Appendix 4E (Rule 4.3A)

For the year ended 30 June 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Financial Information		2022 $'000	2021 $'000
Revenue from ordinary activities	Up by 15%	2,691,406	2,342,178
Revenue from ordinary activities, excluding specific items	Up by 15%	2,689,915	2,332,984
Net profit from ordinary activities after tax	Up by 71%	315,288	183,961
Net profit after tax, excluding specific items	Up by 35%	373,487	277,530
Total income attributable to:			
Net profit from ordinary activities after tax – owners of the parent	Up by 75%	297,143	169,364
Net profit from ordinary activities after tax – non-controlling interest	Up by 24%	18,145	14,597

Refer to the attached Financial Report, Results Announcement and Investor Presentation for management commentary on the results.

DIVIDENDS

A fully franked dividend of 7.0 cents per share has been announced payable on 20 October 2022.

Dividends	Amount per share cents	Franked amount per share cents
Dividend per share (paid 20 October 2021)	5.5	5.5
Interim 2022 dividend per share (paid 21 April 2022)	7.0	7.0

A fully franked dividend amounting to $93,796,629 of 5.5 cents per share was paid on 20 October 2021. An interim fully franked dividend amounting to $119,377,528 of 7.0 cents per share was paid on 21 April 2022.

Appendix 4E (Rule 4.3A)

DIVIDEND AND AGM DATES

Ex-dividend date: 9 September 2022

Record date: 12 September 2022

Payment date: 20 October 2022

Annual General Meeting date: 10 November 2022

NET TANGIBLE ASSETS PER SHARE

Reported	2022 cents	2021 cents
Net tangible asset (deficit)/backing per ordinary share[1]	(42.3)	(38.3)
Net asset backing per ordinary share	121.5	114.9

1. If the right-of-use assets are included, the net tangible asset deficit per share is (25.8) cents (FY21: (18.0) cents).

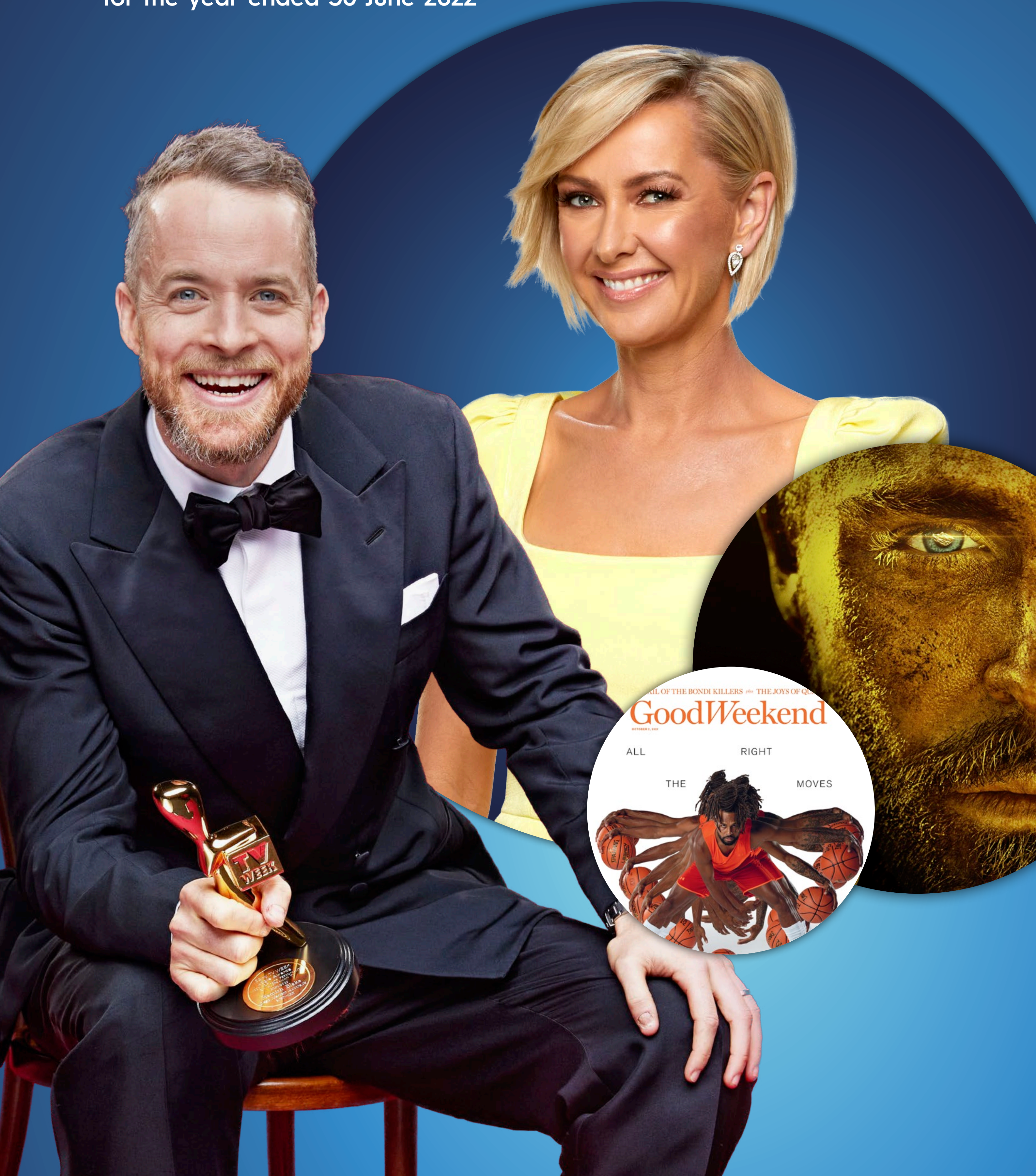
SUPPLEMENTARY INFORMATION

Additional Appendix 4E disclosure requirements can be found in the Directors' Report and the 30 June 2022 Financial Report.

Nine

FINANCIAL REPORT 2022

for the year ended 30 June 2022



Nine Entertainment Co. Holdings Limited
ABN 60 122 203 892

FY22

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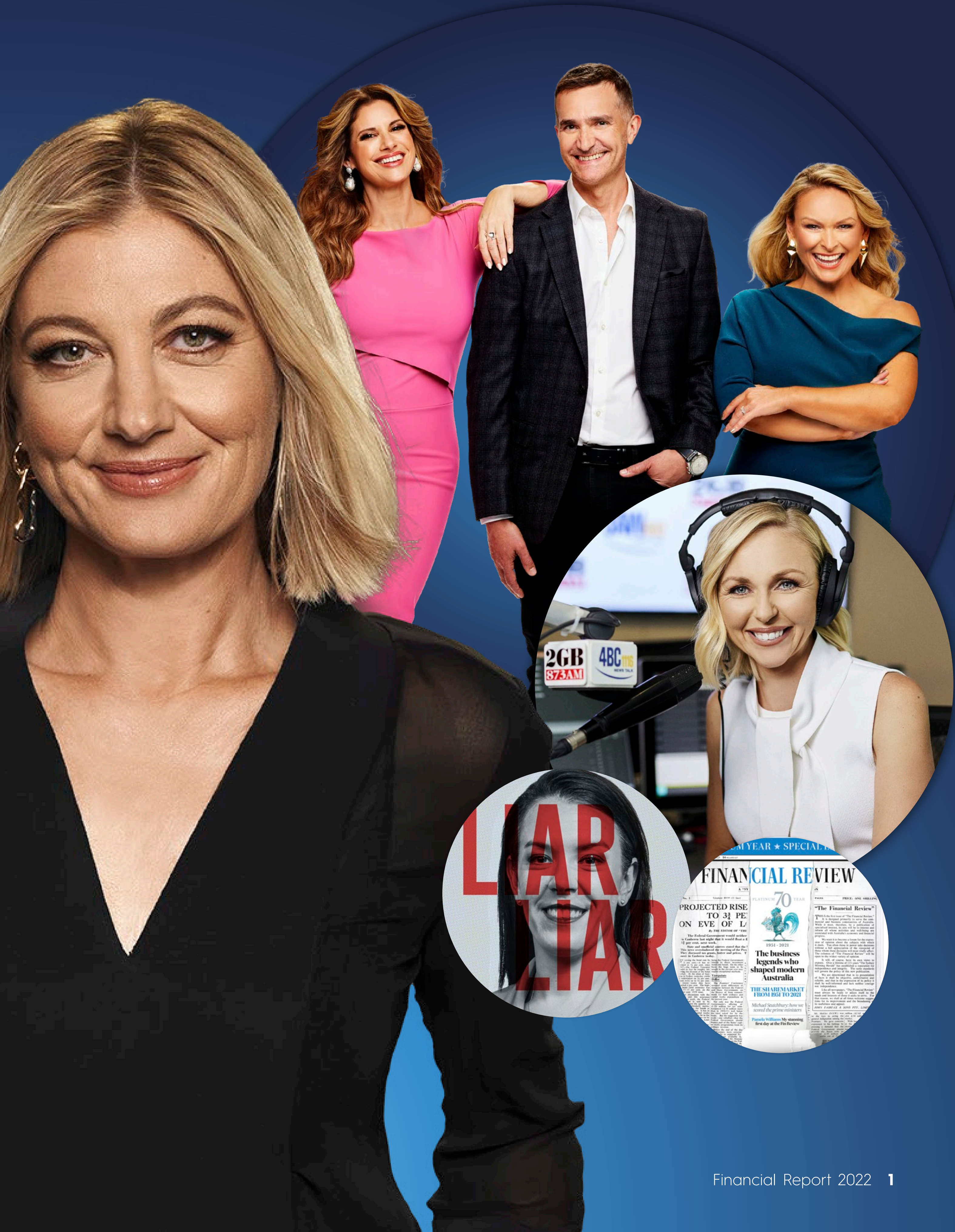
The financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3.


2GB
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1951 - 2021
The business legends who shaped modern Australia
THE SHAREMARKET FROM 1951 TO 2021
Michael Stutchbury: how we scored the prime ministers
Pamela Williams My stunning first day at the Fin Review
"The Financial Review"

Directors' Report

The Directors present the financial report for the year ended 30 June 2022. 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	
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	
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.

Nick Falloon (Independent Non-Executive Deputy Chairman)

Mr Falloon was appointed to the Board in 7 December 2018 as an independent, Non-Executive Director. 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.

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, since its inception in 2013. He is also a Director of Domain Holdings Australia Ltd (since 21 April 2021).

Mr Sneesby's executive experience spans Media, Telecommunications and Technology having held senior roles in Australia and overseas. He was previously Vice President of IPTV for the digital media venture Intigral, where he was responsible for establishing the Invision IPTV service in Dubai. Before joining Intigral, he headed Corporate Strategy and Business Development at ninemsn, where he led the company's corporate strategy function and established a portfolio of high growth digital media businesses. Prior to ninemsn, Mr Sneesby led a company-wide program for Optus, rolling out and launching their national ADSL broadband network.

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.

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 28 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 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 the Chair of the Audit and Risk Committee of the Australian Prudential Regulatory Authority. 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.

Directors' Report

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 public, private, and non-profit boards including Bank of Queensland (since March 2021), Ascendant Digital Acquisition Company and Fabletics, and she advises early to growth stage companies. Until recently, she served on the board of Pandora Media, and was the President of Tribune Interactive, the digital arm of Tribune Publishing, and concurrently the President of the Los Angeles Times. Ms Rosen has also served as a Senior Advisor to the Boston Consulting Group and was a co-founder and partner of a boutique strategic advisory firm, Whisper Advisors.

Prior, Ms Rosen served as Senior Vice President of Global Media & Commerce for Yahoo, where she led Yahoo's media division worldwide. Prior to Yahoo, she was a partner with Fuse Capital, a consumer Internet focused venture capital firm, investing in early stage video, publishing, advertising technology, and e-commerce companies. She was also 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.

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 & Risk Management Committee		People & Remuneration Committee	
	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended
Peter Costello	10	10	4	4	–	–
Nick Falloon	10	10	–	–	5	5
Mike Sneesby	10	10	–	–	–	–
Andrew Lancaster	10	10	–	–	–	–
Samantha Lewis	10	10	4	4	5	5
Mickie Rosen	10	10	–	–	–	–
Catherine West	10	10	4	4	5	5

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 7.0 cents per share, fully franked, in respect of the year ended 30 June 2022 amounting to $119,377,528 on 21 April 2022. Since the year end, the Company has proposed a dividend in respect of the year ended 30 June 2022 of 7.0 cents per share, fully franked, amounting to $119,377,528.

The Company paid a dividend of 5.5 cents per share, fully franked, in respect of the year ended 30 June 2021 amounting to $93,796,629 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 2022, the Group reported a consolidated net profit after income tax of $315,288,000 (2021: $183,961,000).

The Group's revenues from continuing operations for the year to 30 June 2022 increased by $349,228,000 (15%) to $2,691,406,000 (2021: $2,342,178,000).

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) and before specific items (Note 2.4) for the year ended 30 June 2022 was a profit of $700,733,000 (2021: $564,696,000).

The Group's cash flows generated in operations for the year to 30 June 2022 were $487,228,000 (2021: $398,161,000). Further information is provided in the Operating and Financial Review on pages 32 to 39.

COVID-19

Following continued disruption to certain businesses within the Group as a result of the COVID-19 pandemic, the Group has benefited from Government funding available to the regional publishing industry in the form of a Public Interest News Gathering (PING) grant, resulting in a benefit of $0.7 million to current year profit (2021: $3.1 million). In addition, spectrum fees which would have been payable by broadcasters were waived by the Australian Government, resulting in a benefit of $1.0 million to current year profit (2021: $9.4 million).

The Group results also include an expense of $6.5 million (2021: income of $8.2 million) which relates to the repayment of JobKeeper allowance received by Domain in the relation to the financial year ended 30 June 2021.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 15 October 2021, Domain Group, a subsidiary of the Company, acquired 100% of the share capital in the IDS Group. The IDS Group consists of Insight Data Solutions Holdings Pty Ltd, IDS Gov Services Pty Ltd and Insight Data Solutions Pty Ltd. The total estimated consideration for this acquisition is $79.2 million. The on-target and maximum consideration of the acquisition is $135 million and $154 million, all of which is expected to be settled in cash.

On 29 April 2022, Domain Group also acquired 100% of the share capital in Realbase Group. The Realbase Group consists of Realbase Pty Ltd and its subsidiaries and equity accounted investments. The total estimated consideration for this acquisition is $173.9 million. The on-target and maximum consideration of the acquisition is $205 million and $230 million, all of which is expected to be settled in cash. Please refer to Note 6.1 for details.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year end, the Group has announced an on-market buyback of up to 10 percent of the Group's current issued share capital, to commence from September 2022.

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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Other than the developments described in this report, the Directors are of the opinion that no other matters or circumstance 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 8.

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.

PETER COSTELLO, AC
Chairman

MIKE SNEESBY
Chief Executive Officer and Director

Sydney, 25 August 2022

Auditor's Independence Declaration

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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 2022, I declare to the best of my knowledge and belief, there have been:

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

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

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

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

Ernst & Young

Ernst & Young

Christopher George
Partner
25 August 2022

Remuneration Report — Audited

Remuneration Report — Audited

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 2022 (FY22).

Financial year FY22 has been a very successful year for Nine. We continued the positive momentum in delivering our business strategy and for FY22 on a pre-specific item basis, Nine delivered growth of 24% on Group EBITDA to $700.7 million and Net Profit After Tax up by 34% to $348.5 million on FY21. Nine's traditional markets performed well in an environment impacted by the various challenges, with the advertising market remaining strong during the year. Nine continued to make strides in its digital transformation objectives including achieving significant growth in 9Now and executing on the continued evolution of Stan including expanding live streaming of sport. Digital earnings grew 47% in FY22 and now accounts for 51% of Group EBITDA. These results are attributable to the whole team at Nine who have successfully executed on Nine's strategy.

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

FY22 Short-Term Incentives outcomes

The Short Term Incentive plan for FY22 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 strategic objectives aligned to our strategy.

The target for FY22 was $596.9 million (pre specific items) and the Executive team delivered an excellent Group EBITDA result of $700.7 million (pre specific items), and therefore the Group financial target was achieved at maximum performance.

The individual objectives were assessed by the Board and were mainly achieved at above target performance resulting in overall STI outcomes for Executive KMP above target opportunity reflecting the strong company performance in FY22.

FY20 Long-Term Incentives outcome in FY22

The FY20 Long Term Incentive Plan (LTI) grant was tested at the conclusion of FY22. For current Executive KMP the required targets for the FY20 LTI grant were equally weighted to Total Shareholder Return (TSR) and Earnings Per Share Growth (EPSG) measured over a three-year performance period.

The EPSG target was achieved which resulted in 100% vesting of this portion of the grant. The TSR performance was not achieved which resulted in no vesting for the rights attributable to that hurdle. This resulted in 50% of the maximum possible benefits under the FY20 LTI. The unvested FY20 LTI Rights lapsed.

Changes in remuneration during FY22

As highlighted in the FY21 Remuneration Report, in the FY22 LTI plan, the Strategic hurdle (digital transformation) introduced for the CEO's LTI plan in FY20 and FY21 was expanded to include all Executive KMP and participants of the FY22 LTI plan. The target and maximum opportunity for Executive KMP did not change. The hurdles and their weighting are 40% Relative TSR performance hurdle, 40% for Earnings Per Share Growth (EPSG) performance hurdle and 20% for the Strategic hurdle. The Strategic hurdle is focussed on Nine's continued transformation as a digitally focused business.

During the year the Board reviewed the Executive remuneration arrangements. The review considered the Executive's performance and appropriate external benchmarking. Following the review, the Board increased the fixed remuneration of Michael Stephenson by 10% and Maria Phillips by 2.85% effective from 1 July 2021. There was no change to the CEO Mike Sneesby's remuneration.

The Board also reviewed the Director fees during the year. The fees structure was benchmarked against peer groups consisting of other media and entertainment organisations, and companies of a similar market capitalisation, complexity and prominence. Following the review, effective from 1 January 2022 there was a 10% increase in Director fees and Committee Chair fees. There was no increase to Committee Member fees. The Director's fees did not change following the merger with Fairfax Media in December 2018 and have not changed since February 2017.

FY23 STI and LTI

The People and Remuneration Committee and the Board review the Executive Remuneration Framework on an annual basis and have determined that there will be no changes to the structures of the STI and LTI Plans for FY23.

In closing, FY22 has been an excellent year for Nine and on behalf of the Board I would like to thank the Executives and the whole Nine team on executing the strategic priorities of the business and driving long term performance and 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

Remuneration Report — Audited

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 2022. 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. There were no movements during the 2022 financial year in Executive KMP and Directors.

KEY MANAGEMENT PERSONNEL

Name	Position	Term 2022
Non-Executive Directors (NEDs)		
Peter Costello	Chairman (independent, Non-Executive)	Full year
Nick Falloon	Deputy Chairman (independent Non-Executive)	Full year
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	Chief Financial Officer	Full year
Michael Stephenson	Chief Sales Officer	Full year

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 individuals' performance and contribution to the achievement of both Group and business unit short and long term objectives. This year's focus was on meeting targets across various strategic initiatives including growth in digital businesses, growth in Stan and Stan Sport, securing key content, data commercialisation, revenue and audience growth across all our platforms, and cost base management. 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 and Transformation 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 FY22 grant, performance will be 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 2022.

Fixed remuneration	• Following a review of the Executive teams' remuneration arrangements by the Board, which considered appropriate external benchmarking, the following increases to Ms Phillips and Mr Stephenson were effective 1 July 2021. • Ms Phillips received an increase in fixed remuneration from $700,000 to $720,000. • Mr Stephenson received an increase in fixed remuneration from $840,000 to $924,000. • During FY22 there was no increase to the fixed remuneration of Mr Sneesby who commenced in the CEO role on 1 April 2021.
Short-term incentive (STI)	• The Group financial target for FY22 was set at Group EBITDA of $596.9 million (before specific items). • The reported FY22 Group EBITDA (before specific items) was $700.7 million, resulting in the Group Financial target being achieved at maximum performance. 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. • FY22 short-term incentive payments to Executive KMP were consequently above target levels at payouts of between 120% and 138% of target opportunity.
Long-term Incentive (LTI)	• LTI grants were made in line with plan rules for Executive KMP in financial year 2022.
Award vesting	• LTI grants made in financial year 2020 were tested at 30 June 2022 in line with the plan rules. • The TSR hurdle did not achieve the required level of performance, resulting in no vesting of this portion of the grant. • The EPS growth target was achieved at maximum performance, resulting in maximum vesting of this portion of the grant. • Executive KMP received a total of 50% of the possible benefits under the FY20 LTI plan. The remainder of the FY20 Rights lapsed.
Non-executive director fees	• The Board reviewed the Director fees during the year. The fees structure was benchmarked against peer groups consisting of other media and entertainment organisations, and companies of a similar market capitalisation, complexity and prominence. Following that review, effective from 1 January 2022 there was a 10% increase in Director fees and Committee Chair fees. There was no increase to the Committee Member fees. The Director's fees did not change following the merger with Fairfax Media in December 2018 and have not changed since February 2017. • The total amount paid by Nine to Non-Executive Directors in financial year 2022 was $1,031,750. 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 (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 summarises 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 Plan (STI)

Purpose & 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 significant 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 individual objectives were focused on meeting targets across various strategic initiatives including growth in digital businesses, growth in Stan and Stan Sport, securing key content, data commercialisation, revenue and audience growth across all our platforms, and cost base management.

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 2022:

	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 rights to participants.

Overview

The Long Term Incentive Plan is an equity incentive plan used to align the Executive KMPs' remuneration to the returns generated for Nine shareholders.

Grant Date

The FY22 grant was issued on 1 December 2021 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 FY22 grant, the performance period is the three year period from 1 July 2021 to 30 June 2024 (**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

As highlighted in the FY21 Remuneration Report, in the FY22 LTI plan, the Strategic hurdle (digital transformation) introduced for the CEO's LTI plan in FY20 and FY21 was expanded to include all Executive KMP and participants of the FY22 LTI plan.

Performance Rights granted for the FY22 allocation will vest on performance of the following hurdles:

- **Total Shareholder Return (TSR) Hurdle:**

  40% of the FY22 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	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 FY22 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.

Vesting Conditions continued	**EPSG VESTING SCHEDULE:**

Outcome	Vesting
The EPSG hurdle assesses cumulative growth in EPS as the sum of the annual EPS growth relative to actual EPS for the year preceding commencement of the plan. 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 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 FY22 grant is subject to a strategic or transformation hurdle. For the FY22 grant, performance will be 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.

  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.

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 FY22) 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 22[1] $m	30 June 21[1] $m	30 June 20[1] Restated[2] $m	30 June 19[3] Pro-Forma $m	30 June 18[3] Pro-Forma $m	30 June 19[4] $m	30 June 18 $m
Revenue	2,688.8	2,331.5	2,155.3	2,341.7	2,364.0	1,965.1	1,403.9
Group EBITDA	700.7	**564.7**	**394.8**	**423.8**	**385.1**	**349.9**	**257.2**
Group EBITDA %	26%	24%	18%	18%	16%	18%	18%
Digital EBITDA % of Group EBITDA	51%	**44%**	**48%**	**27%**	**–**	**–**	**13%**
Net Profit after Tax and Minorities (pre specific items)	348.5	**261.1**	**142.4**	**224.8**	**170.6**	**187.1**	**156.7**
Earnings per share – cents	20.5 cents	15.3 cents	8.3 cents	11.6 cents	10.0 cents	13.0 cents	18.0 cents

	30 June 22 Cents/Share	30 June 21 Cents/Share	30 June 20 Cents/Share	30 June 19 Cents/Share	30 June 18 Cents/Share	30 June 19 Cents/Share	30 June 18 Cents/Share
Opening share price	291	138	188	248	138	248	138
Closing share price	183	291	138	188	248	188	248
Dividend	14.0	10.5	7	10	10	10	10

Executive KMP STI Payments	30 June 22	30 June 21	30 June 20	30 June 19	30 June 18	30 June 19	30 June 18
Awarded	124%	131%	0%	69%	129%	69%	129%
Forfeited (at target)	–	–	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 FY22 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.

The target for FY22 was $596.9 million (pre specific items) and the Executive team delivered an excellent Group EBITDA result of $700.7 million (pre specific items), and therefore the Group financial target was achieved at maximum performance.

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 FY22, these measures focussed on meeting targets across various strategic initiatives including growth in digital businesses, Stan and Stan Sport growth, securing key content, data commercialisation, revenue and audience growth across all our platforms, and cost base management

The Individual measures were assessed by the PRC who made recommendations to the Board and were mainly achieved at above target performance. The Board believe that the performance in FY22 has been appropriately reflected in the STI outcomes.

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[1]	FY22	120%	0%	96%	4%
	FY21	112.5%	0%	90%	10%
Maria Phillips[2]	FY22	125%	0%	83%	17%
	FY21	123%	0%	82%	18%
Michael Stephenson	FY22	138%	0%	92%	8%
	FY21	140%	0%	93%	7%
Former Executive KMP					
Hugh Marks[3]	FY21	135%	0%	90%	10%

1. Mr Sneesby became an Executive KMP following his appointment as Chief Executive Officer on 1 April 2021. His FY21 STI was awarded on a pro-rata basis.
2. Ms Phillips commenced as Chief Financial Officer on 31 August 2020. Her FY21 STI was awarded on a pro-rata basis.
3. Mr Marks ceased to be CEO and therefore ceased to be an Executive KMP of the Company effective 31 March 2021.

4.3 Long Term Incentives (LTI) Outcomes

Plan	Grant Date	Test Date	Performance Hurdles	Vesting outcome (%)
FY17 LTI	1 December 2016	30 June 2019	• 50% – Total Shareholder Return • 50% – Earnings Per Share Growth	100%
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 • 20% – Digital Transformation (CEO only)	N/A
FY22 LTI	1 December 2021	30 June 2024	• 40% – Total Shareholder Return • 40% – Earnings Per Share Growth • 20% – Digital Transformation	N/A

The performance period of the FY20 Long Term Incentive Plan (FY20 LTI) commenced on 1 July 2019 and expired on 30 June 2022. Performance was assessed at the conclusion of the FY22 year, and as a result of performance over the three year period, 50% vesting was achieved.

The Total Shareholder Return (TSR) hurdle did not achieve the required level of performance, resulting in no vesting of this portion of the grant.

The cumulative EPS growth targets for the FY20 LTI plan were set at 2% per annum for threshold performance and 5% per annum for maximum performance. The Company's EPS growth performance over the three-year period was achieved at maximum performance and therefore achieved maximum vesting for this portion of the grant.

For the FY20 LTI plan, a Strategic hurdle focused on Digital Transformation was introduced for the CEO at the time (Hugh Marks) and weighted to 20% of his overall FY20 LTI grant. Mr Marks left the business on 31 August 2021 and retained a time based pro-rata proportion of his LTI rights under the FY20 LTI plan. 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 were not limited to, digital revenue growth measures and subscription revenue growth expectations that exceeded their targets, successful performance in Stan, 9Now and the Metro digital platforms and Digital EBITDA growth to 51% of overall Group EBITDA over the three years. The Board therefore determined that the Digital Transformation objectives had been achieved on an aggregate basis and 100% of this portion of Mr Marks grant would vest.

The portion of FY20 rights that did not meet the required performance hurdles were forfeited and 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 2022 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	$720,000	$360,000	$360,000	12 months	12 months	12 months
Michael Stephenson	$924,000	$462,000	$462,000	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 5 of the Directors' Report.

Further information on the PRC's role, responsibilities and membership is included in the committee charter which is available at 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.

The Company engages the services of PwC as the Company's remuneration advisor. There were no remuneration recommendations provided to the Committee by PwC or any other consultants in the 2022 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 2022 (FY22) 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 FY22. 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 2022 $
Executive Director								
Mike Sneesby[4]	FY22	1,376,432	1,120,910	2,497,342	128,414	552,090	–	3,177,846
	FY21	344,576	263,813	608,389	131,449	129,937	–	869,775
Other Executive KMP								
Maria Phillips[5]	FY22	695,924	301,500	997,424	76,758	148,500	–	1,222,682
	FY21	567,946	240,042	807,988	37,496	118,229	–	963,713
Michael Stephenson	FY22	900,276	425,618	1,325,894	97,594	209,633	236,249	1,869,370
	FY21	818,306	393,960	1,212,266	16,748	194,040	121,489	1,544,543
Total Current Executive KMP	FY22	2,972,632	1,848,028	4,820,660	302,767	910,223	236,249	6,269,899
	FY21	1,730,828	897,815	2,628,643	185,693	442,206	121,489	3,378,031

1. Other remuneration relates to superannuation and movement in annual leave and long service leave balances.
2. Deferred STI relates to STI awarded in relation to the financial year but deferred in Nine shares. This is settled in two equal tranches over the following two years.
3. Rights which vested subsequent to 30 June 2022 but which were measured based on performance up to 30 June 2022. The value attributed to these Rights has been calculated based on the share price as at 1 August 2022 as an approximation of the cash value on vesting.
4. Mr Sneesby became an Executive KMP following his appointment as Chief Executive Officer (CEO) on 1 April 2021.
5. Ms Phillips commenced as Chief Financial Officer (CFO) on 31 August 2020.

7.2 Statutory remuneration disclosures

Details of the remuneration of the executives for the year ended 30 June 2022 are set out in the following table in accordance with statutory disclosure requirements.

KMP remuneration outcomes 2022		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] $	Termination Benefits $	Total $	Performance Related $
Executive Director											
Mike Sneesby[4]	FY22	1,376,432	1,120,910	23,568	63,528	41,319	552,090	746,201	–	3,924,048	62
	FY21	344,576	263,813	5,424	38,698	87,327	129,937	–	–	869,775	45
Other Executive KMP											
Maria Phillips[5]	FY22	695,924	301,500	23,568	50,012	3,178	148,500	230,420	–	1,453,102	47
	FY21	567,946	240,042	21,694	14,760	1,042	118,229	134,696	–	1,098,409	45
Michael Stephenson	FY22	900,276	425,618	23,568	29,118	44,908	209,633	372,969	–	2,006,090	50
	FY21	818,306	393,960	21,694	(25,179)	20,233	194,040	268,866	–	1,691,920	51
Other Executive KMP											
Hugh Marks[6]	FY21	1,146,230	1,051,481	16,270	52,903	34,432	517,894	2,257,750	2,856,656	7,933,616	48
Paul Koppelman[7]	FY21	69,065	–	5,424	35,865	–	–	–	–	110,354	–
Total Executive KMP	FY22	2,972,632	1,848,028	70,704	142,658	89,405	910,223	1,349,590	–	7,383,240	
	FY21	2,946,123	1,949,296	70,506	117,047	143,034	960,100	2,661,312	2,856,656	11,704,074	

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.
3. Details of the Long Term Incentive Plans are outlined in sections 3.6.
4. Mr Sneesby became an Executive KMP following his appointment as Chief Executive Officer (CEO) on 1 April 2021.
5. Ms Phillips commenced as Chief Financial Officer (CFO) on 31 August 2020.
6. Mr Marks ceased to be CEO and a KMP on 31 March 2021, and ceased to be an employee of Nine on 31 August 2021. Accordingly, amounts shown as Short term benefits, Post-employment benefits and Long term benefits (with the exception of termination benefits) represent Mr Marks' remuneration in his capacity as CEO of the Group in the nine months to 31 March 2021. Amounts disclosed as paid and payable to Mr Marks shown as Termination Benefits represent all amounts to which Mr Marks was entitled following cessation of his role as CEO of the Group on 31 March 2021, as detailed in the Group's remuneration report for the year ended 30 June 2021.
7. Mr Koppelman was the Chief Financial Officer from 2 September 2019 until his resignation and ceased being an employee of the Company on the 10 July 2020.

7.3 Performance Rights and Share Interests of Key Management Personnel

2022 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			261,038
		628,817	1 Dec 21	2.220	1 Jul 24			628,817
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
Michael Stephenson	228,260		1 Dec 19	1.163	1 Jul 22	114,130	114,130	–
	250,596		1 Dec 20	1.940	1 Jul 23			250,596
		166,007	1 Dec 21	2.220	1 Jul 24			166,007
Former Executive KMP								
Hugh Marks[2]	550,327		1 Dec 19	1.163	1 Jul 22	275,164	275,163	–
	211,285		1 Dec 20	1.163	1 Jul 22	181,803	29,482	–
	450,797		1 Dec 20	1.940	1 Jul 23			450,797

1. Rights which vested subsequent to 30 June 2022 but which were measured based on performance up to 30 June 2022.
2. In accordance with the terms of issue of the performance rights and the terms of his employment contract, on cessation of employment Mr Marks retained a pro-rata proportion of his LTI rights under the FY20 and FY21 LTI plans, detailed in the Group's remuneration report for the year ended 30 June 2021.

2022 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 2021 Ord	Granted on conversion of Share Rights Ord	Granted as STI Ord	Other Net Changes Ord	Held directly as at 30 June 2022 Ord	Held nominally as at 30 June 2022 Ord
Non-Executive Directors						
Peter Costello	301,786	–	–	–	–	301,786
Nick Falloon	396,222	–	–	–	51,142	345,080
Andrew Lancaster	–	–	–	20,000	–	20,000
Catherine West	100,000	–	–	–	–	100,000
Mickie Rosen	80,000	–	–	–	80,000	–
Samantha Lewis	60,000	–	–	–	–	60,000
Executive Director						
Mike Sneesby	81,083	–	46,689	–	46,689	81,083
Other Executive KMP						
Maria Phillips	–	–	42,482	–	42,482	–
Michael Stephenson	84,517	43,859	69,723	(24,000)	109,897	64,202
Total	**1,103,608**	**43,859**	**158,894**	**(4,000)**	330,210	972,151

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 2020	Relevant Interest as at 30 June 2021
Nick Falloon	Domain Holdings Australia Limited	101,239 ordinary shares	692,123 ordinary shares
		31,105 share rights	31,105 share rights

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

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 2022 AGM.

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.

During the year, the Board reviewed the fee structure for Directors' remuneration. Nine's NED fee structure was benchmarked to comparable peer groups consisting of other media and entertainment organisations, and companies of a similar market capitalisation, complexity and prominence. Following that review, effective from 1 January 2022 there was a 10% increase in Director fees and Committee Chair fees. There was no increase to the Committee Member fees. The Director's fees did not change following the merger with Fairfax Media in December 2018 and have not changed since February 2017.

The NED fees pre and post the increase are set out below:

Role	Fees to 31 December 2021	Fees from 1 January 2022
Chairman	$340,000	$374,000
Directors	$135,000	$148,500
Audit & Risk Committee chair	$30,000	$33,000
Audit & Risk Committee member	$20,000	$20,000
People & Remuneration Committee chair	$25,000	$27,500
People & Remuneration Committee member	$15,000	$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 2022 financial year. The statutory table below includes fees for the period, when they held the position of NEDs.

Directors Fees Paid By Domain Holdings Australia Limited

In the following statutory table representing fees paid to Nine NEDs for financial years 2021 and 2022, 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 FY22, the Chairman's fee on the Domain Board was $250,000 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.

NED REMUNERATION FOR YEARS ENDED 30 JUNE 2022 AND 2021

		Nine		Domain (Controlled Entity)			
	Financial year	Nine Non-Executive Director Fees $	Superannuation paid by Nine $	Domain Non-Executive Director Fees $	Superannuation paid by Domain $	Fair Value of Domain's Project Zipline Share Rights $	Total $
Non-Executive Directors							
Peter Costello	FY22	357,000	–	–	–	–	357,000
	FY21	340,000	–	–	–	–	**340,000**
Nick Falloon[1]	FY22	156,750	–	228,146	22,815	17,769	425,480
	FY21	146,747	3,253	189,234	17,977	49,889	**407,100**
Andrew Lancaster[2]	FY22	–	–	–	–	–	–
	FY21	–	–	–	–	–	**–**
Catherine West	FY22	170,909	17,091	–	–	–	188,000
	FY21	164,384	15,616	–	–	–	**180,000**
Mickie Rosen	FY22	128,864	12,886	–	–	–	141,750
	FY21	123,288	11,712	–	–	–	**135,000**
Samantha Lewis	FY22	171,136	17,114	–	–	–	188,250
	FY21	176,096	3,904	–	–	–	**180,000**
Former Non-Executive Directors							
Patrick Allaway[3]	FY21	106,164	10,086	–	–	–	**116,250**
Total NED	FY22	984,659	47,091	228,146	22,815	17,769	1,300,480
	FY21	1,056,679	44,571	189,234	17,977	49,889	**1,358,350**

1. 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. In response to the impact of COVID 19, Domain ran a program (Project Zipline) where employees and Directors could voluntarily sacrifice a portion of their cash salary for a 6 month period and in return would be granted an allocation of share rights to this value. The period of the arrangement was from 4 May to 7 November 2020. Mr Falloon took up the offer and sacrificed in total 50% in cash fees and received 31,105 share rights which vested on 7 November 2021. For the purpose of FY22 this equated to a fair value amount of $17,769 (FY21: $49,889). 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.
3. Mr Allaway retired from the Nine Board on 1 April 2021.

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

Financial Highlights

$2,689m	Revenue	increase of 15%
$701m	EBITDA	increase of 24%
$552m	EBIT	increase of 33%
$315m	NPAT	increase of 71%
20.5cents	EPS	increase of 34%

Before specific items (Note 2.4).

REVIEW OF OPERATIONS

	2022 $m	2021 $m	Variance $m	Variance %
Revenue (before specific items)	2,688.8	2,331.5	357.3	15%
Group EBITDA (before specific items)[1]	700.7	564.7	136.0	24%
Depreciation and Amortisation	(149.1)	(149.1)	–	0%
Group EBIT (before specific items)	551.6	415.6	136.0	33%
Net Finance Costs	(25.2)	(27.5)	2.3	(8%)
Profit after tax before specific items	373.5	277.5	96.0	35%
Specific items after income tax	(58.2)	(93.6)	35.4	(38%)
Profit after Income Tax	315.3	184.0	131.3	71%
Net Cash Flows generated from operating activities	487.2	398.2	89.0	22%
Net Debt[2]	324.4	249.9	74.5	30%
Leverage[3]	0.5x	0.4x		

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 increased by 15% to $2,688.8 million as a result of continued audience strength across all key platforms, driven by Nine's premium content with strong growth across all operating segments offset by revenue related cost increases and investment in growth businesses.

Group EBITDA before Specific Items increased by $136.0 million (24%) to $700.7 million with the revenue increase flowing to EBITDA. Depreciation and Amortisation remained stable at $149.1 million and Net Finance Costs reduced from $27.5 million in the prior year to $25.2 million in the current year.

Specific Items of $76.8 million pre-tax (refer to Note 2.4) relate principally to group restructuring costs and the impairment of assets in relation to surplus property lease space. These include: $30.9 million in restructuring costs; $28.9 million in impairment costs; $9.0 million expense on revaluation of contingent consideration payable; as well as $8.0 million of acquisition related costs.

Operating Cash Flow increased $89.0 million to $487.2 million year-on-year due to the cash conversion of the EBITDA increase. In addition, capital expenditure during the period decreased from $93.8 million to $74.8 million, primarily reflecting the completion of Nine's new Sydney headquarters at 1 Denison Street, North Sydney. The Group made dividend payments of $213.2 million, or 12.5 cents per share, to shareholders during the year. Net Debt at 30 June 2022 was $324.4 million (excluding lease liabilities) which resulted in net leverage of 0.5x, well within bank covenants.

Operating and Financial Review

SEGMENTAL RESULTS

The results of operations are set out below:

	2022 $m	2021 $m	Variance $m	Variance %
Revenue[1, 2]				
Broadcasting	1,371.9	1,242.6	129.3	10%
Digital and Publishing	593.5	504.5	89.0	18%
Domain Group	356.7	286.6	70.1	24%
Stan	381.2	311.8	69.4	22%
Corporate	4.8	2.3	2.5	109%
Total Revenue[1]	2,708.1	**2,347.8**	**360.3**	**15%**
EBITDA[2]				
Broadcasting	401.1	332.5	68.6	21%
Digital and Publishing	179.5	117.2	62.3	53%
Domain Group	122.1	100.6	21.5	21%
Stan	28.5	39.5	(11.0)	(28%)
Corporate	(32.3)	(26.1)	(6.2)	24%
Share of Associates	1.8	1.0	0.8	80%
Group EBITDA	700.7	**564.7**	**136.0**	**24%**

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

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

Broadcasting

	2022 $m	2021 $m	Variance 2022 to 2021 $m	Variance 2022 to 2021 %
Revenue	1,371.9	1,242.6	129.3	10%
EBITDA	401.1	332.5	68.6	21%
Margin	29%	27%		2 pts

Nine's Broadcasting division, which comprises Nine Network, 9Now and Nine Radio, reported EBITDA of $401.1 million on revenues of $1,371.9 million for the year.

Nine Network reported a revenue increase from $1,044.7 million to $1,118.5 million, growth of 7% for the year, primarily as a result of the Metro Free To Air advertising market being up 9%[1] for the year, and 4%[1] in the second half. Nine recorded a full year FTA revenue share of 38.2%[1], including a second half share of 40.6%[1].

Nine Network costs increased by 5% or $39.1 million for the year, principally-related to the normalisation of COVID-related cost relief in FY21 (specifically Australian Open rights, the return of spectrum charges and travel/entertainment costs).

1. Source: Think TV, Metro Free To Air revenue and share, 12 months to June 2022.

In a BVOD market which grew by 47% for the year to $369 million[2], 9Now attracted 44% of this subset of the digital video market, resulting in revenue of $151.0 million. Across the year, Daily Active Users grew by a further 33%, while live streaming (minutes) were up by 72%. The cost increase of approximately $17 million related to investment in content, volume related technology costs and increased marketing. Overall, 9Now increased its EBITDA contribution from $73.4 million to $100.5 million, an increase of 37% on the prior year. 12% of Total Television (Nine Network and 9Now) revenue came from digital, up from 9% in the prior year.

Nine Radio reported EBITDA of $15.2 million (2021: $8.4 million) on revenue of $102.4 million (2021: $90.8 million) with the benefits of previous cost reductions and sale team restructures combining with modest growth in the advertising market. The 13% growth in revenue was driven by the Metro radio advertising market gaining momentum, and finished the year up 10%[3] on FY21. Nine also gained share momentum, both on an audience and revenue basis. Radio costs increased by 6% or $4.8 million as a result of investment in content and sales related costs.

Digital and Publishing

	2022 $m	2021 $m	Variance 2022 to 2021 $m	%
Revenue	593.5	504.5	89.0	18%
EBITDA	179.5	117.2	62.3	53%
Margin	30%	23%		7 pts

Nine's Digital and Publishing division includes Metro Media, as well as Nine's other Digital Publishing titles, including Pedestrian Group, Drive (formerly "CarAdvice") and nine.com.au. Digital and Publishing reported revenue of $593.5 million and a combined EBITDA of $179.5 million. In total, the digital medium now accounts for more than 60% of Publishing and Digital revenue.

Metro Media contributed revenue of $474.9 million (2021: $402.0 million) and EBITDA of $154.9 million (2021: $98.9 million) for the year to 30 June 2022. Continued strong readership across each of The Sydney Morning Herald, The Age and The Australian Financial Review translated into paying audiences, with total subscriber growth across each masthead. Print subscription and retail sales declined by around 6%. However, this was more than offset by digital subscription and licensing revenue which grew by 66% across the year, driven by double-digit growth in subscription revenue, as well as revenue from the digital platforms. Advertising revenue from Nine's Publishing assets recorded strong growth, both digital and print. Digital advertising revenue grew by 10%, notwithstanding the end of the legacy Google sales agreement in February 2021. Print advertising grew by 13%, with Travel and Commercial Real Estate bouncing back strongly, the former however, remaining well below pre-COVID levels.

Costs at Metro Media increased by $17.0 million with around half related to increases in staff and production costs, the remainder reflecting Nine's ongoing investment in Publishing content, as well as some remaining post-COVID rebalances. For the full year to June 2022, EBITDA grew by $56.0 million or 57% to $154.9 million.

Other key components of Digital & Publishing together contributed revenue of $118.6 million, and EBITDA of $24.6 million, representing a $6.3 million increase for the full year to June 2022.

2. Source: Think TV, BVOD revenue((9Now, 7Plus, 10Play), 12 months to June 2022.
3. Source: Commercial Radio Australia, 12 months to June 2022, 4 city basis.

Domain Group

	2022 $m	2021 $m	Variance 2022 to 2021 $m	%
Revenue	356.7	286.6	70.1	24%
EBITDA	122.1	100.6	21.5	21%
Margin	34%	35%		(1 pts)

Domain's performance was underpinned by the ongoing strength in the property market and Domain's success in driving its Marketplace strategy. 24% growth in digital revenues was underpinned by Residential, with 9% growth in national listing volumes coupled with a strong 14% increase in controllable yield. Double-digit revenue growth was also recorded across Agent Solutions and Property Data Solutions as Domain continues to deliver on building its Marketplace strategy through the acquisitions of Realbase and IDS. Together, this resulted in revenue growth of 24% or $70.1 million.

Operating costs increased by 16% or $31.1 million across the year with the increase associated with improved revenue performance, unwinding of COVID cost control measures in a strengthening market, repayment of JobKeeper allowance and investment in existing and new staff to support Domain's Marketplace strategy, as well as expenses from newly-acquired buinesses, IDS and Realbase.

In the year to 30 June 2022, full-year EBITDA was up by 21% from $100.6 million in 2021 to $122.1 million in 2022.

Stan

	2022 $m	2021 $m	Variance 2022 to 2021 $m	%
Revenue	381.2	311.8	69.4	22%
EBITDA	28.5	39.5	(11.0)	(28%)
Margin	7%	13%		(6pts)

Momentum remains positive at Stan with current active subscribers of more than 2.5 million, driven both by Sport and Entertainment. Sports subscribers have continued to grow; in Q4, average active subscribers to Stan Sport were more than 150%[4] higher than the same quarter last year.

The combination of the strong subscriber numbers and close to double-digit growth in ARPU[5] increased Stan's revenue by 22% across the full year to 30 June 2022. The cost increase of $80.4 million reflects the investment in Sport, the ramping up of output deals and the increased rollout of Stan Originals, in line with management's strategy for growth.

EBITDA of $28.5 million for the year, a decrease of $11.0 million on the previous year, reflects a period of strategic investment in Originals to build a long-term library asset, and in live content, primarily Sport, as a key differentiator to other streaming platforms in Australia.

Corporate

Net corporate costs increased by $6.2 million or 24% across the year, mainly as a result of investment in cyber capabilities, COVID related testing expenses following the return of employees to office based work and higher cost of insurance.

4. Average active subscribers June quarter 2022 vs June quarter 2021.
5. Average revenue Per User - 6 months to December 2021 compared with pcp.

BUSINESS STRATEGIES AND FUTURE PROSPECTS

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

• Australia's leading distributor of video content

The Group will continue to strengthen its position as the 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 Total TV, Radio 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 through the next five years, 9Now set live streaming BVOD records during the 2022 State of Origin series and Nine's radio audiences continue to grow listening online and via smart speakers and apps. The Group has also formalised commercial arrangements with global tech platforms, Google and Meta, for the supply and use of Nine content.

• 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 strong growth in Domain. 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. Notably, the acquisitions of Realbase and Insight Data Solutions during the year are expected to strengthen and accelerate the scale and impact of the Domain's Agent Solutions and Property Data Solutions business units. 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 portfolio, Nine provides and supports the establishment of valuable connections between content, audiences and advertisers. 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.

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, 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 on Nine's reputation and its ability to conduct its business without disruption or at the budgeted level of cost in various ways.

Technology, cyber security and data privacy – 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 making responsible content choices. Nine continues to be an employer of choice by investing in our people through training and development opportunities, by promoting diversity and workplace flexibility, providing support programs and maintaining succession planning.

Domain – Domain is a separate company which has minority investors and is listed on the ASX. 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

Financial Statements

for the Year ended 30 June 2022

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FINANCIAL STATEMENT NOTE INDEX

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Note	30 June 2022 $'000	30 June 2021 $'000
Revenues	2.1	2,691,406	2,342,178
Expenses	2.3	(2,217,262)	(2,039,575)
Finance costs	2.3	(26,302)	(29,002)
Share of profits of associate entities	6.2(c)	1,793	5,991
Net profit before income tax expense		449,635	**279,592**
Income tax expense	5.1	(134,347)	(95,631)
Net profit after income tax expense		315,288	**183,961**
Net profit for the period attributable to:			
Owners of the parent		297,143	169,364
Non-controlling interest		18,145	14,597
Net profit for the period		315,288	**183,961**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		873	(525)
Fair value movement in derivative financial instruments (net of tax)	4.5	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	(179)	1,230
Actuarial (loss)/gain on defined benefit plan (net of tax)	7.2	(730)	3,674
Other comprehensive income for the period		1,657	**4,379**
Total comprehensive income attributable to equity holders		316,945	**188,340**
Total comprehensive income attributable to:			
Owners of the parent		298,800	173,743
Non-controlling interest		18,145	14,597
Total comprehensive income for the period		316,945	**188,340**
Earnings per share			
Basic and diluted earnings per share attributable to ordinary equity holders of the parent	2.5	$0.17	$0.10

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 2022

	Note	30 June 2022 $'000	30 June 2021 $'000
Current assets			
Cash and cash equivalents	3.1	153,464	171,927
Trade and other receivables	3.2	408,380	380,997
Program rights and inventories	3.3	291,259	256,617
Prepayments		33,792	32,744
Other assets		2,691	3,934
Derivative financial instruments	4.5	3,214	–
Assets held for sale		–	3,622
Total current assets		892,800	**849,841**
Non-current assets			
Receivables	3.2	10,113	12,473
Program rights and inventories	3.3	168,236	140,939
Investments accounted for using the equity method	6.2	33,606	31,181
Other financial assets	7.1	6,511	6,690
Property, plant and equipment	3.5	491,490	573,936
Intangible assets	3.6	2,512,285	2,266,441
Derivative financial instruments	4.5	1,333	–
Prepayments		–	4,150
Defined benefit plan	7.2	23,925	25,533
Total non-current assets		3,247,499	**3,061,343**
Total assets		4,140,299	**3,911,184**
Current liabilities			
Trade and other payables	3.4	530,105	475,026
Financial Liabilities	4.1	115,132	123,492
Current income tax liabilities		44,622	56,052
Provisions	3.7	215,924	180,028
Derivative financial instruments	4.5	1,721	2,772
Total current liabilities		907,504	**837,370**
Non-current liabilities			
Payables	3.4	126,211	100,035
Financial liabilities	4.1	745,515	726,938
Deferred tax liabilities	5.2	267,864	257,002
Provisions	3.7	21,249	30,238
Derivative financial instruments	4.5	406	–
Total non-current liabilities		1,161,245	**1,114,213**
Total liabilities		2,068,749	**1,951,583**
Net assets		2,071,550	**1,959,601**
Equity			
Contributed equity	4.2	2,111,752	2,122,146
Reserves		(54,922)	(42,670)
Retained earnings		(178,820)	(264,925)
Total equity attributable to equity holders of the parent		1,878,010	**1,814,551**
Non-controlling interest		193,540	**145,050**
Total equity		2,071,550	**1,959,601**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	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 $'000	Non-controlling interests $'000	Total Equity $'000
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 reserve 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	–	(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**
At 1 July 2020	2,134,803	(11,657)	(1,376)	(10,710)	4,959	–	(54,404)	(314,965)	1,746,650	134,942	1,881,592
Profit for the period	–	–	–	–	–	–	–	169,364	169,364	14,597	183,961
Other comprehensive income/(loss) for the period	–	–	(525)	4,904	–	–	–	–	4,379	–	4,379
Total comprehensive income/(loss) for the period	**–**	**–**	**(525)**	**4,904**	**–**	**–**	**–**	**169,364**	**173,743**	**14,597**	**188,340**
Transfers from reserve to equity	–	–	–	–	(54)	–	–	54	–	–	–
Vesting of Rights Plan shares (Note 4.4)	–	1,293	–	–	(1,293)	–	–	–	–	–	–
Acquisition of NCI	–	–	–	–	–	–	(2,130)	–	(2,130)	(170)	(2,300)
Recognition of non-controlling interest in subsidiary	–	–	–	–	–	–	–	–	–	140	140
Transactions with non-controlling interests	–	–	–	–	–	–	–	–	–	570	570
Purchase of shares	–	(2,293)	–	–	–	–	–	–	(2,293)	–	(2,293)
Share-based payment expense, net of tax	–	–	–	–	17,959	–	–	–	17,959	–	17,959
Dividends to shareholders	–	–	–	–	–	–	–	(119,378)	(119,378)	(5,029)	(124,407)
At 30 June 2021	**2,134,803**	**(12,657)**	**(1,901)**	**(5,806)**	**21,571**	**–**	**(56,534)**	**(264,925)**	**1,814,551**	**145,050**	**1,959,601**

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 2022

	Note	30 June 2022 $'000	30 June 2021 $'000
Cash flows from operating activities			
Receipts from customers		2,945,170	2,482,841
Payments to suppliers and employees		(2,290,122)	(1,978,030)
Dividends received – associates		168	50
Government grants (repaid)/received		(6,322)	11,809
Interest received		1,048	1,520
Interest and other costs of finance paid		(24,643)	(28,713)
Income tax paid		(138,071)	(91,316)
Net cash flows generated from operating activities		487,228	**398,161**
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,780)	(42,633)
Purchase of intangible assets		(55,987)	(51,130)
Proceeds on disposal of property, plant and equipment		3,333	–
(Acquisition)/disposal of subsidiaries, net of cash acquired		(226,104)	4,470
Proceeds from disposal of investments and assets held for sale		658	6,000
Net receipt of contingent consideration		49	–
Funding to associates		(500)	(939)
Net cash flows used in investing activities		(297,331)	**(84,232)**
Cash flows from financing activities			
Proceeds from borrowings		817,000	229,960
Repayments of borrowings		(760,000)	(395,000)
Payment for debt refinancing fees		(1,565)	–
Proceeds from issue of shares by subsidiary with non-controlling shareholder		56,514	–
Purchase of rights plan shares		(12,114)	(2,293)
Purchase of non wholly-owned subsidiary treasury shares		(32,709)	–
Payment of the principal portion of leases		(45,768)	(40,010)
Proceeds from exercise of non wholly-owned subsidiary share options		5,978	–
Net repayment of loan to non-controlling shareholder		(3,897)	–
Dividends paid to non-controlling interest		(18,625)	(2,675)
Dividends paid to shareholders of the Group	4.3	(213,174)	(119,378)
Net cash flows used in financing activities		(208,360)	(329,396)
Net decrease in cash and cash equivalents		(18,463)	(15,467)
Cash and cash equivalents at the beginning of the financial period		171,927	187,394
Cash and cash equivalents at the end of the period		153,464	171,927

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 2022

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 2022.

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 2022 was authorised for issue in accordance with a resolution of the directors on 25th August 2022. The Directors have the power to amend and reissue the financial report.

1.1 Significant events during the period

On 15 October 2021, Domain Group, a subsidiary of the Company, acquired 100% of the share capital in the IDS Group. The IDS Group consists of Insight Data Solutions Holdings Pty Ltd, IDS Gov Services Pty Ltd and Insight Data Solutions Pty Ltd. The total estimated consideration for this acquisition is $79.2 million. The on-target and maximum consideration of the acquisition is $135 million and $154 million, all of which is expected to be settled in cash.

On 29 April 2022, Domain Group also acquired 100% of the share capital in Realbase Group. The Realbase Group consists of Realbase Pty Ltd and its subsidiaries and equity accounted investments. The total estimated consideration for this acquisition is $173.9 million. The on-target and maximum consideration of the acquisition is $205 million and $230 million, all of which is expected to be settled in cash. Please refer to Note 6.1 for details.

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 2021 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.

1. ABOUT THIS REPORT continued

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

1.3 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 and 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.

2. GROUP PERFORMANCE

2.1 Segment Information

	Segment revenue[1]		EBITDA before specific items		Depreciation and amortisation		EBIT before specific items	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Broadcasting	1,371,926	1,242,643	401,109	332,519	(57,331)	(56,644)	343,778	275,875
Digital and Publishing	593,535	504,522	179,534	117,189	(43,033)	(39,795)	136,501	77,394
Domain Group	356,729	286,587	122,098	100,580	(32,801)	(38,636)	89,297	61,944
Stan	381,203	311,761	28,544	39,471	(15,944)	(14,009)	12,600	25,462
Segment total	2,703,393	**2,345,513**	731,285	**589,759**	(149,109)	**(149,084)**	582,176	**440,675**
Corporate	4,751	2,274	(32,345)	(26,075)	–	–	(32,345)	(26,075)
Associates	–	–	1,793	1,012	–	–	1,793	1,012
Total Group	2,708,144	**2,347,787**	700,733	**564,696**	(149,109)	**(149,084)**	551,624	**415,612**

1. Includes inter-segment revenue of $19,377,000 (2021: $16,309,000).

Reconciliation of total Group revenue on the Consolidated Statement of Profit or Loss and Other Comprehensive Income	30 June 2022 $'000	30 June 2021 $'000
Total Group revenue (per above)	2,708,144	2,347,787
Inter-segment eliminations	(19,377)	(16,309)
Total Group revenue	2,688,767	**2,331,478**
Interest income	1,148	1,506
Specific item income	1,491	9,194
Revenue per the Consolidated Statement of Profit or Loss and Other Comprehensive Income	2,691,406	**2,342,178**

Reconciliation of EBIT before specific items to profit after tax	Note	30 June 2022 $'000	30 June 2021 $'000
EBIT before specific items		551,624	415,612
Interest income		1,148	1,506
Finance costs	2.3	(26,302)	(29,002)
Income tax expense		(152,983)	(110,586)
Profit before specific items		373,487	**277,530**
Specific items	2.4	(76,835)	(108,524)
Income tax benefit on specific items	2.4	18,636	14,955
Net profit after income tax expense		315,288	**183,961**

2. GROUP PERFORMANCE *continued*

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 (2021: none).

Accounting Policy

For the financial report for the year ended 30 June 2022, 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 continuing operations for the period ended 30 June 2022 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 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.

	Broadcasting $'000	Digital and Publishing $'000	Domain Group $'000	Stan $'000	Corporate $'000	Total $'000
Period ended 30 June 2021						
Advertising revenue	1,141,827	246,668	269,780	–	–	1,658,275
Subscription revenue	–	148,538	505	311,252	–	460,295
Affiliate revenue	59,293	–	–	–	–	59,293
Circulation revenue	–	72,215	–	–	–	72,215
Program Sales	20,409	–	–	509	–	20,918
Other revenue	21,114	37,101	16,302	–	2,274	76,791
Total segment revenue (Note 2.1)[1]	**1,242,643**	**504,522**	**286,587**	**311,761**	**2,274**	**2,347,787**

1. Includes inter-segment revenue of $16,309,000.

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.

2. GROUP PERFORMANCE continued

Accounting Policy continued

Revenue continued

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.

Type of other income	Recognition Criteria
Dividends	Recognised when the right to receive payment has been established.
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).
Sublease income	Recognised on a straight-line basis over the term of the lease.

2.3 Expenses

	30 June 2022 $'000	30 June 2021 $'000
Expenses		
Broadcasting	1,028,148	1,049,073
Digital and Publishing	458,372	437,399
Domain Group	294,156	236,168
Stan	368,603	286,299
Other[1]	67,983	30,636
Total expenses from continuing operations	2,217,262	**2,039,575**
Included in the expenses above are the following:		
Depreciation and amortisation (excluding program rights)	149,109	157,425
Salary and employee benefit expenses[2]	755,516	686,961
Program rights	580,669	507,608
Total depreciation, salary and program rights	1,485,294	**1,351,994**
Finance Costs		
Interest on debt facilities	11,289	12,970
Interest on lease liabilities	14,448	15,321
Amortisation of debt facility establishment costs	565	711
Total finance costs	26,302	**29,002**

1. Includes corporate costs and specific items not allocated to segments, offset by inter-segment revenue of $19.4 million (2021: $16.3 million).
2. During the period, the Group repaid government grants of $6.5 million that were received under the JobKeeper scheme in relation to the financial year ended 30 June 2021. In the year ended 30 June 2021, net government grant income of $8.2 million was received by the Group and disclosed as a reduction of total expenses

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. GROUP PERFORMANCE continued

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 2022 $'000	30 June 2021 $'000
Net (loss)/gain on contingent consideration payable (Note 3.4)	(9,018)	1,576
Impairment of other assets	(28,933)	(8,233)
Restructuring costs	(30,904)	(30,518)
Acquisition related costs	(7,980)	–
Other specific provisions	–	(18,694)
Impairment of goodwill and other intangibles	–	(61,500)
Net profit on sale of investments and assets held for sale	–	8,846
Net specific items expense before tax	(76,835)	**(108,523)**
Income tax benefit on specific items	18,636	**14,955**
Net specific items expense after tax	(58,199)	**(93,568)**

Net (loss)/gain on contingent consideration payable

$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.

In the year ended 30 June 2021, the net gain related to an increase in deferred consideration receivable for Commerce Australia Pty Ltd and a reduction in the deferred consideration payable for Bidtracker Holdings Pty Ltd Tranche 3 (combined gain of $4.6 million), which was offset by the revaluation of contingent consideration payable for Commercialview.com.au Pty Limited Tranches 3A and 3B (expense of $3.0 million).

Impairment of other assets

The impairment of other assets includes:

- $29.4 million of right of use assets relating to surplus property leases and other assets no longer considered recoverable; offset by
- $0.5 million reversal of previous debtor write offs.

In the year ended 30 June 2021, an impairment of $7.7 million was recognised for program inventory, principally related to the change in FTA license requirements, as well as a $1.7 million impairment related to right of use assets and other assets resulting from the relocation of the Group's headquarters, offset by a $1.1 million reversal of previous debtor write offs.

Restructuring costs

Restructuring costs include:

- $20.8 million related to the implementation of new financial systems, including $8.1 million relating to Domain Group. This expense, in large part, would have been capitalised before the 30 June 2021 required accounting policy change related to configuration or customisation costs in a cloud computing arrangement;
- $5.6 million of onerous short-term property leases excess to requirements;
- $2.3 million of Domain Group loss on early exit of leased office space;
- $2.9 million of other one-off expenses; offset by;
- $0.7 million gain resulting from a modification of the Domain Group syndicated loan facility agreement.

In the year ended 30 June 2021, $30.5 million of restructuring costs were incurred, $15.2 million of which related to the implementation of new financial systems, including $5.5 million in Domain Group, $11.5 million of redundancy and restructuring costs, $2.3 million of onerous short-term property leases and $1.5 million of other expenses incurred for one-off projects.

Acquisition related costs

On 15 October 2021, the Domain Group acquired 100% of the shares of Insight Data Solutions Group, and on 29 April 2022, the Domain Group acquired 100% of the shares of RealBase Group. The Group has incurred legal and advisory fees and other costs related to acquisition activity amounting to $8.0 million during the period. Refer to Note 6.1 for further details.

Other specific provisions

In the year ended 30 June 2021, other specific provisions include onerous production contracts related to future commitments and other provisions related to prior financial periods.

Impairment of goodwill and other intangibles

In the year ended 30 June 2021, an impairment charge of $61.5 million was recognised in respect of the Nine Radio cash generating unit.

Net profit on sale of investments and assets held for sale

In the year ended 30 June 2021, the net profit related to the sale of the RateCity ($3.5 million) and RSVP ($1.0 million) investments and the Group's share of a profit on sale of assets by an associate ($5.0 million), offset by final expenses in respect of the sale of ACM.

2. GROUP PERFORMANCE continued

2.5 Earnings per share

	30 June 2022	30 June 2021
From continuing operations (in cents)		
Basic and diluted earnings per share before specific items[1]	$0.20	$0.15
Basic earnings per share after specific items	$0.17	$0.10
Diluted earnings per share after specific items[1]	$0.17	$0.10
Profit attributable to the ordinary equity holders of the parent used in calculating the basic and diluted earnings per share ($'000) from continuing operations	297,143	169,364
Weighted average number of ordinary shares used as denominator for basic earnings per share ('000)	1,703,627	1,704,355
Effect of dilution:		
Rights Plan shares under the performance rights plan (Note 4.4) ('000)	1,797	3,930
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	1,705,424	**1,708,285**

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 4.4).

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 2022 $'000	30 June 2021 $'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	153,464	171,927
Total cash and cash equivalents	**153,464**	**171,927**

b. Reconciliation of profit after tax to net cash flows from operations:		
Profit after tax	315,288	183,961
Loss on sale of properties and other assets	(302)	(3,483)
Depreciation and amortisation	149,109	157,425
Impairment of assets	29,451	9,454
Impairment of Intangibles	–	61,500
Share based payment expense	9,131	10,785
Share of associates net profit	(1,793)	(5,991)
Other non-cash items	(5,283)	1,322
Changes in assets and liabilities		
Trade and other receivables	(28,698)	(121,676)
Program rights and inventories	(61,939)	(56,900)
Prepayments and other assets	5,228	4,112
Trade and other payables	66,690	117,585
Provision for income tax	(12,094)	46,070
Provision for employee entitlements	(4,761)	27,273
Other provisions	15,295	9,494
Deferred income tax liability	10,824	(42,225)
Foreign currency movements in assets and liabilities of overseas controlled entities	1,082	(545)
Net cash flows from operating activities	**487,228**	**398,161**

3. OPERATING ASSETS AND LIABILITIES *continued*

3.1.1 Changes in liabilities from financing activities – Bank Facilities

	Bank Facilities $'000
At 1 July 2021	421,850
Net cash flows	57,000
Other changes (liability related)	(943)
At 30 June 2022	**477,907**
At 1 July 2020	584,316
Net cash flows	(165,040)
Other changes (liability related)	2,574
At 30 June 2021	**421,850**

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 2022 $'000	30 June 2021 $'000
Current		
Trade receivables	387,731	356,853
Allowance for expected credit loss	(7,741)	(7,219)
	379,990	349,634
Related party receivables (Note 6.6)	4,199	4,074
Allowance for expected credit loss	(2,910)	(2,910)
Other receivables	27,101	30,199
Total current trade and other receivables	408,380	380,997
Non-current		
Loans to related parties (Note 6.6)	4,396	4,146
Other receivables	5,717	8,327
Total non-current trade and other receivables	10,113	12,473

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

			PAST DUE BUT NOT IMPAIRED		
	Total	Not past due	<30 days	31-60 days	>61 days
2022	379,990	337,495	38,138	3,439	918
2021	349,634	323,508	23,481	2,135	510

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 for trade receivables are initially recognised based on the Group's historical observed default rates. If appropriate, the Group will adjust the historical credit loss with forward-looking information. For instance, if forecast economic conditions are expected to materially deteriorate over the next year, which could lead to an increased number of defaults in debtors, the historical default rates are adjusted. 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. OPERATING ASSETS AND LIABILITIES continued

3.3 Program rights and inventories

	30 June 2022 $'000	30 June 2021 $'000
Current		
Program rights – cost less accumulated amortisation and impairment	278,514	243,732
Inventories	12,745	12,885
Total current program rights and inventories	291,259	256,617
Non-current		
Program rights – cost less accumulated amortisation and impairment	168,236	140,939
Total non-current program rights and inventories	168,236	140,939

In the year ended 30 June 2021, $7.7 million of program inventory and sports rights were impaired, principally related to the change in FTA license requirements. No impairment was required as at 30 June 2022.

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 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 2022 $'000	30 June 2021 $'000
Current – unsecured		
Trade and other payables	266,359	248,038
Program contract payables	163,693	158,733
Deferred income	76,952	65,605
Contingent consideration (Note 6.1)	23,101	2,650
Total current trade and other payables	530,105	475,026
Non-current – unsecured		
Program contract payables	111,034	92,489
Other creditors	–	2,033
Deferred income	4,476	4,013
Contingent consideration (Note 6.1)	10,701	1,500
Total non-current trade and other payables	126,211	100,035

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 are 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.

3. OPERATING ASSETS AND LIABILITIES continued

Accounting Policy continued

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 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 remeasured the contingent consideration at reporting date based on its best estimates of key assumptions and future developments in business performance of the IDS Group. As a result, the contingent consideration was remeasured to $32.3 million discounted ($36.7 million undiscounted), with the resulting loss 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.

3.5 Property, plant and equipment

	Freehold land and buildings $'000	Leasehold improve-ments $'000	Plant and equipment $'000	Work in progress $'000	ROU property[2] $'000	ROU plant and equipment $'000	Total property, plant and equipment $'000
Year ended 30 June 2022							
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

	Freehold land and buildings $'000	Leasehold improve-ments $'000	Plant and equipment $'000	Work in progress[1] $'000	ROU property $'000	ROU plant and equipment $'000	Total property, plant and equipment $'000
Year ended 30 June 2021							
At 1 July 2020, net of accumulated amortisation and impairment	23,930	21,638	65,958	77,797	216,540	9,309	415,172
Additions	–	3,691	9,597	62,668	171,557	165	247,678
Transfers	–	72,917	63,314	(136,231)	–	–	–
Disposals	–	(149)	(379)	–	(5,265)	–	(5,793)
Impairment	–	–	–	–	(1,705)	–	(1,705)
Depreciation expense	(961)	(10,544)	(26,032)	–	(39,832)	(4,047)	(81,416)
At 30 June 2021, net of accumulated depreciation and impairment	22,969	87,553	112,458	4,234	341,295	5,427	573,936
At 30 June 2022, net of accumulated depreciation and impairment							
Cost (gross carrying amount)	33,774	138,737	555,008	1,970	428,944	19,922	1,178,355
Accumulated amortisation and impairment	(9,975)	(58,746)	(449,907)	–	(155,159)	(13,078)	(686,865)
Net carrying amount	23,799	79,991	105,100	1,970	273,785	6,844	491,490
At 30 June 2021, net of accumulated depreciation and impairment							
Cost (gross carrying amount)	31,998	136,740	538,469	4,234	430,168	14,808	1,156,417
Accumulated amortisation and impairment	(9,029)	(49,187)	(426,011)	–	(88,873)	(9,381)	(582,481)
Net carrying amount	22,969	87,553	112,458	4,234	341,295	5,427	573,936

1. In the year ended 30 June 2021, work in progress additions and transfers primarily relate to the Group's new headquarters of 1 Denison Street, North Sydney.
2. Right of use assets include $21.9 million relating to commercial subleases on leased office premises. Fair value of these assets approximates cost.

3. OPERATING ASSETS AND LIABILITIES continued

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; and
- 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.

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.

Accounting Policy continued

Assets held for sale continued

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.

3.6 Intangible assets

	Goodwill $'000	Licences $'000	Mastheads and Brand Names $'000	Customer relationships $'000	Software[1] $'000	Total $'000
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
Year ended 30 June 2021						
At 1 July 2020, net of accumulated amortisation and impairment	933,738	615,182	563,118	156,625	84,233	2,352,896
Purchases	–	–	–	–	51,130	51,130
Impairment[2]	(44,789)	(16,711)	–	–	(76)	(61,576)
Amortisation expense	–	–	(379)	(22,254)	(53,376)	(76,009)
At 30 June 2021, net of accumulated amortisation and impairment	**888,949**	**598,471**	**562,739**	**134,371**	**81,911**	**2,266,441**

1. Capitalised development costs of software being, in part, an internally generated intangible asset.
2. In the year ended 30 June 2021, impairment charges of $44.8 million for goodwill and $16.7 million for licences were recognised in relation to the Radio CGU and were 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[1] $'000	Total $'000
At 30 June 2022, net of accumulated amortisation and impairment						
Cost (gross carrying amount)	2,899,734	1,596,651	564,091	191,760	316,134	5,568,370
Accumulated amortisation and impairment	(1,750,707)	(998,180)	(1,631)	(79,538)	(226,029)	(3,056,085)
Net carrying amount	**1,149,027**	**598,471**	**562,460**	**112,222**	**90,105**	**2,512,285**
At 30 June 2021, net of accumulated amortisation and impairment						
Cost (gross carrying amount)	2,639,656	1,596,651	563,906	191,760	256,506	5,248,479
Accumulated amortisation and impairment	(1,750,707)	(998,180)	(1,167)	(57,389)	(174,595)	(2,982,038)
Net carrying amount	**888,949**	**598,471**	**562,739**	**134,371**	**81,911**	**2,266,441**

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 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
Year ended 30 June 2021			
Total TV	–	457,884	–
NBN	3,300	11,000	–
Stan	315,302	–	71,452
Domain	444,319	–	406,874
Metropolitan Media	105,052	–	84,413
Nine Radio	–	129,587	–
Other[1]	20,976	–	–
Total licences and goodwill as at 30 June 2021	888,949	598,471	562,739

1. Other goodwill is made up of Nine.com.au $6.7 million (June 2021: $6.7 million) and PedestrianTV $14.3 million (June 2021: $14.3 million).

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 2022, the Group determined Total TV, NBN, Domain, Nine Radio, Metropolitan Media, Stan 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 2022 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 2022, there has been continued improvement in the Australian economy, including the majority of the markets in which Nine operates, following the recovery from the impact of the COVID-19 pandemic. As the economy recovers from COVID-19, the ongoing demand for goods and services, as well as supply constraints created by both the pandemic and current world events, has led to inflation in major economies globally. 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 2022, there is headroom in the Group's CGUs and therefore an impairment charge is not required for any of the Group's CGUs. In the year ended 30 June 2021, an impairment of $61.5 million was recognised in respect to the Nine Radio CGU.

3.6(d) Key assumptions

Operating cashflow 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 2022 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 Free-To-Air, 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.

3. OPERATING ASSETS AND LIABILITIES continued

- 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 2021: 13.03%) 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 2021: 1.00%).

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 14.99% (30 June 2021: 14.30%) 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 2021: 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 15.40% (30 June 2021: 14.59%) which reflects current market assessment of the time value of money and the specific risk within the cash flow projections applicable to the relevant licence.
- Terminal growth rate of 1.5% (30 June 2021: 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 14.71% (30 June 2021: 14.04%) which reflects current market assessment of the time value of money and the risks specific risk to the Australian subscription video-on-demand market.
- Terminal growth rate of 3.5% (30 June 2021: 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 13.55% (30 June 2021: 13.14%) 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 2021: 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 15.50% (30 June 2021: 14.07%) 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 2021: 0.0%).

Nine.com.au:

- The digital platforms within this CGU are forecasted 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 16.18% (30 June 2021: 15.84%) 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 2021: 0.0%).

Pedestrian TV:

- The digital advertising market reflects managements 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 15.65% (30 June 2021: 14.90%) 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 2021: 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 Metropolitan Media, Nine.com.au, PedestrianTV, Stan and Domain 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.

3. OPERATING ASSETS AND LIABILITIES continued

- The estimated recoverable amount of the Nine Radio CGU is consistent with carrying value and therefore future events that result in adverse changes to forward assumptions would result in impairment. The following changes to the impairment assessment of this CGU would lead to an impairment charge, assuming all other assumptions are held constant and management does not take any steps to mitigate the impact of the changes, by the following amounts:

Assumption ($ million)	Nine Radio
2.50% reduction in forecasted revenue growth per annum	(17.9)
1.50% increase in the pre-tax discount rate	(8.5)
1.50% reduction in the terminal growth rates	(6.3)

Together any adverse changes in the key assumptions would cumulatively result in an impairment impact.

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.

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 two and twelve years.

Accounting Policy continued

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.

Intangible assets, excluding development costs, created within the business are expensed in the year in which the expenditure is incurred.

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.

3. OPERATING ASSETS AND LIABILITIES continued

3.7 Provisions

	Employee entitlements $'000	Onerous contracts $'000	Other[1] $'000	Total $'000
At 1 July 2021	133,897	16,909	59,460	210,266
Amounts provided/(utilised) during the period	15,908	663	10,336	26,907
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**

1. Included in other provisions are defamation provisions $32.5 million, content and royalties provisions $28.6 million, provisions for property $4.6 million, disposal related provisions $2.7 million and provisions for restructuring $1.4m. (2021: Defamation provisions $28.0 million, content and royalties provisions $20.6 million, disposal related provisions $5.0 million and provisions for property $5.9 million).

	Employee entitlements $'000	Onerous contracts $'000	Other[1] $'000	Total $'000
At 1 July 2020	106,624	15,026	51,849	173,499
Amounts provided/(utilised) during the period	27,273	1,883	7,611	36,767
At 30 June 2021	**133,897**	**16,909**	**59,460**	**210,266**
Represented by:				
Current	121,442	5,025	53,561	180,028
Non-current	12,455	11,884	5,899	30,238
At 30 June 2021	**133,897**	**16,909**	**59,460**	**210,266**

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.

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.

3. OPERATING ASSETS AND LIABILITIES continued

Accounting Policy continued

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	>5years $'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 year $'000	1-5 years $'000	>5years $'000	Total $'000
Year ended 30 June 2021				
Capital expenditure	6,796	747	–	7,543
Lease commitments – Group as lessee	13,271	34,974	40,918	89,163
Lease commitments – Group as lessor[1]	(10,651)	(13,773)	–	(24,424)
Television and Subscription Video on Demand program and sporting broadcast rights	316,994	383,932	–	700,926
Total Commitments	**326,410**	**405,880**	**40,918**	**773,208**

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.

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 2022 $'000	30 June 2021 $'000
Depreciation expenses of right-of-use assets	40,871	43,879
Interest expense on lease liabilities	14,448	15,321
Expense relating to short-term leases	16	16
Expense relating to leases of low-value assets	493	558
Total amount recognised in profit or loss	55,828	**59,774**

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 term 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	6,537	475,000	481,537
Termination options expected to be exercised	–	–	–
At 30 June 2022	6,537	475,000	481,537
Extension options expected not to be exercised	4,654	476,883	481,537
Termination options expected to be exercised	–	–	–
At 30 June 2021	4,654	476,883	481,537

3. OPERATING ASSETS AND LIABILITIES continued

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	346,722	(428,580)
Additions	11,752	(11,752)
Disposals/Modifications	(7,657)	11,824
Transfers	134	–
Depreciation	(40,871)	–
Impairment	(29,451)	–
Interest expense	–	(14,448)
Lease payments	–	60,216
At 30 June 2022	280,629	(382,740)

4. CAPITAL STRUCTURE AND MANAGEMENT

4.1 Financial Liabilities

	30 June 2022 $'000	30 June 2021 $'000
Current		
Lease liabilities	35,360	43,897
Bank facilities unsecured	79,772	79,595
Total current financial liabilities	115,132	**123,492**
Non-current		
Lease liabilities	347,380	384,683
Bank facilities unsecured	398,135	342,255
Total non-current financial liabilities	745,515	**726,938**

100% Owned Facilities

The Group's wholly-owned subsidiaries are party to syndicated bank facilities with limits totalling $625.0 million which comprise two revolving cash advance facilities ($272.5 million in each facility), maturing in February 2023 and February 2024, and a one year $80.0 million working capital facility expiring in February 2023, following an extension executed in January 2022. At 30 June 2022, the $80.0 million (30 June 2021: $80.0 million) working capital facility, and $180.0 million (30 June 2021: $170.0 million) of the revolving cash advance facility, relating to the facility expiring in February 2024, 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 2022, $28.6 million was drawn (30 June 2021: $26.6 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 to date including the period ended 30 June 2022.

Domain

Domain Group is party to a $350.0 million syndicated bank facility which is available to a controlled entity, Domain Holdings Australia Limited (Domain). In December 2021, Domain refinanced this facility (previously: $220.0 million), which now consists of tranches maturing in December 2025 ($210.0 million) and December 2026 ($140.0 million). This refinance was treated as a non-substantial modification under AASB 9 *Financial Instruments*, with a gain of $0.7 million recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and disclosed as a specific item (Note 2.4).

4. CAPITAL STRUCTURE AND MANAGEMENT continued

The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin. At 30 June 2022, $215.0 million (30 June 2021: $170.0 million) was drawn on this facility.

A $5.0 million bank guarantee facility is also available to Domain on a rolling annual basis. As of 30 June 2022, $3.0 million was drawn (30 June 2021: $1.0 million).

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 2022.

Accounting Policy

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of 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.

4.2 Share capital

	30 June 2022 $'000	30 June 2021 $'000
Issued share capital		
Ordinary shares authorised and fully paid	2,111,752	2,122,146
	2,111,752	2,122,146
Movements in issued share capital – ordinary shares		
Carrying amount at the beginning of the financial period	2,122,146	2,123,146
Purchase of rights plan shares	(12,114)	(2,293)
Vesting of Rights Plan shares (Note 4.4)	1,720	1,293
Carrying amount at the end of the financial period	2,111,752	**2,122,146**

	30 June 2022 No. of shares	30 June 2021 No. of shares
Balance at beginning of the financial period	1,705,393,253	1,705,393,253
Issue of ordinary shares fully paid	–	–
Balance at the end of the financial period	1,705,393,253	**1,705,393,253**

At 30 June 2022, a trust controlled by the Company held 5,209,131 (30 June 2021: 1,605,869) ordinary fully paid shares in the Company. During the period, 4,561,562 shares (2021: 800,000 shares) were acquired by the Trust at an average price of $2.66. The shares were purchased for the purpose of allowing the Group to satisfy performance rights 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. In the Group's financial statements 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). 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 7.0 cents per share, fully franked (amounting to $119,377,528) in respect of the year ended 30 June 2022 and a dividend of 5.5 cents per share, fully franked (amounting to $93,796,629) in respect of the year ended 30 June 2021.

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 7.0 cents per share amounting to $119,377,528 to be paid in October 2022 (2021: fully franked dividend of 5.5 cents per share amounting to $93,796,629).

4.3(c) Franking credits available for subsequent years

The franking credits available for subsequent years as at 30 June 2022 was $74,315,049 (2021: $42,999,675). This balance represents the franking account balance as at 30 June 2022. 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 $114,450,012.

Nine had an exempting account balance of $41,069,000 for the year ended 30 June 2022 (2021: $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 9 to 31. 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 2022.

The total expense (pre tax) recognised for share based payments during the financial period for the Group was $12,044,764 (2021: $10,236,643), of which $7,998,247 (2021: $8,016,217) relates to Domain Group. The share based payments reserve includes amounts relating to on-foot schemes of Domain Group totalling $13.6 million (2021: $17.5 million).

Movement during the period

The following table sets out the number of NEC Rights outstanding as at 30 June:

	30 June 2022 Number	30 June 2021 Number
Outstanding at 1 July	6,614,132	7,699,571
Granted during the year	2,328,964	3,290,321
Forfeited during the year[1]	(824,789)	(1,929,311)
Vested	(490,475)	(1,133,069)
Lapsed during the year	(1,471,460)	(1,313,380)
Outstanding at 30 June[2]	6,156,372	6,614,132

1. These NEC Rights were forfeited by executives that left during the period.
2. This includes 1,291,006 (2021: 1,500,634) 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. 2,102,264 (2021: 1,841,226) of the performance rights have been issued with approval under ASX Listing Rule 10.14.

1,153,871 rights vested subsequent to the period end which were measured based on performance up to 30 June 2022. This includes 496,266 (2021: 159,926) NEC Rights in relation to executives that left in prior years which were cash settled.

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

4. CAPITAL STRUCTURE AND MANAGEMENT continued

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 2022:

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).

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:

		2022		2021	
	Note	Carrying Amount $'000	Fair Value $'000	Carrying Amount $'000	Fair Value $'000
Derivative financial assets					
Foreign exchange contracts – current		3,214	3,214	–	–
Foreign exchange contracts – non-current		1,333	1,333	–	–
Total derivative financial instruments – assets		4,547	4,547	**–**	**–**
Derivative financial liabilities					
Foreign exchange contracts – current		1,721	1,721	–	–
Option over controlled entity – current		–	–	2,772	2,772
Foreign exchange contracts – non-current		406	406	–	–
Total derivative financial instruments – liabilities		2,127	2,127	**2,772**	**2,772**
Bank facilities – current					
Syndicated facility unsecured – at amortised cost	4.1	79,772	79,772	79,595	79,595
Bank facilities – non-current					
Syndicated facility unsecured – at amortised cost	4.1	398,135	398,135	342,255	342,255
Total bank facilities		477,907	477,907	**421,850**	**421,850**

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)							
	2022				2021			
	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	3,214	–	–	–	–	–	–	–
Foreign exchange contracts – non-current	–	1,333	–	–	–	–	–	–
Derivative – outflows								
Foreign exchange contracts – current	1,721	–	–	–	–	–	–	–
Option over controlled entity – current	–	–	–	–	2,772	–	–	–
Foreign exchange contracts – non-current	–	351	55	–	–	–	–	–
Other financial assets[1]								
Cash assets	153,464	–	–	–	171,927	–	–	–
Trade and other receivables	408,380	3,646	5,406	1,068	380,997	1,366	10,001	1,106
Other financial liabilities[1]								
Trade and other payables	530,105	74,521	44,410	930	470,857	71,255	27,089	191
Lease liabilities	54,113	49,142	134,025	245,665	56,954	55,517	141,077	278,636
Contingent consideration	24,701	–	15,079	–	4,169	1,500	–	–
Bank facilities (including interest)[2]	94,777	191,017	234,285	–	85,681	291,095	55,375	–

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 2022 remains drawn until the facilities mature.

4. CAPITAL STRUCTURE AND MANAGEMENT continued

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.

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 designated as cash flow hedges:

	2022				2021			
	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	0.43	153,464	–	153,464	0.59	171,927	–	171,927
Trade and other receivables	N/A	N/A	418,493	418,493	N/A	N/A	393,470	393,470
Financial liabilities								
Trade and other payables	N/A	N/A	656,316	656,316	N/A	N/A	588,955	588,955
Lease liabilities	3.88	382,740	–	382,740	3.66	428,580	–	428,580
Syndicated facilities – at amortised cost	3.27	477,907	–	477,907	1.42	421,850	–	421,850

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonable 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	2022 $'000	2021 $'000
AUD	+/-100	(4,800)/4,800	(3,910)/3,910
AUD	+/-200	(9,600)/9,600	(7,820)/7,820

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 2022 $'000	30 June 2021 $'000
Current assets		
Foreign exchange contracts	3,214	–
Non-current assets		
Foreign exchange contracts	1,333	–
Total derivative financial instrument assets	**4,547**	**–**
Current liabilities		
Foreign exchange contracts	1,721	–
Non-current liabilities		
Foreign exchange contracts	406	–
Total derivative financial instrument liabilities	**2,127**	**–**

4. CAPITAL STRUCTURE AND MANAGEMENT continued

The following table summarises the impact of hedging instruments designated in hedging relationships on the consolidated Statement of Financial Position:

	Notional amount		Carrying amount assets/ (liabilities)		Changes in fair value used for measuring ineffectiveness for the year	
$'000	2022	2021	2022	2021	2022	2021
Cash flow hedges						
Foreign exchange risk						
Forward contracts (buy USD)	US$39,814	–	4,547	–	–	–
Forward contracts (sell USD)	US$36,458	–	(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:

	Cash flow hedge reserve		Changes in fair value used for measuring ineffectiveness for the year		Hedged gain/(loss) recognised in comprehensive income	
$'000	2022	2021	2022	2021	2022	2021
Cash flow hedges						
Foreign exchange risk						
Forward contracts	1,693	–	–	–	1,693	–

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 economically 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 match exactly 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 no longer match exactly 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 flow 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.

5. TAXATION

5.1 Income tax expense

	30 June 2022 $'000	30 June 2021 $'000
Current tax expense	126,641	137,384
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	7,706	(41,753)
Income tax expense	134,347	95,631
Reconciliation of tax expense to prima facie tax payable		
Profit from operations	449,635	279,592
Prima facie income tax expense at the Australian rate of 30%	134,891	83,878
Tax effect of:		
Share of associates' net (profit)/loss	(538)	(304)
Difference between tax and accounting profit from disposal of properties	2,961	(353)
Impairments, write down of investments and revaluation of derivative financial instruments	–	18,453
Adjustments in respect of current income tax of previous years	(1,752)	(1,795)
Research and development tax offset	(1,500)	(3,961)
Other items – net	285	(287)
Income tax expense	134,347	**95,631**

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 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Employee benefits provision	37,178	33,311	3,867	2,938
Other provisions and accruals	43,510	45,188	(1,678)	13,812
Property, plant and equipment	10,184	11,916	(1,732)	7,860
Intangible assets	(381,946)	(389,604)	7,658	14,249
Tax losses	24,792	44,179	(19,388)	(20,322)
Business related costs deductible over five years	15,507	16,119	(611)	6,551
Accelerated depreciation – program stock	(47,000)	(48,108)	1,109	2,675
Leases AASB 16	32,246	23,931	8,315	12,471
Other	(2,335)	6,066	(8,402)	1,505
Net deferred income tax liabilities	(267,864)	**(257,002)**	(10,862)[1]	**41,739**[1]

1. 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. 30 June 2021: consists of $41,753,000 of deferred tax benefit to the Consolidated Statement of Profit or Loss and deferred tax expense through equity reserves, mainly consisting of a defined benefit plan deferred tax expense of $7,659,000 offset by a share based payment reserve deferred tax benefit of $7,174,000 and other movements of $471,000.

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.

5. TAXATION continued

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.

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 2022

The Domain Group has gained control of the following entities and businesses during the year:

Entity or business acquired	Principal activity	Date of acquisition	Ownership interest as at 30 June 2022
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, its subsidiaries and equity accounted investments (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%

Assets acquired and liabilities assumed

The provisionally determined fair values of the identifiable assets and liabilities acquired are detailed below, with their measurement to be finalised within one year from the date of acquisition.

Provisional Fair Value on Acquisition	IDS Group $'000	Realbase Group $'000
Current Assets		
Cash	622	1,937
Trade and other receivables	37	5,113
Total current assets	**659**	**7,050**
Non-current Assets		
Right-of-use asset	–	1,588
Investments accounted for using the equity method	–	300
Intangible assets	3,379	310
Property, plant and equipment	21	244
Leasehold improvements	–	109
Deferred tax assets	358	1,174
Total non-current assets	**3,758**	**3,725**
Total assets	**4,417**	**10,775**

6. GROUP STRUCTURE continued

Provisional Fair Value on Acquisition	IDS Group $'000	Realbase Group $'000
Current liabilities		
Trade and other payables	5,980	10,700
Current tax liabilities	–	966
Provisions	496	1,016
Lease liabilities	–	281
Total current liabilities	**6,476**	**12,963**
Non-current liabilities		
Provisions	–	225
Lease liabilities	–	1,370
Deferred tax liabilities	1,048	–
Total non-current liabilities	**1,048**	**1,595**
Total liabilities	**7,524**	**14,558**
Total identifiable net liabilities at fair value	**(3,107)**	**(3,783)**
Goodwill arising on acquisition	82,352	177,726
Total identifiable net liabilities and goodwill attributable to the Domain Group	**79,245**	**173,943**

Purchase consideration	IDS Group $'000	Realbase Group $'000
Cash paid	54,720	173,943
Contingent consideration at acquisition	24,525	–
Total purchase consideration	**79,245**	**173,943**

Net cash outflow on acquisition	IDS Group $'000	Realbase Group $'000
Cash paid	(54,720)	(173,943)
Cash acquired	622	1,937
Net cash outflow	**(54,098)**	**(172,006)**

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 marks 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.

Goodwill of $82.4 million was recognised at the time of acquisition. This goodwill comprises expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

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. 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 $134.7 million and $153.7 million respectively. The range of potential outcomes, undiscounted, is $54.7 million to $153.7 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 to $32.3 million, constituting a loss of $7.8 million recognised through the Consolidated Statement of Profit or Loss and Comprehensive Income as disclosed in Note 2.4.

The contingent consideration is recognised as a financial liability on the Statement of Financial Position and is measured at fair value through the Consolidated Statement of Profit or Loss and Comprehensive Income. The contingent consideration is accounted for in accordance with AASB 9 *Financial Instruments* and disclosed as a financial liability as the amount to be paid is variable, based upon the post-acquisition financial and commercial performance of the IDS Group.

AASB 3 *Business Combinations* allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all of the various components of the business combination as of the acquisition date. The period cannot exceed one year from the acquisition date.

Costs incurred in relation to the acquisition amounted to $1.6 million as disclosed in Note 2.4.

6. GROUP STRUCTURE continued

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 marks 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.

Goodwill of $177.7 million was recognised at the time of acquisition. This goodwill comprises expected synergies arising from the acquisition. 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 or 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 30 June 2022, 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.

The on-target and maximum consideration for the transaction is $205.0 million and $230.0 million respectively. The range of potential outcomes, undiscounted, is $173.9 million to $230.0 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.

The contingent consideration is recognised as a financial liability on the Statement of Financial Position and is measured at fair value through the Consolidated Statement of Profit or Loss and Comprehensive Income. The contingent consideration is accounted for in accordance with AASB 9 *Financial Instruments* and disclosed as a financial liability as the amount to be paid is variable, based upon the post-acquisition financial and commercial performance of the Realbase Group.

AASB 3 *Business Combinations* allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all of the various components of the business combination as of the acquisition date. The period cannot exceed one year from the acquisition date.

Total transaction and share issuance costs incurred in relation to the acquisition of the Realbase Group amounted to $4.9 million. This includes share issuance costs amounting to $2.4 million which was recognised by Domain Group as a reduction to Domain's share capital, however was expensed in the Group financial statements as disclosed in Note 2.4.

Acquisitions for the year ended 30 June 2021

There were no acquisitions for the year ended 30 June 2021.

Disposals

There were no disposals for the year ended 30 June 2022 (30 June 2021: none).

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 net 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 has recognised 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 have been 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 of the Group's best estimate of the expenditure required to settle the present obligation 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. The determination of these fair values involves judgement around the forecast results of those businesses. Refer to Note 3.4 for further details.

6. GROUP STRUCTURE continued

6.2 Investments accounted for using the equity method

6.2(a) Investments at equity accounted amount:

	30 June 2022 $'000	30 June 2021 $'000
Associated entities – unlisted shares	33,606	31,181

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:

	Principal Activity	Country of Incorporation	% Interest[1] 30 June 2022	% Interest[1] 30 June 2021
Adventure TV Channel Pty Ltd	Television channel providers	Australia	50	50
CopyCo Pty Ltd	Content licensing	Australia	20	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 transmission	Australia	25	25
Intrepica Pty Ltd	Online learning service	Australia	15	15
Ibenta Pty Ltd[3]	Real estate marketing and management solutions	Australia	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	Digital audio broadcasting	Australia	12	12
Digital Radio Broadcasting Melbourne Pty Ltd	Digital audio broadcasting	Australia	18	18
Digital Radio Broadcasting Brisbane Pty Ltd	Digital audio broadcasting	Australia	25	25
Digital Radio Broadcasting Perth Pty Ltd	Digital audio broadcasting	Australia	17	17
Mediality Pty Ltd	Newsagency & information service	Australia	47	47
Oneflare Pty Ltd[2]	Home services marketplace	Australia	–	21
Skoolbo Pte Ltd	Online learning service	Singapore	19	19

1. The proportion of ownership is equal to the proportion of voting power held, except where stated.
2. This entity was disposed on 29 March 2022.
3. Acquired on 29 April 2022 as part of the acquisition of Realbase Group. Refer to Note 6.1

6.2(c) Carrying amount of investments in associates and joint ventures

	30 June 2022 $'000	30 June 2021 $'000
Balance at the beginning of the financial year	31,181	25,766
Funding to associates and joint ventures	500	939
Acquired during the year	300	–
Disposals	–	(1,465)
Share of associates' net profit for the year[1]	1,793	5,991
Dividends received or receivable	(168)	(50)
Carrying amount of investments in associates and joint ventures at the end of the financial year	33,606	**31,181**

1. In the year ended 30 June 2021, the share of associates net profit for the year includes a one-off gain of $5.0 million relating to the Group's share of an associates' asset sale. This has been disclosed as a specific item – refer to Note 2.4.

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 2022 $'000	30 June 2021 $'000
Net profit after income tax	1,793	5,991

The Group's current year share of losses of associates and joint ventures not recognised is nil (2021: $nil). The Group's cumulative share of losses of associates and joint ventures not recognised is nil (2021: $nil).

6.2(e) Share of associates and joint ventures assets and liabilities

	30 June 2022 $'000	30 June 2021 $'000
Current assets	20,563	15,839
Non-current assets	26,838	28,635
Total assets	47,401	**44,474**
Current liabilities	11,431	12,104
Non-current liabilities	7,270	10,503
Total liabilities	18,701	**22,607**

6.2(f) Impairment

There was no impairment recorded during the current financial year (2021: $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.

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 recognises 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:

			Ownership interest	
	Footnote	Place of incorporation	June 2022 %	June 2021 %
Nine Entertainment Co. Holdings Ltd	A, B	Australia	Parent Entity	Parent Entity
112 Pty Ltd[2]	A	Australia	100	88
Channel 9 Australia Inc		USA	100	100
Channel 9 South Australia Pty Ltd	A, B	Australia	100	100
CarAdvice.com Pty Ltd[2]	A	Australia	100	88
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	A, B	Australia	100	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	A, B	Australia	100	100
Petelex Pty Limited	A, B	Australia	100	100
Pedestrian Corporation Holdings Pty Limited		Australia	100	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	A, B	Australia	100	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 2022 %	Ownership interest June 2021 %
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	59
ACT Real Estate Media Pty Ltd		Australia	60	59
Alldata Australia Pty Ltd		Australia	60	59
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	59
Bidtracker Holdings Pty Ltd		Australia	60	59
Bodypass Trading Pty Ltd		Australia	100	100
Buyradio Pty Ltd	B	Australia	100	100
Campaigntrack Limited[4]		New Zealand	60	–
Campaigntrack Pty Ltd[4]		Australia	60	–
Campaigntrack Print Pty Ltd[1, 4]		Australia	30	–
Commercial Real Estate Holdings Pty Ltd		Australia	60	59
Commercial Real Estate Media Pty Limited[1]		Australia	40	40
Commercialview.com.au Ltd[1]		Australia	40	40
CT Content House Pty Ltd[1, 4]		Australia	30	–
CT Signs Pty Ltd[1, 4]		Australia	30	–
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	59
Domain Holdings Australia Limited		Australia	60	59
Domain Insure Pty Ltd[1]		Australia	42	41
Domain Operations Pty Limited		Australia	60	59
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

	Footnote	Place of incorporation	Ownership interest June 2022 %	Ownership interest June 2021 %
Fairfax Media Group Finance Pty Ltd	A, B	Australia	100	100
Fairfax Media Management Pty Limited	A, B	Australia	100	100
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	59
Homepass Pty Ltd		Australia	60	59
Insight Data Solutions Holdings Pty Ltd[3]		Australia	60	–
Insight Data Solutions Pty Ltd[3]		Australia	60	–
IDS Gov Services Pty Ltd[3]		Australia	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	B	Australia	100	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		Australia	100	100
Metro Media Publishing Pty Ltd		Australia	56	55
Metro Media Services Pty Ltd		Australia	60	59
MarketNow Payments Pty Ltd[1]		Australia	36	35
MMP Community Network Pty Ltd		Australia	60	59
MMP (DVH) Pty Ltd[1]		Australia	38	37
MMP (Melbourne Times) Pty Ltd[1]		Australia	42	41
MMP Bayside Pty Ltd[1]		Australia	47	46
MMP Eastern Pty Ltd[1]		Australia	42	41
MMP Greater Geelong Pty Ltd[1]		Australia	29	28
MMP Holdings Pty Ltd		Australia	60	59
MMP Moonee Valley Pty Ltd[1]		Australia	42	41
National Real Estate Media Pty Limited		Australia	60	59
National Real Estate Nominees Pty Ltd		Australia	60	59
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	59
Property Data Solutions (2) Pty Ltd[3]		Australia	60	–

6. GROUP STRUCTURE continued

	Footnote	Place of incorporation	Ownership interest June 2022 %	June 2021 %
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
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[4]		Australia	60	–
Realhub Systems Pty Ltd[4]		Australia	60	–
Realhub Services Pty Ltd[4]		Australia	60	–
Realhub Studios Pty Ltd[4]		Australia	60	–
Realbase Inc[4]		Philippines	60	–
Real Growth Solutions Limited[1,4]		New Zealand	30	–
Review Property Pty Ltd		Australia	60	59
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. On 16 August 2021, the Group acquired the remaining 12% of shares in CarAdvice.com Pty Ltd and its wholly-owned subsidiary 112 Pty Ltd. On 6 October 2021, both Caradvice.com Pty Ltd and 112 Pty Ltd became parties to the Deed of Cross Guarantee.
3. On 15 October 2021, Domain Group acquired all shares in Insight Data Solutions business. Refer to Note 6.1 for details.
4. On 29 April 2022, Domain Group acquired all shares in Realbase Pty Ltd. Refer to Note 6.1 for details.

Accounting Policy

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries as at 30 June 2022. 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. 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 2022 is as follows:

	Closed Group[1]		Extended Closed Group[2]	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Profit before income tax	386,470	224,956	385,322	224,956
Income tax expense	(106,983)	(80,402)	(106,404)	(80,402)
Net profit after income tax from operations	279,487	144,554	278,918	144,554
Dividends paid during the period	(213,174)	(119,378)	(213,174)	(119,378)
Adjustment for Entities which joined the closed Group during the year	(21,069)	(25,570)	–	–
Adjustments to reserves	281	54	281	54
Accumulated profits at the beginning of the financial year	(205,871)	(205,531)	(205,871)	(231,101)
Accumulated profits at the end of the financial year	(160,346)	(205,871)	(139,846)	(205,871)

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. GROUP STRUCTURE continued

On 6 October 2021, both Caradvice.com Pty Ltd and 112 Pty Ltd became parties to the Deed of Cross Guarantee.

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 2022 is as follows:

	Closed Group[1]		Extended Closed Group[2]	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current assets				
Cash and cash equivalents	81,184	70,949	79,816	70,949
Trade and other receivables	338,087	322,192	334,605	322,192
Program rights and inventories	291,259	256,617	291,259	256,617
Property, plant and equipment held for sale	–	3,622	–	3,622
Derivative financial instruments	3,214	–	3,214	–
Other assets	34,510	34,679	34,390	34,679
Total current assets	748,254	688,059	743,284	688,059
Non-current assets				
Receivables	9,856	8,021	9,856	8,021
Program rights	168,236	140,939	168,236	140,939
Investment in associates accounted for using the equity method	33,307	31,181	33,307	31,181
Investment in group entities	780,375	832,528	835,424	835,424
Other financial assets	6,511	6,690	6,511	6,690
Property, plant and equipment	462,049	529,492	461,662	529,492
Intangible assets	1,263,170	1,274,733	1,259,031	1,274,733
Derivative financial instruments	1,333	–	1,333	–
Other assets	23,925	29,683	23,925	29,683
Total non-current assets	2,748,762	2,853,267	2,799,285	2,856,163
Total assets	3,497,016	3,541,326	3,542,569	3,544,222
Current liabilities				
Trade and other payables	441,033	428,158	439,125	428,158
Financial liabilities	108,767	112,412	108,614	112,412
Income tax liabilities	38,350	47,499	38,339	47,499
Provisions	204,873	158,824	204,314	158,824
Derivative financial instruments	1,721	2,772	1,721	2,772
Total current liabilities	794,744	749,665	792,113	749,665
Non-current liabilities				
Payables	111,364	88,503	104,889	89,923
Financial liabilities	507,413	520,172	507,413	520,172
Deferred tax liabilities	200,074	195,921	200,312	195,921
Derivative financial instruments	406	–	406	–
Provisions	16,887	26,496	16,838	26,496
Total non-current liabilities	836,144	831,092	829,858	832,512
Total liabilities	1,630,888	1,580,757	1,621,971	1,582,177
Net assets	1,866,128	1,960,569	1,920,598	1,962,045

1. Closed Group are those entities party to the Deed of Cross Guarantee.
2. Refer to Note 6.3 for details.

6.5 Parent entity disclosures

	Parent entity	
	2022 $'000	2021 $'000
(a) Financial Position		
Current assets	89,523	77,168
Non-current assets	2,367,588	2,389,395
Total assets	2,457,111	**2,466,563**
Current liabilities	948	1,078
Non-current liabilities	653,036	684,507
Total liabilities	653,984	**685,585**
Net assets	1,803,127	**1,780,978**
Contributed equity	2,134,803	2,134,803
Reserves	8,631	6,703
Retained earnings	(340,307)	(360,528)
Total Equity	1,803,127	**1,780,978**
(b) Comprehensive income		
Net profit for the year	233,114	13,560
Total comprehensive income for the year	233,114	**13,560**

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.

	2022 $'000	2021 $'000
Rendering of services to and other revenue from:		
Associates of Nine Entertainment Co:		
Future Women Pty Ltd	9	9
Adventure TV Channel Pty Ltd	7,816	6,034
Darwin Digital Television Pty Ltd	–	6
NPC Media Pty Ltd	77	74
Receiving of services from related parties:		
Associates of Nine Entertainment Co:		
Mediality Pty Ltd	1	7
Digital Radio Broadcasting Sydney Pty Ltd	218	671
Dividends received from:		
Associates of Nine Entertainment Co:		
Digital Radio Broadcasting Sydney Pty Ltd	90	–
Combined Translator Facilities Pty Ltd	78	50
Amounts owed by related parties:		
Adventure TV Channel Pty Ltd	839	820
NPC Media Pty Ltd	43	95
Future Women Pty Ltd	268	112
Homebush Transmitters Pty Ltd	132	118
Darwin Digital Television Pty Ltd	7	18
Amounts owed to related parties:		
Adventure TV Channel Pty Ltd	7,716	6,521
Oztam Pty Ltd	–	402
NPC Media Pty Ltd	345	241
Loans to related parties:[1]		
Darwin Digital Television Pty Ltd	3,285	3,035
NPC Media Pty Ltd	4,000	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 2022, 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 (2021: $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 whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment 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	2022 $'000	2021 $'000
Short-term employee benefits	6,176,123	6,258,379
Termination payments	–	2,856,656
Post-employment benefits	140,610	133,054
Long-term benefits	999,628	1,103,135
Share-based payments	1,367,359	2,711,201
Total remuneration of key management personnel	**8,683,720**	**13,062,425**

The table includes current and former key management personnel.

Detailed remuneration disclosures are provided in the Remuneration Report on pages 9 to 31.

7. OTHER

7.1 Other financial assets

	2022 $'000	2021 $'000
Non-current		
Investments in listed entities	6,511	6,690
Closing balance at 30 June	6,511	**6,690**

Investments in Yellow Brick Road (ASX: YBR) and Sports Entertainment Group Limited (ASX: SEG). These investments are carried at fair value through Other Comprehensive Income in order to avoid volatility in the Statement of Profit and Loss.

	2022 $'000	2021 $'000
Non-current		
As at 1 July	6,690	5,460
Movement in fair value	(179)	1,230
Closing balance at 30 June	6,511	**6,690**

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 $179,000 adjusted against the investment for the year ended 30 June 2022 (2021: $1,230,000 gain).

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.

Accounting Policy continued

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. Dividends from investments in listed equities are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

	2022 $'000	2021 $'000
Non-current		
Defined benefits plan[1]	23,925	25,533
Closing balance at 30 June	**23,925**	**25,533**

1. 30 June 2022 balance consists of Nine Network Superannuation Plan (2022: $21,521,000; 2021: $22,915,000), Fairfax Media Super defined benefit plan (2022: $2,058,000; 2021: $2,258,000) and Nine Radio Pty Ltd Super defined benefit plan (2022: $346,000; 2021: $360,000).

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' Trustees are responsible for the governance of the Plans. The Trustees have 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.

7. OTHER continued

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. The assets held to support accumulated benefits, including the accumulation accounts in respect of defined benefit members, are held in the investment options selected by the member.

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 2022 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 MML Plans, on the basis that they are not considered material to the Group.

Reconciliation of the Net Defined Benefit Asset

Financial year ended	30 June 2022 $'000	30 June 2021 $'000
Net defined benefit asset at start of year	22,915	12,594
Current service cost	(671)	(782)
Net interest	276	176
Actual return on Plan assets less interest income	(3,338)	9,445
Actuarial losses/(gains) arising from changes in financial assumptions	3,851	(398)
Actuarial (gains)/losses arising from liability experience	(1,533)	1,861
Employer contributions	21	19
Net defined benefit asset at end of year	**21,521**	**22,915**

Reconciliation of the Fair Value of Plan Assets

Financial year ended	30 June 2022 $'000	30 June 2021 $'000
Fair value of Plan assets at beginning of the year	60,520	52,498
Interest income	780	791
Actual return on Plan assets less interest income	(3,338)	9,445
Employer contributions	21	19
Contributions by Plan participants	623	703
Benefits paid	(3,441)	(2,865)
Taxes, premiums and expenses paid	(141)	(71)
Fair value of planned assets at end of year	55,024	**60,520**

Reconciliation of the Present Value of the Defined Benefit Obligation

Financial year ended	30 June 2022 $'000	30 June 2021 $'000
Present value of defined benefit obligations at beginning of year	37,605	39,904
Current service cost	671	782
Interest cost	504	615
Contributions by Plan participants	623	703
Actuarial (gains)/losses arising from changes in financial assumptions	(3,851)	398
Actuarial losses/(gain) arising from liability experience	1,533	(1,861)
Benefits paid	(3,441)	(2,865)
Taxes, premiums and expenses paid	(141)	(71)
Present value of defined benefit obligations at end of year	33,503	**37,605**

The defined benefit obligation consists entirely of amounts from Plans that are wholly or partly funded.

Fair value of Plan assets

As at 30 June 2022, total Plan assets of $55,024,000 (2021: $60,520,000) 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 2022[1] %	30 June 2021 %
Australian Equity	24%	24%
International Equity	31%	31%
Fixed Income	21%	21%
Property	12%	11%
Alternatives/Other	9%	9%
Cash	3%	4%

1. Asset allocation as at 31 May 2022.

7. OTHER continued

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 2022	30 June 2021
Assumptions to Determine Benefit Cost		
Discount rate	1.4% pa	1.6% pa
Expected salary increase rate	2.0% pa	2.0% pa
Assumptions to Determine Benefit Obligation		
Discount rate	4.9% pa	1.4% pa
Expected salary increase rate	3.5% pa in the first year and then 2.5% pa	2.0% pa

Sensitivity Analysis

The defined benefit obligation as at 30 June 2022 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% pa lower discount rate assumption.
- Scenario B: 0.5% pa higher discount rate assumption.
- Scenario C: 0.5% pa lower salary increase rate assumption.
- Scenario D: 0.5% pa higher salary increase rate assumption.

% pa	Base case	Scenario A -0.5% pa discount rate	Scenario B +0.5% pa discount rate	Scenario C -0.5% pa salary increase rate	Scenario D +0.5% pa salary increase rate
Discount rate	4.9% pa	4.4% pa	5.4% pa	4.9% pa	4.9% pa
Salary increase rate[1]	2.5% pa	2.5% pa	2.5% pa	2.0% pa	3.0% pa
Defined benefit obligation ($'000s)[2]	33,503	34,066	32,970	33,142	33,877

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.

- For A1 members, the employer should also make the relevant Superannuation Guarantee contributions to members' chosen funds.
- Accumulations members:
  - the Superannuation Guarantee 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 2022, contributions of $nil (2021: $nil (net of tax)) were financed from defined benefit assets; and
  - any additional employer contributions agreed between the Employer and a member (e.g. additional salary sacrifice contributions).

Expected Contributions

Financial year, ending	30 June 2023
Expected employer contributions	–

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 30 June 2022 is five years (30 June 2021: five years).

Expected benefit payments for the financial year ending on:	$'000
30 June 23	5,171
30 June 24	4,217
30 June 25	4,926
30 June 26	8,600
30 June 27	5,349
Following five years	4,065

7. OTHER continued

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.

7.3 Auditors' remuneration

	2022 $	2021 $
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]	2,592,901	2,494,022
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	104,375	63,460
Fees for other services – Tax compliance and advisory	136,335	303,145
Total auditors' remuneration	**2,833,611**	**2,860,627**

1. Comprised of the audit and review of the wholly-owned group ($1,603,100) and the audit and review of Domain Group ($989,801). (2021: wholly-owned group ($1,527,500) and the audit and review of Domain Group ($966,522)).

7.4 Contingent liabilities and related matters

The consolidated entity has made certain guarantees regarding contractual leases, performance and other commitments of $31,598,202 (2021: $27,577,141). 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 2022 of 7.0 cents per share, fully franked, amounting to $119,377,528. The Group has also announced an on-market buyback of up to 10 percent of the Group's current issued share capital, to commence from September 2022.

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 2022

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 2022.

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 2022. 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 Classification of Liabilities as Current or Non-current
- Amendments to AASs 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 AASs Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to AASs – Initial Application of AASB 17 and AASB 9 Comparative Information
- Amendments to AASs Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to AASB 137 Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to AASB 3 Reference to the Conceptual Framework
- Amendment to AASB 9 Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

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 Officer for the year ended 30 June 2022.
2. in the opinion of the Directors, the consolidated financial statements and notes that are set out on pages 40 to 113 and the Remuneration Report in pages 9 to 31 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 2022 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 45 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 6.4 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, 25 August 2022

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 2022, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional 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 2022, the Group's consolidated statement of financial position included goodwill and other intangible assets amounting to $2,512.3 million, representing 60.6%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 2022. This assessment involved critical accounting estimates and assumptions, based upon conditions existing as at 30 June 2022, 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 by the Directors in their impairment testing of the carrying values of intangible assets met the requirements of Australian Accounting Standards. • Evaluation of the determination of each Cash Generating Unit ("CGU") based on whether independent cash inflows are generated by the CGU and other factors. • Testing of the mathematical accuracy of the models. • 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 2022, program rights to the value of $451.1 million have been recognised as assets. This balance comprises $278.5 million in current program rights and $172.6 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 AASB 102 Inventories. 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 2022 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.

EY
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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 9 to 31 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Nine Entertainment Co. Holdings Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Christopher George
Partner
Sydney
25 August 2022

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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, 10 November 2022. Arrangements for the meeting will be notified at the relevant time.

FINANCIAL CALENDAR 2023

Interim Result	23 February 2023
Preliminary Final Result	24 August 2023
Annual General Meeting	9 November 2023

COMPANY SECRETARY

Rachel Launders

REGISTERED OFFICE

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SHARE REGISTRY

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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

Nine