endeavour group

Sociable at heart

Annual Report 2023

Sociable at heart

Our purpose, 'creating a more sociable future, together', inspires us to create the products, spaces and experiences that help make real moments of connection possible in communities across the country. As a nation, we are sociable at heart, and as a business, we're proud to be part of that. We bring millions of people together every day to share quality time with their family and friends. It's the best part of what we do.

Recent times have been tough for many, with cost of living pressures and adjusting to the challenges of the past few years. In uncertain times, more than ever, people need more sociable moments. We need each other, to connect in real time, share memories and create new ones.

We're keen to come together, to celebrate, catch up, have a laugh. When times are uncertain, our values - we're real, we're inclusive and we're responsible - are even more important in guiding our teams and the way we work with our suppliers, partners, communities and customers. We're creating a more sociable future together.

Contents

Forward-looking statements

Information presented in this report is, unless stated otherwise, current as at 25 June 2023. This report may contain forward-looking statements in relation to Endeavour Group Limited ACN 159 767 843 (Endeavour) and its controlled entities (together Endeavour Group or the Group), including statements regarding the Group's intent, belief, goals, objectives, initiatives, commitments or current expectations with respect to the Group's business and operations, market conditions, results of operations and financial conditions, and risk management practices. Forward-looking statements can generally be identified by the use of words such as 'forecast', 'target', 'estimate', 'plan', 'will', 'anticipate', 'may', 'believe', 'should', 'expect', 'intend', 'outlook', 'guidance' and similar expressions.

These forward-looking statements are based on the Group's good-faith assumptions as to the financial, market, risk, regulatory and other relevant environments that will exist and affect the Group's business and operations in the future. The Group does not give any assurance that the assumptions will prove to be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors, many of which are beyond the control of the Group, that could cause the actual results, performances or achievements of the Group to be materially different from future results, performances or achievements expressed or implied by the statements.

Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable laws or regulations, the Group does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in assumptions on which any such statement is based. Past performance cannot be relied on as a guide to future performance.

Acknowledgement of Country

We acknowledge the First Peoples of the lands on which Endeavour operates across Australia and New Zealand. We acknowledge the Aboriginal and Torres Strait Islander peoples as Traditional Custodians and First Nations of Australia. We pay respects to their Elders past and present, and recognise their unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society. We acknowledge that their continuing care for Country and ancient soils since time immemorial has gifted us a uniquely Australian terroir. We also acknowledge and respect ngā iwi Māori and their unique role as tangata whenua of Aotearoa/New Zealand and as Treaty of Waitangi partners. We commit to listening to and learning from the voices, stories and cultures of First Peoples where we operate our businesses.

Aboriginal and Torres Strait Islander people are respectfully advised that this document may contain images and/or names of Aboriginal and Torres Strait Islander people who may be deceased.

'Celebration Place' by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji), our Reconciliation artwork.

We are deeply privileged to have Riki tell a story that is uniquely Endeavour, through a dynamic visual language and the timelessness and omniscience of the Dreaming. The artwork Riki created for us symbolises both occasion and belonging, time and space, and the process of coming together, as well as the outcome of being one through shared experiences and knowledge. The concept represents water and knowledge flowing throughout the country. From desert country to stone country, rainforest country. From freshwater to saltwater all water carries knowledge from upstream to downstream. This knowledge is passed down from generation to generation to keep Culture strong.

See Reconciliation Action Plan 2022 artwork 'Celebration Place' by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji), www.endeavourgroup.com.au/sustainability

Bringing people together

We bring people together through our places, products and experiences.

This year, our hotels have been filled with people enjoying good times with good company. The desire to connect with others is stronger, now more than ever. Our teams have done us proud, welcoming thousands in every day, creating a real sense of local community in each and every one of our hotels.

In-store, we share our passion and knowledge to help our customers find a great drop, or simply enjoy drinks their way. We enjoy getting to know our locals and offering suggestions for their catch-ups, nights at home together, or special events.

All the work we've done on value, product, range and experience helps our customers connect, in their own way. We love that we can play a role in so many social occasions. Helping to make memories, experiences and stories – that's what we're all about!

79
Dan Murphy's Voice of Customer NPS score (stable)

74
BWS Voice of Customer NPS score (stable)

8.5/10
Hotels Voice of Customer score (+0.1pt)

Player Protect

Launched Player Protect

90%

Team members are trained in our 'Leading in Responsibility' program

76%

Voice of Team engagement score

Connecting communities, acting responsibly

We care about creating a more sociable future together in a sustainable way.

We know our actions have a lasting imprint. By listening to the issues that matter most to our people, customers, suppliers and communities, we better understand the areas we can make a real, sustainable difference. We can make sure the imprint we create is a positive one.

We're strengthening our culture of responsibility and compliance: embedding frameworks and controls to better support our regulatory obligations; investing in and training our people; working with experts and industry partners on harm minimisation and moderation; innovating in our operations, products and experiences; and encouraging people to enjoy sociable moments responsibly.

We've begun the important work of listening to and lifting the voices of First Nations peoples in our own businesses and beyond, and we've formed partnerships in communities as part of our long-term commitment to positive change.

Guided by our values, we act responsibly, inclusively, with care – with our people, our partners, our communities. We're creating our positive imprint together.

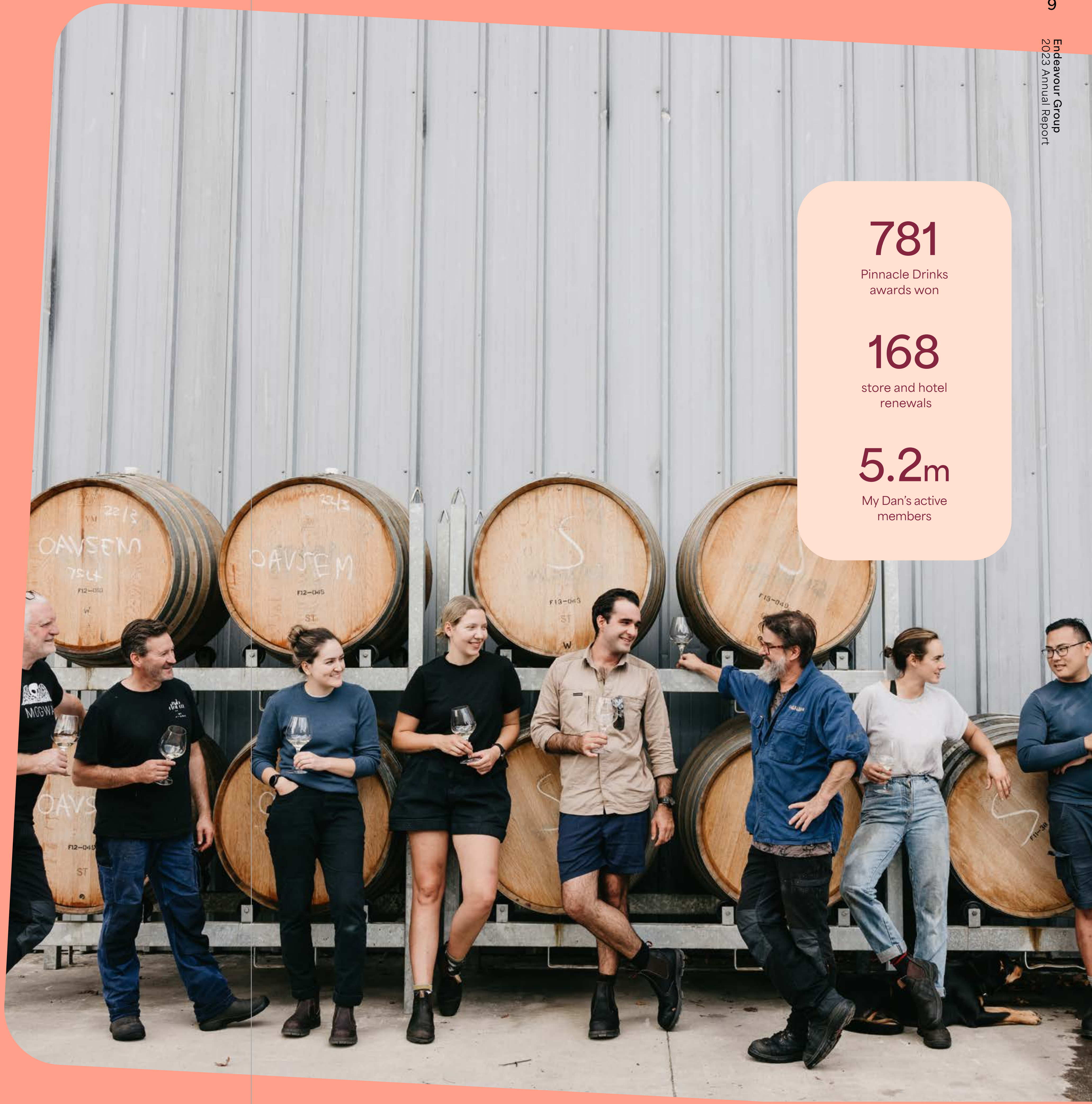
Always innovating

We find new ways to create together, to innovate, and to bring people and communities together to have a good time.

We're proud to have received several prestigious awards for our Pinnacle Drinks range, and even prouder to say we have some of the finest winemakers in the country. We've expanded our offering as we continue to create new trends and keep up with the changing tastes of our customers, including those looking to drink less, and drink better.

Creating the best in-store experience matters to us, so we're constantly upgrading our store network for efficiencies and customer experience. Most recently, our new BWS 4.0 store format showcases innovation in customer experience.

Through endeavourX, we've created engaging digital experiences for our customers, customised to where and how they like to shop. We innovate to understand their needs, to understand their tastes, and create personalised offers to make their next social occasion a memorable one.



781
Pinnacle Drinks awards won

168
store and hotel renewals

5.2m
My Dan's active members

Sociable at heart

As we look back on our second year as an ASX-listed company, we're proud of what the Endeavour team has achieved. We've delivered a strong financial result, maintained our disciplined approach to cost management, accelerated our customer experience and digital transformation, made progress against our sustainability strategy, while growing our network and investing for the future. Our strong performance confirms the enduring appeal of our brands, and the inherent resilience of our businesses.

Our teams rose to the challenge: listening to, learning from and supporting each other, their communities, and the business, while creating new ways to bring customers together, grow our brands and live our purpose of creating a more sociable future together.

During the year we continued to grow our digital connection with customers, with My Dan's membership growing by 15.6% to 5.2 million active users and our BWS app active base growing to a peak of 400,000 users. In total, online sales were up 73.0% on F19[1], pre COVID-19 numbers, at $851 million for the year.

We have also invested in updating our technology platforms, implementing a standalone Group-wide spend management system and progressing the replacement and consolidation of our people systems. In September, we launched our new retail media vehicle, 'MixIn by endeavour', which offers our suppliers the opportunity to better communicate and engage with customers.

We grew our network, adding eight Dan Murphy's, 18 net new BWS stores, and acquiring 11 new Hotels. We also added to our Paragon Wine Estates portfolio of fine wine brands, with the acquisition of Shingleback Wines in McLaren Vale and Cape Mentelle winery in Margaret River. Throughout the year, we renewed 95 BWS and 27 Dan Murphy's stores, and 46 hotels, including The Brook Hotel in Brisbane, which was completely redeveloped as part of a $30 million investment.

1 Normalised 52-week equivalent F19 results.

Our F23 Performance

Our F23 financial performance reflected the underlying strength and the stability of our earnings derived from our core businesses. Overall, the Group delivered a strong result, with Group sales up 2.5% on last year to $11.9 billion and profit for the year (after income tax) up 6.9% to $529 million.

Our Retail segment generated sales of $9.9 billion during F23, a slight decrease of 1.8% from the prior financial year. This reflects the cycling of strong first half comparatives, as well as a decline in the online market. While macroeconomic factors were more challenging in H2, our Retail business returned to growth, with sales increasing by 0.7% in the second half. Underlining the momentum in sales both BWS and Dan Murphy's recorded their highest monthly sales growth of the year in June.

Our Hotels segment grew revenue by 31.0% from F22 to $2.0 billion, reflecting a strong first half recovery from the COVID-19 restrictions that existed in the prior corresponding period. In the second half of the year the proportional contribution of earnings drivers normalised with a strong uplift in bar, food and accommodation revenue offsetting a normalisation of gaming revenue from the elevated levels experienced in the initial periods after COVID-19 lockdowns.

Consistent with this strong Group financial performance, the Board has declared a final dividend of 7.5 cents. When combined with the interim dividend payment of 14.3 cents, this delivers a full year payout ratio of 73.9%, in line with the previously guided payout ratio of 70% to 75% of NPAT.

Creating our positive imprint

We care about creating a more sociable future in a sustainable way. Our sustainability strategy keeps us focused on the positive imprint we're creating for the communities we're a part of, the people we connect with and the planet we all share.

This year's completion of our first independent materiality assessment allowed us to identify the issues that matter most to our stakeholders and our business to better understand and prioritise areas where we can make an impact. This work confirmed that our focus on responsibility and compliance is the strong foundation from which we can build our business sustainably.

We continue to build a positive, and inclusive workplace: one team with a shared purpose. We've been especially proud of the work this year towards inclusion, with the release of our Reflect Reconciliation Action Plan in October 2022 and our team's engagement towards the important work of lifting the voices of First Nations peoples.

We're also making progress towards decarbonisation and remain committed to building climate resilience through innovation and energy efficiency initiatives in our operations and industries.

Our people are the most important part of our business, and we consider getting them home safely at the end of each day our first priority. This year, we were devastated by the loss of one of our own, Declan Laverty, following a tragic incident at our BWS Airport Tavern Drive store in Darwin, NT. We have provided support to Declan's family, friends and team members.

Our F23 Sustainability Report, 'Creating our positive imprint' shares the progress we've made so far and what we're focused on next. Find out more at: www.endeavourgroup.com.au/sustainability.

Our F24 Outlook

While we expect inflation, particularly rising labour, supply chain and energy costs to be a headwind for the business in F24, we will, as in previous years, look to manage these cost challenges through measured price realisation, disciplined cost management and optimisation initiatives.

In F24, our focus will be on leveraging and growing our compelling brands and experiences, investing in customer-facing technology that drives engagement, progressing the transformation of our store, hotel and fulfilment network, delighting customers with quality brands and products that lead trends, while unlocking the property and renewal potential within our Hotels network.

As we look forward, our purpose of 'creating a more sociable future together' remains as relevant and important as ever. As people turn to places and moments of social connection in challenging times, we will be there to bring them together.

We have an energised team of exceptional people, innovative customer experiences and products and a disciplined approach to financial and capital management. We are well placed and ready to deliver for our stakeholders and shareholders.

On behalf of the Endeavour Board and our 30,000 team members, we thank you for your continued support, and encourage you to read this report.

Peter R. Hearl
Chairman

Steve Donohue
Managing Director and CEO

Our strategy

Endeavour Group operates Australia's largest retail drinks network under the Dan Murphy's and BWS brands, and the largest portfolio of licensed hotels in communities across the country.

Our 30,000+ team members are passionate about Our Purpose: 'Creating a more sociable future together'. It guides us to focus our strategy on what matters most: bringing people together to share memorable moments.

Our business is underpinned by a unique collection of physical and digital assets, customer connections and industry partnerships:

- Unparalleled scale and network: We operate the largest network of hotels and liquor retail stores nationally, with innovative customer-led formats.
- Highly recognised, trusted customer-facing retail brands: Our brands are some of the most recognised and valued customer-facing brands in the country.
- Deep customer knowledge: We create insights from one of Australia's largest and most engaged customer bases, backed by our leading loyalty propositions.
- Strong digital capability: We leverage internal digital capabilities to deliver meaningful omnichannel customer experiences.
- Leading in-house production capability: We own leading production and brand capabilities that allow us to drive product innovation and efficiency across our portfolio.
- Sustainable imprint: We have a long history of operating in regulated markets and ensuring compliance is at the core of our culture and operations.

We deliver strong returns for our shareholders by operating as an interconnected group, using our assets, customer understanding and industry partnerships to achieve our vision: to be the leading platform enabling social occasions.

Our strategy has five core pillars:

- Creating leading customer offers and brands
- Building an efficient end-to-end business
- Accelerating growth
- Being one team living our purpose and values
- Leaving a positive and sustainable imprint

Our purpose, vision and strategy:

Delivering strong returns

Our strategy has five core pillars:

Leading customer offers

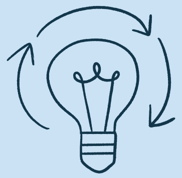
We will continue to create leading customer offers and brands that drive sustainable growth in our core business.

Our large and engaged customer base, combined with our data and insights capability, allows us to develop a deep understanding of our existing and new customers.

Using this customer knowledge, we create meaningful omnichannel experiences, bringing together retail and hotel formats customers love, innovative web and app assets, and trend-leading products.

We curate our brands and formats across our leading physical and digital network, allowing us to reach more customers and serve our customers across a broader range of occasions.

In F23 we adopted an app first mindset and invested to build mobile app capabilities in each of our brands.



Building an efficient end-to-end business

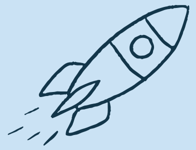
By optimising our business end-to-end we will drive customer and shareholder value, and deliver a better team experience.

We are committed to delivering approximately $300 million from our optimisation program by F26, supported by a zero-based approach to above-store and hotel costs, optimising in-store and hotel operations, and driving supply chain efficiency.

In addition, we are focused on continuing to drive sustainable margin uplift with the support of new capabilities, including advanced analytics.

We are building a flexible and scalable end-to-end business and technology platform that will provide the foundation for future operations.

Our optimisation program has delivered $90 million in cost savings since F21.



Accelerate growth

Our vision sees us accelerating growth in and beyond our core businesses.

We will drive growth in our core businesses through prioritised deployment of capital and delivering a balance of short and long-term returns. We will continue to transform and expand our Retail and Hotels network, unlocking property opportunities in new sites, and through renewals and redevelopments.

We leverage partnerships to deliver complementary products to customers, and offer new ways and channels to shop.

We invest in brands and production capabilities, to deliver customers better products using our deep customer knowledge.

Over time we will expand the markets in which we operate, allowing us to serve new social occasions.

The Emu Hotel in Morphett Vale, South Australia, was one of 11 hotels added to our network in F23.

One team living our purpose and values

At Endeavour, we will always act as one team living our purpose and values. We are continually building a culture that activates our purpose of "Creating a more sociable future together".

We continually focus on our people to ensure we have the talent and capability to deliver our strategic goals. We are investing to attract and retain our talent, providing our team with a rich experience. We are also deepening critical capabilities in line with our strategic agenda.

We activated our new team member value proposition and launched our Endeavour leadership framework across the Group in F23.

Positive and sustainable imprint

Our sustainable imprint is integral to who we are and how we operate.

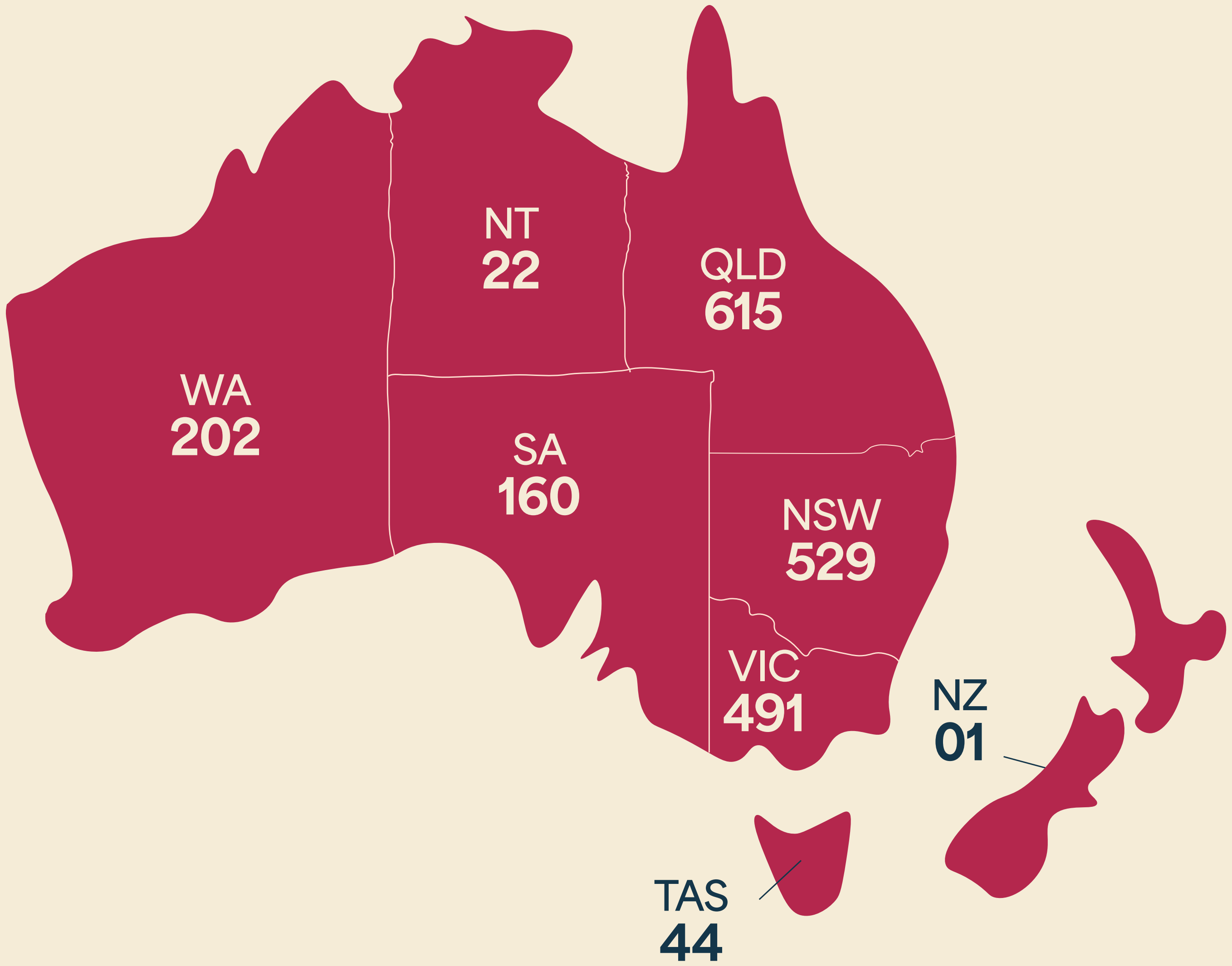
Responsibility and community
Compliance is at the core of what we do and how we operate. We are deeply committed to advocating for responsible choices and supporting positive change in our communities.

People
We champion individuality, human rights and personal rights.

Planet
We reduce our impact on the planet by making our practices more sustainable and circular.

In F23, the Darwin based Community Advisory Committee has undertaken an extensive listening and learning program to better understand the issues facing the local community.

Our market leading network



Endeavour Group stores, hotels and wineries network footprint

Footprint

1,701
BWS and Dan Murphy's stores

354
hotels (including five managed clubs)

6
wineries

Digital

~900k
Retail app monthly active users

115m
online Retail website and app traffic

$851m
online sales

Customer convenience

220
Dan Murphy's stores providing contactless Direct to Boot pick-up

343
hotels with contactless order and pay

~720
BWS stores offering UberEats

Group financial performance

Endeavour Group Limited and its controlled entities
For the 52 weeks ended 25 June 2023

Strong trading results in F23

Group Sales
$11.9b
▲ 2.5% from F22

Profit for the year (after income tax)
$529m
▲ 6.9% from F22

Total dividend per share
21.8c

Group EBIT
$1,023m
▲ 10.7% from F22

Earnings per share
29.5c
▲ 6.9% from F22

Full-year dividend payout ratio
73.9%

Results Overview

The financial results achieved in F23 demonstrate the resilience and stability of Endeavour Group. Within the Retail segment, our two core brands, BWS and Dan Murphy's, continue to thrive, whilst our Hotels segment has successfully recovered from the challenges posed by the pandemic. Across both segments, our customers continue to appreciate the value, convenience and variety offered in our stores and hotels.

Endeavour Group generated **Sales** of $11.9 billion during F23, an increase of 2.5% from the prior financial year. Trading performance proved to be resilient in the face of heightened macroeconomic pressures, with the strong festive season a particular highlight. Sales in both the Retail and Hotels segments were in growth across H2.

The Group's optimisation program, endeavourGO, has been effective in minimising the effects of inflation. Over F23 the program has delivered additional cost savings of $60 million across the Group while we continued to invest in line with our strategic priorities.

The Group recorded **Earnings before interest and tax (EBIT)** of $1,023 million in F23, which represents an increase of 10.7% from the previous year. The Hotels segment contributed $428 million in EBIT and the Retail segment contributed $658 million. Expenses associated with the Other segment, comprising corporate costs, were $63 million for the year.

Finance costs of $250 million were incurred in F23, rising due to higher interest rates and increased average net debt.

The Group's **profit for the year after income tax** was $529 million, an increase of 6.9%.

The effective tax rate for F23 was 31.6%.

On 16 August 2023 the Board determined to pay a fully franked final dividend of 7.5 cents per ordinary share contributing to a full-year payout ratio of 73.9%. This equates to an expected final dividend payment of $134 million to the Group's shareholders. Endeavour shares will trade ex-dividend from 24 August 2023, the record date is 25 August 2023 and the distribution is expected to be paid to shareholders on 27 September 2023. The Board has determined that a Dividend Reinvestment Plan will not be activated for the F23 final dividend.

F23 Earnings Summary

$ million	F23 (52 weeks)	F22 (52 weeks)	Change
Sales	**11,884**	**11,597**	**2.5%**
Retail EBIT	658	666	(1.2%)
Hotels EBIT	428	315	35.9%
Other EBIT (incl. corporate costs)	(63)	(57)	10.5%
Earnings before interest and tax (EBIT)	**1,023**	**924**	**10.7%**
Finance costs	(250)	(205)	22.0%
Profit before income tax	**773**	**719**	**7.5%**
Income tax expense	(244)	(224)	8.9%
Profit for the period (after income tax)	**529**	**495**	**6.9%**

Group Funds Employed

$ million	F23 25 June 2023	F22 26 June 2022	Change
Trade working capital[1]	778	546	232
Lease assets	3,208	3,173	35
Property, plant and equipment	2,095	1,935	160
Intangible assets	4,260	3,830	430
Other liabilities (net)[2]	(731)	(677)	(54)
Funds employed	**9,610**	**8,807**	**803**
Tax liabilities (net)	151	268	(117)
Other (assets)/liabilities (net)[3]	(60)	(54)	(6)
Lease liabilities	3,883	3,816	67
Net debt	1,927	1,221	706
Equity	3,709	3,556	153
Total funding and tax	**9,610**	**8,807**	**803**
Return on funds employed (ROFE) (%)	**11.8**	**11.4**	**+35bps**

1 Includes trade and other receivables and payables (excluding all related party balances), and inventories.
2 Includes accruals, provisions, related party balances, investments and other assets and liabilities.
3 Includes derivatives and unamortised borrowing costs.

Return on funds employed increased to 11.8% in F23, up from 11.4%, driven by the increase in earnings as Hotels returned to normal trade, and supported by solid returns on capital investments.

Total funds employed as of 25 June 2023 was $9.6 billion, $803 million higher than 26 June 2022.

Trade working capital at the end of F23 was $778 million, $232 million higher than the previous year largely due to higher inventory. In F22, heightened Retail demand during pandemic lockdowns and supply chain disruptions resulted in low inventory levels and out-of-stock situations. In order to protect sales and restore service levels, we have rectified our inventory levels during F23, and brought forward inventory purchases for international products that continued to have long lead times. We expect the level of international inventory to reduce over the next 6 months as supply chains continue to normalise. Our final inventory position is also higher than last year due to our expanded store network which has added additional stock in the network, as well as the impact of inflation which has increased the overall value of inventory.

Lease assets increased by $35 million, due to remeasurements and new leases, which were partly offset by depreciation.

Property, plant and equipment increased by $160 million driven by investments in new stores and renewals of existing properties as well as 11 new hotels and the acquisition of Cape Mentelle. This was partly offset by depreciation, amortisation and disposals.

Intangible assets increased by $430 million primarily due to the renewal of the Group's Victorian gaming entitlements in the first half as well as goodwill and licences recognised on business acquisitions. These were partly offset by amortisation and disposals.

The cost of the Victorian gaming entitlements was $310 million. Of this amount, $31 million was prepaid in prior periods, with the remaining $279 million to be paid to the Victorian Government over a five-year period. This resulted in the recognition of an interest-bearing liability and therefore a corresponding increase in **Net debt** during the year. The first instalment of $42 million was paid in May 2023. The gaming entitlements have a ten-year duration and as such are to be amortised over a ten-year period.

Other liabilities (net) increased by $54 million due to timing of payments made for non-trade supplier invoices.

Tax liabilities (net) decreased by $117 million due to higher tax instalments in F23 primarily driven by the normalisation of instalment rates post pandemic and post demerger (discussed in more detail under Group Cash Flow).

Lease liabilities increased $67 million due to remeasurements, new leases and interest, partly offset by lease payments.

Net Debt

$ million	F23 25 June 2023	F22 26 June 2022	Change
Borrowings	2,205	1,502	703
Deduct: Cash and cash equivalents	290	294	(4)
Add back: Unamortised borrowing costs	12	13	(1)
Net debt	**1,927**	**1,221**	**706**

Net debt was $706 million higher at the end of F23 and reflects an increase in borrowings during the year as the cash position remained broadly flat.

Borrowings were $2.2 billion at the end of F23, $703 million higher than last year of which $237 million relates to the addition of amounts owing for the renewal of the Victorian gaming entitlements (non-cash). Cash borrowings primarily increased due to higher in year tax payments and trade working capital.

Group Cash Flow

$ million	F23 (52 weeks)	F22 (52 weeks)	Change
EBIT	**1,023**	**924**	**99**
Depreciation and amortisation expenses	573	525	48
Changes in trade working capital	(261)	(63)	(198)
Changes in assets and liabilities and other non-cash items	67	26	41
Finance costs on borrowings paid	(61)	(45)	(16)
Payment for the interest component of lease liabilities	(180)	(173)	(7)
Income tax paid	(394)	(245)	(149)
Operating cash flows	**767**	**949**	**(182)**
Payments for property, plant and equipment and intangible assets	(408)	(285)	(123)
Payments to acquire businesses, net of cash acquired	(110)	(64)	(46)
Proceeds from the sale of equity securities	2	74	(72)
Repayment of lease liabilities	(280)	(263)	(17)
Dividend paid	(394)	(349)	(45)
Other	(4)	(6)	2
Free cash flow	**(427)**	**56**	**(483)**
Cash realisation ratio (%)	*70*	*93*	*-23pp*

Depreciation and amortisation expenses were $48 million higher in F23 due mainly to investments in new stores and hotels, as well as increased amortisation arising from the renewed Victorian gaming entitlements.

Changes in Trade working capital of $261 million reflects payments relating to the increase in inventory, as outlined above.

Changes in assets and liabilities and other non-cash items benefited cash flow by $41 million due to the timing of payments relating to non-trade suppliers.

Finance costs on borrowings paid increased by $16 million to $61 million in F23, which reflects increases in interest rates on external borrowings during the year, as well as a higher net debt balance.

Income tax paid was higher in F23 due to the normalisation of tax instalment rates post demerger and the pandemic. Additionally, payments made in F23 included tax on the capital gain arising from the disposal of ALE Property Group shares in the prior year.

Payments for the purchase of property, plant and equipment and intangible assets totalled $408 million, which was $123 million higher than F22 and included investment in new stores, renewals of existing stores and hotels, as well as investment in software intangibles and licences.

Payments for the purchase of businesses, net of cash acquired, were $110 million. This includes the acquisition of Cape Mentelle, Roxby Tavern (SA), Beach Hotel (SA), Emu Hotel (SA), Tower Hotel (SA), Beachfront Hotel (NT), Rainbow Beach Hotel (QLD), Leichhardt Hotel (QLD), Horse & Jockey Hotel (QLD), Marine Hotel (QLD) and Tandara Hotel (QLD).

Proceeds from the sale of equity securities in F22 related to cash received for the sale of ALE Property Group shares to Charter Hall.

Repayment of lease liabilities (including payments for the interest component) were $24 million higher primarily due to an increase in lease liabilities during F23 from CPI and market reviews as well as new leases relating to Hotel acquisitions.

During the year the Group **paid** two **dividends**, the F22 final dividend of $138 million and the F23 interim dividend of $256 million. The reported cash realisation ratio for the period is 70%. This is impacted by higher trade working capital resulting mainly from higher inventory levels, as well as the timing of tax payments as outlined above.

Non-IFRS Financial Information

The 2023 Annual Report for the 52 weeks ended 25 June 2023 (F23) contains certain non-IFRS financial information related to historical performance, position and cash flows. Non-IFRS financial information is financial information that is not defined or specified under any relevant accounting standards. This information may not be directly comparable with other companies' information but is commonly used in the industry in which Endeavour operates.

Non-IFRS information is also included to provide meaningful information on the underlying drivers of the business, performance and trends (for example, cash realisation ratio). This information is used by management and Directors to assess the financial performance of Endeavour Group and its segments. Non-IFRS information should be considered in addition to and is not intended to substitute IFRS measures.

The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by the Australian Securities and Investments Commission in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information.

Normalised 52-week Equivalent F19 Information

Woolworths' Drinks and Hotels businesses were transferred to, and merged with, Endeavour Group Limited on 2 February 2020 (Restructure) and 4 February 2020 (Merger), respectively. Prior to this only the results of Endeavour Group Limited, previously known as Pinnacle Liquor Group Pty Limited, were included.

To enhance comparability against pre COVID-19 periods, a Normalised 52-week Equivalent F19 period is referenced, which relates to the results of what was previously known as Woolworths' Drinks and Hotels businesses for the 52-week period ended 23 June 2019. This information has been sourced from the data used in the F19 Woolworths Group Limited Annual Report, adjusted to include transactions with other Woolworths Group controlled entities that were previously classified as intercompany (pre Demerger) and remove the impact of the 53rd week in F19 from 24 to 30 June 2019.

Retail

Sales

$9.9b

▼1.8% from F22
▲17.2% from F19[1]

EBIT

$658m

▼1.2% from F22

Our Retail business maintained its strong performance, with momentum building through the year.

Overview

Our Retail segment operates one of the largest retail networks in Australia with 1,701 stores across the country as well as leading digital and loyalty platforms. Our brands are some of the most recognised and valued names in the country with key brands, Dan Murphy's and BWS, complemented by specialty offerings including Jimmy Brings, Langton's and Shorty's Liquor. The Retail segment also incorporates Pinnacle Drinks which produces and distributes exclusive drinks brands.

Trading performance

The Retail segment generated sales of $9.9 billion during F23, a decrease of 1.8% from the prior financial year. This decrease reflects the cycling of strong first half comparatives that were elevated due to the impact of the pandemic. Customers have returned to on-premise socialising and in-store purchasing in the post-pandemic period. After a strong festive trading season and a good start to H2, we experienced softer sales over the Easter trading period partly due to non comparable holiday timing. Sales momentum improved again through May and June, delivering growth of 0.7% over H2.

1 Normalised 52-week Equivalent F19 results.

Margin improvement

On a full year basis, Gross profit margin improved by 53 bps. The stability of the Gross profit margin of 23.8% in both H1 and H2 is testament to the strength of our brands and the benefits of our strategic investments. We continue to harness our advanced analytics capability to inform decisions regarding new product development, range, price, and promotions. Additionally, Pinnacle Drinks has enabled the continued delivery of high quality and innovative products at competitive prices.

Efficient end to end business

Benefits from our endeavourGO optimisation program were able to partly mitigate inflationary pressures including salary and wage increases. Across F23 we have continued to invest behind strategic initiatives of network expansion, new innovative formats, advanced analytics and customer experience. We continue to progress the One Endeavour program, transitioning to standalone technology capability and establishing a foundation for growth and innovation. Overall, the Cost of doing business in the Retail segment increased in F23 to $1,697 million (F22: $1,679 million).

The Retail segment delivered Earnings Before Interest and Tax of $658 million, down 1.2% compared to F22, while maintaining an EBIT to Sales ratio of 6.6% in line with prior year.

Leading Customer Offer and Brands

The scale and depth of our Retail brands and capabilities uniquely position us in the market, allowing us to create compelling propositions that cater for all customer needs, which is particularly important in a challenging environment.

Our brands continue to resonate strongly with customers. Dan Murphy's Lowest Liquor Price Guarantee offers unbeatable value to our customers, and our My Dan's member program has continued to growth with 5.2 million active members in F23 (up 15.6% on F22). Dan Murphy's Voice of Customer score continued to be strong at 79.

With over 1,400 stores nationwide, the scale and reach of BWS is unrivalled in liquor retail, offering a curated range and convenience to customers right across the country. With the return to in-store purchasing, coupled with a market shift towards 'local' and convenience offerings, BWS performed particularly well in F23 and their Voice of Customer score remained strong at 74.

Our network of stores surpassed 1,700 during the financial year, through the addition of 18 net new BWS stores and eight Dan Murphy's stores. Of these new stores, 15 were associated with our hotel acquisitions, which are expected to add approximately $50 million in annualised revenue.

We expanded our Paragon Wine Estates portfolio, through the acquisition of Cape Mentelle in May 2023 and Shingleback Wine in August 2022. Cape Mentelle is one of Margaret River's founding five wineries, with over 50 years of producing some of the region's highest quality wines. Founded in 1997, Shingleback Wine has earned prestigious wine awards like the Jimmy Watson Memorial Trophy and strengthens our premium wine portfolio.

F24 Retail Outlook

Whilst not immune to shifts in consumer sentiment and economic conditions, trading has been resilient across the final quarter of F23 and in the first six weeks of the new financial year.

In F24, we will continue to work hard to meet the needs of every customer. We are strategically investing in our business, to enhance capabilities and improve efficiency in order to continue to deliver for our shareholders in F24 and beyond.

F23 Financial Results

$ million	F23 (52 weeks)	F22 (52 weeks)	Change
Sales	**9,905**	**10,086**	(1.8%)
EBITDA	**954**	**944**	1.1%
Depreciation and amortisation	(296)	(278)	6.5%
EBIT	**658**	**666**	(1.2%)
Gross profit margin (%)	23.8%	23.2%	+53bps
Cost of doing business (%)	17.1%	16.6%	+49bps
EBIT to sales (%)	6.6%	6.6%	+4bps

Dan Murphy's

Dan Murphy's helps you to Drink Better

Dan Murphy's helps you to Drink Better, as our founder Daniel Francis Murphy famously said "Everyone deserves a good drop without breaking the bank".

This mindset has allowed Dan Murphy's to respond to the changing economic landscape, with customers concerned about cost of living pressures but not wanting to sacrifice life's small pleasures. At Dan Murphy's you don't have to compromise with the largest range of crowd favourites, to new and boutique discoveries, all at the lowest price. The strength of the brand is underpinned by 5.2 million active My Dan's members and continued advancement into personalised recommendations and service.

- We operate the most popular drinks membership program in Australia, My Dan's
- We guarantee the lowest price and best value for customers
- We are leading on new trends and support local innovation
- We enable drinks discovery through innovative store formats, knowledgeable team members and personalised, rich digital content
- We have rapidly evolved our business model to support eCommerce growth and a seamless omnichannel experience

Personal interactions and driving discovery

We create personalised moments that are relevant for our customers. In F23, personalisation expanded to more channels, including app and web, alongside our existing capability in email resulting in a My Dan's member scan rate of 79%. We also strive for trend leadership, helping customers discover their next favourite drink; for example this year we launched an entirely new category, Fruity Beer in partnership with Carlton & United Breweries. We have also continued to grow our connection with Millennial and Generation Z audiences as we expand our Dan's Daily publishing platform, the inside word on drinks.

Creating a place where everyone belongs

We lifted our Service and Advice score to 68% in F23 through continuing to invest in team experience. Over 1,700 team members received advanced training in leadership and/or product knowledge like Wine & Spirit Education Trust (WSET) accreditation. We continued to support community causes with our sponsorship of Midsumma Festival and raised over $1 million for our partner GIVIT.

LOWEST LIQUOR PRICE GUARANTEE
FOUND IT CHEAPER? WE'LL BEAT IT. T&C'S APPLY

Delivering on our Lowest Liquor Price Guarantee and Member Offers

We have increased the number of products on Member Offer and continued our Lowest Liquor Price Guarantee to support customers' confidence in our leading prices with over 2 million price beats in-store in F23. We have grown value perceptions 421bps year-on-year.

Customers

5.2m	79%	79
My Dan's active members	My Dan's member scan rate	Customer VOC NPS score (stable)

Digital

220	45%
stores providing contactless Direct to Boot pick-up	digitally influenced baskets

Footprint

266	27	8
stores	renewals	new stores

134	66
stores with Electronic Shelf Labels	stores with solar

Team

~6,500	80%
team members	Voice of Team score

BWS is your

Unboring Bottleshop

This year we launched our new consumer-facing brand platform showing how BWS offers a refreshing take on the world of drinks and what's expected of a bottleshop.

At BWS all tastes are welcome and that's 'Refreshingly BWS'. The BWS brand campaign launched a pair of dazzling orange boots to Australia and a cheeky tone of voice that welcomes people into our stores 'however you roll'. We have no judgement when it comes to doing drinks your way.

We have a long-term vision oriented around our purpose of delivering 'drinks your way'. This vision focuses us on creating an environment that is (i) Unboring - we create a fun and welcoming bottleshop that delivers a vibrant and inclusive environment to customers; (ii) Convenient - we have a strong omnichannel offering known for a seamless and convenient experience, both digitally and physically; and (iii) Embedded in the local community - we have a network of local stores, delivering local and relevant offerings to the hundreds of communities we serve.

- We have an expansive store network offering convenient locations across Australia with world-class store formats
- We offer customers value through our partnership with Everyday Rewards™ alongside product offers for customers
- We have an ultra local ranging enabled by technology to bring relevant products to customers
- We offer an omnichannel service for our customers who can choose to order through the BWS App, online, in-store or through our partners
- We leave a positive imprint in local communities where we live and work

BWS Team Experience training

The award winning BWS customer experience training program was born out of the need to engage a new generation of younger shoppers. The training program was peer-led, utilising approximately 70 Store Managers from across the country. Having peers deliver the training maximised buy-in and ensured the approach came from a place of experience and credibility. Not only did they deliver the training, their passion and advocacy demonstrated the very customer experience principles the training was looking to instil.

New store design and experience

Positioning BWS as the Unboring Bottleshop and focusing on a growth audience of Generation Z and Millennials kicked off a project to redesign the BWS store. Our new BWS 4.0 store format showcases innovation in customer experience with new ways of welcoming and engaging customers and showcasing product and our unique store team members. Bondi Junction in Sydney was the first store to rollout the new format store experience.

Customers

- **74** customer VOC NPS score (stable)
- **124.6m** customer transactions
- **+2pp** growth in brand preference among Generation Z

Digital

- **8%** growth in the share of eCommerce sales via the BWS App
- **1 in 3** customers research online before shopping in-store

Footprint

- **1,435** stores
- **95** renewals
- **18** net new stores

Team

- **~10,000** team members

BWYASSS

For five years, BWS has harnessed the cultural spotlight on Mardi Gras to support, celebrate and fundraise for the LGBTQIA+ community. From rebranding stores BWYASSS, to raising $115,000 this year for the Pride Foundation, BWS has been there. This year, with World Pride in Sydney, BWS hosted House of Pride - a unique celebration of Queer diversity with music, dance and entertainment. The event was designed to support the community and through artist collaboration and sharing great content we achieved this goal.

Hotels

Sales

$2.0b

▲31.0% from F22
▲20.7% from F19[1]

EBIT

$428m

▲35.9% from F22

Our Hotels business is back to full operations and thriving post the pandemic.

Overview

The Hotels segment operates the nation's largest portfolio of hotels, providing a range of hospitality experiences including on-premise bars and food, electronic gaming, wagering, live entertainment and accommodation.

Trading performance

Our Hotels segment achieved record sales of $2.0 billion in F23, representing growth of 31.0% compared to the prior year. While our sales growth was supported by the relaxation of pandemic-related trading restrictions compared to the first half of the prior year, it also reflects a strong comparable sales growth of 9.2% in the second half and the positive impact of our newly acquired hotels, with a total of 10 (net) added during the financial year. The strong trading performance highlights the appeal of our hotels to customers looking for quality and value.

Sales mix returning to pre-pandemic proportions

In F23, Food and Bar sales have been strong, with both volume and average selling price in year-on-year growth. Gaming was the first part of the business to recover post-pandemic and therefore was the lowest growth driver in the F23 financial year. Accommodation has gained share of sales as we invest in renewals and new hotels. Overall, Gross profit margin at 84.1% was 94 bps lower than last year, reflecting the return to a more normalised sales mix.

Rebuilding momentum

This year marked a significant milestone for Hotels as we celebrated our first year of full operations since the pandemic. It is encouraging to see our team back to full capacity levels and our customer satisfaction scores rising to 8.5 from 8.4 in the previous year. This progress reflects our ongoing commitment in delivering exceptional guest experiences. As part of our efforts to rebuild connections with our customers, we ramped up our live events and entertainment, with 487 events hosted during the year, marking a 59% increase compared to last year.

Cost of doing business increased $266 million to $1,237 million, primarily due to our return to full operations and the addition of 10 (net) new hotels. Cost of doing business rate (as a percentage of sales) reduced 173bps to 62.5%, benefiting from higher sales leverage as the comparative trading period was affected by pandemic-related restrictions. Similar to trends seen in the wider hospitality sector, we have experienced an increase in labour and energy costs due to elevated inflation. We are actively managing these challenges through effective cost control measures and the implementation of our optimisation program. While the Hotels optimisation program is still in the early stages, it is expected to deliver operational efficiencies through F24.

Creating value from existing assets and acquisitions

In F23, we added 11 new hotels, including four in South Australia, six in Queensland and one in the Northern Territory. The Victory Hotel (Queensland) was returned to the landlord in the year, bringing our net number of new hotels for the year to 10. These new hotels also expanded our Retail network by 15 stores. We further enhanced our portfolio through the redevelopment of the Brook Hotel (Queensland) along with 46 hotel renewals. Our Hotels investments are delivering above our investment hurdle rate and we have confidence that our investment in enhancing our network will continue to deliver highly attractive returns for shareholders. By the end of F23, the Hotels portfolio had expanded to a total of 354 hotels, including five managed clubs.

Additionally, we've made progress in the development of a new app and customer loyalty program. Scheduled for launch in the coming year, this initiative aims to further enrich our digital guest experience by integrating in-venue and digital touchpoints, offering tailored member rewards and enabling multi-channel communication.

F24 Hotels Outlook

We are pleased with the positive trading momentum in the first six weeks of F24, which continues to be led by Food and Bars with customer demand remaining stable. Our hotels remain well positioned as an affordable destination for social occasions.

F23 Financial Results

$ million	F23 (52 weeks)	F22 (52 weeks)	Change
Sales	1,979	1,511	31.0%
EBITDA	705	561	25.7%
Depreciation and amortisation	(277)	(246)	12.6%
EBIT	428	315	35.9%
Gross profit margin (%)	84.1%	85.1%	-94bps
Cost of doing business (%)	62.5%	64.2%	-173bps
EBIT to sales (%)	21.6%	20.8%	+78bps

1 Normalised 52-week Equivalent F19 results.

ALH Hotels

Creating pub experiences locals love

We love the local communities we serve and endeavour to create authentic hotel experiences for our guests.

We respect the role the local hotel plays in its community because a hotel is more than just bricks and mortar. It's a cornerstone of culture, steeped in its own personal charm and character, and it's home to the characters that make up the community. Our guests are the lifeblood of our hotels, and we offer a wide range of experiences with a local flavour, from local food and drink menus to hosting local entertainment acts, so there's something for everyone.

We want everyone to enjoy their time with us and enjoy it responsibly. To help ensure we provide our hotels experiences in a responsible way, our commitment to responsibility and compliance sits at the centre of everything we do.

Local and Authentic
We create rich and fulfilling experiences in local communities

Personalised and Easy
We deeply connect with our audience through our unrivalled service and digital platforms

Team and Purpose
We are an empowered team and live our purpose to create authentic hotel experiences locals love

Simplify and Fly
We simplify operations to spend more time creating moments that matter for our guests

Sustainability and Responsibility
We lead in responsibility and are committed to sustainability

Renewing our hotels

Through our ongoing renewal program, we are step changing our hotel formats, making sure we focus on improving all the experiences throughout the hotel. The redevelopment of the Brook Hotel in Queensland this year is a good example where we have invested $30 million and will employ 90 new team members. The Brook Hotel features a public bar, sports bar, beer garden, bistro with outdoor dining terrace and kids' play area, function room, gaming room, as well as a four-storey Nightcap hotel with 40 accommodation rooms and a new Dan Murphy's.

Memorable moments

Creating moments that matter for our guests is why we do what we do. Moments like Mother's Day 2023, where we served over 86,000 guests with our new winter menu, while helping them create memories with an important person in their lives. It's just one example of the way our local, authentic experiences can help people create memorable moments in our hotels.

Customers

8.5/10
Voice of Customer score

2m
social media followers

Digital

343
hotels with order and pay at table technology

42%
of food sales enabled by our order and pay technology

6.6 yrs
average age of our electronic gaming machines (down from 9.6 years in F20)

Footprint

354
hotels (including five managed clubs)

900+
bars

300+
bistros

2,500+
accommodation rooms

Team

12,000+
team members

Deploying our digital platforms

Hotels are seeing a growing trend towards digital interaction before and during the pub experience. This includes online research, accommodation bookings, restaurant reservations, guest reviews as well as a shift to order and pay at table. In the coming year we will be launching a new customer app pub+ which will create a point of digital access for our hotel customers, keeping it local while enhancing their hotel experience via a digital platform delivering personalised convenience.

endeavourX

Industry leading digital capability

endeavourX enables personalised, digital experiences that power memorable moments for our customers and team members.

endeavourX uses the best of data, design and technology to bring discovery, convenience and experience to life through our portfolio of brands such as Dan Murphy's, BWS and Jimmy Brings.

Our agile teams are empowered to innovate and to deliver an excellent experience for our customers - whether they choose to shop in-store or online. With an industry-leading technology team, backed by analytics, we're capable and willing to experiment.

- We create engaging, unified digital experiences online and in-store or in our venues
- We deliver effortless online shopping experiences
- We curate the best of our brands for each customer
- We develop adjacent capabilities that deliver new growth

Accelerating our omnichannel capability

We continue to invest in our digital capabilities, delivering a seamless omnichannel experience for our customers, no matter where or how they shop or engage with us. More and more, our customers are choosing to blend their interactions whether by researching online before they buy in-store or by purchasing on their phone before collecting at their convenience at one of 1,701 stores nationwide. In addition these interactions are increasingly personalised as we invest in advanced analytics to ensure that our offerings meet our customers' individual needs. Even within our stores the customer experience is enhanced digitally with the commencement of the roll-out of Electronic Shelf Labels, enabling customers to scan the labels to access detailed product information helping to ensure that they make the best purchase decisions for them.

Image Search Capability

We know that our customers often discover new wines, spirits or beers at social occasions, but the challenge lies in remembering these newfound favourites for future purchases. In response to this customer need, we launched our Image Search feature, a first for an Australian drinks retailer. This machine learning-powered functionality recognises over 25,000 drink labels, creating a seamless omnichannel experience facilitating repurchasing and connecting in-store experiences with on-premise consumption. Image Search has resonated strongly with customers since its launch in December 2022 and this scalable feature signifies our commitment to enhancing customer interactions across all platforms.

Digital

36% Dan Murphy's and BWS sales are digitally influenced

~20% of Hotels' sales are digitally influenced

~900k monthly Average App Users (MAUs)

115m total Retail online web and app traffic

eCommerce

8.6% online penetration

60% of Dan Murphy's online sales are Pick Up

Team

40 agile development and trading squads

36 chapters including data science, software engineering, analytics and design

MIXIN by endeavour

MixIn by endeavour our Retail media business

In October 2022, we launched MixIn, our Retail media business, enabling our suppliers and partners to better communicate and engage with customers. MixIn focuses on supporting the short and long-term growth of our supplier brands through highly contextual advertising. With marketing and advertising solutions built on customer data powered by our personalisation capabilities, MixIn enables suppliers to place their brands across Australia's largest digital, retail drinks and hotels ecosystem. With expertise in both drinks and media, MixIn is uniquely placed in the media industry to connect brands across a customer's entire purchase journey.

Pinnacle Drinks

Together we craft brands people love

Pinnacle Drinks is a customer focused brand builder with integrated assets and broad capabilities.

Pinnacle Drinks identifies trends, drives innovation and brings new products to market at speed to deliver premium value across its range and produce brands that customers love. Paragon Wine Estates, which forms part of Pinnacle Drinks portfolio, brings together a collection of award winning and premium heritage wineries from the premier wine regions in Australia and New Zealand.

Awarded best Cabernet Sauvignon in the world at the 2023 International Wine Challenge: Riddoch The Pastoralist Coonawarra Cabernet Sauvignon 2021

Paragon Wine Estates' Oakridge Wines in the Yarra Valley was named 2023 Winery of the Year in Australia and Isabel Estate in Marlborough was shortlisted as one of the 2023 Top Wineries in New Zealand by the Real Review of Top Wineries.

Lead in Trends and Innovation

We delight customers with quality brands and products that lead trends by leveraging our insights and capabilities

Greater Customer Choice

We simplify the value chain, while providing customers with greater choice

Unlock Growth Opportunities

We target growth opportunities in new channels and geographies

Differentiation and Team Advocacy

We energise and educate store and hotel teams on our brands, to delight customers, including bold in-store activations

Lead in Sustainability

We leverage viticulture, manufacturing and brand capabilities to lead in sustainability across our industry

PARAGON WINE ESTATES

Premium Provenance

We welcomed Cape Mentelle from Margaret River in May 2023 and Shingleback Wines from McLaren Vale in August 2022, rounding out our Paragon Wine Estates' portfolio of leading, premium Australian wines with representation from some of Australia's most recognised wine regions. During the year, two of our existing Paragon Wine Estates' premium wineries were recognised by the Real Review of Top Wineries. Oakridge Wines in the Yarra Valley was named 2023 Winery of the Year in Australia and Isabel Estate in Marlborough was shortlisted as one of the 2023 Top Wineries in New Zealand.

Leading in Sustainability

Eight Pinnacle winery and vineyard sites are certified through the Sustainable Winegrowing Australia/New Zealand (SWA/SWNZ) program, and four sites are certified to ISO 14001:2015 Environmental Management Systems (EMS). In F23 we launched our Pinnacle Sustainable Packaging Guidelines so that everyone who works to bring our products to life has a shared understanding of the commitments we've made.

Customer reach

7/10
of our Retail customers purchased a Pinnacle Drinks product

Premium products

730+
innovative owned and exclusive brands

550
new products launched

Product innovation

733
wine awards won

48
beer and cider awards won

12
trophies won

+30%
sales growth in Paragon Wine Estates' portfolio

Powering Brand Partnerships

Pinnacle Drinks has partnered with music duo Oli and Louis Leimbach from Lime Cordiale to co-create new beer brand Largo Brewing. More than 12 months in the making, Largo Brewing is a certified Climate Active Carbon Neutral Product, a first for a Pinnacle Drinks product.

Sustainability

Creating our positive imprint together

When it's more important than ever for people to come together and connect, the work we do, and the way we do it, leaves a lasting imprint.

That's why we're committed to creating a more sociable future in an inclusive, sustainable way. Acting responsibly, building communities, strengthening partnerships. Listening and learning to show we care and understand.

By listening to what's important to our stakeholders, and to our business, we better understand the areas we can make an impact, where we can improve, and which areas of our strategy to prioritise. Our first independent materiality assessment confirmed our focus on responsibility and compliance is the strong foundation we need for the positive imprint we are creating.

Find out what we've been up to in our Sustainability Report at www.endeavourgroup.com.au/sustainability/reports

Our Sustainability Principles

Responsibility and Community
Compliance is at the core of what we do and how we operate. We are deeply committed to advocating for responsible choices and supporting positive change in our communities

People
We champion individuality, human and personal rights

Planet
We reduce our impact on the planet by making our practices more sustainable and circular

Our commitment to responsibility

F23 was focused on creating a culture of responsibility, strengthening our compliance and launching our own Online and Delivery Code to guide our compliance efforts and commit to continuous improvement. Our Leading in Responsibility program is now embedded in our onboarding, giving all team members a shared understanding of their role in responsible service and promoting responsibility in our communities. We're offering more choices in our products through low and no alcohol options, getting these products into more spaces, and talking about the principles of moderation through our partnerships with Drinkwise[1] and service providers in our communities.

Player Protect

Player Protect

Our approach to responsible service of gambling (RSG) was launched this year through Player Protect, which reflects our long-term commitments at a strategic, governance and operational level. Player Protect captures everything we do to promote and facilitate responsible gambling, from our in-venue policies, to the dedicated education and training we provide our people, and the support we provide for players outside the hotel with information, education and care programs.

Responsibility and Community

90%
of team members completed 'Leading in Responsibility' training

300+
low and no alcohol products

1,000+
team trained in Focal ALeRT[2]

$3.5m
donated to charities with our customers

People

76%
Voice of Team engagement score

41%
women in senior executive positions

Launched our Reflect Reconciliation Action Plan

Planet

9,801mWh
electricity generated by solar

PLASTIC FREE JULY
partnered with Plastic Free Foundation

Climate Risk Assessment completed

Reflect Reconciliation Action Plan (RAP)

In October, we launched our Reflect RAP, created in open dialogue with Reconciliation Australia and our First Nations team members, setting the foundations for improving cultural competency and inclusion across our business. Grounded in a commitment to ongoing listening and learning, from each other and from First Nations peoples, we've been working to build trust, respect and relationships with Indigenous communities and organisations. We have more work to do, but we're making progress in elevating First Nations voices and their allies in our businesses and communities.

Darwin Community Advisory Committee (CAC)

Our locally-based Darwin CAC spent the year undertaking an extensive listening and learning program, engaging a range of local stakeholders, including Traditional Owners, industry peers, health and policy developers, youth organisations, government officials and local Police on conversations around harm minimisation, access and demand, and positive programs to strengthen families and communities. In June, we formalised our landmark partnership with Larrakia Nation, confirming our long-term commitment to local community engagement and positive change in Darwin.

1 DrinkWise is an independent, not-for-profit organisation whose primary focus is to help bring about a healthier and safer drinking culture in Australia.
2 Focal ALeRT BETTOR is a data monitoring and risk management system that assesses patrons' game play, looking for early signs of potentially problematic behaviour.

Our risks and risk management

Endeavour Group operates in a diverse, dynamic and continuously evolving environment. As such, we are exposed to various risks that must be effectively managed for the Group to live our purpose and pursue our objectives. Endeavour Group is committed to maintaining the culture, framework and mechanisms required to handle risks in accordance with our compliance obligations and corporate governance principles and in line with our team, customer, community, regulator and shareholder expectations.

Endeavour Group's Risk and Compliance Function was established at the time of our demerger from Woolworths Group. In F23, the focus has been on maturing our risk management framework and embedding it across the Group. This has enabled an increasingly detailed understanding of our enterprise-wide risks, deepening the understanding and governance of risk and compliance at a business unit level. This has been supported by improving assurance and use of data targeted at its most material risks. We continued a series of 'deep dives' at the Board Committee level, many of which have led to significant investment in resources or programs to improve risk and compliance management. We also continue to drive risk management into our operational processes, such as material investment and project decisions. However, we know that the environment in which we operate is always evolving and some of our inherent risks are rising which requires us to continously monitor and react to mitigate these risks.

Key risks of all types that could adversely affect our ability to achieve the Group's strategy or otherwise affect business performance are outlined in the following table, with a summary of how we manage each. This is based on identifying, analysing and assessing existing, new and emerging risks. Risks are then drawn into risk profiles across the organisation, with the most material risks forming the organisational profile.

Overall, the critical risks listed reflect those inherent in operating a large and diverse retail and hotels network and a wine production business. Many of the risks listed remain the same as reported in our previous Annual Reports. Others have evolved, but the significant changes reflect the external environment in which Endeavour operates. Conditions continue to change as the world has emerged from the COVID-19 pandemic, driving more difficult economic conditions now starting to be felt by our customers, and the economic outlook is highly uncertain.

In addition, this financial year has seen significant events that highlight the exposures faced by our businesses. The cyber threat environment remains challenging and both stakeholder and regulatory expectations have increased in the wake of recent data incidents. Similarly, regulatory focus on, and expectations of, the gaming industry have increased. Lastly, but critical to our front line team, we believe that cost of living pressures may exacerbate both the potential for crime with impact to team as well as mental health and wellbeing challenges for our team. Endeavour Group's Board and management maintain a close watch on the management of these risks and their evolution, with established programs in place to manage each.

Risks and mitigating activities

Changes in the macroeconomic environment, customer preferences and competition

Risk

The retail and hospitality trading environments are highly competitive. Existing players vie for market share and face technological disruption, new market entrants and rapidly evolving customer needs and preferences. The risk landscape shifts as macroeconomic conditions change.

Failure to evolve and deliver Endeavour Group's strategy and maintain market competitiveness may lead to poor business performance, including loss of revenue and earnings.

Mitigating activities

Endeavour Group's performance and competitive positioning are based on our well-established and flexible operating posture; our strong network, asset and digital bases; maintaining our leading brands; and the excellent capabilities we have developed across the business. Endeavour Group prioritises the ongoing monitoring of consumer experiences and trends. We review critical insights, including customer, team and supplier metrics, competitor movements and market forces to enable well-informed decision making. We continually evolve and innovate with our product offerings, channels and services, store and hotels formats, data use and eCommerce.

Endeavour Group's strategy is designed to build from this strong base with the noted threats in mind. Our dedicated strategy team leads the development of our strategic direction, and the Board provides oversight and guidance, allowing us to monitor and prioritise how to allocate resources for the best results as well as guiding our decision making. We recognise that the immediate future macroeconomic environment may be more challenging and uncertain. Functions across our business will continue to work collaboratively to monitor changes and mature strategies to maximise short and long-term shareholder value.

Transition, transformation and change

Risk

The demerger from Woolworths Group was a major event for Endeavour Group. It resulted in significant changes to our environment, systems and process. In various instances, these changes also involve dependencies on Woolworths Group via service arrangements. These include services necessary for business operations and managing risks on Endeavour's behalf (including IT, financial reporting and supply chain services).

Transitioning these services to Endeavour's direct management and transforming the systems that support these and other services is a significant and complex change program with many associated risks over many years. These include risks to execution of these complex programs of work, the risk of disruption to daily operations, and the risk of increased costs as these projects continue to evolve.

Mitigating activities

Endeavour Group is addressing these challenges by closely monitoring the services provided by Woolworths Group and developing detailed transition plans with joint governance between the businesses to align and address any issues.

We continue to strengthen our change and program management disciplines to support and assure these projects individually and as a whole. To do so, we have sourced program and project leadership, and other dedicated expertise, to deliver the program. We have established governance to monitor the delivery of individual streams and the program more broadly, allowing for oversight of ongoing risk management and issue escalation. We have put in place processes to enable structured decision making that draws on the appropriate levels of executive and senior management from across Endeavour. Our gated project governance framework, supported by suitable project assurance at each phase, is now in place to govern the program.

Data management, privacy and cyber security

Risk

The integrity, reliability and security of data and information in all its forms are critical to Endeavour Group's day-to-day operations and strategic direction. The resilience of our IT systems and our ability to deal with cyber security risks or data breaches are also critical. Failures may lead to business and reputational damage, adverse regulatory and financial impacts, and negative impacts on customer trust.

Mitigating activities

Endeavour Group has systems and controls to mitigate these risks, including a Cyber Security Framework and a dedicated team of cyber security professionals that protects, monitors and manages threats to our systems and data. The framework aligns with the Centre for Internet Security (CIS) control framework. A multi-year program is in place, and progress continues to be made in maturing the processes and controls across the business, albeit this will remain challenging in the face of an increasingly challenging and evolving external threat environment.

In addition, and working closely with the IT and security teams, the Group has a Privacy Framework (aligned to the Australian Privacy Principles). Our privacy and data governance team specialises in protecting and managing our customers' data. Amongst other framework elements, we continually identify, analyse and implement controls via vendor risk and privacy impact assessments. These are undertaken for material arrangements where data is shared beyond Endeavour Group's systems or where privacy principles have the potential to be breached. A data breach response plan is also in place. The business also continues to deepen its understanding of its data landscape and address the risk of holding legacy data outside our Data Retention Policy requirements.

Endeavour Group operates extensive IT systems vital to our strategy and ongoing operations. We are committed to improving our operating systems, tools and procedures to become more efficient and effective, which includes security access, system development, change management, disaster recovery and incident management.

Team and capability

Risk

Endeavour Group's business depends on attracting and retaining high-quality team members. A loss in the Group's ability to attract and retain team members, hire and train new team members, and meet labour needs in a controlled costs environment, could negatively impact our operating and financial performance.

Failure to pay team members in line with entitlements may also result in loss of trust, reputational damage and additional costs. The markets for specific critical capabilities, such as digital and data professionals, are currently constrained; and there is a risk these constraints will worsen over time.

Mitigating activities

Endeavour Group's team is pivotal to our business, as is our ability to attract and retain people with diverse skill sets. We continue to develop and refine effective workforce plans, conduct regular succession planning activities, and help manage and support our teams through their careers. We capture ongoing feedback from team members to help develop strategies for improved engagement.

We continue to focus on rectifying historical pay irregularities. We now have in place processes and controls to reduce the risk of recurrence and monitoring to identify if any problems arise.

We continue to progress the short-term priority of completing remediation payments to the team. We are also working to implement longer-term systemic changes to our varied Award and EA framework and pay processes to achieve sustainable risk management improvements.

Safety, health and wellbeing

Risk

Endeavour Group cares about our customers, team members and business partners' safety and health, both physical and psychological. We are committed to creating a healthy work environment for our teams where people feel safe. Increasing cost of living pressures and broader social changes may impact both team psychological wellbeing and lead to higher antisocial behaviour facing our team.

Failure to provide this safe environment can result in severe consequences such as serious illness, injury or death. It can also impact our culture and engagement.

Mitigating activities

Aligned to our *Safety, Health and Wellbeing Standard*, Endeavour Group has implemented a control framework and developed programs to provide a healthy and safe workplace. We have progressive employment policies and practices focused on our team's wellbeing across our stores, hotels and other sites. The Standard, policies and programs are regularly reviewed by management.

We also have an experienced Safety, Health and Wellbeing team that oversees the implementation of these programs, policies and practices. Endeavour Group seeks to build positive relationships with workplace health and safety regulators through proactive engagement, appropriate responsiveness, and management of any issues or concerns.

We continue to strengthen and enhance safety governance and embed a culture of care across the business as an ongoing priority for management. We are also committed to learning from events that occur, including the fatality in Darwin earlier this year, and looking for opportunities to improve our safety controls on the ground, including via targeted, improved governance and assurance around our most material risks.

Product and food safety

Risk

Endeavour Group considers product and food safety critical; when compromised, it can result in severe potential consequences such as serious illness, injury or death.

Other significant impacts may include reputational damage, loss of trust, loss of market share and regulatory intervention.

Mitigating activities

Endeavour Group complies with the *Australia New Zealand Food Standards Code*. Our product quality and food safety processes meet legislative and regulatory requirements, including with respect to own-brand products. In both areas, we have established testing regimes and audit our suppliers.

We have dedicated food safety and quality assurance personnel assigned to those parts of the business subject to product and food safety risks. We continue to strengthen and extend our food and product safety systems and produce recall/withdrawal procedures and monitoring systems. These measures help us maintain safety and compliance with relevant mandatory standards and continually improve our performance.

Regulatory change and compliance

Risk

Endeavour Group is subject to several overarching regulatory requirements relating to employment, product quality, health and safety, privacy and data, consumer protection, liquor, gaming, anti-money laundering and counter-terrorism financing, and the environment. We recognise our responsibility in operating stores, hotels and delivery channels and that regulatory scrutiny and intervention across the liquor and gaming industries has increased over recent years.

This year has seen a continued focus and uplift in expectations from key regulators which has resulted in increased monitoring, stricter application of compliance obligations, and a change in enforcement approach. In addition, we have seen the introduction of trials and new legislative requirements which necessitate changes to operating requirements, e.g. cashless gaming, same day delivery of alcohol, NSW crime commission findings and AUSTRAC's focus on the pubs and clubs sector.

To maintain our licence to operate sustainably, Endeavour Group must comply with existing and incoming regulations. This compliance requires continuous monitoring. Changes to current regulations may also alter or restrict our ability to operate as we do today or fully realise our strategy e.g. changes to online gaming laws.

Mitigating activities

Endeavour Group has an overarching compliance framework encompassing a range of policies, procedures and operational compliance plans. This framework helps us manage our legal and regulatory obligations. We monitor new or proposed regulatory changes to manage their impact on existing operations and proposed strategic objectives.

Our code of conduct and supporting compliance training programs clarify the foundational values and standards underpinning Endeavour Group's functions.

The continued focus and uplift in expectations, and evolution of key legislative requirements impact critical areas of our business. Endeavour Group is very conscious of the need to maintain our sound compliance record – recognised by our Board, Managing Director and Executive team – elevating compliance in the organisation's strategy, supporting an uplift in resources and funding programs to further improve compliance from the current foundations we have in place.

Endeavour Group's legal and compliance teams monitor and support the business, engage with relevant regulatory bodies, and proactively manage material compliance risks and breaches as they arise. We are strengthening (for our most material obligations) and will continue to strengthen our monitoring, supervision and assurance to help ensure adequate controls and prioritise remedial activity where required.

We are progressively enhancing our use of available data to develop further insights to help us manage our compliance obligations related to the service of liquor and gaming products. The Audit, Risk & Compliance Management Committee maintains oversight on legal, regulatory and compliance matters.

Brand, Reputation and Trust (including ESG)

Risk

Endeavour Group's brands and our reputation with our varied stakeholders are key assets and enablers of our future business success and competitive position in our chosen markets. Events, business and operational decisions, our commitments and their delivery, how our brands communicate, what they're associated with and what they stand for may all enhance or detract from our reputation in these areas.

Evolving market and community expectations towards sustainability and ESG (environmental, social and governance) standards, in particular social responsibility in providing liquor and gaming product – the potential harm caused by these products, managing data and cyber security, and regulatory and compliance management may impact retail and hospitality industry participants, including Endeavour Group.

Due to our operations' breadth and diversity, we are exposed to different risks, both strategic and operational, across our footprint.

These can relate to where we operate (e.g. Northern Territory and Pilbara), how our operations are evolving (e.g. eCommerce and delivery), how our brands communicate (e.g. the way we market or the channels we use as well as the claims we make) and how our responsibility goes beyond our directly controlled businesses (e.g. modern slavery in our supply chains).

We also recognise that environmental-related expectations (e.g. climate change) are rising and could impact our business operations and negatively affect stakeholder and societal expectations if not managed appropriately.

Impacts from these risks could extend to Endeavour Group's profitability (for existing or acquired operations or brands), regulatory changes that increase our operational and compliance costs, and our ability to attract (or sustain) investment or partners.

Mitigating activities

We have delivered our Group Brand Strategy, including rolling out our new Employee Value Proposition and setting marketing standards in F23. This work is in alignment with our sustainability strategy, issued in November 2021, that has been designed to reflect our purpose and values, and the environment and society in which we operate. We recognise that to deliver successfully on our goals, we must work in partnership with government, suppliers, partners and communities.

This year, we performed our first materiality assessment and listened and learned from over 70 stakeholders what they thought our material issues are, which has allowed us to prioritise our focus on responsibility. Our commitments to social responsibility is focused on creating a culture of responsibility by managing a range of initiatives in the responsible service of alcohol and gambling, with programs such as the ID25 program to prevent under-age drinking, working with our Community Advisory Committee (CAC) in Darwin, Northern Territory to inform how we operate in the community to have a positive impact, and use of technology, such as our ALeRT BETTOR Protect system, which helps identify potentially problematic gaming play, and evolve our training programs so our team can help reduce potential gaming-related harm. Our approach relies on a continual focus on compliance with our legal, regulatory and voluntary obligations and commitments.

We are strengthening and embedding our human rights program to monitor risks relating to working rights across the supply chain. The program is designed to improve transparency and provide a platform for continuous improvement.

We have been working through a program of projects required to deliver on our environmental commitments and have performed a climate risk assessment, to identify what climate risks are applicable to us.

We will continue to develop frameworks, standards and processes in line with our values while delivering long-term growth in sustainable shareholder value.

Further details can be found in our 2023 Sustainability Report and 2023 Modern Slavery Statement.

Business resilience and partners

Risk

Endeavour Group may be subject to unexpected events and natural hazards, including severe weather events, pandemics and utilities or infrastructure disruptions. Any of these could cause a sudden or complete cessation of our day-to-day operations. The last three years have seen unprecedented strain on our business via significant weather events, the COVID-19 pandemic and international supply chain disruptions.

Failure to effectively manage and enhance Endeavour Group's strategic third-party relationships and a critical failure of a key supplier can also have a material impact on our operations. This includes a key dependency that Endeavour has on Woolworths Group who operate a number of key services on our behalf, governed via a number of partnership agreements between the two parties. A failure to provide these services in line with these agreements could result in significant interruption to services.

Mitigating activities

Endeavour Group's suite of business resilience policies and processes, along with crisis management and business continuity plans, are currently being substantially updated and strengthened to assist in responding to disruptive events. We rely on our store and hotel network's in-built resilience, our supply base's diversification and flexibility, and various contingency options we can activate in response to different events.

Endeavour Group has, and continually works to enhance, effective supplier management protocols.

We aim to ensure that appropriate products and services are delivered to our customers. We continue to strengthen and embed due diligence procedures to assess third parties by our standards and have agreements to manage third-party performance and compliance with relevant regulations.

Endeavour Group has a strong partnership with Woolworths Group, underpinned by a detailed governance framework to oversee our agreements' implementation and ongoing management.

Task Force on Climate-related Financial Disclosures

Endeavour Group supports the Paris Agreement and the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Endeavour Group has identified climate change as a significant issue relevant to our businesses, and has incorporated it into our broader sustainability strategy, as we understand the part we need to play in mitigating climate change. We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and acknowledge we are on a journey to enhance our management and disclosure of this issue.

This year, we completed our first climate risk assessment and continue to focus on improving our operations' greenhouse gas efficiency, reducing business costs and contributing to climate change mitigation. More information on our climate change strategy and targets can be found on pages 62 to 67 in the 2023 Endeavour Group Sustainability Report.

Our approach to Governance

Our corporate governance is focused on creating sustainable long-term value for our shareholders and leaving a positive imprint on the communities in which we operate.

The ability to fulfil Our Purpose of 'Creating a more sociable future together' and to achieve our strategic and business goals is reliant on us having a sound corporate governance framework. The Board sets Endeavour's strategic direction and oversees the performance of the business, with a focus on creating sustainable long-term value for our shareholders, positive experiences for our customers and meaningful engagement with the broader communities in which we operate.

Our corporate governance framework (represented below) supports our business by having clear lines of accountability, effective delegation and adequate oversight. Additional information on the corporate governance framework is in our Corporate Governance Statement available at www.endeavourgroup.com.au.

2023 Governance Focus

The Board has continued to evolve the solid governance foundations it created upon becoming an ASX-listed company. During the year, the Board devoted significant time to Endeavour's strategic ambitions and priorities. It was also intently focused on the operational and financial performance of the company given the unpredictable market conditions, evolving regulatory landscape and changing short-term consumer trends.

With a focus on maintaining our social licence to operate, the Board's governance priorities during the year were:

- overseeing Endeavour Group's sustainability agenda, including by reviewing the findings of an independent materiality assessment and evolving our internally and externally facing sustainability reporting;
- maturing Endeavour Group's risk management and compliance framework, including by developing risk metrics aligned to our risk profile and risk appetite, and receiving in-depth reviews of key business risks;
- reviewing executive succession plans and establishing a program of informal engagements with our people, in particular with those below senior executive level;
- overseeing the intial stages of our technology transformation; and
- strengthening the level of independence on the Board and adding experience and expertise in the areas of digital, technology and business transformation.

1 Delegation to CEO is from the Board.

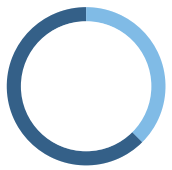
Board skills and experience

The matrix below describes the collective skills and experience required for the Board to operate effectively, as well as the number of Directors on the Board[1] with each skill and/or experience.

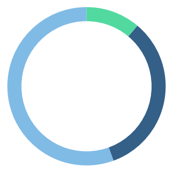
Skill/experience	Directors with skill/experience
Hospitality, gaming, food, beverage, alcohol Knowledge and understanding gained as a director, senior executive or advisor in at least two of the following industries: hospitality; gaming; and food, beverage or alcohol.	6/9
Retail and consumer marketing, brand and customer Experience in delivering good customer outcomes through significant exposure to, or expertise in: retail and consumer marketing; and brand and customer.	7/9
Governance Knowledge of good ASX corporate governance standards and practices gained as a director or senior executive of, or advisor to, a listed entity or other large organisation.	5/9
Social responsibility Experience in having direct responsibility for managing or monitoring programs for social responsibility and environmental management (including carbon emissions reduction); or managing workplace safety, mental and physical wellbeing or responsible sourcing; or a proven commitment to community welfare and/or direct experience in dealing with vulnerable communities.	8/9
Leadership Held CEO or a similar senior executive position in a listed entity or other large organisation.	7/9
Regulatory and compliance Experience in managing or overseeing compliance with legal and regulatory requirements in a highly regulated listed entity or large organisation or experience in influencing public and regulatory policy, decisions or outcomes.	9/9
Digital, technology and data Experience or expertise in identifying, assessing, implementing and leveraging new digital technologies and innovations or responding to disruption and/or understanding the use of data and data analytics.	7/9
Financial acumen Experience or expertise in financial accounting and reporting and capital management and/or auditing.	7/9
International markets Exposure to international business operations in a large organisation as a director, senior executive or advisor and to international political and regulatory environments.	6/9

1 The Board of Directors as at 16 August 2023.

Board Diversity[1]



Board Independence[2]



1 Endeavour's Board diversity target is measured against the total number of Non-executive Directors, excluding the CEO. Board diversity reported above is at 16 August 2023. At the financial year-end three of the seven Non-executive Directors were female. For further information, refer to our Corporate Governance Statement, which is available on our website at www.endeavourgroup.com.au.

2 Board independence reported above is at 16 August 2023. At the financial year end four of the eight Directors were independent.

Board of Directors

Our Board has a diverse range of skills, deep industry experience, and its composition reflects the importance of our strategic investors and relationships.

Since our last Report, we welcomed Bruce Mathieson Jr to the Board, who replaced Bruce Mathieson Sr, and brings with him knowledge of hotel and gaming industries. In June 2023, Rod van Onselen also joined the Board and brings significant experience in digital innovation and technology, business transformation and business growth strategies. Rod's appointment ensures that Endeavour now has a majority of independent directors on the Board.

At the end of August 2023, Holly Kramer who was integral to the establishment and demerger of Endeavour from Woolworths in 2021 will step down from the Board. Holly's retirement provides the Board with an opportunity to continue to strengthen the level of independence on the Board in its future appointment and renewal plans.

The biographies of the current Directors are set out on pages 49 to 51. The table below sets out their respective responsibilities on the Board and the standing Committees of the Board.

Directors	Board	Audit, Risk and Compliance Management Committee	People, Culture and Performance Committee	Nominations Committee
Peter Hearl	Chair	–	–	Chair
Steve Donohue	Member	–	–	–
Anne Brennan	Member	Chair	Member	Member
Holly Kramer	Member	–	Member	Member
Duncan Makeig	Member	Member	Member	Member
Bruce Mathieson Jr [1]	Member	–	Member	Member
Joanne Pollard	Member	Member	Chair	Member
Colin Storrie	Member	Member	–	Member
Rod van Onselen [2]	Member	Member	–	Member

Legend: Chair of Board/Committee; Member of Committee

1 Bruce Mathieson Jr became a member of the Nominations Committee on 22 November 2022 and a member of People, Culture and Performance Committee on 26 June 2023.

2 Rod van Onselen became a member of the Audit, Risk and Compliance Management Committee and Nominations Committee on 29 June 2023.

Peter Hearl

BCom (with Merit), FAICD, MIML, MAMA

Chairman

Appointed: 21 June 2021

Board Committees: Nominations Committee (Chair)

Peter is an experienced listed company director and has extensive business, international and executive leadership experience in the fast-moving consumer goods and energy sectors.

Peter's international career included leadership roles for PepsiCo Restaurants and Yum! Brands, Inc., including the positions of Executive Vice President International, President of Pizza Hut and Yum!'s global Chief Operations and Development Officer. Prior to moving into the consumer goods industry, Peter held various roles with Exxon in Australia and in the United States over an 18-year period.

Peter is a director of Santos Limited. He is also a trustee of the Stepping Stone Foundation and member of its Investment Committee.

Peter was previously a director of ASX-listed Telstra Corporation Limited, Treasury Wine Estates Limited, Goodman Fielder Limited and US-based Westport Resources.

Directorships of other listed entities in the past three years:

Santos Limited (May 2016-present) and Telstra Corporation Limited (August 2014-December 2021).

Steve Donohue

Managing Director and Chief Executive Officer

Appointed: 22 June 2020

Board Committees: Nil

Steve has 30 years experience across in the food/drinks and hospitality industries and has a deep appreciation for core retail principles, and a strong focus on the customer experience. He has held a broad range of roles in the Endeavour Drinks business since commencing at Dan Murphy's in 1994.

As CEO, Steve is focused on enabling great drinks and hospitality experiences for customers, building the business sustainably and embracing entrepreneurship and innovation.

Prior to being appointed the Managing Director of Endeavour Drinks in 2018, Steve gained broad experience across the Endeavour Drinks business having held senior buying, merchandising and marketing roles at Dan Murphy's and BWS. Earlier, Steve held the role of Director of Buying and Merchandising for Woolworths Supermarkets.

Directorships of other listed entities in the past three years:

Nil

Anne Brennan

BCom (Hons), FCA, FAICD

Independent Non-executive Director

Appointed: 27 June 2022

Board Committees: Audit, Risk and Compliance Management Committee (Chair), People, Culture and Performance Committee and Nominations Committee

Anne is an experienced public company director, with deep financial and business experience across a wide range of industries.

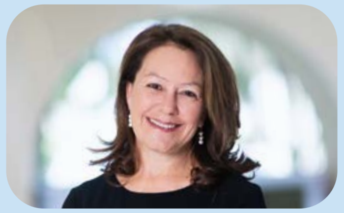
Anne has held a variety of senior management roles in both professional accounting firms and large corporations. She was the Finance Director of Coates Group and the Chief Financial Officer of CSR Limited. Prior to her role at CSR, she was a partner of KPMG, Andersen and Ernst & Young.

She is currently a director of The Lottery Corporation Limited, The GPT Group, NSW Treasury Corporation and Rabobank New Zealand Limited.

She was previously a director of Charter Hall Group, Tabcorp Holdings Limited, Argo Investments Limited, Spark Infrastructure Group, Metcash Limited, Nufarm Limited, Myer Holdings Limited and Echo Entertainment Group Limited.

Directorships of other listed entities in the past three years:

The GPT Group (May 2022-present), The Lottery Corporation Limited (May 2022-present), Tabcorp Holdings Limited (July 2020-May 2022), Charter Hall Group (October 2010-May 2021), Argo Investments Limited (September 2011-October 2022), Nufarm Limited (February 2011-December 2020) and Spark Infrastructure Group (June 2020-December 2021).



Holly Kramer

BA (Hons), MBA

Non-executive Director

Appointed: 21 June 2021

Board Committees: People, Culture and Performance Committee and Nominations Committee

Holly is an experienced listed company director and has substantial leadership and retail experience.

Holly is a former Chief Executive of Best & Less. She has had more than 25 years' experience in executive and general management and product and marketing roles at Telstra Corporation, Pacific Brands and the Ford Motor Company.

Holly is a director of Woolworths Group Limited and Fonterra Co-operative Group Limited. She is Pro-Chancellor at Western Sydney University, and a director at GO (Goodes-O'Loughlin) Foundation and NBryo Pty Ltd. Holly is also a member of the Bain Advisory Council and a Senior Advisor at Pollination.

Holly previously served as deputy chair of Australia Post, chair of Lendi Pty Ltd and as a director of Abacus Property Group, AMP Limited, Nine Entertainment Co. Holdings Limited and 2XU Holdings Pty Limited.

Directorships of other listed entities in the past three years:

Woolworths Group Limited (February 2016–present), Fonterra Co-operative Group Limited (May 2020–present) and Abacus Property Group (December 2018–November 2022).

Duncan Makeig

LLB, FGIA FCG

Independent Non-executive Director

Appointed: 21 June 2021

Board Committees: Audit, Risk and Compliance Management Committee, People, Culture and Performance Committee and Nominations Committee

Duncan has substantial legal and corporate governance expertise and international experience in the fast-moving consumer goods sector.

Duncan held a number of senior leadership positions over his 30-year management career. He served as the Managing Director of Lion Asia Dairy and held General Counsel, Company Secretary and Corporate and Government affairs roles for Lion Nathan, PepsiCo Australasia/Africa and the Tricon Restaurants (now known as Yum! Brands, Inc.), which operates food outlets such as KFC and Pizza Hut.

Duncan is currently the Chief Executive and co-founder of brand-building consultancy firm, China Road. He is a director of Foodbank Australia Limited and Wirrabilla Pastoral Pty Limited and part owner of the Royal Hotel, Wyong and Robertson Public House & Kitchen.

He was previously the chair of Sydney Children's Hospitals Foundation Limited, Curing Homesickness Limited, Athletic Greens Inc, Heineken-Lion Australia and New-Zealand listed company, Good Spirits Hospitality Limited and a director of Banksia Wines Pty Limited and Bevchain Pty Limited.

Directorships of other listed entities in the past three years:

Good Spirits Hospitality Limited (March 2019–June 2022).

Bruce Mathieson Jr

BCom

Non-executive Director

Appointed: 25 November 2022

Board Committees: People, Culture and Performance Committee and Nominations Committee

Bruce has over 25 years of hospitality and gaming experience, having held a number of senior management positions with BMG Hotel Group and ALH Group.

Bruce commenced with the ALH Group in 2004. He held the role of Managing Director of Hotels at Endeavour Group until December 2021 and before that he was the Chief Executive Officer and Director of ALH Group. Prior to these roles he was the National Operations Manager at ALH Group.

Bruce was a board member of the Australian Hotels Association (Victoria) from 2001 to 2006. He was also a member of the Victorian Responsible Gambling Ministerial Advisory Group between 2007 and 2015.

Directorships of other listed entities in the past three years:

Nil

Joanne (Joe) Pollard

MAICD

Independent Non-executive Director

Appointed: 21 June 2021

Board Committees: People, Culture and Performance Committee (Chair), Audit, Risk and Compliance Management Committee and Nominations Committee

Joe has domestic and international experience in telecommunications, media, marketing and sports industries. She has a significant understanding of customer management, marketing, cultural transformation and digital disruption.

Joe was previously Group Executive of Media and Marketing at Telstra and Chief Executive of Ninemsn and Publicis Mojo. During her 30-year executive career, she has held various other leadership roles in sales, marketing, media, digital and content at PBL Media, Nike, Inc. and Mindshare.

Joe is a director of Greencross Limited, oOH!media Limited and Washington H Soul Pattinson and Company Limited. She is also a member of Chief Executive Women and an advisor to RACAT Group.

Joe was previously a director of Nine Entertainment Co. Holdings Limited, AMP Bank Limited, 12WBT, iSelect, the Interactive Advertising Bureau and Australian Association of National Advertisers.

Directorships of other listed entities in the past three years:

oOH!media Limited (August 2021–present) and Washington H Soul Pattinson and Company Limited (March 2022–present).

Colin Storrie

BCom, GradDipMgt, FCPA, GAICD

Non-executive Director

Appointed: 1 August 2019

Board Committees: Audit, Risk and Compliance Management Committee and Nominations Committee

Colin has over 25 years' experience in senior finance roles in listed companies, investment banking and government, including in Chief Financial Officer positions at both Qantas Airways Limited and AMP Limited.

Until June 2021, Colin was the Managing Director of New Business and Partnerships at Woolworths. Prior to that, he held various senior roles at Woolworths and had been a member of its executive committee from 2016.

Colin has held a board position with the ALH Group since 2017 and has been a director of Endeavour Group Limited since 2019. He is chairman of PFD Food Services Pty Ltd and is a director of The Quantium Group Holdings Pty Limited and North Queensland Airports. He is also an Investment Committee member of W23 Pty Ltd (venture investments).

Colin was previously a director of UNICEF Australia, AIG Australia Limited, Qantas Airways Limited, Qantas Superannuation Limited, ALH Group and AMP Bank Limited.

Directorships of other listed entities in the past three years:

Nil

Rod van Onselen

BCom (Hons), LLB (Hons), MBA

Independent Non-executive Director

Appointed: 29 June 2023

Board Committees: Audit, Risk and Compliance Management Committee and Nominations Committee

Rod has significant experience in digital innovation and technology, business transformation and business growth strategies obtained from a range of advisory and executive leadership roles over a 20 year period.

Rod is currently a Senior Advisor at TPG Capital, leading the operation's capability in Australia and New Zealand where he works with TPG's portfolio companies to drive business growth and transformation.

Rod is also a director of Tucker Holdco Pty Limited, which operates the Made Group – a producer of innovative food and non-alcoholic beverage brands across APAC.

Rod was the Chief Digital & Growth Officer at Origin Energy, where he held a number of senior executive positions over a five-year period, including leading Origin's digital and retail business transformations. Earlier in his executive career, Rod was at Sportsbet where he oversaw and scaled its Online business, and prior to that, at ANZ Bank where he held various senior strategy and transformation roles, and led data and analytics for ANZ's Australia business.

Directorships of other listed entities in the past three years:

Nil

Group Executive Leadership Team

Steve Donohue
Managing Director and CEO

Biography available in Board of Directors, refer to page 49.

Peter Atkin
Chief Legal Officer

Peter is an experienced leader who has a proven track record advising companies on a wide range of legal, regulatory, governance and compliance matters with deep expertise in retail, gaming and liquor industries in Australia and overseas. Peter has a deep understanding of Endeavour Group having joined Endeavour Drinks as the Group General Counsel in 2016, and is currently responsible for all legal matters, as well as risk and compliance, secretariat, and cyber security. Prior to being appointed Chief Legal Officer in 2020 Peter was instrumental in the project to create and then demerge Endeavour Group from Woolworths in 2021.

Kate Beattie
Chief Financial Officer

Kate is a seasoned finance professional with over 20 years' experience in retail, technology, banking and professional services in numerous blue chip companies such as Oracle, Macquarie, CBA and Woolworths. Kate joined Endeavour as Finance Director for the Woolworths' Retail Drinks division in 2018 and was appointed Deputy CFO when Endeavour demerged in 2021. More recently, Kate was appointed CFO in February 2023 and started in the role on 26 June 2023[1].

Tim Carroll
Director - Merchandise and Buying

Tim has extensive retail experience with more than 30 years in liquor and supermarkets within Australia and New Zealand, working across buying, merchandising, supply chain, replenishment and store operations. Tim joined Endeavour in 2018.

Steven Cuda
Director - endeavourX

Steve joined Endeavour Group as General Manager of Loyalty and Personalisation in 2021, bringing with him over 20 years' experience spanning data, digital, loyalty, marketing, media and transformation roles. Steve has played a critical role in the development of our new customer and media platforms and accelerated the development of our customer facing personalisation capabilities. In May 2023, Steve was appointed as Director - endeavourX.

Scott Davidson
Managing Director - BWS

Scott brings more than 25 years of retail experience in liquor and supermarkets. Scott has worked across buying, marketing, merchandising, replenishment and store operations with the Woolworths Group in Australia and New Zealand for more than 16 years. Scott joined the Endeavour team in January 2020.

1 Chief Financial Officer Shane Gannon announced he was stepping back from executive roles on 13 February 2023 and finished with Endeavour Group on 1 July 2023.

Alison Merner
Chief People Officer

Alison has over 20 years' experience in People and Culture roles within the retail sector, having spent the last 14 years in senior leadership roles across Woolworths Group, including Supply Chain, Fuel, BIG W and Endeavour. Alison was appointed Chief People Officer in May 2021.

Agnieszka Pfeiffer-Smith
Managing Director - Dan Murphy's

Agi has more than 20 years' experience delivering strong results across a range of industries, including retail, property, banking, aviation and telecommunications. She is a highly experienced professional who has a proven track record of inspiring teams to create better businesses. Agi was appointed Chief Strategy Officer in 2020 and has been instrumental in shaping and delivering a customer first Endeavour Group Strategy. In July 2022, Agi was appointed Managing Director - Dan Murphy's.

Jo Rose
Chief Marketing Officer

Jo has extensive customer, marketing and digital experience developed in senior retail roles across the UK, Australia and New Zealand. She spent seven years working in digital, brand development and marketing at Tesco plc in London. Joining Woolworths in 2015, she worked across digital marketing, brand strategy and also led the Woolworths NZ customer and marketing team for two years. Jo joined Endeavour in October 2021 as Chief Marketing Officer.

Claire Smith
Chief Information Officer

Claire has over 20 years' experience spanning digital, product development, technology, transformation, commercial, and supply chain roles, in FMCG and Retail in Australia and New Zealand. Claire has spent the last nine years working in the Endeavour business, increasingly focusing on our digital transformation. In 2019, Claire established endeavourX and in March 2023 she was appointed Chief Information Officer.

Ilana Stringer
Chief Strategy Officer

Ilana has extensive strategy, corporate development and corporate finance experience developed in senior executive roles in the retail industry and investment banking. She previously led strategy and M&A for Endeavour Group, following working in a variety of roles at Woolworths Group, and prior to that worked as an investment banker in Australia and the United States. Ilana was appointed Chief Strategy Officer in October 2022.

Paul Walton
Managing Director - Hotels

Paul joined Endeavour in 2018, bringing with him over 20 years' experience across retail and consumer goods spanning strategy, business development, customer experience, planning and logistics at organisations including Lion and Nestle. Paul has led Pinnacle Drinks since December 2018, during which time significant innovation and growth across the portfolio has been seen. He is currently seconded into the role of Managing Director - Hotels[2].

2 Mario Volpe, Managing Director - Hotels, is taking personal leave effective 1 May 2023. Paul Walton is in the role of Managing Director - Hotels for the duration of Mario's absence.

Directors' Report

The Directors of Endeavour Group Limited (Endeavour) present their report, together with the Financial Report of Endeavour and its controlled entities (Endeavour Group or the Group), for the financial year ended 25 June 2023.

Principal activities

The Group operates Australia's largest retail drinks network and the nation's largest portfolio of licensed hotels, and has over 30,000 team members. The principal activities of the Group during the financial year were:

- **Retail:** Operating 1,701 stores under the Dan Murphy's and BWS brands, as well as specialty businesses Langton's, Shorty's Liquor and Jimmy Brings, which produce and distribute exclusive brands through Pinnacle Drinks.
- **Hotels:** Operating 354 hotels, including food and drinks, accommodation, entertainment and gaming operations.

Significant changes in state of affairs

Other than the changes discussed in the Operating and Financial Review on pages 18 to 31 and the changes to the Board outlined in the Board of Directors section on pages 48 to 51, there have been no other significant changes in the state of affairs of the Group during the financial year.

Dividends

Details of dividends and franking credits are outlined in Note 4.2 to the Financial Report.

Directors

The names of the Directors of Endeavour holding office during or after the financial year were:

Peter Hearl	
Steve Donohue	
Anne Brennan	
Holly Kramer	
Duncan Makeig	
Bruce Mathieson Jr	(appointed 25 November 2022)
Joanne Pollard	
Colin Storrie	
Rod van Onselen	(appointed 29 June 2023)

Details of the Directors, their experience, qualifications, other listed company directorships and special responsibilities, are set out on pages 49 to 51.

Directors' meetings

The table below contains the number of Board and Board Committee meetings held during the financial year that each Director (who held office during the financial year) was a member of and eligible to attend, and the number of meetings attended by each Director.

All Directors may attend Committee meetings even if they are not a member of a Committee. The table below reflects the attendance of a Director only where they are a member of a relevant Committee.

	BOARD						COMMITTEES					
	SCHEDULED MEETINGS		UNSCHEDULED MEETINGS [1]		BOARD COMMITTEE MEETINGS [2]		NOMINATIONS		AUDIT, RISK AND COMPLIANCE MANAGEMENT		PEOPLE, CULTURE AND PERFORMANCE	
DIRECTORS [3]	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Peter Hearl	13	13	1	1	11	11	5	5	-	-	-	-
Steve Donohue	13	13	1	1	11	11	-	-	-	-	-	-
Anne Brennan [4]	13	13	1	1	10	10	5	5	7	7	8	8
Holly Kramer	13	13	1	1	-	-	5	5	-	-	8	8
Duncan Makeig [5]	13	13	1	1	10	9	5	5	7	7	8	8
Bruce Mathieson Jr [6]	8	8	1	1	-	-	4	4	-	-	-	-
Joanne Pollard	13	13	1	1	9	9	5	5	7	7	8	8
Colin Storrie	13	13	1	1	-	-	5	5	7	7	-	-

(A) Number of meetings held during the financial year that the Director was a member of the Board or the relevant Committee.
(B) Number of meetings attended.

1 Board meetings convened for a special purpose that are not part of the planned annual calendar.
2 Committee meetings of the Board convened for a special purpose. Committee composition varies for each special purpose Committee.
3 Rod van Onselen was appointed as a Director on 29 June 2023, not within the financial year.
4 Anne Brennan was appointed as a Director on 27 June 2022 and appointed the Chair of the Audit, Risk & Compliance Management Committee on 24 August 2022.
5 Duncan Makeig resigned as the Chair of the Audit, Risk & Compliance Management Committee on 23 August 2022.
6 Bruce Mathieson Jr was appointed as a Director on 25 November 2022.

The table below details the current Directors' relevant interests in Endeavour shares at the date of this Directors' Report.

CURRENT DIRECTORS	NUMBER OF ENDEAVOUR SHARES HELD [1]
Peter Hearl	75,000
Steve Donohue	118,258
Anne Brennan	13,211
Holly Kramer	20,196
Duncan Makeig	14,005
Bruce Mathieson Jr	270,175,715
Joanne Pollard	11,041
Colin Storrie	30,640
Rod van Onselen	-

1 The number of shares held refers to Endeavour shares held either directly or indirectly by a Director.

Directors' and officers' indemnity and insurance

Endeavour's constitution permits Endeavour to indemnify, to the maximum extent permitted by law, any current or former director, secretary, other officer or senior manager of Endeavour or of an Endeavour subsidiary (Officer) against any liability incurred by the Officer acting in the relevant capacity except for legal costs which may only be indemnified if incurred:

- In defending or resisting, or otherwise in connection with, proceedings (whether civil or criminal or of an administrative or investigatory nature) in which the Officer becomes involved because of that capacity; or
- In good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an Officer, provided that the expenditure has been approved in accordance with Endeavour's policy.

Deeds of Indemnity, Insurance and Access (Indemnity Deeds) that provide for indemnity against liability as a director of Endeavour or an Endeavour subsidiary (except to the extent that an indemnity is provided under an insurance policy or is prohibited by law), have been executed by Endeavour in favour of each current Director. The Indemnity Deeds also entitle the Directors to access company documents and records, subject to undertakings as to confidentiality, and to receive directors' and officers' insurance cover paid for by Endeavour.

During or since the end of the financial year, Endeavour has paid or agreed to pay a premium for directors, and officers, liability insurance in respect of directors, officers and employees of Endeavour and Endeavour's subsidiaries. Disclosure of the total premium amount and the nature of the liabilities in respect of such insurance is prohibited by the insurance contract.

Company Secretary

Taryn Morton was appointed Company Secretary on 21 June 2021 and has over 24 years of combined legal, corporate governance and company secretarial experience. Between 2015 and 2019, she held the role of Group Company Secretary of Commonwealth Bank of Australia and immediately prior to that she was the Deputy Company Secretary and Legal Counsel of Insurance Australia Group. She was the Company Secretary of Qantas and also served as a director of Qantas subsidiaries. Taryn's earlier governance and legal roles were at Babcock & Brown, Ten Network Holdings and Ashurst.

Taryn holds Bachelor degrees in Arts and Law. She is a Fellow of the Governance Institute of Australia (GIA) and a member of the GIA's Legislative Review Committee.

Proceedings on behalf of Endeavour Group

No application has been made under section 237 of the *Corporations Act 2001* (Cth) in respect of Endeavour Group, and there are no proceedings that a person has brought or intervened on behalf of Endeavour Group under that section.

Environmental regulation

The Group is owner, lessee and operator of real property across all Australian states and territories and must comply with various federal, state and local environmental laws and regulations. These laws and regulations relate particularly to contamination, pollution and waste management. These laws also create a liability regime for present and former property owners and operators for remediation costs and damages related to contamination of soil and water from hazardous substances.

The Group is not aware of any material liabilities being incurred under any environmental legislation during the financial year.

Non-audit services

During the financial year, Deloitte Touche Tohmatsu Australia, Endeavour's auditor, has performed certain other services in addition to their statutory duties. The Directors are satisfied that the provision of those non-audit services during the financial year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) or as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Endeavour, acting as an advocate for Endeavour or jointly sharing risks or rewards.

The Directors' statement above is in accordance with the advice received from the Audit, Risk and Compliance Management Committee.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 6.3 to the Financial Report.

Other information

The information below forms part of, and is to be read in conjunction with, this Directors' Report:

- Operating and Financial Review details on pages 18 to 31;
- Directors' experience, qualifications, special responsibilities and other listed company directorships are set out on pages 49 to 51;
- Remuneration Report on pages 58 to 86;
- Matters subsequent to the end of the financial year as outlined in Note 6.4 to the Financial Report; and
- Auditor's Independence Declaration on page 87.

This Directors' Report is made in accordance with a resolution of the Directors of Endeavour and is dated 16 August 2023.

Peter R Hearl
Chairman

Steve Donohue
Managing Director and CEO

Remuneration Report

On behalf of the Board, I am pleased to present the F23 Remuneration Report (the Report) for Endeavour Group. In our second year as an ASX listed company we continued to deliver a solid financial performance, maintained our disciplined approach to cost management, accelerated our customer experience and progressed our sustainability journey towards industry leadership while continuing to invest for the future.

Our team continues to embrace our purpose of 'creating a more sociable future together' and our values and ways of working are now well embedded across the Group. I am very proud of how our team managed the return to a post-COVID trading environment.

KMP changes during F23

We have had a number of Key Management Personnel (KMP) changes throughout F23. Our Chief Financial Officer, Shane Gannon, retired at the end of F23 with Kate Beattie, the Deputy Chief Financial Officer, being appointed to the role from F24. Agi Pfeiffer-Smith was appointed as Managing Director, Dan Murphy's after the resignation for family reasons of Alex Freudmann. Paul Walton stepped into the role of Managing Director, Hotels whilst Mario Volpe is taking a personal leave of absence. We are pleased that our talent and succession practices supported these changes.

F23 Remuneration Framework

Our remuneration framework is designed to align performance with reward. The Board sets targets for both short and long-term rewards to encourage performance. The Board are confident that the determinations made facilitated the right alignment between performance, reward and stakeholders' interests.

F23 Reward Outcomes: Short Term Incentive (STI)

The Group STI business metrics performance achieved 79% against our targets for Sales, EBIT, Working Capital, Voice of Customer and Safety. Supply chain challenges were the primary reason for our Working Capital Days target not being achieved. We also fell short of achieving our Safety-Hours Lost target, but did achieve our Total Recordable Incidents target, which was pleasing given the significant increase in trading hours.

The Board however exercised discretion to reduce the Group funding to 75% to recognise an adjustment between Retail and Hotels sales performance. A positive aspect of our business is the natural hedge between on and off premise businesses which COVID disruption demonstrated. Last year we rebalanced our Retail and Hotels sales performance to mitigate the impact of the market shift caused by COVID. In F23 our budget anticipated a slower return to on premise trading. However, we experienced a more rapid return to physical space socialising. We decided to adjust the Group STI outcome down from 79% to 75% to more evenly reward Hotels and Retail team members. We do not anticipate the need for COVID related adjustments in the future.

The Board also accepted that the Managing Director and CEO, the Managing Director, BWS and another senior executive volunteering a reduction in their final STI reward in deference to the tragic incident at our BWS Airport Drive in Darwin.

Performance assurance

To assure performance, we have deferred 50% of the determined STI reward for KMP into share rights restricted for two years from 1 July 2023. The Board will determine the release of these share rights at the end of the two year period, subject to the Malus policy.

F23 Reward Outcomes: Long Term Incentive (LTI)

The F21 Transitional LTI that vested on 1 July 2023 was the forfeited portion of Woolworths' LTI that was replaced with an Endeavour Group LTI on Demerger. Vesting at 71.95% reflects 22.15% Relative Total Shareholder Return, 39.8% Return on Funds Employed performance and 10% Leading in Responsibility.

As indicated in F22, there had been solid early progress on our responsibility initiatives, which form the core of our Sustainability Strategy. In F23 the team were able to demonstrate the achievement of our goals in relation to training, technological innovation and community partnerships whilst ensuring there were no material compliance or regulatory transgressions. The Board was satisfied with the progress, momentum and passion for leading the industry in responsibility and doing it in a way that accords with Our Values and Ways of Working.

F24 Executive Remuneration Review

From 1 July 2023, the superannuation guarantee rate increased to 11% for all employees, including KMP.

The Board determined that there would be no further changes to Total Fixed Remuneration for KMP and other Senior Executives. From F24 onwards, all other Senior Executives will have 25% of any STI determined deferred in share rights for 12 months.

Non-executive Director fees

In F23 we reviewed the Non-executive Director fees and it was determined that there would be no change to fees.

Summary

A big Shout Out to all of our team members for their ongoing efforts, contribution and passion for our business. Along with my fellow Non-executive Directors, I continue to be very proud of our achievements, the progress and momentum that I am confident will contribute to leaving a lasting imprint on our customers and communities and sustainable returns for our shareholders.

Feedback is welcome on the Report.

Joe Pollard

Joe Pollard
Chair, People, Culture and Performance Committee

Introduction

The Directors of Endeavour Group Limited (Endeavour) present the Remuneration Report (the Report) for Endeavour and its controlled entities (collectively, Endeavour Group or the Group) for the financial year 2023. The Report has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth).

Contents

Remuneration Report

Section 1. F23 Key Management Personnel

The Report outlines the Endeavour Group remuneration framework and the outcomes for the year ended 25 June 2023 for our Key Management Personnel (KMP). KMP have the authority and responsibility for planning, directing and controlling the activities of Endeavour Group.

1.1 Executive and Non-executive Key Management Personnel

Executive KMP

NAME	POSITION	TERM AS KMP IN F23
Steve Donohue	Managing Director and CEO	Full year
Scott Davidson	Managing Director, BWS	Full year
Shane Gannon	Chief Financial Officer	Full year[1]
Agnieszka Pfeiffer-Smith	Managing Director, Dan Murphy's	Commenced 6 October 2022
Mario Volpe	Managing Director, Hotels	Ceased 1 May 2023[2]
Paul Walton	Managing Director, Hotels	Commenced 2 May 2023[3]
Former Executive KMP		
Alex Freudmann	Managing Director, Dan Murphy's	Ceased 5 October 2022

1 Shane Gannon ceased as KMP on 25 June 2023. Kate Beattie commenced in the role of Chief Financial Officer on 26 June 2023.
2 Mario Volpe was on leave for part of the year and is considered a KMP up to 1 May 2023.
3 Paul Walton was appointed as the Managing Director, Hotels and is considered a KMP between 2 May 2023 and 25 June 2023.

Non-executive KMP (otherwise known as Non-executive Directors)

NAME	POSITION	TERM AS KMP IN F23
Peter Hearl	Chair	Full year
Anne Brennan	Director	Full year
Holly Kramer	Director	Full year
Duncan Makeig	Director	Full year
Bruce Mathieson Jr	Director	Commenced 25 November 2022
Joanne Pollard	Director	Full year
Colin Storrie	Director	Full year

Section 2. Remuneration Governance

2.1 Role of the Board, the People, Culture and Performance Committee, and Management

The governance framework for remuneration matters is outlined below:

The Board

The Board maintains accountability for the oversight of Endeavour Group remuneration policies. Specifically, the Board is responsible for deciding the whole remuneration framework for Endeavour Group. After considering the recommendations from the People, Culture and Performance Committee (the Committee), the Board approves all remuneration and benefits as they relate to the Managing Director and CEO, and executive level direct reports, including Executive KMP. The Board also sets the remuneration for Non-executive Directors.

People, Culture and Performance Committee

The role of the Committee is to assist the Board in fulfilling its obligations to shareholders and regulators in relation to the Group's remuneration policies. The Committee does this by reviewing and making recommendations to the Board on matters including:

- Remuneration arrangements of Non-executive Directors, Managing Director and CEO and executive level direct reports.
- Annual performance review of the Managing Director and CEO and executive level direct reports.
- Remuneration outcomes for the Managing Director and CEO and executive level direct reports.
- Delegating power for the operation and administration of all Group incentive and equity plans to management (as appropriate).

Management

Management makes recommendations to the People, Culture and Performance Committee on matters including:

- Remuneration arrangements for the Managing Director and CEO, and executive level direct reports, including the establishing of new, or amendment to existing, incentive and equity plans.
- Annual performance review and remunerations outcomes of Managing Director and CEO and executive level direct reports.
- Changes to the Group's remuneration policies.
- Risks that have materialised that the Committee (in conjunction with the Audit, Risk and Compliance Management Committee) should consider as part of the annual review and recommendation of remuneration outcomes for the Managing Director and CEO, and executive level direct reports to assist with the exercise of any Board discretion.

Section 2. Remuneration governance (continued)

2.2 Additional governance policies

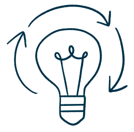
Hedging Policy	Under the Securities Trading policy, senior executives and other specified team members may not enter into any derivative (including hedging) transaction that will protect the value of either unvested securities or vested securities that are subject to a disposal restriction issued as part of our incentive and equity plans. Compliance with the policy is a condition of participating in the plans.
Malus Policy	The Executive KMP STI and LTI arrangements are subject to malus provisions that enable the Board to adjust unpaid and/or unvested awards (including reducing to zero) where it is appropriate to do so. The Board may determine that any unpaid cash STI or unvested Deferred STI (DSTI) or LTI awards will be forfeited in the event of wilful misconduct, dishonesty or severe breach of our Code of Conduct by the executive. The Board may also adjust these awards in cases of unexpected or unforeseen events impacting performance outcomes, performance with regard to non-financial risk, an outcome which would cause significant reputational damage to the Endeavour Group brands, or a broader assessment of performance indicating there should be an adjustment.
Dividends	Share right offers do not attract a dividend or dividend equivalent shares or cash payments upon vesting. This excludes the F20 and F21 Transitional LTI grants that were offered by Endeavour Group in lieu of equity forfeited on demerger that was previously offered by Woolworths. Additional shares will be granted to account for the dividend, on the vested portion, in line with the terms and conditions of the Woolworths F20 and F21 LTI offers only.
Trading Windows	Under the Securities Trading policy trades in the equity of Endeavour Group can only occur in specific Trading Windows. The opening of Trading Windows will be notified to the specified team by email and the specified team are not to assume that a Trading Window is open in the absence of such notification.

Section 3. Remuneration at Endeavour Group

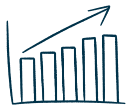
Our remuneration framework must enable the achievement of Our Purpose and our strategy. Our Purpose at Endeavour Group is 'Creating a more sociable future together'.

To deliver on Our Purpose, our strategic priorities are:

Leading customer offer and brands



Building an efficient end-to-end business



Accelerate growth

How we achieve our strategic priorities matters to us. We strive for one team believing in Our Purpose and demonstrating Our Values to ensure we have a positive and sustainable imprint on each other, our customers and communities that we operate in. Our Values and Ways of Working are outlined below:

Our Values

We're real
We connect with authenticity and care.

We're inclusive
Everyone's welcome.

We're responsible
We take it seriously and do the right thing.

Our Ways of Working

We work with spirit
We share our passion, knowledge and enthusiasm for what we do. It impacts those around us positively every day.

We're team players
We collaborate, bringing the right people and perspectives together. We have open minds and speak up when something isn't right.

We endeavour for better
We give things a go, challenge each other, keep it simple and continually improve. We aim to lead our industry in responsibility.

Our remuneration principles

The specific principles of the remuneration framework that support the achievement of Our Purpose and delivery of our strategy are:

- Reinforcing Our Purpose, Our Values and Our Ways of Working
- Attracting and retaining team members with the skills, diversity and spirit to deliver on the strategy
- Driving responsible short - and long-term performance within our risk appetite
- Aligning executive and shareholder interests

Remuneration Report

Section 3. Remuneration at Endeavour Group (continued)

3.1 Our remuneration framework

The remuneration framework has three key elements:

ELEMENT AND OPERATION | **LINK TO PURPOSE, STRATEGY AND SHAREHOLDERS**

Total Fixed Remuneration (TFR)

TFR consists of base salary, superannuation and car allowance.

TFR is set in relation to the external market and considers:

- Strategic value of the role
- Size and complexity of the role
- Individual responsibilities
- Experience and skills

TFR positioning is informed by data including ASX50 organisations and the experience and skills a candidate or incumbent brings to the role.

- Attracting and retaining talented team members by offering competitive total fixed remuneration and paying equitably and fairly
- Individual performance impacts fixed remuneration adjustments
- Minimum shareholder requirements equivalent to 200% TFR for the Managing Director and CEO and 100% for other Executive KMP, encouraging executive share ownership

Short Term Incentive (STI)

50% of the STI is delivered in cash and the remaining 50% is deferred in share rights (or cash, if equity cannot be granted) for two years.

Business performance is measured through an STI scorecard, with 60% weighted on financial objectives and 40% on non-financial objectives:

- Sales (25%)
- Earnings Before Interest and Tax (25%)
- Average Working Capital Days (10%)
- Customer Satisfaction (20%)
- Safety (20%)

- Assuring performance of in-year outcomes that contribute to the achievement of the strategic priorities over the longer term
- Annual targets to drive financial performance, effective operations, customer outcomes and safety
- Board discretion that considers the results and Our Ways of Working to assure a responsible outcome
- Strengthening accountability and supporting alignment with shareholders by deferring 50% of the STI outcome into equity (or cash) for two years

Long Term Incentive (LTI)

Performance rights vesting after three years.

The LTI aligns executives to overall company performance through three measures focused on strategic business drivers and long-term shareholder return:

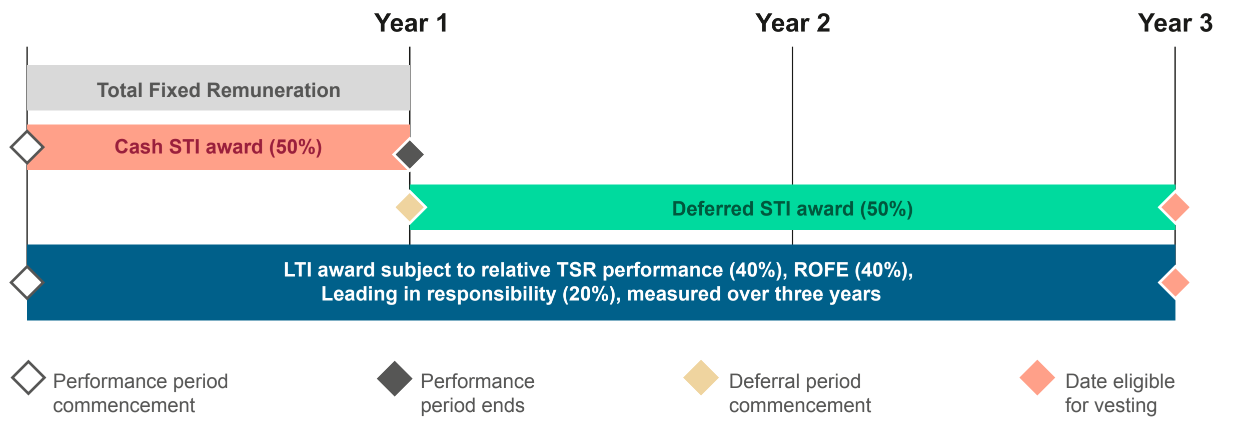
- Relative Total Shareholder Return (rTSR against ASX100) (40%)
- Return on Funds Employed (ROFE) (40%)
- Leading in Responsibility (LIR) (20%)

- Comprehensive performance assessment of Endeavour Group's performance over three years
- Assessment of shareholder value created relative to peers
- Balance earnings growth with efficient and disciplined allocation of capital, that is important for our growth
- Enhancing our industry and business in the long term by leading in responsibility

Section 3. Remuneration at Endeavour Group (continued)

3.2 Timeline of potential remuneration

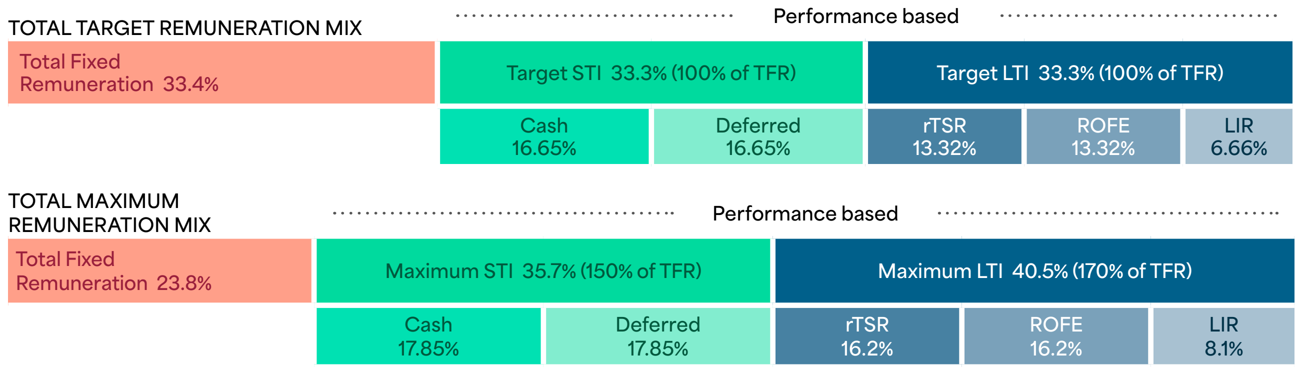
The timeline of when remuneration is received is set out below:



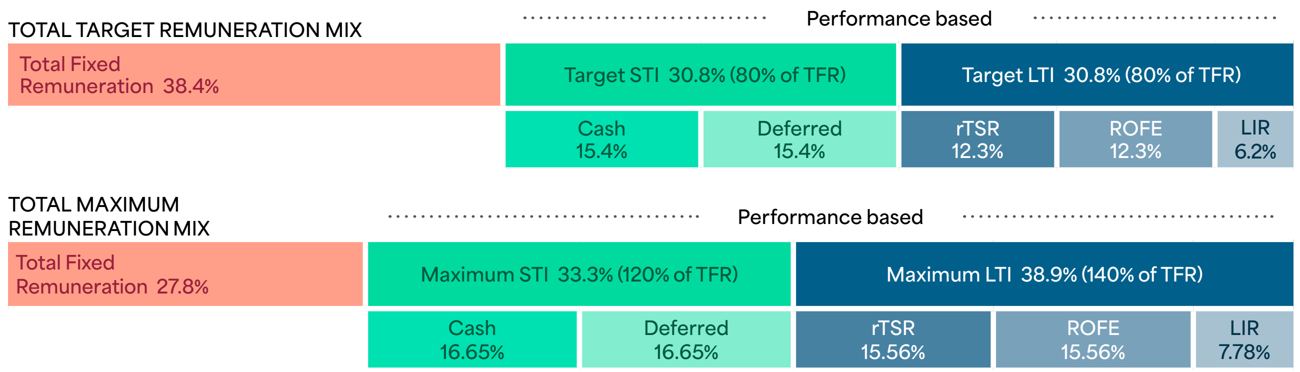
3.3 F23 Executive KMP remuneration mix

The remuneration mix for the Managing Director and CEO, and other Executive KMP, is weighted towards variable remuneration. A minimum of 60% of remuneration is performance-based pay and a minimum of 45% of total remuneration is delivered as deferred equity (deferred STI and LTI) for target performance.

Managing Director and CEO



Other Executive KMP



Section 3. Remuneration at Endeavour Group (continued)

3.4 F23 Executive KMP remuneration arrangements

The remuneration arrangements for Executive KMP, on an annualised basis, are outlined below:

	TFR	STI[1]		LTI[1]		TOTAL REWARD	
	$	TARGET %	MAX %	TARGET %	MAX %	TARGET $	MAX $
Executive KMP							
Steve Donohue							
Managing Director and CEO	1,657,378	100%	150%	100%	170%	4,972,133	6,960,987
Scott Davidson							
Managing Director, BWS	697,956	80%	120%	80%	140%	1,814,686	2,512,642
Shane Gannon							
Chief Financial Officer	857,763	80%	120%	80%	140%	2,230,183	3,087,946
Agnieszka Pfeiffer-Smith[2]							
Managing Director, Dan Murphy's	685,001	80%	120%	80%	140%	1,781,001	2,466,002
Mario Volpe							
Managing Director, Hotels	663,000	80%	120%	80%	140%	1,723,800	2,386,800
Paul Walton[3]							
Managing Director, Hotels	663,000	80%	120%	80%	140%	1,644,078	2,247,287
Former Executive KMP							
Alex Freudmann							
Managing Director, Dan Murphy's	714,196	80%	120%	80%	140%	1,856,910	2,571,106

1 STI and LTI are a percentage of TFR. Target represents the level of reward possible for achieving all performance metrics to expectations and Maximum (Max) represents the most that can be awarded for clear outperformance.
2 Agnieszka Pfeiffer-Smith's remuneration arrangement is applicable from 6 October 2022, which is the date of her commencement as KMP.
3 Paul Walton's remuneration arrangement is applicable from 2 May 2023, which is the date of his commencement as KMP. Paul Walton's LTI is calculated based on his TFR for his role prior to being appointed as the Managing Director, Hotels.

3.5 Group company performance

The remuneration framework of the Group is designed to link Executive KMP remuneration with Group performance.

As the Group only commenced operating as an independent entity with its own remuneration framework post Demerger from Woolworths on 28 June 2021, a five-year performance table has not been provided. The Group performance table below will continue to be expanded each year in order to provide comparative metrics for the financial years in which the Group was independently listed.

	2023	2022	2021
Sales ($m)	11,884	11,597	11,595
Earnings before interest and tax ($m)	1,023	924	899
Earnings per share (cents)	29.5	27.6	24.8
Share price change	(16.0%)	22.3%	
Dividend payout ratio	73.9%	73.1%	
Total shareholder return (TSR): 1 July 2022 to 1 July 2023	6.7%	24.8%	
Return on funds employed (ROFE)	11.8%	11.4%	11.1%

Section 3. Remuneration at Endeavour Group (continued)

3.6 F23 Executive KMP remuneration earnings

The table below represents remuneration earned by Executive KMP as a result of performance in the financial year, paid or unpaid as of the end of F23.

	TFR	STI		LTI			TOTAL REWARD	
	$	CASH STI[1] $	DEFERRED STI[2] $	VESTED VALUE[3] $	FORFEITED VALUE $	TOTAL ACTUAL[4] $	TOTAL ACTUAL % TTR[5]	TOTAL ACTUAL % OF TMR[6]
Executive KMP								
Steve Donohue								
Managing Director and CEO	1,657,378	580,082	580,082	1,024,503	309,071	3,842,045	77%	55%
Scott Davidson								
Managing Director, BWS	697,956	201,011	201,011	731,608	220,715	1,831,586	101%	73%
Shane Gannon								
Chief Financial Officer	857,763	240,174	240,174	-	-	1,338,111	60%	43%
Agnieszka Pfeiffer-Smith[7]								
Managing Director, Dan Murphy's	502,959	148,876	148,876	405,671	122,382	1,206,382	92%	67%
Mario Volpe[8]								
Managing Director, Hotels	554,014	155,124	155,124	-	-	864,262	60%	43%
Paul Walton[9]								
Managing Director, Hotels	108,986	78,470	-	335,555	101,237	523,011	194%	142%
Former Executive KMP								
Alex Freudmann[10]								
Managing Director, Dan Murphy's	189,800	-	-	-	2,217,377	189,800	38%	28%

1 Cash STI represents amounts earned in the current financial year, which are paid in September in the following financial year.
2 Deferred STI represents amounts earned in the current financial year, which are deferred for two years from 1 July 2023.
3 Amounts reflect the vested value of the F21 Transitional grant which was tested on 1 July 2023. The value of performance share rights vested or forfeited has been calculated based on the volume-weighted average price (VWAP) of Endeavour Group for the five business days up to 1 July 2023. The VWAP calculated by Orient Capital Pty Ltd was $6.2744.
4 In addition to the amounts disclosed, each Executive KMP received non-monetary and other benefits that include the deemed premium in respect of Directors' and Officers' Indemnity Insurance, and where applicable, travel benefits and associated fringe benefits tax. Non-monetary and other benefits, and LTI forfeited value are not included in Total Actual.
5 TTR is Total Target Remuneration, which represents the level of reward possible for achieving all performance metrics to expectations.
6 TMR is Total Maximum Remuneration, which represents the most that can be awarded for clear outperformance.
7 Agnieszka Pfeiffer-Smith's remuneration reflects amounts earned since commencement as KMP on 6 October 2022.
8 Mario Volpe's TFR and STI reflects amounts earned as KMP until 1 May 2023.
9 Paul Walton's TFR and STI reflects amounts earned since commencement as KMP on 2 May 2023. The full vested value of the F21 Transitional LTI grant has been presented.
10 Alex Freudmann forfeited all of his outstanding LTI share rights as of 5 October 2022. The value of Alex Freudmann's forfeited LTI share rights has been calculated based on the VWAP of Endeavour Group for the five business days up to and including 5 October 2022. The VWAP calculated by Orient Capital Pty Ltd was $7.0536.

Remuneration Report

Section 4. Executive KMP Remuneration

4.1 F23 Short Term Incentive Plan

Endeavour Group's Short Term Incentive (STI) Plan is designed to drive focus on in-year outcomes that contribute to the achievement of strategy over the longer term. The STI Plan recognises the level of delivery against strategic and business goals, and the demonstration of Our Ways of Working that set the tone and culture of the organisation. What we deliver and how we deliver outcomes both contribute to the achievement of Our Purpose and positive imprint on all our stakeholders.

Assessing business performance:

The STI business performance includes a mix of metrics, with 60% weighting on financial metrics (Sales, EBIT, and Average Working Capital Days) and 40% weighting on non-financial metrics (Customer Satisfaction and Safety):

Sales	Earnings Before Interest and Tax (EBIT)	Average Working Capital Days	Customer Satisfaction	Safety
25%	25%	10%	20%	20%

The metrics have been chosen purposefully to focus our team on achieving the expectations of our shareholders and other stakeholders including customer expectations and enhancing the safety of our team in a responsible way.

Sales, EBIT and Average Working Capital Days

It is critical to the success of our business to constantly work towards sales growth, improving our efficiency and productivity which includes managing our inventory effectively. These three metrics combine to support solid financial performance for our shareholders.

Customer Satisfaction

Our strategy is underpinned by great customer experiences and success is dependent on us delivering a diverse range of products to meet customer needs, convenient ways to shop and enjoyable ways to experience our stores and hotels. We use Voice of Customer (VOC) to measure our customer shopping experience, and a customer satisfaction metric to measure our experience in stores and hotels.

Safety

We are a people business and the safety of our team is of great importance to us. Safety performance is measured using two equally weighted measures which includes (i) total recordable (team member) injuries and (ii) hours lost. We measure the number of injuries as opposed to frequency rates so that our measures are easy to understand and communicate. Hours lost are included in the overall safety performance to help us understand both the frequency and severity of injuries.

Each metric has an entry, target and stretch performance as set out below:

- Zero for below entry performance;
- 50% of STI percentage for entry performance;
- 100% of STI percentage for target performance;
- 150% of STI percentage for stretch performance.

The maximum percentage that can be allocated if all metrics are achieved at stretch is 150%.

Section 4. Executive KMP Remuneration (continued)

Assessing individual performance:

Three equally weighted categories of goals are used to assess individual performance:

- Business goals capture how individuals contribute to the performance of the business within the year (33.33%)
- Strategic goals capture how individuals contribute to the initiatives that will transform our business for the future (33.33%)
- Ways of Working and people goals capture how business and strategic goals have been delivered, and how leaders set their teams up for success (33.33%)

This approach helps to drive sustainable performance and cultural outcomes.

Delivering STI outcomes:

An overall STI outcome for each KMP is determined based on the STI business outcome (which determines the level of STI funding available) and their individual performance assessment (which determines their share of the STI funding). The maximum STI outcome for the Managing Director and CEO is 150% of Total Fixed Remuneration and the maximum STI outcome for other Executive KMP is 120% of Total Fixed Remuneration.

This approach gives the Board sufficient opportunity to vary STI outcomes so they reflect differing levels of performance. The Board also has discretion to vary STI awards due to factors that are beyond these performance measures so that rewards appropriately reflect complete performance. They are also required to help ensure that outcomes align with the market, management activity and shareholder returns.

Executive KMP STI awards are delivered:

- 50% in cash
- 50% in share rights or cash (if equity cannot be granted) deferred for two years

Other Senior Executives from F24 will have STI awards delivered:

- 75% in cash
- 25% in share rights or cash (if equity cannot be granted) deferred for one year

When delivering 50% of the STI award in share rights, the share rights are allocated at the face value of the STI amount determined. The 50% deferred share rights component supports increased share ownership and is a risk management lever to facilitate Malus policy application during the deferral period. The Board has discretion to adjust the vesting of the deferred STI for individuals, which may be reduced (including to zero) if there have been cases of behaviour inconsistent with Our Values or Ways of Working. These would be the most serious of cases and would not have been adequately dealt with through normal performance management frameworks.

Section 4. Executive KMP Remuneration (continued)

F23 STI Business Outcome

The Group STI business metrics performance achieved 79% against our targets for Sales, EBIT, Working Capital, Voice of Customer and Safety. Supply chain challenges were the primary reason for our Working Capital Days target not being achieved. We also fell short of achieving our Safety-Hours Lost target, but did achieve our Total Recordable Incidents target, which was pleasing given the significant increase in trading hours.

The Board however exercised discretion to reduce the Group funding to 75% to recognise an adjustment between Retail and Hotels sales performance. A positive aspect of our business is the natural hedge between on and off premise businesses which COVID disruption demonstrated. Last year we rebalanced our Retail and Hotels sales performance to mitigate the impact of the market shift caused by COVID. In F23 our budget anticipated a slower return to on premise trading. However, we experienced a more rapid return to physical space socialising. We decided to adjust the Group STI outcome down from 79% to 75% to more evenly reward Hotels and Retail team members. We do not anticipate the need for these COVID related adjustments in the future.

The STI business metrics performance outcomes:

F23 STI BUSINESS METRICS	TOTAL WEIGHTINGS	ENTRY 50%	TARGET 100%	STRETCH 150%	ACTUAL OUTCOME	% WEIGHTED OUTCOME
Sales ($m)	25%	11,810	12,175	12,540	11,884	15%
Earnings Before Interest and Tax (EBIT) ($m)	25%	959	982	1,015	1,023	38%
Average Working Capital Days	10%	23.9	23.4	22.9	30.8	0%
Group Customer VOC	20%	78	79	81	78.4	14%
Safety						
- Total Recordable Injuries (TRI) (50%)	20%	339	321	299	311	12%
- Hours Lost (50%)		73,866	69,803	66,087	78,405	0%
Total STI Business Outcome before Board discretion						**79%**
Total STI Business Outcome after Board discretion						**75%**

Sales, EBIT and Average Working Capital Days

Sales performance in F23 was solid in the Hotels business reflecting customers returning to physical, social spaces post COVID. Retail sales also grew which was pleasing in a year where macroeconomic pressures were heightened. EBIT outperformed as a result of the sales performance and ongoing commitment to managing expenses and productivity innovations. However, despite an ongoing focus on our inventory management, we fell short of achieving our targets for Average Working Capital Days due to ongoing challenges associated with international supply chain and distribution.

Customer VOC

Voice of Customer informs how we serve our customers today and where we should invest going forward. We set targets to drive focus on improving our customer experiences every day, in every interaction. We improved our Voice of Customer performance compared to F22, resulting in achieving Entry performance for F23. We did not however achieve our target so this portion of the STI is not fully funded.

Safety

Our focus on our people and safety will always be a priority. We are seeing the results of preventative, and early intervention initiatives in our Total Recordable Incidents performance, which was challenging given the significant increase in trading hours and hours worked. We did not however achieve our Hours Lost target. This will become a focus in F24 to ensure we are focusing on the early and ongoing support that our team members require to return to work as soon as practicable.

Section 4. Executive KMP Remuneration (continued)

Executive KMP STI Outcomes

		ACTUAL			TARGET			
	OVERALL STI OUTCOME	TOTAL STI $	CASH STI $	DEFERRED STI $	STI % OF TFR	STI $	STI MAX $ (150% OF STI TARGET)	STI ACTUAL AS A % OF STI MAX
Executive KMP								
Steve Donohue	70%	1,160,164	580,082	580,082	100%	1,657,378	2,486,067	47%
Scott Davidson	72%	402,022	201,011	201,011	80%	558,365	837,547	48%
Shane Gannon	70%	480,348	240,174	240,174	80%	686,210	1,029,315	47%
Agnieszka Pfeiffer-Smith[1]	74%	297,752	148,876	148,876	80%	402,367	603,551	49%
Mario Volpe[2]	70%	310,248	155,124	155,124	80%	443,211	664,816	47%
Paul Walton[3]	90%	78,470	78,470	-	80%	87,189	130,784	60%

1 Agnieszka Pfeiffer-Smith's remuneration reflects amounts earned since commencement as KMP on 6 October 2022.
2 Mario Volpe's remuneration reflects amounts earned as KMP up to 1 May 2023.
3 Paul Walton's remuneration reflects amounts earned since commencement as KMP on 2 May 2023.

Of note is that specific Key Management Personnel namely the Managing Director and CEO and Managing Director, BWS and another senior executive volunteered a reduction, which the Board supported, to their individual STI outcomes in deference to the tragic incident in the Northern Territory. Steve Donohue reduced his overall STI outcome from 75% to 70% and Scott Davidson from 77% to 72% and the other senior executive reduced their STI by the same amount.

The safety investigation is not complete, and should there be an adverse outcome with respect to the business then we retain the right to adjust future STI outcomes, or the deferred portion of F23 STI.

Section 4. Executive KMP Remuneration (continued)

4.2 F23 Long Term Incentive Plan

Endeavour Group's Long Term Incentive Plan (LTI) is designed to drive shareholder alignment, sustainable decision making and leadership in responsibility, all of which contribute to the achievement of Our Purpose and create long-term shareholder value.

Assessing business performance:

The LTI rewards executives subject to performance against three weighted measures.

For the F24 plan, the performance will be measured over a three-year performance period and will be tested in July 2026.

Relative Total Shareholder Return (rTSR) – 40% weighting

Relative TSR is used as a measure in our LTI plan to align executive outcomes and long-term shareholder value creation. The peer group is the ASX100. The ASX100 was chosen because it reflects the market capitalisation of Endeavour Group and allows for performance comparison against peers in consumer discretionary and staple industries. 100% vesting is achieved when our peer group ranking is at the 75th percentile or higher. 50% vesting is achieved when ranking is at the median. Between the median and the 75th percentile, pro-rata vesting is achieved from 50% to 100%. A peer group ranking below the median results in no vesting.

Return on Funds Employed (ROFE) – 40% weighting

ROFE is an important measure to drive behaviours consistent with the delivery of long-term shareholder value. ROFE was chosen to encourage sustainable and responsible investment for the longer term. ROFE improvements can be delivered through earnings growth as well as the disciplined allocation of capital, management of assets, and working capital which is important for a business that is building capabilities for the future. ROFE is calculated as EBIT for the previous 12 months as a percentage of the previous 13 months average funds employed (net assets excluding net debt, lease liabilities, other financing-related assets and liabilities, and net tax balances). ROFE is based on Endeavour Group's strategic plan and is reflective of Endeavour Group's continued growth objectives and market conditions. The ROFE target will be published following the end of the relevant performance period given the commercial sensitivity of this information.

Leading in Responsibility – 20% weighting

Leading in Responsibility reflects Endeavour Group's commitment to implementing initiatives that enhance responsible sale, service and consumption of alcohol and conduct of gaming. This performance hurdle demonstrates our commitment to leading our industry in responsibility. The level of achievement will be assessed by the Board who will consider the management of compliance or regulatory transgressions and initiatives implemented that advance and sustain the industry. This measure is designed to embed the achievement of Endeavour Group's purpose and leave a positive imprint by leading in responsibility. Progress will be reported at the end of the relevant performance period.

Section 4. Executive KMP Remuneration (continued)

LTI Vesting:

LTI vesting detail:

rTSR	ROFE	LEADING IN RESPONSIBILITY
50% vesting at 50th percentile of ASX100	50% vesting at Entry	Up to 50% where initiatives are progressed and compliance or regulatory transgressions are managed to Board satisfaction
100% vesting at 75th percentile of ASX100	100% vesting at Stretch	51% to 100% where initiatives are implemented that enhance responsibility as assessed by the Board

Delivering LTI outcomes:

At the beginning of the performance period Executive KMP are granted a set amount of LTI performance rights calculated at a value of 170% of total fixed remuneration for the Managing Director and CEO and 140% of total fixed remuneration for other Executive KMP. Grants of performance rights are made at face value based on a five-day Volume Weighted Average Price (VWAP) up to and including the first day of the performance period. The deferred nature of LTI arrangements provides a risk management lever to facilitate Malus policy application during the performance period.

LTI granted to date:

In October 2021, Endeavour Group made three LTI grants to Executive KMP. Two transitional grants were made to recognise the forfeited portion of LTI previously issued to applicable Executive KMP by Woolworths for F20 and F21. These two transitional grants were made reflecting the terms above. Each transitional LTI grant has the same performance criteria, however different performance periods (F20 Transitional LTI tested in July 2022 and F21 Transitional LTI tested in July 2023).

In F22 the LTI grant was the first full Endeavour Group grant and it will be tested in July 2024.

Section 4. Executive KMP Remuneration (continued)

How F21 Transitional LTI performed

While the F21 Transitional LTI grant did not vest in F23, it was due for assessment on 1 July 2023 (post balance date). This LTI grant was the portion of the Woolworths LTI that was forfeited on Demerger and replaced by an Endeavour Group LTI grant with a performance period of 24 months.

The vesting outcome for the F21 Transitional LTI grant is 71.95%.

F21 TRANSITIONAL LTI GRANT PERFORMANCE MEASURES	ENTRY	TARGET	STRETCH	VESTING OUTCOME	% VESTING ACHIEVED
Relative Total Shareholder Return (ASX100) (40%)	50th percentile	-	75th percentile	52.69th percentile	22.15%
Return on Funds Employed (40%)	11.09%	11.44%	12.12%	12.11%	39.8%
Leading in Responsibility (20%)		Initiatives are progressed and compliance or regulatory transgressions are managed to Board satisfaction	Initiatives are implemented that enhance responsibility as assessed by the Board	Target	10%
F21 Transitional LTI Grant Vesting Outcome					71.95%

Relative TSR

Relative TSR performance resulted in 22.15% vesting of the performance measure having achieved just above the 52nd percentile. The performance reflects Endeavour's commitment to responsible, sustainable returns to shareholders.

Return on Funds Employed

ROFE performance was above target in F23, having benefited from the earnings growth as well as considered decisions relating to capital spend and investment management. The unadjusted ROFE outcome of 11.78% was adjusted up 33bps to 12.11% for vesting calculation purposes, to allow like for like treatment between the target and the ROFE outcome of the Victorian Gaming Casino Commission (VGCC) licensing liability, which was expected to be an accrued payable at the time the target was set, when in fact it is an interest bearing liability.

Leading in Responsibility

We are pleased with our progress on our responsibility initiatives which are fully detailed in our Sustainability Strategy. Having now been a standalone organisation for two years Endeavour has had the opportunity to build solid foundations, and develop and advance our community engagement and promotion of responsible consumption. Key initiatives include:

- Meaningfully progressing with the Darwin Community Advisory Committee (CAC) on local projects, driving changes in moderation across Australian communities through the low and no alcohol category;
- The development of Player Protect to promote and monitor responsible gaming;
- Introduction of facial recognition technology, Focal, and the training of our team to build a culture of responsible practices; and
- Exceeding our consumer identification (ID25) targets which reinforces to our team and communities our commitment to responsible service of alcohol and gaming.

The vesting determination also considered that there had been no material compliance or regulatory transgressions throughout F23.

Section 4. Executive KMP Remuneration (continued)

Executive KMP F21 Transitional LTI Grant Outcomes

	PERFORMANCE SHARE RIGHTS GRANTED		PERFORMANCE SHARE RIGHTS FORFEITED		PERFORMANCE SHARE RIGHTS VESTED	
	UNITS	$	UNITS	$	UNITS	$
Executive KMP						
Steve Donohue	212,542	1,319,206	49,259	309,071	163,283	1,024,503
Scott Davidson	151,779	942,062	35,177	220,715	116,602	731,608
Agnieszka Pfeiffer-Smith	84,160	522,364	19,505	122,382	64,655	405,671
Paul Walton	69,615	432,086	16,135	101,237	53,480	335,555
Former Executive KMP						
Alex Freudmann	154,649	959,875	154,649	1,090,832	-	-

The number of performance share rights has been rounded down to the nearest whole number. The value of the performance share rights granted has been calculated based on the VWAP of Endeavour Group for the first five business days starting from the date of the commencement of trading (including on a deferred settlement basis) on the ASX. The VWAP calculated by Orient Capital Pty Ltd was $6.2068.

The value of performance share rights vested or forfeited on 1 July 2023 has been calculated based on the VWAP of Endeavour Group for the five business days up to 1 July 2023. The VWAP calculated by Orient Capital Pty Ltd was $6.2744. Dividend equivalency was a term of the original forfeited award and is not a term of LTI grants from F22 onwards. The dividend equivalent rights have been included in the total performance share rights vested. The number of performance share rights forfeited has been calculated by deducting the total performance share rights vested from the number of performance share rights granted.

Alex Freudmann forfeited all of his outstanding LTI share rights due to his resignation on 5 October 2022. The value of Alex Freudmann's forfeited LTI share rights has been calculated based on the VWAP of Endeavour Group for the five business days up to and including 5 October 2022. The VWAP calculated by Orient Capital Pty Ltd was $7.0536.

Executive KMP F24 LTI Grants

Our remuneration framework grants LTI awards each year to executives which reflect the LTI Plan terms outlined earlier in this section. The F24 LTI grants are measured over three years commencing 1 July 2023 through to 1 July 2026. The total value granted reflects each Executive KMP's individual maximum LTI allocation which is based on their TFR at 1 July 2023, which includes the 0.5% statutory superannuation increase. The number of performance rights granted is based on a five-day VWAP up to and including 1 July 2023. The VWAP calculated by Orient Capital Pty Ltd was $6.2744.

	PERFORMANCE SHARE RIGHTS GRANTED	
	UNITS	$
Executive KMP		
Steve Donohue [1]	451,052	2,830,081
Scott Davidson	156,411	981,385
Agnieszka Pfeiffer-Smith	153,535	963,340
Mario Volpe	148,603	932,395
Paul Walton	126,267	792,250

1 Steve Donohue's F24 LTI grant is subject to shareholder approval at the Endeavour Group Annual General Meeting in October 2023.

Shane Gannon was not awarded an F24 LTI grant due to the cessation of his employment on 1 July 2023.

Remuneration Report

Section 4. Executive KMP Remuneration (continued)

4.3 Minimum shareholding requirements

To create and build alignment between KMP and our shareholders, Endeavour Group requires the following holdings to be achieved within five years of appointment. Each Executive KMP's minimum shareholding requirement is assessed as either progressing or met.

Managing Director and CEO – Steve Donohue

Shareholding Requirement	200% of TFR
Current shareholding	Progressing

Other Executive KMP

Shareholding Requirement	100% of TFR
Scott Davidson	Progressing
Agnieszka Pfeiffer-Smith	Progressing
Mario Volpe	Progressing
Paul Walton	Progressing

The minimum shareholding calculation includes ordinary shares registered in the holder's name. The average share price over 12 months to 25 June 2023 is used to calculate the shareholding value.

4.4 Leaving Endeavour Group and impact on equity plans

REASON FOR LEAVING	DEFERRED STI	UNVESTED LTI
Genuine retirement, death, illness and incapacity	Remain on foot until the end of the deferral period and vest at that time.	Award pro-rated based on the number of months worked in the performance period and remains on foot until the end of the performance period.
Termination for cause/gross misconduct/poor performance	Award forfeited	Award forfeited
Resignation	Award forfeited[1]	Award forfeited[1]
Mutual separation, redundancy, or other reasons as determined by Board	The Board will determine the appropriate treatment in the circumstances on a case by case basis.	The Board will determine the appropriate treatment in the circumstances on a case by case basis.

1 The Board will consider the circumstances surrounding each case to allow for the appropriate treatment. For instance, where the executive is not resigning to join a direct competitor and all reasonable steps have been taken to continue to support the success of the business through to their final date of employment, the Board may consider it appropriate to allow some incentive awards to remain on foot. The Board will continue to monitor the executive post employment and if they do not meet their post-employment obligations, the Board may lapse any remaining awards. For clarity, in cases where the executive resigns to join a competitor organisation, or in the Board's opinion the executive does not support the business to their final day of employment, any unvested DSTI and LTI will generally be forfeited.

Section 4. Executive KMP Remuneration (continued)

4.5 Terms of Executive KMP service agreements

The terms of employment for Executive KMP are formalised in employment contracts that have no fixed term. Specific information relating to the terms of Executive KMP's employment contracts are set out below:

	NOTICE PERIOD (MONTHS)	
NAME	EMPLOYEE	COMPANY
Steve Donohue	12	12
Scott Davidson	6	6
Agnieszka Pfeiffer-Smith	6	6
Mario Volpe	6	6
Paul Walton	6	6

Termination without notice can take place if there is evidence of engagement in wilful misconduct, serious negligence, serious or persistent breach of their employment contract, or they commit an act, whether at work or not, that would bring the Group into disrepute. Endeavour Group may also make a payment in lieu of notice.

Remuneration Report

Section 5. Non-executive Directors' fee policy and structure

5.1 Non-executive Directors' fee policy and structure

The Non-executive Directors for Endeavour have been chosen for the individual skills, capability and experience they bring to the Board. The fees set reflect the capabilities required to responsibly and effectively govern Endeavour Group given the size and complexity of the organisation.

Non-executive Directors' fees will be paid from an aggregate annual fee pool of $3,500,000.

Non-executive Directors' fees were reviewed against the ASX50 comparator group and as a result of the review, the Board determined no changes be made to the fees.

Non-executive Directors do not receive variable pay and no Directors' fees are paid to Executive Directors.

BOARD AND COMMITTEE FEES	CHAIR F23/F24 FEE INCLUDING SUPERANNUATION	MEMBER F23/F24 FEE INCLUDING SUPERANNUATION
Board	$500,000	$200,000
Audit, Risk and Compliance Management Committee	$45,000	$25,000
People, Culture and Performance Committee	$45,000	$25,000
Nomination Committee	Nil	Nil

5.2 Non-executive Directors' equity plan

The Non-executive Directors' equity plan (the NED equity plan) commenced in October 2021 to encourage and facilitate share ownership for Board members. The NED equity plan provides an automated mechanism for participants to acquire shares, recognising that Non-executive Directors can often be limited in their ability to purchase shares because of Australian insider trading laws.

Non-executive Directors' share rights are allocated periodically at the same time as the underlying shares are issued to the NED equity plan's trustee and the rights convert into restricted shares, subject to compliance with Endeavour Group's position on trading securities.

5.3 Non-executive Directors' minimum shareholding requirements

The NED equity plan supports the minimum shareholding requirement for Board members as it allows Non-executive Directors to reach the minimum shareholding requirements more quickly, as shares are acquired on a pre-tax basis. Each Non-executive Directors' minimum shareholding requirement is assessed as either progressing or met.

Chair of the Board – Peter Hearl

Shareholding Requirement	100% of Chair fee
Current Shareholding	Met

Other Non-executive Directors

Shareholding Requirement	100% of Director Fee
Anne Brennan	Progressing
Holly Kramer	Progressing
Duncan Makeig	Progressing
Bruce Mathieson Jr	Met
Joanne Pollard	Progressing
Colin Storrie	Met

The minimum shareholding calculation includes ordinary shares registered in the holder's name. The average share price over 12 months to 25 June 2023 is used to calculate the shareholding value.

Section 6. KMP Statutory disclosure tables

6.1 KMP remuneration

The table below sets out the F23 statutory remuneration of Non-executive Directors.

		SHORT-TERM BENEFITS				
		DIRECTOR FEES $	FEES SACRIFICED TO NEDP [1] $	NON-MONETARY AND OTHER BENEFITS [2] $	POST EMPLOYMENT BENEFITS [3] $	TOTAL $
Non-executive Directors						
Peter Hearl	F23	489,461	–	10,633	10,539	510,633
	F22	476,432	–	9,916	23,568	509,916
Anne Brennan	F23	246,927	–	10,633	21,640	279,200
Holly Kramer	F23	185,002	39,998	10,633	–	235,633
	F22	189,886	30,000	9,916	5,114	234,916
Duncan Makeig	F23	228,846	–	10,633	25,410	264,889
	F22	246,432	–	9,916	23,568	279,916
Bruce Mathieson Jr [4]	F23	109,033	–	6,351	11,448	126,832
Joanne Pollard	F23	199,095	50,000	10,633	20,905	280,633
	F22	213,729	–	9,916	21,194	244,839
Colin Storrie	F23	203,620	–	10,633	21,380	235,633
	F22	204,546	–	9,916	20,454	234,916

1 Amounts represent Director fees sacrificed in the current period to purchase share rights under the Non-executive Directors' Share Plan (NEDP). Refer to Section 5.2 for more information.
2 Non-monetary and other benefits include the deemed premium in respect of Directors' and Officers' Indemnity Insurance. All Directors are covered under the Endeavour Directors' and Officers' Indemnity Insurance plan for which Endeavour Group incurs the associated costs.
3 Post employment benefits represent superannuation paid directly to the Non-executive Directors' nominated superannuation fund. If the Group is not required to pay superannuation, the payment may be made as cash and included in Director fees.
4 Bruce Mathieson Jr commenced as Non-executive Director on 25 November 2022. Remuneration disclosed reflects amounts earned from 25 November 2022.

Section 6. KMP Statutory disclosure tables (continued)

6.1 KMP remuneration (continued)

The table below sets out the F23 statutory remuneration of Executive KMP:

		SHORT-TERM BENEFITS						SHARE-BASED PAYMENTS [11]		
		SALARY [1] $	CASH INCENTIVE [2] $	NON-MONETARY AND OTHER BENEFITS [3] $	POST EMPLOYMENT BENEFITS [9] $	OTHER LONG-TERM BENEFITS [10] $	TERMINATION BENEFITS $	EQUITY GRANTS AT RISK [12] $	OTHER EQUITY GRANTS [13] $	TOTAL $
Executive KMP										
Steve Donohue	**F23**	**1,544,752**	**580,082**	**14,635**	**27,500**	**24,589**	**-**	**1,474,095**	**384,450**	**4,050,103**
Managing Director and CEO	F22	1,748,018	825,000	10,716	27,500	291,559	-	1,242,487	-	4,145,280
Scott Davidson	**F23**	**668,119**	**201,011**	**24,044**	**27,500**	**10,119**	**-**	**804,017**	**129,533**	**1,864,343**
Managing Director, BWS	F22	699,988	277,968	10,707	27,500	10,092	-	556,292	-	1,582,547
Shane Gannon [4]	**F23**	**756,275**	**240,174**	**14,635**	**80,096**	**12,866**	**-**	**393,479**	**310,260**	**1,807,785**
Chief Financial Officer	F22	792,514	327,891	10,707	77,626	12,901	-	186,805	-	1,408,444
Agnieszka Pfeiffer-Smith [5]	**F23**	**454,283**	**148,876**	**10,746**	**47,792**	**7,557**	**-**	**371,643**	**-**	**1,040,897**
Managing Director, Dan Murphy's										
Mario Volpe [6]	**F23**	**519,164**	**155,124**	**11,083**	**52,643**	**8,356**	**-**	**109,279**	**32,985**	**888,634**
Managing Director, Hotels	F22	215,300	84,711	4,169	20,000	3,315	-	24,954	-	352,449
Paul Walton [7]	**F23**	**110,804**	**78,470**	**2,406**	**4,521**	**1,373**	**-**	**65,487**	**-**	**263,061**
Managing Director, Hotels										
Former Executive KMP										
Alex Freudmann [8]	**F23**	**154,194**	**-**	**12,047**	**7,629**	**(25,479)**	**-**	**16,238**	**-**	**164,629**
Managing Director, Dan Murphy's	F22	705,085	284,474	13,124	27,500	10,337	-	319,686	-	1,360,206

1 Salary includes the net change in accrued annual leave within the period and where applicable, any car allowance.

2 Represents the cash component of the F23 STI which is 50% of the total STI award.

3 Non-monetary and other benefits include the deemed premium in respect of the Directors' and Officers' Indemnity insurance, and where applicable, travel benefits and associated fringe benefits tax. All Executive KMP are covered under the Endeavour Directors' and Officers' Indemnity Insurance plan for which Endeavour Group incurs the associated costs.

4 Shane Gannon announced his resignation as Chief Financial Officer in February 2023, and ceased to be an Executive KMP on 25 June 2023. Amounts disclosed for Shane's share-based payments include the expected impact of his resignation on the vesting of his share rights.

5 Agnieszka Pfeiffer-Smith was appointed Managing Director, Dan Murphy's and became an Executive KMP on 6 October 2022. Disclosed amounts reflect remuneration earned from 6 October 2022.

6 Mario Volpe was on leave for part of the year and ceased to be an Executive KMP on 1 May 2023. Amounts disclosed reflect remuneration earned to 1 May 2023.

7 Paul Walton was appointed Managing Director, Hotels and became an Executive KMP on 2 May 2023. Disclosed amounts reflect remuneration earned from 2 May 2023.

8 Alex Freudmann announced his resignation as Managing Director, Dan Murphy's in May 2022 and ceased to be an Executive KMP on 5 October 2022 when he resigned from Endeavour Group. Amounts disclosed reflect remuneration earned to 5 October 2022, except for equity grants at risk which does not include the impact of Alex's forfeiture of all outstanding share rights, as the amounts are included in the balance for the year ended 26 June 2022.

9 Post employment benefits represent superannuation paid directly to the Executive KMP's nominated superannuation fund. If the Group is not required to pay superannuation, the payment may be made as cash and included within Salary.

10 Other long-term benefits represent the net change in accrued long service leave within the period.

11 This represents the portion of the grant date fair value of Endeavour share rights expected to vest and is recognised as an expense over the vesting period. The amount recognised is adjusted to reflect the expected number of instruments that will vest for non-market based performance conditions, including ROFE and Leading in Responsibility measures. No adjustment for non-vesting is made for failure to achieve the relative TSR performance hurdle, as this is taken into account in the fair value at grant date.

12 The fair value of share rights with the relative TSR performance measure is calculated at the date of grant using a Monte Carlo simulation model, whilst the fair value of other share rights is calculated using a discounted cash flow pricing model.

13 Other equity grants are grants which are not subject to any further performance conditions except continuous employment, subject to the operation of the Endeavour Group Malus policy.

Remuneration Report

Section 6. KMP Statutory disclosure tables (continued)

6.2 KMP share right movements

Executive KMP share right movements

The table below sets out the grants, movements and outstanding number of share rights for Executive KMP and their related parties (where applicable) relating to the period during which individuals were KMP in F23. A share right entitles the holder to one fully paid ordinary Endeavour Group Limited share (Endeavour Share), subject to applicable performance and vesting conditions.

					Fair value per share right at grant date			Share right movements (#)				
Executive KMP	Award	Grant date	Performance period start date	Performance period end date	TSR component	ROFE / LIR / Service component	Maximum value of award to vest [1]	Opening balance [2]	Granted	Vested	Forfeited [3]	Closing balance [4]
Steve Donohue	F20 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-22	$3.71	$6.73	$750,630	120,936	-	(92,181)	(28,755)	-
	F21 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-23	$4.10	$6.73	$1,319,208	212,542	-	-	-	212,542
	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$2,805,000	451,923	-	-	-	451,923
	F22 Deferred STI	1-Jul-22	1-Jul-22	1-Jul-24	$ -	$7.17	$824,994	-	108,877	-	-	108,877
	F23 LTI (CEO)	19-Oct-22	1-Jul-22	1-Jul-25	$3.65	$6.69	$2,817,536	-	371,839	-	-	371,839
							$8,517,368	**785,401**	**480,716**	**(92,181)**	**(28,755)**	**1,145,181**
Scott Davidson	F20 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-22	$3.71	$6.73	$254,470	40,998	-	(31,249)	(9,749)	-
	F21 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-23	$4.10	$6.73	$942,064	151,779	-	-	-	151,779
	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$972,888	156,745	-	-	-	156,745
	F22 Deferred STI	1-Jul-22	1-Jul-22	1-Jul-24	$ -	$7.17	$277,966	-	36,684	-	-	36,684
	F23 LTI	1-Jul-22	1-Jul-22	1-Jul-25	$4.44	$7.01	$977,138	-	128,956	-	-	128,956
							$3,424,526	**349,522**	**165,640**	**(31,249)**	**(9,749)**	**474,164**
Shane Gannon	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$1,190,000	191,725	-	-	-	191,725
	F22 Deferred STI	1-Jul-22	1-Jul-22	1-Jul-24	$ -	$7.17	$327,885	-	43,272	-	-	43,272
	F23 LTI	1-Jul-22	1-Jul-22	1-Jul-25	$4.44	$7.01	$1,200,866	-	158,482	-	-	158,482
							$2,718,751	**191,725**	**201,754**	**-**	**-**	**393,479**
Agnieszka Pfeiffer-Smith	F21 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-24	$4.10	$6.73	$522,365	84,160	-	-	-	84,160
	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$632,876	101,964	-	-	-	101,964
	F23 LTI	1-Jul-22	1-Jul-22	1-Jul-25	$4.44	$7.01	$959,001	126,562	-	-	-	126,562
							$2,114,242	**312,686**	**-**	**-**	**-**	**312,686**
Mario Volpe	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$158,965	25,611	-	-	-	25,611
	F22 Deferred STI	1-Jul-22	1-Jul-22	1-Jul-24	$ -	$7.17	$84,707	-	11,179	-	-	11,179
	F23 LTI	1-Jul-22	1-Jul-22	1-Jul-25	$4.44	$7.01	$928,197	-	122,497	-	-	122,497
							$1,171,869	**25,611**	**133,676**	**-**	**-**	**159,287**
Paul Walton	F21 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-23	$4.10	$6.73	$432,091	69,615	-	-	-	69,615
	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$552,511	89,017	-	-	-	89,017
	F23 LTI	1-Jul-22	1-Jul-22	1-Jul-25	$4.44	$7.01	$563,348	74,346	-	-	-	74,346
							$1,547,950	**232,978**	**-**	**-**	**-**	**232,978**
Alex Freudmann	F20 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-22	$3.71	$6.73	$531,788	85,678	-	(65,305)	(20,373)	-
	F21 Transitional LTI	22-Oct-21	1-Jul-21	1-Jul-23	$4.10	$6.73	$959,878	154,649	-	-	(154,649)	-
	F22 LTI	22-Oct-21	1-Jul-21	1-Jul-24	$3.99	$6.18	$991,306	159,712	-	-	(159,712)	-
							$2,482,972	**400,039**	**-**	**(65,305)**	**(334,734)**	**-**

1 The maximum value of award to vest represents the amount that would be recognised if all share rights held by Executive KMP as at their respective closing balance satisfied all relevant vesting conditions based on the amount awarded at grant date.
2 Agnieszka Pfeiffer-Smith's opening balance is as at 6 October 2022, which is when she became an Executive KMP. Paul Walton's opening balance is at 2 May 2023, which is when he became an Executive KMP. Their opening balance includes awards granted prior to the period during which they were an Executive KMP. The opening balance for all other Executive KMP is 27 June 2022.
3 Dividend equivalent rights for the F20 Transitional LTI award have been included as an increase to the number of share rights vested and a reduction to the number of share rights forfeited. Dividend equivalency is not a term of LTI grants from F22 onwards.
4 Alex Freudmann's closing balance is as at 5 October 2022, the date he ceased to be an Executive KMP, and includes his forfeiture of all outstanding share rights on that date. Mario Volpe's closing balance is as at 1 May 2023, the date he ceased to be an Executive KMP. The closing balance for all other Executive KMP is 25 June 2023.

Section 6. KMP Statutory disclosure tables (continued)

6.2 KMP share right movements (continued)

Non-executive Director share right movements

The table below sets out movements in and the outstanding number of share rights held by Non-executive Directors and their related parties (where applicable) relating to the period during which individuals were KMP in F23. A share right entitles the holder to one fully paid ordinary Endeavour Group Limited share (Endeavour Share).

	SHARE RIGHT MOVEMENTS (#)				
NON-EXECUTIVE DIRECTORS	OPENING BALANCE	GRANTED	VESTED	FORFEITED	CLOSING BALANCE
Peter Hearl	-	-	-	-	-
Anne Brennan	-	-	-	-	-
Holly Kramer	-	5,570	(5,570)	-	-
Duncan Makeig	-	-	-	-	-
Bruce Mathieson Jr	-	-	-	-	-
Joanne Pollard	-	3,541	(3,541)	-	-
Colin Storrie	-	-	-	-	-

Section 6. KMP Statutory disclosure tables (continued)

6.3 KMP share movements

The table below sets out movements and interests held in Endeavour Shares by KMP and their related parties (where applicable) in F23 for the period in which they were KMP.

	SHARE MOVEMENTS (#)			
	OPENING BALANCE [1 2]	SHARE RIGHTS VESTED	SHARES ACQUIRED	CLOSING BALANCE [3]
Executive KMP				
Steve Donohue	26,077	92,181	-	118,258
Scott Davidson	31,618	31,249	-	62,867
Shane Gannon	-	-	-	-
Agnieszka Pfeiffer-Smith	6,319	-	-	6,319
Mario Volpe	7,195	-	-	7,195
Paul Walton	4,067	-	-	4,067
Alex Freudmann	-	65,305	-	65,305
Non-executive Directors				
Peter Hearl	75,000	-	-	75,000
Anne Brennan	13,211	-	-	13,211
Holly Kramer	14,626	5,570	-	20,196
Duncan Makeig	7,042	-	6,963	14,005
Bruce Mathieson Jr	270,175,715	-	-	270,175,715
Joanne Pollard	7,525	3,541	-	11,066
Colin Storrie	30,640	-	-	30,640

1 Agnieszka Pfeiffer-Smith's opening balance is as at 6 October 2022, which is when she became an Executive KMP. Paul Walton's opening balance is at 2 May 2023, which is when he became an Executive KMP. Their opening balances include shares acquired prior to the period during which they were an Executive KMP. The opening balance for all other Executive KMP is 27 June 2022.
2 Bruce Mathieson Jr's opening balance is as at 25 November 2022, which is when he became a Non-executive Director. The opening balance for all other Non-executive Directors is 27 June 2022.
3 Alex Freudmann's closing balance is as at 5 October 2022, the date he ceased to be an Executive KMP. Mario Volpe's closing balance is as at 1 May 2023, the date he ceased to be an Executive KMP. The closing balance for all other KMP is 25 June 2023.

Remuneration Report

Section 7. Related Party Transactions

7.1 Loans made to Key Management Personnel

There were no loans made during the year, or that remained unsettled at the end of the financial year, between Endeavour Group and its Executive KMP or Directors and/or their related parties.

7.2 Other transactions with Key Management Personnel

From time to time, KMP and their related parties may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other team members (including team member related discounts) or customers, and are trivial or domestic in nature.

Bruce Mathieson Group

Bruce Mathieson Jr is a KMP of Endeavour Group and represents the interests of Bruce Mathieson Group (BMG) on the Board of Endeavour Group. BMG owns 270 million shares in Endeavour Group as at the reporting date. Bruce Mathieson Sr exercises direct or indirect control or significant influence over BMG. Bruce Mathieson Sr is a close family member of Bruce Mathieson Jr, and as such BMG is also a related party of Bruce Mathieson Jr.

Transactions between Endeavour Group and BMG are included in Note 5.3.3 of the Financial Report. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with unrelated parties on an arm's length basis.

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Endeavour Group Limited
26 Waterloo Street
Surry Hills NSW 2010

16 August 2023

Dear Directors

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Endeavour Group Limited.

As lead audit partner for the audit of the financial report of Endeavour Group Limited for the year ended 25 June 2023, I declare that to the best of our knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jamie Gatt
Partner
Chartered Accountants

Sydney, 16 August 2023

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Consolidated Statement of Profit or Loss

	NOTE	2023 $M	2022 $M
Revenue from the sale of goods and services	2.1	11,884	11,597
Cost of sales		(7,864)	(7,967)
Gross profit		4,020	3,630
Other revenue		44	40
Branch expenses		(2,433)	(2,267)
Administration expenses		(608)	(479)
Earnings before interest and tax		1,023	924
Finance costs	2.3	(250)	(205)
Profit before income tax		773	719
Income tax expense	3.7.1	(244)	(224)
Profit for the year		529	495
Profit for the year attributable to:			
Equity holders of the parent entity		529	495
		529	495
		CENTS	CENTS
Earnings per share (EPS) attributable to equity holders of the parent entity:			
Basic and diluted earnings per share	4.1	29.5	27.6

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

	2023 $M	2022 $M
Profit for the year	529	495
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax		
Effective portion of changes in the fair value of cash flow hedges	4	29
Items that will not be reclassified to profit or loss, net of tax		
Change in the fair value of investments in equity securities	(3)	5
Actuarial loss on defined benefit superannuation plan	(1)	-
Other comprehensive income for the year, net of tax	-	34
Total comprehensive income for the year	529	529
Total comprehensive income for the year attributable to:		
Equity holders of the parent entity	529	529
	529	529

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

2023	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY				
	SHARE CAPITAL $M	SHARES HELD IN TRUST $M	RESERVES $M	RETAINED EARNINGS $M	TOTAL $M
Balance at 26 June 2022	3,875	(2)	(547)	230	3,556
Profit for the year	-	-	-	529	529
Other comprehensive income for the year, net of tax	-	-	1	(1)	-
Total comprehensive income for the year, net of tax	-	-	1	528	529
Dividends paid [1]	-	-	-	(394)	(394)
Purchase of shares by Endeavour Group Equity Incentive Plan Trust and/or Endeavour Group Employee Equity Plan Trust	-	(3)	-	-	(3)
Transfer of shares to satisfy employee share plans	-	3	(3)	-	-
Share-based payments expense	-	-	21	-	21
Balance at 25 June 2023	3,875	(2)	(528)	364	3,709

1 Refer to Note 4.2 for further information.

2022	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY				
	SHARE CAPITAL $M	SHARES HELD IN TRUST $M	RESERVES $M	RETAINED EARNINGS $M	TOTAL $M
Balance at 27 June 2021	3,875	(2)	(601)	104	3,376
Profit for the year	-	-	-	495	495
Other comprehensive income for the year, net of tax	-	-	34	-	34
Total comprehensive income for the year, net of tax	-	-	34	495	529
Dividends paid [1]	-	-	-	(349)	(349)
Purchase of shares by Endeavour Group Equity Incentive Plan Trust and/or Endeavour Group Employee Equity Plan Trust	-	(10)	-	-	(10)
Transfer of shares to satisfy employee share plans	-	10	(9)	-	1
Share-based payments expense	-	-	9	-	9
Transfer on disposal of investments held at fair value through other comprehensive income, net of tax	-	-	20	(20)	-
Balance at 26 June 2022	3,875	(2)	(547)	230	3,556

1 Refer to Note 4.2 for further information.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Consolidated Balance Sheet

	NOTE	2023 $M	2022 $M
Current assets			
Cash and cash equivalents		290	294
Trade and other receivables	3.1	142	181
Inventories		1,508	1,303
Current tax receivable		28	-
Other financial assets	3.2	7	4
Total current assets		1,975	1,782
Non-current assets			
Trade and other receivables	3.1	7	8
Other financial assets	3.2	71	68
Lease assets	3.3.1	3,208	3,173
Property, plant and equipment	3.4	2,095	1,935
Intangible assets	3.5	4,260	3,830
Deferred tax assets	3.7.3	55	50
Total non-current assets		9,696	9,064
Total assets		11,671	10,846
Current liabilities			
Trade and other payables	3.8	1,278	1,264
Lease liabilities	3.3.2	466	435
Borrowings	4.6	56	-
Current tax payable		22	143
Other financial liabilities		-	2
Provisions	3.9	315	349
Total current liabilities		2,137	2,193
Non-current liabilities			
Lease liabilities	3.3.2	3,417	3,381
Borrowings	4.6	2,149	1,502
Other financial liabilities		3	3
Provisions	3.9	41	33
Deferred tax liabilities	3.7.3	212	175
Other non-current liabilities		3	3
Total non-current liabilities		5,825	5,097
Total liabilities		7,962	7,290
Net assets		3,709	3,556
Equity			
Contributed equity	4.3	3,873	3,873
Reserves	4.4	(528)	(547)
Retained earnings		364	230
Total equity		3,709	3,556

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

	NOTE	2023 $M	2022 $M
Cash flows from operating activities			
Receipts from customers		13,939	13,399
Payments to suppliers and employees		(12,537)	(11,987)
Finance costs on borrowings paid		(61)	(45)
Payments for the interest component of lease liabilities	3.3.2	(180)	(173)
Income tax paid		(394)	(245)
Net cash provided by operating activities	4.5	767	949
Cash flows from investing activities			
Payments for property, plant and equipment, and intangible assets		(408)	(285)
Payments for the purchase of businesses, net of cash acquired		(110)	(64)
Payments for the purchase of equity securities		(3)	-
Proceeds from the sale of equity securities and property, plant and equipment		2	74
Dividends received		2	4
Net cash used in investing activities		(517)	(271)
Cash flows from financing activities			
Proceeds from external borrowings		3,215	3,435
Repayment of external borrowings		(2,792)	(1,924)
Repayment of borrowings with related parties		-	(1,710)
Repayment of lease liabilities	3.3.2	(280)	(263)
Dividends paid	4.2	(394)	(349)
Payments for shares held in trust	4.3	(3)	(10)
Net cash used in financing activities		(254)	(821)
Net decrease in cash and cash equivalents		(4)	(143)
Cash and cash equivalents at start of year		294	437
Cash and cash equivalents at end of year		290	294

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 1. Basis of preparation

1.1 Basis of preparation

Endeavour Group Limited (the Company) is a for-profit company, limited by shares, incorporated, and domiciled in Australia. The registered office and principal place of business of the Company is 26 Waterloo Street, Surry Hills NSW 2010.

The Financial Report (the Report) of the Company is for the 52-week period ended 25 June 2023 (the financial year) and comprises the Company and its controlled entities (together referred to as the Group or Endeavour Group). The comparative period is for the 52-week period ended 26 June 2022.

The Report was authorised for issue by the Directors on 16 August 2023.

The Report is presented in Australian dollars and amounts have been rounded to the nearest million dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

The Report has been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income and certain financial liabilities which have been measured at fair value, as explained in the accounting policies.

Certain comparative amounts in the Report have been reclassified to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group. This included the reassessment and reclassification of property development rights, which has increased lease assets by $47 million, decreased intangible assets by $64 million, decreased deferred tax liabilities by $5 million and decreased reserves by $12 million.

Accounting policies have been applied consistently to all years presented in the Report, unless otherwise stated.

The Report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, and Australian Accounting Standards and Interpretations. The Report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.1.1 Deficiency in net current assets

As at 25 June 2023, the Group has a deficiency in net current assets of $162 million (26 June 2022: $411 million).

As at 25 June 2023, the Group has $2,650 million in external financing facilities with a maturity profile greater than one year, of which $670 million is undrawn. This amount may be drawn at any time, subject to the terms of the lending agreements. In addition, the Group generated $767 million in cash flows from operating activities during the financial year.

As such, in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 1. Basis of preparation (continued)

1.2 Significant accounting policies

1.2.1 Basis of consolidation

The Consolidated Financial Statements of the Group incorporate the assets, liabilities, and results of all subsidiaries as at and for the financial year ended 25 June 2023. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Intragroup balances and transactions, and any unrealised gains and losses arising from intragroup transactions, are eliminated in preparing the Consolidated Financial Statements.

1.2.2 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on a weighted average basis after deducting supplier rebates and settlement discounts, and includes other costs incurred to bring inventory to its present condition and location for sale. The net realisable value of inventory has been determined as the estimated selling price in the ordinary course of business, less estimated selling expenses. At the reporting date, all inventories are valued at cost.

1.2.3 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except where the GST incurred is not recoverable from taxation authorities, in which case the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, taxation authorities is included as a current asset or current liability in the Consolidated Balance Sheet.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, taxation authorities is classified within operating cash flows.

1.2.4 New and amended standards adopted by the Group

The Group has adopted all relevant new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board which are effective for annual reporting years beginning on or after 27 June 2022. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current year or any prior year and they are not likely to significantly affect future years.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 1. Basis of preparation (continued)

1.2 Significant accounting policies (continued)

1.2.5 Standards on issue but not yet effective

As of the date of this report, the Group has not applied the following new and revised standards and amendments on issue but not yet effective that were available for early adoption and were applicable to the Group:

EFFECTIVE DATE	ADOPTION DATE[1]	REFERENCE	NEW STANDARD, INTERPRETATION AND AMENDMENTS
1 January 2023	26 June 2023	AASB 17 AASB 2020-5 AASB 2022-1 AASB 2022-8	*Insurance Contracts* *Amendments to Australian Accounting Standards - Insurance Contracts, Initial Application of AASB 17 and AASB 9, and Insurance Contracts: Consequential Amendments*
1 January 2023	26 June 2023	AASB 2021-2	*Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*
1 January 2023	26 June 2023	AASB 2021-5	*Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
1 January 2023	26 June 2023	AASB 2022-7	*Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
1 January 2024	1 July 2024	AASB 2020-1 AASB 2020-6 AASB 2022-6	*Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current & Non-current Liabilities with Covenants*
1 January 2024	1 July 2024	AASB 2022-5	*Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*

1 This represents the date the amendment is mandatorily effective for the Group. The Group may elect to early adopt the amendment.

Refer to Note 5.2 for further information on AASB 17 *Insurance Contracts*.

The reported profit or loss and financial position of the Group are not expected to materially change on adoption of any of the other amendments to current standards listed above, as they do not result in a change to the Group's existing accounting policies.

1.3 Critical accounting estimates and judgements

In applying the Group's accounting policies, management are required to make estimates, judgements and assumptions that affect amounts reported in this Financial Report. The estimates, judgements and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances, and are reviewed on a regular basis. Actual results may differ from these estimates.

The estimates and judgements which involve a higher degree of complexity or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the current or future financial years are included in the following notes:

- Note 3.3 - Leases
- Note 3.4 - Property, plant and equipment
- Note 3.5 - Intangible assets
- Note 3.6 - Impairment of non-financial assets
- Note 3.9 - Provisions

Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that year; or in the financial year and future years if the revision affects both current and future years.

Note 2. Group performance

2.1 Revenue from the sale of goods and services

	2023 $M	2022 $M
Sale of goods in-store	8,928	8,954
Sale of goods online	851	1,005
Hotels-related goods and services	1,979	1,511
Other [1]	126	127
Total revenue from the sale of goods and services	11,884	11,597

1 Other mainly comprises sales by Pinnacle Drinks, which creates, manufactures and manages a portfolio of drinks brands.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

- The Group's revenue mainly comprises the sale of goods in-store and online, and hotels-related goods and services. Revenue is recognised when control of the goods has transferred to the customer or when the service is provided at an amount that reflects the consideration to which the Group expects to be entitled.
- For sale of goods in-store, control of the goods transfers to the customer at the point the customer purchases the goods in-store. For sale of goods online, control of the goods transfers to the customer at the point the goods are delivered to, or collected by, the customer. Where payment for the goods is received prior to control transferring to the customer, revenue recognition is deferred in Contract liabilities within Trade and other payables in the Consolidated Balance Sheet until the goods have been delivered to, or collected by, the customer.
- Hotels-related goods and services mainly comprise operational revenue pertaining to bars, dining, gaming and accommodation. For sale of goods, control of the goods transfers to the customer at the point the customer purchases the goods. Gaming revenue is recognised net of the amount of tax payable.

2.2 Segment disclosures

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance. These business units offer different products and services and are managed separately.

The Group's reportable segments are as follows:

- Retail - Procurement, manufacture of drinks, and the sale of drinks to customers.
- Hotels - Provision of hotels-related goods and services, including food and drinks, accommodation, entertainment, and gaming.
- Other - Consists of various group support functions, including corporate costs.

There are varying levels of integration between the Retail and Hotels reportable segments. This includes the common usage of property, services and administration functions.

The primary reporting measure of the reportable segments is Earnings before interest and tax (EBIT), which is consistent with the way management monitor and report the performance of these segments.

Note 2. Group performance (continued)

2.2 Segment disclosures (continued)

The Group operates primarily in Australia. The Group also operates in New Zealand, the results for which are immaterial to the Group.

2023	RETAIL $M	HOTELS $M	OTHER $M	CONSOLIDATED CONTINUING OPERATIONS $M
Revenue from the sale of goods and services	9,905	1,979	-	11,884
Other revenue [1]	10	32	2	44
Total revenue	9,915	2,011	2	11,928
Earnings/(loss) before interest and tax	658	428	(63)	1,023
Finance costs				(250)
Profit before income tax				773
Income tax expense				(244)
Profit for the year				529
Depreciation and amortisation - lease assets	159	155	-	314
Depreciation and amortisation - non-lease assets	137	122	-	259
Capital expenditure [2]	268	584	-	852

1 Other revenue mainly comprises rental and commission revenue.
2 Capital expenditure comprises property, plant and equipment and intangible asset acquisitions, including when acquired as part of a business combination.

2022	RETAIL $M	HOTELS $M	OTHER $M	CONSOLIDATED CONTINUING OPERATIONS $M
Revenue from the sale of goods and services	10,086	1,511	-	11,597
Other revenue [1]	11	25	4	40
Total revenue	10,097	1,536	4	11,637
Earnings/(loss) before interest and tax	666	315	(57)	924
Finance costs				(205)
Profit before income tax				719
Income tax expense				(224)
Profit for the year				495
Depreciation and amortisation - lease assets	151	138	1	290
Depreciation and amortisation - non-lease assets	127	108	-	235
Capital expenditure [2]	207	140	2	349

1 Other revenue mainly comprises rental and commission revenue.
2 Capital expenditure comprises property, plant and equipment and intangible asset acquisitions, including when acquired as part of a business combination.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 2. Group performance (continued)

2.3 Finance costs

	2023 $M	2022 $M
Interest expense - leases	180	173
Interest expense and other borrowing costs - non-leases	72	32
Other	(2)	-
Total finance costs	**250**	**205**

SIGNIFICANT ACCOUNTING POLICIES

Finance costs

Finance costs are recognised in the Consolidated Statement of Profit or Loss in the year in which they are incurred. Lease finance costs comprise interest on lease liabilities calculated using the incremental borrowing rate. Non-leases finance costs comprise interest and other transaction costs incurred in connection with borrowings, calculated using the effective interest method.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities

3.1 Trade and other receivables

	2023 $M	2022 $M
Current		
Trade receivables	49	46
Loss allowance	(4)	(5)
	45	41
Other receivables	28	30
Receivables from related parties	10	16
Prepayments	59	94
Total current trade and other receivables	**142**	**181**
Non-current		
Prepayments	7	8
Total non-current trade and other receivables	**7**	**8**
Total trade and other receivables	**149**	**189**

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less a loss allowance. Trade and other receivables generally have terms of up to 30 days.

Impairment of trade and other receivables

The Group assesses the expected credit losses associated with its trade and other receivables on a forward-looking basis. The Group applies the simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade and other receivables that share similar credit risk characteristics and days past due are grouped and then assessed for collectability as a whole.

Note 3. Assets and liabilities (continued)

3.2 Other financial assets

	2023 $M	2022 $M
Current		
Derivatives	7	2
Other	-	2
Total current other financial assets	**7**	**4**
Non-current		
Derivatives	41	41
Listed equity securities	24	27
Unlisted equity securities	6	-
Total non-current other financial assets	**71**	**68**
Total other financial assets	**78**	**72**

SIGNIFICANT ACCOUNTING POLICIES

Derivatives

Refer to Note 4.7.1 for further details on derivatives.

Listed and unlisted equity securities

The Group's investments in listed and unlisted equity securities are designated as financial assets at fair value through other comprehensive income. Investments are initially measured at fair value plus transaction costs and, in subsequent years, are measured at fair value with any change recognised in other comprehensive income. The Group has made this election in order to mitigate exposure to the variability in fair value measurements through profit or loss, with any dividends received recognised in profit or loss. Upon disposal, the cumulative gain or loss recognised in other comprehensive income is transferred to retained earnings.

Note 3. Assets and liabilities (continued)

3.3 Leases

The Group leases various properties, equipment and vehicles. Property rental contracts are typically made for fixed periods of one to 50 years with up to 11 options of one to 25 years. Other lease contracts are typically made for fixed periods of one to nine years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

3.3.1 Lease assets

2023	PROPERTIES $M	PLANT AND EQUIPMENT $M	TOTAL $M
Cost	4,931	13	4,944
Less: Accumulated depreciation and impairment	(1,728)	(8)	(1,736)
Carrying amount at end of year	**3,203**	**5**	**3,208**
Movement:			
Carrying amount at start of year	3,169	4	3,173
Additions	87	3	90
Terminations	(1)	-	(1)
Remeasurements	258	-	258
Depreciation expense	(312)	(2)	(314)
Other	2	-	2
Carrying amount at end of year	**3,203**	**5**	**3,208**

2022	PROPERTIES [1] $M	PLANT AND EQUIPMENT $M	TOTAL $M
Cost	4,593	10	4,603
Less: Accumulated depreciation and impairment	(1,424)	(6)	(1,430)
Carrying amount at end of year	3,169	4	3,173
Movement:			
Carrying amount at start of year	3,155	9	3,164
Additions	101	-	101
Terminations	(1)	-	(1)
Remeasurements	209	-	209
Depreciation expense	(288)	(2)	(290)
Other	(7)	(3)	(10)
Carrying amount at end of year	3,169	4	3,173

1 The comparative balance of Properties has been adjusted for a reclassification of property development rights from intangible assets to lease assets. Please refer to Note 1.1 for further information.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.3 Leases (continued)

3.3.2 Lease liabilities

MATURITY PROFILE OF CONTRACTUAL UNDISCOUNTED CASH FLOWS	2023 $M	2022 $M
One year or less	473	443
One year to two years	468	432
Two years to five years	1,199	1,114
Five years to 10 years	1,898	1,841
Over 10 years	1,129	1,314
Total undiscounted lease liabilities	5,167	5,144

MOVEMENT IN LEASE LIABILITIES	2023 $M	2022 $M
Carrying amount at start of year	3,816	3,779
Additions	90	101
Terminations	(1)	(2)
Remeasurements	258	209
Interest expense	180	173
Payments for interest component of lease liabilities	(180)	(173)
Repayment of lease liabilities	(280)	(263)
Other	-	(8)
Carrying amount at end of year	3,883	3,816
Current	466	435
Non-current	3,417	3,381
Total lease liabilities	3,883	3,816

Included in lease liabilities is $344 million (2022: $334 million) owing to Woolworths Group. Of this, $48 million (2022: $43 million) is owed within the next 12 months. During the financial year, Endeavour Group paid $54 million (2022: $54 million) in rental charges to Woolworths Group under lease arrangements between the two groups.

Commitments for leases not yet commenced

At 25 June 2023, the Group had committed to leases which had not yet commenced. Accordingly, these lease contracts are not included in the calculation of the Group's lease liabilities. The Group has estimated that the potential future lease payments for these lease contracts as at the end of the financial year would result in an increase in undiscounted lease liabilities of $111 million (2022: $120 million).

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.3 Leases (continued)

3.3.3 Other amounts recognised in the Consolidated Statement of Profit or Loss

2023	BRANCH EXPENSES $M	FINANCE COSTS $M
Interest expense on lease liabilities	-	180
Variable lease payments not included in the measurement of lease liabilities [1]	14	-
Expense relating to short-term leases	4	-

2022	BRANCH EXPENSES $M	FINANCE COSTS $M
Interest expense on lease liabilities	-	173
Variable lease payments not included in the measurement of lease liabilities [1]	20	-
Expense relating to short-term leases	4	-

1 Variable lease payments represent 2.9% (2022: 4.3%) of total lease payments.

3.3.4 Amounts recognised in the Consolidated Statement of Cash Flows

	2023 $M	2022 $M
Payments for short-term leases and variable lease payments (included in Payments to suppliers and employees)	(16)	(31)
Payments for the interest component of lease liabilities	(180)	(173)
Repayment of lease liabilities	(280)	(263)
Total cash outflow for leases	(476)	(467)

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.3 Leases (continued)

SIGNIFICANT ACCOUNTING POLICIES

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits from an identified asset for a period of time in exchange for consideration. A lease liability and corresponding lease asset are recognised at commencement of the lease.

Lease liabilities

Lease liabilities are measured at the present value of lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, at the Group's incremental borrowing rate specific to the lease term. Lease payments (excluding non-lease components) include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate.
- Amounts expected to be payable by the Group under residual value guarantees.
- Exercise price of a purchase option that the Group is reasonably certain to exercise.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liabilities are subsequently measured at amortised cost using the effective interest rate method. When there is a change in lease term or a change in future lease payments, lease liabilities are remeasured, with a corresponding adjustment to lease assets.

Lease assets

Lease assets are initially measured at cost, comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs, and any restoration costs.

Lease assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are tested for impairment in accordance with the policy adopted for non-financial assets in Note 3.6.

Short-term leases

Short-term leases of 12 months or less are recognised as an expense in the Consolidated Statement of Profit or Loss as incurred.

Non-lease components

Non-lease components of lease payments are recognised as an expense in the Consolidated Statement of Profit or Loss as incurred and include items such as embedded property outgoings and repairs and maintenance.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.3 Leases (continued)

CRITICAL ACCOUNTING ESTIMATES

Determining the lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. Extension options are most common for property leases. At the end of the financial year, the weighted average lease expiries for the portfolio of leases were:

	WEIGHTED AVERAGE LEASE EXPIRY[1]	
	2023 YEARS	2022 YEARS
Retail	7.8	8.3
Hotels	13.3	14.0
Group	**10.4**	11.1

1 Represents the weighted average number of years from the end of the financial year to the end of the reasonably certain lease term.

During the current financial year, revising lease terms for exercising extension options resulted in an increase in recognised lease assets and lease liabilities of $82 million (2022: $141 million).

Determination of non-lease components

Determining the non-lease components of lease payments requires significant judgement. The Group separates the non-lease components for property leases based on a residual method using property outgoing market data and separates the non-lease components for other leases based on the individual contract breakdown of these costs or the best estimate of these costs.

Discount rates

In calculating the lease liability, the lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. Determining the incremental borrowing rate requires significant judgement. The discount rate is derived from key external market-based rates, the Group's credit margin, and the length of the lease.

At the end of the financial year, the weighted average incremental borrowing rate for the Group was 4.65% (2022: 4.46%).

Notes to the Consolidated Financial Statements
for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.4 Property, plant and equipment

2023	LAND AND BUILDINGS $M	LEASEHOLD IMPROVEMENTS $M	PLANT AND EQUIPMENT $M	TOTAL [1] $M
Cost	783	1,007	2,438	4,228
Less: Accumulated depreciation, amortisation, and impairment	(133)	(422)	(1,578)	(2,133)
Carrying amount at end of year	650	585	860	2,095
Movement:				
Carrying amount at start of year	621	570	744	1,935
Additions	24	54	277	355
Acquisition of businesses	11	-	9	20
Disposals	-	(2)	(11)	(13)
Depreciation and amortisation expense	(10)	(38)	(151)	(199)
Transfers and other	4	1	(8)	(3)
Carrying amount at end of year	650	585	860	2,095

2022	LAND AND BUILDINGS $M	LEASEHOLD IMPROVEMENTS $M	PLANT AND EQUIPMENT $M	TOTAL [1] $M
Cost	745	967	2,241	3,953
Less: Accumulated depreciation, amortisation, and impairment	(124)	(397)	(1,497)	(2,018)
Carrying amount at end of year	621	570	744	1,935
Movement:				
Carrying amount at start of year	613	565	709	1,887
Additions	11	47	179	237
Acquisition of businesses	7	-	6	13
Disposals	-	(3)	(9)	(12)
Depreciation and amortisation expense	(10)	(39)	(145)	(194)
Transfers and other	-	-	4	4
Carrying amount at end of year	621	570	744	1,935

1 Carrying amount at the end of the year includes assets under construction of $253 million (2022: $125 million).

Notes to the Consolidated Financial Statements
for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.4 Property, plant and equipment (continued)

SIGNIFICANT ACCOUNTING POLICIES

Carrying value

The Group's property, plant and equipment are measured at cost less accumulated depreciation, amortisation, and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, and other directly attributable costs.

Depreciation and amortisation

Assets are depreciated on a straight-line basis over their estimated useful lives to their residual values. Leasehold improvements are amortised over the expected useful life of the improvement. Useful lives are reassessed each financial year. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets.

Expected useful lives are as follows:

Land and buildings	Indefinite (Land) or 25-40 years (Buildings)
Plant and equipment	2.5-20 years
Leasehold improvements	Up to 25 years (Retail properties) or 40 years (Hotels)

Proceeds from sale of assets

The gross proceeds from asset sales are recognised at the point control passes, which is usually the date that an unconditional contract of sale is exchanged with the purchaser or when title passes. The net gain or loss is recognised in the Consolidated Statement of Profit or Loss.

Impairment

Property, plant and equipment are tested for impairment in accordance with the policy for impairment of non-financial assets disclosed in Note 3.6.

CRITICAL ACCOUNTING ESTIMATES

Estimation of useful life of assets

Estimates of remaining useful lives require significant judgement as to the period over which an asset is expected to be available for use by the Group based on experience with similar assets. Useful lives are reviewed at least annually. Where useful lives are changed, the net written down value of the asset is depreciated or amortised from the date of the change in accordance with the revised useful life.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.5 Intangible assets

3.5.1 Carrying amounts of and movements in intangible assets

2023	GOODWILL $M	BRAND NAMES $M	LIQUOR AND GAMING LICENCES $M	SOFTWARE $M	TOTAL $M
Cost	1,783	14	2,423	273	4,493
Less: Accumulated amortisation and impairment	(16)	-	(70)	(147)	(233)
Carrying amount at end of year	1,767	14	2,353	126	4,260
Movement:					
Carrying amount at start of year	1,727	12	1,989	102	3,830
Additions [1]	-	1	313	49	363
Acquisition of businesses [2]	40	1	73	-	114
Disposals, transfers and other	-	-	7	6	13
Amortisation expense	-	-	(29)	(31)	(60)
Carrying amount at end of year	1,767	14	2,353	126	4,260

2022	GOODWILL $M	BRAND NAMES $M	LIQUOR AND GAMING LICENCES [3] $M	SOFTWARE $M	TOTAL $M
Cost	1,743	12	2,214	218	4,187
Less: Accumulated amortisation and impairment	(16)	-	(225)	(116)	(357)
Carrying amount at end of year	1,727	12	1,989	102	3,830
Movement:					
Carrying amount at start of year	1,698	12	1,968	103	3,781
Additions	-	-	15	33	48
Acquisition of businesses [2]	29	-	22	-	51
Disposals, transfers and other	-	-	-	(9)	(9)
Amortisation expense	-	-	(16)	(25)	(41)
Carrying amount at end of year	1,727	12	1,989	102	3,830

1 Included in additions to Liquor and gaming licences is $310 million relating to the Group's renewal of its Victorian gaming entitlements, with a useful economic life of 10 years. Please refer to Note 4.6.2 for further information.
2 If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, including in relation to consideration payable or the valuation of identifiable assets and liabilities, then the accounting for the acquisition, including goodwill recognised, will be revised.
3 The comparative opening balance of Liquor and gaming licences has been adjusted for a reclassification of property development rights from intangible assets to lease assets. Please refer to Note 1.1 for further information.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.5 Intangible assets (continued)

3.5.2 Allocation of indefinite life intangible assets to cash-generating units

	GOODWILL		BRAND NAMES		LIQUOR AND GAMING LICENCES	
	2023 $M	2022 $M	2023 $M	2022 $M	2023 $M	2022 $M
Retail	1,006	988	14	12	1,083	1,046
Hotels	761	739	-	-	987	941
Total indefinite life intangible assets	1,767	1,727	14	12	2,070	1,987

SIGNIFICANT ACCOUNTING POLICIES

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets acquired and has an indefinite useful life. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation (where applicable) and impairment losses. Where acquired in a business combination, cost represents the fair value at the date of acquisition.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives.
Useful lives are reassessed each financial year. The useful lives of intangible assets have been assessed as follows:

Brand names	Indefinite useful life
Liquor and gaming licences	Indefinite useful life
Victorian gaming entitlements	10 years
Software	Five to 10 years for core systems; three to five years for non-core systems

Impairment

Intangible assets are tested for impairment in accordance with the policy for impairment of non-financial assets disclosed in Note 3.6.

CRITICAL ACCOUNTING ESTIMATES

Estimation of useful life of assets

Assessments of useful lives and estimates of remaining useful lives require significant management judgement. Brand names are assessed as having an indefinite useful life on the basis of brand strength, ongoing expected profitability, and continuing support. Brand names incorporate complementary assets such as store formats, networks, and product offerings. Liquor and gaming licences (excluding Victorian gaming entitlements which have a finite life of 10 years) have been assessed to have an indefinite useful life on the basis that the licences are expected to be renewed in line with ongoing regulatory requirements.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.6 Impairment of non-financial assets

The Group's impairment testing is performed at both a total business unit level (group of cash-generating units or CGUs) and individual CGU level. The Group has assessed the carrying amounts of property, plant and equipment, lease assets, goodwill and other intangible assets, and no impairments were recognised in the financial year at a total business unit level. At an individual CGU level, $3 million in impairment and a $13 million impairment reversal related to Hotels was recognised during the financial year (2022: $1 million in impairment related to Retail).

SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets

The carrying amounts of the Group's lease assets (refer to Note 3.3), property, plant and equipment (refer to Note 3.4), goodwill, and other intangible assets (refer to Note 3.5), are reviewed for impairment as follows:

Lease assets, property, plant and equipment and finite life intangibles	When there is an indication that the asset may be impaired (assessed at least each reporting date) or when there is an indication that a previously recognised impairment may need to be reversed
Goodwill and other indefinite life intangibles	At least annually and when there is an indication that the asset may be impaired

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to dispose. For an asset that does not generate largely independent cash inflows, the recoverable amount is assessed at a CGU level, which is the smallest group of assets generating cash inflows independent of other CGUs that benefit from the use of the respective asset. Goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments and grouped at the lowest levels for which goodwill is monitored for internal management purposes.

Recoverable amounts are determined using internal value in use assessments and independent property valuations.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss.

Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis to their carrying amounts.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.6 Impairment of non-financial assets (continued)

CRITICAL ACCOUNTING ESTIMATES

Key assumptions used in determining the recoverable amount of assets include expected future cash flows, long-term growth rates (terminal value assumptions), and discount rates.

In assessing value in use, estimated future cash flows are based on the Group's most recent Board approved business plan covering a period not exceeding five years. The 2024 financial year Board approved business plan is for Years 1 to 3. For impairment testing purposes, cash flows for Years 4 and 5 and the terminal value are extrapolated using estimated long-term growth rates.

Long-term growth rates are based on past experience, expectations of external market operating conditions, and other assumptions which take account of the specific features of each business unit.

The recoverable amount has been determined using a value in use discounted cash flow model. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset. Pre-tax discount rates used vary depending on the nature of the business and the country of operation.

The rates used in determining recoverable amounts are set out below:

	2023 %	2022 %
Long-term growth rate	2.5	2.5
Pre-tax discount rate	11.2-12.9	9.3-11.0

The carrying value of assets subject to impairment testing includes lease assets, property, plant and equipment, intangibles, inventories, and other working capital balances. Inventories are carried at the lower of cost or net realisable value.

The Group considers that any reasonably possible change in the key assumptions applied would not cause the carrying value of assets to exceed their recoverable amount and result in a material impairment based on current economic conditions and CGU performance. The Group continuously monitors developments in relation to legislative changes that may impact the operations of the Group, and considers this information with regards to the Group's impairment assessment of non-financial assets.

At this stage, the Group does not consider the potential impacts of climate change to present a risk of impairment to the current carrying value of non-financial assets.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.7 Income taxes

3.7.1 Income tax expense recognised in the Consolidated Statement of Profit or Loss

	2023 $M	2022 $M
Current tax expense	245	253
Deferred tax relating to the origination and reversal of temporary differences	(1)	(29)
Income tax expense	244	224

3.7.2 Reconciliation between profit before income tax and income tax expense

	2023 $M	2022 $M
Profit before income tax	773	719
Income tax expense using the Australian corporate tax rate of 30%	232	216
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income:		
Non-deductible expenses	10	7
Other	2	1
Income tax expense	244	224

The effective tax rate of the Group in the 2023 financial year was 31.6% (2022: 31.2%).

3.7.3 Deferred tax balances recognised in the Consolidated Balance Sheet

	2023 $M	2022 $M
Deferred tax assets	55	50
Deferred tax liabilities	(212)	(175)
Net deferred tax (liability)	(157)	(125)

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.7 Income taxes (continued)

3.7.3 Deferred tax balances recognised in the Consolidated Balance Sheet (continued)

2023	OPENING BALANCE $M	RECOGNISED IN PROFIT OR LOSS $M	RECOGNISED IN OTHER COMPREHENSIVE INCOME $M	ACQUISITIONS AND OTHER $M	CLOSING BALANCE $M
Deferred tax assets					
Property, plant and equipment	102	7	–	(13)	96
Provisions and accruals	119	(9)	–	1	111
Lease liabilities	1,150	20	–	–	1,170
Tax losses	4	(4)	–	–	–
Total deferred tax assets	1,375	14	–	(12)	1,377
Deferred tax liabilities					
Other non-current financial assets	(12)	–	(2)	–	(14)
Intangible assets	(537)	(2)	–	(19)	(558)
Lease assets	(952)	(12)	–	–	(964)
Prepayments	(1)	(1)	–	–	(2)
Other	2	2	–	–	4
Total deferred tax liabilities	(1,500)	(13)	(2)	(19)	(1,534)
Net deferred tax (liability)/asset	(125)	1	(2)	(31)	(157)

2022	OPENING BALANCE [1] $M	RECOGNISED IN PROFIT OR LOSS $M	RECOGNISED IN OTHER COMPREHENSIVE INCOME $M	ACQUISITIONS AND OTHER $M	CLOSING BALANCE $M
Deferred tax assets					
Property, plant and equipment	84	18	–	–	102
Provisions and accruals	125	(6)	–	–	119
Lease liabilities	1,133	17	–	–	1,150
Tax losses	3	1	–	–	4
Total deferred tax assets	1,345	30	–	–	1,375
Deferred tax liabilities					
Other non-current financial assets	(16)	–	4	–	(12)
Intangible assets	(531)	–	–	(6)	(537)
Lease assets	(949)	(3)	–	–	(952)
Prepayments	(1)	–	–	–	(1)
Other	–	2	–	–	2
Total deferred tax liabilities	(1,497)	(1)	4	(6)	(1,500)
Net deferred tax (liability)/asset	(152)	29	4	(6)	(125)

1 The comparative opening balance of Deferred tax liabilities has been adjusted for a reclassification of property development rights from intangible assets to lease assets. Please refer to Note 1.1 for further information.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.7 Income taxes (continued)

3.7.3 Deferred tax balances recognised in the Consolidated Balance Sheet (continued)

Unrecognised deferred tax losses

At the reporting date, the Group has unused capital losses of $9 million (2022: $9 million) available for offset against future capital gains. A deferred tax asset has not been recognised in association with these capital losses as it is not probable that there will be sufficient capital gains available against which these capital losses can be utilised in the foreseeable future.

3.7.4 Tax consolidation

The Company and its wholly owned Australian resident subsidiaries have not elected to form an income tax consolidated group as at the reporting date, which means that they are each separate income taxpayers.

3.7.5 Tax reviews

Endeavour Group is subject to regular tax reviews and interacts with tax authorities on a range of issues as part of the ongoing engagement by these tax authorities. The Australian Taxation Office (ATO) has determined that Endeavour Group is a "Top 100" public taxpayer based on its size relative to other taxpayers. As part of the "Top 100 Justified Trust Program", the ATO has commenced a GST assurance review of Endeavour Group in relation to the 2022 financial year and has also notified Endeavour Group that it will commence an income tax review in relation to the 2022 financial year. At present, Endeavour Group has not received any material amended assessments by any tax authority.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.7 Income taxes (continued)

SIGNIFICANT ACCOUNTING POLICIES

Income tax expense in the Consolidated Statement of Profit or Loss for the financial year presented comprises current and deferred tax.

Current and deferred tax are recognised in the Consolidated Statement of Profit or Loss except to the extent that they relate to items recognised in other comprehensive income, or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income, or directly in equity, respectively.

Current tax

Current tax represents the amount expected to be paid to taxation authorities on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes. Deferred tax is measured at the rates that are expected to apply in the year in which the liability is settled, or asset realised, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable profit nor accounting profit, or in relation to the initial recognition of goodwill.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences, including investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.8 Trade and other payables

	2023 $M	2022 $M
Trade payables	869	930
Payables to related parties	100	69
Accruals	306	262
Contract liabilities	3	3
Total trade and other payables	1,278	1,264

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade payables are non-interest bearing and recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities

Contract liabilities represent consideration received for performance obligations not yet satisfied. Revenue is recognised when the associated performance obligation is satisfied. Substantially all revenue deferred at reporting date will be recognised in the following year.

3.9 Provisions

	2023 $M	2022 $M
Current		
Employee benefits	218	215
Pay remediation	52	77
Self-insured risks, onerous contracts and other [1]	45	57
Total current provisions	315	349
Non-current		
Employee benefits	18	16
Self-insured risks, onerous contracts and other [1]	23	17
Total non-current provisions	41	33
Total provisions	356	382

1 The provision for self-insured risks includes an estimate of future payments to be made for events occurring prior to Woolworths' Drinks and Hotels businesses being transferred to Endeavour Group Limited on 2 February 2020. These future payments are payable to Woolworths under the Woolworths' licensed self-insurance arrangements, which Endeavour was a party to prior to 2 February 2020. The estimate of these future payments is $12 million at 25 June 2023 (26 June 2022: $13 million) with $3 million included in current provisions (26 June 2022: $3 million) and $9 million in non-current provisions (26 June 2022: $10 million).

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.9 Provisions (continued)

Movements in total self-insured risks, onerous contracts and other provisions

	SELF-INSURED RISKS, ONEROUS CONTRACTS AND OTHER 2023 $M	2022 $M
Movement:		
Balance at start of year	74	54
Net provisions recognised	28	39
Cash payments	(33)	(18)
Other	(1)	(1)
Balance at end of year	68	74
Current	45	57
Non-current	23	17
Balance at end of year	68	74

SIGNIFICANT ACCOUNTING POLICIES

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made as to the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of short-term incentives, annual leave and long service leave.

Liabilities expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Self-insurance

The provision for self-insured risks primarily represents the estimated liability for workers' compensation and public liability claims.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 3. Assets and liabilities (continued)

3.9 Provisions (continued)

CRITICAL ACCOUNTING ESTIMATES

Discount rates

Where a provision is measured using the cash flows estimated to settle the obligation, with the exception of employee benefits, the cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Employee benefits are discounted by reference to market yields at the end of the financial year on high quality corporate bonds. Rates are reviewed periodically and given the nature of the estimate, reasonably possible changes are not considered likely to have a material impact.

Employee benefits assumptions

In estimating the value of employee benefits, consideration is given to expected future salary and wage levels (including oncost rates), experience of employee departures, and periods of service. The assumptions are reviewed periodically and given the nature of the estimate, reasonably possible changes in assumptions are not considered likely to have a material impact.

Pay remediation

The Group previously identified team member payment shortfalls relating to the Hotels and Retail segments under the Hospitality Industry General Award (HIGA), General Retail Industry Award (GRIA), and the BWS and Dan Murphy's Enterprise Agreements. The Group has continued to review all relevant periods over which the payment shortfalls relate and for which records exist. This work is well progressed and payments to employees continued during the year.

Calculations of payment shortfalls involve significant amounts of data, interpretation of the respective awards and enterprise agreements, estimates and extrapolations. For areas of pay remediation where calculations have been finalised and payments have or are to be made, the Fair Work Ombudsman may determine that further review and potential adjustment of our calculations is required.

Actuarial assumptions

Self-insurance provisions are determined based on independent actuarial assessments, which consider numbers, amounts, and the duration of claims and allow for future inflation and investment returns. Allowance is included for injuries which occurred before the reporting date but where the claim is expected to be notified after the reporting date. The assumptions are reviewed periodically and given the nature of the estimate, reasonably possible changes in assumptions are not considered likely to have a material impact.

Onerous contracts

Provisions for onerous leases are recognised based on the lower of the estimated unavoidable net costs of meeting all leases and other obligations under the stores and associated contracts, and management's best estimate of the compensation expected to be payable to landlords and other third parties as a result of early termination of contracts. Estimates differ depending on the rent, location, lease exit terms, sublease income, and management's assessment of the timing and likely termination costs.

Any changes in the estimates and judgements of the provision in future years will be recognised in profit or loss.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management

4.1 Earnings per share

	2023	2022
Profit for the year attributable to equity holders of the parent entity used in earnings per share ($M)	529	495
Weighted average number of shares used in earnings per share – Basic and diluted (shares, millions) [1]	1,791	1,791
Basic and diluted earnings per share (cents per share)	**29.5**	27.6

1 The weighted average number of shares has been adjusted to remove shares held in trust by the trustee of the employee share plan trusts that are controlled by Endeavour Group Limited. The impact of their exclusion results in an insignificant difference between basic and diluted earnings per share.

4.2 Dividends

	2023			2022		
	CENTS PER SHARE	TOTAL AMOUNT $M	PAYMENT DATE	CENTS PER SHARE	TOTAL AMOUNT $M	PAYMENT DATE
Current year interim	14.3	256	20 March 2023	12.5	224	28 March 2022
Prior year final	7.7	138	16 September 2022	7.0	125	22 September 2021
Dividends declared and paid during the year	22.0	394		19.5	349	

All dividends paid were fully franked at a 30% tax rate.

On 16 August 2023, the Board of Directors determined to pay a final dividend in respect of the financial year ended 25 June 2023 of 7.5 cents per ordinary share fully franked at a 30% tax rate (26 June 2022: 7.7 cents per ordinary share fully franked at a 30% tax rate). As the dividend was not determined to be paid until after 25 June 2023, no provision has been recognised at 25 June 2023.

Franking credit balance

	2023 $M	2022 $M
Franking credits available for future financial years (tax paid basis, 30% tax rate)	893	818

The above amount represents that balance of the franking accounts at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of current tax payable at the end of the financial year.
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.3 Contributed equity

	2023		2022	
SHARE CAPITAL	NUMBER	$M	NUMBER	$M
1,790,980,017 fully paid ordinary shares (2022: 1,790,980,017)				
Balance at start and end of year	1,790,980,017	3,875	1,790,980,017	3,875
TREASURY SHARES				
Movement:				
Balance at start of year	(362,629)	(2)	(358,196)	(2)
Purchase of shares by Endeavour Group Equity Incentive Plan Trust and/or Endeavour Group Employee Equity Plan Trust [1]	(483,871)	(3)	(1,396,289)	(10)
Transfer of shares to satisfy employee share plan obligations	547,077	3	1,391,856	10
Balance at end of year	(299,423)	(2)	(362,629)	(2)
Contributed equity at end of year	1,790,680,594	3,873	1,790,617,388	3,873

1 Shares were purchased at an average price per share of $7.43 to satisfy the vesting of share rights and allocation of shares under the Group's employee share plans.

Holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.4 Reserves

2023	CASH FLOW HEDGE RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	REMUNERATION RESERVE $M	EQUITY INSTRUMENT RESERVE $M	MERGER RESERVE $M	TOTAL $M
Balance at start of year	29	(1)	10	(4)	(581)	(547)
Effective portion of changes in the fair value of cash flow hedges, net of tax	4	–	–	–	–	4
Transfer of shares to satisfy employee share plans	–	–	(3)	–	–	(3)
Share-based payments expense	–	–	21	–	–	21
Change in the fair value of investments in equity securities, net of tax	–	–	–	(3)	–	(3)
Balance at end of year	33	(1)	28	(7)	(581)	(528)

2022	CASH FLOW HEDGE RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	REMUNERATION RESERVE $M	EQUITY INSTRUMENT RESERVE $M	MERGER RESERVE [1] $M	TOTAL $M
Balance at start of year	–	(1)	10	(29)	(581)	(601)
Effective portion of changes in the fair value of cash flow hedges, net of tax	41	–	–	–	–	41
Transfer to initial carrying amount of hedged items, net of tax	(12)	–	–	–	–	(12)
Transfer of shares to satisfy employee share plans	–	–	(9)	–	–	(9)
Share-based payments expense	–	–	9	–	–	9
Change in the fair value of investments in equity securities, net of tax	–	–	–	5	–	5
Transfer on disposal of investments held at fair value through other comprehensive income, net of tax	–	–	–	20	–	20
Balance at end of year	29	(1)	10	(4)	(581)	(547)

1 The comparative treatment of property development rights has been reclassified from intangible assets to lease assets. The historical balance sheet impact prior to the Restructure has been adjusted through the comparative opening balance of the Merger Reserve. Please refer to Note 1.1 for further information.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.4 Reserves (continued)

SIGNIFICANT ACCOUNTING POLICIES

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. The cumulative deferred gain or loss on the hedge is recognised in the Consolidated Statement of Profit or Loss when the hedged transaction impacts profit or loss, consistent with the applicable accounting policy. Refer to Note 4.7 for details of hedging.

Foreign currency translation reserve (FCTR)

FCTR comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the Group's presentation currency.

Remuneration reserve

The remuneration reserve comprises the fair value of Endeavour Group share-based payment plans recognised as an expense in the Consolidated Statement of Profit and Loss.

Equity instrument reserve

The equity instrument reserve arises on the revaluation of investments in listed equity securities. Subsequent to initial recognition, these investments are measured at fair value with any changes recognised in other comprehensive income. Upon disposal, the cumulative gain or loss recognised in other comprehensive income is transferred to retained earnings.

Merger reserve

The merger reserve represents the accounting for retained earnings transferred on 2 February 2020 when Woolworths' Drinks and Hotels businesses were transferred to the Company (the Restructure) and the accounting for the Company acquiring the 25% interest in ALH Group Pty Limited (ALH Group), on 4 February 2020, held by Bruce Mathieson Group (BMG) in exchange for issuing BMG with new equity in the Company (the Merger).

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.5 Cash and cash equivalents

Reconciliation of profit for the year to net cash provided by operating activities

	2023 $M	2022 $M
Profit for the year	529	495
Adjustments for:		
Depreciation and amortisation	573	525
Impairment	(10)	1
Net loss on disposal and write-off of property, plant and equipment	12	21
Share-based payments expense	21	9
Other	(3)	(13)
Changes in:		
Decrease/(increase) in trade and other receivables	6	(27)
Increase in inventories	(199)	(91)
(Decrease)/increase in trade payables	(52)	27
Increase in other payables	66	22
(Decrease)/increase in provisions	(26)	1
Decrease in deferred taxes	(1)	(29)
(Decrease)/increase in current tax payable	(149)	8
Net cash provided by operating activities	767	949

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

Receivables for EFT, credit card and debit card point of sale transactions owing at reporting date are classified as cash and cash equivalents. This includes transactions settled through Woolworths Group as Endeavour's payments processing provider and at 25 June 2023 represents $92 million (26 June 2022: $90 million) of cash and cash equivalents, which were settled on the next business day.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.6 Borrowings

4.6.1 Capital management

The primary objective of Endeavour Group is to provide a satisfactory return to its shareholders. The Group aims to achieve this objective by improving returns on invested capital relative to the cost of capital, and ensuring a satisfactory return is made on any new capital invested.

Capital is defined as the combination of Contributed equity, Reserves and Net debt (Borrowings less Cash and cash equivalents and unamortised borrowing costs). The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to safeguard the Group's ability to continue as a going concern while optimising its debt and equity structure.

The Group is able to manage its capital through various means, including:

- Adjusting the amount of dividends paid to shareholders;
- Raising or returning capital; and
- Raising or repaying debt for working capital requirements, capital expenditure and acquisitions.

The Group manages its capital structure with the objective of maximising long-term shareholder value through funding its business at an optimised weighted average cost of capital and ensuring the Group has continued access to funding for current and future business activities by maintaining a mix of equity and debt financing.

The Group remains committed to maintaining investment grade metrics.

4.6.2 Movements in borrowings

2023	OPENING BALANCE $M	NON-CASH MOVEMENTS $M	NET CASH MOVEMENTS $M	CLOSING BALANCE $M
Current, unsecured				
Other borrowings [1]	-	98	(42)	56
Total current borrowings	-	98	(42)	56
Non-current, unsecured				
Bank loans [2]	1,515	-	465	1,980
Unamortised borrowing costs	(13)	1	-	(12)
Other borrowings [1]	-	181	-	181
Total non-current borrowings	1,502	182	465	2,149
Total borrowings	1,502	280	423	2,205

1 On 16 August 2022, in the ordinary course of business, the Group renewed its Victorian gaming entitlements for $310 million. While available for immediate use, the gaming entitlements will be paid off over a period of five years, resulting in the recognition of a $279 million interest-bearing liability owing to the Victorian Government. The balance outstanding at reporting date represents the initial value of gaming entitlements less $31 million of prepayments in prior years and $42m in payments made in the current year.

2 During F23, the Group amended three of its four existing bilateral loan facilities, extending each facility maturity date from 2024 to at least 2027, and increasing each commitment value from $150 million to $200 million. The undrawn NAB bilateral loan facility remains unchanged and has a maturity date of June 2024. On 5 May 2023, the Group entered into a fifth bilateral loan facility with a maturity date of May 2028 and a commitment value of $150 million.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.6 Borrowings (continued)

4.6.2 Movements in borrowings (continued)

2022	OPENING BALANCE $M	NON-CASH MOVEMENTS $M	NET CASH MOVEMENTS $M	CLOSING BALANCE $M
Current, unsecured				
Loans from related parties	1,710	-	(1,710)	-
Bank loans	4	-	(4)	-
Total current borrowings	1,714	-	(1,714)	-
Non-current, unsecured				
Bank loans	-	-	1,515	1,515
Unamortised borrowing costs	-	(13)	-	(13)
Total non-current borrowings	-	(13)	1,515	1,502
Total borrowings	1,714	(13)	(199)	1,502

4.6.3 Composition of debt

	MATURITY	NOTIONAL VALUE 2023 $M	NOTIONAL VALUE 2022 $M	CARRYING VALUE 2023 $M	CARRYING VALUE 2022 $M
Current, unsecured					
Other borrowings		56	-	56	-
Total current borrowings		56	-	56	-
Non-current, unsecured					
Bank loans					
Syndicated Loan Facility A	23 June 2025	900	840	900	840
Syndicated Loan Facility B	23 June 2026	945	225	945	225
Bilateral Loan Facility	23 June 2028	135	450	135	450
Other borrowings		181	-	181	-
Total non-current borrowings (excluding unamortised borrowing costs)		2,161	1,515	2,161	1,515

SIGNIFICANT ACCOUNTING POLICIES

Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, borrowings are stated at amortised cost. Any difference between cost and redemption value is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings. Transaction costs are amortised on a straight-line basis over the life of the borrowings.

Note 4. Capital structure, financing, and risk management (continued)

4.7 Financial risk management

During the financial year Endeavour Group's treasury function was responsible for managing the Group's liquidity, funding, and capital requirements, and identifying and managing financial risks relating to the Group's operations. These financial risks include:

- Market risk (refer to Note 4.7.1).
- Liquidity risk (refer to Note 4.7.2).
- Credit risk (refer to Note 4.7.3).

During the year, the Group adhered to the Endeavour Group Treasury Risk Management Policy approved by the Endeavour Group Board of Directors, which set written principles on liquidity risk, interest rate risk, foreign exchange risk, credit risk, and the use of derivatives for hedging purposes. The Endeavour Group treasury function reports on its compliance with the policy and such compliance is reviewed periodically by Endeavour Group's internal auditors.

The Group holds various types of derivatives to hedge its exposures to variability in interest rates and foreign exchange rates.

The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

4.7.1 Market risk

(i) Interest rate risk

Interest rate risk is the risk that a change in interest rates may negatively impact the Group's cash flow or profitability because the Group's borrowings reset directly in accordance with interest rate benchmarks or reset regularly to current rates influenced by interest rate benchmarks. The risk is managed by maintaining an appropriate mix between floating and fixed rate borrowings, and through the use of approved derivatives such as interest rate swaps.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that a change in foreign exchange rates may negatively impact the Group's cash flow or profitability because the Group has an exposure to a foreign currency or has a foreign currency denominated obligation.

To hedge against the majority of this exposure, the Group uses approved derivatives to hedge up to 90% of the risk from forecast exposures over the next 12 months. The exposure to purchases of inventory in foreign currencies is primarily managed through forward exchange contracts. These forward exchange contracts are designated as cash flow hedges and the Group establishes a hedge relationship under IFRS 9 *Financial Instruments* against identified exposures during the year.

Foreign currency exposures arising on translation of net investments in foreign subsidiaries are unhedged.

(iii) Hedging arrangements

At the reporting date, the fair value and notional amounts of derivatives entered into for hedging purposes for the Group are:

	NOTIONAL VALUE		FAIR VALUE ASSET		FAIR VALUE LIABILITY	
	2023 $M	2022 $M	2023 $M	2022 $M	2023 $M	2022 $M
Cash flow hedges						
Forward exchange contracts	150	174	7	2	(1)	(2)
Interest rate swaps	725	425	41	41	-	-
Total cash flow hedges	875	599	48	43	(1)	(2)

Note 4. Capital structure, financing, and risk management (continued)

4.7 Financial risk management (continued)

4.7.1 Market risk (continued)

(iii) Hedging arrangements (continued)

Forward exchange contracts

At the reporting date, the Group had forward exchange contracts hedging forecast purchases of inventory and equipment. The net amount of unrealised gains related to forward exchange contracts is $4 million (2022: loss of less than $1 million).

During the financial year, all hedge relationships were assessed as highly effective with no hedge ineffectiveness recognised in the hedge reserve (2022: no hedge ineffectiveness recognised in the hedge reserve).

Interest rate swaps

At the reporting date, there were interest rate swaps designated in cash flow hedge relationships. These interest rate swaps are designated to be in a hedge relationship against the identified interest rate exposure, and the movement resulted in an unrealised loss of less than $1 million (2022: gain of $41 million) recognised in the hedge reserve.

(iv) Cash flow hedge reserve

The table below details the movements in the cash flow hedge reserve during the financial year:

	2023 $M	2022 $M
Balance at start of year	29	-
Gain/(loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges, net of tax:		
Forward exchange contracts	4	-
Interest rate swaps	-	41
Transfer to initial carrying amount of hedged items, net of tax:		
Interest rate swaps	-	(12)
Cash flow hedge reserve	33	29

(v) Sensitivity analysis

At the reporting date, the Group's exposure to interest rate risk, excluding debts that have been hedged, is not considered material. At the reporting date, the Group's exposure to foreign currency risk after taking into consideration hedges of foreign currency payables and forecast foreign currency transactions is not considered material.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.7 Financial risk management (continued)

4.7.2 Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient cash balances and access to funding sources to meet its cash obligations. This risk arises through the possibility that unusually large amounts may fall due for payment, there is an interruption to cash inflows due to technology incidents or banking system interruption, or there is an interruption to funding sources and markets.

The Treasury Risk Management policy has set an appropriate liquidity risk management framework for the Group's funding requirements.

At the reporting date, the Group had undrawn committed facilities of $820 million (2022: $985 million) available. These facilities were subject to certain financial covenants and undertakings. No covenants have been breached during the financial year.

The following tables detail the Group's undiscounted non-derivative and derivative liabilities and their contractual maturities. The maturity profile of the Group's undiscounted lease liabilities is disclosed in Note 3.3.2.

2023	ONE YEAR OR LESS $M	ONE TO TWO YEARS $M	TWO TO FIVE YEARS $M	TOTAL $M
Non-derivative liabilities				
Bank loans	–	(900)	(1,080)	(1,980)
Other borrowings	(56)	(56)	(126)	(238)
Trade and other payables [1]	(1,275)	–	–	(1,275)
Total non-derivative liabilities	(1,331)	(956)	(1,206)	(3,493)
Derivative assets and liabilities				
Net foreign exchange contracts	6	–	–	6
Net interest rate swaps	15	18	8	41
Net derivative assets	21	18	8	47

1 Excludes contract liabilities.

2022	ONE YEAR OR LESS $M	ONE TO TWO YEARS $M	TWO TO FIVE YEARS $M	TOTAL $M
Non-derivative liabilities				
Bank loans	–	(450)	(1,065)	(1,515)
Trade and other payables [1]	(1,261)	–	–	(1,261)
Total non-derivative liabilities	(1,261)	(450)	(1,065)	(2,776)
Derivative assets and liabilities				
Net interest rate swaps	8	14	21	43
Net derivative assets	8	14	21	43

1 Excludes contract liabilities.

Cash flows represented are contractual and calculated on an undiscounted basis, based on current rates at the reporting date.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 4. Capital structure, financing, and risk management (continued)

4.7 Financial risk management (continued)

4.7.3 Credit risk

Credit risk is the risk that counterparties who may be required to pay monies to the Group may fail financially and therefore will not be able to make those payments.

Under the policy, the Group can only invest short-term surplus funds or execute derivatives with approved counterparty banks and financial institutions that are rated BBB+ or higher by Standard & Poor's (or equivalent with other rating agencies).

The recognised financial assets of the Group include amounts receivable arising from unrealised gains on derivatives. For derivatives which are deliverable, credit risk may also arise from the potential failure of the counterparties to meet their obligations under the respective contracts at maturity.

At the reporting date, no material credit risk exposure existed in relation to potential counterparty failure. Other than the loss allowance recognised in relation to trade and other receivables in Note 3.1, no financial assets were impaired or past due.

4.7.4 Fair value measurement of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each financial year. The following table provides information about how the fair values of these financial assets and financial liabilities are determined. They are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable.

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		FAIR VALUE ASSET		FAIR VALUE LIABILITY		
	NOTE	2023 $M	2022 $M	2023 $M	2022 $M	FAIR VALUE HIERARCHY
Listed equity securities	3.2	24	27	–	–	Level 1
Unlisted equity securities	3.2	6	–	–	–	Level 2
Interest rate swaps	4.7.1	41	41	–	–	Level 2

There were no transfers between Level 1 and Level 2 or 3 during the financial year.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The carrying value of cash and cash equivalents, financial assets, bank and other loans, and non-interest bearing monetary financial liabilities of the Group approximate their fair value.

4.8 Commitments for capital expenditure

Capital expenditure commitments of the Group at the reporting date are as follows:

	2023 $M	2022 $M
Estimated capital expenditure under firm contracts, payable:		
Not later than one year	83	44
Total capital expenditure commitments	83	44

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 5. Group structure

5.1 Subsidiaries

Deed of cross guarantee

On 4 February 2020 Endeavour Group Limited and its wholly owned subsidiaries at the time (together referred to as the Closed Group) entered into a Deed of Cross Guarantee (the Deed), as defined in ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (the Instrument). The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

Pursuant to the Instrument, the wholly owned subsidiaries within the Closed Group detailed below are relieved from the requirement to prepare, audit, and lodge separate financial reports.

COMPANY	
Aceridge Pty Limited	Hadwick Pty Ltd
ALH Group Pty Ltd	Jimmy Brings Australia Pty Limited
ALH Group Property Holdings Pty Ltd	Management (BMG) Pty Ltd
Auspubs Pty Ltd	Manningham Hotel (BMG) Pty Ltd
Australian Leisure and Hospitality Group Pty Limited	MGW Hotels Pty Ltd
Cape Mentelle Vineyards Pty Ltd	Endeavour Group Brands Pty Ltd
Chapel Hill Winery Pty Ltd	Playford Tavern Pty Ltd
Club Management (BMG) Pty Ltd	Taverner Hotel Group Pty Ltd
Dorrien Estate Winery Pty Ltd	The Common Link Pty Ltd
E.G. Functions Pty Ltd	Vicpoint Pty Ltd
Elizabeth Tavern Pty Ltd	Vinpac International Pty Limited
Endeavour Custodian Pty Ltd	Warm Autumn Pty Ltd

In addition to the subsidiaries included in the Closed Group noted above, Endeavour Group International (NZ) Limited (100% owned), Shorty's Liquor Holdings Pty Limited (80% owned), and Shorty's Liquor CBD Pty Limited (80% owned) are consolidated subsidiaries of Endeavour Group Limited.

The Company's investment in Shorty's Liquor Holdings Pty Limited and Shorty's Liquor CBD Pty Limited results in the recognition of an insignificant non-controlling interest.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 5. Group Structure (continued)

5.1 Subsidiaries (continued)

Deed of cross guarantee (continued)

A Statement of Profit or Loss and Retained Earnings, and Balance Sheet for the entities which are party to the Deed at the reporting date are as follows:

Statement of Profit or Loss and Retained Earnings

	2023 $M	2022 $M
Revenue from the sale of goods and services	11,855	11,574
Cost of sales	(7,841)	(7,948)
Gross profit	4,014	3,626
Other revenue	44	40
Branch expenses	(2,427)	(2,261)
Administration expenses	(608)	(479)
Earnings before interest and tax	1,023	926
Finance costs	(250)	(205)
Profit before income tax	773	721
Income tax expense	(243)	(224)
Profit for the year	530	497
Retained earnings/(losses)		
Balance at start of year	230	102
Profit for the year	530	497
Dividends paid	(394)	(349)
Transfer on disposal of investments	-	(20)
Other	(1)	-
Balance at end of year	365	230

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 5. Group Structure (continued)

5.1 Subsidiaries (continued)

Deed of cross guarantee (continued)

Balance Sheet

	2023 $M	2022 $M
Current assets		
Cash and cash equivalents	287	291
Trade and other receivables	138	183
Inventories	1,484	1,280
Current tax receivable	28	-
Other financial assets	7	4
Total current assets	1,944	1,758
Non-current assets		
Trade and other receivables	26	18
Other financial assets	102	100
Lease assets	3,208	3,126
Property, plant and equipment	2,082	1,923
Intangible assets	4,245	3,878
Deferred tax assets	55	50
Total non-current assets	9,718	9,095
Total assets	11,662	10,853
Current liabilities		
Trade and other payables	1,272	1,265
Lease liabilities	466	435
Borrowings	56	-
Current tax payable	22	143
Other financial liabilities	-	2
Provisions	313	340
Total current liabilities	2,129	2,185
Non-current liabilities		
Lease liabilities	3,417	3,380
Borrowings	2,149	1,502
Other financial liabilities	3	3
Provisions	41	33
Deferred tax liabilities	212	180
Other non-current liabilities	3	3
Total non-current liabilities	5,825	5,101
Total liabilities	7,954	7,286
Net assets	3,708	3,567
Equity		
Contributed equity	3,873	3,873
Reserves	(530)	(536)
Retained earnings	365	230
Total equity	3,708	3,567

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 5. Group Structure (continued)

5.2 Parent entity information

Financial information for the parent entity, Endeavour Group Limited, is as follows:

	2023 $M	2022 $M
Assets		
Current assets	1,028	920
Non-current assets	7,233	6,900
Total assets	8,261	7,820
Liabilities		
Current liabilities	1,257	1,175
Non-current liabilities	2,889	2,455
Total liabilities	4,146	3,630
Equity		
Contributed equity	3,873	3,873
Reserves		
Cash flow hedge reserve	33	29
Remuneration reserve	28	10
Equity instrument reserve	(8)	(4)
Retained earnings	189	282
Total equity	4,115	4,190

	2023 $M	2022 $M
Profit for the year	295	315
Other comprehensive income/(loss) for the year, net of tax	1	34
Total comprehensive income for the year	296	349

Commitments for expenditure

	2023 $M	2022 $M
Capital expenditure commitments		
Estimated capital expenditure under firm contracts, payable:		
Not later than one year	11	9
Total capital expenditure commitments	11	9

Note 5. Group Structure (continued)

5.2 Parent entity information (continued)

SIGNIFICANT ACCOUNTING POLICIES

Financial information for the parent entity, Endeavour Group Limited, has been prepared on the same basis as the Consolidated Financial Statements with the exception of investments in subsidiaries which are accounted for at cost.

AASB 17 *Insurance Contracts* (AASB 17) establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. AASB 17 will be first applicable to the Group for the year commencing 26 June 2023 and must be applied retrospectively. The parent entity, Endeavour Group Limited, is a licensed self-insurer for workers compensation insurance and will therefore be impacted by the application of AASB 17. The Group is currently determining the final impact on the parent entity disclosures.

5.3 Related parties

5.3.1 Transactions within the Group

Balances and transactions between the Company and its controlled entities, which are related parties of the Company, have been eliminated on consolidation and are not separately disclosed. All transactions occurred on the basis of normal commercial terms and conditions.

5.3.2 Transactions with Woolworths Group Limited and its controlled entities (Woolworths Group)

Woolworths Group, while no longer the ultimate parent of Endeavour Group after the Demerger, remains a related party as it has significant influence over Endeavour Group.

Endeavour Group and Woolworths Group are parties to a series of medium-term and long-term strategic agreements, referred to as Partnership Agreements, which are intended to be mutually beneficial for both parties. These agreements cover the following key business areas:

- Supply chain - access to tailored Primary Connect supply chain solutions for warehousing and distribution across our network of stores, which accounts for the largest portion of 'Purchases of goods and services - Partnership-related' from Woolworths Group.
- Loyalty and fintech - continued access for BWS to the Everyday Rewards program and the Group to Woolworths Group's customer payment services (fintech).
- Digital and media - access to data analysis capabilities and Woolworths Group marketing channels, including the sale of liquor on www.woolworths.com.au.
- Business support - access to core retail technology and supporting infrastructure including capabilities and platforms for people and transaction services (including payroll, accounts payable and accounts receivable).
- International - distribution of Pinnacle Drinks brands and products to Woolworths Group's retail network in New Zealand and overseas.

In addition to the Partnership Agreements, Endeavour Group engages Woolworths Group to manage the procurement of stock for its Tasmanian retail operations and also leases a number of properties mainly relating to retail stores attached to Woolworths supermarkets.

In certain circumstances, Woolworths Group settles liabilities with third parties on Endeavour Group's behalf and subsequently recovers the third-party costs by on-charging the Group without a margin. The Group views the on-charging of third party costs without a margin as transactions with a third party. Therefore, these transactions have not been disclosed as related party transactions. However, as balances that remain unsettled at the reporting date are amounts owed to or payable from related parties, these are disclosed as related party payables or receivables even if related to third party costs.

Note 5. Group Structure (continued)

5.3 Related parties (continued)

5.3.2 Transactions with Woolworths Group Limited and its controlled entities (Woolworths Group) (continued)

During the financial year, the Group entered into the following transactions with Woolworths Group. All transactions occurred on the basis of normal commercial terms and conditions.

	2023 $'000	2022 $'000
Charges from Woolworths Group		
Purchase of goods and services - Partnership-related [1]	420,935	426,889
Purchase of goods and services - Non Partnership-related	181,999	146,487
Rental charges [2]	54,301	53,888
Total charges from Woolworths Group	657,235	627,264
Income received from Woolworths Group		
Sale of goods	11,074	13,439
Other income	5,187	7,194
Total income received from Woolworths Group	16,261	20,633

1 Purchase of goods and services - Partnership-related also includes the purchase of capital assets, which mainly relates to store-level format development, refurbishment and IT asset projects managed in conjunction with Woolworths for shared facilities.

2 Rental charges represent payments made by Endeavour Group and its controlled entities under leasing arrangements where Woolworths is (or its controlled entities are) the lessor. Note 3.3.2 details the balance of lease liabilities associated with these leasing arrangements.

Amounts payable to and receivable from Woolworths Group are disclosed in Notes 3.1, 3.8, 3.9, 4.5 and 4.6.2.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 5. Group Structure (continued)

5.3 Related parties (continued)

5.3.3 Transactions with Bruce Mathieson Group (BMG)

Bruce Mathieson Jr represents the interests of Bruce Mathieson Group (BMG) on the Board of Endeavour Group. BMG has a significant shareholding in Endeavour. Bruce Mathieson Sr directly or indirectly controls BMG who is a related party to Bruce Mathieson Jr.

In certain circumstances, Endeavour Group settles receivables with third parties on BMG's behalf and subsequently pays the amounts owed by third parties to BMG without earning a margin. The Group does not view payments to BMG for amounts owed by third parties processed without a margin as a transaction with BMG. Therefore, these transactions have not been disclosed as related party transactions. However, as balances that remain unsettled at the reporting date are amounts owed to or payable from related parties, these are disclosed as related party payables or receivables even if related to transactions with third parties.

During the financial year, the Group entered into the following transactions with BMG. All transactions occurred on the basis of normal commercial terms and conditions.

	2023 $'000	2022 $'000
Charges from Bruce Mathieson Group		
Purchase of goods and services	16	30
Purchase of capital assets	235	-
Rental charges	487	488
Total charges from Bruce Mathieson Group	738	518
Income received from Bruce Mathieson Group		
Rental income	57	61
Total income received from Bruce Mathieson Group	57	61

5.3.4 Key Management Personnel (including Directors)

All other transactions with Key Management Personnel and their related parties were conducted on an arm's length basis in the ordinary course of business and under normal terms and conditions for customers and employees. This includes from time to time where Key Management Personnel and their related parties may purchase goods and services from the Group in the ordinary course of business.

The total annual remuneration for Key Management Personnel of the Group is as follows:

	2023 $	2022 $
Short-term benefits	7,523,055	8,513,816
Post-employment benefits	359,003	319,733
Other long-term benefits	39,381	340,328
Termination benefits	-	321,981
Share-based payments	4,091,466	2,330,224
Total remuneration	12,012,905	11,826,082

Detailed remuneration disclosures for Key Management Personnel are provided in the Remuneration Report.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 6. Other

6.1 Contingent liabilities

The Group has entered the following guarantees, however the probability of having to make a payment under these guarantees is considered remote:

	2023 $M	2022 $M
Bank guarantees	53	41
Total bank guarantees	53	41

No provision has been made in the Consolidated Financial Statements in respect of these contingencies.

6.2 Employee benefits

6.2.1 Employee benefits expense

The employee benefits expense for the Group is as follows:

	2023 $M	2022 $M
Remuneration and on-costs	1,478	1,316
Superannuation expense	134	111
Pay remediation expense	(2)	37
Share-based payments expense	21	9
Total employee benefits expense	1,631	1,473

6.2.2 Retirement plans

Defined contribution plans

The majority of employees in Australia and New Zealand are part of a defined contribution superannuation scheme and receive fixed contributions from the Group in accordance with statutory obligations.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 6. Other (continued)

6.2 Employee benefits (continued)

6.2.3 Share-based payments

Long Term Incentive (LTI) Plan

Equity settled share-based payments form part of the remuneration of eligible employees of the Group. Upon vesting, each performance right offered under the LTI Plan entitles the holder to one ordinary fully paid Endeavour Group Limited share.

A summary of the LTI Plan performance hurdles for all outstanding grants is as follows:

		RELATIVE TOTAL SHAREHOLDER RETURN (TSR)		RETURN ON FUNDS EMPLOYED (ROFE) [2]	LEADING IN RESPONSIBILITY (LIR) [3]
GRANT	VESTING PERIOD (YEARS)	WEIGHTING	HURDLE/ RANGE (PERCENTILE)	WEIGHTING	WEIGHTING
F20 Transitional LTI [1,4]	One	40%	50th - 75th	40%	20%
F21 Transitional LTI [1,4]	Two	40%	50th - 75th	40%	20%
F22 and F23 LTI [4]	Three	40%	50th - 75th	40%	20%

1 Two transitional LTI grants were made to eligible employees in the prior year to recognise the forfeited portion of LTI previously issued by Woolworths for the 2020 and 2021 financial years prior to the Demerger. The F20 Transitional LTI grant vested during the current year.
2 Hurdle/range not published for ROFE as the targets are commercially sensitive. The LTI targets and performance will be published following the end of the performance period.
3 For Leading in Responsibility, 50% vesting is achieved where initiatives are progressed and compliance or regulatory transgressions are managed to Board satisfaction; anything less than this results in no vesting. 100% vesting is then achieved where initiatives are implemented that enhance responsibility as assessed by the Board.
4 The TSR component vests progressively where TSR equals or exceeds the 50th percentile of the comparator group up to the full 40% vesting, where TSR equals the 75th percentile of the comparator group. ROFE and LIR components vest upon attaining certain hurdles, to a maximum weighting of 40% and 20%, respectively.

The variables in the table below are used as inputs into the model to determine the fair value of performance rights.

	2023	2022		
	F23 LTI	F22 LTI	F21 TRANSITIONAL LTI	F20 TRANSITIONAL LTI
Grant date [1]	1 Jul 2022	22 Oct 2021	22 Oct 2021	22 Oct 2021
Performance period start date	1 Jul 2022	1 Jul 2021	1 Jul 2021	1 Jul 2021
Vesting date	1 Jul 2025	1 Jul 2024	1 Jul 2023	1 Jul 2022
Expected volatility [2]	24.50%	27.45%	27.45%	27.45%
Expected dividend yield (p.a.) [3]	2.84%	3.23%	-	-
Risk-free interest rate (p.a.)	2.99%	0.52%	0.20%	0.02%
Weighted average fair value at grant date	$5.98	$5.30	$5.68	$5.52

1 Grant date represents the date on which there is a shared understanding of the terms and conditions of the arrangement.
2 The expected volatility is based on the historical implied volatility calculated using the weighted average remaining life of the performance rights adjusted for any expected changes to future volatility due to publicly available information.
3 Expected dividend yield for the F21 Transitional LTI and F20 Transitional LTI grants is nil as dividend equivalent rights have been conferred to recipients under these grants.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 6. Other (continued)

6.2 Employee benefits (continued)

6.2.3 Share-based payments (continued)

Recognition Share Plan

The Recognition Share Plan was introduced in November 2021 and provides an opportunity for team members below senior leader level to benefit from the value created for shareholders. Under the plan, all eligible team members are invited to receive a grant of share rights which entitle them to acquire fully paid ordinary shares in the Company at the time the rights vest. Participants are required to meet a service condition to gain access to the share rights.

Movements in outstanding share rights

Movements in outstanding performance rights disclosed comprises movements in respect of Endeavour Group share plans only.

	2023 NO. OF RIGHTS	2022 NO. OF RIGHTS
Outstanding at start of year	7,089,859	1,487,872
Granted during the year	3,963,680	7,732,612
Vested during the year	(547,077)	(1,391,856)
Forfeited during the year	(887,528)	(738,769)
Outstanding at end of year	9,618,934	7,089,859

Share-based payments expense for the Group for the financial year was $21 million (2022: $9 million).

SIGNIFICANT ACCOUNTING POLICIES

Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at grant date. The fair value excludes the effect of non-market based vesting conditions.

The fair value of instruments with market-based performance conditions (e.g. TSR) is calculated at the grant date using a Monte Carlo simulation model. The probability of achieving market-based performance conditions is incorporated into the determination of the fair value per instrument.

The fair value of instruments with non-market-based performance conditions (e.g. ROFE, LIR) and/or service conditions is calculated using a discounted cash flow pricing model.

The fair value determined at grant date is expensed on a straight-line basis over the vesting period based on the number of equity instruments that will eventually vest with a corresponding increase in equity.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. Any change in original estimates is recognised in profit or loss with a corresponding adjustment to reserves.

Notes to the Consolidated Financial Statements

for the financial year ended 25 June 2023

Note 6. Other (continued)

6.3 Auditor's remuneration

The auditor's remuneration for the Group is as follows:

	2023 $'000	2022 $'000
Deloitte Touche Tohmatsu Australia		
Audit or review of financial reports	1,985	2,023
Total audit or review of the financial reports	**1,985**	2,023
Other assurance and agreed-upon procedures under other legislation or contractual agreements	175	161
Other non-assurance services	149	57
Total other services	**324**	218
Total auditor's remuneration	**2,309**	2,241

6.4 Subsequent events

Victorian regulatory reforms to gaming laws

On 16 July 2023, the Victorian State Government announced a number of proposed reforms to gaming laws, including longer mandatory venue closure, mandatory carded play with pre-commitment loss limits, cash load limit caps and a three second spin rate.

Given the legislative requirements of the proposed reforms are still to be formulated and enacted, a reliable estimate of the financial impact of the reforms cannot yet be determined. However, the Group will continue to monitor developments that may impact the operations of the Group and provide updates as necessary.

F23 final dividend

On 16 August 2023, the Board of Directors determined to pay a final dividend in respect of the financial year ended 25 June 2023 of 7.5 cents per ordinary share fully franked at a 30% tax rate. Refer to Note 4.2 for further information.

Directors' Declaration

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) In the Directors' opinion, the attached Consolidated Financial Statements are in compliance with International Financial Reporting Standards, as stated in Note 1.1 to the Consolidated Financial Statements;

(c) In the Directors' opinion, the attached Consolidated Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the Instrument applies, as detailed in Note 5.1 to the Consolidated Financial Statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors.

Peter R Hearl
Chairman

Steve Donohue
Managing Director and CEO

16 August 2023

Independent Auditor's Report

Deloitte.

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Independent Auditor's Report to the Members of Endeavour Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Endeavour Group Limited (the Company), and its subsidiaries (the Group) which comprises the Consolidated Balance Sheet as at 25 June 2023, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the 52-week period then ended, and 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:

(i) giving a true and fair view of the Group's financial position as at 25 June 2023 and of its financial performance for the year then ended; and

(ii) 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER
Carrying value of non-current assets including intangible assets The determination of the recoverable amounts of non-current assets including property, plant and equipment, right of use assets, goodwill, licences and other intangible assets requires significant judgement by the Group. Impairment assessments are complex and involve significant estimates and management judgement. The assessment completed by the Group includes assumptions and estimates that will be impacted by future performance and market conditions. This includes assumptions on the impact of potential future regulatory changes on future cash flow forecasts. Key assumptions, judgements and estimates applied in the Group's impairment assessment are set out in Note 3.6.	Our procedures included but were not limited to: – Developing an understanding of management's process to test impairment and assessing the design and implementation of key review controls; – Assessing the appropriateness of the impairment modelling performed by the Group for mathematical accuracy and against the requirement of the accounting standards; – Challenging key assumptions utilised in the Group's impairment assessment, including determination of cash generating units, forecast cash flows, long term inflation and growth rates, discount rates and assumptions with respect to potential future regulatory changes; – Evaluating, in conjunction with our valuation specialists, the discount rate applied with reference to publicly available market data for comparable entities; – Performing sensitivity analysis of the models by varying key assumptions, such as expected growth rates and discounts rates; and – Assessing the adequacy of the Financial Report disclosures included in Note 3.6 regarding the impairment testing approach, key assumptions, results and key judgements.
IT Systems The IT systems across the Group are complex and there are varying levels of integration. These systems are integral to the ongoing operations of the business and to the integrity of the financial reporting process and as a result the assessment of IT systems forms a key focus of our external audit.	In conjunction with our IT specialists, our procedures included but were not limited to: – Developing an understanding of the IT environment and the identification of key financial systems and processes; – Testing the design and implementation of the key IT controls of relevant financial reporting systems and processes of the Group; and – Responding to deficiencies identified by designing and performing additional procedures which included the identification and testing of compensating manual controls and varying the nature, timing and extent of the substantive procedures performed.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s Annual Report for the year ended 25 June 2023 but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors’ Responsibilities 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 58 to 86 of the Directors’ Report for the year ended 25 June 2023.

In our opinion, the Remuneration Report of Endeavour Group Limited, for the year ended 25 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jamie Gatt

Partner
Chartered Accountants

Sydney, 16 August 2023

Shareholder information

Twenty largest ordinary fully paid shareholders as at 19 July 2023

	ENDEAVOUR GROUP LIMITED	NUMBER OF FULLY PAID SHARES	% OF ISSUED CAPITAL
1	HSBC Custody Nominees (Australia) Limited	304,293,625	16.99
2	J P Morgan Nominees Australia Pty Limited	297,361,865	16.60
3	ORDS BMG Nominee Pty Limited	269,998,492	15.08
4	Woolworths Group Limited	162,982,408	9.10
5	Citicorp Nominees Pty Limited	104,525,607	5.84
6	BNP Paribas Nominees Pty Ltd	53,549,155	2.99
7	National Nominees Limited	29,680,546	1.66
8	Netwealth Investments Limited (Wrap Services A/C)	6,581,673	0.37
9	UBS Nominees Pty Ltd	4,482,395	0.25
10	Pacific Custodians Pty Ltd	3,024,243	0.17
11	Argo Investments Limited	3,000,000	0.17
12	Peter & Lyndy White Foundation Pty Ltd (P & L White Foundation A/C)	2,761,589	0.15
13	Netwealth Investments Limited (Super Services A/C)	2,739,157	0.15
14	Citicorp Nominees Pty Limited (143212 NMMT Ltd A/C)	1,484,876	0.08
15	Navigator Australia Ltd (MLC Investment Sett A/C)	1,460,366	0.08
16	Buttonwood Nominees Pty Ltd	1,401,682	0.08
17	BNP Paribas Noms (NZ) Ltd (DRP)	1,284,616	0.07
18	Nulis Nominees (Australia) Limited (Navigator Mast Plan Sett A/C)	1,152,214	0.06
19	IOOF Investment Services Limited (IPS Superfund A/C)	1,125,520	0.06
20	Merrill Lynch (Australia) Nominees Pty Limited	1,011,565	0.06

The shareholder information set out below was applicable as at 19 July 2023.

Distribution of shares

Analysis of numbers of shareholders by size of holding:

RANGE OF SHARES	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES
1 - 1,000	303,581	72,006,543
1,001 - 5,000	99,356	221,687,972
5,001 - 10,000	12,991	92,747,303
10,001 - 100,000	6,481	129,242,509
100,001 and over	124	1,275,295,690
Total	422,533	1,790,980,017

All shares above are fully paid ordinary shares.

There were 143,022 holders of less than a marketable parcel of 85 shares (based on a closing price of $5.890 on 19 July 2023).

Voting rights

Holders of Endeavour's fully paid ordinary shares have, at general meetings one vote on a show of hands and, upon a poll, one vote for each fully paid ordinary share held by them.

Substantial shareholdings in Endeavour Group Limited

The substantial shareholders in Endeavour Group Limited as at 19 July 2023 and the number of shares to which each substantial holder and the substantial holders' associates have a relevant interest, as disclosed in substantial holding notices given to Endeavour Group Limited, are as follows:

HOLDER	NUMBER OF FULLY PAID SHARES
Woolworths Group Limited [1]	162,982,408
AustralianSuper Pty Ltd [2]	136,973,563
Bruce Lawrence Mathieson [3]	270,000,090

1 Substantial shareholding as at 16 December 2022, as per notice lodged with ASX on 19 December 2022.
2 Substantial shareholding as at 14 December 2022, as per notice lodged with ASX on 20 December 2022.
3 Substantial shareholding as at 22 February 2022, as per notice lodged with ASX on the same date.

Dividend

The final dividend of 7.5 cents per share is expected to be paid on or around 27 September 2023 to eligible shareholders.

Stock Exchange listings

Endeavour Group Limited ordinary shares are listed on the Australian Securities Exchange (ASX) under the code of EDV.

Endeavour is not currently in the market conducting an on market buy-back of its shares.

Corporate Governance Statement

A copy of the Corporate Governance Statement can be found on our website.

Visit www.endeavourgroup.com.au/about-us/corporate-governance.

Shareholder Calendar [1]

EVENT	DATE
Full year results and final dividend announcement date	**16 August 2023**
Ex-dividend date for final dividend	24 August 2023
Record date for final dividend	25 August 2023
Final dividend payment date	27 September 2023 [2]
2023 Annual General Meeting	**31 October 2023**

1 Dates may change if circumstances require.
2 On or about.

Subleases between Endeavour Group and Woolworths Group

As a result of Endeavour's Demerger from Woolworths, certain waivers and consents were sought and received from the ASX. As a condition to one of those waivers, Endeavour is required to provide in each of its Annual Reports a summary of the material terms of the sublease arrangements between Endeavour and Woolworths.

That summary appears below.

TERM	DESCRIPTION
Form	Each sublease is a separate agreement.
Head lease	The subleases contain an obligation on Endeavour to perform and observe Woolworths' obligations as tenant under the head lease that relate to the retail drinks premises. There is an obligation on Woolworths to observe and perform its obligations under the head lease. The sublease automatically terminates if the head lease is terminated or surrendered for any reason.
Commencement date and term	The term and further terms of each sublease align with the term and further terms under the relevant head lease, minus one day.
Option terms	Where Woolworths exercises its option to renew the head lease, it must offer a further term to Endeavour. However, in circumstances where head leases include an obligation to trade as a retail drinks store, Endeavour is obliged to exercise its option if Woolworths does.
Occupancy costs	The rent and outgoings payable are calculated according to the proportion of the area of the retail drinks premises against the area of the whole premises. All occupancy costs must be paid by Endeavour to Woolworths, with any adjustments to outgoings to be made at the end of the financial year.
Turnover	Endeavour must comply with Woolworths' obligations under the head lease relating to maintaining records of turnover, and providing statements of turnover to Woolworths in the form and at the times required under the head lease.
Maintenance and repair	Endeavour must keep the premises in good and tenantable repair and condition. Endeavour is not responsible for structural repairs or repairs for damage resulting from reasonable fair wear and tear, fire, storm, earthquake and other customary matters, except to the extent the damage or need for repair was caused or contributed to by Endeavour. These matters are the responsibility of the head landlords under the head leases.
Amenity	Endeavour must not do anything that would detract from the amenity of the supermarket premises or interfere with Woolworths' business.
Liquor licence	Endeavour is the beneficial owner of the liquor licence. However, it can only vary the terms and conditions of the liquor licence with Woolworths' consent, which is not to be unreasonably withheld or delayed.
Dealings	Endeavour must not assign, sublet or license without Woolworths' consent. Consent may be granted or withheld at Woolworths' absolute discretion. A change in control of Endeavour is a breach of the sublease.
Make good obligations	Endeavour is required to leave the retail drinks premises in good and tenantable repair and condition. Where Woolworths is vacating the supermarket on or around the end date of the sublease, Endeavour must comply with the make good obligations under the head lease. Where Woolworths is not vacating the supermarket on or around the end date of the sublease, Endeavour must put the premises back to Base Building Condition, as defined in the sublease.
Damage and destruction	Any rent abatement granted due to damage and destruction of the premises under the head lease must be passed on to Endeavour in the proportion that the retail drinks premises is affected. Woolworths must enforce any of its rights against the head lessor to reinstate the premises if requested by Endeavour.
Relocation	If the head lease allows Woolworths to relocate the premises, Endeavour must relocate the retail drinks premises so that it continues to form part of the supermarket premises.

Glossary

GLOSSARY	
Average working capital days	13 month average trade working capital divided by cost of sales for the year, multiplied by 364 days
Board	The Board of Directors of Endeavour
Board Committee	A committee of the Board
Cash realisation ratio	Operating cash flow as a percentage of Group profit for the year after income tax but before depreciation and amortisation
Comparable sales	Retail: Measure of sales which excludes stores that have been opened or closed in the last 12 months and demonstrable impact on existing stores from store disruption from new store openings/closures Hotels: Measure of sales which excludes hotels opened or closed in the last 12 months
Cost of doing business (CODB)	Expenses which relate to the operation of the business
Director	Each of the Directors of Endeavour from time to time
Directors' Report	The Directors' Report for Endeavour Group for the financial year ended 25 June 2023, set out on pages 54 to 57
Drive-thru	Convenient options for customers to pick up online orders or shop using drive through facilities
EBITDA	Earnings before interest, tax, depreciation and amortisation
Endeavour	Endeavour Group Limited
Endeavour Group	Endeavour and its controlled entities
Express delivery	An express delivery service providing online orders at the customer's convenience
Financial Report	The Financial Report for Endeavour Group for the financial year ended 25 June 2023, set out on pages 89 to 143
Free cash flow	Cash flow generated by Endeavour Group before net proceeds from borrowings
Funds employed	Net assets excluding net debt, lease liabilities, other financing-related assets and liabilities and net tax balances
Gaming	Refers to the operation of Electronic Gaming Machines
imm.	Immaterial
Monthly Active Users (MAU)	Total unique users that have accessed the apps within the month
My Dan's active members	My Dan's active members are the number of unique members who have transacted in the last 12 months
n.m.	Not meaningful
Net debt	Borrowings (excluding unamortised borrowing costs) less cash and cash equivalents

Glossary

GLOSSARY

Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of zero to 10. The score is the net result of the percentage of customers providing a score of nine or 10 (promoters) less the percentage of customers providing a score of zero to six (detractors)
Online penetration	Online penetration is calculated as total online sales as a percentage of total Retail sales for the same time period
Operating cash flow	Represents the net of cash inflows and cash outflows associated with operating activities
Pick-up	A service which enables collection of online shopping orders in-store or at select locations
Renewals	A significant upgrade to the store/hotel environment, enhancing customer experience, range and process efficiency (including digital)
Return on Funds Employed (ROFE)	ROFE is calculated as EBIT for the previous 12 months as a percentage of 13 month average adjusted funds employed
Segment funds employed	Funds employed by the segment adjusted to exclude deferred taxes on indefinite life intangible assets
Voice of Customer (VOC)	Externally facilitated survey of a sample of Endeavour Group customers where customers rate Endeavour Group businesses on a number of criteria. Expressed as the percentage of customers providing a rating of six or seven on a seven-point scale
VOC NPS	VOC NPS is based on feedback from customers, and represents the number of promoters (score of nine or 10) less the number of detractors (score of six or below). This includes scores from in-store and online customers

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Company Secretary

Taryn Morton

Auditor

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Shareholder Registrar

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