

Appendix 4D

Under ASX Listing Rule 4.2A

Endeavour Group Limited and its controlled entities
for the half-year ended 1 January 2023

Results for announcement to the market

This Appendix 4D and Half-Year Financial Report presents the results of Endeavour Group Limited (the Company) and the entities it controlled at the end of, or during, the half-year ended 1 January 2023 (together referred to as the Group or Endeavour Group).

The current reporting period is the 27 weeks from 27 June 2022 to 1 January 2023 (the half-year) and the previous corresponding reporting period is the 27 weeks from 28 June 2021 to 2 January 2022.

Key information

| | 1 JANUARY 2023 27 WEEKS \$M | 2 JANUARY 2022 27 WEEKS \$M | CHANGE \$M | CHANGE % |
|---|-----------------------------------|-----------------------------------|---------------|-------------|
| Revenue from the sale of goods and services | 6,502 | 6,337 | 165 | 2.6% |
| Profit for the period | 364 | 311 | 53 | 17.0% |
| Profit for the period attributable to equity holders of the Company | 364 | 311 | 53 | 17.0% |

Details related to dividends

| | AMOUNT PER ORDINARY SHARE CENTS | FRANKED AMOUNT PER ORDINARY SHARE CENTS | DIVIDEND DECLARED \$M | PAYMENT DATE |
|------------------------------------|---------------------------------------|---|-----------------------------|-------------------|
| 2023 interim dividend ¹ | 14.3 | 14.3 | 256 | 20 March 2023 |
| 2022 final dividend | 7.7 | 7.7 | 138 | 16 September 2022 |
| 2022 interim dividend | 12.5 | 12.5 | 224 | 28 March 2022 |
| 2021 final dividend | 7.0 | 7.0 | 125 | 22 September 2021 |

¹ The \$256 million dividend determined to be paid represents the anticipated dividend based on shares on issue at the date of this report. This value will change if there are any shares issued between the date of this report and the ex-dividend date. The record date for determining entitlements is 22 February 2023 and the indicative payment date is 20 March 2023.

Net tangible (liabilities) per ordinary share

| | 1 JANUARY 2023 CENTS | 2 JANUARY 2022 CENTS |
|---|----------------------------|----------------------------|
| Net tangible (liabilities) per ordinary share | (24.1) | (15.1) |

Details of entities over which control has been gained or lost

During the half-year ended 1 January 2023 Endeavour Group did not gain or lose control over any entities.

Other information

Additional Appendix 4D disclosure requirements and further information including commentary on significant features of the operating performance, results of segments, trends in performance, and other factors affecting the results for the half-year are included in the 2023 Half-Year Financial Report, and the accompanying F23 Half-Year Profit and Dividend Announcement.

The Consolidated Financial Statements contained within the 2023 Half-Year Financial Report, upon which this report is based, have been reviewed by Deloitte Touche Tohmatsu.



2023

Half-Year Financial Report

For the half-year ended 1 January 2023

2023 Half-Year Financial Report

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Directors' Report

The Directors of Endeavour Group Limited (Endeavour) present their report, together with the Half-Year Financial Report of Endeavour and its controlled entities (the Group or Endeavour Group), for the half-year ended 1 January 2023.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

Review and Results of Operations

Refer to the accompanying F23 Half-Year Profit and Dividend Announcement for the 27-week period ended 1 January 2023.

The Directors

The names of the Directors of Endeavour holding office during or since the end of the half-year are:

Non-executive Directors

Peter Hearl (Chairman)

Anne Brennan

(appointed 27 June 2022)

Holly Kramer

Duncan Makeig

Bruce Mathieson Jr

(appointed 25 November 2022)

Joanne Pollard

Colin Storrie

Executive Directors

Steve Donohue (Managing Director and CEO)

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 3 of the 2023 Half-Year Financial Report.

The Directors' Report is made in accordance with a resolution of the Directors of Endeavour and is dated 13 February 2023.



Peter Hearl
Chairman



Steve Donohue
Managing Director and CEO

Auditor's Independence Declaration



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13 February 2023

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

Dear Directors

Auditor's Independence Declaration to Endeavour Group Limited

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 review of the half-year financial report of Endeavour Group Limited for the half-year ended 1 January 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Jamie Gatt".

Jamie Gatt

Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Consolidated Statement of Profit or Loss

| | NOTE | HALF-YEAR ENDED | |
|--|------|--------------------------|--------------------------|
| | | 1 JANUARY 2023 \$M | 2 JANUARY 2022 \$M |
| Revenue from the sale of goods and services | 3 | 6,502 | 6,337 |
| Cost of sales | | (4,315) | (4,424) |
| Gross profit | | 2,187 | 1,913 |
| Other revenue | | 19 | 20 |
| Branch expenses | | (1,262) | (1,153) |
| Administration expenses | | (300) | (224) |
| Earnings before interest and tax | | 644 | 556 |
| Finance costs | 5 | (119) | (105) |
| Profit before income tax | | 525 | 451 |
| Income tax expense | | (161) | (140) |
| Profit for the period | | 364 | 311 |
| Profit for the period attributable to: | | | |
| Equity holders of the parent entity | | 364 | 311 |
| | | 364 | 311 |
| | | CENTS | CENTS |
| Earnings per share (EPS) attributable to equity holders of the parent entity: | | | |
| Basic and diluted earnings per share ¹ | | 20.3 | 17.4 |

¹ The weighted average number of shares used to calculate diluted earnings per share has been adjusted to remove shares held 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.

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

Consolidated Statement of Comprehensive Income

| | HALF-YEAR ENDED | |
|--|--------------------------|--------------------------|
| | 1 JANUARY 2023 \$M | 2 JANUARY 2022 \$M |
| Profit for the period | 364 | 311 |
| Other comprehensive income | | |
| <i>Items that may be reclassified to profit or loss, net of tax</i> | | |
| Effective portion of changes in the fair value of cash flow hedges | 1 | 8 |
| Foreign currency translation of foreign operations | 1 | - |
| <i>Items that will not be reclassified to profit or loss, net of tax</i> | | |
| Change in the fair value of investments in equity securities | - | 8 |
| Other comprehensive income for the period, net of tax | 2 | 16 |
| Total comprehensive income for the period | 366 | 327 |
| Total comprehensive income for the period attributable to: | | |
| Equity holders of the parent entity | 366 | 327 |
| | 366 | 327 |

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

Consolidated Statement of Changes in Equity

| | ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY | | | | |
|---|---|-----------------------------|-----------------|--------------------------|--------------|
| | SHARE CAPITAL \$M | SHARES HELD IN TRUST \$M | RESERVES \$M | RETAINED EARNINGS \$M | TOTAL \$M |
| HALF-YEAR ENDED 1 JANUARY 2023 | | | | | |
| Balance at 26 June 2022 | 3,875 | (2) | (535) | 230 | 3,568 |
| Profit for the period | - | - | - | 364 | 364 |
| Other comprehensive income for the period, net of tax | - | - | 2 | - | 2 |
| Total comprehensive income for the period, net of tax | - | - | 2 | 364 | 366 |
| Dividends paid ¹ | - | - | - | (138) | (138) |
| Purchase of shares by Endeavour Group Equity Incentive Plan Trust and/or Endeavour Group Employee Equity Plan Trust | - | (4) | - | - | (4) |
| Transfer of shares to satisfy employee share plans | - | 3 | (3) | - | - |
| Share-based payments expense | - | - | 12 | - | 12 |
| Balance at 1 January 2023 | 3,875 | (3) | (524) | 456 | 3,804 |

| | ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY | | | | |
|---|---|-----------------------------|-----------------|--------------------------|--------------|
| | SHARE CAPITAL \$M | SHARES HELD IN TRUST \$M | RESERVES \$M | RETAINED EARNINGS \$M | TOTAL \$M |
| HALF-YEAR ENDED 2 JANUARY 2022 | | | | | |
| Balance at 27 June 2021 | 3,875 | (2) | (589) | 104 | 3,388 |
| Profit for the period | - | - | - | 311 | 311 |
| Other comprehensive income for the period, net of tax | - | - | 16 | - | 16 |
| Total comprehensive income for the period, net of tax | - | - | 16 | 311 | 327 |
| Dividends paid ¹ | - | - | - | (125) | (125) |
| 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 | - | 9 | (9) | - | - |
| Share-based payments expense | - | - | 2 | - | 2 |
| Transfer on disposal of investments held at fair value through other comprehensive income, net of tax | - | - | 20 | (20) | - |
| Balance at 2 January 2022 | 3,875 | (3) | (560) | 270 | 3,582 |

¹ Refer to Note 9 for further information.

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

Consolidated Balance Sheet

| | | AS AT | | |
|--------------------------------------|------|--------------------------|------------------------|--------------------------|
| | NOTE | 1 JANUARY 2023 \$M | 26 JUNE 2022 \$M | 2 JANUARY 2022 \$M |
| Current assets | | | | |
| Cash and cash equivalents | | 351 | 294 | 813 |
| Trade and other receivables | | 190 | 181 | 184 |
| Inventories | | 1,609 | 1,303 | 1,339 |
| Other financial assets | | 4 | 4 | 2 |
| Assets held for sale | | - | - | 3 |
| Total current assets | | 2,154 | 1,782 | 2,341 |
| Non-current assets | | | | |
| Trade and other receivables | | 8 | 8 | 40 |
| Other financial assets | | 71 | 68 | 43 |
| Lease assets | | 3,164 | 3,126 | 3,132 |
| Property, plant and equipment | | 1,973 | 1,935 | 1,898 |
| Intangible assets | 6 | 4,236 | 3,894 | 3,852 |
| Deferred tax assets | | 55 | 50 | 35 |
| Total non-current assets | | 9,507 | 9,081 | 9,000 |
| Total assets | | 11,661 | 10,863 | 11,341 |
| Current liabilities | | | | |
| Trade and other payables | | 1,721 | 1,264 | 1,792 |
| Lease liabilities | | 454 | 435 | 431 |
| Borrowings | 7 | 90 | - | - |
| Current tax payable | | 61 | 143 | 137 |
| Other financial liabilities | | - | 2 | 2 |
| Provisions | 8 | 307 | 349 | 344 |
| Total current liabilities | | 2,633 | 2,193 | 2,706 |
| Non-current liabilities | | | | |
| Lease liabilities | | 3,401 | 3,381 | 3,372 |
| Borrowings | 7 | 1,583 | 1,502 | 1,480 |
| Other financial liabilities | | 3 | 3 | 3 |
| Provisions | 8 | 43 | 33 | 29 |
| Deferred tax liabilities | | 191 | 180 | 166 |
| Other non-current liabilities | | 3 | 3 | 3 |
| Total non-current liabilities | | 5,224 | 5,102 | 5,053 |
| Total liabilities | | 7,857 | 7,295 | 7,759 |
| Net assets | | 3,804 | 3,568 | 3,582 |
| Equity | | | | |
| Contributed equity | | 3,872 | 3,873 | 3,872 |
| Reserves | | (524) | (535) | (560) |
| Retained earnings | | 456 | 230 | 270 |
| Total equity | | 3,804 | 3,568 | 3,582 |

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

Consolidated Statement of Cash Flows

| | NOTE | HALF-YEAR ENDED | |
|--|------|--------------------------|--------------------------|
| | | 1 JANUARY 2023 \$M | 2 JANUARY 2022 \$M |
| Cash flows from operating activities | | | |
| Receipts from customers | | 7,589 | 7,226 |
| Payments to suppliers and employees | | (6,568) | (6,019) |
| Finance costs on borrowings paid | | (28) | (29) |
| Payments for the interest component of lease liabilities | | (94) | (93) |
| Income tax paid | | (256) | (153) |
| Net cash provided by operating activities | | 643 | 932 |
| Cash flows from investing activities | | | |
| Proceeds from the sale of property, plant and equipment | | 2 | - |
| Payments for property, plant and equipment and intangible assets | | (167) | (123) |
| Payments for the purchase of businesses, net of cash acquired | | (20) | (18) |
| Proceeds from the sale of equity securities | | - | 72 |
| Payments for the purchase of equity securities | | (3) | - |
| Dividends received | | 1 | 3 |
| Net cash (used in) investing activities | | (187) | (66) |
| Cash flows from financing activities | | | |
| Proceeds from external borrowings | | 1,260 | 2,145 |
| Repayment of external borrowings | | (1,370) | (653) |
| Repayment of borrowings with related parties | | - | (1,710) |
| Repayment of lease liabilities | | (147) | (137) |
| Dividends paid | 9 | (138) | (125) |
| Payments for shares held in trust | | (4) | (10) |
| Net cash (used in) financing activities | | (399) | (490) |
| Net increase in cash and cash equivalents | | 57 | 376 |
| Cash and cash equivalents at start of the period | | 294 | 437 |
| Cash and cash equivalents at end of the period | | 351 | 813 |

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

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 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 Half-Year Financial Report (the Report) of the Company is for the 27-week period ended 1 January 2023 and comprises the Company and its controlled entities (together referred to as the Group or Endeavour Group). The comparative period is for the 27-week period ended 2 January 2022.

The Report was authorised for issue by the Directors on 13 February 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.

The accounting policies applied in the preparation of the Report are consistent with those applied in the Group's Financial Report for the 52-week period ended 26 June 2022 (the 2022 Financial Report), unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

The Report is a general purpose condensed financial report prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The Report does not include all of the information required for a full financial report and should be read in conjunction with the 2022 Financial Report and any public announcements by the Group during the half-year in accordance with the continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules.

1.2 Deficiency in net current assets

As at 1 January 2023, the Group has a deficiency in net current assets of \$479 million (26 June 2022: \$411 million).

As at 1 January 2023, the Group has \$2,550 million in external financing facilities with a maturity profile greater than one year. There is \$1,165 million undrawn on these facilities as at 1 January 2023. This amount may be drawn at any time, subject to the terms of the lending agreements.

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.

Note 2. 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 period or any prior period and are not likely to significantly affect future years.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 2023

Note 3. Revenue from the sale of goods and services

| | HALF-YEAR ENDED | |
|--|--------------------------|--------------------------|
| | 1 JANUARY 2023 \$M | 2 JANUARY 2022 \$M |
| Sale of goods in-store | 4,889 | 4,983 |
| Sale of goods online | 485 | 603 |
| Hotels-related goods and services | 1,056 | 680 |
| Other ¹ | 72 | 71 |
| Total revenue from the sale of goods and services | 6,502 | 6,337 |

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

Note 4. 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 and 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.

The financial performance of the Retail and Hotels reportable segments is affected by seasonality whereby earnings are typically greater in the first half of the financial year due to the December holiday trading period.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 2023

Note 4. 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.

| HALF-YEAR ENDED 1 JANUARY 2023 | RETAIL \$M | HOTELS \$M | OTHER \$M | CONSOLIDATED CONTINUING OPERATIONS \$M |
|--|---------------|---------------|--------------|---|
| Revenue from the sale of goods and services | 5,446 | 1,056 | - | 6,502 |
| Other revenue ¹ | 3 | 15 | 1 | 19 |
| Total revenue | 5,449 | 1,071 | 1 | 6,521 |
| Earnings/(loss) before interest and tax | 418 | 256 | (30) | 644 |
| Finance costs | | | | (119) |
| Profit before income tax | | | | 525 |
| Income tax expense | | | | (161) |
| Profit for the period | | | | 364 |
| Depreciation and amortisation - lease assets | 81 | 72 | - | 153 |
| Depreciation and amortisation - non-lease assets | 69 | 61 | - | 130 |
| Capital expenditure ² | 107 | 408 | - | 515 |

| HALF-YEAR ENDED 2 JANUARY 2022 | RETAIL \$M | HOTELS \$M | OTHER \$M | CONSOLIDATED CONTINUING OPERATIONS \$M |
|--|---------------|---------------|--------------|---|
| Revenue from the sale of goods and services | 5,657 | 680 | - | 6,337 |
| Other revenue ¹ | 5 | 12 | 3 | 20 |
| Total revenue | 5,662 | 692 | 3 | 6,357 |
| Earnings/(loss) before interest and tax | 461 | 121 | (26) | 556 |
| Finance costs | | | | (105) |
| Profit before income tax | | | | 451 |
| Income tax expense | | | | (140) |
| Profit for the period | | | | 311 |
| Depreciation and amortisation - lease assets | 78 | 69 | - | 147 |
| Depreciation and amortisation - non-lease assets | 65 | 55 | - | 120 |
| Capital expenditure ² | 77 | 69 | 4 | 150 |

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.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 2023

Note 5. Finance costs

| | HALF-YEAR ENDED | |
|---|-----------------------|-----------------------|
| | 1 JANUARY 2023 \$M | 2 JANUARY 2022 \$M |
| Interest expense - leases | 90 | 88 |
| Interest expense and other borrowing costs - non-leases | 30 | 17 |
| Other | (1) | - |
| Total finance costs | 119 | 105 |

Note 6. Intangible assets

| HALF-YEAR ENDED 1 JANUARY 2023 | GOODWILL \$M | BRAND NAMES \$M | LIQUOR, GAMING LICENCES, AND OTHER \$M | SOFTWARE \$M | TOTAL \$M |
|---|-----------------|-----------------------|--|-----------------|--------------|
| Cost | 1,760 | 13 | 2,435 | 245 | 4,453 |
| Less: Accumulated amortisation and impairment | (16) | - | (70) | (131) | (217) |
| Carrying amount at 1 January 2023 | 1,744 | 13 | 2,365 | 114 | 4,236 |
| <i>Movement:</i> | | | | | |
| Carrying amount at 26 June 2022 | 1,727 | 12 | 2,053 | 102 | 3,894 |
| Additions ¹ | - | 1 | 313 | 28 | 342 |
| Acquisition of businesses ² | 17 | - | 13 | - | 30 |
| Disposals, transfers and other | - | - | - | (2) | (2) |
| Amortisation expense | - | - | (14) | (14) | (28) |
| Carrying amount at 1 January 2023 | 1,744 | 13 | 2,365 | 114 | 4,236 |

| YEAR ENDED 26 JUNE 2022 | GOODWILL \$M | BRAND NAMES \$M | LIQUOR, GAMING LICENCES, AND OTHER \$M | SOFTWARE \$M | TOTAL \$M |
|---|-----------------|-----------------------|--|-----------------|--------------|
| Cost | 1,743 | 12 | 2,278 | 218 | 4,251 |
| Less: Accumulated amortisation and impairment | (16) | - | (225) | (116) | (357) |
| Carrying amount at 26 June 2022 | 1,727 | 12 | 2,053 | 102 | 3,894 |
| <i>Movement:</i> | | | | | |
| Carrying amount at 27 June 2021 | 1,698 | 12 | 2,032 | 103 | 3,845 |
| 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 26 June 2022 | 1,727 | 12 | 2,053 | 102 | 3,894 |

1 Included in additions to Liquor, gaming licences, and other 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 7 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 and/or the valuation of identifiable assets and liabilities, then the accounting for the acquisition, including goodwill recognised, will be revised.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 2023

Note 7. Borrowings

| HALF-YEAR ENDED 1 JANUARY 2023 | OPENING BALANCE \$M | NON-CASH MOVEMENTS \$M | NET CASH MOVEMENTS \$M | CLOSING BALANCE \$M |
|-------------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|
| Current, unsecured | | | | |
| Bank loans | - | - | 20 | 20 |
| Other ¹ | - | 70 | - | 70 |
| Total current borrowings | - | 70 | 20 | 90 |
| Non-current, unsecured | | | | |
| Bank loans ² | 1,515 | - | (130) | 1,385 |
| Unamortised borrowing costs | (13) | 2 | - | (11) |
| Other ¹ | - | 209 | - | 209 |
| Total non-current borrowings | 1,502 | 211 | (130) | 1,583 |
| Total borrowings | 1,502 | 281 | (110) | 1,673 |

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, which was prepaid in prior years.

2 On 19 December 2022, the Group amended one of its bilateral loan facilities, extending the facility's maturity date from 23 June 2024 to 30 November 2027 and increasing the commitment value from \$150 million to \$200 million. The remaining bilateral loan facilities remain unchanged. As at 1 January 2023, the amended bilateral facility was undrawn.

| YEAR ENDED 26 JUNE 2022 | OPENING BALANCE \$M | NON-CASH MOVEMENTS \$M | NET CASH MOVEMENTS \$M | CLOSING BALANCE \$M |
|-------------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|
| Current, unsecured | | | | |
| Bank loans | 4 | - | (4) | - |
| Loans from related parties | 1,710 | - | (1,710) | - |
| 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 |

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 2023

Note 8. Provisions

| | AS AT | |
|---|--------------------------|------------------------|
| | 1 JANUARY 2023 \$M | 26 JUNE 2022 \$M |
| Current | | |
| Employee benefits | 207 | 215 |
| Pay remediation | 59 | 77 |
| Self-insured risks, onerous contracts and other | 41 | 57 |
| Total current provisions | 307 | 349 |
| Non-current | | |
| Employee benefits | 17 | 16 |
| Self-insured risks, onerous contracts and other | 26 | 17 |
| Total non-current provisions | 43 | 33 |
| Total provisions | 350 | 382 |

Pay remediation

The Group previously identified employee 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 financial period.

Calculations of payment shortfalls involve significant amounts of data, interpretation of the respective awards and enterprise agreements, estimations 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 it considers further review and potential adjustment of our calculations is required.

During the half-year ended 1 January 2023, payments of \$16 million (H1 F22: \$25 million) were made to employees and have been included within Payments to suppliers and employees in the Consolidated Statement of Cash Flows. The remaining \$2 million decrease in the provision relates to other movements (H1 F22: \$nil other movements, \$22 million in charges to profit or loss).

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 1 January 2023

Note 9. Dividends

| | HALF-YEAR ENDED 1 JANUARY 2023 | | | HALF-YEAR ENDED 2 JANUARY 2022 | | |
|---|--------------------------------|------------------|-------------------|--------------------------------|------------------|-------------------|
| | CENTS PER SHARE | TOTAL AMOUNT \$M | PAYMENT DATE | CENTS PER SHARE | TOTAL AMOUNT \$M | PAYMENT DATE |
| Prior year final | 7.7 | 138 | 16 September 2022 | 7.0 | 125 | 22 September 2021 |
| Dividends declared and paid during the period | 7.7 | 138 | | 7.0 | 125 | |

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

On 13 February 2023, the Board of Directors determined to pay an interim dividend in respect of the half-year ended 1 January 2023 of 14.3 cents per ordinary share fully franked at a 30% tax rate (2 January 2022: 12.5 cents per ordinary share fully franked at 30%). As the dividend was not determined to be paid until after 1 January 2023, no provision has been recognised at 1 January 2023.

Note 10. Subsequent events

2023 interim dividend

On 13 February 2023, the Board of Directors determined to pay an interim dividend in respect of the half-year ended 1 January 2023 of 14.3 cents per ordinary share fully franked at a 30% tax rate. Refer to Note 9 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; and
- (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.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Peter Hearl
Chairman



Steve Donohue
Managing Director and CEO

13 February 2023

Independent Auditor's Report



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Independent Auditor's Review Report to the Members of Endeavour Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Endeavour Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the Consolidated Balance Sheet as at 1 January 2023, and the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration as set out on pages 2 to 16.

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

- (a) giving a true and fair view of the consolidated Group's financial position as at 1 January 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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 review report.

Directors' Responsibility for the Half-year Financial Report

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

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Independent Auditor's Report

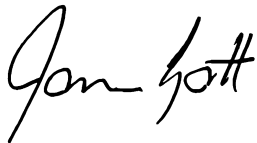
Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 1 January 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, cursive script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Jamie Gatt'.

Jamie Gatt

Partner
Chartered Accountants

Sydney, 13 February 2023

