement of Financial Position.

3.2 Trade and other receivables

	30 June 2023 $'000	30 June 2022 $'000
Current		
Trade receivables	408,737	387,731
Allowance for expected credit loss	(13,166)	(7,741)
	395,571	**379,990**
Related party receivables (Note 6.6)	6,274	4,199
Allowance for expected credit loss	(2,910)	(2,910)
Other receivables	24,264	27,101
Total current trade and other receivables	**423,199**	**408,380**
Non-Current		
Loans to related parties (Note 6.6)	21	4,396
Other receivables	2,073	5,717
Total non-current trade and other receivables	**2,094**	**10,113**

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The ageing analysis of trade receivables not considered impaired is as follows:

	Total	Not past due	<30 days	Past due but not impaired 31-60 days	>61 days
2023	395,571	340,985	23,701	4,529	26,356
2022	379,990	337,495	38,138	3,439	918

The ageing of trade receivables has deteriorated during the period following a change in the Group's financial system which impacted the issuance of invoices and statements to customers for a short period of time following implementation. This issue has been remediated and the above aged trade receivables balances as at 30 June 2023 are not considered impaired.

Accounting Policy

Trade receivables are recognised and carried at original invoice amount less an allowance for expected credit loss. They are non-interest bearing and are generally on 30 to 60-day terms.

Expected credit losses (ECLs) for trade receivables are initially recognised based on the Group's historical observed default rates. The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Expected credit losses for individual trade receivables are recognised when there is an expectation that the Group will not be able to collect all amounts due according to the original trade terms. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. Factors considered as objective evidence of impairment include ageing and timing of expected receipts and the creditworthiness of counterparties. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows.

3.3 Program rights and inventories

	30 June 2023 $'000	30 June 2022 $'000
Current		
Program rights – cost less accumulated amortisation and impairment	266,262	260,419
Inventories	33,190	30,840
Total current program rights and inventories	**299,452**	**291,259**
Non-Current		
Program rights – cost less accumulated amortisation and impairment	156,470	168,236
Total non-current program rights and inventories	**156,470**	**168,236**

3. Operating assets and liabilities *continued*

Accounting Policy

Program Rights

The Group recognises program rights which are available for use. Programs which are available for use, including those acquired overseas, are recorded at cost less amounts charged to the Statement of Profit or Loss and Other Comprehensive Income based on the transmission and useful life of the content and management's assessment of the future years of benefit, which is regularly reviewed with additional write-downs made as considered necessary.

Program rights are classified as current or non-current based on the expected realisation of economic benefits flowing from their use.

Inventories

Inventories are carried at lower of cost or net realisable value ("NRV"). The NRV is the estimated future net cash inflows in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Key judgements, estimates and assumptions

The assessment of the appropriate carrying value of program rights and inventories requires estimation by management of the forecast future cash flows which will be derived from that content. This estimate is based on a combination of market conditions and the value generated from the broadcast of comparable programs.

Due to the uncertainties in estimating forecast future cash flows, changes in economic and market conditions could result in changes in the carrying value in future periods.

3.4 Trade and other payables

	30 June 2023 $'000	30 June 2022 $'000
Current – unsecured		
Trade and other payables	281,395	266,359
Program contract payables	162,605	163,693
Deferred income	87,943	76,952
Contingent consideration (Note 6.1)	653	23,101
Total current trade and other payables	**532,596**	**530,105**
Non-current – unsecured		
Program contract payables	94,081	111,034
Deferred income	2,800	4,476
Contingent consideration (Note 6.1)	10,539	10,701
Total non-current trade and other payables	**107,420**	**126,211**

Accounting Policy

Trade and other payables are carried at amortised cost. Liabilities are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed to the Group at reporting date. The Group operates in a number of diverse markets, and accordingly the terms of trade vary by business. Terms of trade in relation to trade payables are, on average, 30 to 60 days from the date of invoice. Program contract payables are settled according to the contract negotiated with the program supplier.

Deferred income represents the fair value of cash received for revenue relating to future periods.

Contingent consideration to be transferred by the acquirer on business combinations is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with *AASB 9 Financial Instruments* in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Contingent consideration resulting from business combinations is measured at the fair value of the Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The determination of these fair values involves judgement around the forecast results of those businesses.

Key judgements, estimates and assumptions

Contingent consideration from business combinations is valued at fair value on the acquisition date. When the contingent consideration meets the definition of a financial liability, it is remeasured to fair value at each reporting date with revaluations recognised within the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The contingent consideration is accounted for in accordance with AASB 9 Financial Instruments and disclosed as a financial liability on the Consolidated Statement of Financial Position.

The determination of the fair value is based on discounted cashflows. The key assumptions include the probability and timing of meeting commercial and financial performance targets and the discount factor. Management uses their best estimates of future cash flows and other key assumptions to determine the appropriate fair value of contingent consideration on acquisition and at each subsequent reporting period. Where appropriate, management obtained external expert advice for these key assumptions and continues to seek further advice (where applicable) throughout the measurement period. Given the fair value measurement was performed using significant non-observable inputs, the fair value was classified as a Level 3 measurement, refer to Note 4.5(b)(i).

IDS Group

Management remeasure the contingent consideration at each reporting date based on any settlements made during the period and its best estimates of key assumptions and future developments in business performance of the IDS Group.

In the year ended 30 June 2023, the first tranche of contingent consideration, totalling a $23.9 million cash outflow, was settled.

As at 30 June 2023, the contingent consideration was remeasured to $10.5 million discounted (30 June 2022: $32.3 million) and $13.1 million undiscounted (30 June 2022: $36.7 million), with the resulting loss of $2.1 million being recorded in the Consolidated Statement of Profit or Loss and disclosed as a specific item (refer to Note 2.4).

At each reporting period, Management will continue to remeasure the contingent consideration based on the IDS Group securing and delivering specified government contracts over the earn out period ending in June 2027.

Realbase Group

For the contingent consideration associated with the Realbase Group, at both acquisition and reporting date, Management determined the fair value of the contingent consideration to be nil based on forecast projections of the business. At each reporting period, Management will remeasure the contingent consideration based on the latest forecast financial performance of the business.

Due to the uncertainties in estimating fair value of contingent consideration, changes in commercial and financial performance of the businesses could result in changes in the carrying value in future periods.

Refer to Note 6.1 for further details.

3. Operating assets and liabilities *continued*

3.5 Property, plant and equipment

	Freehold land and buildings $'000	Leasehold improve-ments $'000	Plant and equipment $'000	Work in progress $'000	ROU property[1] $'000	ROU plant and equipment $'000	Total property, plant and equipment $'000
Year ended 30 June 2023							
At 1 July 2022, net of accumulated amortisation and impairment	23,799	79,991	105,100	1,971	273,785	6,844	**491,490**
Additions	175	1,199	11,095	8,117	27,050	2,681	**50,317**
Transfers	(192)	(1,068)	3,798	(2,538)	–	–	**–**
Disposals	(2,173)	(268)	(5,321)	(454)	(221)	–	**(8,437)**
Impairment (Note 2.4)	–	–	(10,418)	–	(8,242)	–	**(18,660)**
Depreciation expense	(1,039)	(11,075)	(22,144)	–	(34,764)	(3,552)	**(72,574)**
At 30 June 2023, net of accumulated depreciation and impairment	**20,570**	**68,779**	**82,110**	**7,096**	**257,608**	**5,973**	**442,136**

1. Right of use assets include $12.6 million relating to commercial subleases on leased office premises. Fair value of these assets approximates cost.

	Freehold land and buildings $'000	Leasehold improve-ments $'000	Plant and equipment $'000	Work in progress $'000	ROU property[1] $'000	ROU plant and equipment $'000	Total property, plant and equipment $'000
At 1 July 2021, net of accumulated amortisation and impairment	22,969	87,553	112,458	4,234	341,295	5,427	**573,936**
Additions	–	967	9,989	7,859	5,050	5,114	**28,979**
Acquisition through business combination (Note 6.1)	–	109	269	–	1,588	–	**1,966**
Transfers	(19)	3,122	6,885	(10,122)	134	–	**–**
Transfer from assets held for sale	2,039	–	–	–	–	–	**2,039**
Disposals	(244)	(2,201)	(605)	–	(7,657)	–	**(10,707)**
Impairment (Note 2.4)	–	–	–	–	(29,451)	–	**(29,451)**
Depreciation expense	(946)	(9,559)	(23,896)	–	(37,174)	(3,697)	**(75,272)**
At 30 June 2022, net of accumulated depreciation and impairment	**23,799**	**79,991**	**105,100**	**1,971**	**273,785**	**6,844**	**491,490**

1. Right of use assets include $21.9 million relating to commercial subleases on leased office premises. Fair value of these assets approximates cost.

	Freehold land and buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Work in progress $'000	ROU property[1] $'000	ROU plant and equipment $'000	Total property, plant and equipment $'000
At 30 June 2023, net of accumulated depreciation and impairment							
Cost (gross carrying amount)	28,665	130,307	242,121	7,096	422,070	21,611	**851,870**
Accumulated amortisation and impairment	(8,095)	(61,528)	(160,011)	–	(164,462)	(15,638)	**(409,734)**
Net carrying amount	**20,570**	**68,779**	**82,110**	**7,096**	**257,608**	**5,973**	**442,136**
At 30 June 2022, net of accumulated depreciation and impairment							
Cost (gross carrying amount)	30,855	130,443	232,549	1,971	393,700	18,930	**808,448**
Accumulated amortisation and impairment	(7,056)	(50,452)	(127,449)	–	(119,915)	(12,086)	**(316,958)**
Net carrying amount	**23,799**	**79,991**	**105,100**	**1,971**	**273,785**	**6,844**	**491,490**

Accounting Policy

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- freehold buildings – 20 to 60 years
- other production equipment – up to 15 years
- leasehold improvements – lease term
- right-of-use property – lease term
- right-of-use plant and equipment – up to 6 years
- plant and equipment – 2 to 15 years
- computer equipment – up to 6 years.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted as appropriate each year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount is the greater of fair value less costs to sell and value in use. The recoverable amounts are based on the present value of expected future cash flows. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. Refer to Note 3.6 for details of CGU recoverable amount assessment.

3. Operating assets and liabilities *continued*

Accounting Policy *continued*

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the item is derecognised.

Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through sale or a distribution rather than through continuing use. Such non-current assets and disposals are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to sell or distribute are the incremental costs directly attributable to the sale or distribution, excluding finance costs and income tax expense.

The criteria for held for sale or for distribution classification is regarded as met only when the sale or distribution is highly probable and the asset or disposal group is available for immediate sale or distribution in its present condition. Management must be committed to the sale or distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or distribution.

Key judgements, estimates and assumptions

The Group has applied certain judgements including which contractual arrangements represent a lease, the period over which the lease exists, the variability of future cash flows and the applicable incremental borrowing rates used to calculate the lease liability and related lease asset.

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3.6 Intangible assets

	Goodwill $'000	Licences[2] $'000	Mastheads and Brand Names $'000	Customer relationships $'000	Software[1] $'000	Total $'000
Year ended 30 June 2023						
At 1 July 2022, net of accumulated amortisation and impairment	1,149,027	598,471	562,460	112,222	90,105	**2,512,285**
Purchases	–	–	–	–	77,254	**77,254**
Finalisation of Purchase Price Allocation (Note 6.1)	(67,994)	–	14,466	43,344	31,784	**21,600**
Disposals	–	–	(471)	–	(388)	**(859)**
Impairment	(567)	(73,337)	–	–	(5,088)	**(78,992)**
Amortisation expense	–	–	(1,399)	(21,976)	(59,757)	**(83,132)**
At 30 June 2023, net of accumulated amortisation and impairment	**1,080,466**	**525,134**	**575,056**	**133,590**	**133,910**	**2,448,156**
Year ended 30 June 2022						
At 1 July 2021, net of accumulated amortisation and impairment	888,949	598,471	562,739	134,371	81,911	**2,266,441**
Purchases	–	–	–	–	55,987	**55,987**
Acquisition through business combination (Note 6.1)	260,078	–	185	–	3,504	**263,767**
Disposals	–	–	–	–	(73)	**(73)**
Amortisation expense	–	–	(464)	(22,149)	(51,224)	**(73,837)**
At 30 June 2022, net of accumulated amortisation and impairment	**1,149,027**	**598,471**	**562,460**	**112,222**	**90,105**	**2,512,285**

1. Capitalised development costs of software being, in part, an internally generated intangible asset.
2. In the year ended 30 June 2023, an impairment charge of $73.3 million for licences was recognised in relation to the Radio CGU and was classified as Specific Items – refer to Note 2.4 for details.

3. Operating assets and liabilities *continued*

	Goodwill $'000	Licences $'000	Mastheads and Brand Names $'000	Customer relationships $'000	Software $'000	Total $'000
At 30 June 2023, net of accumulated amortisation and impairment						
Cost (gross carrying amount)	2,590,283	651,745	1,679,678	241,936	376,188	**5,539,830**
Accumulated amortisation and impairment	(1,509,817)	(126,611)	(1,104,622)	(108,346)	(242,278)	**(3,091,674)**
Net carrying amount	**1,080,466**	**525,134**	**575,056**	**133,590**	**133,910**	**2,448,156**
At 30 June 2022, net of accumulated amortisation and impairment						
Cost (gross carrying amount)	2,658,277	651,745	1,665,683	198,592	267,539	**5,441,836**
Accumulated amortisation and impairment	(1,509,250)	(53,274)	(1,103,223)	(86,370)	(177,434)	**(2,929,551)**
Net carrying amount	**1,149,027**	**598,471**	**562,460**	**112,222**	**90,105**	**2,512,285**

3.6(a) Allocation of non-amortising intangibles and goodwill

The Group has allocated intangibles and goodwill to the following cash generating units ("CGUs"):

	Goodwill $'000	Licences $'000	Mastheads and Brand Names $'000
Year ended 30 June 2023			
Total TV	–	457,884	–
NBN	3,300	11,000	–
Stan	315,302	–	71,452
Domain[2]	635,836	–	419,191
Metropolitan Media	105,052	–	84,413
Nine Radio	–	56,250	–
Other[1]	20,976	–	–
Total licences and goodwill as at 30 June 2023	**1,080,466**	**525,134**	**575,056**
Year ended 30 June 2022			
Total TV	–	457,884	–
NBN	3,300	11,000	–
Stan	315,302	–	71,452
Domain	704,397	–	406,595
Metropolitan Media	105,052	–	84,413
Nine Radio	–	129,587	–
Other[1]	20,976	–	–
Total licences and goodwill as at 30 June 2022	**1,149,027**	**598,471**	**562,460**

1. Other goodwill is made up of Nine.com.au $6.7 million (June 2022: $6.7 million) and PedestrianTV $14.3 million (June 2022: $14.3 million).
2. Domain goodwill has reduced following finalisation of the purchase price allocation exercise. Refer to Note 6.1.

3.6(b) Determination of recoverable amount

The recoverable amount of the CGUs is determined based on Value-in-use calculations using discounted cash flow projections based on financial forecasts covering a five-year period with a terminal growth rate applied thereafter, with the exception of the Domain CGU which is based on fair value less cost of disposal calculations (and which is classified within Level 3 of the fair value hierarchy) using cash flow projections for up to ten years and a terminal growth rate applied thereafter.

As at 30 June 2023, the Group determined Total TV, NBN, Stan, Domain, Metropolitan Media and Nine Radio and each of the components of Other (Nine.com.au and Pedestrian TV) to be CGUs subject to an annual impairment test.

The Group performed its annual impairment test in June 2023 for each CGU. The cash flow projections which are used in determining any impairment require management to make significant estimates and judgements. Each of the assumptions is subject to significant judgement about future economic conditions and the ongoing structure of markets in which the CGUs operate. Forecasted cashflows are risk-adjusted allowing for estimated changes in the business, the competitive trading environment and potential changes in customer behaviour.

During the year to 30 June 2023, the ongoing demand for goods and services following the COVID-19 pandemic market recovery, as well as supply constraints created by both the pandemic and current world events, has led to inflation in major economies globally. This has lead to increased cash rates as central banks seek to return inflation to target, as well as macro economic uncertainty which has impacted the majority of the markets in which Nine operate. Consequently, managements expectation of the impact of current economic conditions have been incorporated when determining the recoverable amount of CGUs.

3.6(c) Impairment losses recognised

As a result of impairment analysis performed at 30 June 2023, management identified an impairment in the Nine Radio CGU of $84.5 million which reflects an increase in the discount rate applied to the CGU, as well as the estimated impact of the current macro-economic environment on future advertising revenue. As a result, radio licenses ($73.3 million), software ($0.8 million) and property, plant and equipment ($10.4 million) have been impaired. This impairment charge is included within Expenses in the Statement of Profit and Loss and Other Comprehensive Income, and has been disclosed as a specific item in Note 2.4. There is headroom in the Group's remaining CGUs.

3.6(d) Key assumptions

Operating cash flow projections have been determined based on expectations of future performance, considering recent trading. Significant assumptions used in the impairment testing are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. Changes in certain assumptions can lead to significant changes in the recoverable amount of these assets.

In the context of this uncertain environment, the Group has based its impairment testing upon conditions existing at 30 June 2023 and what the Directors believe can reasonably be expected at that date. Key assumptions in the cash flows include revenue growth, cost of sales and operating expenses. These assumptions take into account management's expectations of market demand and operational performance.

The key assumptions on which management has based its cash flow projections when determining the value in use calculations for each CGU are set out below. Management has applied its best estimates to each of these variables but cannot warrant their outcome.

Total TV

- The advertising market for metro FTA television reflects management's expectation of single-digit decline in the short term to medium term in line with market maturity and management's expectations of market development. The advertising market for broadcast video-on-demand is expected to exhibit double-digit growth over the short to medium term consistent with industry market participant expectations.
- Nine Network's share of the Metro FTA, and 9Now's share of the broadcast Video-on-Demand, advertising markets in future years is estimated after consideration of recent audience performance in key demographics, revenue share performance and the impact of investment in content.
- Expenditure is assumed to show low single-digital growth over the life of the model, to support the forecast growth in revenue.
- The pre-tax discount rate applied to the cash flow projections was 14.91% (30 June 2022: 14.91%) which reflects current market assessment of the time value of money and the risks specific to the relevant segments in which the CGU operates.
- Terminal growth rate of 1.00% (30 June 2022: 1.00%).

3. Operating assets and liabilities *continued*

Metropolitan Media:

- Revenue is forecast to show slight growth in the medium term based on market maturity and is in line with industry trends and management's expectation of market development.
- Expenditure is assumed to show low single-digital growth over the life of the model, to support the forecast growth in revenue.
- The pre-tax discount rate applied to the cash flow projections was 15.62% (30 June 2022: 14.99%) which reflects current market assessment of the time value of money and the risks specific to the relevant segments in which the CGU operates.
- Terminal growth rate of 0.0% (30 June 2022: 0.0%) consistent with industry forecasts specific to the CGU.

Nine Radio:

- Revenue is based on assumptions around linear and digital market growth and market share by station, considering past performance and trends, and reflects management's expectation of single-digit growth in the short to medium term.
- Expenditure is assumed to increase over the life of the model, to support the forecast growth in revenue.
- The pre-tax discount rate applied to the cash flow projections was 16.65% (30 June 2022: 15.40%) which reflects current market assessment of the time value of money and the risks specific to the cash flow projections applicable to the relevant licence.
- Terminal growth rate of 1.5% (30 June 2022: 1.5%) consistent with industry forecasts specific to the CGU.

Stan:

- Revenue growth is in line with subscription video-on-demand business industry trends, taking account of recent investment in the diversification of content.
- Expenditure is assumed to increase over the life of the model, to support the forecast growth in revenue.
- The pre-tax discount rate applied to the cash flow projections was 15.23% (30 June 2022: 14.71%) which reflects current market assessment of the time value of money and the risks specific to the Australian subscription video-on-demand market.
- Terminal growth rate of 3.5% (30 June 2022: 3.5%) consistent with industry forecasts specific to the CGU.

Domain:

The key assumptions on which management has based its cash flow projections when determining the fair value less cost of disposal calculations for Domain are as follows:

- Revenue growth is in line with digital business industry trends, market maturity and management's expectations of market development.
- Expenditure is assumed to increase over the life of the model, to support the forecast growth in revenue.
- The pre-tax discount rate applied to the cash flow projections was 14.75% (30 June 2022: 13.55%) which reflects current market assessment of the time value of money and the risks specific to the relevant market in which the CGU operates.
- Terminal growth rate of 2.5% (30 June 2022: 2.5%) consistent with industry forecasts specific to the CGU.

NBN:

- The advertising market for regional FTA television reflects management's expectation of single-digit decline in the short term to medium term in line with market maturity and management's expectations of market development.
- Expenditure is assumed to remain relatively flat over the life of the model.
- The pre-tax discount rate applied to the cash flow projections was 16.80% (30 June 2022: 15.50%) which reflects current market assessment of the time value of money and the risks specific to the regional free-to-air television market.
- Terminal growth rate of 0.0% (30 June 2022: 0.0%).

Nine.com.au:

- The digital platforms within this CGU are forecast to be challenged in line with market maturity and management's expectations of market development.
- Expenditure is assumed to decline in line with revenue over the life of the model.
- The pre-tax discount rate applied to the cash flow projections was 17.12% (30 June 2022: 16.18%) which reflects current market assessment of the time value of money and the risks specific to the digital display market.
- Terminal growth rate of 0.0% (30 June 2022: 0.0%).

Pedestrian TV:

- The digital advertising market reflects management's expectation of single-digit growth over the short to medium term in line with digital business industry trends, market maturity and management's expectations of market development.
- Expenditure is assumed to increase over the life of the model, to support the forecast growth in revenue.
- The pre-tax discount rate applied to the cash flow projections was 15.10% (30 June 2022: 15.65%) which reflects current market assessment of the time value of money and the risks specific to the digital display market.
- Terminal growth rate of 2.0% (30 June 2022: 2.0%).

For the purpose of impairment testing, intangible assets with indefinite lives, including goodwill, are allocated to the Group's operating divisions which represent the lowest level within the Group at which the assets are monitored for internal management purposes.

3.6(e) Sensitivity

The estimated recoverable amounts of the CGUs represent Management's assessment of future performance based on historical performance and expected future economic and industry conditions.

- The recoverable amount of the Total TV and NBN CGUs are in excess of the carrying amounts of intangible and tangible assets of the respective CGUs. The excess is deemed to relate to previously impaired goodwill, which cannot be reversed according to Australian Accounting Standards. Any reasonable adverse change in key assumptions would not lead to impairment.
- The recoverable amount of the Stan, Domain, Metropolitan Media, Nine.com.au, PedestrianTV CGUs are in excess of the carrying amounts of intangible and tangible assets of the respective CGUs. Any reasonable adverse change in key assumptions would not lead to impairment.
- The estimated recoverable amount of the Nine Radio CGU is equal to the carrying value, following the impairment charge noted above. Any future event that results in adverse changes to forward assumptions would accordingly result in further impairment. The following changes to the impairment assessment of this CGU are considered reasonably possible and would increase the impairment charge, assuming all other assumptions are held constant, by the following amounts:

Assumption ($ million)	Nine Radio
2.50% reduction in forecast revenue growth per annum	(21.7)
1.00% increase in the pre-tax discount rate	(4.0)
1.00% reduction in the terminal growth rates	(3.2)

Together any adverse changes in the key assumptions would cumulatively result in a more significant additional impairment impact. However, the sensitivity analysis does not take into consideration any steps which management would take to mitigate the impact of these changes on the business.

Accounting Policy

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

3. Operating assets and liabilities *continued*

Accounting Policy *continued*

Licences

Licences are carried at cost less any accumulated impairment losses. The Directors regularly assess the carrying value of licences to ensure they are not carried at a value greater than their recoverable amount. No amortisation is provided against these assets as the Directors consider that the licences are indefinite life intangible assets.

Mastheads and Brand Names

The Group's mastheads and brand names operate in established markets with limited licence conditions and are expected to continue to complement the Group's new media initiatives. On this basis, the Directors have determined that the majority of mastheads and brand names have indefinite useful lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. These assets are not amortised but are tested for impairment annually.

Customer Relationships

Customer relationships purchased in a business combination are amortised on a straight-line basis over their useful lives, which are between five and fifteen years.

Other intangible assets

Intangible assets acquired separately are capitalised at cost, and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

Costs incurred to develop software for internal use and websites are capitalised and amortised over the estimated useful life of the software or website. Costs related to design or maintenance of software for internal use and websites are expensed as incurred.

Software-as-a-Service (SaaS) arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement. Where expenditure relates to SaaS arrangements, an assessment is undertaken to determine if this can be capitalised. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis.

Only intangible assets with a finite life are amortised.

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of indefinite life intangibles, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

Key judgements, estimates and assumptions

The Group determines whether goodwill, and other identifiable intangible assets with indefinite useful lives, are impaired at least on an annual basis. Other intangible assets are reviewed at least annually to determine whether any indicators of impairment exist, and if necessary an impairment analysis is performed. Impairment testing requires an estimation of the recoverable amount of the cash generating units to which the goodwill and other intangible assets with indefinite useful lives are allocated. Refer above for key assumptions used.

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3.7 Provisions

	Employee entitlements $'000	Onerous contracts $'000	Other[1] $'000	Total $'000
At 1 July 2022	149,805	17,572	69,796	**237,173**
Arising during the period	68,581	1,842	17,769	**88,192**
Utilised during the period	(76,722)	(9,249)	(25,083)	**(111,054)**
Reversal during the period	(3,466)	–	–	**(3,466)**
At 30 June 2023	**138,198**	**10,165**	**62,482**	**210,845**
Represented by:				
Current	122,784	8,408	61,410	**192,602**
Non-current	15,414	1,757	1,072	**18,243**
At 30 June 2023	**138,198**	**10,165**	**62,482**	**210,845**

1. Included in other provisions are defamation provisions $30.9 million (June 2022: $32.5 million), content and royalties provisions $29.5 million (June 2022: $28.6 million), provision for property $0.9 million (June 2022: $4.6 million), disposal related provisions $0.6 million (June 2022: $2.7 million) and provisions for restructuring $0.6 million (June 2022: $1.4 million).

	Employee entitlements $'000	Onerous contracts $'000	Other $'000	Total $'000
At 1 July 2021	133,897	16,909	59,460	**210,266**
Arising during the period	60,488	14,481	27,974	**102,943**
Utilised during the period	(42,186)	(13,818)	(17,638)	**(73,642)**
Reversal during the period	(2,394)	–	–	**(2,394)**
At 30 June 2022	**149,805**	**17,572**	**69,796**	**237,173**
Represented by:				
Current	135,567	13,067	67,290	**215,924**
Non-current	14,238	4,505	2,506	**21,249**
At 30 June 2022	**149,805**	**17,572**	**69,796**	**237,173**

Accounting Policy

Provisions

Provisions are recognised when the Group has a legal or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

3. Operating assets and liabilities *continued*

Accounting Policy *continued*

Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to balance date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in their respective expense categories when services are provided or benefits vest with the employee.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled after 12 months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Onerous contracts

The Group is carrying provision for onerous contracts (other than property contracts) where, due to changes in market conditions, the expected benefit derived from the contract is lower than the committed contractual terms.

Other

Other provisions include:

- Defamation, content and royalty provisions, estimated based on the expected costs to be incurred.
- Disposal related provisions, including Events contra advertising, based on related disposal agreements.
- Property leases, other than those accounted for in accordance with AASB 16, are considered to be an onerous contract if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Where a decision has been made to vacate the premises or there is excess capacity and the lease is considered to be onerous, a provision is recorded.
- Amounts payable in connection with restructuring, including termination benefits, on-costs, outplacement and consultancy services. Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Key judgements, estimates and assumptions

Onerous contract provisions

The Group has recognised onerous contract provisions in relation to various content and property lease contracts where the cost exceeds the economic benefit expected to be derived from the contract. Due to the uncertainties in estimating expected future economic benefits, future actual performance may differ from the amounts provided.

Defamation Provision

The Group has recognised a defamation provision related to a number of ongoing claims and proceedings against the Group. This provision is calculated based on Management's best estimate of the costs expected to be incurred. Due to the uncertainties inherent in estimating such claims and proceedings, the actual costs may differ from the amounts provided.

3.8 Commitments

	<1 year $'000	1-5 years $'000	>5 years $'000	Total $'000
Year ended 30 June 2023				
Capital expenditure	6,556	–	–	**6,556**
Lease commitments – Group as lessee	23,505	48,964	33,536	**106,005**
Lease commitments – Group as lessor[1]	(5,422)	–	–	**(5,422)**
Television and Subscription Video on Demand program and sporting broadcast rights	422,907	1,024,902	240,634	**1,688,443**
Total Commitments	**447,546**	**1,073,866**	**274,170**	**1,795,582**

	<1 year $'000	1-5 years $'000	>5 years $'000	Total $'000
Year ended 30 June 2022				
Capital expenditure	3,632	–	–	**3,632**
Lease commitments – Group as lessee	16,748	47,089	34,161	**97,998**
Lease commitments – Group as lessor[1]	(8,445)	(5,354)	–	**(13,799)**
Television and Subscription Video on Demand program and sporting broadcast rights	343,597	789,151	53,872	**1,186,620**
Total Commitments	**355,532**	**830,886**	**88,033**	**1,274,451**

1. The Group has commercial subleases on office premises and amounts disclosed above represent the future minimum rentals receivable under non-cancellable operating leases.

Lease commitments include lease of land and buildings where the lease term has not yet commenced and outgoings where the application of AASB 16 is not applicable. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

Television and Subscription Video on Demand program and sporting broadcast rights commitments relate to future committed expenditure for long-term content rights contracts which the Group is party to at the reporting date. Commitments include FTA Television, Broadcast Video on Demand and Subscription Video on Demand content.

3. Operating assets and liabilities *continued*

3.9 Leases

The Group leases various properties, equipment and motor vehicles in Australia. Refer to Note 3.5 for details of right-of-use assets and Note 4.1 for details of lease liabilities held by the Group.

Short-term leases and leases of low-value assets

The Group applies the short-term and low-value lease exemptions and therefore does not recognise ROU assets or lease liabilities on such leases. Instead, lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The following are the amounts recognised in the Consolidated Statement of Profit or Loss:

	30 June 2023 $'000	30 June 2022 $'000
Depreciation expenses of right-of-use assets	38,316	40,871
Interest expense on lease liabilities	14,190	14,448
Expense relating to short-term leases	320	16
Expense relating to leases of low-value assets	593	493
Total amount recognised in profit or loss	**53,419**	**55,828**

Future rental payments

Set out below are the undiscounted future rental payments relating to periods following the exercise date of extension and termination options. These amounts are not included in the lease liability and would be payable should those options be exercised:

	Within five years $'000	More than five years $'000	Total $'000
Extension options expected not to be exercised	4,297	473,153	**477,450**
Termination options expected to be exercised	–	–	**–**
At 30 June 2023	**4,297**	**473,153**	**477,450**
Extension options expected not to be exercised	6,537	475,000	**481,537**
Termination options expected to be exercised	–	–	**–**
At 30 June 2022	**6,537**	**475,000**	**481,537**

Set out below is the carrying amounts of ROU assets and lease liabilities and the related movements in these balances during the year:

	Right of Use Assets $'000	Lease Liabilities $'000
Balance at the beginning of the year	280,629	(382,740)
Additions	29,731	(29,731)
Disposals/Modifications	(221)	–
Transfers	–	–
Depreciation	(38,316)	–
Impairment	(8,242)	–
Interest expense	–	(14,190)
Lease payments	–	56,306
At 30 June 2023	**263,581**	**(370,356)**

4. Capital structure and management

4.1 Financial Liabilities

	30 June 2023 $'000	30 June 2022 $'000
Current		
Lease liabilities	36,607	35,360
Bank facilities unsecured	99,429	79,772
Total current financial liabilities	**136,036**	**115,132**
Non-current		
Lease liabilities	333,749	347,380
Bank facilities unsecured	543,454	398,135
Total non-current financial liabilities	**877,203**	**745,515**

100% Owned Facilities

In December 2022, the Group refinanced its debt facilities for its wholly owned subsidiaries, entering into a new $750 million (30 June 2022: $625 million) syndicated bank facility which is comprised of a $100 million working capital facility expiring in December 2023, a $225 million revolving facility expiring in December 2025, a $225 million revolving facility expiring in December 2026, and a $200 million facility expiring in Dec 2027. The debt refinance was determined to be a substantial modification under *AASB Finance Instruments* and as such all remaining capitalised borrowings costs related to the old facility, totalling $0.5 million, were expensed during the year. At 30 June 2023, $426 million (30 June 2022: $260 million) of the syndicated facilities was drawn.

A $33.3 million bank guarantee facility is also available to the Group's 100% owned subsidiaries on a rolling annual basis. As of 30 June 2023, $24.0 million was drawn (30 June 2022: $28.6 million).

The corporate facilities available to the Group for its 100% owned subsidiaries are provided by a syndicate of banks and financial institutions. The interest rate for drawings under these facilities is the applicable bank bill rate plus a credit margin.

These facilities are supported by guarantees from most of the Company's wholly-owned subsidiaries (refer to Note 6.3) but are otherwise provided on an unsecured basis. These facilities impose various affirmative and negative covenants on the Company and the Group, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

As part of the corporate facilities, the Group is subject to certain customary financial covenants measured on a six monthly basis. The Group has been in compliance with its financial covenant requirements during the year ended 30 June 2023.

Domain

Domain Group is party to a $355.0 million syndicated bank facility which is available to a controlled entity, Domain Holdings Australia Limited (Domain). This facility consists of tranches maturing in December 2025 ($215.0 million) and December 2026 ($140.0 million).

The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin. At 30 June 2023, $220.0 million (30 June 2022: $220.0 million) was drawn on this facility.

Domain is subject to certain customary financial covenants measured on a six monthly basis. Domain has been in compliance with its financial covenant requirements during the year ended 30 June 2023.

Accounting Policy

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of incremental issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the effective interest method.

4. Capital structure and management *continued*

4.2 Share capital

	30 June 2023 $'000	30 June 2022 $'000
Issued share capital		
Ordinary shares authorised and fully paid	1,958,642	2,111,752
	1,958,642	**2,111,752**
Movements in issued share capital – ordinary shares		
Carrying amount at the beginning of the financial period	2,111,752	2,122,146
Purchase of rights plan shares	–	(12,114)
Share buy backs	(154,011)	–
Vesting of Rights Plan shares (Note 4.4)	901	1,720
Carrying amount at the end of the financial period	**1,958,642**	**2,111,752**

The movement in total issued share capital during the year ended 30 June 2023 is as follows:

	30 June 2023 No. of shares	30 June 2022 No. of shares
Balance at beginning of the financial period	1,705,393,253	1,705,393,253
Share buy back	(77,686,472)	–
Balance at the end of the financial period	**1,627,706,781**	**1,705,393,253**

During the year ended 30 June 2023, the Group commenced an on-market buyback of up to 10 percent of the Group's issued share capital as at 30 June 2022. As at 30 June 2023, a total of 77,686,472 shares were purchased at an average price of $1.98 per share.

At 30 June 2023, a trust controlled by the Company held 4,037,680 (30 June 2022: 5,209,131) ordinary fully paid shares in the Company. During the period, nil shares (2022: 4,561,562 shares) were acquired by the Trust. Shares are purchased for the purpose of allowing the Group to satisfy performance rights obligations and short-term incentive obligations to certain senior management of the Group.

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up or sale of the Company in proportion to the number of shares held.

Accounting Policy

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received by the Group, less transaction costs. The Group provides remuneration to senior management in the form of share-based payments, whereby employees render services as consideration for equity instruments. The transactions of these share-based payments are settled through a plan trust and are treated as being executed by the Group (an external third party acts as the Group's agent) in the Group's financial statements. Where shares to satisfy the Rights Plan are purchased by the plan trust, the consideration paid is deducted from total shareholders' equity and the shares are treated as treasury shares until they are subsequently vested, sold, reissued or cancelled. Where such shares are vested, sold or reissued, any consideration received is included in shareholders' equity.

4.3 Dividends paid and proposed

4.3(a) Dividends appropriated during the financial year

During the year, Nine Entertainment Co. Holdings Limited ("Nine") paid an interim dividend of 6.0 cents per share, fully franked (amounting to $100,182,690) in respect of the year ended 30 June 2023 and a dividend of 7.0 cents per share, fully franked (amounting to $119,377,528) in respect of the year ended 30 June 2022.

4.3(b) Proposed Dividends on Ordinary Shares not recognised as a liability

Since the year end, the Directors have proposed a dividend, fully franked of 5.0 cents per share amounting to $81,385,339 to be paid in October 2023 (2022: fully franked dividend of 7.0 cents per share amounting to $119,377,528).

4.3(c) Franking credits available for subsequent years

The franking credits available for subsequent years as at 30 June 2023 was $115,599,746 (2022: $74,315,049). This balance represents the franking account balance as at 30 June 2023. After adjusting for franking credits which arise from the payment of income tax payable balances as at the end of the financial year, the franking account balance is $118,322,092.

Nine had an exempting account balance of $41,069,000 for the year ended 30 June 2023 (2022: $41,069,000). Nine became a former exempting entity as a consequence of the IPO in December 2013. As a result, Nine's franking account balance at that time was transferred to an exempting account. Exempting credits will generally only be of benefit to certain foreign resident shareholders by providing an exemption from Australian dividend withholding tax. The exempting credits will generally not give rise to a tax offset for Australian resident shareholders.

Accounting Policy

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

4. Capital structure and management *continued*

4.4 Share-based payments

Under the executive long-term incentive plan for Nine Entertainment Co. Holdings Limited ("parent entity" or "NEC"), performance rights ("NEC Rights") have been granted to executives and other senior management who have an impact on the Group's performance. On satisfaction of vesting conditions, each NEC Right will convert to a share in the parent entity on a one-for-one basis or entitle the Participant to receive cash to the value of a share. Details of the plan are included in the Remuneration Report on pages 56 to 75. In addition, there are long-term incentive plans in Domain Group; further details of Domain Group's employee share plans are detailed in the Domain Group annual report for the year ended 30 June 2023.

The total expense (pre tax) recognised for share based payments during the financial period for the Group was $6,414,875 (2022: $12,044,764), of which $2,449,392 (2022: $7,998,247) relates to Domain Group. The share based payments reserve includes amounts relating to on-foot schemes of Domain Group totalling $10.7 million (2022: $13.6 million).

Movement during the period

The following table sets out the number of NEC Rights outstanding as at 30 June:

	30 June 2023 Number	30 June 2022 Number
Outstanding at 1 July	6,156,372	6,614,132
Granted during the year	2,943,337	2,328,964
Forfeited during the year[1]	–	(824,789)
Vested	(1,085,940)	(490,475)
Lapsed during the period	(933,610)	(1,471,460)
Outstanding at 30 June[2]	**7,080,159**	**6,156,372**

1. These NEC Rights were forfeited by executives that left during the period.
2. This includes 450,797 (2022: 1,291,006) NEC Rights in relation to executives that left in prior years which may be cash settled if they vest at the end of the testing period. 2,167,293 (2022: 2,102,264) of the performance rights have been issued with approval under ASX Listing Rule 10.14.

2,158,726 rights vested subsequent to the period end which were measured based on performance up to 30 June 2023. This includes 450,797 (2022: 496,266) NEC Rights in relation to executives that left in prior years which were cash settled.

During the period ended 30 June 2023, the Group awarded 581,329 shares (2022: 517,083) to senior management as part payment of their short-term incentives for the year ended 30 June 2023. An expense of $1,230,682 was recognised in respect of these incentives in the prior period (2022: $1,517,477).

Accounting Policy

The Group provides remuneration to senior management in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost for equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefit expense, together with a corresponding increase in share-based payment reserves, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date, until vesting date, reflects the extent to which the vesting period has expired. The share-based payments can be settled with either cash or equity at the election of the Group.

Where terms of an individual's share-based payment are modified to settle in cash, the cumulative expense is transferred from the share-based payment reserve to Payables in the Statement of Financial Position.

4.5 Financial instruments

4.5(a) Financial risk management

The Group's principal financial instruments, other than derivatives, comprise cash and short-term deposits and credit facilities (refer to Notes 3.1 and 4.1). The main purpose of these financial instruments is to manage liquidity and to raise finance for the Group's operations. The Group has various other financial instruments, such as trade and other receivables and trade and other payables, which arise directly from its operations.

The Group uses derivatives in accordance with Board approved policies to reduce the Group's exposure to adverse fluctuations in interest rates and foreign exchange rates. Derivative instruments that the Group uses to hedge risks such as interest rate, foreign currency, and commodity price movements include:

- interest rate swaps; and
- forward foreign currency contracts.

The Group's risk management activities are carried out centrally, under policies approved by the Board, in cooperation with the Group's operating units so as to maximise the benefits associated with centralised management of Group risk factors.

4.5(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of net debt and total equity balances.

Capital risk management focuses on the maturity profile and stability of debt facilities. The Group's capital structure is reviewed to maintain:

- sufficient finance for the business at a reasonable cost;
- sufficient funds available to the business to implement its capital expenditure and business acquisition strategies; and
- compliance with all financial covenants.

Where excess funds arise with respect to the funds required to enact the Group's business strategies, consideration is given to repayment of debt, increased dividends or buy back of shareholder equity.

4.5(b)(i) Carrying value and Fair Values of Financial Assets and Financial Liabilities

The carrying value of a financial asset or liability will approximate its fair value where the balances are predominantly short-term in nature, can be traded in highly liquid markets, and incur little or no transaction costs.

The carrying values of the following accounts approximate their fair value:

Account	Note
Cash and cash equivalents	3.1
Trade and other receivables	3.2
Trade and other payables	3.4

The Group uses various methods in estimating the fair value of a financial asset or liability. The different methods have been defined as follows:

Level 1: The fair value is calculated using quoted prices in active markets.

Level 2: The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, through valuation techniques including forward pricing and swap models and using present value calculations. The models incorporate various inputs including credit quality of counterparties and foreign exchange spot rates, forward rates and listed share prices. Fair values of the Group's financial liabilities are determined by using a DCF method and a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values hierarchy has been determined as follows for financial assets and financial liabilities of the Group at 30 June 2023:

Level 1: Investment in listed equities (Note 7.1).

Level 2: Forward foreign exchange contracts and financial liabilities (Note 4.1).

Level 3: Unlisted shares, CGU recoverable amount for Domain (Note 3.6(a)) and contingent consideration (Note 3.4).

4. Capital structure and management *continued*

There were no transfers between the Level 1, Level 2 and Level 3 fair value measurements during the year.

The following table lists the carrying values and fair values of the Group's financial assets and financial liabilities at balance date:

		2023		2022	
	Note	Carrying Amount $'000	Fair Value $'000	Carrying Amount $'000	Fair Value $'000
Derivative financial assets					
Foreign exchange contracts – current		2,852	2,852	3,214	3,214
Foreign exchange contracts – non-current		–	–	1,333	1,333
Total derivative financial instruments – assets		**2,852**	**2,852**	**4,547**	**4,547**
Derivative financial liabilities					
Foreign exchange contracts – current		1,038	1,038	1,721	1,721
Foreign exchange contracts – non-current		142	142	406	406
Total derivative financial instruments – liabilities		**1,180**	**1,180**	**2,127**	**2,127**
Bank facilities – current					
Syndicated facility unsecured – at amortised cost	4.1	99,429	99,429	79,772	79,772
Bank facilities – non-current					
Syndicated facility unsecured – at amortised cost	4.1	543,454	543,454	398,135	398,135
Total bank facilities		**642,883**	**642,883**	**477,907**	**477,907**

4.5(b)(ii) Market risk factors

The key risk factors that arise from the Group's activities, including the Group's policies for managing these risks, are outlined below. Market risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The market risk factors to which the Group is exposed are discussed in further detail below.

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial commitments as and when they fall due. To help reduce this risk, the Group ensures it has readily accessible funding arrangements available.

The contractual maturity of the Group's financial assets and other financial liabilities are shown in the following tables. The amounts presented represent the future undiscounted principal and interest cash flows and therefore do not equate to the values shown in the Statement of Financial Position.

	Contractual maturity (nominal cash flows)							
	2023				2022			
	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000
Derivative – inflows								
Foreign exchange contracts – current	2,852	–	–	–	3,214	–	–	–
Foreign exchange contracts – non-current	–	–	–	–	–	1,333	–	–
Derivative – outflows								
Foreign exchange contracts – current	1,038	–	–	–	1,721	–	–	–
Option over controlled entity – current	–	–	–	–	–	–	–	–
Foreign exchange contracts – non-current	–	142	–	–	–	351	55	–
Other financial assets[1]								
Cash assets	119,676	–	–	–	153,464	–	–	–
Trade and other receivables	423,199	477	1,088	529	408,380	3,646	5,406	1,068
Other financial liabilities[1]								
Trade and other payables	527,815	64,269	33,720	–	530,105	74,521	44,410	930
Lease liabilities	49,281	47,775	136,310	207,307	54,113	49,142	134,025	245,665
Contingent consideration	653	–	13,146	–	24,701	–	15,079	–
Bank facilities (including interest)[2]	135,369	32,649	572,486	–	94,777	191,017	234,285	–

1. For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date.
2. This assumes the amount drawn down at 30 June 2023 remains drawn until the facilities mature.

Interest rate risk

Interest rate risk refers to the risks that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest-bearing financial assets and liabilities that the Group utilises. Non-derivative interest bearing assets are predominantly cash. The Group's debt facilities are all floating rate liabilities, which gives rise to cash flow interest rate risks.

The Group's risk management policy for interest rate risk seeks to minimise the effects of interest rate movements on its asset and liability portfolio through active management of the exposures.

The Group maintains a mix of long-term and short-term debt to manage these risks as deemed appropriate. The Group designates which of its financial assets and financial liabilities are exposed to a fair value or cash flow interest rate risk, such as financial assets and liabilities with a fixed rate or financial assets and liabilities with a floating rate that is reset as market rates change.

4. Capital structure and management *continued*

At balance date, the Group had the following mix of financial assets and financial liabilities exposed to Australian floating interest rate risk that were not in designated cash flow hedges:

	2023				2022			
	Average interest rate p.a.%	Floating rate $'000	Non-interest bearing $'000	Total $'000	Average interest rate p.a.%	Floating rate $'000	Non-interest bearing $'000	Total $'000
Financial assets								
Cash and cash equivalents	3.23	119,676	–	**119,676**	0.43	153,464	–	**153,464**
Trade and other receivables	N/A	N/A	425,293	**425,293**	N/A	N/A	418,493	**418,493**
Financial liabilities								
Trade and other payables	N/A	N/A	640,016	**640,016**	N/A	N/A	656,316	**656,316**
Lease liabilities	3.95	370,356	–	**370,356**	3.88	382,740	–	**382,740**
Syndicated facilities – at amortised cost	5.94	642,883	–	**642,833**	3.27	477,907	–	**477,907**

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. Assuming the closing debt outstanding, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

		Effect on profit before tax	
	Increase/decrease in basis points	2023 $'000	2022 $'000
AUD	+/-100	(6,460) / 6,460	(4,800) / 4,800
AUD	+/-200	(12,920) / 12,920	(9,600) / 9,600

The maximum exposure to credit risk is the carrying amount of current receivables. For those non-current receivables, the maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables. Collateral is not held as security.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to contractual payments for program rights in USD and EUR, and contractual receipts in USD. These transactions are highly probable.

The Group manages this foreign currency risk by entering into forward foreign exchange contracts. The foreign exchange forward contracts are designated as cash flow hedges and are entered into for periods consistent with the foreign currency exposure of the underlying transactions.

The foreign exchange forward contract balances vary with the level of expected foreign currency receipts and payments, and changes in foreign exchange forward rates.

Effects of hedge accounting

The table below summarises the hedging instruments used to manage market risk:

	30 June 2023 $'000	30 June 2022 $'000
Current assets		
Foreign exchange contracts	2,852	3,214
Non-current assets		
Foreign exchange contracts	–	1,333
Total derivative assets	**2,852**	**4,547**
Current liabilities		
Foreign exchange contracts	1,038	1,721
Non-current liabilities		
Foreign exchange contracts	142	406
Total derivative liabilities	**1,180**	**2,127**

The following table summarises the impact of hedging instruments designated in hedging relationships on the consolidated Statement of Financial Position:

$'000	Notional amount		Carrying amount assets/(liabilities)		Changes in fair value used for measuring ineffectiveness for the year	
	2023	2022	2023	2022	2023	2022
Cash flow hedges						
Foreign exchange risk						
Forward contracts (buy USD)	US$30,219	US$39,814	2,852	4,547	–	–
Forward contracts (sell USD)	US$19,250	US$36,458	(1,180)	(2,112)	–	–
Forward contracts (buy EUR)	–	€742	–	(16)	–	–

The following table summarises the impact of hedged items designated in cash flow hedging relationships on the consolidated Statement of Financial Position and the effect of the hedge relationships on other comprehensive income:

$'000	Cash flow hedge reserve		Changes in fair value used for measuring ineffectiveness for the year		Hedged gain/(loss) recognised in comprehensive income	
	2023	2022	2023	2022	2023	2022
Cash flow hedges						
Foreign exchange risk						
Forward contracts	945	1,693	–	–	(748)	1,693

4. Capital structure and management *continued*

4.5(c) Credit risk exposures

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Group to make a financial loss. The Group has exposure to credit risk on all financial assets included in the Group's Statement of Financial Position. To help manage this risk, the Group:

- has a policy for establishing credit limits; and
- manages exposures to individual entities it either transacts with or with which it enters into derivative contracts (through a system of credit limits).

The Group's credit risk is mainly concentrated across a number of customers and financial institutions. The Group does not have any significant credit risk exposure to a single customer or group of customers, or individual institutions. Refer to Note 3.2 for details on the Group's policy on impairment, its ageing analysis of trade receivables and the allowance for expected credit losses.

Accounting Policy

The Group uses derivative financial instruments, such as interest rate swaps and foreign currency contracts, to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value.

Derivative financial instruments are recognised initially at fair value on the date the instrument is entered into and are subsequently remeasured at fair value or 'mark to market' at each reporting date. The gain or loss on remeasurement is recognised immediately in profit or loss unless the derivative is designated as a hedging instrument, in which case the remeasurement is recognised in equity.

Hedge accounting

Hedges are classified as fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability, or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

At inception of the hedge relationship, the Group formally designates the relationship between hedging instruments and hedged items, as well as its risk management objective for undertaking various hedge transactions. The Group also documents its assessment at hedge inception date, and on an ongoing basis, as to whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group enters into hedge relationships where the critical terms of the hedging instrument are closely aligned with the terms of the hedged item and a qualitative assessment is performed to assess effectiveness. If changes in circumstances affect the terms of the hedged item, such as the terms are no longer closely aligned with the critical terms of the hedged instrument, a hypothetical derivative method is used to assess effectiveness.

Cash flow hedge

A derivative or financial instrument hedging the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or forecasted transaction. A cash flow hedge is used to swap variable interest rate payments to fixed interest rate payments, or to lock in foreign currency rates in order to manage the Group's exposure to interest rate risk and foreign exchange risk.

The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in equity in the cash flow hedge reserve. The change in the fair value that is identified as ineffective is recognised immediately in profit or loss within other income or other expense. Amounts accumulated in equity are transferred to profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken to the profit and loss.

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5. Taxation

5.1 Income tax expense

	30 June 2023 $'000	30 June 2022 $'000
Current tax expense	98,998	126,641
Deferred tax (benefit)/expense relating to the origination and reversal of temporary differences	(18,437)	7,706
Income tax expense	**80,561**	**134,347**
Reconciliation of tax expense to prima facie tax payable		
Profit before income tax	**275,104**	**449,635**
Prima facie income tax expense/(benefit) at the Australian rate of 30%	82,531	134,891
Tax effect of:		
Share of associates' net loss/(profit)	(70)	(538)
Difference between tax and accounting adjustments from acquisition and disposal of investments	–	2,961
Impairments, write down of investments and revaluation of derivative financial instruments	1,792	–
Adjustments in respect of current income tax of previous years	(1,189)	(1,752)
Research and development tax offset	(2,849)	(1,500)
Other items – net	346	285
Income tax expense	**80,561**	**134,347**

5.2 Deferred tax assets and liabilities

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Employee benefits provision	38,763	37,178	1,575	3,867
Other provisions and accruals	41,743	43,510	(1,796)	(1,678)
Property, plant and equipment	13,541	10,184	7,003	(1,732)
Intangible assets	(374,119)	(381,946)	24,812	7,658
Tax losses[2]	8,507	24,792	(16,285)	(19,388)
Business related costs deductible over five years	3,851	15,507	(12,896)	(611)
Accelerated depreciation – program stock	(35,038)	(47,000)	11,961	1,109
Leases AASB 16	31,811	32,246	(431)	8,315
Other	2,083	(2,335)	4,242	(8,402)
Net deferred income tax liabilities	**(268,858)**	**(267,864)**	**18,185[1]**	**(10,862)**

1. Consists of $18,437,000 of deferred tax benefit to the Consolidated Statement of Profit or Loss offset by $252,000 of deferred tax expense recognised through equity reserves. In addition, a deferred tax liability of $19,179,000 has been recognised in relation to the purchase price allocation of entities acquired by the Domain Group, with a corresponding increase in goodwill recognised (refer to Note 6.1). 30 June 2022: consists of $7,706,000 of deferred tax expense to the Consolidated Statement of Profit or Loss and $3,156,000 of deferred tax expense through equity reserves, mainly consisting of a share based payment reserve deferred tax expense of $2,913,000 and cash flow hedge reserve expense of $726,000, offset by a defined benefit plan deferred tax benefit of $483,000.
2. The Group has capital losses of $18.9 million (30 June 2022: $15.0 million) available for future use. A deferred tax asset has not been recognised in respect of these losses as the Group has no certainty that these will be utilised in future.

5. Taxation *continued*

Accounting Policy

Current tax liabilities are measured at the amount expected to be paid to the taxation authorities based on the current year's taxable income. The tax rules and tax laws used to compute the amount are those that are enacted at the balance date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses, can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in other comprehensive income and not in the profit or loss for the year.

Tax consolidation

Nine Entertainment Co. Holdings Limited (the "Company" or "Parent Entity") and its 100% owned Australian subsidiaries (collectively, the "Group") are part of a tax consolidated group. As a result, members of the Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax obligations. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is Nine Entertainment Co. Holdings Limited.

The Company has recognised the current tax liability of the tax consolidated group.

Members of the tax consolidated group are part of a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the year. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the head entity. The Group has applied the group allocation approach to determine the appropriate amount of current and deferred tax to allocate to each member of the tax consolidated group.

Accounting Policy *continued*

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where 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; and
- receivables and payables 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 Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are 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.

6. Group structure

6.1 Business combinations

Acquisitions for the year ended 30 June 2023

There were no acquisitions for the year ended 30 June 2023.

Acquisitions for the year ended 30 June 2022

The Domain Group gained control of the following entities and businesses during the year ended 30 June 2022:

Entity acquired	Principal activity	Date of acquisition	Ownership interest as at 30 June 2023
Insight Data Solutions and its subsidiaries (IDS Group)	Provision of land and property valuation and insights and analytics services to governments and financial institutions	15 October 2021	100%
Realbase Pty Ltd and its subsidiaries (Realbase Group)	Campaign management technology platform in Australia and New Zealand, providing services to real estate agents in relation to property transactions	29 April 2022	100%

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Assets acquired and liabilities assumed

During the year ended 30 June 2023, management finalised the purchase price allocation for both acquisitions.

Fair Value on Acquisition	IDS Group $'000	Realbase $'000
Current Assets		
Cash	622	1,937
Trade and other receivables	37	3,386
Total current assets	**659**	**5,323**
Non-current Assets		
Right-of-use asset	–	1,587
Intangible assets	39,870	53,233
Property, plant and equipment	21	205
Deferred tax assets	1,847	2,441
Total non-current assets	**41,738**	**57,466**
Total assets	**42,397**	**62,789**
Current liabilities		
Trade and other payables	5,980	11,590
Current tax liabilities	–	1,804
Provisions	496	1,099
Lease liabilities	–	280
Total current liabilities	**6,476**	**14,773**
Non-current liabilities		
Provisions	–	225
Lease liabilities	–	1,370
Deferred tax liabilities	8,037	14,268
Total non-current liabilities	**8,037**	**15,863**
Total liabilities	**14,513**	**30,636**
Total identifiable net assets at fair value	**27,884**	**32,153**
Goodwill arising on acquisition	51,361	140,723
Total identifiable net assets and goodwill attributable to the Domain Group	**79,245**	**172,876**

Purchase consideration	IDS Group $'000	Realbase $'000
Cash paid	54,720	172,876
Contingent consideration[1]	24,525	–
Total purchase consideration	**79,245**	**172,876**

1. The contingent consideration of the IDS Group acquisition was remeasured as at 30 June 2023 with a resulting loss disclosed as a specific item in Note 2.4.

Net cash outflow on acquisition	IDS Group $'000	Realbase $'000
Cash paid	(54,720)	(172,876)
Cash acquired	622	1,937
Total purchase consideration	**(54,098)**	**(170,939)**

6. Group structure *continued*

Acquisition of Insight Data Solutions Group

On 15 October 2021, Property Data Solutions (2) Pty Ltd, a wholly-owned subsidiary of the Domain Group, acquired 100% of the share capital in Insight Data Solutions Holdings Pty Ltd and its subsidiaries (IDS Group). The acquisition marked another step forward in executing on Domain's marketplace strategy to expand its addressable market beyond Agents and Consumers to financial institutions and Government. The acquisition of IDS Group establishes Domain as a market leading provider of land and property valuation, insights and analytics services into the Government sector, and significantly expands the size of the Property Data Solutions pillar of Domain's marketplace strategy.

After reporting a provisional balance sheet at 30 June 2022, the purchase price allocation was finalised during the period. This resulted in a reduction of goodwill from $82.4 million to $51.4 million, and recognition of $31.0 million of other assets and liabilities. Goodwill recognised comprises expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes. The Group has now finalised determining the fair value of assets and liabilities acquired as part of the acquisition of the IDS Group.

The consideration of the acquisition comprises an upfront cash payment and multiple tranches that are contingent on the future financial and commercial performance of the IDS Group, relating to securing and delivering services under new customer contracts over the performance period ending in June 2027.

The first tranche cash payment of $54.7 million was settled on 15 October 2021. In the current year, IDS made progress in the government market, winning the contract to supply the Western Australia (WA) Land Information Authority (which values all properties in WA). The second tranche cash payment of $23.9 million associated with the WA contract was settled on 9 May 2023. Other tranches are due to be settled during the performance period between completion and June 2027.

The on-target and maximum consideration for the transaction, including the undiscounted contingent consideration, is $134.1 million and $153.1 million respectively. The range of potential outcomes, undiscounted, is $78.0 million to $153.0 million. The expectation at acquisition is that it will be cash settled, however, the purchase agreement allows for this consideration to be settled in cash and/or equity at Domain's discretion.

As at the acquisition date, the discounted fair value of the contingent consideration was estimated to be $24.5 million. The fair value of the contingent consideration determined at the date of acquisition reflects the probabilities of securing certain new government contracts and achieving budgeted financial targets. Subsequent to the acquisition date, these assumptions have been revised as a result of change in facts and circumstances post acquisition, resulting in the remeasurement of the contingent consideration. Refer to key judgements, estimates and assumptions in Note 3.4 for adjustments recognized to the IDS contingent consideration in the period.

Acquisition of Realbase Group

On 29 April 2022, Australian Property Monitors Pty Ltd, a wholly-owned subsidiary of the Domain Group, acquired 100% of the share capital in Realbase Pty Ltd and its subsidiaries (Realbase Group). The acquisition marked another step forward in the evolution of Domain's Marketplace strategy. The acquisition of the Realbase Group is highly strategic, meaningfully accelerating the scale and impact of Domain's Agent Solutions business unit, with complementary offerings that create a holistic end-to-end solution for real estate agents.

After reporting a provisional balance sheet at 30 June 2022, management finalised the purchase price allocation during the period. This resulted in a reduction of goodwill from $177.7 million to $140.7 million, and recognition of $37.0 million of other assets and liabilities. Goodwill recognised comprises expected synergies arising from the acquisition and none of the goodwill recognised is expected to be deductible for income tax purposes.

The consideration for the acquisition comprises an upfront cash payment and multiple tranches that are contingent upon the future financial performance of the Realbase Group, specifically the achievement of stretch financial performance targets based on a mix of revenue and EBITDA metrics over a three-year period of financial years ending 30 June 2024 to 30 June 2026. As at the acquisition date and at 30 June 2023, Management determined the fair value of the contingent consideration to be nil based on forecast projections of the business.

The first tranche cash payment of $173.9 million was settled on 29 April 2022. Subsequently, the completion statement was finalised resulting in a purchase price reduction amounting to $1.1 million.

The on-target and maximum consideration for the transaction is $195.9 million and $220.9 million respectively. The range of potential outcomes, undiscounted, is $170.9 million to $220.9 million. The expectation at acquisition is that any contingent consideration payable will be cash settled, however, the purchase agreement allows for this to be settled in cash and/or equity at Domain's discretion.

Disposals

There were no disposals for the year-ended 30 June 2023 (30 June 2022: none).

Domain Group made the decision to exit the Domain Home Loans (DHL) business. As a result, DHL is being held for sale and therefore DHL's assets and liabilities are separately disclosed in the Statement of Financial Position.

Accounting Policy

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Consideration is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the acquisition date. Where equity instruments are issued in a business combination, the fair value of the instruments is their published price at the acquisition date unless, in rare circumstances, it can be demonstrated that the published price at the acquisition date is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments by the parent are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the acquisition date at the original effective interest rate.

Key judgements, estimates and assumptions

The Group recognises the provisional fair values of identifiable assets and liabilities acquired, including goodwill, at values based on information available to management as at balance date. These provisional values are applied as the initial accounting for the business combinations are incomplete as at the end of the reporting period. The provisional values may be adjusted during the measurement period (up to one year following acquisition) to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. Therefore, the finalisation of the purchase price allocation exercise may result in a change to the value of identified assets and liabilities recorded as at balance date.

Contingent consideration to be transferred by the acquirer on business combinations is recognised at fair value. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with *AASB 9 Financial Instruments* in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The determination of these fair values involves judgement around the forecast results of those businesses.

6. Group structure *continued*

6.2 Investments accounted for using the equity method

6.2(a) Investments at equity accounted amount:

	30 June 2023 $'000	30 June 2022 $'000
Associated entities – unlisted shares	33,056	33,606

6.2(b) Investments in Associates and Joint Ventures

Interests in associates and joint ventures are accounted for using the equity method of accounting. Information relating to associates and joint ventures is set out below:

			Interest[1]	
	Principal Activity	Country of Incorporation	30 June 2023 $'000	30 June 2022 $'000
Adventure TV Channel Pty Ltd	Television channel provider	Australia	50	50
CopyCo Pty Ltd	Content licensing	Australia	25	20
Darwin Digital Television Pty Ltd	Television broadcast	Australia	50	50
Future Women Pty Ltd	Online content provider	Australia	50	50
Homebush Transmitters Pty Ltd	Transmission services	Australia	50	50
Combined Translator Facilities Pty Ltd	Television services	Australia	25	25
Intrepica Pty Ltd[2]	Online learning service	Australia	15	15
Ibenta Pty Ltd[2,4]	Real estate marketing and management solutions	Australia	18	24
NPC Media Pty Ltd	Television playout services	Australia	50	50
Oztam Pty Ltd	Television audience measurement	Australia	33	33
The Premium Content Alliance	Media research and promotion	Australia	25	25
TX Australia Pty Ltd	Television transmission	Australia	50	50
Digital Radio Broadcasting Sydney Pty Ltd[2]	Digital audio broadcasting	Australia	12	12
Digital Radio Broadcasting Melbourne Pty Ltd[2]	Digital audio broadcasting	Australia	18	18
Digital Radio Broadcasting Brisbane Pty Ltd	Digital audio broadcasting	Australia	25	25
Digital Radio Broadcasting Perth Pty Ltd[2]	Digital audio broadcasting	Australia	17	17
Mediality Pty Ltd	Newsagency and information service	Australia	47	47
Skoolbo Pte Ltd[3]	Online learning service	Singapore	–	19

1. The proportion of ownership is equal to the proportion of voting power held, except where stated.
2. The Group has concluded that it has significant influence over the entity as it has the power to participate in the financial and operating policy decisions of the investee.
3. This entity was disposed on 24 January 2023.
4. Ibenta Pty Ltd issued 3 tranches of new shares during the period, diluting the holding to 18%.

6.2(c) Carrying amount of investments in associates and joint ventures

	30 June 2023 $'000	30 June 2022 $'000
Balance at the beginning of the financial year	33,606	31,181
Funding to associates and joint ventures	–	500
Acquired during the year	–	300
Disposals	(298)	–
Share of associates' net profit for the year	233	1,793
Dividends received or receivable	(485)	(168)
Carrying amount of investments in associates and joint ventures at the end of the financial year	**33,056**	**33,606**

6.2(d) Share of associates and joint ventures net profit

The following table illustrates the Group's aggregate share of net profit after income tax from associates and joint ventures.

	30 June 2023 $'000	30 June 2022 $'000
Net profit after income tax	233	1,793

The Group's current year share of losses of associates and joint ventures not recognised is nil (2022: $nil). The Group's cumulative share of losses of associates and joint ventures not recognised is $13.0 million (2022: $15.8 million).

6.2(e) Share of associates and joint ventures assets and liabilities

	30 June 2023 $'000	30 June 2022 $'000
Current assets	23,782	25,108
Non-current assets	42,574	46,025
Total assets	**66,356**	**71,133**
Current liabilities	16,846	17,912
Non-current liabilities	29,819	34,678
Total liabilities	**46,665**	**52,590**

6.2(f) Impairment

There was no impairment recorded during the current financial year (2022: $nil).

6. Group structure *continued*

Accounting Policy

Associates are entities over which the Group has significant influence and which are not subsidiaries. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investments in the associate or joint venture are accounted for using the equity method. They are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The consolidated Statement of Consolidated Profit or Loss and Other Comprehensive Income reflects the Group's share of the results of operations of the associates or joint ventures. Dividends received from associates and joint ventures are recognised in the Consolidated Statement of Financial Position as a reduction in the carrying amount of the investment.

When the Group's share of losses in the associate or joint venture equals or exceeds its investment in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Any realised or unrealised gains and losses relating to transactions between the Group and the associate or joint venture are eliminated against the investment accounted for using the equity method.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Impairment

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group performs an impairment test to determine whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as "Share of profit of an associate" in the Statement of Consolidated Profit or Loss and Other Comprehensive Income.

6.3 Investment in controlled entities

The consolidated financial statements include the financial statements of Nine Entertainment Co. Holdings Limited and its controlled entities. Significant controlled entities and those included in an ASIC instrument with the parent entity are:

	Footnote	Place of incorporation	Ownership interest June 2023 %	Ownership interest June 2022 %
Nine Entertainment Co. Holdings Ltd	A, B	Australia	Parent Entity	Parent Entity
112 Pty Ltd	A, B	Australia	100	100
Channel 9 Australia Inc		USA	100	100
Channel 9 South Australia Pty Ltd	A, B	Australia	100	100
CarAdvice.com Pty Ltd	A, B	Australia	100	100
Ecorp Pty Ltd	A, B	Australia	100	100
General Television Corporation Pty Limited	A, B	Australia	100	100
Mi9 New Zealand Limited	A, B	New Zealand	100	100
Micjoy Pty Ltd	A, B	Australia	100	100
NBN Enterprises Pty Limited	A, B	Australia	100	100
NBN Pty Ltd	A, B	Australia	100	100
Nine Films & Television Pty Ltd	A, B	Australia	100	100
Nine Films & Television Distribution Pty Ltd	A, B	Australia	100	100
Nine Network Australia Pty Ltd	A, B	Australia	100	100
Nine Network Australia Holdings Pty Ltd	A, B	Australia	100	100
Nine Network Marketing Pty Ltd	A, B	Australia	100	100
Nine Network Productions Pty Limited	A, B	Australia	100	100
Nine Entertainment Group Pty Limited	A, B	Australia	100	100
NEC Mastheads Pty Ltd [2 3]		Australia	–	100
Nine Entertainment Co. Pty Limited	A, B	Australia	100	100
Nine Digital Pty Ltd	A, B	Australia	100	100
Pay TV Holdings Pty Limited [2 3]		Australia	–	100
Petelex Pty Limited	A, B	Australia	100	100
Pedestrian Corporation Holdings Pty Limited [2]		Australia	–	100
Pedestrian Group Pty Limited	A, B	Australia	100	100
Pink Platypus Pty Ltd	A, B	Australia	100	100
Queensland Television Holdings Pty Ltd	A, B	Australia	100	100
Queensland Television Pty Ltd	A, B	Australia	100	100
Shertip Pty Ltd [2 3]		Australia	–	100
Stan Entertainment Pty Ltd	A, B	Australia	100	100
Swan Television & Radio Broadcasters Pty Ltd	A, B	Australia	100	100
TCN Channel Nine Pty Ltd	A, B	Australia	100	100

6. Group structure *continued*

	Footnote	Place of incorporation	Ownership interest June 2023 %	Ownership interest June 2022 %
Television Holdings Darwin Pty Limited	A, B	Australia	100	100
Territory Television Pty Ltd	A, B	Australia	100	100
White Whale Pty Ltd	A, B	Australia	100	100
2GTHR Pty Ltd	A, B	Australia	100	100
All Homes Pty Limited		Australia	60	60
ACT Real Estate Media Pty Ltd		Australia	60	60
Alldata Australia Pty Ltd		Australia	60	60
Allure Media Pty Ltd	A, B	Australia	100	100
Associated Newspapers Pty Ltd	A, B	Australia	100	100
Australian Openair Cinema Pty Limited	A, B	Australia	100	100
Australian Property Monitors Pty Limited		Australia	60	60
Bidtracker Holdings Pty Ltd		Australia	60	60
Bodypass Trading Pty Ltd [2]		Australia	–	100
Buyradio Pty Ltd [2]		Australia	–	100
Campaigntrack Limited		New Zealand	60	60
Campaigntrack Pty Ltd		Australia	60	60
Commercial Real Estate Holdings Pty Ltd		Australia	60	60
Commercial Real Estate Media Pty Limited [1]		Australia	40	40
Commercialview.com.au Pty Ltd [1]		Australia	40	40
David Syme & Co Pty Limited	A, B	Australia	100	100
Digital Home Loans Pty Limited [1]		Australia	36	36
Domain Group Finance Pty Limited		Australia	60	60
Domain Holdings Australia Limited		Australia	60	60
Domain Insure Pty Ltd [1]		Australia	42	42
Domain Operations Pty Limited		Australia	60	60
Fairfax Corporation Pty Limited	A, B	Australia	100	100
Fairfax Digital Australia & New Zealand Pty Limited	A, B	Australia	100	100
Fairfax Digital Pty Limited	A, B	Australia	100	100
Fairfax Entertainment Pty Limited	A, B	Australia	100	100
Fairfax Event Sub Pty Ltd	B	Australia	100	100
Fairfax Media Limited	A, B	Australia	100	100
Fairfax Media Events Pty Ltd	A, B	Australia	100	100
Fairfax Media Group Finance Pty Ltd	A, B	Australia	100	100
Fairfax Media Management Pty Limited	A, B	Australia	100	100

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	Footnote	Place of incorporation	Ownership interest June 2023 %	Ownership interest June 2022 %
Fairfax Media Publications Pty Limited	A, B	Australia	100	100
Fairfax News Network Pty Ltd	A, B	Australia	100	100
Find a Babysitter Pty Ltd	A, B	Australia	100	100
Radio 2GB Sydney Pty Ltd	A, B	Australia	100	100
Homepass Australia Pty Ltd		Australia	60	60
Homepass Pty Ltd		Australia	60	60
Insight Data Solutions Holdings Pty Ltd		Australia	60	60
Insight Data Solutions Pty Ltd		Australia	60	60
IDS Gov Services Pty Ltd		Australia	60	60
John Fairfax & Sons Pty Limited	A, B	Australia	100	100
John Fairfax Pty Limited	A, B	Australia	100	100
Nine Radio Pty Limited	A, B	Australia	100	100
Macquarie Media Network Pty Limited[2]		Australia	–	100
Nine Radio Operations Pty Limited	A, B	Australia	100	100
Nine Radio Syndication Pty Limited	A, B	Australia	100	100
Map and Page Pty Ltd[2]		Australia	–	100
Metro Media Publishing Pty Ltd		Australia	56	56
Metro Media Services Pty Ltd		Australia	60	60
MarketNow Payments Pty Ltd[14]		Australia	60	36
MMP Community Network Pty Ltd		Australia	60	60
MMP (DVH) Pty Ltd[1]		Australia	38	38
MMP (Melbourne Times) Pty Ltd[1]		Australia	42	42
MMP Bayside Pty Ltd[1]		Australia	47	47
MMP Eastern Pty Ltd[1]		Australia	42	42
MMP Greater Geelong Pty Ltd[1]		Australia	29	29
MMP Holdings Pty Ltd		Australia	60	60
MMP Moonee Valley Pty Ltd[1]		Australia	42	42
National Real Estate Media Pty Limited		Australia	60	60
National Real Estate Nominees Pty Ltd		Australia	60	60
New South Wales Real Estate Media Pty Limited[1]		Australia	30	30
Northern Territory Real Estate Media Pty Ltd[1]		Australia	30	30
Property Data Solutions Pty Ltd		Australia	60	60
Property Data Solutions (2) Pty Ltd		Australia	60	60
Queensland Real Estate Media Pty Ltd[1]		Australia	30	30
Radio 1278 Melbourne Pty Limited	A, B	Australia	100	100
Radio 2UE Sydney Pty Ltd	A, B	Australia	100	100

6. Group structure *continued*

	Footnote	Place of incorporation	Ownership interest June 2023 %	Ownership interest June 2022 %
Radio 3AW Melbourne Pty Limited	A, B	Australia	100	100
Radio 4BC Brisbane Pty Limited	A, B	Australia	100	100
Radio 6PR Perth Pty Limited	A, B	Australia	100	100
Radio Magic 882 Brisbane Pty Limited	A, B	Australia	100	100
Realbase Pty Ltd		Australia	60	60
Realhub Systems Pty Ltd		Australia	60	60
Realhub Services Pty Ltd		Australia	60	60
Realhub Studios Pty Ltd		Australia	60	60
Realbase Inc		Philippines	60	60
Review Property Pty Ltd[1]		Australia	60	60
South Australia Real Estate Media Pty Ltd[1]		Australia	30	30
Tasmania Real Estate Media Pty Ltd[1]		Australia	30	30
The Age Company Pty Limited	A, B	Australia	100	100
Western Australia Real Estate Media Pty Ltd[1]		Australia	30	30

A. These controlled entities have entered into a deed of cross guarantee with the parent entity under ASIC Corporations (Wholly-owned Companies) instrument 2016/785 – the "Closed Group" (refer to Note 6.4).

B. Members of the "Extended Closed Group" (refer to Notes 4.1 and 6.4 for further detail).

1. This represents the Group's effective interest in the entity which is partially owned (yet controlled) by a non-wholly owned subsidiary.
2. Entity was deregistered during the period.
3. On 21 July 2022, NEC Mastheads Pty Ltd, Pay TV Holdings Pty Ltd and Shertip Pty Ltd ceased to be parties to the Deed of Cross Guarantee.
4. On 1 September 2022, Domain acquired the remaining 40% share of Marketnow Shares from Limepay Pty Ltd.

Accounting Policy

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries as at 30 June 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Controlled entities are de-consolidated from the date control ceases.

Subsidiary acquisitions are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are prepared for the same reporting year as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

6.4 Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and various deeds of cross guarantee entered into with the parent entity, certain controlled entities of Nine Entertainment Co. Holdings Limited have been granted relief from the Corporations Act 2001 requirements for preparation, audit and publication of accounts. These entities are referred to as the "Closed Group". Refer to Note 6.3 for details.

The debt facilities for the 100% owned group (refer to Note 4.1) are supported by guarantees from most of the Company's wholly-owned subsidiaries; these guarantors are referred to as the "Extended Closed Group". Refer to Note 6.3 for details.

The Statement of Consolidated Profit or Loss and Other Comprehensive Income of the entities which are members of the "Closed Group" and the "Extended Closed Group" for the year ended 30 June 2023 is as follows:

	Closed Group[1]		Extended Closed Group[2]	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Profit before income tax Income	240,764	386,470	240,764	385,322
Tax expense	(69,909)	(106,983)	(69,909)	(106,404)
Net profit after income tax from operations	170,855	279,487	170,855	278,918
Dividends paid during the period	(219,560)	(213,174)	(219,560)	(213,174)
Adjustment for Entities which exited the closed Group during the year	–	(21,069)	(20,501)	–
Adjustments to reserves	–	281	–	281
Accumulated losses at the beginning of the financial year	(160,347)	(205,871)	(139,846)	(205,871)
Accumulated losses at the end of the financial year	(209,052)	(160,347)	(209,052)	(139,846)

1. Closed Group are those entities party to the Deed of Cross Guarantee. Refer to Note 6.3 for details.
2. The debt facilities for the 100% owned group (refer to Note 4.1) are supported by guarantees from most of the Company's wholly-owned subsidiaries; these guarantors are referred to as the "Extended Closed Group". Refer to Note 6.3 for details.

On 21 July 2022, NEC Mastheads Pty Ltd, Pay TV Holdings Pty Ltd and Shertip Pty Ltd ceased to be parties to the Deed of Cross Guarantee.

6. Group structure *continued*

The Consolidated Statement of Financial Position of the entities which are members of the "Closed Group" and the "Extended Closed Group" for the year ended 30 June 2023 is as follows:

	Closed Group[1]		Extended Closed Group[2]	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current assets				
Cash and cash equivalents	81,325	81,184	81,325	79,816
Trade and other receivables	373,311	338,087	373,311	334,605
Program rights and inventories	299,452	291,259	299,452	291,259
Property, plant and equipment held for sale	–	–	–	–
Derivative financial instruments	2,852	3,214	2,852	3,214
Other assets	52,773	34,510	52,218	34,390
Total current assets	**809,713**	**748,254**	**809,158**	**743,284**
Non-current assets				
Receivables	2,191	9,856	2,191	9,856
Program rights	156,470	168,236	156,470	168,236
Investment in associates accounted for using the equity method	33,056	33,307	33,056	33,307
Investment in group entities	780,375	780,375	780,375	835,424
Other financial assets	4,526	6,511	4,526	6,511
Property, plant and equipment	413,003	462,049	413,003	461,662
Intangible assets	1,199,443	1,263,170	1,199,443	1,259,031
Derivative financial instruments	–	1,333	–	1,333
Other assets	28,271	23,925	28,271	23,925
Total non-current assets	**2,617,335**	**2,748,762**	**2,617,335**	**2,799,285**
Total assets	**3,427,048**	**3,497,016**	**3,426,493**	**3,542,569**
Current liabilities				
Trade and other payables	500,340	441,033	500,340	439,125
Financial liabilities	130,756	108,767	130,756	108,614
Income tax liabilities	1,816	38,350	1,816	38,339
Provisions	186,123	204,873	186,123	204,314
Derivative financial instruments	1,038	1,721	1,038	1,721
Total current liabilities	**820,073**	**794,744**	**820,073**	**792,113**
Non-current liabilities				
Payables	96,881	111,364	96,881	104,889
Financial liabilities	636,239	507,413	636,239	507,413
Deferred tax liabilities	183,109	200,074	183,109	200,312
Derivative financial instruments	142	406	142	406
Provisions	14,791	16,887	14,791	16,838
Total non-current liabilities	**931,162**	**836,144**	**931,162**	**829,858**
Total liabilities	**1,751,235**	**1,630,888**	**1,751,235**	**1,621,971**
Net assets	**1,675,813**	**1,866,128**	**1,675,258**	**1,920,598**

1. Closed Group are those entities party to the Deed of Cross Guarantee. Refer to Note 6.3 for details.
2. The debt facilities for the 100% owned group (refer to Note 4.1) are supported by guarantees from most of the Company's wholly-owned subsidiaries; these guarantors are referred to as the "Extended Closed Group". Refer to Note 6.3 for details.

6.5 Parent entity disclosures

	Parent entity	
	2023 $'000	2022 $'000
(a) Financial Position		
Current assets	202,951	89,523
Non-current assets	1,450,524	2,367,588
Total assets	**1,653,475**	**2,457,111**
Current liabilities	1,912	948
Non-current liabilities	–	653,036
Total liabilities	**1,912**	**653,984**
Net assets	**1,651,563**	**1,803,127**
Contributed equity	1,980,792	2,134,803
Reserves	11,081	8,631
Retained earnings	(340,310)	(340,307)
Total Equity	**1,651,563**	**1,803,127**
(b) Comprehensive income		
Net profit for the year	218,928	233,114
Total comprehensive income for the year	**218,928**	**233,114**

6. Group structure *continued*

6.6(a) Transactions with related parties

The following table provides the total value of transactions that were entered into with related parties for the relevant financial year.

	2023 $'000	2022 $'000
Rendering of services to and other revenue from:		
Associates of Nine Entertainment Co:		
Future Women Pty Ltd	432	9
Adventure TV Channel Pty Ltd	5,927	7,816
Darwin Digital Television Pty Ltd	44	–
NPC Media Pty Ltd	2	77
Receiving of services from related parties:		
Associates of Nine Entertainment Co:		
Mediality Pty Ltd	–	1
Digital Radio Broadcasting Sydney Pty Ltd	339	218
Dividends received from:		
Associates of Nine Entertainment Co:		
Digital Radio Broadcasting Sydney Pty Ltd	36	90
Combined Translator Facilities Pty Ltd	100	78
Amounts owed by related parties:		
Adventure TV Channel Pty Ltd	858	839
NPC Media Pty Ltd	57	43
Future Women Pty Ltd	1,878	268
Homebush Transmitters Pty Ltd	148	132
Darwin Digital Television Pty Ltd	48	7
Amounts owed to related parties:		
Adventure TV Channel Pty Ltd	6,518	7,716
Digital Radio Broadcasting Sydney Pty Ltd	212	–
Digital Radio Broadcasting Melbourne Pty Ltd	23	–
Digital Radio Broadcasting Brisbane Pty Ltd	45	–
Digital Radio Broadcasting Perth Pty Ltd	30	–
NPC Media Pty Ltd	–	345
Loans to related parties:[1]		
Darwin Digital Television Pty Ltd	3,285	3,285
NPC Media Pty Ltd	–	4,000
Other	21	21

1. The loans granted to these related parties are non-interest bearing.

Terms and conditions of transactions with related parties

All of the above transactions, other than non-interest bearing loans, were conducted under normal commercial terms and conditions. Outstanding balances at the year end in relation to these transactions, disclosed under "amounts owed by related parties", are made on terms equivalent to those that prevail on arm's length transactions, are interest free and settlement occurs in cash.

For the year ended 30 June 2023, the Group has not made any additional allowance for expected credit losses. There is an allowance relating to amounts owed by related parties of $2.9 million (2022: $2.9 million). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine the expected credit loss.

6.6(b) Parent entity

Nine Entertainment Co. Holdings Limited is the ultimate parent entity of the Group incorporated within Australia and is the most senior parent in the Group which produces financial statements available for public use.

6.6(c) Controlled entities, associates and joint arrangements

Investments in associates and joint arrangements are set out in Note 6.2. Interests in significant controlled entities are set out in Note 6.3.

6.6(d) Key management personnel

6.6(d)(i) Transactions with key management personnel

All transactions between the Group and its key management personnel and their personally related entities are conducted under normal commercial terms and conditions unless otherwise noted.

6.6(d)(ii) Compensation of key management personnel

Remuneration by category	2023 $'000	2022 $'000
Short-term employee benefits	4,959,056	6,176,123
Post-employment benefits	130,907	140,610
Long-term benefits	371,473	999,628
Share-based payments	2,012,856	1,367,359
Total remuneration of key management personnel	**7,474,292**	**8,683,720**

The table includes current and former key management personnel.

Detailed remuneration disclosures are provided in the Remuneration Report on pages 56 to 75.

7. Other

7.1 Other financial assets

	2023 $'000	2022 $'000
Non-current		
Investments in listed entities	4,526	6,511
Closing balance at 30 June	**4,526**	**6,511**

Investments in Yellow Brick Road – ASX: YBR (2023: $2,946,000; 2022: $4,566,000) and Sports Entertainment Group Limited – ASX: SEG (2023: $1,580,000; 2022: $1,945,000). These investments are carried at fair value through Other Comprehensive Income in order to avoid volatility in the Statement of Profit and Loss.

	2023 $'000	2022 $'000
Non-current		
As at 1 July	6,511	6,690
Movement in fair value	(1,985)	(179)
Closing balance at 30 June	**4,526**	**6,511**

The investment in listed equities is classified as a Level 1 instrument as described in Note 4.5(b). Fair value was determined with reference to a quoted market price with a mark to market loss of $1,985,000 adjusted against the investment for the year ended 30 June 2023 (2022: $179,000 loss).

Accounting Policy

Certain of the Group's investments are categorised as investments in listed equities and designated at fair value through other comprehensive income, under *AASB 9 Financial Instruments*. When financial assets are recognised initially, they are measured at fair value plus, in the case of assets not recorded at fair value through profit or loss, directly attributable transaction costs.

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset). Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Subsequent Measurement

Investments in listed equities are non-derivative financial assets, principally equity securities, which meet the definition of equity instruments. Upon initial recognition under AASB 9, the Group made an irrevocable election, on an instrument-by-instrument basis, to present subsequent changes in the fair value of its investments in listed equities in a separate component of equity. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in Other Comprehensive Income (OCI). Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; and discounted cash flow analysis, making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

7.2 Defined benefit plan

	2023 $'000	2022 $'000
Non-current		
Defined benefits plan[1]	24,149	23,925
Closing balance at 30 June	**24,149**	**23,925**

1. 30 June 2023 balance consists of Nine Network Superannuation Plan (2023: $21,545,000; 2022: $21,521,000), Fairfax Media Super defined benefit plan (2023: $2,228,000; 2022: $2,058,000) and Nine Radio Pty Ltd Super defined benefit plan (2023: $376,000; 2022: $346,000).

Plan information

Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit sections of the Plans are closed to new members. All new members receive accumulation only benefits.

Regulatory framework

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions unless an exemption has been obtained.

Responsibilities for the governance of the Plans

The Plans' Trustee is responsible for the governance of the Plans. The Trustee has a legal obligation to act solely in the best interests of Plan beneficiaries. The Trustee has the following roles:

- administration of the Plan and payment to the beneficiaries from Plan assets when required in accordance with Plan rules;
- management and investment of the Plan assets; and
- compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licenses and supervises regulated superannuation plans.

Risks

There are a number of risks to which the Plans expose the Company. The more significant risks relating to the defined benefits are:

- **Investment risk** – the risk that investment returns will be lower than assumed and the Company will need to increase contributions to offset this shortfall;
- **Salary growth risk** – the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions; and
- **Legislative risk** – the risk that legislative changes could be made which could increase the cost of providing the defined benefits.

The defined benefit assets of the Nine Network superannuation plan are invested in the AMP Future Directions Balanced investment option. The assets have a 55% weighting to equities and therefore the Plan has a significant concentration of equity market risk. However, within the equity investments, the allocation both globally and across sectors is diversified.

Significant events

There were no Plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

Valuation

The actuarial valuations of the defined benefits funds for the year ended 30 June 2023 were performed by Mercer Investment Nominees Limited for the purpose of satisfying accounting requirements.

The details of the plan disclosed throughout Note 7.2 relate to the Nine Network Superannuation Plan and excludes the Fairfax Media and Nine Radio Pty Ltd Plans, on the basis that they are not considered material to the Group.

7. Other *continued*

Reconciliation of the Net Defined Benefit Asset

Financial year ended	30 June 2023 $'000	30 June 2022 $'000
Net defined benefit asset at start of year	21,521	22,915
Current service cost	(373)	(671)
Net interest	908	276
Actual return on Plan assets less interest income	(445)	(3,338)
Actuarial (gains)/losses arising from changes in financial assumptions	(93)	3,851
Actuarial (gains)/losses arising from liability experience	–	(1,533)
Employer contributions	27	21
Net defined benefit asset at end of year	**21,545**	**21,521**

Reconciliation of the Fair Value of Plan Assets

Financial year ended	30 June 2023 $'000	30 June 2022 $'000
Fair value of Plan assets at beginning of the year	55,024	60,520
Interest income	2,454	780
Actual return on Plan assets less interest income	(445)	(3,338)
Employer contributions	27	21
Contributions by Plan participants	562	623
Benefits paid	(4,781)	(3,441)
Taxes, premiums and expenses paid	(137)	(141)
Fair value of planned assets at end of year	**52,704**	**55,024**

Reconciliation of the Present Value of the Defined Benefit Obligation

Financial year ended	30 June 2023 $'000	30 June 2022 $'000
Present value of defined benefit obligations at beginning of year	33,503	37,605
Current service cost	373	671
Interest cost	1,546	504
Contributions by Plan participants	562	623
Actuarial (gains)/losses arising from changes in financial assumptions	93	(3,851)
Actuarial (gains)/losses arising from liability experience	–	1,533
Benefits paid	(4,781)	(3,441)
Taxes, premiums and expenses paid	(137)	(141)
Present value of defined benefit obligations at end of year	**31,159**	**33,503**

The defined benefit obligation consists entirely of amounts from Plans that are wholly or partly funded.

Effect of the Asset Ceiling

The asset ceiling has no impact on the net defined benefit asset.

Fair value of Plan assets

As at 30 June 2023, total Plan assets of $52,704,000 (2022: $55,024,000) are held in AMP Future Directions Balanced investment option. These assets are fair valued using Level 2 inputs.

The percentage invested in each asset class at the reporting date is:

As at	30 June 2023[1] %	30 June 2022[2] %
Australian Equity	25%	24%
International Equity	30%	31%
Fixed Income	16%	21%
Property	14%	12%
Alternatives/Other	12%	9%
Cash	3%	3%

1. Asset allocation as at 31 May 2023.
2. Asset allocation as at 31 May 2022.

The fair value of Plan assets includes no amounts relating to:

- any of the Company's own financial instruments; or
- any property occupied by, or other assets used by, the Company.

Significant Actuarial Assumptions

As at	30 June 2023	30 June 2022
Assumptions to Determine Benefit Cost		
Discount rate	4.9% p.a.	1.4% p.a.
Expected salary increase rate	3.5% p.a. in the first year and then 2.5% p.a.	2.0% p.a.
Assumptions to Determine Benefit Obligation		
Discount rate	5.3% p.a.	4.9% p.a.
Expected salary increase rate	3.5% p.a. in the first year and then 3% p.a.	3.5% p.a. in the first year and then 2.5% p.a.

7. Other *continued*

Sensitivity Analysis

The defined benefit obligation as at 30 June 2023 under several scenarios is presented below:

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to salary increase rate sensitivity.

- Scenario A: 0.5% p.a. lower discount rate assumption.
- Scenario B: 0.5% p.a. higher discount rate assumption.
- Scenario C: 0.5% p.a. lower salary increase rate assumption.
- Scenario D: 0.5% p.a. higher salary increase rate assumption.

% p.a.	Base case	Scenario A -0.5% p.a. discount rate	Scenario B +0.5% p.a. discount rate	Scenario C -0.5% p.a. salary increase rate	Scenario D +0.5% p.a. salary increase rate
Discount rate	5.3% p.a.	4.8% p.a.	5.8% p.a.	5.3% p.a.	5.3% p.a.
Salary increase rate[1]	3.0% p.a.	3.0% p.a.	3.0% p.a.	2.5% p.a.	3.5% p.a.
Defined benefit obligation ($'000s)[2]	31,159	31,613	30,733	30,876	31,456

1. First year salary increase is 3.5% and moves in line with the long-term assumption in Scenarios C and D.
2. Includes defined benefit contributions tax provision.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-liability matching strategies

No asset and liability matching strategies have been adopted by the Plan.

Funding arrangements

The financing objective adopted at the 1 July 2021 actuarial investigation of the Plan, in a report dated 21 December 2021, is to maintain the value of the Plan's assets at least equal to:

- 100% of accumulation account balances (including additional accumulation accounts of defined benefit members); plus
- 110% of defined benefit Vested Benefits.

In that valuation, it was recommended that the Company contributes to the Plan as follows:

- Defined Benefit members:

Category	Employer Contributions Rate (% of Salaries)
A	nil
A1	nil

Plus any compulsory or voluntary member pre-tax (salary sacrifice) contributions.

Accumulation members:

- the Superannuation Guarantee (SG) rate of Ordinary Time Earnings (or such lesser amount as required to meet the Employer's obligations under Superannuation Guarantee legislation or employment agreements);
- except that one year of required Employer SG Contributions (not exceeding $1 million per month or $12 million in aggregate, gross of tax) may be financed from Defined Benefit Assets from 1 April 2022 to 31 March 2023 (or starting at a date as agreed between the Trustee and the Employer). During the year to 30 June 2023, contributions of $nil (2022: $nil) were financed from defined benefit assets; and
- any additional employer contributions agreed between the Employer and a member (e.g. additional salary sacrifice contributions).

Financial year, ending	30 June 2024
Expected employer contributions	–

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 30 June 2023 is four years (30 June 2022: five years).

Expected benefit payments for the financial year ending on:	$'000
30 June 24	3,713
30 June 25	4,958
30 June 26	9,058
30 June 27	5,178
30 June 28	4,493
Following five years	13,884

Accounting Policy

The Group contributes to defined benefit superannuation funds which require contributions to be made to separately administered funds.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the Statement of Financial Position with a corresponding debit or credit to a separate component of equity in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the Statement of Comprehensive Income on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under "expenses" in the Statement of Comprehensive Income (by function):

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

7. Other *continued*

7.3 Auditors' remuneration

	2023 $	2022 $
Amounts to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities[1]	2,822,714	2,592,901
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	84,117	104,375
Fees for other services - Tax compliance and advisory	150,769	136,335
Total auditors' remuneration	**3,057,600**	**2,833,611**

1. Comprised of the audit and review of the wholly-owned group ($1,590,259) and the audit and review of Domain Group ($1,232,455). (2022: wholly-owned group ($1,603,100) and Domain Group ($989,801)).

7.4 Contingent liabilities and related matters

The consolidated entity has made certain guarantees regarding contractual leases, performance and other commitments of $26,959,080 (2022: $31,598,202). All contingent liabilities are unsecured. The probability of having to meet these commitments is remote and there are uncertainties relating to the amount and the timing of any outflows.

Certain entities in the Group are party to various legal actions and exposures, including defamation claims, that have arisen in the ordinary course of business. Appropriate provisions have been recorded, however the outcomes cannot be predicted with certainty.

The parent entity is a party to the Deed of Cross Guarantee entered into with various Group companies. Refer to Note 6.4 for further details. Refer to Note 3.8 for disclosure of the Group's commitments. The operation of the Deed of Cross Guarantee has the effect of joining the parent entity as a guarantor to the Group's commitments and contingencies.

7.5 Events after the balance sheet date

Subsequent to the year end, as disclosed in Note 4.3(b), the Company has proposed a dividend in respect of the year ended 30 June 2023 of 5.0 cents per share, fully franked, amounting to $81,385,339.

Other than described above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

7.6 Other significant accounting policies

Accounting Policy

7.6(a) Changes in accounting policies and disclosures Year ended 30 June 2023

New accounting standards, interpretations and amendments adopted by the Group

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the financial year ended 30 June 2023.

Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been issued that are not yet effective for the financial year ended 30 June 2023. However, the Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to AASB 101 Presentation of Financial Statements;
  - AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
  - AASB 2020-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- Amendments to AASB Disclosure of Accounting Policies and Definition of Accounting Estimates;
  - Amendments to AASB 7, AASB 101, AASB 134 and AASB Practice Statement 2
  - Amendments to AASB 108
- Amendments to AASB Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to AASB Initial Application of AASB 17 and AASB 9 Comparative Information; and
- Amendments to AASB Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

DIRECTORS' DECLARATION

The Directors of Nine Entertainment Co. Holdings Limited have declared that:

1. the Directors have received the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial and Strategy Officer for the year ended 30 June 2023.
2. in the opinion of the Directors, the consolidated financial statements and notes that are set out on pages 82 to 148 and the Remuneration Report in pages 56 to 75 in the Directors' Report, are in accordance with the Corporations Act 2001, including.
   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
3. in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. a statement of compliance with International Financial Reporting Standards has been included on page 87 of the financial statements; and
5. in the opinion of the Directors, at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 6.3 will be able to meet any obligations or liabilities which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

The Directors' Declaration is made in accordance with a resolution of the Board of Nine Entertainment Co Holdings Limited.

PETER COSTELLO, AC
Chairman

MIKE SNEESBY
Chief Executive Officer and Director

Sydney, 24 August 2023

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report to the members of Nine Entertainment Co. Holdings Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Nine Entertainment Co. Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other 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 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

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Impairment Testing of Goodwill and Other Intangible Assets

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group's consolidated statement of financial position included goodwill and other intangible assets amounting to $2,448.2 million, representing 61.0% of total assets. As disclosed in Note 3.6 to the financial statements, the Directors have assessed goodwill and other intangible assets for impairment at 30 June 2023. An impairment charge against intangible assets of $73.3 million was recorded during the period in relation to the Radio Cash Generating Unit ("CGU"). This assessment involved critical accounting estimates and assumptions, based upon conditions existing as at 30 June 2023, specifically concerning factors such as forecast cashflows, discount rates and terminal growth rates. The estimates and assumptions relate to future performance, market and economic conditions which are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. Changes in certain assumptions can lead to significant changes in the recoverable amount of these assets. As a result, we considered the impairment testing of goodwill and other intangible assets to be a key audit matter.	Our audit procedures included the following: ► Assessment as to whether the models used in impairment testing of the carrying values of intangible assets met the requirements of Australian Accounting Standards. ► Evaluation of the determination of each CGU based on whether independent cash inflows are generated by the CGU and other factors. ► Testing of the mathematical accuracy of the models and that the calculated impairment charge was appropriately recorded in the financial statements. ► Consideration of the underlying assumptions applied in deriving future cash flows used in the models by comparing these to the Board approved five-year business plans and long-term capital and content investment plans. ► Consideration of the historical accuracy of the Group's cash flow forecasting. ► Assessment of the discount rates and growth rates (including terminal growth rates) applied in the models, with involvement from our valuation specialists and with reference to external data. ► Consideration of the sensitivity analysis performed by the Group, focusing on the areas in the models where a reasonably possible change in assumptions could cause the carrying amount to differ from its recoverable amount and therefore indicate impairment or a reversal of prior year impairment. ► Consideration of the adequacy of the disclosures relating to impairment of goodwill and other intangible assets in the financial report, including those made with respect to judgements and estimates.

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Carrying Value of Program Rights

Why significant	How our audit addressed the key audit matter
At 30 June 2023, program rights to the value of $422.8 million have been recognised as assets. This balance comprises $266.3 million in current program rights and $156.5 million non-current program rights. These program rights constitute free-to-air and digital broadcast rights in the Broadcasting business and subscription video on demand rights in the Stan business. As disclosed in Note 3.3 to the financial statements, the Directors' assessment of the carrying value of program rights involves judgement, relating to forecasting the amount of future revenue to be derived from the usage of those program rights and subsequent derivation of net present value in accordance with Australian Accounting Standards. We considered this a key audit matter due to the value of the program rights relative to total assets and the inherent subjectivity involved in forecasting future revenue and profitability.	Our audit procedures included the following: ► Assessment as to whether the recognition, measurement and amortisation methodology applied by the Group to program rights met the requirements of Australian Accounting Standards. ► Assessment of recoverability through comparison of forecast revenue for program rights to the carrying value of the respective program rights. ► Assessment of the forecast revenue to be derived from the usage of program rights by assessing the assumptions applied in the Group's forecasts with reference to recent historical performance of program rights and actual advertising and subscription revenue earned subsequent to year end. ► Consideration of the adequacy of the disclosures in the financial report relating to the valuation of program rights, including those made with respect to judgements and estimates.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will 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 on the other information obtained prior to the date of this auditor's report, 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.

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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.

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 judgment 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.

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- 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.

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 pages 56 to 75 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Nine Entertainment Co. Holdings Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Christopher George
Partner
Sydney
24 August 2023

SHAREHOLDER INFORMATION

Twenty largest shareholders as at 18 August 2023

Rank	Name	18 Aug 2023	%IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	491,197,674	30.19
2	BIRKETU PTY LTD	242,760,442	14.91
3	CITICORP NOMINEES PTY LIMITED	220,994,164	13.57
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	187,145,140	11.52
5	NATIONAL NOMINEES LIMITED	86,079,122	5.26
6	WOODROSS NOMINEES PTY LTD	60,145,817	0.56
7	BNP PARIBAS NOMS PTY LTD	40,900,627	2.51
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,672,974	0.90
9	CITICORP NOMINEES PTY LIMITED	11,688,473	0.72
10	BUTTONWOOD NOMINEES PTY LTD	9,043,668	3.69
11	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	8,555,588	0.52
12	NETWEALTH INVESTMENTS LIMITED	7,288,179	0.45
13	NAVIGATOR AUSTRALIA LTD	4,609,021	0.28
14	PACIFIC CUSTODIANS PTY LIMITED	4,037,502	0.25
15	PACIFIC CUSTODIANS PTY LIMITED	3,930,458	0.24
16	UBS NOMINEES PTY LTD	3,750,619	0.23
17	BNP PARIBAS NOMS(NZ) LTD	3,721,668	0.23
18	BOND STREET CUSTODIANS LIMITED	3,431,296	0.21
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,344,788	0.21
20	NETWEALTH INVESTMENTS LIMITED	3,195,251	0.20

Options

There were no options exercisable at the end of the financial year.

Escrowed shares

There were no shares in escrow at the end of the financial year.

Substantial shareholders

Substantial shareholders as shown in the substantial shareholding notices received by the Company as at 18 August 2023.

Name	Total Shares	%
Bruce Gordon/Birketu/WIN[1]	248,760,442	14.97%
Perpetual Limited	161,360,777	9.46%
Macquarie Group	127,333,766	7.47%
Yarra Capital Management	86,180,082	5.05%

1. In addition, Birketu has economic interests in 79,416,150 shares pursuant to swaps.

Distribution of Shares

Range	Securities	No. of holders
1 to 1,000	5,148,537	9,334
1,001 to 5,000	28,275,317	11,089
5,001 to 10,000	28,116,984	3,832
10,001 to 100,000	95,721,988	4,011
100,001 and Over	1,470,443,955	200
Total	**1,627,706,781**	**28,466**
Unmarketable Parcels	**112,868**	**901**

Voting Rights

On a show of hands, every member present, in person, or by proxy shall have one vote and upon a poll, each share shall have one vote.

Buy-back

On 24 August 2023, Nine announced the extension of its existing on-market share buy-back of up to 10% of its issued capital, for a further 12 months to 11 September 2024.

CORPORATE DIRECTORY

Nine Entertainment Co. Holdings Limited

ABN 60 122 203 892

Annual General Meeting

The Annual General Meeting will be held at 10:00am AEST on Thursday, 9 November 2023. Arrangements for the meeting will be notified at the relevant time.

Financial Calendar 2024

Interim Result	22 February 2024
Preliminary Final Result	28 August 2024
Annual General Meeting	7 November 2024

Company Secretary

Rachel Launders

Registered Office

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Level 9, 1 Denison Street,
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Share Registry

Link Market Services Limited
Level 12, 680 George Street
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Ph: 1300 888 062 (toll free within Australia)

Ph: +61 2 8280 7670

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Securities Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange as NEC.

Auditors

Ernst & Young
200 George Street
Sydney, NSW 2000