



oOh!media Limited  
ABN 69 602 195 380

27 March 2023

## **ASX Release**

### **2022 ANNUAL REPORT**

oOh!media Limited (ASX:OML) (oOh! or Company) attaches its 2022 Annual Report.

This announcement has been authorised for release to the ASX by the Board of Directors.

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#### **About oOh!media**

oOh!media is a leading Out of Home media company that is enhancing public spaces through the creation of engaging environments that help advertisers, landlords, leaseholders, community organisations, local councils and governments reach large and diverse public audiences.

The Company's extensive network of more than 37,000 digital and static asset locations includes roadsides, retail centres, airports, train stations, bus stops, office towers and universities.

Listed on the ASX, oOh! employs around 800 people across Australia and New Zealand and had revenues of \$593 million in 2022. It also owns the Cactus printing business.

The Company invests heavily in technology and is pioneering the use of sophisticated data techniques that enable clients to maximise their media spend through unrivalled and accurate audience targeting. Find out more at [oohmedia.com.au](https://oohmedia.com.au)

oOh!media  
Annual Report 2022

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# Company Overview

oOh!media is a leading Out of Home media company that is enhancing public spaces through the creation of engaging environments that help advertisers, landlords, leaseholders, community organisations, local councils and governments reach large and diverse public audiences.

The Company's extensive network of more than 35,000 digital and static asset locations includes roadsides, retail centres, airports, train stations, bus stops, office towers and universities.

Listed on the ASX, oOh! employs around 800 people across Australia and New Zealand, and had revenues of \$592 million in 2022.

The Company invests strategically in technology, and is pioneering the use of sophisticated data techniques that enable clients to maximise their media spend through unrivalled and accurate audience targeting.

Find out more at [oohmedia.com.au](https://oohmedia.com.au)



## BILLBOARDS

Billboards deliver impact, dominance and scale across 3,850+ classic and digital sites, with access to every state and territory. Billboards are the original Unmissable format for building brands, launching products, delivering call to action, directional messaging, path to purchase and proximity.



## FLY

Fly spans 16 cities, 20 terminals, 16 Qantas Lounges and Qantas Inflight Entertainment. With a combination of digital, static, video pre-rolls, WIFI and activations, Fly engages affluent business professionals on their end-to-end journeys throughout all major Australian airports.



## STREET

Street Furniture provides advertising on bus shelters and roadside locations Australia-wide. With 12,700 classic poster-format sites, and over 550 digital sites, Street Furniture has the flexibility and scale to provide precision targeting to the right audience at the right location during their daily journeys.



## RETAIL

Retail is the largest retail advertising network in Australia with multi formats in over 500+ shopping centres, reaching 12 million unique shoppers each month. Including small, medium and large shopping centre types, with 1.8 billion shopper visits each year equating to over \$79 billion in spend, Retail can reach a breadth of shoppers that no-one else can.



## RAIL

Rail connects with 11.5 million commuter journeys each week in 20 CBD and inner-city stations in Melbourne, across the largest digital rail offering in Australia. With full digital animation across portrait, large format and WOW walls, as well as station domination and experiential opportunities, Rail ensures brands connect with professional affluent commuters on their daily journeys.



## OFFICE

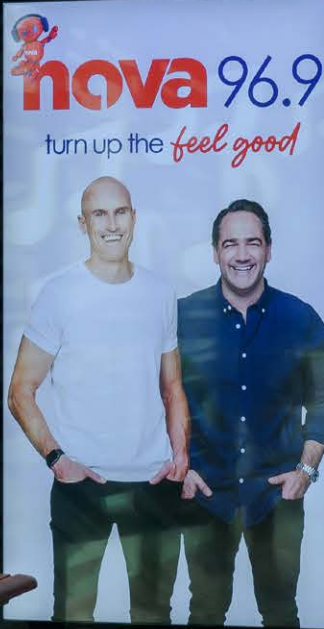
Office has over 4,900 digital advertising displays in over 670 prominent Australian office towers, which house 30,000 different organisations. Office has the opportunity to reach 3 million professionals enabling brands to target business professionals across every major Australian CBD and business hub.



## STUDY

Study is the most powerful and simplest way to connect and engage with students across Australia at scale. With over 100 Uni and TAFE campuses, Study reaches over 1.2 million students with 220 digital screens and 100 static panels located in student hubs on campus.





(B)  
Split East  
Reserve  
1000-1000

City  
Chattanooga  
Mills Point  
North Valley

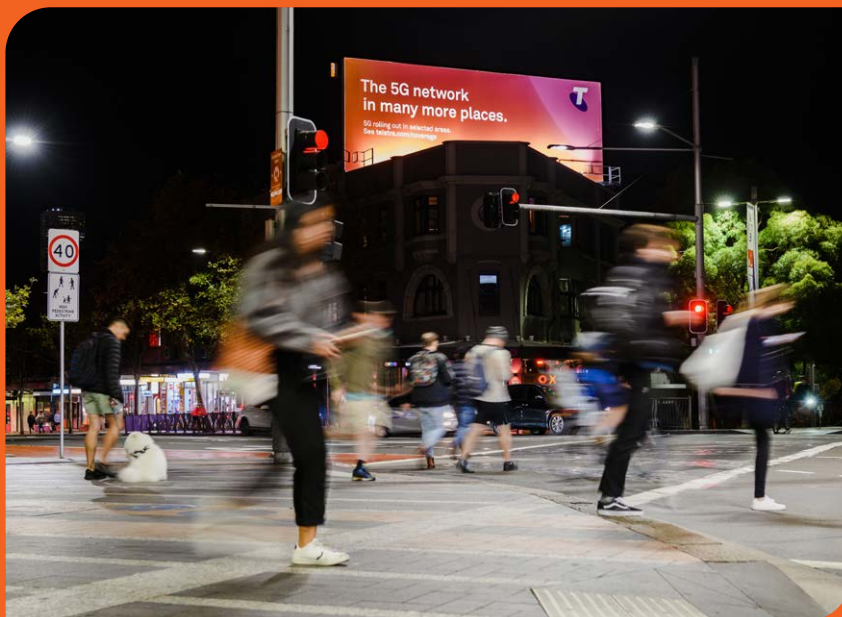


# Financial Summary

oOh! continued to successfully capitalise on audience growth across its key Out of Home formats to deliver a 18% increase in revenue to \$592.6 million.

The Company's strong operating leverage, combined with ongoing operational discipline, delivered a strong uplift in earnings with Adjusted Underlying EBITDA increasing by 64% to \$127.1 million.

The Group's financial position remains strong which enabled the implementation of the Company's on-market share buyback and increased dividends to shareholders. oOh! declared a final dividend of 3.0 cents per share, bringing the full year dividend to 4.5 cents, fully franked.



↑18%

REVENUE  
\$592.6 MILLION

↑20%

EBITDA  
\$288.1 MILLION

↑64%

ADJUSTED UNDERLYING  
EBITDA<sup>1</sup> \$127.1 MILLION

↑406%

NPAT  
\$31.5 MILLION

↑343%

ADJUSTED NPAT<sup>2</sup>  
\$56.2 MILLION

↑200%

FINAL DIVIDEND  
3.0 CENTS

<sup>1</sup> Adjusted Underlying EBITDA (earnings before interest, taxes, depreciation and amortisation) excluding any other income components recognised in accordance with AASB 16, and non-operating items. Adjusted EBITDA includes non-operating items. Fixed rent obligations for the period under the Group's commercial leases are included in Adjusted Underlying EBITDA and Adjusted EBITDA. The Group believes that these measures are a better representation of the underlying economics of the business and reflective of its ability to generate cash flows. oOh! believes that most analysts and shareholders analyse the Group on this basis.

<sup>2</sup> Adjusted NPAT is statutory NPAT excluding the depreciation, finance charges and any other income components of AASB 16, and non-operating items. Fixed rent obligations for the period under our commercial leases is included in adjusted NPAT. Adjusted NPAT also excludes the tax effected amortisation expense on acquired intangibles which do not have a cash replacement cost. The Group believes that this is a better representation of the underlying economics of the business and reflective of its ability to generate cash flows. The Group's dividend policy is 40-60% of Adjusted NPAT



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As the market leader in Out of Home across Australia/New Zealand, oOh! continued to capitalise on this audience growth whilst implementing our strategy to create a more digital and digitised Out of Home business.

**Tony Faure**  
Chair

## Chair Review

### OVERVIEW

Out of Home continued its strong structural growth momentum as one of the fastest growing major media formats in 2022.

As the market leader in Out of Home across Australia/New Zealand, oOh! continued to capitalise on this audience growth whilst implementing our strategy to create a more digital and digitised Out of Home business.

The Company's financial position remains strong which has enabled enhanced returns to shareholders over the course of the year.

### SUMMARY OF FINANCIAL RESULTS

Total revenue for CY22 increased by 18% to \$592.6 million.

The 18% increase in revenue translated to an adjusted gross profit of \$274.0 million, which was up 23% on the prior year.

Revenue in the Group's key formats of Road and Retail grew above pre-pandemic (CY19) levels while revenue in the Fly format grew strongly as airline capacity continued to increase.

oOh! maintains strong operating leverage to grow earnings faster than revenue which resulted in Adjusted Underlying EBITDA increasing by 64% on the prior year to \$127.1 million.

oOh! delivered Adjusted Net Profit After Tax of \$56.2 million, up 343% on the prior year.

On a reported basis EBITDA increased by 20% to \$288.1 million.

oOh! reported Net Profit After Tax of \$31.5 million compared to a Net Loss of \$10.3 million in the prior year.

A detailed explanation of the financial results is contained within the Operating and Financial Review.

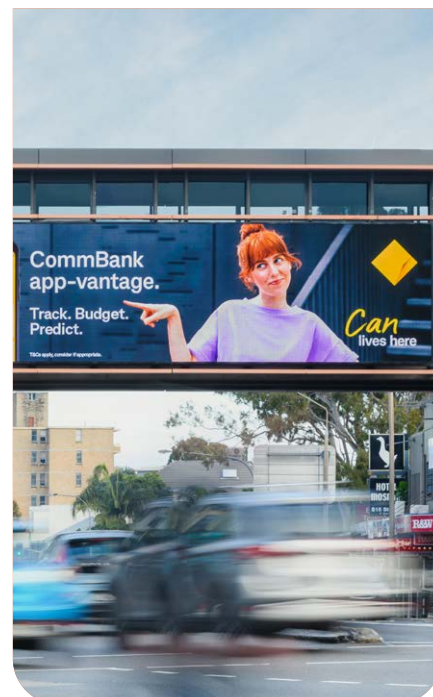






↑18%

**TOTAL REVENUE INCREASED  
TO \$592.6 MILLION**



## CAPITAL MANAGEMENT

oOh!'s financial position continued to strengthen during the year with net debt at 31 December 2022 of \$32.9 million compared to \$63.5 million at 31 December 2021.

Credit metrics continued to improve with the Company's gearing ratio (Net Debt / Adjusted Underlying EBITDA) as at 31 December 2022 of 0.3 times, compared to 0.8 times at 31 December 2021.

The Company's policy is to pay dividends of 40-60 per cent of Adjusted Net Profit.

For CY22 Adjusted Net Profit was \$56.2 million. The Board declared a final dividend of 3 cents per share, fully franked, bringing the full year dividend to 4.5 cents per share, fully franked. This represents a 47% payout ratio.

During CY22 the Group announced an on market buyback of up to 10% of its issued share capital, based on the strength of its balance sheet and expected future cash flow generation. During the period the Group bought back 17.6 million shares representing approximately 3% of issued capital.

The buyback program remains active.

## STRATEGIC PROGRESS TARGETING OUT OF HOME GROWTH

The Company made solid progress in executing its strategy during the year.

Our focus remains on leveraging the unique scale and diversity of oOh!'s network to capitalise on the significant opportunity in the continued structural growth of Out of Home as a one to many broadcast medium.

↑200%

**FINAL DIVIDEND  
INCREASED TO  
3.0 CENTS PER SHARE**

We are investing further in our digital capabilities to enhance creative execution across our assets and also to work with advertisers to enable more automation and different ways of transacting through connected platforms and programmatic trading.

As the media landscape continues to fragment and audiences become harder and more expensive to reach, these key elements of our strategy are critical to delivering enhanced return on investment for advertisers.

Cathy's CEO report provides further details of these strategic initiatives.

## BOARD AND MANAGEMENT CHANGES

Mick Hellman resigned from the Board in April 2022. Mick is the Founder and Managing Partner of HMI Capital Management which was previously the largest shareholder in oOh!. Following the sale of HMI's shareholding in oOh! in April, Mick resigned from the Board.

Our Board now comprises seven directors which we think is appropriate in terms of size and also in relation to the mix of skills and experience each director brings to the Board and to the Company.

We were pleased to announce the appointment of Chris Roberts as the Company's Chief Financial Officer in August 2022. Chris was previously oOh!'s Group Commercial Finance Director and has held a variety of senior finance-related roles during his 6 years with the Company.

Chris's appointment reflects the depth of talent within our organisation, and we were delighted to be able to promote from within the Company for such an important role.

He replaced Sheila Lines who signalled her intention to pursue new challenges, having made a significant contribution during her 4 years as CFO at oOh!.

## SUMMARY AND CONCLUSION

oOh! delivered a strong financial result in CY22.

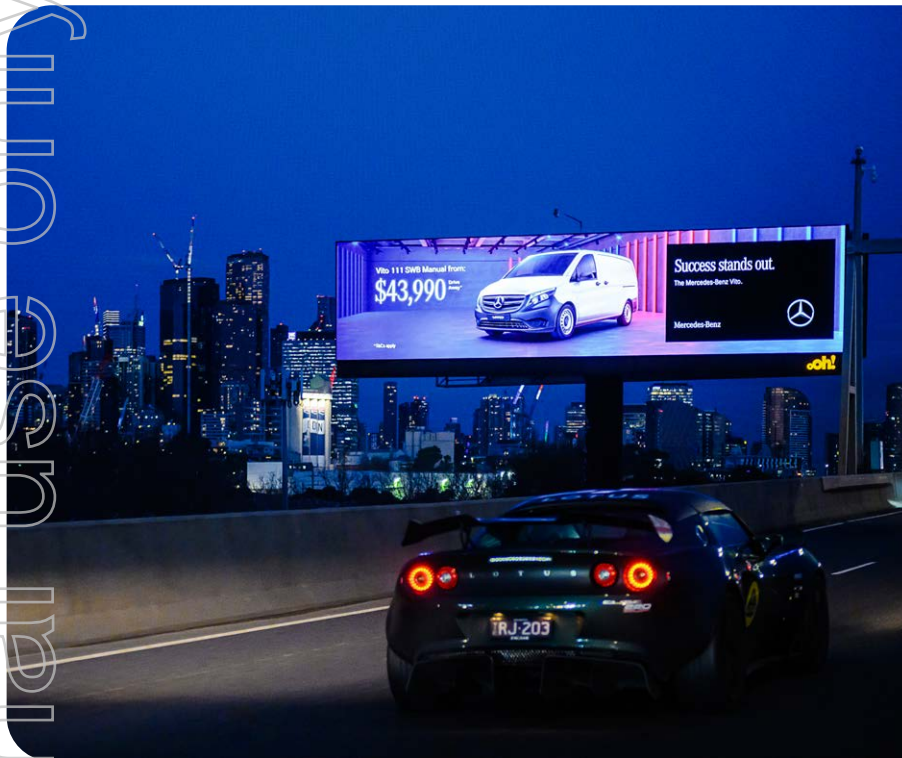
This demonstrates both our capacity to capitalise on the structural growth in Out of Home and our continued implementation of our strategic initiatives to innovate and transform our network to support our clients.

I want to acknowledge and thank our people at oOh! for their focus and dedication during the year.

I also wish to thank our shareholders for your continued support of the Company.



# CEO's Report



↑ 64%

ADJUSTED UNDERLYING  
EBITDA INCREASED  
TO \$127.1M

↑ 343%

ADJUSTED NPAT  
INCREASED  
TO \$56.2M

oOh! made significant progress on a number of fronts during CY22.

The Company delivered a strong financial result with solid revenue and earnings growth leading to improved returns for shareholders.

Strategically, the Company continued to build upon our unrivalled geographic network coverage and enhanced digital capability to ensure that our scale delivers effective and efficient audience delivery to our clients.

Meanwhile, we continued to evolve our sustainability agenda to support our purpose which is making public spaces better.

This progress has enabled oOh! to create a stronger platform to deliver sustainable value creation over the medium term.



## FINANCIAL RESULTS

Out of Home continued its strong structural growth momentum in 2022 as the medium continues to leverage enhanced digitisation and more compelling creative content to deliver improved results for advertisers.

The Out of Home industry captured 12.4% of agency media spend in CY22 per the Standard Media Index (SMI); an increase on 10.9% share in CY21, with the sector taking 13.7% in Q4. For 2022, the Outdoor Media Association reported net revenue growth in Australia of 28% on the prior year with the Out of Home industry reaching \$1 billion in revenue in line with the 2019 industry performance.

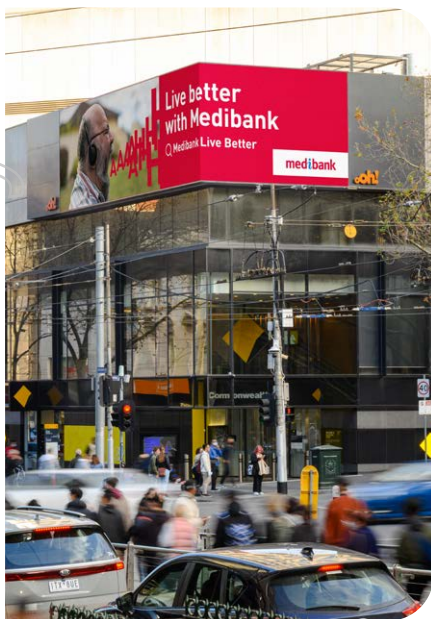
oOh! continued to successfully capitalise on audience growth across its key Out of Home formats to deliver a 18% increase in revenue to \$592.6 million.

The Company's strong operating leverage, combined with ongoing operational discipline, delivered a strong uplift in earnings with Adjusted Underlying EBITDA increasing by 64% on the prior year to \$127.1 million.

The Group's continued disciplined focus on operational expenditure, together with operational leverage to increasing revenue resulted in a significant lift in the Adjusted Underlying EBITDA margin from 15.4% to 21.4%.

oOh! delivered Adjusted Net Profit After Tax of \$56.2 million compared to \$12.7 million for the prior year.

Further information on the Company's financial results is contained in the Operating and Financial Review.



## UPDATE ON STRATEGY

Our strategy is focused on oOh! being a more digital and digitised Out of Home business, generating enhanced leverage from our portfolio of existing assets and disciplined investments in building our network and capability to deliver further growth.

As Out of Home audiences continue to grow, we will further innovate and transform our network, led by digital growth.

Our strategy is centred on leading Out of Home to a digital first future; capturing audience attention in public spaces at scale; and making it easier for our customers to achieve better outcomes.

We made solid progress in each of these areas during the year.

With a portfolio of 35,000 assets, oOh!'s network delivers more than 90% of metropolitan audiences and 77% of all Australians every week.

Our network approach is driven by multiple data sets to inform where we invest, build and then maintain quality assets with a digital first lens. We now have more than 8,000 digital sites across our Billboard, Airport, Retail, Street Furniture, Rail, Office and Study networks, and we are constantly evolving and adding more digital assets to what is already the largest digital footprint in the country.

During CY22, we launched 477 new digital sites in key locations, including 31 new Road digitals and 21 new and upgraded Retail centres.

oOh! made significant progress on a number of fronts during CY22.

The Company delivered a strong financial result with solid revenue and earnings growth leading to improved returns for shareholders.

**Cathy O'Connor**  
Managing Director and CEO

More recently, oOh! extended its large format digital position in Sydney, signing a long-term agreement to represent EiMedia's 17 digital billboards which are positioned on major roads and motorways, providing valuable coverage on key routes.

We will ensure that we continue to balance the effectiveness that share of time on classic inventory brings, with our continued investment in digital inventory, as we enable more automation and different ways of transacting through our connected platforms.

We are enabling advertisers to push Out of Home creative boundaries to capture more of consumers' attention and deliver superior ROI with the launch of our full motion video network, oOh! Motion and our 3D Anamorphic offering, oOh! Dimensions during the year.

As the only media company with full motion 3DA assets in Australia, oOh! delivered a number of attention-grabbing campaigns during the year for some of the largest brands including Uber, Binge, Disney and others.

Last year we launched Better Ways to Buy. This involves working collaboratively with advertisers to demonstrate the unique advantages of Out of Home, including education on new usages of the medium and creative execution to deliver audiences at scale, more efficiently and effectively than previously. The program takes into account transactional data across more than 400 buyer-graphics, matched to each one of oOh!'s 35,000 assets across Australia.

During CY22 we enhanced the Better Ways to Buy initiative with Brand Buyer Tracking which provides advertisers an exclusive opportunity to evaluate and attribute sales results compared to the rest of their category.

Since launch we have seen an increase in campaigns booked 'The Better Way' and we have been able to attribute average buyer uplift across many campaigns.

In 2022 we launched a new content strategy that positioned oOh! as a platform for distributing contextually





This progress is a strong testament to our people right across our business who continue to deliver results for our clients which translates to returns for our shareholders.

relevant content from the leading news, sport and lifestyle brands at scale, to audiences across Australia.

We entered a multi-year partnership with News Corp Australia, with oOh! now helping to deliver breaking news in real-time across our network including large and small format.

We also partnered with the AFL to broadcast live scores, video and photo highlights and news of the 2022 AFL Toyota Finals Series, reaching over 80% of Australians. We also entered an exclusive Out of Home broadcast partnership with Tennis Australia for the 2023 Australian Open.

We are leveraging our leading retail media presence across Australia with the launch of REOOH which is an Out of Home solution designed specifically for major retailers to fast-track the growth of their retail media businesses by offering a digital OOH network as part of their integrated retail media offering.

### SUSTAINABILITY

At oOh! 'Making Public Spaces Better' is our company's purpose. This statement of purpose describes the impact that we aspire to have in the community.

During the year we increased our investment and commitment to sustainability with the creation of an Environmental and Social Governance (ESG) team to drive our sustainability program and embed it throughout our business operations and company culture. Our ESG program is an integral business priority linked to the long-term sustainable growth of the Company, while balancing the risk of the impacts of environmental and social concerns to the business, including climate change.

Further details on our commitments and progress are available in our Sustainability Report.

### SUMMARY

During CY22 oOh! harnessed the diversity and scale of our portfolio to deliver a strong financial result.

We also made significant progress in implementing our strategy which is laying the platform to deliver further sustainable growth over the medium term.

This progress is a strong testament to our people right across our business who continue to deliver results for our clients which translates to returns for our shareholders. I want to acknowledge the efforts of our people for their continued contribution to our business.

I also want to thank our shareholders for your ongoing support and I look forward to sharing our continued progress.

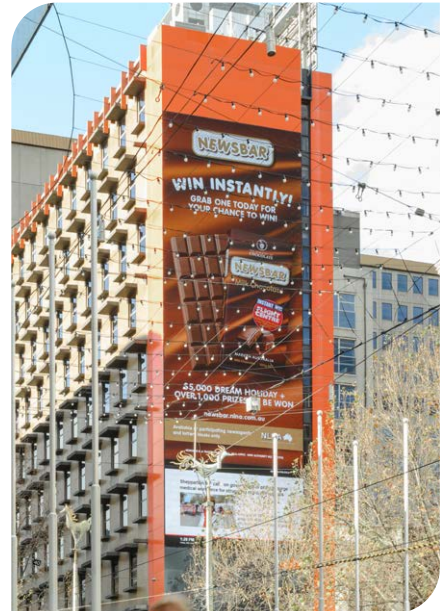
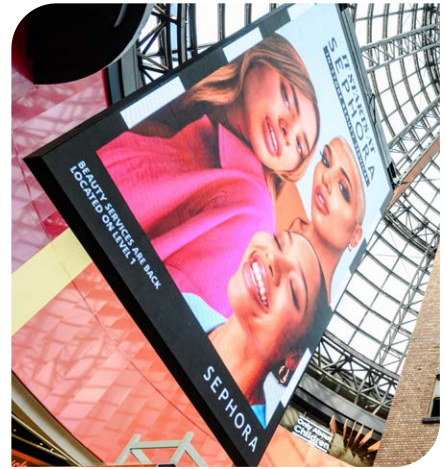


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# Operating and Financial Review



## Strong operational leverage delivers improved earnings and margins while financial position remains robust

For the year ended 31 December 2022 ("CY22") Out of Home demonstrated a strong recovery to CY19 revenue levels fuelled by innovation and an expanding membership base and continues to take share from traditional media. The Out of Home Industry captured 12.4% of agency media spend in CY22 per the Standard Media Index (SMI), an increase on 10.9% share on CY21, with the sector taking 13.7% in Q4.

Driven by Road, Retail and the strengthening of Fly, oOh! delivered an 18% increase in revenue over the prior year to \$592.6 million.

Revenue in Road and Retail grew above pre-pandemic (CY19) levels while second half revenue in the Fly format grew strongly versus both the first half and the prior year as airline capacity continued to increase.

oOh! maintains strong operating leverage and grew earnings faster than revenue with adjusted underlying EBITDA<sup>1</sup> up 64% and reported EBITDA increasing by 20% on CY21.

The Group's continued disciplined focus on operational expenditure, together with operational leverage as outlined above, resulted in a significant lift in the adjusted underlying EBITDA margin from 15.4% to 21.4%.

The Group delivered a 343% increase in adjusted NPAT<sup>2</sup> to \$56.2 million, and an increase in statutory NPAT of \$41.8 million to \$31.5 million, from a net loss after tax of \$10.3 million in the prior year.

The Group's financial position remains strong which enabled the implementation of the Company's on-market share buyback and increased dividends to shareholders.

Note: All references are on Page 17



↑18%

INCREASE IN REVENUE

↑64%

INCREASE IN ADJUSTED  
UNDERLYING EBITDA

↑343%

INCREASE IN  
ADJUSTED NPAT

The Company bought back 17.6 million shares (approximately 3% of issued capital) during the reporting period and declared a final dividend of 3.0 cents per share, bringing the full year dividend to 4.5 cents per share, fully franked.

Net debt at 31 December 2022 was \$32.9 million while the Company remains conservatively geared with a leverage ratio of 0.3 times (net debt / Adjusted EBITDA) as at 31 December 2022, compared to 0.8 times at 31 December 2021.

As the market leader across Australia/ New Zealand, oOh! remains uniquely positioned to capitalise on the growth of Out of Home as advertisers continue to increase their investment and leverage this format to target audience growth.

The Group's strategy also remains focused on revenue enhancing initiatives through leveraging its portfolio of existing assets to deliver results for advertisers with continued investments in digital and data capabilities to improve advertisers' return on investment.



## Operating and Financial Review continued

### GROUP FINANCIAL RESULTS

A\$m unless specified	CY22	CY21	Variance (\$)	Variance (%)
Revenue	592.6	503.7	88.9	18%
Gross profit	422.8	370.3	52.5	14%
Gross profit margin (%)	71.3%	73.5%	(2.2 pts)	
Total operating expenditure	(136.9)	(134.1)	(2.7)	(2%)
Underlying EBITDA	285.9	236.3	49.7	21%
Other income & non-operating items	2.1	4.0	(1.9)	47%
EBITDA	288.1	240.3	47.8	20%
EBITDA margin (%)	48.6%	47.7%	0.9 pts	
Depreciation and amortisation	(200.7)	(209.1)	8.4	4%
EBIT	87.4	31.2	56.2	180%
Net finance costs	(41.2)	(46.7)	5.4	12%
Profit / (loss) before tax	46.2	(15.5)	61.7	397%
Income tax (expense) / benefit	(14.6)	5.3	(19.9)	378%
Net profit / (loss) after tax	31.5	(10.3)	41.8	406%
EPS (cps)	5.3	(1.7)	7.1	411%
<b>Adjusted underlying EBITDA<sup>3</sup></b>	<b>127.1</b>	<b>77.6</b>	<b>49.6</b>	<b>64%</b>
Adjusted EBITDA margin (%)	21.4%	15.4%	6.1 pts	
<b>Adjusted EBITDA</b>	<b>127.1</b>	<b>81.3</b>	<b>45.8</b>	<b>56%</b>
<b>Adjusted NPAT</b>	<b>56.2</b>	<b>12.7</b>	<b>43.5</b>	<b>343%</b>

### REVENUE INCREASED 18%

Out of Home audiences grew strongly compared to the prior year which included the impact of COVID-19 related shutdowns in the second half of CY21. Road's performance as outlined below demonstrates the structural growth opportunity of Out of Home compared to traditional media. The OMA reported net revenue growth of 28% on the prior comparative period, with the Out of Home industry reaching \$1 billion in revenue in line with the 2019 industry performance. The Group's revenue for CY22 was 91% of CY19.

The prior year included revenue associated with the Sydney Trains contract (contract not renewed in CY22) and also from Junkee Media (divested in December 2021). Excluding revenue from Sydney Trains and Junkee, Group revenue increased by 21% on the prior year.

### REVENUE BY FORMAT

A\$m unless specified	CY22	CY21	Variance (\$)	Variance (%)
Street Furniture and Rail	196.5	182.1	14.4	8%
Road	191.1	158.5	32.6	21%
Retail	142.9	125.0	17.9	14%
Fly	33.8	12.2	21.6	176%
Locate	17.4	11.8	5.6	47%
Other	10.8	14.1	(3.3)	(23%)
<b>Total</b>	<b>592.6</b>	<b>503.7</b>	<b>88.9</b>	<b>18%</b>



## STREET FURNITURE AND RAIL

Revenue in Street Furniture and Rail increased by 8% to \$196.5 million with the prior year including revenue of circa \$9 million from the Sydney Trains contract (not included in CY22). On a like for like basis (excluding the Sydney Trains contract) revenue for street furniture and rail increased by 14%.

Revenue in Street Furniture was impacted by the introduction of a competitor's significantly expanded City of Sydney offering in the second half, as was expected, and the company expects that the advertising market will adjust to accommodate the expanded breadth of this category during 2023.

Revenue in Rail improved on 2022 but continued to be impacted by passenger declines in key stations in Melbourne compared to 2019.



## ROAD

The Group's Road (billboard) division maintains its strong performance, continuing its solid result from the prior year. Revenue for CY22 increased by 21% to \$191.1 million.

Revenue was also ahead of 2019 levels with CY22 revenue up 30% on CY19 as the Group continues to leverage the diversity and scale of its metropolitan and suburban network to deliver results for advertisers.

oOh! added 31 digital locations to its metropolitan and regional roadside billboard portfolio during the period and now has over 200 large format digital signs across Australia.



## RETAIL

Revenue in the Retail format increased by 14% to \$142.9 million compared to the prior year.

Revenue was also ahead of 2019 levels with CY22 revenue up 3% on CY19. Revenue growth continued the momentum from the first half as advertisers continue to leverage the format to promote brands and products / services within oOh!'s leading retail portfolio. The Retail category continues to grow within the OOH industry with the retail/lifestyle category in the OMA up by 3% on 2019 levels.

oOh! expanded its Retail digital footprint by adding 240 new digital panels to over 40 new and upgraded centres.



## FLY

The continued recovery in air travel reflected strong revenue growth in the Fly category which increased by 176% to \$33.8 million on the prior year. Momentum continued during the year as passengers returned with H2 CY22 revenue increasing by 78% on the first half, and the business launched into the Qantas Chairmen's Lounge network during the second half.



## LOCATE

Revenue in Locate increased by 47% to \$17.4 million. While revenue recovery compared to pre-pandemic levels continues to be impacted by the slow return of audiences to Central Business District office environments, the Locate segment predominantly has a variable rent profile which ensures it continues to be a highly valuable segment for oOh!.

## OTHER

The Other category primarily includes revenue from the Cactus Imaging business. Other Revenue for the prior year included revenue for Junkee Media's digital publishing business that was divested to the RACAT Group (Scout Publishing) in December 2021.



## Operating and Financial Review continued

### BALANCED PORTFOLIO

oOh!media continues to maintain a balanced and diverse lease maturity profile. Approximately 58% of CY22 revenue by concession is attached to contracts that expire beyond 2024. Approximately 32% of the revenue base is either rolling or due for renewal in 2023.

Meanwhile the Company also remains focused on digital and data-led innovation in the sector with continued digitisation of assets in premium locations across its network. Digital revenue as a percentage of total revenue in CY22 was 64%, ahead of the 57% for the prior year.

### EARNINGS COMMENTARY – COST DISCIPLINE AND OPERATIONAL LEVERAGE DELIVERS SIGNIFICANT IMPROVEMENT IN EBITDA MARGIN

*Unless specified, the commentary below relates to statutory results in respect of CY22 and the prior year (CY21).*

The 18% increase in revenue translated to a statutory gross profit of \$422.8 million, up 14% on the prior year. Gross profit margin in CY22 was 71.3% compared to 73.5% for the prior year. Gross profit on an adjusted basis increased by \$52.0 million to \$274.0 million<sup>4</sup> representing a gross margin of 46.2% (an increase of 2.2 pts).

Net rental abatements received in CY22 were \$10.2 million<sup>5</sup>, 72% below the prior year, and contained mainly within the Fly and Rail formats.

Within an inflationary environment, oOh! remains disciplined on operational expenditure which increased by 2.0% on the prior year to \$136.9 million on a statutory basis. The divestment of Junkee Media resulted in a saving of \$4.2 million of operating costs on CY21. Adjusting for this disposal, inflation increased the operating cost base by \$4.3 million or 3.0%. Travel and entertainment increased by \$2.2 million as activity picked up following the pandemic restrictions easing. Operating expenditure on an adjusted basis increased by 1.7% to \$146.9 million<sup>6</sup>.

EBITDA increased by 20% to \$288.1 million, being slightly ahead of the increase in revenue.

Earnings were also assisted by mix enhancement with the continued strong performance of the higher-margin Road format. Road revenue increased from 31.5% of oOh! revenue in CY21 to 32.2% in CY22.

Adjusted underlying EBITDA was \$127.1 million, an increase of 64% on the prior year, reflecting the Group's continued operating leverage to audience growth and ability to generate earnings growth at a faster rate than revenue.

The Group's continued disciplined focus on operational expenditure, together with operational leverage to increasing revenue resulted in a significant lift in the adjusted underlying EBITDA margin from 15.4% to 21.4%.

There were no non-operating items for CY22 while CY21 included \$3.7 million in non-operating items relating to the disposal of Junkee's digital publishing business and net proceeds related to the reclamation of some sites required for the Sydney Airport Gateway project.

Depreciation and amortisation was \$8.4 million lower than the prior year, reflecting the accelerated depreciation in CY21 relating to Sydney Trains assets, and lower capital expenditure in recent reporting periods compared to prior the COVID-19 pandemic, which is expected to return towards pre-COVID-19 levels in future years.

Net finance costs reduced by 12% to \$41.2 million, primarily reflecting lower average net debt as the Group's financial position continued to strengthen during the period. The Group reported a benefit of \$2.4 million as its interest rate derivatives benefitted from rising interest rates in the second half.

The Group reported a statutory net profit after tax of \$31.5 million compared to a statutory net loss after tax of \$10.3 million for the prior year.

Adjusted net profit after tax was \$56.2 million compared to adjusted net profit after tax of \$12.7 million for the prior year.

### FULL YEAR DIVIDEND UP 350% FULLY FRANKED

The Group's policy is to pay dividends 40-60 per cent of adjusted net profit after tax.

For CY22 adjusted net profit was \$56.2 million. The Board declared a final dividend of 3.0 cents per share, fully franked, bringing the full year dividend to 4.5 cents per share, fully franked. This represents a 47% payout ratio.

The record date for entitlement to receive the final dividend is 2 March 2023 with a scheduled payment date of 23 March 2023.

### CAPITAL MANAGEMENT

On 22 August 2022 the Group announced an on-market buyback of up to 10% of its issued share capital, circa \$75 million, based on the strength of its balance sheet and expected future cash flow generation. During the period the Group bought back 17.6 million shares for a total of \$22 million, representing approximately 3 per cent of issued capital. The buyback programme remains active.

## CONTINUED STRONG CASHFLOW GENERATION

A\$m unless specified	CY22	CY21	Variance (\$)	Variance (%)
Adjusted EBITDA	127.1	81.3	45.8	56%
Net change in working capital and non-cash items	(14.9)	(0.3)	(14.6)	5239%
Interest and income tax (included in net cash from operating activities)	(14.7)	(16.9)	2.2	(13%)
<b>Net cash from operating activities<sup>7</sup></b>	<b>97.5</b>	<b>64.2</b>	<b>33.3</b>	<b>52%</b>
Capital expenditure	(27.0)	(14.6)	(12.4)	85%
Other	(1.9)	0.9	(2.8)	306%
<b>Net cash flow before financing and acquisitions<sup>8</sup></b>	<b>68.6</b>	<b>50.4</b>	<b>18.2</b>	<b>36%</b>

Capital expenditure for CY22 was \$27.0 million and was impacted throughout the year by delays in tenders and renewals, and supply chain and weather disruption.

Capital expenditure remains focused on enhancing the Group's digital OOH capability and oOh! launched 477 new digital sites in key locations during the year, including 31 new Road digitals and 21 new and upgraded Retail centres.

Investment decisions will continue to be aligned to revenue growth opportunities and concession renewals and the Group.

## FINANCIAL POSITION REMAINS STRONG

A\$m unless specified	31 Dec 2022	31 Dec 2021	Variance (\$)	Variance (%)
Borrowings	72.9	123.6	(50.7)	(41%)
Cash and Cash equivalents	40.0	60.0	(20.0)	(33%)
Net Debt	32.9	63.5	(30.7)	(48%)
Leverage Ratio (Net Debt/Adjusted EBITDA)	0.3x	0.8x	(0.6x)	(68%)

The Group's financial position remains strong with net debt at 31 December 2022 of \$32.9 million compared to \$63.5 million at 31 December 2021.

Credit metrics continued to improve with the Group's gearing ratio (net debt / Adjusted EBITDA) as at 31 December 2022 of 0.3 times, compared 0.8 times at 31 December 2021.

This gearing ratio excludes the impact of AASB 16 which is not seen as debt for the purposes of applying the banking covenants.

The Group refinanced its debt facilities and extended the maturity date of the facilities to June 2026. Total facilities under the syndicate are \$350 million with \$150 million of interest rate derivatives until October 2025 in place, which were taken out in October 2018.

- Adjusted underlying EBITDA is EBITDA (earnings before income, taxes, depreciation and amortisation) less any other income components recognised in accordance with AASB 16. Adjusted EBITDA excludes non-operating items. Fixed rent obligations for the period under the Group's commercial leases are included as a deduction in adjusted underlying EBITDA and adjusted EBITDA. The Group believes that these measures are a better representation of the underlying economics of the business and reflective of its ability to generate cash flows. oOh! believes that most analysts and shareholders analyse the Group on this basis.
- Adjusted NPAT is statutory NPAT less the depreciation, finance charges and any other income components of AASB 16, and non-operating items. Fixed rent obligations for the period under our commercial leases is included as a deduction in adjusted NPAT. Adjusted NPAT also excludes the tax effected amortisation expense on acquired intangibles which do not have a cash replacement cost. The Group believes that this is a better representation of the underlying economics of the business and reflective of its ability to generate cash flows. The Group's dividend policy is 40-60% of Adjusted NPAT.
- Note 4 in the Consolidated Financial Statements provides a reconciliation between Adjusted Underlying EBITDA and statutory profit before tax.
- Gross profit on an adjusted basis is statutory gross profit of \$422.8 million adjusted for fixed rent obligations relating to cost of media sites and production of \$148.7 million. Refer to Note 4 to the Consolidated Financial Statements.
- Net rental abatements in CY22 consist of \$7.2 million until the practical expedient expired for the half year ended 30 June 2022, per Note 6 to the Consolidated Financial Statements, and a further \$3 million for the second half following the expiration of the practical expedient representing the commercial cash saving received by oOh!.
- Operating expenditure on an adjusted basis is statutory operating expenditure adjusted for the fixed rent obligations relating to other operating expenses of \$10.1 million. Refer to Note 4 of the Consolidated Financial Statements.
- Net cash from operating activities is statutory net cash generated in operating activities of \$222.7 million adjusted for \$125.1 million for payment of lease liabilities that have been excluded from Adjusted EBITDA.
- Net cash flow before financing and acquisitions is statutory net decrease in cash of \$20.0 million adjusted for \$22.2 million for share buyback, \$50.0 million for repayment of loans and borrowings, \$1.4 million for transaction costs related to borrowings and derivatives, and \$15.0 million for dividends paid.



# Board of Directors



## **Tony Faure**

### **Chair and Non-executive Director**

Tony was appointed to the Board of oOh!media Limited on 28 November 2014 and appointed Chair on 22 September 2017.

Tony was also a Director of the parent company of the oOh!media group (since February 2014).

### **Skills and experience:**

Tony has deep experience in traditional and digital media and marketing, having run both small and large companies. Tony is passionate about ideas that use technology to push limits and create new experiences for consumers. Tony has held the positions of Chief Executive Officer of ninemsn and Chief Executive Officer and Founder of Home Screen Entertainment, and positions at Yahoo! including Regional Vice President, South Asia and Managing Director of Yahoo! Australia and New Zealand. Tony was also an advisor to the Board of seek.com.

### **Other public directorships (current and recent):**

Tony is currently the Chair of ReadyTech Holdings (since 2019).



## **Catherine O'Connor**

### **Chief Executive Officer and Managing Director**

Catherine (Cathy) was appointed as Chief Executive Officer effective 1 January 2021 and as Managing Director effective 11 January 2021.

### **Skills and experience:**

Before joining oOh!media Cathy spent 12 successful years at the helm of Nova Entertainment.

Cathy helped transform Nova into a multi-platform entertainment business, spending 17 years in total with the company. Prior to that she held several management roles at Austereo, after starting her career in radio advertising sales at 2SM and 2GB.

She is leading the strategic evolution of oOh!'s business model at a time of rapid change, capitalising on the Company's significant investments in data, audience insights, content and creative to target sustained growth.

Cathy is a Governor of the Cerebral Palsy Alliance Research Foundation, Chair of the Sony Foundation, and previously served on the Commercial Radio Australia Board. Her numerous career achievements include a Telstra NSW Business Women's Award for the Private Sector, a Centenary Medal for Service to Australian Society in Business Leadership, and induction into the Commercial Radio Hall of Fame.

A Graduate of the Institute of Company Directors, Cathy also holds a Bachelor of Arts in Communications from University of Technology Sydney.



## **David Wiadrowski**

### **Independent Non-executive Director, Lead Independent Director and Chair of Audit, Risk & Compliance Committee**

David was appointed to the Board of oOh!media Limited on 29 November 2019 and was appointed Lead Independent Director on 25 February 2020.

### **Skills and experience:**

David is an experienced Non-executive Director currently serving on three ASX listed companies and brings strong commercial acumen and skills to the Board. David was a partner of PwC for more than 25 years, holding a number of leadership roles in Australia and overseas including five years as Chief Operating Officer of the firm's largest business consisting of 160 partners and 1,800 staff.

Throughout his career at PwC, David continually developed deep expertise in the technology, entertainment and media sectors. He was the lead audit partner for major clients including Network Ten, Seven West Media, APN News & Media and APN Outdoor.

David holds a Bachelor of Commerce from the University of New South Wales, is a Graduate of the Australian Institute of Company Directors' and is a Fellow of the Chartered Accountants of Australia and New Zealand.

David is a Board member of the Cambodian Children's Fund Australia Limited and Chair and Non-executive Director of WageSplitter Pty Limited.

In addition to his outstanding financial credentials, David brings strong commercial acumen to the Board, derived from his extensive experience at PwC and his board roles.

### **Other public directorships (current and recent):**

David is currently a Non-executive Director and Chair of the Audit and Risk Committee of Life360 Inc (since 2019) and Non-executive Director and Chair of the Audit Committee of carsales.com Limited (since 2019).

David was previously a Non-executive Director and Chair of the Audit and Risk Committee of Vocus Group Limited (2017 – 2021).



### **Philippa Kelly**

**Independent Non-executive Director and Chair of Remuneration & Nomination Committee**

Philippa was appointed to the Board of oOh!media Limited on 18 September 2019.

#### **Skills and experience:**

Philippa is an experienced Non-executive Director across ASX listed, private and not-for-profit organisations. She has extensive experience across property investment and finance, with a background in law and investment banking.

Philippa has over 20 years' experience in senior operational and leadership roles within the property sector. She was formerly Chief Operating Officer of the Juillard Group, one of Melbourne's largest private property owners. Previously she was Head of Institutional Funds Management of Centro Properties Group (now Vicinity Centres),

Philippa holds a Bachelor of Laws from University of Western Australia and a Graduate Diploma of Applied Finance & Investment from Finsia. She is a fellow of the Australian Institute of Company Directors and Finsia.

Philippa is also an independent Director of AustralianSuper and Chair of its Investment Committee and a Non-executive Director of Hub Australia.

#### **Other public directorships (current and recent):**

Philippa is currently Chair of Lifestyle Communities Limited (ASX:LIC), and was Deputy-Chancellor of Deakin University until December 2021.



### **Timothy Miles**

**Independent Non-executive Director and Chair of Technology Committee**

Timothy (Tim) was appointed to the Board of oOh!media Limited on 16 May 2019.

#### **Skills and experience:**

Based in Auckland, Tim has significant experience, both internationally and in New Zealand, notably in technology and digital development.

Tim has held senior leadership roles including as Chief Executive Officer of Spark Digital, Managing Director of listed agricultural services group PGG Wrightson, Chief Executive Officer of Vodafone New Zealand and Chief Executive of Vodafone UK and Group Chief Technology Officer of Vodafone plc. Tim has also held senior roles at IBM, Data General Corporation and Unisys Corp. Tim holds a Bachelor of Arts from Victoria University of Wellington.

Tim is currently the Chair of the Gut Cancer Foundation and is a Non-executive Director of Nyriad Inc. (previously Nyriad New Zealand, since 2018).

#### **Other public directorships (current and recent):**

Tim is currently a Non-executive Director and Chair of HR and Remuneration of Genesis (NZE, since 2016).

Tim was formerly the Chair of Centurion GSM (a joint venture between Vodafone NZ and Millennium Group – ceased May 2022).



### **Andrew Stevens**

**Independent Non-executive Director**

Andrew was appointed to the Board of oOh!media Limited on 25 September 2020.

#### **Skills and experience:**

Andrew was Managing Director of IBM Australia and New Zealand from 2011 to 2014, having joined IBM when the company acquired PricewaterhouseCoopers Consulting (PwC) and previously holding senior roles including Managing Partner, Growth Markets for IBM's Global Business Services where he was responsible for the performance of the operations in Asia Pacific, Latin America, Central Europe, the Middle East, and Africa.

Andrew holds a Master of Commerce and Bachelor of Commerce from the University of New South Wales and is a Fellow of Chartered Accountants Australia and New Zealand.

Andrew is currently the Chair of Industry Innovation and Science Australia and Data Standards Chair for the Consumer Data Right and Non-executive Director.

#### **Other public directorships (current and recent):**

Andrew is currently a Non-executive Director of Stockland Group Limited (since 2017).



## Board of Directors continued



### Joanne Pollard

#### Independent Non-executive Director

Joanne (Joe) was appointed to the Board of oOh!media Limited on 24 August 2021.

#### Skills and experience:

Joe has domestic and international experience in the telecommunications, media, marketing and sports industries. Over a 30 year executive career, Joe was Group Executive of Media and Marketing at Telstra and Chief Executive Officer of Ninemsn and Publicis Mojo. She spent 10 years at Nike Inc as Global Director of Media, Digital and Content and then Chief Marketing Officer at Nike Japan. She has held various leadership roles in sales, media, digital and content at Nine Entertainment Co. and Mindshare in Australia & Hong Kong. Joe is a member of the Australian Institute of Company Directors and Chief Executive Women.

Joe is a director at Greencross Limited and a member of its Audit and Risk Committee. She is also a director of RACAT Group. She was previously a non-executive director of Nine Entertainment Co., AMP Bank Limited, Michelle Bridge's 12WBT, I-Select, the Interactive Advertising Bureau and Australian Association of National Advertisers.

#### Other public directorships (current and recent):

Joe is currently a director of Endeavour Group (ASX:EDV), Chair of People, Culture and Performance Committee and member of its Audit, Risk and Compliance Committee. She is a Non-executive Director of Washington H Soul Pattinson (ASX:SOL).

### Marco Hellman

#### Non-executive Director (Retired 9 April 2022)

Marco (Mick) was appointed to the Board of oOh!media Limited on 7 April 2020. Mick retired as a Director of the Company, effective 9 April 2022.

#### Skills and experience:

Mick is a Founder, Managing Partner and member of the Investment Committee of HMI Capital Management, L.P.

Prior to establishing HMI Capital Management, L.P., Mick spent most of his career at Hellman & Friedman, LLC where he was a Managing Director and a member of the Investment Committee. While at Hellman & Friedman, Mick founded the software and logistics (ports and container terminals) verticals and established the firm's Hong Kong office. He was instrumental in Hellman & Friedman's investments in Blackbaud, Inc., Hongkong International Terminals Limited and Mitchell International, Inc.

Prior to joining Hellman & Friedman in 1987, Mick worked as a Financial Analyst at Salomon Brothers Inc. in San Francisco in the Corporate Finance Department.

Mick is on the Board of a number of Not-For-Profit organisations, including San Francisco Jazz Organisation, USA Cycling Foundation and HSB LLC.

#### Other public directorships (current and recent):

Mick was formerly a Director of LPL Financial Holdings Inc. (NASDAQ, 2016 – 2018)

### Maria Polczynski

#### Company Secretary

Maria is General Counsel and has over 30 years' legal and leadership experience including as the senior legal officer of Bendigo and Adelaide Bank and partner of Sydney-based law firm, Henry Davis York (now part of Norton Rose Fulbright). Maria holds a Bachelor of Jurisprudence/Bachelor of Laws from the University of New South Wales and a Master of Laws from University of Technology Sydney.



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# Directors' Report

## INTRODUCTION

The Directors of oOh!media Limited (oOh!media or the Company) present their report of oOh!media Limited and its controlled entities for the year ended 31 December 2022.

The Directors and Company Secretary who held office at any time during or since the end of the financial year ended 31 December 2022, together with their qualifications, experience and further details, are set out on the previous pages, which form part of this report.

The Directors' Report has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth).

The information below forms part of this Directors' Report.

## CORPORATE STRUCTURE

oOh!media Limited is a public company limited by shares that is incorporated and domiciled in Australia and listed on the Australian Securities Exchange.

## PRINCIPAL ACTIVITIES

oOh!media is a leading Out of Home media company, offering advertisers the ability to create deep engagement between people and brands across one of the largest and most diverse Out of Home location-based portfolios in Australia and New Zealand.

oOh!media's portfolio includes:

- large format digital and classic roadside screens;
- large and small format digital and classic signs located in retail precincts such as shopping centres;
- large and small format digital and classic signs in airport terminals, lounges and in-flight;
- digital and classic street furniture signs;
- digital and classic format advertising in public transport corridors including rail; and
- digital and classic signs in high dwell time environments such as universities and office buildings.

oOh!media also provides advertising creative and printing services.

## OPERATING & FINANCIAL REVIEW

The consolidated profit/(loss) attributable to the owners of the parent entity for the financial year ended 31 December 2022 was \$31,516,000 (2021: \$(10,288,000)).

A review of operations and results of the Group for the year ended 31 December 2022 is set out in the Operating and Financial Review, which forms part of this Report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Chris Roberts became the new Chief Financial Officer of the Company from 1 August 2022, when Sheila Lines' resignation from that role became effective. Sheila consulted with the Company for two further months before leaving on 30 September 2022.

There have been no other significant changes in the state of affairs of the Company during CY22.

## LIKELY DEVELOPMENTS & EXPECTED RESULTS

The Group's prospects and strategic direction are discussed in various sections of this Report. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this Report because disclosure of the information would be likely to result in prejudice to the Group.

## RISK MANAGEMENT GOVERNANCE

The Company pro-actively manages risks such as strategic risk, operational risk, governance and compliance risk and financial risk. The Board has mechanisms in place to ensure management's objectives and activities are consistent with risk management direction by the Board including governance structures requiring Board approval of:

- the Group's strategic plan and operational objectives;
- the Group's policies regarding governance, conduct and other risks;
- the Group's annual financial forecasts and operating budgets;
- all contracts and agreements which exceed the level of delegation to management in the Delegated Authority Policy approved by the Board; and
- all project developments which exceed the level of delegation to management in the Delegated Authority Policy approved by the Board.

## KEY RISKS

The Company considers the following as being the most relevant risks to the business achieving its strategic, operational and financial targets:

Business Element	Description of risk and the Company's mitigation
<b>External economic conditions</b>	The Company operates in Australia and New Zealand. Several advertiser customers are global organisations whose media expenditure decisions can be affected by economic conditions in other jurisdictions. A general disruption to or downturn in macroeconomic factors such as consumer confidence, or the media industry specifically, may reduce revenues. This may have a significant impact on operating profit as a large proportion of the Company's costs have a fixed component. The Company positions its operations to balance the opportunity of delivering outcomes for investors from stronger economic conditions as well as mitigating the impact of economic downturns given the cyclical nature of the media market. The Company maintains a portfolio of assets which is diversified across several Out of Home segments and across central business district, transport, metropolitan (including suburban) and regional areas in Australia and New Zealand. A significant proportion of arrangements with commercial partners include rent that varies with revenue in a period. The Company maintains debt financing facilities with liquidity headroom above expected operational needs.
<b>Shifting audience patterns</b>	Out of Home audiences were impacted by mandatory stay at home orders / restricted movement orders by governments in Australia and New Zealand during 2020 and 2021 as a result of the COVID-19 pandemic. This has led to an increase in working from home versus traveling to the office, supported by advancements in virtual meeting technology. Given the concentration of assets in CBD areas and particularly in office and rail environments – an elongation of working from home patterns will impact Out of Home audiences and revenues in the office and rail environment in particular versus the pre COVID-19 environment. The Company's diversity of its assets into suburban and regional areas is a partial mitigant to this risk.
<b>Meeting the evolving needs of advertisers</b>	Growth in Out of Home advertising will be dependent on oOh!media's continued ability to adapt to changes in the media landscape, including meeting evolving customer advertising requirements and competitive and legislative changes. The Board oversees key changes in the media landscape and the appropriateness of management's response to such changes. oOh!media has developed a diversified portfolio to mitigate this risk, with diversity and scale across a number of different environments that deliver return on investment for advertisers. oOh!media has also invested in audience data, verification, scalable systems and operating models to manage this risk into the future.
<b>Business partners</b>	oOh!media is dependent on concession contracts with commercial partners to maintain and manage its lease and licence portfolio, media agencies to represent this portfolio to their advertiser clients, and customers who desire the portfolio to advertise their goods and services. Many concession contracts require oOh!media to participate in competitive processes ahead of or at each renewal. Loss or weakening of relationships with media agencies, a change in the size or structure of the media agency market, or loss of relationships with key customers could impact the Group's future operating and business performance. oOh!media has developed a diversified portfolio of relationships with numerous individual commercial partners and with different contract maturity dates to mitigate the impact of losing individual concession contracts, and has invested in data and insights to give agencies and customers more focus and reach for their desired audience using oOh!media's unique portfolio.



Business Element	Description of risk and the Company's mitigation
Business Continuity	<p>oOh!media's ability to continue normal business operations may be adversely affected by a range of external and internal risks, including but not limited to: inability of employees to access key technology operating systems, access by employees to maintain, post and clean physical advertising assets across Australia and New Zealand and severe widespread reductions in audiences for oOh!media's advertising assets across Australia and New Zealand resulting in a significant short term loss of revenue, as occurred in CY20 and CY21 due to COVID-19 pandemic government restrictions on public movement. oOh!media has deployed resources and strategies to mitigate specific risks: Work, health, safety and environmental (WHSE), IT and Cyber Security, Regulatory and Governance, all of which could give rise to a Business Continuity risk – refer to specific risk sections in this report. The Audit, Risk &amp; Compliance Committee of the Board annually reviews oOh!media's Business Continuity plans. The Company's advertising assets are diversified across numerous environments (road, airports, street furniture, shopping centres, rail), geographically diverse locations across Australia and New Zealand and the majority of oOh!media's revenues are from national advertisers who use multiple audience environments. As a result, oOh!media has limited business continuity concentration risk for localised advertising assets. Business continuity risk could arise as a result of widespread sustained impact to assets and audiences. The Company maintains debt financing facilities with liquidity headroom above expected operational needs, operates with rent structures which include a significant element of rent which varies with revenue and in certain key commercial arrangements fixed rent relief in the event of a pandemic.</p>
Acquisitions & integration	<p>Acquisitions may not deliver projected benefits or value, and integrations may not be successful, resulting in interruptions to the achievement of business strategy. oOh!media has deep experience managing business integrations and where appropriate, appoints full time project managers to assist with the management and delivery of integration programs. As required, oOh!media regularly reports against the performance of the integration and the new business to the Board.</p>
Regulatory & Governance	Description of risk and the Company's mitigation
Regulatory	<p>The Group operates in an industry which is subject to specific regulatory risk, planning development regulations for deployment of the Group's assets and regulatory changes with respect to advertising content on the Group's assets. oOh!media engages proactively with regulatory and industry bodies regarding development of regulation and in ensuring compliance by the Group's activities.</p>
Governance	<p>The Group recognises stakeholder expectations regarding governance for an enterprise of its scale and operating as a publicly listed entity. A significant failure to meet expected standards of governance would impact the reputation and business outcomes for the Group. oOh!media engages professional in-house and where required, external, governance experts to assist its corporate, finance, legal and operations functions to provide advice and support, and to manage and review governance processes and systems.</p>
ESG	<p>Expectations from advertisers, governments, landlords, employees, shareholders and other stakeholders with regards to the Company's ESG profile continue to evolve. The Company formally established an ESG function in 2022 and is building out the broader understanding and capabilities in this area through a mix of internal appointments and specialist consulting services.</p>

IT & Cybersecurity	Description of risk and the Company's mitigation
<b>IT security &amp; resilience</b>	<p>Failure to appropriately address security risks around external threats to the digital network, IT systems and data (including personal information) could result in system suspension, loss of control or failure, the potential loss of intellectual property or a personal information data breach. oOh!media has developed a Cyber Security Strategy and processes. Activities in relation to managing Cyber Security risk are overseen by a Cyber Security Steering Committee comprising of executives leading the operational functions in addition to the IT executive leadership. Cyber risk management activities are reported regularly to the Board and its Committees, including the Technology Committee. The business does not acquire nor retain private information of individuals other than employees.</p>
People & Capability	Description of risk and the Company's mitigation
<b>WHSE</b>	<p>Work, health, safety and environmental (WHSE) risks could occur causing physical injury or death to employees or others, damage to property or the environment, damage to reputation and involve regulatory breach. oOh!media has a dedicated Wellbeing, Safety and Environment function, complemented by a management system that is rigorously enforced. This team conducts quality assurance on providers to ensure compliance with policies, induction, licensing requirements, insurance and WHS policies. oOh!media has a Group-wide induction and new site training program for workplace, health and emergency measures and conducts third party independent audits of its work, health &amp; safety and environmental systems to identify any areas for continuous improvement. Strategy and processes, policies and activities in relation to managing WHSE are overseen by a WHSE Steering Committee comprising of executives leading operational functions across the Group. WHSE risk management activities and all incidents are reported to and considered regularly by the Board.</p>
<b>Culture, employee retention &amp; succession</b>	<p>The Company has a vibrant and entrepreneurial culture which embraces colleagues as individuals as well as contributors. This culture has enabled the Company to grow to be the largest Out of Home operator in Australia and New Zealand and was the foundation of the Company's successful response to the risks which eventuated with the COVID-19 pandemic. Business structure and employee capability may not continue to evolve to meet the growing changes and complexity in the products, market, agencies and emerging digital environment. This failure may negatively impact the innovative and entrepreneurial culture of the Company and the ongoing relevance and performance of oOh!media within the market. As the business evolves, structure, culture and capability is carefully assessed to ensure it aligns to the business strategy and has the agility to adapt to new favourable opportunities. oOh!media has Group-wide onboarding and subsequent structured and on the job learning programs, an informal mentoring program, and recognition programs beyond remuneration. The Remuneration &amp; Nomination Committee of the Board works closely with the CEO and Chief People &amp; Culture Officer on the design and implementation of the Company's culture programs, reviewing results and the Company's response and action to regular culture surveys.</p> <p>Employee retention and succession planning enables the Group's consistent performance and delivery of its strategy and competitive success. Significant loss of employees and particular capabilities over a short period could impact the Company's ability to operate effectively or achieve its revenue targets. oOh!media undertakes short-term and long-term succession and organisational planning for key roles. Retention and succession activities and outcomes are regularly reviewed by the Board.</p>



## Directors' Report continued

### MATTERS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year, and after the approval of these consolidated financial statements, the Board has declared a fully franked dividend of 3.0 cents per ordinary share, amounting to \$17,433,000 in respect of the year ended 31 December 2022 (31 December 2021: \$5,986,000). This dividend is payable on 23 March 2023. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 31 December 2022 and will be recognised in subsequent financial reports.

No other matter or circumstance at the date of this Report has arisen since 31 December 2022 that has significantly affected or may affect:

- the operations of the Group in future financial years;
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

### ENVIRONMENTAL REGULATION

The operations of the consolidated entity are not subject to any particular or significant environmental regulation under the law of the Commonwealth of Australia or any of its states or territories, or New Zealand. The Group has not incurred any significant environmental liabilities.

For further information see the Sustainability Report.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Group, nor have any applications been made in respect of the Group under section 237 of the *Corporations Act 2001* (Cth).

### ROUNDING OF AMOUNTS

ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 (Instrument) issued by the Australian Securities and Investments Commission (ASIC), relating to the "rounding off" of amounts in the Directors' Report applies to the Company.

Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar, unless otherwise stated.

## DIRECTORS' MEETINGS

The record below shows the number of directors' meetings held during the year, the number of meetings the directors were eligible to attend and the number of meetings attended.

Director	Board Meetings		Audit, Risk & Compliance		Remuneration & Nomination Committee		Technology Committee	
	H	A	H	A	H	A	H	A
<b>Total meetings</b>	14		4		6		3	
Tony Faure	14	14						
Mick Hellman <sup>a</sup>	5	3			2	2		
Philippa Kelly	14	14			6	6	3	3
Timothy Miles	14	13	4	4			3	3
Cathy O'Connor	14	14						
Joe Pollard	14	14			6	6		
Andrew Stevens	14	13	4	4			3	3
David Wiadrowski	14	14	4	4	4	4		

H – number of meetings held during the period the Director was a member of the Board/Committee.

A – number of meetings attended by the Director during the period the Director was a member of the Board/Committee.

a. Not a Board member for all of CY22. For times of Board appointment, see Board of Directors on page 20.

In addition, Board sub-committees were convened from time to time during the period to support the Board in execution of its responsibilities.

## BOARD SKILLS, EXPERIENCE & DIVERSITY

The Board, together with the Remuneration & Nomination Committee, reviews the skills, experience and diversity represented by Directors on the Board and determines whether the composition and mix of these factors remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-executive Directors.

The results of the 2022 self-assessment of the Directors' skills and experience are shown on the matrix below. The results represent those Directors who confirmed their expertise or experience in the relevant area.

The Board has an average tenure of 3 years and 7 months<sup>1</sup>, representing a good balance of deep corporate knowledge and new perspectives. From April 2022, the Board has had a male:female ratio of 4:3<sup>2</sup>. This represents 42.8% women Directors, in excess of the minimum 30% recommended by the ASX Corporate Governance Council for ASX 300 companies.

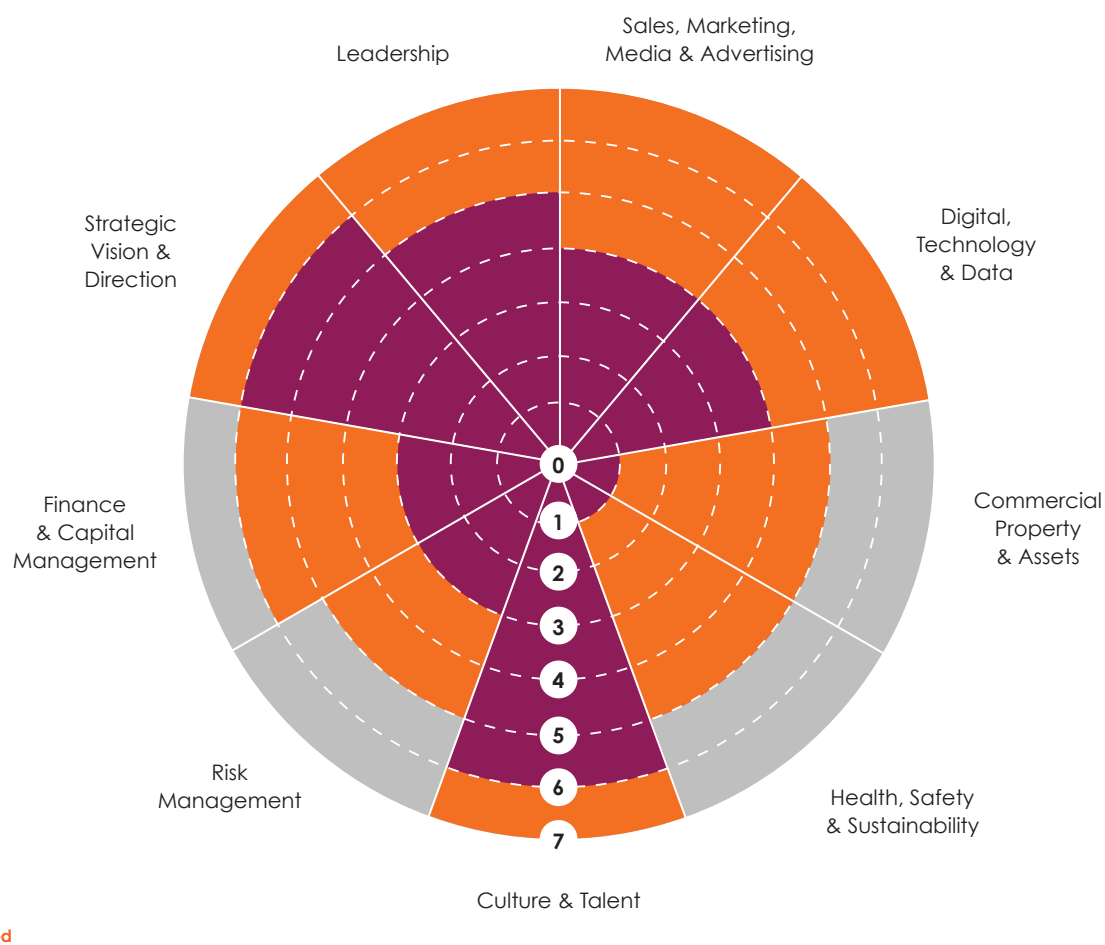
We are confident the current Board composition provides a strong combination of skills, experience and diversity to allow oOh!media to execute its long-term strategy to drive sustainable growth and maximise shareholder value.

Note: The matrix below shows the Board skills composition at the date of this Report.

1. This reflects Non-executive Director tenure only, as at 31 December 2022.

2. This is inclusive of the Managing Director/CEO.





**Commercial Property & Assets**

Experience in commercial property, leasing and asset / inventory management, including in multi-site deployments.

**Leadership**

Successful leadership of a large organisation, including executive oversight and governance of a listed company.

**Culture & Talent**

Experience in overseeing and assessing people, including corporate culture, leadership assessment and workforce and succession planning and in setting remuneration frameworks and executive incentives.

**Risk Management**

Experience in risk management and strategy, including risk culture and appetite and systematic risk identification, assessment, controls and monitoring.

**Digital, Technology & Data**

Experience in technology strategies, information, data security and innovation and in digital media creation, sourcing and distribution.

**Sales, Marketing, Media & Advertising**

Experience in marketing and sales execution within the advertising and media sector across traditional and digital media channels.

**Finance & Capital management**

Experience in financial accounting and reporting and debt and equity capital management, including investor relations. Experience in capital allocation across business operations.

**Strategic vision & direction**

Experience and acumen in developing, implementing and delivering strategic business objectives.

**Health, Safety & Sustainability**

Experience overseeing and assessing environmental, social and workplace health and safety initiatives, including the sustainability of relevant processes. Experience monitoring internal and external processes, including mental health, physical well-being, supply chain, emissions and modern slavery risks.

## CORPORATE GOVERNANCE

oOh!media's most recent Corporate Governance Statement is available on oOh!media's website under <https://investors.oohmedia.com.au/investor-centre/?page=governance>.

## SHARES ISSUED & EXERCISE OF RIGHTS

### Ordinary shares of oOh!media Limited

At 31 December 2022, there were 6,230,659 performance rights on issue (2021: 5,977,854). In 2022, none of the performance rights under the Long-Term Incentive Plan vested, therefore no shares were issued.

The total number of fully paid shares on issue at 31 December 2022 is 581,083,960 (2021: 598,645,873). As announced to the market, the Company is undertaking an on-market share buy-back and as a result the number of fully paid shares on issue reduced during CY22 and will continue to reduce until the buy-back concludes.

## DIRECTORS' INTERESTS IN SHARES, RIGHTS AND OPTIONS OF THE COMPANY

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

## SHAREHOLDER RETURNS

	2022	2021	2020	2019	2018 <sup>b</sup>
Adjusted NPAT	56,216	12,689	(8,509) <sup>a</sup>	52,352	51,056
Profit attributable to the owners of the Company (\$'000)	31,516	(10,288)	(36,183) <sup>a</sup>	13,668 <sup>b</sup>	29,124
Basic earnings / (loss) per share (cents)	5.3	(1.7)	(7.1) <sup>a</sup>	5 <sup>c</sup>	14 <sup>d</sup>
Dividends – interim paid and final declared (\$'000)	26,368	5,986	Nil	26,566	26,094
Dividends per share – interim paid and final declared (cents)	4.5	1.0	Nil	11.0	11.0
Share price – closing at balance date (\$)	1.29	1.69	1.66	3.64	3.42
Free Cash Flow per share (cents per share)	11.5	8.7	16.4	14.5	15.3
Return on invested capital (%)	14.92%	9.12%	6.11%	12.09%	20.77%

a. As a result of the IFRS IC agenda decision – IAS 38 Intangible Assets, the Group has changed its accounting policy, retrospectively adjusting the accounting for customisation costs for cloud computing arrangements. Refer to Note 2 of the FY21 Financial Statements.

b. As a result of the IFRS Interpretation Committee (IC) agenda decision, the Group has changed its accounting policy, retrospectively adjusting the deferred tax accounting for Brands. Refer to Note 10 of the 2020 Financial Statements.

c. CY19 basic earnings / (loss) per share have been adjusted to reflect the Group's capital raising during 2020. Refer to Note 29 of the 2020 Financial Statements.

d. CY18 basic earnings / (loss) per share have been adjusted to reflect the effect of the purchase price allocation accounting for Adshel which was completed in 2019.

Shareholder returns per share reflect:

- the issuance of:
  - 71,709,994 additional fully paid ordinary shares issued in July 2018 to assist in financing the acquisition of the share capital of Adshel on 28 September 2018;
  - 315,101,745 additional fully paid ordinary shares issued in April 2020 as part of the equity raising announced on 26 March 2020;
  - 6,857,593 additional fully paid ordinary shares in March 2021 to fulfil obligations under the Company's employee incentive plans, upon 2020 short term incentives being issued as equity rather than cash; and
- the cancellation of 17,561,913 during CY22 as part of the on-market share buy-back.

Net profit amounts have been calculated in accordance with the Australian Accounting Standards. Dividends for CY22 were fully franked.



### DIVIDENDS

The following fully franked dividends have been paid to date:

Dividends paid during 2022	Amount per share (cents)	Total paid (\$)
Final 2021 dividend (paid 24 March 2022)	1	5,986,459
Interim 2022 dividend (paid 22 September 2022)	1.5	8,935,744

Dividends paid during 2021	Amount per share (cents)	Total paid (\$)
No dividends were paid in 2021	Nil	Nil

The Company's policy is to pay dividends of 40-60 per cent of Adjusted Underlying net profit after tax, as AASB16 does not have a cash impact and there is no cash replacement cost for the acquired intangibles. The Board declared a fully franked final dividend of 3 cents per ordinary share in respect of the year ended 31 December 2022. This dividend is payable on 23 March 2023. The financial effect of this dividend has not been brought to account in the consolidated Financial Statements for the year ended 31 December 2022 and will be recognised in subsequent financial reports. The financial effect of this dividend is outlined in Note 34 of the financial statements.

The Company's Dividend Reinvestment Plan did not operate for any dividends paid during CY22 and will not operate for the Final 2022 dividend.

### INDEMNIFICATION & INSURANCE OF DIRECTORS AND OFFICERS

The Company, to the extent permitted by law, indemnifies each Director, alternate Director and Executive Officer of the Company on a full indemnity basis against all losses, liabilities, costs, charges and expenses incurred by that person as an Officer of the Company or one of its related bodies corporate.

The Company, to the extent permitted by law, may purchase and maintain insurance, or pay, or agree to pay, a premium for insurance for each Director, alternate Director and Executive Officer of the Company against any liability incurred by that person as an Officer of the Company or its related bodies corporate, including a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings, whether civil or criminal and whatever their outcome.

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access to board papers, books, records and documents of the Company that relate to the period during which the Director or former Director was a Director. The Company may arrange that its related bodies corporate provide similar access to board papers, books, records or documents.

### INSURANCE PREMIUMS

The Company has paid insurance premiums in respect of Directors' and Officers' Liability insurance for the year ended 31 December 2022 and since the end of that year. Such insurance contracts insure against certain liability (subject to specific exclusions) of persons who are or have been Directors, alternate Directors or Executive Officers of the Company or in that capacity to the extent allowed by the *Corporations Act 2001* (Cth). The terms of the policies prohibit disclosure of the liability and premium paid.

### NON-AUDIT SERVICES

During the year, KPMG, the Company's auditor, performed certain other services in addition to its statutory duties.

The Board has considered the non-audit services provided during the year by the auditor, and, in accordance with the advice received from the Audit, Risk & Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirement of the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services are subject to corporate governance procedures, including oOh!'s Non-Audit Services Policy, adopted by the Group and have been reviewed by those charged with the governance of the Group throughout the year to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) as they did not involve the auditor reviewing or auditing its own work, acting in a management or decision-making capacity for the Group, acting as an advocate to the Group or jointly sharing the risks and rewards.

Details of the audit and non-audit service fees paid or payable to the Company's auditor during the year are disclosed in Note 31 of the financial statements.

Audit and assurance services		
	2022 \$	2021 \$
<i>KPMG Australia</i>		
Audit and review of Financial Statements	673,770	601,002
Other assurance services	131,087	171,991
<b>Total audit and assurance services</b>	<b>804,857</b>	<b>772,993</b>
Other services		
	2022 \$	2021 \$
<i>KPMG Australia</i>		
Taxation compliance and advisory services	473,978	213,407
<b>Total other services</b>	<b>473,978</b>	<b>213,407</b>
<b>Total auditor's remuneration</b>	<b>1,278,835</b>	<b>986,400</b>

## OTHER INFORMATION

The following information, contained in this Annual Financial Report, forms part of this Directors' Report:

- Operating and Financial Review
- Board of Directors
- Audited Remuneration Report
- Lead Auditor's Independence Declaration

This Report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001* (Cth).

Signed on behalf of the Directors.



**Tony Faure**  
Chair

20 February 2023, Sydney





# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of oOh!media Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of oOh!media Limited for the financial year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten-style signature of the KPMG logo in grey.

KPMG

A handwritten signature in grey ink, appearing to read 'Kristen Peterson'.

Kristen Peterson

*Partner*


Sydney

20 February 2023

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CREMORNE  
SHOPPING  
VILLAGE

ENTERED  
VILLAGE

# Remuneration Report

Dear Shareholders,

On behalf of the Board, I am pleased to present the oOh!media Remuneration Report for the year ending 31 December 2022. This Report sets out the Group's approach to its remuneration philosophy and on-going refinements of the incentive structure introduced to further align with shareholder value.

During CY22, oOh!media focused on capitalising on the growth of the Out of Home (OOH) sector against other media. The scale, diverse assets, increasing digitisation, creativity, outstanding teamwork and appointment of new key talent to the business positions us well for current and future success.

The Group's financial performance in CY22 improved compared to CY21. Revenue and EBITDA increased over the previous year, leading to a total of 4.5c per share in dividends for the full year, up from 1c per share in CY21.

Our remuneration focus during CY22 was on the implementation of a range of changes to the remuneration framework following a broad-based external review of the Group's approach to remuneration in late CY21. These changes have been designed to ensure a stronger link between incentives and performance outcomes, rewarding achievement of the Group's post-COVID-19 growth strategy and aligned with shareholder returns.

## KEY MANAGEMENT PERSONNEL

In the past year we experienced some changes to our KMP:

- We would like to thank Mick Hellman for the contribution he made during his two years on the Board as well as his contribution on the Remuneration & Nomination Committee. Mick retired from the Board on 9 April 2022.
- Sheila Lines, the former Chief Financial Officer resigned effective 1 August 2022 after 4 years at oOh!. Sheila made a highly valuable contribution to oOh! during her tenure and played an instrumental role in strengthening the Company's balance sheet enabling the Company to execute on its strategy.

After a market wide executive search process, conducted by a top tier search firm, we were pleased to be able to internally promote Chris Roberts to Chief Financial Officer, effective 1 August 2022.

## LONG TERM INCENTIVES

oOh! continues to review and adjust incentives to ensure they appropriately incentivise and retain executives while meeting shareholder expectations for disciplined financial management.

The Long-term incentives (LTI) have been retained and remained largely unchanged over the last three years. A refinement of the Free Cash Flow (FCF) hurdle was made to expand the measure as a cumulative FCF per share measure over the entire 3-year performance period, providing greater alignment between investing for growth over a longer period and shareholder expectations.

Details for CY22 LTI can be found on page 49 of this Report.



## SHORT TERM INCENTIVES

Short-term incentives (STI) company performance measures have been expanded in CY22. The EBITDA margin measure has been revised, and the Company also introduced a new measure targeting the achievement of a revenue budget, and the pre-existing measures were reweighted accordingly.

The four CY22 measures, are as outlined below:

- 40% achieving adjusted underlying EBITDA<sup>1</sup> at 20% of revenue for CY22;
- 25% maintaining or growing Out of Home market share<sup>2</sup> from the end of CY21;
- 25% achieving CY22 revenue<sup>3</sup> budget; and
- 10% achieving strategic priority to increase overall employee engagement scores from a 2021 base.

Adjusting the EBITDA measure continues to incentivise driving profitable revenue growth and appropriately removes reference to CY19 post the COVID-19 recovery. The reweighting of the revenue metric balances alignment to the strategic goal of revenue growth with share and margin growth.

Further detail relevant to the CY22 STI Plan, measures and outcomes can be found on page 49 of this Report.

## STI DEFERRAL INTRODUCTION

An equity-based deferral scheme will be introduced in CY23, reflecting market practice to increase equity participation in executive remuneration and further aligns executive reward to shareholder interests.

## 2020 LTI INCENTIVES

The CY20 LTI partially vested in February 2023, resulting in 92.4% of the full allocation vesting. Details of the outcomes can be found on page 45 of this Report.

It is not yet known whether the minimum hurdles will be met for LTI issued in CY21. Accordingly, the business continues to accrue for all active LTI's.

## EMPLOYEE SHARE TRUST

The Company initiated steps in CY22 to establish an Employee Share Trust (EST) early in CY23 to assist with the allocation of employee incentive schemes. No shares were purchased on market or issued under the EST during CY22, however the Company proposes to buy shares on market in CY23 to fulfil the vesting of the 2020 LTI's. The detail of these purchases will be disclosed in the FY23 Remuneration Report as required under the ASX Listing Rules.

## NON-EXECUTIVE DIRECTOR FEES

An external benchmarking exercise was also undertaken in respect of Non-executive Director fees, with the result that these fees remained unchanged for CY22.

The Non-executive Director fees have been reviewed and will increase in CY23, the first increase since 2019.

In a year of emergence from COVID-19 operational challenges, oOh!media's leadership and the entire team have navigated the opportunities well to drive strong financial performance while supporting all stakeholders.



**Philippa Kelly**

Chair, Remuneration & Nomination Committee

1. Adjusted underlying EBITDA referred to in Note 4 of the Consolidated Financial Statements.

2. Market share for Executives and dual role staff is measured across Australia and New Zealand, but otherwise is Australian market share for Australian staff and New Zealand market share for New Zealand staff.

3. Revenue for Executives and dual role staff is measured across Australia and New Zealand, but otherwise is Australian revenue for Australian staff and New Zealand revenue for New Zealand staff.

## Remuneration Report continued

The information in this Report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

### LIST OF KMP

The key management personnel (KMP) for CY22 are the Non-executive Directors and two Executive roles with specific responsibility for planning, directing and controlling the material activities of oOh!media, namely the Managing Director/Chief Executive Officer and the Chief Financial Officer. There is also an Executive Leadership Team that supports the KMP.

#### Non-executive Directors

Tony Faure <sup>a</sup>	Chair and Non-executive Director
Marco (Mick) Hellman <sup>b</sup>	Non-executive Director
Philippa Kelly	Independent Non-executive Director
Timothy (Tim) Miles	Independent Non-executive Director
Joanne (Joe) Pollard	Independent Non-executive Director
Andrew Stevens	Independent Non-executive Director
David Wiadrowski	Independent Non-executive Director and Lead Independent Director

#### Executives

Catherine (Cathy) O'Connor	Chief Executive Officer and Managing Director (CEO)
Christopher (Chris) Roberts <sup>c</sup>	Chief Financial Officer (CFO)

#### Former Executives

Sheila Lines <sup>d</sup>	Chief Financial Officer
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- a. Early in 2022 the Board determined Tony Faure was not to be considered an independent director based on his consultancy to Junkee Media July 2016-Dec 2020 and that is reflected in this table for CY22. The Board has since considered the circumstances, including the sale of Junkee Media and the lapse of further time, and has now determined that, from 2023, the Board considers Tony Faure to be an independent Non-executive Director.
- b. Mick Hellman retired effective 9 April 2022.
- c. Chris Roberts was appointed CFO effective 1 August 2022.
- d. Sheila Lines resigned as CFO effective 1 August 2022 and remained as a consultant to the Company until 30 September 2022.

### REPORTING PRINCIPLES

The Remuneration Report refers to a range of non-IFRS (International Financial Reporting Standards) financial information including adjusted underlying EBITDA<sup>4</sup>. oOh!media believes this non-IFRS financial information provides useful insight to users of this Report in measuring the financial performance and condition of oOh!media.

The Remuneration Report has been prepared on a basis consistent with the Consolidated Financial Statements and accordingly includes total remuneration details for the year ended 31 December 2022. oOh!media's remuneration framework is structured to ensure it is market competitive and supports and motivates the Executive and the broader team to work toward both short and long-term strategic objectives that align to sustainable value creation for shareholders.

4. Adjusted underlying EBITDA referred to in Note 4 of the Consolidated Financial Statements.

## REMUNERATION PHILOSOPHY

This Remuneration Report explains the Board's approach to executive remuneration, and to performance and remuneration outcomes for oOh!media and its KMP.

## REMUNERATION PRINCIPLES AND STRATEGY

The success of oOh!media is based on its people and culture. oOh!media's remuneration framework focuses on a competitive fixed annual remuneration (FAR) combined with short-term incentives (STI) and long-term incentives (LTI).

Executive incentives are "at-risk" and reward achievement of oOh!media's annual financial outcomes and strategic goals, including long-term growth in shareholder value.

ATTRACT AND RETAIN		REWARD ACHIEVEMENT OF GOALS	LONG-TERM ALIGNMENT TO SHAREHOLDERS
FAR		STI	LTI
CASH		EQUITY	
<ul style="list-style-type: none"> <li>Benchmarked in December 2021 against comparable independent remuneration data and advice</li> <li>Key roles with retention risk reviewed as market conditions require</li> <li>Set competitively to relevant industry peer group</li> </ul>		<ul style="list-style-type: none"> <li>Based on two components:                             <ul style="list-style-type: none"> <li>Company performance, comprised of:                                     <ul style="list-style-type: none"> <li>EBITDA margin</li> <li>Revenue achievement</li> <li>Market share</li> <li>Increasing employee engagement</li> </ul> </li> <li>Individual performance</li> </ul> </li> <li>Set yearly, linked to individual and group performance against organisation strategy, and subject to over-riding Board discretions, including to issue as equity</li> </ul>	
Market competitive fixed annual remuneration		Set challenging short- and long-term incentives linked to the creation of sustainable shareholder returns	

oOh!media's remuneration principles are to guide practices that are:

- market competitive;
- performance related;
- fair; and
- relatively easily understood – subject to some complexities inherent in balancing fairness to employees and shareholders amidst the uncertainties of the post-COVID environment.

Fixed remuneration is periodically benchmarked and discretionary remuneration is linked to achievement of business objectives through interlinked goals.

The Board and/or the Remuneration & Nomination Committee reviews all remuneration principles, practices, strategies and approaches, at least annually, to ensure they support the long-term business strategy and are appropriate for a listed company of oOh!media's size.



### COMPONENTS OF REMUNERATION AND THEIR RATIONALE INCLUDING LINKS TO PERFORMANCE AND SHAREHOLDER WEALTH

Component	Performance conditions	Link to strategy and performance
<b>Fixed Annual Remuneration (FAR)</b>  Salary and other benefits including superannuation.	No conditions	To attract and retain talented people and in compliance with legal obligations to pay employees at least minimum salaries and superannuation.
<b>Short Term Incentive (STI)</b>  Most employees are eligible to participate in the STI program. Participants must be employed by 1 October in the year to be eligible that year. <sup>5</sup>	<p>STI for each member of staff is based on proportions of organisational and individual performance, weighted to organisational performance with seniority. Executive KMP have a weighting of 70% organisational and 30% individual performance.</p> <p>Individual performance measures are set with line management and subject to overriding discretions and consistency calibrations.</p> <p>Organisational performance is assessed against four measures:</p> <p><b>a. 40% EBITDA Margin</b></p> <p>Achieve adjusted underlying EBITDA of 20% of revenue for CY22.</p> <p><b>b. 25% Revenue Achievement</b></p> <p>Achieve CY22 revenue budget.</p> <p><b>c. 25% maintaining Out of Home market share</b></p> <p>Share of the total Australian and New Zealand Out of Home market<sup>6</sup>. The base is no adverse change in market share from the end of CY21 for Australia and New Zealand.</p> <p><b>d. 10% achievement of strategic priorities</b></p> <p>The strategic priority measure for CY22 was to increase the overall employee engagement score by 3% from CY21 base.</p>	<p>In CY22, an EBITDA margin was added as a company performance measure to reward keeping revenue profitable and controlling costs. This simplified and replaced the former metric of Relative revenue drop through to EBITDA against CY19, which had been developed for the volatile revenues of COVID-19 impacted CY20-21.</p> <p>The Revenue Achievement measure was introduced in CY22 to reward growing oOh!'s revenues and more broadly leading OOH share of media growth.</p> <p>The Market Share measure complements the Revenue Achievement measure, to ensure that revenue growth is not simply due to sector growth, by requiring oOh! to maintain or grow position as a market leader in Out of Home.</p> <p>The strategic priorities measure rewards increased employee engagement which is critical to sustaining a high level of employee performance and business success.</p> <p>The 3 financial measures each include the opportunity for a greater than 100% STI allocation for overachievement, but the strategic priority measure does not.</p> <p>All of the measures allow for a reduced allocation for a shortfall in achievement that is still above minimum thresholds.</p> <p>Subject to overriding Board discretion, no allocation applies for underachievement below the stated minimum thresholds.</p> <p>For further detail see page 49.</p>

5. This is subject to Board discretion in exceptional circumstances.

6. For Australia this is measured principally using the Outdoor Media Association CY22 data and for New Zealand the figures are provided by the Out of Home Media Association Aotearoa (OOHMAA).

Component	Performance conditions	Link to strategy and performance
<b>Long-Term Incentive (LTI)<sup>7</sup></b> An allocation of performance rights granted by invitation, to a defined set of senior leaders as approved by the Board and aligned to long-term shareholder value creation.	<p>There are three LTI performance hurdles, each measured over a 3-year performance period and each representing 1/3 of the target award.</p> <p>The first is based on a Cumulative Free Cash Flow per share (FCF), being calculated as:  (operating cash flow CY22-CY24 less capital expenditure and finance lease liabilities paid over CY22-CY24) / weighted number of issued shares<sup>8</sup>.</p> <p>The second hurdle is based on a Return on Invested Capital (ROIC): (CY24 adjusted underlying EBITDA) / invested capital.<sup>9</sup></p> <p>The third hurdle is based on Relative Total Shareholder Return<sup>10</sup> (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).</p> <p>For specific targets see page 49.</p>	<p>Aligns the interests of Executive KMP and other key employees with shareholders by focusing on long-term growth. The purpose of oOh!media's LTI Plan is to provide incentive to attract, retain and motivate eligible employees whose present and potential contributions are important to the success of oOh!media by offering them a chance to participate in the future performance of the Company. All selected measures are objective and transparent:</p> <ul style="list-style-type: none"> <li>• FCF<sup>11</sup> aligns incentives with shareholder interests by measuring and rewarding oOh!media's ability to generate cash flow on a per share basis.</li> <li>• The ROIC hurdle rewards employees for generating shareholder returns relative to the deployment of the Company's capital.</li> <li>• Relative TSR measures performance against peers and reflects investor returns generated by the Company compared to a broad index of other investment opportunities for shareholders.</li> </ul> <p>The Board retains the right to alter targets during the performance period to account for significant acquisitions, divestments or other items, or to clawback or adjust any or all allocated LTI in relevant circumstances.</p> <p>The number of rights that vest is a percentage of those targeted, based on the outcome of the three hurdles over the performance period of CY22 to CY24.</p> <p>For further detail see page 49.</p>

7. CY20 and CY21 LTI's have the same "Link to strategy and performance" and "Performance conditions", except the FCF target is not cumulative, instead being based on operating cash flow and finance lease liabilities paid in the final year of the relevant performance period, i.e. for 2020 LTI that is CY22 and for 2021 LTI that is CY23. The CY19 LTI did not vest on testing in March 2022 and therefore did not affect compensation in the reporting period. For detail on the CY19 LTI, see the 2019 Annual Report.
8. Having regard to the weighted shares on issue from 1 January 2022 to 31 December 2024.
9. Average of the opening and closing balances of invested capital for CY24. Fixed costs are fixed rent obligations previously realised in cost of goods sold and opex pre AASB16 resulting in an Adjusted Underlying EBITDA result. Invested capital is total equity plus net debt.
10. Relative TSR is calculated as aggregate dividends paid during the 3-year performance period plus the share price movement from the beginning to end of the performance period.
11. FCF was introduced in CY20 as more appropriate post-AASB16 than the previous EPS measure, which would require adjustment for non-cash accounting impacts of AASB16 as leases within the Company's extensive lease inventory are initiated or approach maturity, or are modified or terminated within the original lease term.

## Remuneration Report continued

### Remuneration linked to financial performance indicators and shareholder wealth

Information on the Company's performance is shown below:

	2022	2021	2020	2019	2018
Adjusted underlying EBITDA (\$'000)	127,096	77,553	62,499 <sup>a</sup>	138,987	112,525
Profit / (loss) attributable to the owners of the Company (\$'000)	31,516	(10,288)	(36,183) <sup>a</sup>	13,668 <sup>b</sup>	29,124
Basic earnings / (loss) per share (cents)	5.3	(1.7)	(7.1) <sup>a</sup>	5.0 <sup>c</sup>	14.3 <sup>d</sup>
Dividends – interim paid and final declared (\$'000)	26,368	5,986	nil	26,566	26,094
Dividends per share – interim paid and final declared (cents)	4.5	1.0	nil	11.0	11.0
Share price – closing at balance date (\$)	1.29	1.69	1.66	3.64	3.42
Change in share price over the year (\$)	(0.41)	0.03	(1.98)	0.22	(1.08)
Free Cash Flow per share (cents per share)	11.5	8.7	16.4	14.5	15.3
Return on invested capital (%)	14.92	9.12	6.11	12.09	20.77

a. As a result of the IFRS IC agenda decision – IAS 38 Intangible Assets, the Group has changed its accounting policy, retrospectively adjusting the accounting for customisation costs for cloud computing arrangements. Refer Note 2 of the FY21 Consolidated Financial Statements.

b. As a result of the IFRS Interpretation Committee (IC) agenda decision, the Group has changed its accounting policy, retrospectively adjusting the deferred tax accounting for Brands. Refer to Note 10 of the Consolidated Financial Statements attached to the 2020 Annual Report.

c. CY19 basic earnings / (loss) per share have been adjusted to reflect the Group's capital raising during 2020.

d. CY18 basic earnings / (loss) per share have been adjusted to reflect the effect of the purchase price allocation accounting for Adshel which was completed in 2019.

### EXECUTIVE KMP REMUNERATION

Executive KMP	FAR for 2022
Cathy O'Connor	\$1,334,878 <sup>a</sup>
Chris Roberts	\$ 453,878 <sup>b</sup>
Sheila Lines	\$ 529,312 <sup>a+c</sup>

a. FAR includes 10% superannuation from 1 January – 30 June 2022 and then 10.5% superannuation from 1 July – 31 December 2022.

b. Chris Roberts became an KMP on 1 August 2022, after becoming the CFO. This amount is annualised. See the Statutory Remuneration Disclosure Table – KMP on page 46 for the prorated amount for the period 1 August – 31 December 2022.

c. Sheila Lines resigned as a KMP effective 1 August 2022. This amount is annualised. See the Statutory Remuneration Disclosure Table – KMP on page 46 for the prorated amount for the period 1 January – 31 July 2022.



## 2022 STI OUTCOMES

The 2022 STI company performance outcomes (worth 70% of the total STI outcome for Executive KMP) are based on performance against four performance measures (detailed on page 49):

1. 40% EBITDA margin;
2. 25% Revenue Achievement;
3. 25% maintaining market share; and
4. 10% achievement of strategic priorities.

The business did not meet the threshold for payment under the market share measure, but either exceeded, met or substantially met the other three measures, as detailed below:

1. The EBITDA margin was 21.4%. As this exceeds the target, it translates to 136.4% achievement against this measure.
2. The revenue target was partially met at 95.6% of target. This translates to 72.6% achievement against this measure.
3. CY22 OOH market share dropped by more than the 1% margin for error. Accordingly, there is no allocation in respect of this measure.
4. The strategic priorities measure was exceeded, with the overall employee engagement score improving by 5%, which was greater than the target increase of 3%. As there is no additional allocation for overachievement of this measure, this translates to 100% achievement against this measure.

Taken together, achievement against the corporate measures resulted in 82.7% of the potential full corporate allocation for CY22 being awarded.

For details on the 2022 STI individual performance outcomes (worth the remaining 30% of the total STI outcome for Executive KMP), see the table on page 42.

### Target STI for 2022

The table below outlines the Annualised Target STI for the Executive KMP for CY22.

Executive KMP <sup>a</sup>	Min STI	Target STI opportunity <sup>b</sup>	Target as a % of FAR	Max STI opportunity <sup>c</sup>	Max target as a % of FAR
Cathy O'Connor	\$0	\$400,000	29.97%	\$600,000	44.95%
Chris Roberts <sup>d</sup>	\$0	\$154,700 <sup>e</sup>	34.08%	\$232,050 <sup>e</sup>	51.13%

a. Sheila Lines did not participate in the CY22 as she was not employed for the whole performance period.

b. Target STI represents the amount payable at 100 per cent achievement of STI measures outlined on page 49.

c. Maximum STI is available on reaching a set value above the Revenue budget and OOH market share increasing to 43.1% across ANZ and EBITDA margin of 22% and employee engagement lifting to at least 74% and 150% on achievement of individual performance measures, for detail see page 49.

d. Chris Roberts was appointed CFO effective 1 August 2022.

e. Chris Roberts became a KMP on 1 August 2022, after becoming the CFO. Amounts are annualised. The prorated amounts for the period 1 August – 31 December 2022 are target STI opportunity of \$64,458 and max STI opportunity of \$96,688.

### Final 2022 STI payments

The table below outlines the STI payments to the Executive KMP for the calendar year ended 31 December 2022, based on the Annual Bonus Plan and including the STI allocation as a percentage of the FAR:

Executive KMP	Amount paid (inclusive of superannuation) (\$) <sup>a</sup>	Actual allocation as a % of FAR
Cathy O'Connor	\$351,532	26.33%
Chris Roberts <sup>b</sup>	\$58,582	12.91%

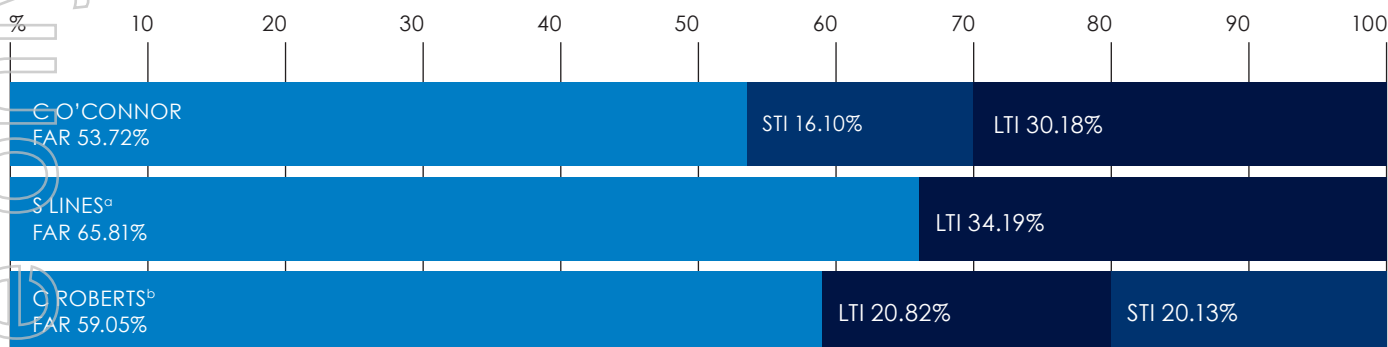
a. Payable in Q1 2023.

b. The Amount paid reflects prorating for Chris' start date as KMP of 1 August 2022.

## Remuneration Report continued

### COMPONENTS OF REMUNERATION

The following table shows the target remuneration mix as a percentage of total remuneration for Executive KMP in CY22. The STI amount reflects the Target STI opportunity and the LTI amount is based on the total face value of the number of performance rights granted in May 2022 for C O'Connor, S Lines and C Roberts related to the 2022 LTI program.



A. Sheila Lines did not participate in STI in CY22 as she was not employed for the whole performance period and that was known before invitations to participate were issued. Her existing LTI rights remain on foot with the same conditions.

B. Chris Roberts' LTI's were granted prior to becoming a KMP on 1 August 2022. FAR, LTI target face value and target STI are annualised at KMP rate.

### CEO STI Performance Scorecard

The \$ Total STI allocation is 58.59% of the \$600,000 Maximum STI Opportunity.

Goal <sup>a</sup>	Company/ Individual weighting	Internal Company measures weighting	% STI achievement	% STI achieved as % of Total Target STI allocation	\$ Total STI allocation
<b>Company performance measures</b>					
	70%				
• EBITDA margin <sup>a</sup>		40%	136.4%	38.2%	\$152,720
• Revenue achievement <sup>a+b</sup>		25%	72.6%	12.7%	\$50,813
• Maintaining market share <sup>a</sup>		25%	0%	0%	\$0
• Strategic priorities <sup>a</sup>		10%	100%	7%	\$28,000
<b>Individual performance measures</b>					
• Deliver milestones against the agreed growth strategy					
• Successfully define and implement a new organisational structure and operating model, which supports the company strategy and leads to cost savings positively impacting our profitability					
• Take an industry leadership role and build the OOH sector profile, which helps to grow the overall industry and subsequently positively benefits oOh!	30%	n/a	100%	30%	\$120,000
• Successful retention of desired existing and acquisition of agreed new commercial contracts with appropriate margin					
• Successfully acquire new strategic clients in key growth areas in line with company strategy and with appropriate margin					

## CFO STI Performance Scorecard

The \$ Total STI allocation is 60.59% of the \$96,688 Maximum STI Opportunity<sup>c</sup>.

Goal <sup>a</sup>	Company/ Individual weighting	Internal Company measures weighting	% STI achievement	% STI achieved as % of Total Target STI allocation	\$ Total STI allocation <sup>c</sup>
<b>Company performance measures</b>					
	70%				
• EBITDA margin <sup>a+b</sup>		40%	136.4%	38.2%	\$24,610
• Revenue achievement <sup>a</sup>		25%	72.6%	12.7%	\$8,188
• Maintaining market share <sup>a</sup>		25%	0%	0%	\$0
• Strategic priorities <sup>a</sup>		10%	100%	7%	\$4,512
<b>Individual performance measures</b>					
• Successful transition into CFO role					
• Successful management of Netsuite ERP post implementation (October to December)	30%	n/a	110% <sup>c</sup>	33% <sup>c</sup>	\$21,271
• Deliver CY22 Opex either in line or below CY22 budget of \$148.7m excluding any items which are reporting as non-operating items (if any) in the CY22 results					

a. For detail of these measures see the STI performance conditions in the table on page 49.

b. EBITDA margin is Adjusted Underlying EBITDA as a percentage of Revenue for CY22. This resulted in an EBITDA margin of 21.4%.

c. These amounts reflect prorating for time served as KMP from 1 August 2022.

## Executive Officers LTI

The rights over ordinary shares granted in the period were:

Executive KMP and Officers	Plan	Number of rights granted during 2022	Vesting condition <sup>a</sup>	Grant date	Face value at grant date	Fair value at grant date		Vesting date
						Total	Per right \$	
Cathy O'Connor	LTI Plan	Total: 443,892		May 2022	Total: \$750,000	Total: \$541,578		February 2025
		1/3	FCF Cumulative		\$250,000	\$207,164	1.40	
		1/3	ROIC		\$250,000	\$207,164	1.40	
		1/3	TSR		\$250,000	\$127,249	0.86	
Sheila Lines <sup>b</sup>	LTI Plan	Total: 162,760		May 2022	Total: \$275,000	Total: \$187,500		February 2025
		1/3	FCF Cumulative		\$91,667	\$70,529	0.43	
		1/3	ROIC		\$91,667	\$62,391	0.38	
		1/3	TSR		\$91,667	\$54,579	1.01	
Chris Roberts <sup>c</sup>	LTI Plan	Total: 94,969		May 2022	Total: \$160,000	Total: \$128,805		February 2025
		1/3	FCF Cumulative		\$53,333	\$48,525	1.54	
		1/3	ROIC		\$53,333	\$48,525	1.54	
		1/3	TSR		\$53,333	\$31,755	1.01	
Maria Polczynski <sup>d</sup>	LTI Plan	Total: 59,185		May 2022	Total: \$100,000	Total: \$80,503		February 2025
		1/3	FCF Cumulative		\$33,333	\$30,328	1.54	
		1/3	ROIC		\$33,333	\$30,328	1.54	
		1/3	TSR		\$33,333	\$19,847	1.01	

a. For detail on vesting conditions see page 51.

b. Sheila Lines resigned as CFO effective 1 August 2022.

c. Chris Roberts' LTI were granted to him before he was appointed KMP on 1 August 2022. See page 46 for the pro-rated amount for his time as KMP.

d. Maria Polczynski is the Company Secretary.



## Remuneration Report continued

The table below sets out the details of each tranche of rights issued or approved to be issued to Executive KMP<sup>a</sup> and Officers over the last three years, together with their respective grant and vesting dates.

CY20	CY21	CY22	CY23	CY24	CY25						
CY20 LTI S Lines – 245,404 <sup>a</sup> Dec 2020 – Feb 2023 <sup>b</sup>			C Roberts – 142,780 <sup>a,c</sup> Dec 2020 – Feb 2023 <sup>b</sup>			Maria Polczynski – 107,085 <sup>a</sup> Dec 2020 – Feb 2023 <sup>b</sup>					
CY21 LTI C O'Connor – 426,499 <sup>a</sup> May 2021 – Feb 2024 <sup>b</sup>			S Lines – 156,383 <sup>a</sup> May 2021 – Feb 2024 <sup>b</sup>			C Roberts – 90,986 <sup>a,c</sup> May 2021 – Feb 2024 <sup>b</sup>			M Polczynski – 56,866 <sup>a</sup> May 2021 – Feb 2024 <sup>b</sup>		
CY22 LTI C O'Connor – 443,892 <sup>a</sup> May 2022 – Feb 2025 <sup>b</sup>			S Lines – 162,760 <sup>a</sup> May 2022 – Feb 2025 <sup>b</sup>			C Roberts – 94,696 <sup>a,c</sup> May 2022 – Feb 2025 <sup>b</sup>			M Polczynski – 59,185 <sup>a</sup> May 2022 – Feb 2025 <sup>b</sup>		

a. Numbers represent number of rights granted.

b. The first date is the grant date and the second date is the vesting date.

c. Chris Roberts' LTI's were granted to him before he was appointed KMP on 1 August 2022.

### LTI's Affecting Future Periods

The outcome of each LTI grant may be reported in future years when it impacts the remuneration of the KMP at the end of the relevant performance period. The fair value of LTI performance rights that have been granted is amortised over the performance period. The following table summarises the maximum value of the LTIs that will be reported in the statutory remuneration tables in future years if the relevant performance conditions are met in full. The minimum value of the LTI grants is nil if the Company fails to meet any of the relevant performance conditions.

Executive	Future expense by plan			Future expense by Financial Year		
	CY21-23	CY22-24	Total	CY23	CY24	Total
<b>Cathy O'Connor</b>	\$186,380	\$ 361,052	\$ 547,432	\$ 366,906	\$ 180,526	\$ 547,432
<b>Sheila Lines</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Chris Roberts<sup>a</sup></b>	\$ 39,761	\$ 85,870	\$ 125,631	\$ 82,696	\$ 42,935	\$ 125,631
<b>Maria Polczynski</b>	\$ 24,850	\$ 53,669	\$78,519	\$ 51,685	\$ 26,834	\$ 75,519

a. All on foot LTI performance rights were granted to Chris Roberts before he was appointed KMP on 1 August 2022.

## 2020 LTI Outcomes

The 2020 grant partially vested, as detailed below:

1. Return on Invested Capital: ROIC was 14.9%, which translates to 127.1% achievement of this measure;
2. Free Cash Flow: FCF was 11.5 cents per share, which translates to 150% achievement of this measure; and
3. Total Shareholder Return: this measure was not met.

Taken together, achievement against the LTI measures resulted in 92.4% of the full allocation for CY20 being awarded.

## NON-EXECUTIVE DIRECTOR REMUNERATION

### Overview & arrangements

The Board aims to set Non-executive Directors' remuneration at a level that attracts and retains high calibre and talented Non-executive Directors.

The total amount provided to all Non-executive Directors for their services as Directors, as fixed by oOh!media, must not exceed \$1,400,000 in aggregate in any financial year, as approved at the 2020 AGM.

There was no increase to Non-executive Director fees for CY22.

### Non-executive Director fees

From 1 January 2022, the Directors' annual fee structure is as below:

	Chair fee <sup>a</sup>	Member fee <sup>a</sup>
Board	\$245,000 <sup>b</sup>	\$135,000
Audit, Risk & Compliance Committee	\$25,000	\$12,500
Remuneration & Nomination Committee	\$20,000	\$10,000
Technology Committee	\$20,000	\$10,000
Per diem fee <sup>c</sup>		\$1,750

a. Inclusive of superannuation.

b. The Chair of the Board receives no extra member fees in addition to Board Chair fee.

c. To recognise excessive additional responsibility or time commitments, where relevant. Application of per diem is subject to oOh! Board Chair and RNC Chair approval. No per diem payments were made in CY22.

## Remuneration Report continued

### Statutory Remuneration Disclosure Table - KMP

The following statutory remuneration disclosure table for KMP has been prepared in accordance with accounting standards and the *Corporations Act 2001* (Cth) requirements.

The amounts shown relating to share-based remuneration are equal to the accounting expense recognised in oOh!media's Consolidated Financial Statements in respect of the LTI rights grant. These amounts do not reflect the actual realisable value received in CY22 year or in future years.

Name		Share based						LTI <sup>a</sup>	Post-Employment	Other	Total	Performance related % <sup>b</sup>
		Short term										
		Salary	STI Cash Bonus	Non-monetary	Unrestricted Shares	STI Restricted shares						
Tony Faure	2022	222,139	-	-	-	-	-	22,768	-	244,907	-	
	2021	223,323	-	-	-	-	-	21,773	-	245,096	-	
Mick Hellman	2022	39,596	-	-	-	-	-	-	-	39,596	-	
	2021	145,002	-	-	-	-	-	-	-	145,002	-	
Philippa Kelly	2022	149,661	-	-	-	-	-	15,339	-	165,000	-	
	2021	147,762	-	-	-	-	-	14,412	-	162,174	-	
Sheila Lines	2022	292,385	-	-	-	-	234,136	18,107	-	544,628	43%	
	2021	503,226	149,090	-	-	-	185,438	22,398	-	860,152	39%	
Tim Miles <sup>c</sup>	2022	153,248	-	-	-	-	-	3,083	-	156,331	-	
	2021	157,724	-	-	-	-	-	4,602	-	162,326	-	
Cathy O'Connor	2022	1,310,447	351,532	-	-	-	366,906	24,430	-	2,053,316	35%	
	2021	1,259,482	285,900	-	-	-	190,432	36,784	-	1,772,598	27%	
Joe Pollard	2022	131,520	-	-	-	-	-	13,480	-	145,000	-	
	2021	46,982	-	-	-	-	-	4,698	-	51,680	-	
Chris Roberts <sup>d</sup>	2022	184,860	58,582	-	-	-	204,066	9,558	-	457,066	57%	
	2021	-	-	-	-	-	-	-	-	-	-	
Andrew Stevens	2022	150,017	-	-	-	-	-	7,483	-	157,500	-	
	2021	148,283	-	-	-	-	-	9,219	-	157,502	-	
David Wiadrowski <sup>e</sup>	2022	163,205	-	-	-	-	-	4,038	-	167,244	-	
	2021	155,153	-	-	-	-	-	4,848	-	160,001	-	

a. Fair value of performance rights related to the LTI grants scheduled to vest in 2023, 2024 and 2025 respectively. The fair value of non-market hurdles has been assessed and adjusted for probability in accordance with accounting standards.

b. Performance-related percentage is calculated by adding cash and share-based remuneration amounts (all of which have performance hurdles that determine payment) and dividing by total remuneration.

c. Tim Miles' pay has been converted from New Zealand dollars.

d. Chris Roberts became a KMP upon appointment as CFO effective 1 August 2022. Amounts represent the payments relating to the period in CY22 that Chris was a KMP.

e. David Wiadrowski was appointed Lead Independent Director on 25 February 2020. There is no additional remuneration for this role.



## Director Shareholdings

The following table sets out the movement during the reporting period in the number of ordinary shares in oOh!media held directly, indirectly or beneficially, by Directors, including their related parties. The Board has a minimum investment policy for the Non-executive Directors requiring them to acquire on market shares totalling a minimum total acquisition cost of one times the base fee that is paid to Non-executive Directors ("Minimum Investment") within three years following the earlier of the date of their appointment or the adoption of the policy (February 2019).

Name of Director	Shares Held at 1 January 2022	Net change other	Held at 31 December 2022	Met minimum investment requirement <sup>a</sup>	Required to meet minimum investment
Tony Faure	306,643	90,643	397,338	Yes	Feb 2022
Mick Hellman <sup>b</sup>	63,851,250	n/a	n/a	n/a	n/a
Philippa Kelly	110,000	22,000	132,000	Yes	Sept 2022
Tim Miles	212,000	25,000	237,000	Yes	May 2022
Cathy O'Connor	Nil	22,422	22,422	n/a	n/a
Joe Pollard	33,783	24,278	58,061	No	Aug 2024
Andrew Stevens	100,000	Nil	100,000	No	Sept 2023
David Wiadrowski	100,000	50,000	150,000	Yes	Nov 2022

a. Based on cumulative acquisition cost of Minimum Investment.

b. Mick Hellman retired as a Non-executive Director of the Company on 9 April 2022.

## Executive KMP and Officers: Movement in rights over ordinary shares

The following table sets out the movement during the reporting period in the number of rights over ordinary shares in oOh!media held directly, indirectly or beneficially, by Executive KMP or officers in oOh!media, including their related parties.

Executive KMP and Officers	Number held at 1 Jan 2022	Vesting conditions of those held at 1 Jan 2022	Number granted as remuneration during 2022	Vesting conditions of those granted during 2022	Number and value – vested and exercised	Number lapsed during 2022	Held at 31 December 2022 and not vested
Cathy O'Connor	426,499 (CY21 LTI)	FCF ROIC TSR	443,892	FCF ROIC TSR	-	-	870,391
Chris Roberts	41,160 (CY19 LTI)	CAGR/EPS TSR	94,696	FCF ROIC TSR		41,160 100% of CY19 LTI forfeited	328,462
	233,766 (CY20 & CY21 LTI)	FCF ROIC TSR					
Sheila Lines	70,745 (CY19 LTI)	CAGR/EPS TSR	162,760	FCF ROIC TSR	-	70,745 100% of CY19 LTI forfeited	564,547
	401,787 (CY20 & CY21 LTI)	FCF ROIC TSR					
Maria Polczynski	30,870 (CY19 LTI)	CAGR/EPS TSR	59,185	FCF ROIC TSR	-	30,870 100% of CY19 LTI forfeited	223,136
	163,951 (CY20 & CY21 LTI)	FCF ROIC TSR					

## Remuneration Report continued

### FURTHER INFORMATION

#### Service agreements

oOh!media has entered into service agreements with each Executive. The Group retains the right to terminate a contract immediately by making payment equal to the agreed number of months' fixed annual remuneration in lieu of notice, including superannuation plus any statutory entitlements of accrued annual and long service leave.

The service contracts outline the components of compensation but do not prescribe how compensation levels are modified year-to-year. The Remuneration & Nomination Committee (RNC) reviews compensation each year to take into account any changes in scope or nature of role or agreed objectives to determine and recommend any changes in line with the remuneration strategy and principles.

The key conditions of the service agreements of the Executive KMP are set out in the following table.

Name	Notice of termination				Termination payments under the contract
	Agreement commenced	Agreement expires	By Company	By Employee	
Cathy O'Connor	1 Jan 2021	No expiry	12 months	12 months	12 months FAR
Chris Roberts	1 August 2022	No expiry	6 months	6 months	6 months FAR
Sheila Lines*	1 Mar 2018	No expiry*	6 months	6 months	6 months FAR

\* Sheila Lines resigned as CFO effective 1 August 2022

Non-executive Directors' terms of appointment have no fixed end date, no fixed notice of termination period, nor any agreed termination payments.

All Non-executive Directors may not hold office without re-election beyond the third Annual General Meeting following appointment or the meeting at which they were last elected.

#### Director Related party transactions

Directorships and shareholdings held by former oOh!media Limited's Non-executive Director Mick Hellman gave rise to related party arrangements in the current and prior period.

Mick Hellman is a Founder, Managing Partner & member of the Investment Committee of HMI Capital Management, L.P. HMI Capital Management, L.P. was a significant shareholder in the Group. Mick Hellman was appointed as a Non-executive Director on 7 April 2020 and retired as a Director effective 9 April 2022. In June 2020, the Company entered into a consultancy agreement with HMI under which the Company could request consultancy services on matters the Company considers are within the expertise of HMI. There was no fee payable for services provided under the consultancy agreement. The agreement was terminated when Mick retired as a Non-executive Director.

To mitigate any potential conflicts arising, there was a Board protocol in place whereby the aforementioned Board member was asked to exit a Board meeting should any matters arise that would have impacted their independence.

#### Use of advisers

Since 2016, oOh!media has engaged Aon Hewitt to provide benchmarking data on an ongoing basis. oOh!media subscribes to Aon Hewitt's Media and General Industry Salary and Corporate IT Surveys, as well as participating in its Policy and Practice reviews. This allows oOh!media to access insight, expertise and benchmarking data as they relate to both individual positions and overall remuneration within oOh!media. In November 2021, oOh!media engaged PWC to assist with specific benchmarking for executive remuneration for CY22.

The RNC has rights of access to management and to external auditors/resources without management present, and rights to seek explanations and additional information from management, advisers and auditors.

The RNC may seek the advice of the Company's auditor, solicitor or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the RNC or the responsibilities of the committee, as the RNC may require.

## REMUNERATION GOVERNANCE

### Remuneration & Nomination Committee and Board oversight

A Remuneration & Nomination Committee operates under a charter and set of responsibilities approved by the Board. The charter can be found on the Company's Governance page in the Investors section of the oOh!media website – [www.oohmedia.com.au](http://www.oohmedia.com.au) and further detail on the RNC's responsibilities can be found in the Company's most recent Corporate Governance Statement.

The RNC has been delegated responsibility to review and make recommendations to the Board, with the Board maintaining overall responsibility as outlined below.

The Board maintains overall responsibility for oversight of the Company's remuneration policy and the principles and processes which give effect to that policy. The Board approves, having regard to the recommendations of the RNC, the:

- Size, composition and criteria for membership of the Board, including review of Board succession plans, performance evaluation and the succession of the Chair, CEO and CFO, as well as Executive performance assessment processes and results;
- Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- Company's incentive strategy, performance targets and bonus payments, including major changes and developments to the Company's equity incentive plans; and
- Effectiveness of the Diversity, Inclusion & Belonging Policy.

### Detailed information on STI and LTI granted or on foot in CY22<sup>12</sup>

	Short-term incentive	Long-term incentive
<b>Description</b>	Annual bonus paid in cash (with Board discretion to issue as equity) based on achievement of both individual and Company performance measures.	Award of performance rights with a three-year performance period based on performance against 3 LTI measures.
<b>Conditions/ Measures<sup>13</sup></b>	<p>There are two components with separate conditions / measures.</p> <ol style="list-style-type: none"> <li>1. Individual performance is based on achievement against individual goals set with manager and manager evaluation of performance. For KMP this comprises 30% of the whole STI.</li> <li>2. Company performance is based on achievement against four measures. For KMP this comprises 70% of the whole STI. Of this percentage, the four measures and their internal percentage weighting are: <ol style="list-style-type: none"> <li>A. 40%: EBITDA margin: achieving adjusted underlying EBITDA at 20% of revenue for CY22.</li> <li>B. 25%: Revenue: achieve CY22 revenue budget.</li> <li>C. 25%: Maintain or grow OOH market share: no adverse change to CY22 OOH market share<sup>14</sup>.</li> <li>D. 10%: Achieve strategic priorities: 3% increase employee engagement score from the final 2021 engagement survey results.</li> </ol> </li> </ol>	<p>3 measures, each of equal weighting:</p> <ul style="list-style-type: none"> <li>• Cumulative FCF<sup>15</sup> per share of 24.8 cents</li> <li>• ROIC of 16.5%</li> <li>• Relative TSR – top quartile of comparator group.</li> </ul>
<b>Performance period</b>	Calendar year 2022.	Three calendar years i.e. 1 January to 31 December starting the year the LTI was granted.

12. This includes CY20 and CY21 LTI which are identical to those granted in CY22 except where otherwise specified. The CY19 LTI did not vest on testing in March 2022 and therefore did not affect compensation in the reporting period. For detail on the CY19 LTI, see the 2019 Annual Report.

13. See also 'Amount that can be earned' for thresholds, stretch targets and rates applying to under/over achievement.

14. Principally using the Outdoor Media Association CY22 data (as adjusted for changing membership).

15. CY20 and CY21 LTI's have the same performance conditions, except the FCF target is not cumulative, but is based on operating cash flow and finance lease liabilities paid in the final year of the relevant performance period, i.e. for 2020 LTI that is CY22 and for 2021 LTI that is CY23.



## Remuneration Report continued

	Short-term incentive	Long-term incentive																														
Amount that can be earned	Each individual's 2022 STI outcome is capped at 150% of the target bonus specified in the individual's employment contract. In addition, the Company performance measures are subject to the following thresholds and caps:	The number of performance rights granted was a fixed dollar amount as determined by reference to the face value of the shares on the date of grant.																														
	1. EBITDA Margin	The number of performance rights granted to each Executive was the LTI value attributable to the individual at 1 January 2022 divided by the 20-trading day VWAP price to 31 December 2021 (\$1.6896). Rights were granted for nil consideration.																														
	100% target is achieved if Adjusted Underlying EBITDA is 20% of revenue.	The number of CY22 <sup>16</sup> performance rights granted to each of the KMP was:																														
	Partial allocation is awarded if Adjusted Underlying EBITDA is 18% of CY22 revenue.																															
	Allocation is capped at 150% as outlined below:																															
	<table><tr><th>EBITDA as % revenue</th><th>STI % is</th></tr><tr><td>below 18%</td><td>nil</td></tr><tr><td>at 18%</td><td>50%</td></tr><tr><td>between 18-20%</td><td>pro-rata increase from 50-100%</td></tr><tr><td>at 20%</td><td>100%</td></tr><tr><td>between 20-22%</td><td>pro-rata increase from 100-150%</td></tr><tr><td>at or above 22%</td><td>150%</td></tr></table>	EBITDA as % revenue	STI % is	below 18%	nil	at 18%	50%	between 18-20%	pro-rata increase from 50-100%	at 20%	100%	between 20-22%	pro-rata increase from 100-150%	at or above 22%	150%	<table><tr><th>KMP</th><th>No.</th><th>Face Value</th><th>Date of grant</th></tr><tr><td>Cathy O'Connor</td><td>443,892</td><td>\$750,000</td><td>May 2022</td></tr><tr><td>Sheila Lines<sup>17</sup></td><td>162,760</td><td>\$275,000</td><td>May 2022</td></tr><tr><td>Chris Roberts<sup>18</sup></td><td>94,696</td><td>\$160,000</td><td>May 2022</td></tr></table>	KMP	No.	Face Value	Date of grant	Cathy O'Connor	443,892	\$750,000	May 2022	Sheila Lines <sup>17</sup>	162,760	\$275,000	May 2022	Chris Roberts <sup>18</sup>	94,696	\$160,000	May 2022
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	2. OOH Market share measure																															
	100% of the target is achieved when oOh! maintains by the end of CY22 its OOH market share at the end of CY21.																															
	Partial allocation (50%) is awarded if the Company achieves 99% of CY21 market share (i.e. achieves -1% of market share at the end of CY21).																															
	There is an uncapped 30% multiplier for each 1% of OOH market share gained above the 100% target.																															

16. For actual numbers of rights granted in CY20 and CY21 refer to the CY20 and CY21 Annual Reports respectively. The methodology is otherwise the same in CY20 and CY21.

17. Sheila Lines resigned effective 1 August 2022.

18. Chris Roberts' performance rights were granted before he became a KMP on 1 August 2022.

	Short-term incentive	Long-term incentive												
Amount that can be earned (continued)	<p><b>3. Revenue measure:</b></p> <p>100% of the target is met if the Company achieves its CY22 revenue budget, \$620m.</p> <p>Partial allocation is awarded if revenue is within a set value of the revenue budget (for Executive KMP the set value is \$50m).</p> <p>Allocation is capped at 150% as outlined below:</p> <table><tr><th>Revenue \$</th><th>STI % is</th></tr><tr><td>below budget by \$50m</td><td>50%</td></tr><tr><td>below budget by &gt;\$50m</td><td>pro-rata vesting 50-100%</td></tr><tr><td>at budget</td><td>100%</td></tr><tr><td>over budget by &lt; \$50m</td><td>pro-rata vesting 100-150%</td></tr><tr><td>over budget by \$50m or more</td><td>150%</td></tr></table>	Revenue \$	STI % is	below budget by \$50m	50%	below budget by >\$50m	pro-rata vesting 50-100%	at budget	100%	over budget by < \$50m	pro-rata vesting 100-150%	over budget by \$50m or more	150%	
	Revenue \$	STI % is												
below budget by \$50m	50%													
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at budget	100%													
over budget by < \$50m	pro-rata vesting 100-150%													
over budget by \$50m or more	150%													
	<p><b>4. Strategic Priorities measure</b></p> <p>3% increase employee engagement score from the final 2021 engagement survey results. Partial allocation at 50% if employee engagement score increases by 2%. There is no overachievement.</p>													
Vesting	n/a	<p>LTI performance rights granted in CY22, will vest, or not, following the publication of the 31 December 2024 audited Financial Statements to the Australian Securities Exchange.</p> <p>The percentage of performance rights that vest, if any, will be determined at the end of the performance period by reference to the following vesting schedule. One-third of the rights vest upon achieving 100% of each of the Cumulative FCF hurdle, the ROIC hurdle and the Relative TSR hurdle. Scaling of rights to vest addresses both some underperformance and, for FCF and ROIC, also overperformance, subject to maximum vesting at 150%.</p> <p>The threshold and stretch targets for FCF, ROIC and Relative TSR over the performance period are determined by the Board and specified to the participant at the time of grant of the performance rights. Following testing, any rights that do not vest, lapse.</p>												

## Remuneration Report continued

Vesting (continued)	Short-term incentive	Long-term incentive	
	n/a	Company's Cumulative Free Cash Flow per share (cents/per share) in CY24 <sup>19</sup>	% of rights that vest
		<18.5 <sup>20</sup>	Nil
		18.5	50% of target LTI
		18.5 – 24.8	Straight line pro rata vesting between 50% and 100%
		24.8	100% of target LTI
		24.8 – 28.4	Straight line pro rata vesting between 100% and 150%
		28.4 or above	Max 150% of target LTI
		Company's Return on Invested Capital <sup>21</sup>	% of rights that vest
		<12.3% <sup>22</sup>	Nil
		12.3%	50% of target LTI
		12.3% – 16.5%	Straight line pro rata vesting between 50% and 100%
		16.5%	100% of target LTI
		16.5% – 17.3%	Straight line pro rata vesting between 100% and 150%
		17.3% or above	Max 150% of target LTI
		Company's Relative TSR <sup>23</sup>	% of rights that vest
		Less than 50% Relative TSR	Nil
		50% Relative TSR (threshold performance target)	50%
		Between 50% and 75% Relative TSR	Straight line pro rata vesting between 50% and 100%
		At or above 75% Relative TSR	100%

19. The 100% target represents the consensus of sell side analyst forecasts for the 3 years' ending CY24. The FCF target for CY20 and CY21 LTI's is not cumulative, but is based on operating cash flow and finance lease liabilities paid in the final year of the relevant performance period, i.e. for 2020 LTI that is CY22 and for 2021 LTI that is CY23.

20. For CY21 target was 12.7 cents/ per share and the high and low were 27.9 & 3.9 cents/ per share respectively. For CY20 the target was 6.33 cents/ per share and the high and low were 11.2 & 2.14 cents/ per share respectively.

21. The 100% target represents the consensus of sell side analyst forecasts for the 3 years' ending CY24. Invested Capital is the average of the opening and closing balances of invested capital for CY24.

22. For CY21 target was 15.3%, and the high and low were 17.3% & 11.8% respectively. For CY20 the target was 12.9% and the high and low were 16.6% & 10.1% respectively.

23. Shareholder return is calculated as aggregate dividends paid during the 3-year performance period plus the share price movement from the beginning to end of the performance period.



	Short-term incentive	Long-term incentive
<b>Restrictions</b>	Participants must be employed and not under notice of resignation or termination at the completion of the performance period (calendar year) to be eligible for an STI award. The Board retains discretion to settle partial or complete payment in the case of good leavers.	Shares allocated on the vesting of rights after the three-year performance period are not subject to any additional trading restrictions. If an Executive ceases employment with oOh!media before the end of the performance period, their entitlement to rights (if any) will depend on the circumstances of cessation. All rights will lapse in the event of termination for cause. A full or pro rata number of rights may be approved by the Board if an Executive ceases employment by reason of redundancy, ill health, death, or other circumstances approved by the Board including resignation with good leaver status.
<b>Clawback</b>	n/a	To ensure integrity within the LTI Plan, the Board retains the authority to clawback or adjust LTI awards in circumstances such as fraudulent or dishonest behaviour, gross misconduct, and breach of obligations or material financial misstatement.

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# Discovering hidden family talents



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# Sustainability Report

oOh!'s company purpose is 'making public spaces better and brands unmissable'.

This purpose is central to our commitment to operate as a sustainable business, recognising our responsibilities with respect to all our stakeholders.

During 2022, the creation of a dedicated ESG team within the business has enabled the Company to embed sustainability throughout our business operations and our corporate culture.

An important development has been the internal identification and assessment of preliminary material topics that have the greatest strategic impact for our business. Over the course of the coming year, these topics will undergo additional external analysis and stakeholder validation.

This extends to the risks and opportunities of climate change. While oOh! is in the early stages of assessing the extent of these risks, mitigation strategies are already being developed in preparation to manage them and identify further opportunities. oOh! has engaged Pollination, a climate change advisory firm to assist oOh! further assess climate change related risks

and opportunities, as well as helping us establish our scope 3 emissions boundaries. In addition, we expect to finalise our scope 1 and 2 emissions measurement in 2023.

Looking ahead to 2023, we aim to move all of oOh!'s controlled advertising assets to GreenPower where possible and undertake a waste and recycling vendor review to ensure best practice. We will also conduct an operational review to enable the consideration of cleaner, operational vehicles while formalising our social procurement policy.

Finally, we will launch oOh!'s Reflect Reconciliation Action Plan which received final approval from Reconciliation Australia in February 2023.

We recognise we still have much to do to reach our sustainability goals.

However, we continued to make considerable progress over the past year and I am pleased to present the 2022 Sustainability Report.



**Tony Faure**  
Chair



# 2022 Callouts

5,000

advertising panels  
in our control across ANZ  
on solar or GreenPower

\$16m of support to our  
community partners  
in CY22, totalling

**\$121m**  
since 2017

The only Out of Home  
operator that provides  
advertisers with

**100%**  
recyclable billboard skins

Our **Reflect**

Reconciliation Action  
Plan has been endorsed by  
Reconciliation Australia

Increased  
**Focus**

on high-risk products  
and countries of origin  
in our supply chain

Launched our internal ESG  
**framework**  
as a blueprint of our ambitions  
and commenced a program  
of education for our people

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All **17**

oOh! depots and offices  
now powered by  
renewable energy

Commenced Toitū  
Envirocare program  
designed to measure  
and reduce the  
Scope 1 – 3 emissions  
of our **NZ**  
operations

**40** oOh! advertising panels in  
major retail centres,  
plus nationwide Business  
Lounges and Clubs powered  
by renewable energy supplied  
by our commercial partners

**83%**  
of our employees feel  
proud to work for oOh!

Senior female  
leadership representation  
increased by 8% to

**49%**

Our Women in Leadership  
Program sponsored  
**4 women**  
in the Future Women  
Platinum+ program,  
supporting their development  
and helping them to expand  
their executive networks

oOh!'s stakeholders are an essential part of oOh!'s operations and planning, and engagement with stakeholders and their needs, is a key element of effective risk management and opportunity uncover and development.



### OUR OTHER SUSTAINABILITY ACTIONS AND ACHIEVEMENTS

- ~3,800 oOh! bus shelters operate on solar power, a significant majority being exclusively public utility (non-advertising)
- oOh! has pioneered an 'eco-fabric' that upcycles 1.5L plastic bottles, for use in our airport advertising assets
- We place low energy LED lighting wherever possible across our networks of assets, to reduce our energy consumption
- In our New Zealand operation, 100% of our street furniture assets are powered by renewable energy
- We are a founding and supporting partner of the Family Friendly Workplace Initiatives
- We carry out gender pay equity analysis
- oOh! continuously monitors labour and environmental practices of supply chain and is adopting a local first approach where feasible

In 2021 and into 2022, oOh! worked with Pricewaterhouse Coopers (PwC) to understand the issues that have the greatest strategic impact to our business. Following this work, which was based on extensive internal stakeholder

engagement across the business, we have established preliminary material topics that, over the course of the year will undergo additional external analysis and stakeholder validation. These topics focus on:

- The health and safety of our workers, the staff of our commercial partners and the public in the spaces in which we operate
- An embedded, Companywide approach to minimising the ongoing impacts of climate change
- Environmental strategies prioritised to support the needs of our stakeholders
- As the out of home market leader, demonstrating being a responsible advertising industry player and being the catalyst of long-term, sustainable change
- Transparency, accountability and an ethical supply chain being core to how we operate
- Community impact being a fundamental part of our business model
- Employee engagement and diversity being essential to push forward our environmental and social policies and practices

oOh!'s stakeholders are an essential part of oOh!'s operations and planning,

and engagement with stakeholders and their needs, is a key element of effective risk management and opportunity uncover and development. Our stakeholders include employees, investors, commercial partners, service providers, media agencies, advertisers, government and local councils and communities.

Whilst we are yet to take stock of our material topics from an external perspective, we already recognise that climate change is both a risk to and an opportunity for the business. At a high-level we understand climate change related risks to our business include:

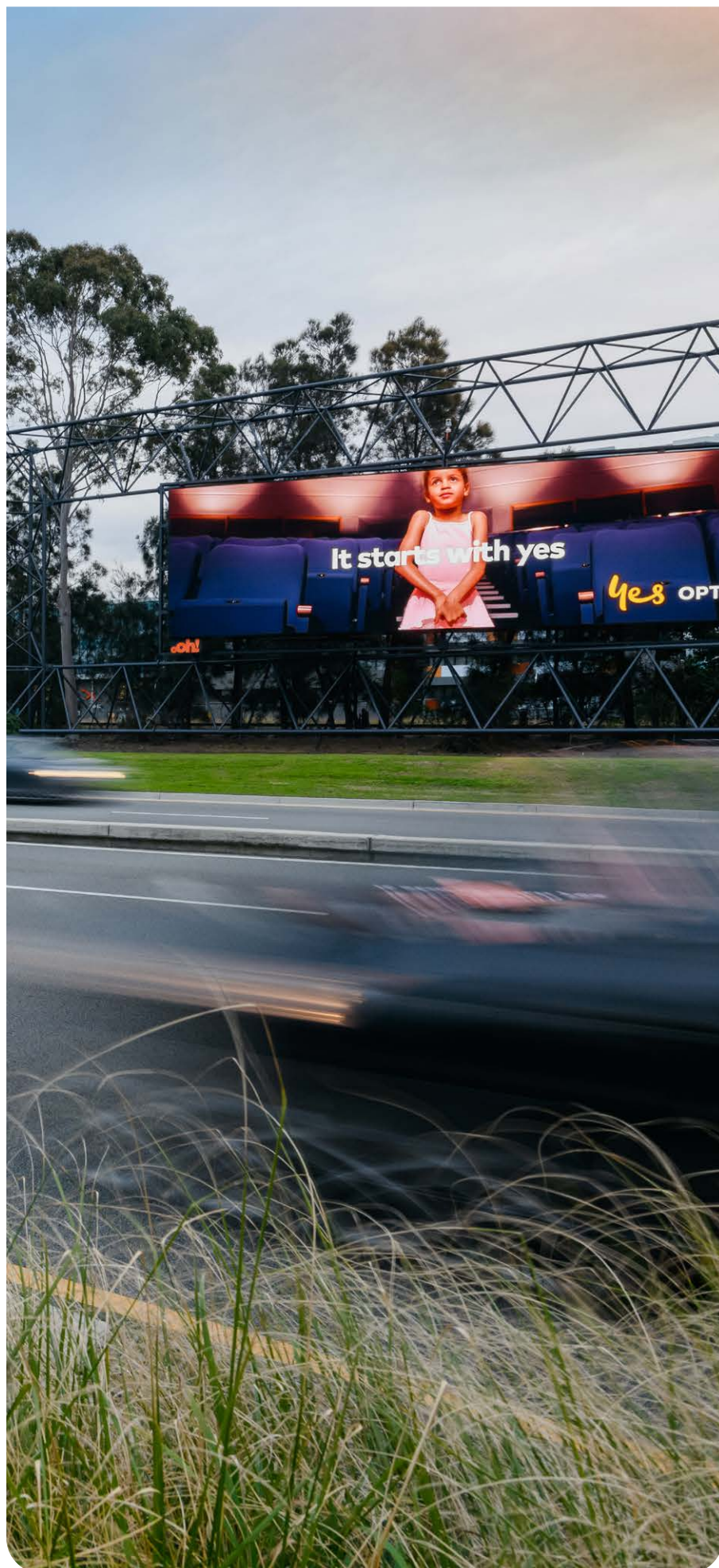
- Revenue impact as advertisers seek out decarbonised supply chains
- Ability to access commercial contracts as commercial landlords seek out decarbonised suppliers and partners
- Operational impact from ongoing, extreme weather events
- The existing approach to infrastructure designs, as we seek to use sustainable raw materials and develop and adapt product, based on circular economy principles
- Talent retention and acquisition of staff who consider climate change practices, fundamental to their employee value proposition



We are in the early stages of assessing the extent of these risks, however mitigation strategies are already being developed in preparation of managing them and identifying opportunity. In February 2023 we engaged Pollination, a climate change advisory firm to help us assess more deeply climate change related risks and opportunities, as well as to help us establish our scope 3 emissions boundaries. In addition, we expect to finalise our scope 1 and 2 emissions measurement in 2023.

oOh!'s existing risks, impacts and disclosure recommendations have been benchmarked with reference to the sustainability reporting standards released by leading industry groups, including the Global Reporting Initiative (GRI), Task force on climate related financial disclosures (TCFD), World Economic Forum (WEF) Metrics and UN's Sustainable Development Goals (SDGs). oOh!'s aim is to be aligned to the International Sustainability Standards Board (ISSB), which is the reporting standard anticipated to be taken up by Australia in the future. A peer review of global media operators, relevant industries and the broader ASX 200 average, has also been carried out.

With regards to our New Zealand operation, we are in the process of achieving certification from Toitū Envirocare, as part of the 'carbonreduce' programme, which focuses on measuring our scope 1, 2 and 3 emissions and then reducing our footprint across the business rather than just offsetting with carbon credits.





## 2023 COMMITMENTS

Throughout 2023, we will continue to build on our 2022 momentum and will commit to:

Commencing a review of how we operate, to enable the consideration of cleaner, operational vehicles in the future

Moving all oOh! controlled advertising assets to GreenPower where possible

Launching our Reflect Reconciliation Action Plan

Formalising our social procurement policy

Increasing the representation of women in management roles

Finalising our scope 1 and scope 2 emissions measurement and defining our scope 3 boundaries

Validating our preliminary material topics with our external stakeholders

Carrying out a waste & recycling vendor review to ensure best practice







### ABOUT OOH!

oOh!media Limited (oOh!), a publicly listed Company on the Australia Securities Exchange (ASX), operates across Australia and New Zealand, with headquarters located in North Sydney, NSW, Australia.

oOh! provides its products and services for the benefit of both media agencies and direct clients wishing to advertise products and services.

As at 31 December 2022, oOh! had 767 permanent employees, 33 fixed term contractors and 9 casual employees working across Australia and New Zealand. None are covered by collective bargaining agreements.

Our extensive network of 35,000 digital and static asset locations includes roadsides, retail centres, airports, train stations, bus stops, office towers and universities.

### OUR PURPOSE

oOh!'s Company purpose is 'making public spaces better and brands unmissable'.

We believe that oOh! is so much more than an advertising channel. We play an integral role in the communities in which we operate by creating engaging environments that aim to inform, entertain and inspire citizens; and we contribute to the funding of important public infrastructure to make public spaces better.

Investing heavily in technology, we are leaders in the use of sophisticated data techniques to enable clients to maximise their media spend through unrivalled and accurate audience targeting, making their brands unmissable.

### OUR VALUES

In 2022, oOh! created and launched a set of new values that we want to work and live by. Our values are unique and reflect who we are as a Company and where we are going. They are underpinned by a set of core beliefs that we are all here to grow, believe work should be a supportive, fun and enjoyable place and that we do our best as a team when everyone can bring their true selves to work.



#### VALUE 1 GROW SUSTAINABLY

We get better personally, professionally and as a business every single day.

#### VALUE 2 PLAY WITH HEART

We infuse passion, pride and, above all, fun into our interactions and work.

#### VALUE 3 STRONGER TOGETHER

We're best as a team when we're united by what makes us different.



## Grow sustainably

### Behaviour:

#### GROWTH

Description: I look for opportunities to grow personally and expand the business in ethical and responsible ways.

### Behaviour:

#### ACCOUNTABILITY

Description: I take full ownership for delivering results and build long-term relationships based on understanding and trust.

### Behaviour:

#### CURIOSITY

Description: I am genuinely curious and open-minded, and always look for better ways of doing things, especially when it comes to the environment.

## Play with heart

### Behaviour:

#### FUN

Description: My colleagues, clients and partners have fun together and celebrate our individual and group successes as a team.

### Behaviour:

#### PRIDE

Description: I inspire others with the pride in my work, and I genuinely care about the output I create.

### Behaviour:

#### EMPATHY

Description: I see things from different perspectives, understand the needs of others and respect their feelings and thoughts.

## Stronger together

### Behaviour:

#### TRANSPARENCY

Description: I lead by example, openly and honestly, and always address significant issues when I see them.

### Behaviour:

#### COLLABORATION

Description: We do our best work when we have shared goals and connect in a positive and constructive way.

### Behaviour:

#### INCLUSIVITY

Description: I welcome everyone equally, celebrate my colleagues' uniqueness and know that our strength lies in our different ideas and perspectives.

### VALUE CREATION FOR OUR STAKEHOLDERS

oOh! is changing the face of the Out of Home industry in Australia.

Our unbeatable combination of unrivalled scale, our diverse product range, and our market-leading data insight, makes brands powerfully unmissable.

We work with advertisers, media agencies, partners and communities to engage people with experiences that educate, engage, inform and inspire.

### INVESTORS

As the leading Out of Home company across Australia/New Zealand, oOh! is able to successfully leverage the structural growth in Out of Home as a fast growing media to generate profits and deliver returns to shareholders.

oOh! seeks to create further value through disciplined investment in its business and continued assessment of capital management options to enhance sustainable value for shareholders.

### COMMERCIAL PARTNERS

oOh! is the largest Out of Home operator in Australia, reaching 77% of Australian's weekly. With such scale comes great responsibility. We have extensive experience working with our commercial partners to ensure appropriate management of environmental, governance and operational risks, including safety, data protection and advertising regulatory compliance.

### MEDIA AGENCIES

oOh! is dependent on relationships with media agencies to represent oOh!'s products and services to their advertiser clients. oOh! is working to decarbonise our operations in alignment with media agencies need to reduce the carbon footprint of their own supply chain.

### ADVERTISERS

oOh! also depends on those advertising their goods and services and our advertisers depend on us for brand safety. We consider the security of our digital screens to be of critical importance with Cyber Security being one of the pillars of our technology strategy, allocating significant budget to security each year.

### GOVERNMENT AND LOCAL COUNCILS

oOh! regularly engages with governments, local councils and regulatory bodies both directly and through our industry body, the Outdoor Media Association (OMA), of which oOh! is a founding member, to ensure advertising activity continues to be of high quality and is conducted with regards to environmental and social standards, planning law, advertising standards, and safety regulations as an absolute priority for all stakeholders.

### COMMUNITIES

oOh! is passionate about the communities in which we operate and our ability to make public spaces better. Where required, oOh! engages with individuals, business alliances and resident groups to seek feedback on proposed development activities. oOh! also regularly engages specialists to provide assessments of the impact of its proposed activities on local community environments, particularly regarding any potential heritage issues.



**Our unbeatable combination of unrivalled scale, our diverse product range, and our market-leading data insight, makes brands powerfully unmissable.**

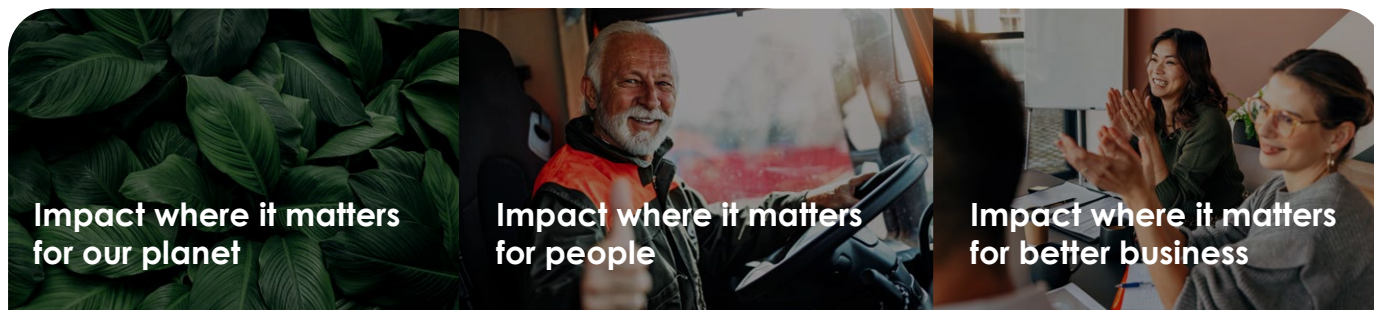


## OUR BUSINESS STRATEGY

1. **LEAD TO BE A DIGITAL FIRST FUTURE**
2. **CAPTURE AUDIENCE ATTENTION IN PUBLIC SPACES AT SCALE**
3. **MAKE IT EASIER FOR OUR CUSTOMERS TO ACHIEVE BETTER OUTCOMES**

Our business strategy is underpinned by the following environmental and social ambitions. These ambitions will enable long-term market growth, sustainable investment in public spaces and communities and better outcomes for our customers, without compromising the needs of future generations.

## OUR PHILOSOPHY: ACTION OVER WORDS, EMPOWERING EVERY EMPLOYEE



Adapting what we do to have a sustainable impact on public spaces and our planet

- Invest in the future – adaptively design for future public spaces, with consideration to circular economy principles, waste reduction and raw materials used
- Reduce our GHG emissions and switch to renewable energy
- Reshape our supply chain to a local-first approach

Creating the best environment for our people, communities and brands

- Create grassroot avenues for every employee to have an impact and be more sustainable
- Provide a healthy and supportive work environment for our people and provide the brand-safety for advertisers and partners
- Use our purchasing power and platforms to generate improvement in the lives of people and communities

Being transparent and accountable as we strive to inspire a better future

- Strive for best in class reporting and disclosure frameworks
- Encourage our partners to be accountable and deliver sustainable solutions alongside us
- Provide transparency of our approach towards OOH industry-wide environmental and social related issues



## IMPACT WHERE IT MATTERS

oOh!'s ESG strategic framework provides a blueprint of ambition for conducting our business, with consideration to social and environmental risk and opportunity. Our philosophy is based on a bias for action and a long-term approach to integrating environmental and social responsibilities into our operating plans and Company culture. Grassroots involvement and empowerment are fundamental, promoting a long-term shift in our business culture to not only being accountable for our impacts, but also identifying competitive advantage for oOh! and our industry within the broader media landscape.

## PLANET

### WASTE

In CY22, oOh! began a full audit of our waste streams and management. This review looked to improve the quality of our reporting, to increase the safety and health of our teams and to look for efficiencies in our operations. The audit findings summarised that:

- Depot and warehouse facilities across the country have strong waste segregation practices in place, providing numerous opportunities to limit the type or volume of materials sent to landfill.
- Waste streams identified for recycling include batteries, fluorescent tubes, glass, steel, aluminium, copper, PVC cabling, e-waste and posters.
- In some locations, specialist providers have been identified for targeted recycling initiatives e.g., posters recycled into corflute or packaging materials
- Where possible, former, or salvaged bus shelters and sign housings are broken down with reusable parts stored on site or refurbished for future use before recycling or disposal at landfill is considered.

Over the course of the year oOh! introduced several additional waste streams to our operations. For example, organic bins and battery bins are now present in the large corporate offices.

oOh!'s intent always remains to recycle, reuse, refurbish or repurpose our assets, posting materials and waste. We work with our clients and contract installers to ensure billboard skins are either reused or repurposed as often as possible. Contract installers have a variety of solutions in place for skins at the end of their display-life including supply to charities for overseas disaster relief, repurposed in farming, painting or maintenance industries, sent overseas for use in housing, or donated to schools and volunteer associations.

oOh! operates a printing Company – Cactus Imaging. The business is continually seeking opportunities to align with suppliers that are reducing their environmental impact with innovative and sustainable product offerings. Smart Skins is Australia's only 100% recyclable billboard skin, unique to oOh! and Cactus Imaging. Recycled in Australia, Smart Skins are reconstituted to manufacture farming and building structures, playground equipment, furniture, railway sleepers and more. Smart Skins are also 40% lighter reducing emissions related to logistics and installation.

**oOh!'s intent always remains to recycle, reuse, refurbish or repurpose our assets, posting materials and waste.**

Posters for use in the oOh! Street Furniture business are printed on 100% recyclable materials. In CY22 we continued to work with an Australian dedicated recycling partner and waste posters have now been accepted from all but one Australian state and territory, recycling 76,850kg of posters.



Our New Zealand operations were able to recycle 100% of our classic paper posters with a locally-based recycling partner, who recycles the materials into premium fenceposts that are used by New Zealand farmers, viticulturalists or horticulturists.

## HEAD START HOMES INITIATIVE

To reduce e-waste and increase the overall life span of tech products, oOh! signed up to the Head Start Homes Initiative, which is an organisation that proudly helps single mums, First Nations Peoples & Community Housing families buy their home. Devices that are no longer compatible for use by oOh! are wiped, processed, and then are managed in one of the following ways:

- Traded in and \$ value donated to Head Start Homes
- Device is rehomed to someone in need
- Device is unrepairable and has no value, these are ethically recycled.

In CY22, oOh! collected 40 mobile phones ready for processing.

## RESHAPE OUR SUPPLY CHAIN TO A LOCAL FIRST APPROACH

One of oOh!'s ambitions is to reshape our supply chain to a local-first approach, where feasible. A localised supply chain can reduce emissions created by overseas freight and enables easier due diligence with regards to scope 3 GHG emissions tracking. Critically, local manufacturing also supports Australian and New Zealand jobs, in alignment with the policies of the government-based entities that we manage advertising contracts for (state departments, councils etc), and in support of the communities within which we operate.

## WATER USE

Water is a major consideration in our sustainability targets, and we strive to implement strategies to manage our usage. Our goal is to minimise our use of fresh water in all our work streams.

Water use is a necessary component in our operational activities so we seek opportunities where rainwater harvesting can be implemented and used as standard.

We currently achieve 100% use of rainwater in our NZ facilities (excluding corporate offices) and our ambition is to achieve the same in Australia where feasible. We incorporate water reduction practices in our day-to-day activities and utilise ionic filtration technology where appropriate, which helps in reducing the frequency required to clean our assets thus reducing the overall water usage.

Being aware of and monitoring our water usage are the first steps of achieving our ambition of refining our work practices with the goal of reducing consumption overall. We have established systems to monitor and make our processes more water efficient and in the short term, by taking these steps we are taking the environmental impacts from the upkeep of our assets, into serious consideration. Overall, our water usage is not high compared to other industries however we understand that every drop counts so we are placing a high priority on improving our water management efforts.

oOh!'s standard cleaning methodologies are based on using water only (no chemicals). A citrus based graffiti cleaner and degreaser or a minimal amount of dishwashing liquid, may be utilised on occasion to remove particularly stubborn graffiti and grease marks, but typically this is as a last resort.







## NABERS RATED BUILDINGS

oOh! operates our Sydney and Melbourne corporate operations from NABER rated buildings. Sustainable building practices are part of our specification as we seek to relocate our other state-based offices as leases expire.

### North Sydney building-specific



5-star NABERS energy rating



5-star Green Star rating for sustainable design

### Melbourne building-specific



4.5-star NABERS energy rating



4-star Green Star rating for sustainable design



Green share cars available for use

### Building similarities

- Photovoltaic system on the roof
- Rainwater harvesting for onsite use e.g. toilet flushing, plant watering systems
- Air conditioning and LED lighting zone control (movement sensor operated)



## 100% RENEWABLE ENERGY FOR ALL OFFICES AND DEPOTS

In December 2022 oOh! was happy to finalise the transition of all oOh! owned facilities to power from renewable energy sources. The addition of our Cactus Printing facility to access 100% renewable power from January 2023, means all oOh! office, depots and warehouses now run on renewable power.

## REDUCING OUR ENERGY CONSUMPTION

oOh! is committed to innovating to find more sustainable solutions for our business. In 2022, we invested \$400k across ANZ to research and develop product and concepts that enable energy consumption reductions as well as other sustainable objectives.

oOh! has designed a bus shelter that considers both the scarcity of 24-hour electricity, overall energy consumption and the environment. This innovation offers the ability to power courtesy lighting, wayfinding signage and digital advertising via a hybrid power solution. This product, specially developed by oOh!, is a first to market and enables oOh! to grow our digital footprint, while relying predominantly on efficient self-generating energy. The hybrid power solution has been assessed and shown to emit up to 45%<sup>1</sup> less carbon versus when the digital panels are powered through mains power, over a 10-year period. oOh! has commenced discussions with the market to roll out this innovation.

In addition, oOh! has commenced early stakeholder engagement to support an initiative to switch off or power down street furniture assets, during the early hours of the morning, with a view to limiting power consumption, while continuing to grow the business in line with market expectations.

## LIVING ROOFS

As part of our mission to make public spaces better, we are currently developing solutions to 'green' up our infrastructure. Our 'living roof' system is designed for minimal maintenance and can withstand the wide range of weather extremes the Australian climate can throw at it. Our living roof bus shelters can provide a range of benefits to the community including; alleviating the urban heat island effects on pedestrians, slowing of stormwater runoff, increasing biodiversity and beautification of urban landscapes. We are currently working with councils to bring Living Roofs to our city streets in the future.

## MOVING ASSETS IN OUR OPERATIONAL CONTROL TO RENEWABLE ENERGY PLANS

oOh! is committed to reducing our energy consumption and switching to renewable power. So far, we have over 5,000 advertising panels in ANZ, that either run on solar or have been transferred over to GreenPower (or equivalent in New Zealand). Moving all assets in our operational control, over to renewable energy plans where possible, will be a focus for 2023, noting in some instances a small number of energy retailers do not sell GreenPower energy plans.

**In New Zealand, our street furniture assets are on 100% renewable energy plans.**

1. Based on Victoria, all states vary depending on the proportion of renewable energy in their power grid projected over a 10-year period.

### COMMERCIAL PARTNER ENERGY REVIEW

As we work towards our Scope 3 boundaries, we have commenced an audit of the energy sources of our largest commercial partners that control the power source to many of oOh!'s advertising assets. We propose to not just understand how some of the assets out of our operational control are powered but use our commercial relationship to influence and encourage our partners, where feasible, to operate in a more sustainable way. oOh!'s advertising assets located in the properties of some of our major commercial partners (including Qantas, Mirvac, ISPT and AMP) already benefit from being able to access 100% renewable electricity.

### ENCOURAGING OUR CUSTOMERS TO BE SUSTAINABLE ALONGSIDE

As the leading Company in the OOH industry, oOh! understands its ability to positively influence change and wants to play a major part in leading the way in sustainable and ethical work practices in our sector.

oOh! has established that developing digital brand messages in darker colours opposed to lighter/brighter colours can consume almost 60% less power, when displayed on an LED digital display. This applies to any LED panel and oOh! is encouraging our customers to consider this for all of their digital out of home campaigns, not just with oOh! As digital out of home drives growth in our industry, encouraging our customers to consider the implications of their colour choice, is part of our commitment to encouraging them to be sustainable alongside us. The Go Darker, Go Greener initiative was launched in November and forms part of our go to market collateral for digital advertising campaigns. It has so far received positive feedback from a number of advertisers, who are seeking sustainable initiatives for their Out of Home campaigns.

### OFFSETTING CORPORATE TRAVEL

oOh!'s ambition is to reduce our energy consumption and switch to renewable energy, only using offsets as a last resort. Given the aviation industry is some way from operating on cleaner energy sources, in this instance we have committed to offsetting our flight-related emissions via Blue Halo in conjunction with our corporate travel partner, Corporate Traveller.

### NEW ZEALAND OPERATION – TOITŪ ENVIROCARE CERTIFICATION

oOh!'s New Zealand operation, is in the process of achieving certification from Toitū Envirocare, as part of the 'carbonreduce' programme, which focuses on reducing our footprint across the business rather than just offsetting with carbon credits.

oOh! NZ assessed 3 suppliers that offered carbon and environmental programmes but ultimately decided on Toitū Envirocare as our preferred supplier. Toitū Envirocare have audited our base year (July 2021 to June 2022) and expectation is that our baseline emissions (scopes 1, 2 and 3) will be certified in early in 2023. The oOh! NZ team will continue to work with Toitū Envirocare and the oOh! ESG team to identify reduction strategies, create KPI's which will be measured in our next audit (November 2023) and create process documents to enable effective reporting of progress.

### OPERATIONAL FLEET

In CY22 our fleet emitted 1,058 tCo2e against 1,120 tCo2e in 2021, following a reduction in the number of vehicles. The rollout of end of life, replacement vehicles incorporating the Adblue-type design (Adblue is an exhaust fluid that is used to reduce harmful tailpipe emissions in vans powered by diesel), continued through 2022 and is on track to be completed by mid-2024, 12 months later than previously reported due to supply delays. These vehicles include telematics that allow for monitoring of vehicle use (e.g. speed, handling, maintenance) that provide opportunity to improve vehicle wear and tear. Work continues on the planning of vehicle routing in the street furniture business where possible, to potentially reduce kilometres travelled and, in turn, result in further fuel reductions and associated emissions.

Our New Zealand field operations team replaced two petrol engine end of lease utes with Toyota Rav4 Hybrid utes. In addition, in 2021 we received the first Transit Hybrid vehicle to trial in Auckland and our tests throughout 2022 demonstrated that the current hybrid and EV vehicle technologies, battery capacity and general availability in the NZ/AU markets has not provided the necessary capabilities in a transit vehicle, to be fit for purpose in line with our operational needs at this time. Accordingly a review of how we operate will commence in 2023, to enable the consideration of available, cleaner operational vehicles in the future.





**We always aim to incorporate sustainable products into all our commercial developments where feasible.**

## COMMERCIAL DEVELOPMENT

All new commercial developments and digitisation projects comply with environmental and planning legislation of the relevant state or council jurisdiction, supported by a Statement of Environmental Effects (or equivalent).

We always aim to incorporate sustainable products into all our commercial developments where feasible. This includes LED lighting technology on classic billboards and small format poster assets, which is 70% more energy efficient than traditional lighting practices, as well as ensuring our digital billboards are equipped so their brightness adjusts to ambient lighting levels, meaning that power reductions occur automatically as the operational need for energy reduces.

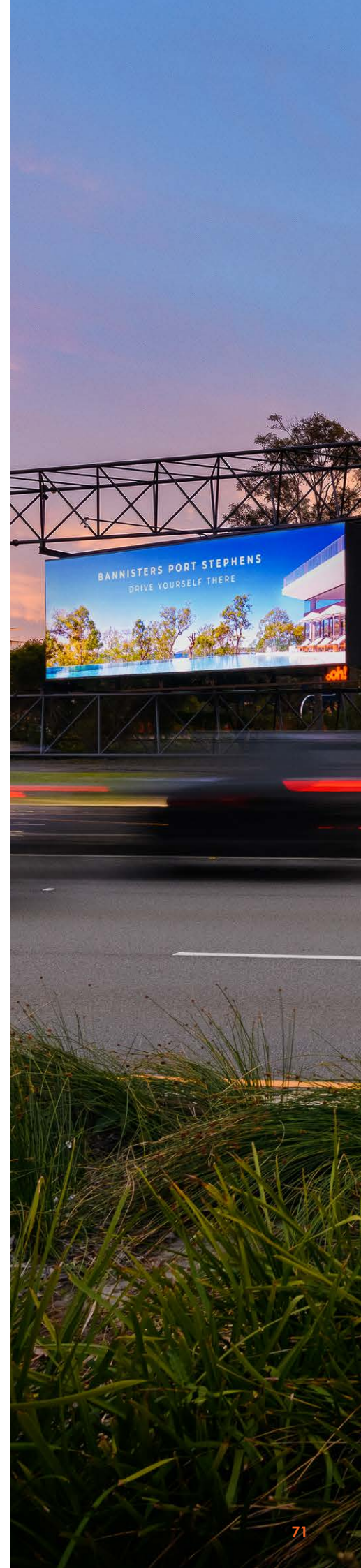
## TECHNOLOGY

The oOh! Technology team always factors in sustainable considerations as standard practice. A major focus for 2022 has been the decommissioning of our legacy servers (and applications that sit on them) – both on premise as well as in our private and public clouds. Each server uses a varying number of resources and energy, ultimately enabling our total energy usage to drop as servers are reduced.

At oOh! we are continuously maturing our processes with regards to our end-of-life hardware. Throughout the course of CY22 we have been to 15 out of 17 of our facilities and completed a pickup of all of our electronic waste (E-Waste). Battery and hard disk disposal is carried out by specialised third parties to ensure best practice. We endeavour to refurbish what we can but with any items that require disposal, we receive reporting and certifications confirming that these items are recycled responsibly and sustainably.

In CY22 we finalised migrating our phone systems to the cloud – greatly reducing the desk phones across our sites and associated electronic output required. We are currently investigating a new Device as a Service (DaaS) model for our laptops, with the view to enable a more mature method of managing our end-of-life hardware.

Our systems and processes have been set up using best-practice energy efficiency; this includes sleep timers on our laptops, monitors, servers and network infrastructure. Sharing a smaller number of printers results in less online hardware. We utilise systems such as DocuSign and Adobe to avoid printing where possible. All used toner cartridges are collected and recycled by a third-party vendor.



GOVERNANCE

CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of oOh! and is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the Company's continued growth and success.

The Board has approved a corporate governance framework for oOh! which is implemented by Company Secretariat. oOh! has prepared a Corporate Governance Statement for the reporting period, following the fourth edition of the ASX Corporate Governance Council (ASX CGC) Principles & Recommendations. The Corporate Governance Statement is available on the oOh! website under "Governance".

ESG GOVERNANCE

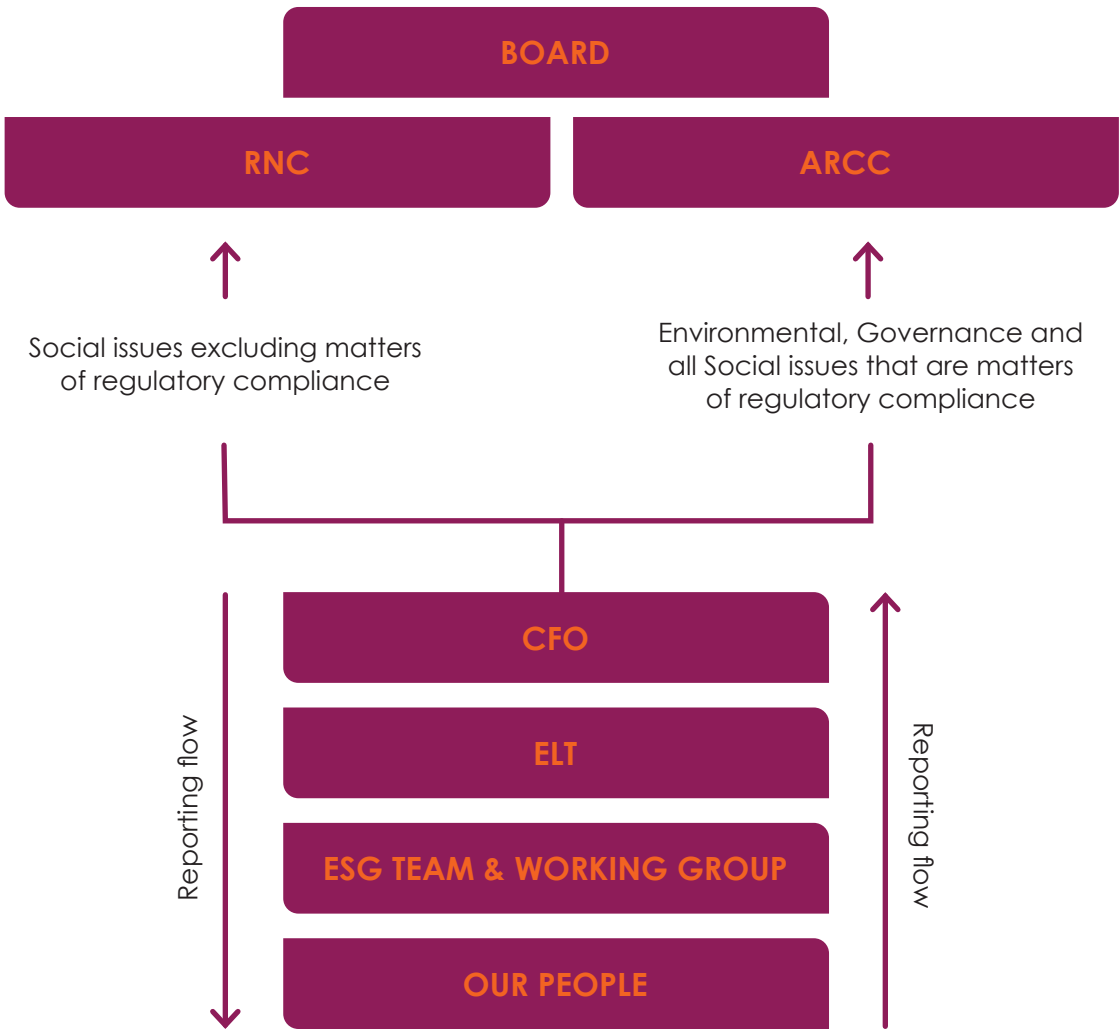
The Group's ESG strategy is subject to ongoing Board oversight, with the Board supported in this function by:

- The Board's Audit Risk and Compliance Committee (ARCC) in respect of the ESG strategy that addresses Environment, Social and Governance issues that are a matter or regulatory compliance (such as modern slavery statements and Wellbeing and Safety) and risks, including risks to the environments in which oOh! operates; and
- The Board's Remuneration and Nomination Committee (RNC) in respect of governing the other 'Social' components of oOh!'s ESG strategy.

The ARCC and RNC each meet quarterly, with ESG scheduled as a regular agenda item for ARCC meetings for 2023. In addition:

- Each RNC meeting includes a component of diversity, inclusion and belonging; and
- The Board annual workplan includes many items that address components of the Group's ESG program, including 2 reviews of workplace health and safety, oversight of Anti Modern Slavery (AMS) actions and an assessment of the risk management framework and risk register.

ESG REPORTING / GOVERNANCE





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### BOARD SKILLS IN ESG

Each year Board members assess their skills against set criteria, with the outcomes reported in oOh!'s Directors Report. In 2022 a review and refresh of the skills criteria was undertaken. Following this review, the relevant skill to support oOh!'s ESG program was expressed in the following terms:

#### Health, Safety and Sustainability:

experience overseeing and assessing environmental, social and workplace health and safety initiatives, including the sustainability of relevant processes. Experience monitoring internal and external processes, including mental health, physical well-being, supply chain emissions and modern slavery risks.

The assessment of this skill addressed:

- Sustainability governance
- Environmental impact and emissions oversight
- Human rights and modern slavery oversight
- Safety culture oversight
- Root cause analysis of work safety risk

Based on this assessment, 1 of oOh!'s 7 directors (6 Non-executive Directors and the Managing Director/CEO) was assessed as having expertise in respect of this skill, with a further 4 assessed as experienced.

### COMPLIANCE WITH REGULATIONS AND STANDARDS

oOh! operates within a number of regulatory and industry self-regulatory frameworks.

In addition to regulations that apply to most businesses, all content displayed via oOh! assets is governed in Australia by the standards set by Australian Association of National Advertisers (AANA) as adjudicated by Ad Standards, and in New Zealand by the Advertising Standards Authority. oOh! is diligent in adhering to these standards. oOh! provides clients and employees with Advertising Standard Guidelines and oOh!'s Copy Advice Committee is an escalation for review of creative content.

oOh! is a foundation member of the industry body, the Outdoor Media Association (OMA), which is a self-regulating body to whose standards oOh! also adheres.

### RISK MANAGEMENT

The Audit Risk and Compliance Committee is the primary forum within oOh!'s governance structure that addresses matters of risk, business continuity and sustainability. The CFO operates also as the Group's Chief Risk Officer and liaises as such between the Group Executive and ARCC.

There are a number of governance mechanisms in place to manage risks:

- **Capable people:** Senior Management and dedicated teams trained in relevant regulatory and legal requirements, and including specialist advisers across the areas of finance, law, technology, workplace safety and procurement;
- **Systems and processes:** a framework of policies, systems, processes and training to guide the business; and
- **Documentation:** standard template contracts to ensure compliance to standards and allocate risk appropriately amongst parties.

oOh!'s Director report lists ESG as a key risk as part of the Company's regulatory governance. Climate change forms a component of ESG, posing both a risk and opportunity to our business as set out in the Scope of the Report.



## Be part of making a change.

Would you like to become an oOh! Sustainability Champion?

**Climate change forms a component of ESG, posing both a risk and opportunity to our business.**

### STAFF EDUCATION

The internal education of our staff has been a major focus for CY22. In our transition towards a more sustainable future, we see the value of bringing our staff along on the journey. Our mission has been to empower every employee by giving them the skills and knowledge to embed sustainable practice into everything they do and make decisions on.

A number of internal engagement avenues have been created to provide education on sustainability related terminology and sustainable practices, including representation at the all company Townhall, the oOh! intranet, oOh! Workplace and via internal presentations. We take the view that an educated workforce is an empowered one.

To work alongside the ESG team and the formal working groups accountable for ESG related strategies within their core role, we have set up the opportunity to become an oOh! Sustainability Champion. This team works to spread ESG-related messages and education across the business within their locations and teams. They are also tasked with assessing and recommending to the ESG team grass root initiatives, that can be officially supported by the business to benefit our ESG ambitions. 3% of the entire permanent workforce actively volunteered to become Champions in CY22 and are currently assessing 3 business wide initiatives.

A new employee's onboarding and induction experience with oOh! begins up to one month prior to their first day at oOh! and continues throughout the first 12 months, with content delivered via a mobile-based platform.

From January 2023, ESG specific information has been integrated into multiple points of the induction experience. oOh!'s aim is that all new employees quickly develop an understanding of our commitment to sustainability, goals and feel empowered to be part of the solution, including becoming an ESG Champion.

### ETHICS & INTEGRITY

Please refer to the current Corporate Governance Statement for information on oOh!'s Code of Conduct, Whistleblower Policy and other key conduct policies.

### SUPPLY CHAIN

In selecting suppliers, oOh! considers, as appropriate, issues of capability, quality, innovation and regulatory compliance. Depending on the scope of works being undertaken suppliers may be required to:

- Provide a detailed safety management plan;
- Provide an environmental management plan, and
- Agree to oOh!'s Wellbeing and Safety Agreement (setting out minimum safety standards expected).
- Report on anti-modern slavery risks in their own supply chains

Following a risk assessment of the works being completed, the supplier may also be audited. Such audits provide oOh! with an additional element of assurance regarding a supplier's work practices.

Depending on the nature of the supplier, some suppliers may be subject to site visits by oOh! personnel and additional due diligence, including compliance with Australian standards for the goods and services provided from overseas, and confirmation of compliance with local labour laws.

To date, we have not identified negative labour or environmental practices in oOh!'s domestic or international supply chains.

Since the introduction of specific anti-modern slavery laws in Australia in 2019, oOh! has been enhancing its supply chain due diligence and requirements, focusing on high-risk products and countries of origin at the time of supplier selection, as detailed in its annual Modern Slavery Statements, published in accordance with legal requirements.



## Sustainability Report continued

### PEOPLE

Through the reporting period oOh! delivered a range of new and exciting people related programs and initiatives across culture and engagement, leadership, development and performance to make oOh! an unmissable place to work for our people. Key highlights included:

### CULTURE AND ENGAGEMENT

Team engagement was consistently strong throughout the year, with terrific results from engagement surveys including 83% of employees commenting positively that they feel proud to work for oOh! In direct response to team member feedback, targeted engagement initiatives were implemented in CY22 to support oOh! to be an even better place to work.

### CONNECTION

Creating deeper connection to support our people to understand each other, our broader business and to move as one team, has been a priority. We initiated regular Town Hall events where the entire oOh! team came together to actively share more about what we do across the wider business. We celebrated successes, showcased achievements, recognised performance and gathered again socially as Covid restrictions lifted.

### LEADERSHIP AND DEVELOPMENT

Supporting our people to keep learning and developing has been achieved through the creation of uniquely oOh! Leadership Development programs and workshops, which brought together leaders from across the business to grow their leadership skills and capability, assisting them to drive a positive, supportive and collaborative culture. Additionally, people leader and team member development playbooks were launched, containing practical tools and resources to help design impactful career development plans, empowering employees to take ownership of their professional development and journey. All employees have a LinkedIn Learning licence enabling access to a vast number of on-demand learning content to meet both their personal and professional development needs.

### GROWTH AND SUCCESSION

Understanding our talent and succession pipeline and identifying growth opportunities to support retention of key talent has been delivered through our Talent Review processes for senior leadership roles. Our Impact and Growth programs were also run twice during the year and focused on performance, contribution and goal achievement.

### EMPLOYEE EXPERIENCE PROGRAMS

One of the ways that oOh! is bringing our values to life is through an enhanced Employee Experience Program (**You + oOh! = Unmissable**). The program is based on the mutual commitment that our employees bring their best to work, we bring our best as a Company, and together we are unmissable. It recognises that our people are individuals with unique strengths and experiences. No matter what team someone may work in, we are known for our creativity, innovation and excellence in delivery; when we all come together, we create an oOh! experience that makes us all stand out. Consisting of the five pillars outlined below and offering a range of new benefits and initiatives, the Employee Experience Program includes the option to swap an existing public holiday with another day, take a paid day each year to use towards something meaningful to a team member's wellbeing or work on a strategic project of importance with one of oOh!'s community partners.



**Purpose & Community** – We are driven by our purpose to delight customers, create a better business and a more sustainable world for everyone.

**Ways of Working** – We embrace inclusion and flexibility with delivery, ensuring our employees and the business remain connected through moments that matter.

**Growth & Recognition** – We will recognise our employees value in many different ways and invest in their development.

**Wellbeing** – We care deeply and will support our employees to be their best by offering industry leading tools and programs they can access on the road, in the office, or at home.

**Your Life** – We know and value the breadth and diversity of family types as much as our employees do.





## DIVERSITY, INCLUSION AND BELONGING

oOh! is committed to unlocking the innovative potential of the Company by creating and supporting an environment where all ideas are heard, inspiring our people to harness their creativity to generate value and growth in an inclusive and diverse culture.

oOh! committed to a three-year Diversity, Inclusion and Belonging Strategy in 2019, that Strategy is to be refreshed in H1 2023. The DIB's framework referenced at oOh! is centred across three core pillars:

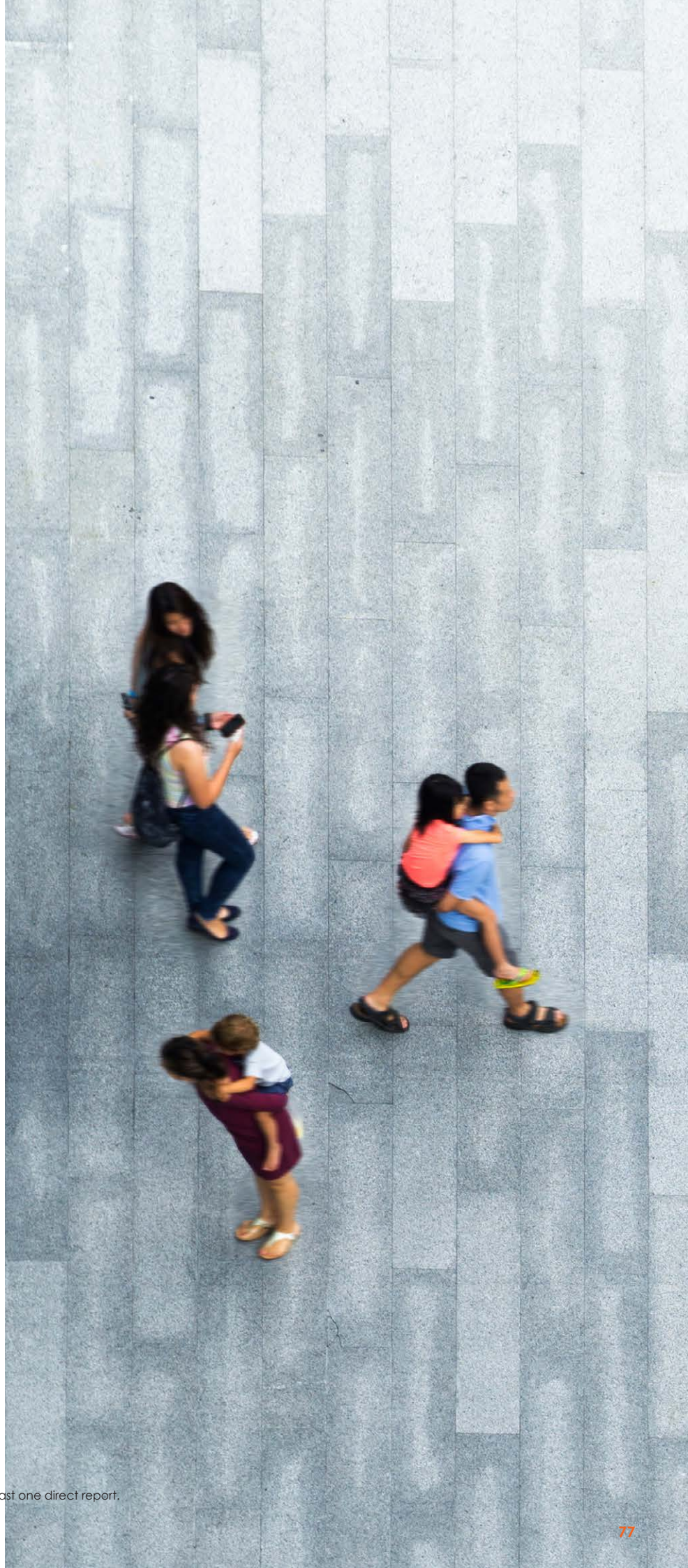
- Balanced teams
- Belonging and Inclusion
- Process and policy

There is a set of measurable objectives for each of these pillars. The Company refreshed those measurable diversity objectives in 2022 to ensure continued focus, progress and alignment with the overall Diversity, Inclusion and Belonging strategy.

Key measurable diversity objectives highlights included:

- Senior female leadership (Executive -1) representation increased over the reporting period by 8% to 49%.
- Women in people leadership roles<sup>1</sup> increased by 2% over the reporting period to 45%.
- Four female employees participated in the Future Women Leaders program in 2022.
- oOh!'s Executive Leadership Team and P&C team participated in Symmetra's globally recognised Diversity, Inclusion and Unconscious Bias program in 2022 assisting to build and embed an inclusive leadership culture.

<sup>1</sup> People leadership is defined as an employee with at least one direct report.







Vito 111 SWB Manual from:

**\$43,990** Drive Away\*



\*T&Cs apply

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## MEASURABLE OBJECTIVES OUTCOMES FOR 2022

Inclusion & Belonging	
Outcomes	Outcomes for 2022
<b>Objective: Demonstrate commitment to inclusive behavioural practices</b>	
Assess and seek feedback on leadership inclusiveness. Create development and action plans for change	<p>In our May 2022 Diversity, Inclusion &amp; Belonging survey 71% of respondents either agreed or strongly agreed with the statement My leader handles diversity matters appropriately and demonstrates a commitment to diversity and inclusion</p> <p>Where required, Business Units created action plans to address key areas for change.</p>
Provide learning programs to build awareness and understanding of inclusive mindsets, belonging and the impact of unconscious bias	<p>oOh!'s Executive Leadership Team and P&amp;C team participated in Symmetra's globally recognised <b>Diversity, Inclusion and Unconscious Bias</b> program in 2022, with the aim of assisting to build and embed an inclusive leadership culture.</p> <p>oOh! has embedded Unconscious Bias principles within a number of key P&amp;C programs including the annual performance and remuneration review processes.</p>
Review practice notes and people documentation to move towards utilising non-binary language within the organisation	<p>Due to competing priorities, this was not a focus in 2022.</p> <p>The P&amp;C team focused on internal communications and systems, making incremental improvements towards being more inclusive.</p>
<b>Objective: Demonstrate appreciation for all employees regardless of gender, cultural identity, age, sexual orientation, disability, work style or approach</b>	
Celebrate the diversity of the Company and showcase contributions from diverse employee base at internal events and customer events	<p>Diversity was celebrated in a number of ways in 2022, some highlights include:</p> <ul style="list-style-type: none"> <li>oOh! signed a 3-year partnership with Sydney Gay and Lesbian Mardi Gras and Sydney WorldPride to be the official Out of Home media partner</li> <li>Celebrated NAIDOC Week</li> <li>Acknowledged Reconciliation week</li> <li>Partnered with Two Point Co. in relation to the development of oOh!'s RAP</li> <li>Celebrated International Women's Day and oOh!'s CEO spoke at the Future Women summit</li> <li>Acknowledged and promoted RUOK? day</li> <li>Participated in Movember to build awareness of men's health issues</li> </ul>
Create DIBs workstreams and working groups to lead initiatives that build a best practice culture that leverages diversity	<p>The following interest Groups, led by employees and supported by People &amp; Culture were established in 2022:</p> <ul style="list-style-type: none"> <li>Carers</li> <li>LGBTQIA+</li> <li>Women</li> </ul> <p>These Groups have created a stronger sense of community for participants and served as champions within the workplace to raise awareness and articulate the key needs of these Groups.</p>
Participate in government and/or industry initiatives that are designed to improve diversity or promote inclusive cultures	<p>Participated in the Outdoor Media Association's Diversity sub-committee to ensure ongoing awareness of best practice in the OOH industry.</p> <p>Ongoing supporting partner with the Family Friendly Workplace initiative.</p> <p>Ongoing membership and support for initiatives and events with Future Women, which is an organisation committed to achieving gender equality in Australian workplaces.</p> <p>Met our compliance obligations with respect to providing gender equality data to the Workplace Gender Equality Agency (Australian Government statutory agency).</p>
Broaden the DIBs communities to also include accessibility	oOh! held initial discussions with Job Support, which specialises in placing job seekers with intellectual disabilities in roles with suitable organisations.



# Sustainability Report continued

## Measurable Objectives outcomes for 2022

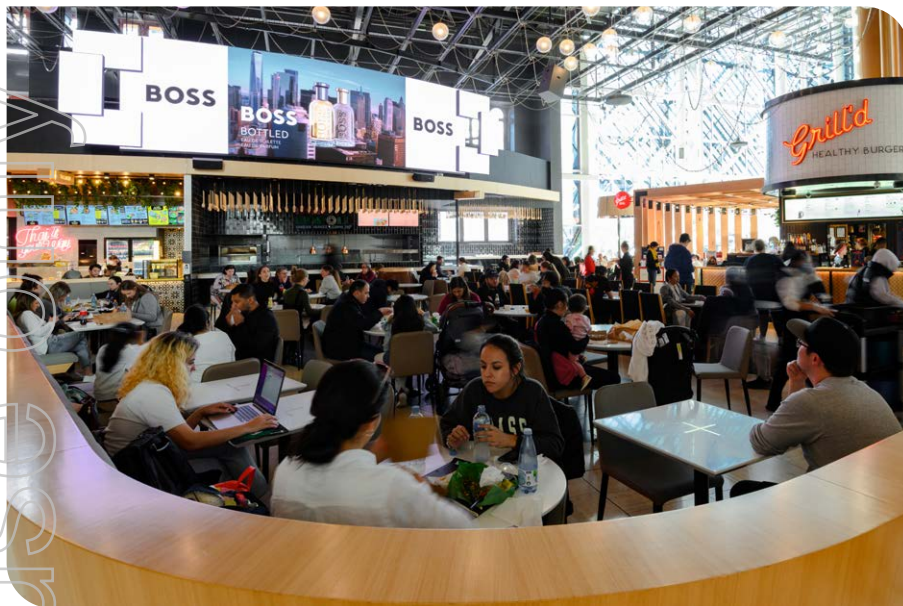
Inclusion & Belonging	
Outcomes	Outcomes for 2022
<b>Objective: Create an environment to ensure all employees can shine</b>	
Refine and embed flexible working practices	<p>Flexible working practices remain in place for all roles where flexible working is operationally feasible.</p> <p>Established a Ways of Working Program (WOW) that developed and circulated a framework and supporting materials to support hybrid and flexible working practices.</p>
Continue annual gender pay equity analysis and introduce approaches to reduce bias in performance review and other relevant people processes	<p>A gender pay equity analysis was undertaken in August.<sup>3</sup> oOh!'s overall Australian Gender Pay Gap (GPG excl. CEO compensation) was 4.6% which is an improvement from the GPG of 5.24% in 2021.</p> <p>A process to calibrate performance ratings and remuneration outcomes focusing on gender equity, amongst other factors, was agreed in 2022 for implementation in 2023.</p>
Utilising an appropriate survey tool, benchmark and identify opportunities for improvement in relation to diversity, inclusion, belonging and wellbeing practices	<p>Three internal surveys were run in 2022, some of the highlights are captured below.</p> <p><b>Diversity, Inclusion &amp; Belonging Survey, May 2022</b> (54% participation rate).</p> <ul style="list-style-type: none"> <li>71% - My leader handles diversity matters appropriately and demonstrates a commitment to diversity and inclusion</li> <li>82% - I feel I can bring my whole self to work at oOh!</li> <li>78% - People, regardless of identity or background are treated fairly at oOh!</li> <li>73% - My personal characteristics are not a barrier to my career progression at oOh!</li> </ul> <p><b>Pulse Survey, May 2022</b> (70% participation rate).</p> <ul style="list-style-type: none"> <li>75% - I feel equipped to manage both personal and work life demands</li> <li>74% - I am able to make necessary changes in how I work to improve my wellbeing</li> </ul> <p><b>Engagement survey, October 2022</b> (77% participation rate).</p> <ul style="list-style-type: none"> <li>82% - I believe oOh! is truly committed to the health and safety of employees</li> <li>78% - I feel equipped to manage both personal and life demands right now</li> <li>80% - I am able to make necessary changes in how I work to improve my wellbeing</li> <li>71% - oOh! considers diversity, inclusion and belonging to be key to our success as a business</li> </ul>
Process and Policies	
Outcomes	Outcomes for 2022
<b>Objective: Ensure robust measurement, benchmarking and visibility of Diversity, Inclusion and Belonging</b>	
Create and publish a Diversity, Inclusion and Belonging strategy and Reconciliation Action Plan for oOh!.	<p>The Diversity, Inclusion and Belonging Strategy was reviewed in early 2022, it will be further refined in 2023.</p> <p>oOh!'s Reflect Reconciliation Action Plan was developed in 2022 with the support of expert external advice. Conditional endorsement of the RAP was received in November 2022 from Reconciliation Australia with final approval received in February 2023. Launch planning is now underway.</p>
Maintain competitive parental leave and flexible working policies	<p>oOh! provides 12 weeks paid parental leave, a 2 week return to work bonus and a further 2 weeks' bonus annual leave (after 3 months of returning to work) to primary caregivers.</p> <p>oOh! supports employees to work flexibly as appropriate for individual roles and considers our flexible working practices to be very competitive.</p>

<sup>3</sup> This analysis was undertaken only in respect of Australian employees. NZ gender pay equity outcomes have always been reviewed informally as part of the annual remuneration review process.

Process and Policies	
Outcomes	Outcomes for 2022
<b>Objective: Ensure robust measurement, benchmarking and visibility of Diversity, Inclusion and Belonging</b>	
Equity in parental leave: increase % of men taking parental leave, maintain robust stay in touch programs, ensure return to meaningful roles	25 employees took parental leave (60% female and 40% male). 86% of female employees returned from parental leave in 2022, with the majority returning to the same pre-parental leave position.  6 employees on parental leave participated in the Keeping in Touch program.
Review progress towards DIBs priorities and measurable objectives bi-annually	Two reviews were carried out during 2022.
Identify, implement and measure outcomes on diversity priorities by team	Reprioritised to 2023.
Utilise engagement surveys to measure views on Wellbeing and Safety and remuneration with a view to identifying and acting on any identified issues from a diversity and inclusion perspective	Responses to Wellbeing and Safety and remuneration questions in the 2022 engagement survey were reviewed having regard to varying demographics including gender. No particular issues were identified.

## ORGANISATIONAL PROFILE (IN MORE DETAIL)

Total number of employees by contract and gender			
Employment arrangement	Female	Male	Total
Permanent	369	398	767
Casual	3	6	9
Fixed Term Contractors	22	11	33
Board (Non-executive Directors only)	2	4	6
<b>Total Workforce</b>	<b>396</b>	<b>419</b>	<b>815</b>
Number of permanent employees by employment type and gender			
Employment type	Female	Male	Total
Full time	328	394	722
Part time	41	4	45
<b>Total</b>	<b>369</b>	<b>398</b>	<b>767</b>
Total workforce by region and gender			
Location	Female	Male	Total
New South Wales	249	222	471
Australian Capital Territory	1	3	4
Victoria	77	99	176
Queensland	26	32	58
South Australia	9	14	23
Western Australia	8	14	22
New Zealand	26	35	61
Other	0	0	0
<b>Total Workforce</b>	<b>396</b>	<b>419</b>	<b>815</b>



### WELLBEING AND SAFETY

A key focus of oOh!'s business is to create a psychological and physically safe and healthy workplace environment for all our employees, local communities, suppliers, contractors and visitors. We take safety extremely seriously in our day to day work practices and operations. Keeping the people who work for us safe is fundamental to our success as a Company.

Every day, employees working within our oOh! family should leave work as healthy and as safe as when they arrived. We constantly work to review, identify and control preventable serious injuries across our network.



### LIVING WITH COVID

In 2022, we continued to support our teams during COVID. This involved maintaining a focus on keeping teams safe while ensuring business continuity, regardless of oOh! office location, working remotely or in the field.

oOh! assisted our employees to manage their own illness or care for others with access to special paid COVID leave. To provide employees with the safest possible work environment, oOh! made the decision to implement a COVID Vaccination Policy, requiring all employees to be vaccinated or apply for an exemption. In the second

half of 2022, we have transitioned to 'living with COVID', continuing to follow government health advice and remaining vigilant to any changes as we continue to prioritise the health and safety of our teams.

oOh! continued to regularly communicate with employees, including providing invitations to participate in webinars and information sessions involving our Employee Assistance Program (EAP) provider. The Company understands that COVID-19 has impacted all employees differently and encouraged dialogue with their people leaders and the use of the EAP services.





In 2022, we strengthened our Wellbeing and Safety strategy to drive performance across our system and reinforce safety as a key part of our core values. We implemented a comprehensive, preventative program to further identify and mitigate the potential for serious incidents to occur in our network.

In addition oOh! conducted a comprehensive management review of our outdoor operations, warehouse, printing, and office environments. The key focus areas are:

- Safety culture where clear Wellbeing and Safety responsibilities and accountabilities at all levels drive commitment to a positive safety culture
- Having a documented safety, health management system which defines methodologies and minimum standards enabling management governance and oversight
- Risks and controls, including identifying, assessing, and controlling our material risks, which are paramount in keeping our teams and members of the public safe
- Having metrics, incident insight and performance reporting, which allows organisation-wide accountability for Wellbeing and Safety performance.

Key elements of the strategic plan which have been implemented during CY22 are:

- The completion of a systematic review and assessment of material risks and the effectiveness of control environments

- Set up and establishment of the monthly cadence of a Wellbeing and Safety consultative committee. Support tools launched and implemented, ensuring greater focus, engagement and obligations with key stakeholders across all areas of the business in the decision making and ongoing management of Wellbeing and Safety
- Recertification of the integrated management system in November 2022 for safety, environment, and quality
- An implemented governance framework which includes:
  - Regular reporting of Wellbeing and Safety initiatives, issues and opportunities, to the Executive Leadership Team, the Audit, Risk & Compliance Committee, and the Management Board
  - Monthly Wellbeing and Safety SteerCo meetings for the Wellbeing and Safety team to raise matters with the Executive Leadership Team and other key stakeholders, including performance, emerging risks, outcomes, solutions, and progress.

Our Wellbeing and Safety program includes a set of front-line and management responsibilities and behaviours that must be proactively demonstrated. These include guidance tools and indicators to recognise, evaluate and ensure controls are in place to prevent incidents from occurring.

Management commitment and strong employee engagement play a significant role in creating a safe and healthy workplace and supporting a culture of learning and improving – all employees are our partners in embedding safe habits and strengthening our safety culture.

**All our employees are our partners in embedding safe habits and strengthening our safety culture.**

We are also promoting a learning environment by continuing to engage directly with employees to uncover hidden safety risks and challenges. We champion transparency and continuous improvement through building a culture of psychological safety. While we have been demonstrating year-over-year improvements to our injury performance, we continue to experience preventable incidents within our system. We believe that one preventable serious injury is too many, and we have processes in place to ensure our employees and contractors report all injuries, regardless of severity.

### CONTRACTOR AUDITS

We regularly carry out unannounced on-site audits of Contractors engaged to conduct high risk works such as working at heights, near electricity, close to the road or rail corridors and around powered mobile plant.

We do this to validate workplace safety as well as compliance with our quality and environmental requirements. Of the fourteen (14) high-risk contractors assessed in 2022, 57% (8) required remedial actions predominantly related to non-material infringements such as inconsistent safety meetings. Action plans have been developed, outstanding actions monitored, and they are being tracked by our independent external auditor.

### HOLISTIC WELLBEING (INCLUDING PSYCHOLOGICAL SAFETY)

The holistic wellbeing, including the psychological safety of our team is a primary focus for oOh! as we continually strive to provide best-in-class responses on team wellbeing. Support is available to our employees through our EAP service. The service is of no cost to our teams and provides a guarantee of anonymity and is proactively and reactively communicated in all areas of our business.

The EAP service is our opportunity to show that we care deeply by providing support for mental health, traumatic and financial issues. Additionally, our EAP provides research, tools, management training and team workshops.

An all-employee EAP awareness session was held during Safe Work Month in October 2022, highlighting employees' entitlements as an oOh! employee, what confidential support means, the services available from the EAP provider, how to engage them and how the EAP provider can set employees up for success by linking them with other professional services that may contribute to their holistic mental health. In addition to these sessions, we offered webinars, carried out in partnership with our EAP and other learning organisations, including:

- Men's mental health
- Positive mental health and wellbeing strategies
- Mental health and me
- Healthy habits
- Understanding happiness
- Effective communication

oOh! currently has over 50 trained Mental Health First Aiders based out of most Australian oOh! office locations. In 2023 we will run further courses to enhance and deepen our existing wellbeing offering.

As part of R U OK? Day, oOh! hosted an R U OK? Community Ambassador, to educate our teams of the importance of spreading the R U OK? Message. The Ambassador spoke to his own

experiences with helpful messaging around how to manage the everyday rollercoasters of mental health.

**The holistic wellbeing of our team is a primary focus for oOh! as we continually strive to provide best-in-class responses on team wellbeing.**

To further enhance our wellbeing offering, in February 2023 oOh! engaged a new partner, Sonder. Sonder has a team of nurses, emergency responders and counsellors, which are accessible 24/7/365 via their app, phone or in-person and will be made available to our teams and also their families. Instead of having to navigate individual, disconnected support services across safety, medical and mental health, Sonder is an all-in-one care network.

Sonder also offers a unique safety function via Track My Journey, Check On Me and Safety Alerts.





## COMMUNITY PROGRAM

oOh! continues to provide media space at no cost for not-for-profit organisations through our community programs in both Australia and New Zealand, helping them to raise much needed awareness and funds for the causes we support.



### oOh! Community in Australia

Over the CY22 reporting period, oOh! responded to 100 requests for support, donated 20 media packages and provided media space to charity and community causes at a total cost of around \$16 million.

Charities and causes we actively supported include:

- GO Foundation;
- Lifeline;
- Make-A-Wish Australia;
- Orange Sky;
- Pink Hope;
- Taronga Conservation Society Australia;
- Two Good;
- Humpty Dumpty Foundation;
- Ovarian Cancer Research Foundation;
- Shake It Up Australia;
- Jean Hailes for Women's Health; and
- Australian Children's Music Foundation.

In addition, oOh! donated to GIVIT in support of people affected by the floods in both New South Wales and Queensland. GIVIT works with charities and community groups on the ground to ensure people impacted get what they need, when they need it.

oOh! offers employees a paid workday each year to volunteer for a registered charity, or community organisation. In 2022 employees volunteered for a variety of causes including Lifeline, Sony Foundation, Tour de Cure, Two Good and Clean Up Australia, with a total of 43 volunteer days recorded for CY22.

In December 2022, oOh! also introduced a new benefit allowing employees to work on a strategic project of importance with one of our community partners for up to 3 days a year. Across Australia and New Zealand employees participated in two major fundraising and awareness initiatives for oOh!'s Community partners – Orange Sky's Sudsy Challenge, raising almost \$18,000 to support people experiencing homelessness, and Movember, raising over \$15,000 for men's health projects.

### oOh! Community in New Zealand

oOh! New Zealand's ambition for the Community Program is to give back, make a difference and strive to add real value to the not-for-profit organisations we represent, as well as engage the NZ public and enrich the communities and suburbs our assets are part of.

In 2022, we continued an ongoing programme of support for our long-standing partners, including our employees participating in key fundraising and awareness initiatives:

- Keep New Zealand Beautiful;
- Youthline;
- The Urban Art Foundation;
- Voices of Hope; and
- Orange Sky

In addition, we provided media space for the following charities:

- Make-A-Wish New Zealand;
- Leukemia Blood Cancer;
- Starship Foundation;
- Men's Health Week;
- White Ribbon Foundation; and
- Movember

Our employees supported charities by participating in activities & fundraisers for Youthline, Keep NZ Beautiful, Orange Sky and Movember.

We launched a new initiative, the Positive Impact Project, where businesses and charities doing great things for the community or the environment can apply to access pro bono media space through our filler program. Organisations who have participated so far include sustainable designer Maggie Marilyn and Immerse Foster Care.

Our Art in the Hood project continued for its third year in 2022. This year's theme was road safety, one of Aotearoa's leading issues. Students across Auckland, Wellington and Christchurch created a piece of art that represented what road safety meant to them, in the hopes of bringing this important issue to life amongst New Zealand communities and schools. Four winners from each school were chosen to have their road safety pieces displayed on shelters near their schools.

We also supported the following community and industry entities and events:

- Beacon Awards;
- Axis Awards
- Effie Awards
- Marketer of the Year Awards
- Mother's & Father's Day;
- Maori Language Week;
- Matariki
- Kauri Ora; and
- Pride Shelters



### ENVIRONMENTAL CAMPAIGNS

Throughout 2022, oOh! provided advertising space for several clients on their environmental messaging or initiatives. These included government and local councils on waste disposal processes including recycling, Water Authorities on the importance of water sustainability, and independent clients with messaging such as planting trees, preparing for storm season and addressing global warming.

Examples of oOh!'s support of key environmental initiatives included the following campaigns:

Zero Positive is a world-first, not-for-profit emissions reduction program supported by the United Nations, and developed specifically to empower Australian schools and their communities with the right tools, education and support to become climate positive. To raise awareness of the program oOh! provided a pro bono campaign to the value of \$190,000.

oOh!'s client, 4 Pines Brewing Company (Asahi Beverages) was the official beer partner of the Australian men's cricket team for the 2021/2022 Summer of Cricket. They leveraged this partnership to work with Landcare Australia with a commitment to plant four trees for every four scored by the men's national team during that season. This translated into 4 Pines funding the planting of 44,444 native Australian trees, shrubs and ground covers at Cape Jervis on South Australia's Fleurieu Peninsula. oOh! provided pro bono media to the value of \$100,000 to support the joint campaign.



### RECONCILIATION ACTION PLAN

oOh! formed a Working Group to create a Reconciliation Action Plan (RAP) to assist the business to embed the principles and purpose of Reconciliation with Aboriginal and Torres Strait Islander peoples in Australia. oOh!'s purpose to make public spaces better and brands unmissable is at the core of everything we do. We value our ability to deliver genuine value for the community, by building and maintaining public infrastructure and supporting the work of local communities. As an organisation we do this every day through our connection with communities and in environments on land that Australia's First peoples have lived on for millennia.

As a leader in Out of Home, we work with advertisers, governments and commercial property partners, to engage communities and people with our public space assets. We know the more people are engaged, the more integral we become to helping make our society a better place to live, work and play. We can contribute best to this reconciliation journey by formalising and voicing our commitment to building sustainable, supportive, and resilient communities.

The RAP Working Group consists of key stakeholders from within the business, including an ELT sponsor, senior executives, and representation from all staff levels. Working to ensure an authentic and informed approach to the creation of a RAP, the Working Group made the decision to engage with Reconciliation Australia and Two Point Co, an indigenous consultancy firm, to guide the business in this process. The Working Group has committed to a Reflect Reconciliation Action plan, which scopes our impact as a business and provides a pathway forward to engage with our stakeholders in ways that progress reconciliation.

The RAP was formally endorsed in February 2023 with a planned official launch early 2023.

### COMPLAINTS FROM THE PUBLIC

oOh!'s Company mission is to 'make public spaces better and brands unmissable'. We rely on feedback from the public, good and bad, to make continuous improvements to our interactions with public spaces and communities in which we operate. oOh! has a community liaison team to manage public complaints and take any feedback very seriously. We have established systems and processes to receive, acknowledge, manage and resolve complaints and issues as they arise.

Complaints generally come directly from the public or via our commercial partners and typically fall into 1 of 3 buckets:

**1. Creative Complaints** We check the creative against OMA, and Commercial Partner standards, if there is an indication of a breach, creative will be removed or relocated.

**2. Driving or Personnel Complaints** These complaints are rare and are reported through to the relevant Assets and Operations State Manager for management and resolution.

**3. Other Complaints** These include general in-field related complaints such as safety lighting is not working in a shelter.

Complaints follow an established workflow and where relevant, are resolved with assistance from operations, Wellbeing and Safety and legal teams, depending on the complaint.

In 2022 there were 5 complaints, all relating to minor 'Other Complaints' and all resolved appropriately and satisfactorily.

### ADVERTISING CATEGORY BANS

oOh! continues to provide an open advertising platform for legitimate, free speech, and adheres to the content standards and regulations set out by law and by our commercial partners, in terms of acceptable categories to display.

### CURRENCY AND QUESTIONS

This Sustainability Report is current as at 24 March 2023 (except as specified otherwise) and has been approved by the Board.

Any questions regarding this report can be directed to the Company Secretary of oOh!media Limited.





oOh!'s purpose to make public spaces better and brands unmissable is at the core of everything we do.



For personal use only





# Financial Statements

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## General Information

The Annual Financial Report covers oOh!media Limited and its controlled entities. The consolidated financial statements are presented in Australian currency.

oOh!media Limited is a listed company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 73 Miller Street, North Sydney, New South Wales 2060

The Annual Financial Report was authorised for issue, in accordance with a resolution of the Directors. The Directors have the power to amend and reissue the Annual Financial Report.

Through the use of the internet, oOh!media Limited ensures that all corporate reporting is timely, complete and available to all users at minimum cost to the Company. All media releases, financial reports and other information are available at the Investors section on the website: [www.investors.oohmedia.com.au](http://www.investors.oohmedia.com.au)

# Consolidated statement of profit or loss and other comprehensive income / (loss)

for the year ended 31 December 2022

	Notes	Consolidated	
		31 Dec 22 \$'000	31 Dec 21 \$'000
Revenue	5	592,623	503,734
Cost of media sites and production <sup>(1)</sup>		(169,852)	(133,356)
<b>Gross profit</b>		<b>422,771</b>	<b>370,378</b>
Other income <sup>(2)</sup>	5	2,136	4,026
<b>Operating expenditure</b>			
Employee benefits expense		(102,686)	(100,999)
Depreciation and amortisation expense	12,13,14	(200,665)	(209,061)
Legal and professional fees		(6,389)	(5,160)
Advertising and marketing expenses		(7,674)	(7,781)
Other expenses	7	(20,103)	(20,183)
<b>Total operating expenditure</b>		<b>(337,517)</b>	<b>(343,184)</b>
<b>Operating profit</b>		<b>87,390</b>	<b>31,220</b>
Finance income		481	598
Finance costs <sup>(3)</sup>		(41,727)	(47,267)
<b>Net finance costs</b>	8	<b>(41,246)</b>	<b>(46,669)</b>
Share of profit / (loss) of equity-accounted investees, net of tax		11	(90)
<b>Profit / (loss) before income tax</b>		<b>46,155</b>	<b>(15,539)</b>
Income tax (expense) / benefit	10	(14,639)	5,251
<b>Profit / (loss) after income tax</b>		<b>31,516</b>	<b>(10,288)</b>
<b>Attributable to:</b>			
Owners of the Company		31,516	(10,288)
<b>Profit / (loss) for the period</b>		<b>31,516</b>	<b>(10,288)</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that may be subsequently classified to profit or loss:</b>			
Effective portion of changes in fair value of cash flow hedges, net of tax		7,118	3,455
De-designation of interest rate derivatives to the Consolidated Income Statement, net of tax <sup>(3)</sup>		(1,376)	2,502
Foreign currency translation differences		(1,782)	272
<b>Total comprehensive income / (loss) for the period</b>		<b>35,476</b>	<b>(4,059)</b>
<b>Attributable to:</b>			
Owners of the Company		35,476	(4,059)
<b>Total comprehensive income / (loss) for the period</b>		<b>35,476</b>	<b>(4,059)</b>
<b>Earnings per share attributable to the ordinary equity holders of the Company</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings / (loss) per share	29	5.3	(1.7)
Diluted earnings / (loss) per share	29	5.3	(1.7)

<sup>(1)</sup> Cost of media sites and production is shown net of negotiated rent abatements with lessors. Refer to Note 6.

<sup>(2)</sup> Other income comprises compensation recognised for compulsory acquisition of a leased sites, gain on sale of assets and gain on lease modifications. Refer to Note 5.

<sup>(3)</sup> Pursuant to AASB 9, a portion of the interest rate derivative was deemed ineffective, and a fair value gain was reclassified to profit or loss. Refer to Note 8.

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



# Consolidated statement of financial position

as at 31 December 2022

		Consolidated	
	Notes	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Current assets</b>			
Cash and cash equivalents		40,048	60,048
Trade and other receivables	11	113,044	99,827
Inventories	16	6,094	5,006
Other assets	17	14,290	26,878
<b>Total current assets</b>		<b>173,476</b>	<b>191,759</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	151,359	168,426
Right-of-use-assets	13	652,306	723,862
Intangible assets	14	745,414	767,308
Derivative assets	21	5,466	-
Other assets	17	3,874	1,110
<b>Total non-current assets</b>		<b>1,558,419</b>	<b>1,660,706</b>
<b>Total assets</b>		<b>1,731,895</b>	<b>1,852,465</b>
<b>Current liabilities</b>			
Trade and other payables	19	49,936	50,141
Interest bearing lease liabilities	18	145,255	178,568
Provisions	20	3,420	1,240
Employee benefits		9,352	8,005
Income tax payable	10	22,884	9,227
<b>Total current liabilities</b>		<b>230,847</b>	<b>247,181</b>
<b>Non-current liabilities</b>			
Loans and borrowings	18	72,899	123,570
Provisions	20	8,424	14,018
Employee benefits		2,138	2,570
Interest bearing lease liabilities	18	609,742	649,603
Derivative liabilities	21	-	5,102
Deferred tax liability	10	3,002	7,777
<b>Total non-current liabilities</b>		<b>696,205</b>	<b>802,640</b>
<b>Total liabilities</b>		<b>927,052</b>	<b>1,049,821</b>
<b>Net assets</b>		<b>804,843</b>	<b>802,644</b>
<b>Equity</b>			
Share capital	22(a)	864,104	886,468
Reserves	22(b)	33,485	25,516
Accumulated losses		(91,841)	(108,435)
<b>Equity attributable to the owners of the Company</b>		<b>805,748</b>	<b>803,549</b>
Non-controlling interest	22(c)	(905)	(905)
<b>Total equity</b>		<b>804,843</b>	<b>802,644</b>

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

# Consolidated statement of cash flows

for the year ended 31 December 2022

		Consolidated	
	Notes	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		642,037	544,230
Payments to suppliers and employees (inclusive of goods and services tax)		(371,278)	(336,619)
<b>Cash generated from operations</b>		<b>270,759</b>	<b>207,611</b>
Interest paid		(40,232)	(48,858)
Interest received		481	45
Income tax paid		(8,320)	(2,717)
<b>Net cash generated from operating activities</b>	30	<b>222,688</b>	<b>156,081</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	12	(23,952)	(12,257)
Acquisition of intangible assets	14	(3,085)	(2,440)
Loan to industry association		(3,109)	(1,007)
Disposal of subsidiary		1,193	2,163
Transaction costs related to disposals		-	(310)
Proceeds from sale of property, plant and equipment		63	53
<b>Net cash used in investing activities</b>		<b>(28,890)</b>	<b>(13,798)</b>
<b>Cash flows from financing activities</b>			
Payment of share buy back		(22,364)	-
Repayment of loans and borrowings		(50,000)	(70,000)
Payment of transaction costs related to borrowings and derivatives		(1,402)	(414)
Payment of lease liabilities		(125,110)	(91,863)
Dividends paid in cash		(14,922)	-
<b>Net cash used in financing activities</b>		<b>(213,798)</b>	<b>(162,277)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(20,000)</b>	<b>(19,994)</b>
Cash and cash equivalents at beginning of period		60,048	80,042
<b>Cash and cash equivalents at end of period</b>		<b>40,048</b>	<b>60,048</b>

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

# Consolidated statement of changes in equity

for the year ended 31 December 2022

	Share capital	Foreign currency translation reserve	Other equity reserve	Cash flow hedge reserve	Share-based payments reserve	Accumulated losses	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>								
<b>Balance at 1 January 2021</b>	876,291	522	16,608	(9,632)	21,293	(98,147)	(905)	806,030
<b>Total comprehensive (loss) / income for the period:</b>								
Loss for the period after income tax	-	-	-	-	-	(10,288)	-	(10,288)
<b>Other comprehensive (loss) / income:</b>								
Effective portion of changes in fair value of cash flow hedges	-	-	-	3,455	-	-	-	3,455
De-designation of interest rate derivatives to the Consolidated Income Statement, net of tax	-	-	-	2,502	-	-	-	2,502
Exchange differences on translation of foreign operations	-	272	-	-	-	-	-	272
<b>Total comprehensive (loss) / income for the period</b>	-	272	-	5,957	-	(10,288)	-	(4,059)
<b>Transactions with owners, recorded directly in equity:</b>								
<b>Contributions and distributions</b>								
Issue of ordinary shares (Employee Performance Rights)	10,177	-	-	-	(10,177)	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	673	-	-	673
<b>Total transactions with owners of the Company</b>	10,177	-	-	-	(9,504)	-	-	673
<b>Balance at 31 December 2021</b>	886,468	794	16,608	(3,675)	11,789	(108,435)	(905)	802,644
<b>Balance as at 1 January 2022</b>	886,468	794	16,608	(3,675)	11,789	(108,435)	(905)	802,644
<b>Total comprehensive income / (loss) for the period:</b>								
Profit for the period after income tax	-	-	-	-	-	31,516	-	31,516
<b>Other comprehensive income / (loss) :</b>								
Effective portion of changes in fair value of cash flow hedges	-	-	-	7,118	-	-	-	7,118
De-designation of interest rate derivatives to the Consolidated Income Statement, net of tax	-	-	-	(1,376)	-	-	-	(1,376)
Exchange differences on translation of foreign operations	-	(1,782)	-	-	-	-	-	(1,782)
<b>Total comprehensive income / (loss) for the period</b>	-	(1,782)	-	5,742	-	31,516	-	35,476
<b>Transactions with owners, recorded directly in equity:</b>								
<b>Contributions and distributions</b>								
Dividends paid	-	-	-	-	-	(14,922)	-	(14,922)
Share buy back	(22,364)	-	-	-	-	-	-	(22,364)
Equity-settled share-based payment transactions	-	-	-	-	4,009	-	-	4,009
<b>Total transactions with owners of the Company</b>	(22,364)	-	-	-	4,009	(14,922)	-	(33,277)
<b>Balance at 31 December 2022</b>	864,104	(988)	16,608	2,067	15,798	(91,841)	(905)	804,843

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



# Notes to the consolidated financial statements

## 1. Reporting entity

oOh!media Limited is a company domiciled in Australia. The Company was incorporated on 7 October 2014 and listed on the Australian Securities Exchange (ASX) on 17 December 2014. The Company's registered office and principal place of business is at Level 2, 73 Miller Street, North Sydney, NSW 2060.

The Annual Financial Report (consolidated financial statements) of the Company as at and for the year ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the Group, and individually as Group entities), and the Group's interests in associates and joint ventures. The comparative information represents the financial position of the Company as at 31 December 2021 and the Group's performance for the period 1 January 2021 to 31 December 2021.

The Group is a for-profit entity and is primarily involved in outdoor media, production and advertising in Australia and New Zealand.

## 2. Basis of accounting

### a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001 (Cth)*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Standards Board (IASB).

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 20 February 2023.

### b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following item in the consolidated statement of financial position:

- Derivative financial instruments are measured at fair value.

### c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 1 April 2016 and in accordance with the instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

### d) Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Group has, as a result of adopting AASB 16 in 2019, an excess of current liabilities over current assets totalling \$57,371,000. The Group is generating positive operating cash flows and there is no indication that the Group will not be able to meet its obligations as and when they fall due and is forecast to continue doing so.

### e) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### i. Judgements

Key judgements include the forecast performance of the Group, which at the time of this report has inherent uncertainty. These key judgements relate to the carrying value of the tangible and intangible assets and were made based on the internal and external available information. Should actual performance differ significantly from these assumptions there may be material changes to the carrying value of the assets listed above for future reporting periods. Assumptions with regards to the recoverability of goodwill allocated to Cash Generating Units are included in Note 15 Goodwill.

## ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending 31 December 2022 are included in the following notes:

- Note 10 Income tax: key assumptions on uncertain future tax treatments;
- Note 15 Goodwill: key assumptions underlying recoverable amounts for impairment testing; and
- Note 18 Loans and borrowings: lease terms.

## iii. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and which reports directly to the Chief Financial Officer.

The finance team reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit, Risk & Compliance Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as much as possible.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included Note 23 Fair values.

## f) Changes in accounting policies

The accounting policies adopted in this report have been consistently applied to each entity in the Group and are consistent with those of the previous year.

## g) New standards and interpretations

The Group has adopted all the relevant new, revised, or amended Accounting Standards and interpretations issued by the AASB which are mandatory for the current and comparative reporting period.

# 3. Significant accounting policies

Accounting policies can be found throughout the notes to these financial statements, beneath the appropriate note disclosure. For changes in the accounting policy in the period refer to Note 2(f) Changes in accounting policies.

## a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of oOh!media Limited and the results of subsidiaries. oOh!media Limited and its subsidiaries together are referred to in these consolidated financial statements as 'the Group'.

## i. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. 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 over the entity.

## ii. Investments in equity-accounted investees

The Group's interest in equity-accounted investees represents its interest in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its

assets and obligations for its liabilities. The Group's interest in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

### iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in that investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### iv. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

- b) **Income tax** – refer to Note 10 Income tax
- c) **Receivables and revenue recognition** – refer to Note 11 Trade and other receivables and Note 5 Revenue and other income
- d) **Plant and equipment** – refer to Note 12 Property, plant and equipment
- e) **Right-of-use assets** – refer to Note 13 Right-of-use assets
- f) **Intangibles** – refer to Note 14 Intangible assets
- g) **Inventories** – refer to Note 16 Inventories
- h) **Financial instruments** – refer to Note 24 Financial risk management
- i) **Leases** – refer to Note 18 Loans and borrowings
- j) **Trade and other payables** – refer to Note 19 Trade and other payables
- k) **Employee benefits** – refer to Note 9 Share-based payments
- l) **Cash and cash equivalents** – refer to Note 30 Reconciliation of cash flows from operating activities
- m) **Impairment of assets** – refer to Note 15 Goodwill
- n) **Foreign currency translation** – refer to Note 22 Capital and reserves

### i. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

### ii. Foreign operations

The results and financial position of foreign operations (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates unless this is not a reasonable approximation of the:
  - Cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions;
  - All resulting exchange differences are recognised as a separate component of equity.



On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, ceases operation or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

- o) Borrowings** – refer to Note 18 Loans and borrowings
- p) Finance income and finance costs** – refer to Note 8 Net finance costs
- q) Maintenance and repairs** – refer to Note 12 Property, plant and equipment
- r) Provisions** – refer to Note 20 Provisions
- s) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. Operating cash flows are recognised inclusive of the associated GST. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

- t) Share capital** – refer to Note 22 Capital and reserves
- u) Glossary** – refer to glossary of defined terms

## 4. Operating segments

### a) Basis for segmentation

The Group operates as a single segment providing a range of Out-of-Home advertising solutions.

### b) Reconciliation of Adjusted Underlying EBITDA

The Board and executive management review the Adjusted Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to monitor business performance because they believe that it provides a better representation of financial performance in the ordinary course of business.

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Adjusted Underlying EBITDA</b>	<b>127,096</b>	<b>77,553</b>
Fixed rent obligations <sup>(1)</sup>	158,823	158,702
<b>Underlying EBITDA</b>	<b>285,919</b>	<b>236,255</b>
Other income <sup>(2)</sup>	2,136	4,026
<b>Statutory EBITDA</b>	<b>288,055</b>	<b>240,281</b>
Share of (loss) / profit of equity-accounted investees, net of tax	11	(90)
Amortisation	(23,597)	(25,095)
Depreciation	(177,068)	(183,966)
Net finance costs	(41,246)	(46,669)
<b>Profit / (loss) before income tax</b>	<b>46,155</b>	<b>(15,539)</b>

<sup>(1)</sup> Includes rent of \$148,745,000 excluded from Cost of media sites and production and \$10,078,000 from Other expenses under AASB 16. Abatements for fixed rent, due up to 31 December 2022, that qualified for practical expedients relief of \$10,850,000 and \$202,000 relating to unconditional abatements that did not qualify for application of the practical expedient accounted for as part of a lease modification, refer Note 6 Rent concessions.

<sup>(2)</sup> See Note 5 Revenue and other income for more details.

## 5. Revenue and other income

### Revenue by Product

Key information relating to the Group's financial performance is detailed below. This is also included in management reports reviewed by the Group's Chief Operating Decision Maker (the Board).

	31 Dec 22 \$'000	31 Dec 21 \$'000
Street and Rail <sup>(1)</sup>	196,520	182,072
Road	191,094	158,477
Retail	142,913	124,995
Fly	33,822	12,243
Locate	17,445	11,839
Other <sup>(2)</sup>	10,829	14,108
<b>Revenue</b>	<b>592,623</b>	<b>503,734</b>

<sup>(1)</sup> Street and Rail revenue includes advertising, production, sale of street furniture, and cleaning and maintenance revenue.

<sup>(2)</sup> Other revenues include subsidiary entities Cactus and Junkee, noting Junkee was disposed of on 7 December 2021.

With regards to the timing of satisfaction of performance obligations, 77% (2021: 81%) of the Group's revenue was recognised over time and 23% (2021: 19%) was recognised at a point in time.

### Other income

	31 Dec 22 \$'000	31 Dec 21 \$'000
Compensation for compulsory acquisition	-	1,698
Disposal of subsidiary	-	2,043
Gain on lease modification	2,136	285
<b>Other income</b>	<b>2,136</b>	<b>4,026</b>

### Accounting policy: Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable, net of the amount of goods and services tax.

Revenue from core operating activities consists of Out Of Home advertising revenues based on fixed price contracts. Revenue from Out Of Home advertising is recognised equally on a pro rata basis over the period in which the advertising is on display. Revenue for media production work is recognised on completion of the assignment. Revenue is recognised on a gross basis with commissions payable to advertising and media agencies recognised as expenses in 'Cost of media sites and production'.

In accordance with AASB 15, the Group has applied the exemption not to disclose revenue from unfulfilled performance obligations, as performance obligations form part of a contract that has an original term of one year or less.

### Contract balances

The timing of revenue recognition, invoicing, and cash collections results in accounts receivable, un-invoiced receivables (contract assets), and customer advances (contract liabilities) on the consolidated statement of financial position. Media contracts are all billed in accordance with agreed-upon contractual terms and pricing, either upfront, at periodic intervals (e.g. lunar period) or upon achievement of contractual milestones. These assets and liabilities are reported on the consolidated statement of financial position on a contract-by-contract basis at the end of each reporting period. Changes in the contract asset and liability balances were not materially impacted by any other factors during the year ended 31 December 2022.

Revenue recognised in 2022 that was included in the contract liability balance at the beginning of the year was \$7,936,000.

## 6. Rent concessions

	31 Dec 22	30 Dec 21
	\$'000	\$'000
Rent abatements - COVID-19 practical expedient <sup>(1)</sup>	10,850	13,939
Variable rent	(3,528)	(3,146)
<b>Net rent abatement</b>	<b>7,322</b>	<b>10,793</b>
<b>Net cost reduction</b>	<b>7,322</b>	<b>10,793</b>

<sup>(1)</sup> Following the IFRC decision, the Group have taken up the practical expedients detailed under AASB 16 Lease (para 16A), allowing the Group not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications.

### Rent abatements – COVID-19 practical expedient

Fixed rent abatements of \$10,850,000 were given for rent that would have normally been due for the period, however the commercial partners have provided rent relief due to the COVID-19 impact, either as a waiver or as a conversion to variable rent.

## 7. Other expenses

	31 Dec 22	30 Dec 21
	\$'000	\$'000
Office expenses	2,355	3,618
Information technology and communications expenses	9,055	9,322
Taxes and charges	988	1,609
Insurances	3,775	3,433
Loss on sale of assets	231	1,007
Travel and entertainment	3,510	1,328
Other expenses	189	(134)
<b>Other expenses</b>	<b>20,103</b>	<b>20,183</b>

## 8. Net finance costs

	31 Dec 22	31 Dec 21
	\$'000	\$'000
<b>Finance income</b>	<b>(481)</b>	<b>(598)</b>
Interest expense on bank borrowings	9,976	7,022
Amortisation of debt facility establishment costs	735	842
Interest expense on lease liabilities	33,382	34,680
Hedge ineffectiveness	(990)	2,221
De-designation of cash flow hedges	(1,376)	2,502
<b>Finance costs</b>	<b>41,727</b>	<b>47,267</b>
<b>Net finance costs</b>	<b>41,246</b>	<b>46,669</b>

### Accounting policy: Finance income and finance costs

#### i) Finance income

Finance income is recognised as income in the period in which it is earned. Finance income includes interest income, which is recognised on a time proportion basis using the effective interest method.

#### ii) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred using the effective interest method. Finance costs include interest on bank borrowings, ancillary costs incurred in connection with arrangement of borrowings, and interest expense on lease liabilities. Refer to Note 18 Loans and borrowings.



## 9. Share-based payments

### Description of the share-based payment arrangements

As at 31 December 2022 the Group had the following share-based payment arrangements:

Performance rights granted to senior executives that existed during the period are as follows:

	Grant date	Vesting date	Number granted
Tranche #6a	04-Mar-19	15-Feb-22	1,146,035
Tranche #6b	16-May-19	15-Feb-22	192,940
Tranche #7	30-Nov-20	28-Feb-23	3,453,482
Tranche #8	10-May-21	28-Feb-24	1,344,890
Tranche #9a	05-May-22	28-Feb-25	988,395
Tranche #9b	16-May-22	28-Feb-25	443,892
<b>Total performance rights</b>			<b>7,569,634</b>

Vesting conditions for the performance rights are as follows:

Tranche #6a/b: Two LTI performance hurdles, each measured over a 3-year performance period and split 75%/25% of the target award as follows:

- Compound Annual Growth Rate (CAGR) of oOh!media's Earnings Per Share (EPS) over a three-year performance period (as per the full year audited financial results)

Company's CAGR of EPS over the Performance Period	% of Rights that Vest in the EPS tranche
Less than 6% CAGR	Nil
6% CAGR (threshold performance target)	50%
Between 6% and 10% CAGR	Straight line pro rata Vesting between 50% and 100%
10% CAGR (stretch performance target)	100%
Between 10% and 14% CAGR	Straight line pro rata Vesting between 100% and 150%
14% CAGR or above (exceptional performance target)	150%

- Relative Total Shareholder Return (TSR) over a three-year performance period assessed against the ASX200 index (excluding Financials, Industrials and Materials), representing 25% of the award.

Tranche #7: Three LTI performance hurdles, each measured over a 3-year performance period and each representing 1/3 of the target award:

- Free Cash Flow per share (FCF), achievement of 6.33 cents per share, calculated as: (operating cash flow less capital expenditure and finance lease liabilities paid in CY22) / weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 12.9%, calculated as CY22 Adjusted Underlying EBITDA less fixed costs/invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

Tranche #8: Three LTI performance hurdles, each measured over a 3-year performance period and each representing 1/3 of the target award:

- Free Cash Flow per share (FCF), achievement of 12.7 cents per share, calculated as: (operating cash flow less capital expenditure and finance lease liabilities paid in CY23)/weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 15.3%, calculated as CY23 Adjusted Underlying EBITDA less fixed costs/invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

Tranche #9a/b: Three LTI performance hurdles, each measured over a 3-year performance period and each representing 1/3 of the target award:

- Cumulative Free Cash Flow per share (CFCF), achievement of 24.8cents per share, calculated as (operating cash flow CY22-CY24 less capital expenditure and finance lease liabilities paid over CY22-CY24) / weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 16.5%, calculated as (CY24 Adjusted Underlying EBITDA less fixed costs) / invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

### Long-term incentive plan - performance rights

Tranche #6 performance rights which were due to vest on 15 February 2022, did not meet the vesting conditions and the LTI program for 2019 shares lapsed.

Tranche #9a and #9b were issued in May 2022.

## Reconciliation of performance rights

The number of performance rights on issue during the year ended 31 December 2022 are illustrated below:

	Number of rights #	Face Value \$'000
Outstanding at 1 January 2022	5,977,854	12,755
Exercised during the period	-	-
Granted during the period	1,432,287	1,886
Lapsed	(1,179,482)	(3,789)
Outstanding at 31 December 2022	<b>6,230,659</b>	<b>10,852</b>
Exercisable at 31 December 2022	-	-

## Measurement of fair values

The fair value of the share-based payment plan was measured based on the Monte Carlo and Binomial models. The inputs used in the measurement of the fair values at grant date were as follows:

	Tranche #6a	Tranche #6b	Tranche #7	Tranche #8	Tranche #9a	Tranche #9b
<b>Fair value of performance rights and assumptions</b>						
Share price at grant date	\$3.49	\$3.75	\$1.74	\$1.62	\$1.67	\$1.52
5-day VWAP at grant date	\$3.58	\$3.63	\$1.70	-	-	-
20-day VWAP at 31 Dec 20	-	-	-	\$1.76	-	-
20-day VWAP at 31 Dec 21	-	-	-	-	\$1.69	\$1.69
Fair value at grant date (EPS hurdle)	\$3.17	\$3.43	-	-	-	-
Fair value at grant date (TSR hurdle)	\$1.76	\$2.07	\$0.58	\$1.01	\$1.01	\$0.86
Fair value at grant date (FCF hurdle)	-	-	\$1.64	\$1.58	-	-
Fair value at grant date (CFCF hurdle)	-	-	-	-	\$1.54	\$1.40
Fair value at grant date (ROIC hurdle)	-	-	\$1.64	\$1.58	\$1.54	\$1.40
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	32.20%	31.50%	60.00%	50.00%	40.00%	45.00%
Expected life	3 years	3 years	3 years	3 years	3 years	3 years
Expected dividends	3.40%	3.40%	1.00%	1.00%	3.00%	3.00%
Risk-free interest rate (based on government bonds)	1.69%	1.19%	0.11%	0.11%	2.96%	2.84%

## Accounting policy: Employee benefits

### i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Benefits falling more than 12 months after the end of the reporting period are classified as non-current.

### iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value and classified as non-current.

#### iv) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent a cash refund or reduction of future payments is available.

Employee benefits expense includes contributions to defined contribution plans of \$8,732,000 for the current reporting period (2021: \$8,498,000).

## 10. Income tax

### a) Tax recognised in profit or loss

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Current tax expense</b>		
Current tax expense	22,423	10,637
Adjustment for prior periods	(548)	(520)
<b>Total current tax expense / (benefit)</b>	<b>21,875</b>	<b>10,117</b>
<b>Deferred tax (benefit) / expense</b>		
Origination and reversal of temporary difference	(7,236)	(15,368)
<b>Total deferred tax (benefit) / expense</b>	<b>(7,236)</b>	<b>(15,368)</b>
<b>Total income tax expense / (benefit)</b>	<b>14,639</b>	<b>(5,251)</b>

Tax recognised in other comprehensive income (OCI)

	2022			2021		
	Before tax \$'000	Tax (expense) \$'000	Net of tax \$'000	Before tax \$'000	Tax (expense) \$'000	Net of tax \$'000
<b>Changes in fair value of cash flow hedges</b>	<b>8,202</b>	<b>(2,460)</b>	<b>5,742</b>	<b>8,510</b>	<b>(2,553)</b>	<b>5,957</b>

### Reconciliation between income tax expense / (benefit) and pre-tax profit / (loss)

	31 Dec 22 \$'000	31 Dec 21 \$'000
Profit / (loss) after income tax for the year	31,516	(10,288)
Total income tax expense / (benefit)	14,639	(5,251)
<b>Profit / (loss) before income tax</b>	<b>46,155</b>	<b>(15,539)</b>
Tax using the Company's domestic tax rate 30% (2021: 30%)	13,847	(4,662)
Effect of tax rate in foreign jurisdictions	(219)	(143)
Non-deductible expenses	1,681	628
Non-assessable income	(119)	(579)
Effect of share of (profit) / loss of equity accounted investees	(3)	25
Over provided in prior years	(548)	(520)
<b>Total income tax expenses / (benefit)</b>	<b>14,639</b>	<b>(5,251)</b>

The effective tax rate is calculated as Company income tax expense divided by profit before income tax, adjusted for post-tax share of results of equity-accounted investees.

	31 Dec 22 \$'000	31 Dec 21 \$'000
Profit / (loss) from ordinary activities before income tax	46,155	(15,539)
(Less) / Add: Post-tax share of results of equity-accounted investees	(11)	90
<b>Profit / (loss) before income tax</b>	<b>46,144</b>	<b>(15,449)</b>
Income tax expenses / (benefit)	14,639	(5,251)
<b>Total income tax expense / (benefit)</b>	<b>31.7%</b>	<b>34.0%</b>



## b) Recognised deferred tax assets and liabilities

	2022				Balance 31 Dec 22 \$'000
	Balance 1 Jan 22 \$'000	Recognised in profit or loss \$'000	Recognised in Goodwill \$'000	Recognised in OCI \$'000	
Property, plant and equipment	2,394	(1,005)	-	-	1,389
Right-of-use asset	(216,233)	21,300	-	-	(194,933)
Cash flow hedges	1,530	(709)	-	(2,461)	(1,640)
Other capital costs deductible over 5 years	2,245	(1,133)	-	-	1,112
Accrued expenses	4,095	(674)	-	-	3,421
Provisions	5,101	(1,059)	-	-	4,042
Employee benefits provision	3,171	275	-	-	3,446
Licences acquired	(40,573)	5,342	-	-	(35,231)
Other intangibles	(3,198)	782	-	-	(2,416)
Unearned revenue	819	1,303	-	-	2,122
Leases	232,872	(17,186)	-	-	215,686
<b>Total tax assets / (liabilities)</b>	<b>(7,777)</b>	<b>7,236</b>	<b>-</b>	<b>(2,461)</b>	<b>(3,002)</b>

	2021				Balance 31 Dec 21 \$'000
	Balance 1 Jan 21 \$'000	Recognised in profit or loss \$'000	Recognised in Goodwill \$'000	Recognised in OCI \$'000	
Property, plant and equipment	(1,701)	5,248	(1,153)	-	2,394
Right-of-use asset	(217,113)	880	-	-	(216,233)
Transaction costs related to acquisitions	387	(387)	-	-	-
Cash flow hedges	5,500	(1,417)	-	(2,553)	1,530
Other capital costs deductible over 5 years	3,101	(856)	-	-	2,245
Accrued expenses	911	3,184	-	-	4,095
Provisions	5,186	(85)	-	-	5,101
Employee benefits provision	3,048	123	-	-	3,171
Licences acquired	(43,789)	4,542	(1,326)	-	(40,573)
Other intangibles	(3,279)	81	-	-	(3,198)
Unearned revenue	278	(155)	-	-	123
Leases	229,053	3,819	-	-	232,872
Other	305	391	-	-	696
<b>Total tax assets / (liabilities)</b>	<b>(18,113)</b>	<b>15,368</b>	<b>(2,479)</b>	<b>(2,553)</b>	<b>(7,777)</b>

	31 Dec 22 \$'000	31 Dec 21 \$'000
Deferred tax assets	2,008	-
Deferred tax liabilities	(5,010)	(7,777)
<b>Net deferred tax liability</b>	<b>(3,002)</b>	<b>(7,777)</b>

(\*) During 2021 the Group has reassessed the carrying value of some of the Australian Plant and Equipment assets acquired as part of the Adshel acquisition in 2018, with a corresponding adjustment to Licences, Goodwill and Tax – See Note 12 Property, plant and equipment.

## Contingent liability: Deductibility of historic upfront payments creating an uncertain tax position

Prior to the acquisition of Adshel in September 2018, Adshel management had negotiated \$21,000,000 of upfront payments for street furniture contracts with two metro councils. The Company treated these payments as deductible when paid. For accounting purposes, the payments are being amortised over the terms of the contracts. The Company has recognised deferred tax liabilities for the unamortised balances. The Australian Taxation Office (ATO) has formed a view that the payments may be capital in nature and not deductible and has commenced an audit of the Company's tax treatment. The Company has obtained specialist tax advice and believes its current tax treatment is correct. The Company has engaged legal advisors and will defend its position. If the Company is unsuccessful, the Company would be required to raise \$6,300,000 as a current tax liability and may be exposed to penalties and interest. At 31 December 2022 the deferred tax liability related to upfront payments is \$4,712,000. This matter is not expected to be resolved until late into 2023 or beyond.

## Accounting policy: Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

With regards to measuring deferred tax consequences on licences and brands, management considers the tax consequences of recovery through use and then disposal separately. Under this approach the tax base from use (nil as the licences and brands are not depreciable for tax) is considered separate from the tax base from disposal (capital gains tax value). This results in a taxable temporary difference (deferred tax liability) on revenue account and a deductible temporary difference (deferred tax asset) on capital account. As it is not currently probable that future capital gains will be made, the deferred tax asset has not been recognised.

#### Tax consolidation legislation

oOh!media Limited and its wholly owned Australian controlled subsidiaries apply the tax consolidation legislation.

The deferred tax balances recognised by the parent entity and the consolidated entity in relation to wholly owned entities joining the tax consolidated group are initially measured and remeasured based on the carrying amounts of the assets and liabilities of those entities at the level of the tax consolidated group and their tax values, as applicable under the tax consolidation legislation.

oOh!media Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under a tax funding agreement with the tax consolidated entities are recognised as tax-related amounts receivable or payable. Expenses and revenues arising under the tax funding agreement are recognised as a component of income tax (expense) / benefit.

In accordance with Urgent Issues Group Interpretation 1052 "Tax Consolidation Accounting", the controlled entities in the tax consolidated group account for their own deferred tax balances, except for those relating to tax losses.

## 11. Trade and other receivables

	31 Dec 22 \$'000	31 Dec 21 \$'000
Trade receivables	114,187	99,797
Allowance for impairment of receivables	(1,144)	(1,145)
	<b>113,043</b>	<b>98,652</b>
Other receivables <sup>(1)</sup>	1	1,175
<b>Total trade and other receivables</b>	<b>113,044</b>	<b>99,827</b>

<sup>(1)</sup> In December 2021 oOh!media sold Junkee Media Pty Ltd to Racat 3 Pty Ltd (now known as Scout Publishing Pty Ltd).

Information on the Group's exposure to credit and market risks and impairment losses for trade and other receivables are included in Note 24 Financial risk management.

#### Accounting policy: Trade receivables

All trade debtors are recognised at the amount receivable as they are due for settlement no more than 45 days from the date of recognition. Recoverability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

The amount of the provision is recognised in the consolidated statement of financial position with a corresponding charge recognised in the consolidated statement of profit or loss and other comprehensive income.

## 12. Property, plant and equipment

### Reconciliation of carrying amount

Cost  
Balance as at 1 January 2022  
Additions  
Disposals  
Reclassification  
Effects of movement in exchange rates  
**As at December 2022**

Accumulated depreciation  
Balance as at 1 January 2022  
Depreciation for the year  
Disposals  
Reclassification  
Effects of movements in exchange rates  
**As at December 2022**

**Carrying amount at 31 December 2022**

Cost  
Balance as at 1 January 2021  
Additions  
Disposals  
Reclassification  
Adjustments  
Effects of movement in exchange rates  
**As at December 2021**

Accumulated depreciation  
Balance as at 1 January 2021  
Depreciation for the year  
Disposals  
Reclassification  
Adjustments  
Effects of movements in exchange rates  
**As at December 2021**

**Carrying amount at 31 December 2021**

2022		
Leasehold improvements \$'000	Plant & equipment \$'000	Total \$'000
12,753	383,445	396,198
481	23,471	23,952
(19)	(13,018)	(13,037)
(185)	(5,829)	(6,014)
(14)	(887)	(901)
<b>13,016</b>	<b>387,182</b>	<b>400,198</b>
(8,985)	(218,787)	(227,772)
(703)	(32,480)	(33,183)
28	11,621	11,649
(39)	99	60
4	403	407
<b>(9,695)</b>	<b>(239,144)</b>	<b>(248,839)</b>
<b>3,321</b>	<b>148,038</b>	<b>151,359</b>
2021		
Leasehold improvements \$'000	Plant & equipment \$'000	Total \$'000
11,440	391,547	402,987
1,299	10,958	12,257
(18)	(1,402)	(1,420)
30	1,079	1,109
-	(19,091)	(19,091)
2	354	356
<b>12,753</b>	<b>383,445</b>	<b>396,198</b>
(7,967)	(180,815)	(188,782)
(1,032)	(42,809)	(43,841)
11	71	82
-	-	-
4	4,908	4,912
(1)	(142)	(143)
<b>(8,985)</b>	<b>(218,787)</b>	<b>(227,772)</b>
<b>3,768</b>	<b>164,658</b>	<b>168,426</b>

During 2021 the Group reassessed the carrying value of some of the Australian plant and equipment assets acquired as part of the Adshel acquisition in 2018, with a corresponding adjustment to Licences, Goodwill and Tax:

	1 Jan 21 \$'000
Plant and Equipment	(14,485)
Licences	4,421
Goodwill	12,544
Income tax payable	(616)
Deferred tax liability	(1,864)
<b>Total</b>	<b>-</b>



### Accounting policy: Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Within the Group, depreciation is calculated on a straight-line basis to write-off the cost of each item of plant and equipment over its estimated remaining useful life (less the estimated residual value). Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Leasehold improvements 2-10 years; and  
Plant and equipment 2-20 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income.

### Accounting policy: Maintenance and repairs

Certain plant and equipment are required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated over their useful lives. Other routine operating maintenance, repair costs and minor renewals are charged as expenses as incurred.

## 13. Right-of-use assets

	31 Dec 22	31 Dec 21
	\$'000	\$'000
Balance as at 1 January	723,862	727,243
Depreciation for the year	(143,885)	(140,125)
Additions, modifications and remeasurements	74,299	141,115
Disposals	(1,970)	(4,371)
<b>As at 31 December</b>	<b>652,306</b>	<b>723,862</b>

Based on the total number of active leases, 90% of right-of-use assets are property leases where the Company has site structures. The remainder are warehouses, offices, and miscellaneous leases.

### Accounting policy: Right-of-use - intangible assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the lease term using the straight-line method.

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions. Common lease modifications include, for example: increasing the scope of the lease by adding the right to use one or more underlying assets; decreasing the scope of the lease by removing the right to use one or more underlying assets or shortening the contractual lease term; increasing the scope of the lease by extending the contractual lease term; and changing the consideration in the lease by increasing or decreasing the lease payments. Changes that result from renegotiations and changes to the terms of the original contract are lease modifications.

When the right to use one or more underlying assets is removed, a corresponding adjustment is made to decrease the carrying amount of the right-of-use asset to reflect the lease. The Group shall then recognise in profit or loss (if any) relating to the termination of the lease and making corresponding adjustments to the lease liabilities.

## 14. Intangible assets

### Reconciliation of carrying amount

	2022				
	Brands \$'000	Goodwill \$'000	Licences \$'000	Software \$'000	Total \$'000
Cost					
Balance as at 1 January 2022	9,000	614,362	258,774	42,375	924,511
Additions	-	-	-	3,085	3,085
Reclassification	-	-	(81)	(968)	(1,049)
Effects of movement in exchange rates	-	-	(549)	12	(537)
<b>As at December 2022</b>	<b>9,000</b>	<b>614,362</b>	<b>258,144</b>	<b>44,504</b>	<b>926,010</b>
Accumulated depreciation and impairments					
Balance as at 1 January 2022	(5,951)	(7,179)	(125,409)	(18,664)	(157,203)
Depreciation for the year	(505)	-	(18,488)	(4,604)	(23,597)
Reclassification	-	-	14	-	14
Effects of movements in exchange rates	-	-	170	20	190
<b>As at December 2022</b>	<b>(6,456)</b>	<b>(7,179)</b>	<b>(143,713)</b>	<b>(23,248)</b>	<b>(180,596)</b>
<b>Carrying amount at 31 December 2022</b>	<b>2,544</b>	<b>607,183</b>	<b>114,431</b>	<b>21,256</b>	<b>745,414</b>

	2021				
	Brands \$'000	Goodwill \$'000	Licences \$'000	Software \$'000	Total \$'000
Cost					
Balance as at 1 January 2021	9,783	601,818	256,506	41,885	909,992
Additions	-	-	-	2,440	2,440
Disposals	(796)	-	(3,194)	(463)	(4,453)
Reclassification	-	-	-	(1,109)	(1,109)
Adjustments	13	12,544	5,382	(381)	17,558
Effects of movement in exchange rates	-	-	80	3	83
<b>As at December 2021</b>	<b>9,000</b>	<b>614,362</b>	<b>258,774</b>	<b>42,375</b>	<b>924,511</b>
Accumulated depreciation and impairments					
Balance as at 1 January 2021	(6,149)	(7,179)	(107,271)	(14,898)	(135,497)
Depreciation for the year	(598)	-	(20,159)	(4,338)	(25,095)
Disposals	796	-	3,194	463	4,453
Reclassification	-	-	(1,148)	109	(1,039)
Effects of movements in exchange rates	-	-	(25)	-	(25)
<b>As at December 2021</b>	<b>(5,951)</b>	<b>(7,179)</b>	<b>(125,409)</b>	<b>(18,664)</b>	<b>(157,203)</b>
<b>Carrying amount at 31 December 2021</b>	<b>3,049</b>	<b>607,183</b>	<b>133,365</b>	<b>23,711</b>	<b>767,308</b>

During 2021 the Group reassessed the carrying value of some of the Australian Plant and Equipment assets acquired as part of the Adshel acquisition in 2018, with a corresponding adjustment to Licences, Goodwill and Tax – See Note 12 Property plant and equipment.

### Accounting policy: Intangible assets

#### i) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for impairment testing. Refer to Note 15 Non-current assets for further information.

#### ii) Licences

Licences represent the rights and relationships associated with acquired site leases and the associated new business revenue streams. Licences are amortised over their expected useful life.

### iii) Software

Software that is acquired by the Group and has a finite useful life is measured at cost less accumulated amortisation and any accumulated impairment losses.

### iv) Amortisation

Amortisation is calculated to write-off the cost of intangible assets less estimated residual values using the straight-line method over their estimated useful lives and is recognised in the consolidated statement of profit or loss and comprehensive income. The estimated useful lives are as follows:

- Licences 11-15 years;
- Brands 2-15 years; and
- Software 3-7 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## 15. Goodwill

Cash generating units (CGUs) for the purpose of goodwill impairment testing have been identified as follows for the year ended 31 December 2022: Australia, New Zealand and Cactus. The independence of cash inflows is assessed in identifying CGUs.

Goodwill is allocated to CGUs as shown below:

	Australia \$'000	New Zealand \$'000	Cactus \$'000	Total \$'000
Goodwill	527,389	76,877	2,917	607,183

The recoverable amount of the goodwill allocated to the Group's CGUs was determined using the fair value less costs to sell approach. This was determined by discounting five years of future cash flows expected to be generated from the continuing use of the units followed by a terminal value, less the notional cost of disposing of the assets.

For the year ended 31 December 2022, the carrying value of assets allocated to each CGU is supported by their recoverable amount and no impairment loss was recorded.

The key assumptions of the impairment testing are:

- Annual revenue based on the latest management forecast of post-COVID recovery and share gains from other media for the next twelve months, plus normalised compound annual growth rates from 2023 to 2027 for Australia of 7.6%, New Zealand of 10.0%, and 6.2% for Cactus
- EBITDA margins improving based on revenue growth assumptions, assessing lease renewal outcomes, and other cost increases in line with expected CPI
- Terminal growth rate: Australia and New Zealand 3.0%, and Cactus 2.0%
- Discount rate post-tax: Australia 10.1% (2021: 9.8%), New Zealand 11.6% (unchanged from 2021), Cactus 11.9% (2021: 11.8%)

Management's best estimate of the impact of future trends in the media industry are based on historical and projection data from both external and internal sources. These assessments include assumptions for structural growth in the Out of Home industry, which is in line with the OMA's January 2023 published projection of industry revenue growth of 9% CAGR over this period, and a stretch goal of 11% CAGR.

Sensitivity analysis undertaken on the assumptions mentioned above indicate that no reasonably possible change would result in an impairment.

### Accounting policy: Impairment of assets

#### Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.



The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Fair value less costs of disposal is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

The carrying value of assets allocated to each CGU is supported by their recoverable amount.

## 16. Inventories

	31 Dec 22 \$'000	31 Dec 21 \$'000
Gross value of inventories	6,746	5,801
Provision for obsolescent stock	(652)	(795)
<b>Net value of inventories</b>	<b>6,094</b>	<b>5,006</b>

Cost of inventory recognised in the consolidated statement of profit and loss as cost of sales in 2022 was \$3,899,000 (2021: \$3,416,000). This includes write downs or reversals of inventory in 2022 of \$290,000 (2021: \$243,000)

### Accounting policy: Inventories

Inventories are measured at the lower of original cost and replacement cost. The cost of inventories are based on first in first out methodology.

## 17. Other assets

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Current</b>		
Prepayments	4,531	7,386
Contract assets	9,510	19,160
Other assets	249	332
<b>Total current other assets</b>	<b>14,290</b>	<b>26,878</b>
<b>Non-current</b>		
Other assets	3,874	1,110
<b>Total non-current other assets</b>	<b>3,874</b>	<b>1,110</b>
<b>Total other assets</b>	<b>18,164</b>	<b>27,988</b>

## 18. Loans and borrowings

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Current</b>		
Interest bearing lease liabilities	145,255	178,568
<b>Total current borrowings</b>	<b>145,255</b>	<b>178,568</b>
<b>Non-current</b>		
Bank loan	75,000	125,000
Unamortised borrowing costs	(2,101)	(1,430)
Interest bearing lease liabilities	609,742	649,603
<b>Total non-current borrowings</b>	<b>682,641</b>	<b>773,173</b>
<b>Total loans and borrowings</b>	<b>827,896</b>	<b>951,741</b>

Bank loans represent debt facilities from a syndicate of lending banks, with a facility limit of \$350,000,000. The banking syndicate has security over all assets of the Company and its Subsidiaries. The debt facilities expire in June 2026.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 24 Financial risk management.

### Accounting Policy: Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### Lease liabilities

	31 Dec 22 \$'000	31 Dec 21 \$'000
Within one year	148,399	187,255
Later than one year but not later than five years	410,104	412,272
Later than five years	325,213	354,988
<b>Total undiscounted lease liabilities at 31 December <sup>(1)</sup></b>	<b>883,716</b>	<b>954,515</b>
<b>Lease liabilities included in the consolidated statement of financial position at 31 December</b>	<b>754,997</b>	<b>828,171</b>
Current	145,255	178,568
Non-current	609,742	649,603

<sup>(1)</sup> Lease terms range from 1 to 21 years, with the assumption that all options will be taken up. The average lease term option is 5 years. The weighted average incremental borrowing rate applied is 4.61%.

Variable rent payments not included in the measurement of the lease liabilities listed above was \$46,477,000 for the year ended 31 December 2022 (2021: \$26,413,000). Variable rent payments relate to advertising revenue booked onto sites.

### Lease liability rollforward

	31 Dec 22 \$'000	31 Dec 21 \$'000
Balance as at 1 January	828,171	804,551
Additions to lease liabilities	126,932	153,451
Payments	(125,110)	(91,863)
Derecognition of lease liabilities	(107,449)	(72,632)
Interest for the year	33,382	34,680
Effect of movements of exchange rates	(929)	(16)
<b>As at 31 December</b>	<b>754,997</b>	<b>828,171</b>

### Accounting policy: Interest bearing lease liabilities

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability (recognised in Finance costs on the income statement) and decreased by lease payments made.

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions. Common lease modifications include, for example: increasing the scope of the lease by adding the right to use one or more underlying assets; decreasing the scope of the lease by removing the right to use one or more underlying assets or shortening the contractual lease term; increasing the scope of the lease by extending the contractual lease term; and changing the consideration in the lease by increasing or decreasing the lease payments. Changes that result from renegotiations and changes to the terms of the original contract are lease modifications. Changes in the assessment of whether an extension option is reasonably certain to be exercised is a lease modification and the Group has applied judgement to determine whether it is reasonably certain to exercise an extension option.

When the right to use one or more underlying assets is removed, a corresponding adjustment is made to decrease the carrying amount of the lease liabilities to reflect the lease modification. The Group shall then recognise in profit or loss (if any) relating to the termination of the lease and making corresponding adjustments to the right-of-use asset.

## 19. Trade and other payables

	31 Dec 22 \$'000	31 Dec 21 \$'000
Trade payables	2,096	6,039
Accrued expenses	35,209	31,974
Contract liability	10,031	7,936
Other payables	2,600	4,192
<b>Total trade and other payables</b>	<b>49,936</b>	<b>50,141</b>

Information about the Group's exposure to currency and liquidity risks is included in Note 24 Financial risk management.

### Accounting policy: Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Contract liabilities are recognised within trade payables where invoices are issued in advance of the period in which the revenue is earned.

## 20. Provisions

Provisions	Make good \$'000	Other \$'000	Total \$'000
<b>2022</b>			
Balance as at 1 January 2022	14,952	306	15,258
Provisions used during the year	(310)	(219)	(529)
Provisions made during the year	341	42	383
Provisions remeasured during the year	(3,091)	(129)	(3,220)
Effects of movement in exchange rates	(48)	-	(48)
<b>As at 31 December 2022</b>	<b>11,844</b>	<b>-</b>	<b>11,844</b>
Current provisions	3,420	-	3,420
Non-current provisions	8,424	-	8,424
<b>As at 31 December</b>	<b>11,844</b>	<b>-</b>	<b>11,844</b>
<b>2021</b>			
Current provisions	934	306	1,240
Non-current provisions	14,018	-	14,018
<b>As at 31 December</b>	<b>14,952</b>	<b>306</b>	<b>15,258</b>

### Accounting policy: Make good provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

A make good provision is recognised for the costs of restoration or removal in relation to plant and equipment and site leases where there is a legal or constructive obligation. The provision is initially recorded when a reliable estimate can be determined and discounted to present value. The unwinding of the effect of discounting on the provision is recognised as a finance cost. At the time of initial recognition of the make good provision, a corresponding asset is recognised as part of plant and equipment. During subsequent remeasurement, any reassessment to the make good provision is adjusted to plant, property and equipment.

## 21. Derivative assets and liabilities

	31 Dec 22 \$'000	31 Dec 21 \$'000
Interest rate derivative asset/ (liabilities)	5,466	(5,102)
<b>Total derivative asset / (liabilities)</b>	<b>5,466</b>	<b>(5,102)</b>

Information about the fair value of derivative instruments is included in Note 23 Fair values.



## 22. Capital and reserves

### a) Contributed equity

	31 Dec 22 number	31 Dec 21 number	31 Dec 22 \$'000	31 Dec 21 \$'000
Opening balance as at 1 January	598,645,873	591,788,280	886,468	876,291
Employee bonus shares	-	6,857,593	-	10,177
Share buyback	(17,561,913)	-	(22,364)	-
<b>Issued and paid up share capital</b>	<b>581,083,960</b>	<b>598,645,873</b>	<b>864,104</b>	<b>886,468</b>
<b>Weighted average number of shares</b>	<b>595,353,161</b>	<b>597,345,945</b>		

#### Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

### b) Reserves

#### Nature and purpose of reserves

	31 Dec 22 \$'000	31 Dec 21 \$'000
Foreign currency translation reserve	(988)	794
Other equity reserve	16,608	16,608
Cash flow hedge reserve	2,067	(3,675)
Share based payments reserve	15,798	11,789
<b>Total reserves</b>	<b>33,485</b>	<b>25,516</b>

**Foreign currency translation reserve** - The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations in New Zealand. Refer to Note 3 Significant accounting policies.

**Other equity reserve** - The other equity reserve mostly represents the difference between the issued capital in Outdoor Media Investments Limited (OMI) and the consideration paid to acquire OMI on 18 December 2014. The transaction was accounted for as a common control transaction as disclosed in the consolidated financial statements for the year ended 31 December 2014. The other equity reserve reflects the share price movements for former OMI owners who remained as oOh!media Limited (OML) owners.

**Cash flow hedge reserve** - The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss. Refer to Note 23 Fair values.

**Share-based payments reserve** - The share-based payments reserve is used to record the value of share-based payments provided to employees as part of their remuneration and the expense relating to cancelled shares under the legacy share-based payments plan. The current balance relates to unexercised rights issued to senior executives and managers. A portion of this reserve may be reversed against contributed equity if the underlying rights are exercised and results in shares being issued.

### c) Non-controlling interest (NCI)

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Non-controlling interest</b>		
Balance at 1 January	(905)	(905)
Share of operating profit/(loss) for the period after income tax	-	-
<b>Balance at 31 December</b>	<b>(905)</b>	<b>(905)</b>

#### d) Equity - dividends

	Amount per share cents	Total value (\$)
Dividends paid during 2022 <sup>(1)</sup>		
Interim 2022 dividend	1.50	8,935,744
Final 2021 dividend	1.00	5,986,459
<b>Total reserves</b>		<b>14,922,203</b>
Dividends paid during 2021		
Interim 2021 dividend	-	-
Final 2020 dividend	-	-
<b>Total reserves</b>		<b>-</b>

<sup>(1)</sup> All dividends were fully franked.

After the reporting date, a final dividend of 3.0 cents per qualifying ordinary share amounting to \$17,433,000 has been declared by the Board of directors. The dividends have not been recognised as liabilities and there are no tax consequences in 2022.

	31 Dec 22 \$'000	31 Dec 21 \$'000
Adjusted franking account balance	60,599	49,576
Impact on franking account balance of dividends proposed after the reporting date but not recognised as a liability	(7,471)	(2,566)
Franking credits available to shareholders of the Company for subsequent financial years based on a tax rate of 30%	<b>53,128</b>	<b>47,010</b>

The ability to utilise franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation, the Company, as the head entity in the tax-consolidated group, has assumed the benefit of the \$53,128,000 (2021: \$47,010,000) franking credits.

#### e) Capital management policy

The Board's policy is to retain a strong capital base relative to normal trading conditions including media advertising industry cycles to maintain investor and creditor confidence and to sustain future development of the business. Capital consists of share capital, retained earnings and the non-controlling interest of the Group.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a capital position.

#### Accounting policy: Share capital

##### Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with AASB 112 *Income Taxes*.

## 23. Fair values

### Accounting classifications and fair values

#### a) Fair values vs carrying amounts

The fair values of financial assets and liabilities equals the carrying amounts shown in the statement of financial position. The fair value of interest rate derivatives is determined as the present value of future contracted cash flows and credit adjustments.

#### b) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the end of the reporting period plus an appropriate credit spread, and were as follows:

	31 Dec 22	31 Dec 21
Interest rate derivatives	1.8% - 2.8%	1.8% - 2.8%
Bank loan interest calculated as BBSY + margin	2.065% - 5.5647%	2.01% - 2.885%
Leases	1.45% - 9.78%	2.45% - 5.09%

### c) Fair values hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### Consolidated

#### Financial liabilities measured at fair value

Interest rate derivatives

Interest rate derivatives assets / (liabilities)

31 Dec 22			31 Dec 21		
Carrying value \$'000	Level 2 \$'000	Level 3 \$'000	Carrying value \$'000	Level 2 \$'000	Level 3 \$'000
5,466	5,466	-	(5,102)	(5,102)	-
<b>5,466</b>	<b>5,466</b>	<b>-</b>	<b>(5,102)</b>	<b>(5,102)</b>	<b>-</b>

### d) Valuation techniques

The fair value of Level 2 interest rate derivatives is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at the applicable market yield, having regard to the timing of the cash flows.

## 24. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e., not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, foreign exchange and other price risks and aging analysis for credit risk.

### (a) Credit risk

Credit risk is the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

#### i) Management of credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks, as well as credit exposures to agency and direct clients, including outstanding receivables and committed transactions. The interest rate derivative financial instruments are contracted with credit worthy counterparties that are large banks, primarily members of the Group's syndicated debt facility.

The Group has no significant concentrations of credit risk because the advertising agencies carry the majority of customer default risk. The Group has policies in place to ensure that sales of media and services are made to customers with appropriate credit histories based on enquires through the Group's credit department. Ongoing customer credit performance is monitored on a regular basis.

Under the Company's leasing arrangements financial guarantees are given to certain parties. Such guarantees are provided under the Group's banking facilities.



## ii) Cash and cash equivalents

The Group held cash and cash equivalents of \$40,048,000 at 31 December 2022 (31 December 2021: \$60,048,000). The cash and cash equivalents are held with credit worthy counterparties that are large banks, primarily members of the Group's syndicated debt facility.

## iii) Derivatives

Interest rate derivatives are subject to credit risk in relation to the relevant counterparties, which are large banks and members of the Group's syndicated debt facility. The credit risk on derivative contracts is limited to the net amount to be received from counterparties on contracts that are favourable to the consolidated entity.

## iv) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 Dec 22	31 Dec 21
	\$'000	\$'000
Cash and cash equivalents	40,048	60,048
Trade receivables	113,043	98,652
Contract assets	9,510	19,160
Other receivables	1	1,175
<b>Total financial assets</b>	<b>162,602</b>	<b>179,035</b>

## v) Receivables

The aging of trade receivables at the end of the reporting date that were not impaired was as follows:

	31 Dec 22	31 Dec 21
	\$'000	\$'000
Neither past due nor impaired	110,141	94,521
Past due 0-30 days	1,264	1,510
Past due 31-60 days	336	702
Past due 61-90 days	180	416
Past due 91+ days	1,122	1,503
<b>Trade receivables</b>	<b>113,043</b>	<b>98,652</b>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	31 Dec 22	31 Dec 21
	\$'000	\$'000
Balance at 1 January	1,145	1,025
Impairment loss recognised	488	745
Amounts written off	(489)	(625)
<b>Balance at 31 December</b>	<b>1,144</b>	<b>1,145</b>

Other than those receivables specifically considered in the above allowance for impairment, the Group does not believe there is a material credit quality issue with the remaining trade receivables balance.

## (b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## i) Management of liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting date:

	31 Dec 22 \$'000	31 Dec 21 \$'000
Facility	350,000	350,000
Less: bank debt	75,000	125,000
Less: bank guarantees	36,380	33,676
<b>Undrawn revolving facility</b>	<b>238,620</b>	<b>191,324</b>

In June 2022, the Group refinanced its debt facility of \$350,000,000 loan over 4 years to June 2026. Drawn debt remained unchanged and transactional costs associated with the refinance are being amortised over the length of the loan. In accordance with AASB 9, the refinance is considered as non-substantial and the remaining amortised costs of the prior loan arrangement remain recognised within the consolidated statement of financial position.

## iii) Maturities of financial liabilities

The table below analyses the Group's financial liabilities, net and gross settled derivative financial instruments in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate derivatives, the cash flows have been estimated using forward interest rates applicable at the reporting date.

2022				
	Carrying amount \$'000	Contractual cash flows \$'000	12 months or less \$'000	Greater than 1 year \$'000
<b>Non-derivatives</b>				
Bank debt	75,000	(95,020)	(4,449)	(90,571)
Lease liabilities	754,997	(954,515)	(155,580)	(798,935)
Trade and other payables	49,936	(49,936)	(49,936)	-
<b>Total non-derivatives</b>	<b>879,933</b>	<b>(1,099,471)</b>	<b>(209,965)</b>	<b>(889,506)</b>
<b>Derivatives</b>				
<b>Interest rate derivatives used for hedging</b>	<b>(5,466)</b>	<b>5,589</b>	<b>1,961</b>	<b>3,636</b>
2021				
	Carrying amount \$'000	Contractual cash flows \$'000	12 months or less \$'000	Greater than 1 year \$'000
<b>Non-derivatives</b>				
Bank debt	125,000	(134,346)	(4,673)	(129,673)
Lease liabilities	828,171	(954,515)	(155,580)	(798,935)
Trade and other payables	50,141	(50,141)	(50,141)	-
<b>Total non-derivatives</b>	<b>1,003,312</b>	<b>(1,139,002)</b>	<b>(210,394)</b>	<b>(928,608)</b>
<b>Derivatives</b>				
<b>Interest rate derivatives used for hedging</b>	<b>(5,102)</b>	<b>5,915</b>	<b>4,079</b>	<b>1,836</b>

The contractual cashflows for the bank debt includes commitment fees for undrawn debt and fees for active bank guarantees. The Group's banking facilities loan agreement includes a change of control clause that triggers a review in the event of a change of control. The banking syndicate could cancel the facility as a result of such review. As at 31 December 2022 balance date, no change of control event is anticipated and therefore the bank debt is assessed as non-current in line with the existing maturity dates of the facility.

## (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### i) Management of currency risk

The Group operates in New Zealand and therefore is exposed to foreign exchange transaction risks with respect to the New Zealand dollar. Foreign exchange transaction risk arises when future commercial transactions and recognised assets and liabilities are

denominated in a currency that is not the entity's functional currency and through net investments in foreign operations. The risk is measured using cash flow forecasting. The Group has an accounting exposure to movements in the AUD/NZD exchange rate in consolidating the NZD net assets of oOh!media Street Furniture New Zealand, and its subsidiaries at each balance date. Any such movements are booked to the Group's foreign currency translation reserve (FCTR).

Based on the exposure, the Group has not deemed it necessary to hedge this exposure in the period or the prior period.

## ii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate policy is to fix estimated interest rate risk exposure at a minimum of 50% for a period of at least 12 months or as otherwise determined by the Board.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate derivatives. Such interest rate derivatives have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and hedges them into fixed rates using a mixture of swaps and options. Under the interest rate derivatives, the Group agrees with other parties to exchange, monthly or quarterly, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group was as follows:

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Fixed rate instruments</b>		
Financial liabilities <sup>(1)</sup>	754,997	828,171
<b>Variable rate instruments</b>		
Financial assets <sup>(2)</sup>	40,048	60,048
Financial liabilities <sup>(3)</sup>	75,000	125,000
<sup>(1)</sup> Fixed rate instruments are leases		
<sup>(2)</sup> Financial assets are cash		
<sup>(3)</sup> Financial liabilities are borrowings		

## Cash flow hedges

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness	
	31-Dec-22 \$'000	31-Dec-21 \$'000
<b>Interest rate risk</b>		
Variable rate instruments	10,568	13,233

See also Note 23 Fair Values where we have stated the designated portion of the derivative and see contractual cash flows on profile and timing of interest rate derivatives.

In accordance with AASB 9 *Financial Instruments*, there has been a rebalancing of the interest rate derivative (hedging instrument). During 2022 oOh!media made debt repayments on the hedged item in March, August and December totaling \$50,000,000. \$75,000,000 of the hedging instrument remains effective, with \$75,000,000 designated as ineffective.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	31-Dec-22			During the period - 2022	
	Carrying amount			Changes in the value of the hedging instrument recognised in the OCI	Hedge ineffectiveness recognised in profit and loss
	Nominal amount	Assets	Liabilities		
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate derivatives	75,000	5,466	-	8,202	2,366



### iii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables and foreign currency rates remain constant. The analysis was performed on the same basis as 2021.

Variable rate instruments  
Interest rate derivatives  
Cash flow sensitivity (net)

Variable rate instruments  
Interest rate derivatives  
Cash flow sensitivity (net)

2022			
Profit or loss 100 BP increase \$'000	100 BP decrease \$'000	Equity 100 BP increase \$'000	100 BP decrease \$'000
(750)	750	(750)	750
-	-	1,500	(1,500)
(750)	750	750	(750)
2021			
Profit or loss 100 BP increase \$'000	100 BP decrease \$'000	Equity 100 BP increase \$'000	100 BP decrease \$'000
(1,250)	1,250	(1,250)	1,250
-	-	1,500	(1,500)
(1,250)	1,250	250	(250)

### Accounting policy: Financial instruments

#### (a) Initial recognition and measurement

Trade receivables and debt securities are initially recognised when they are originated. Other financial assets/liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables are initially measured at the transaction price. Financial assets / liabilities are initially measured at fair value (together with any transaction costs which are directly attributable to the acquisition of the asset, or cost of the liability).

#### Classification and subsequent remeasurement

Three principal classification categories for financial assets exist:

- i) measured through amortised cost;
- ii) fair value through other comprehensive income (FVOCI); and
- iii) fair value to the consolidated statement of profit or loss (FVTPL).

Financial assets are classified according to the business model in which the asset is managed and according to its contractual cash flow characteristics. They will not subsequently be reclassified unless the Group changes its business model for managing financial assets. If the business model changes, all financial assets would be reclassified on the first day of the reporting period after which the change took place.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and contractual terms give rise to cash flows of principal and interest on specific dates. When assessing whether cash flows represent solely principal and interest, the Group considers factors which may affect the timing and amount of the cash flows, such as contingent events, contractual terms and prepayment or extensions features.

All derivative financial assets are measured as FVTPL. At inception, the Group may also irrevocably designate that a financial asset be measured as FVTPL, even though it would otherwise be measured as amortised cost or FVOCI, if such an election eliminates (or significantly reduces) an accounting mismatch which would otherwise occur.

Subsequent remeasurement of	Remeasured at	Gains / Losses	Other considerations
Financial assets at FVTPL	Fair value	Profit or loss	Does not apply to hedging instruments (refer to (d) below)
Financial assets at amortised cost	Amortised cost using the effective interest method	Profit or loss	Amortised cost is reduced by any impairment losses
Financial liabilities at FVTPL	Fair value	Profit or loss	Does not apply to hedging instruments (refer to (d) below)
Financial liabilities at amortised cost	Amortised cost using the effective interest method	Profit or loss	-

## **(b) Derecognition**

### **Financial assets**

The Group will de-recognise a financial asset when any of the following occur:

- expiration of the contractual right to receive cash flow from the asset; or
- a transaction occurs which results in the Group transferring substantially all the risks and rewards of ownership of the asset and therefore it also transfers the right to receive cash flows from the asset; or
- although the Group does not transfer the risks and rewards of ownership, it no longer retains control of the asset.

### **Financial liabilities**

The Group will derecognise a financial liability when any of the following occur:

- contractual obligations are discharged, cancelled or expire; or
- the terms are modified, such that the cash flows are also modified. In this situation, a new financial liability would be recognised, at fair value, based on the modified terms.

## **(c) Offsetting**

The Group may only offset financial assets and liabilities (or present them on a net basis) in circumstances where there is a legally enforceable right to do so and the Group intends to settle the asset and liability on a net basis, or simultaneously.

## **(d) Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Derivatives are initially measured at fair value. Subsequent changes in fair value are recognised in OCI.

The Group designates certain instruments as cash flow hedges to minimise the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

The risk management objective and strategy for undertaking a hedge, are documented at the inception of the hedging relationship. The Group also documents the economic relationship between the hedged item and the hedging instrument (including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset).

The accounting policy for cash flow hedges is as follows:

- When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.
- The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

## 25. List of subsidiaries and equity accounted investees

### (a) Subsidiaries and equity accounted investees

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 3(a):

Name of entity	Country of	Ownership %	
		2022	2021
Outdoor Media Operations Pty Limited	Australia	100%	100%
oOh!media Group Pty Limited	Australia	100%	100%
oOh!media Street Furniture Pty Ltd	Australia	100%	100%
oOh!media Operations Pty Limited	Australia	100%	100%
oOh!media Produce Pty Limited	Australia	100%	100%
oOh!media Assets Pty Limited	Australia	100%	100%
oOh!media Factor Pty Limited	Australia	100%	100%
oOh!media Digital Pty Limited	Australia	100%	100%
oOh!media Retail Pty Limited	Australia	100%	100%
oOh!media Lifestyle Pty Limited	Australia	100%	100%
oOh!media Shop Pty Limited	Australia	100%	100%
oOh!media Roadside Pty Limited	Australia	100%	100%
oOh!media MEP Pty Limited	Australia	100%	100%
oOh!media Regional Pty Ltd	Australia	100%	100%
Red Outdoor Pty Ltd	Australia	100%	100%
Closebuys Pty Limited	Australia	83%	83%
oOh!media Café Screen Pty Limited	Australia	100%	100%
Eye Corp Pty Limited	Australia	100%	100%
Eye Corp Australia Pty Limited	Australia	100%	100%
oOh!media Fly Pty Limited	Australia	100%	100%
Eye Drive Sydney Pty Limited	Australia	100%	100%
Eye Outdoor Pty Limited	Australia	100%	100%
Eye Mall Media Pty Limited	Australia	100%	100%
Eye Drive Melbourne Pty Limited	Australia	100%	100%
oOh!media Study Pty Limited	Australia	100%	100%
Outdoor Plus Pty Limited	Australia	100%	100%
Eye Shop Pty Limited	Australia	100%	100%
Homemaker Media Pty Limited	Australia	100%	100%
oOh!media Office Pty Limited	Australia	100%	100%
Inlink Office Pty Ltd	Australia	100%	100%
Inlink Café Pty Ltd	Australia	100%	100%
Inlink Fitness Pty Ltd	Australia	100%	100%
Executive Channel International Pty Ltd	Australia	100%	100%
Executive Channel Pty Ltd	Australia	100%	100%
InTheMix dot com dot au Pty Ltd	Australia	100%	100%
Thought By Them Pty Ltd	Australia	100%	100%
Qjump Australia Pty Limited	Australia	100%	100%
Faster Louder Pty Ltd	Australia	100%	100%
Sound Alliance Nominees Pty Ltd	Australia	100%	100%
Cactus Imaging Pty Limited	Australia	100%	100%
Cactus Holdings Pty Limited	Australia	100%	100%
oOh!media Locate Pty Ltd	Australia	100%	100%
oOh!media Street Furniture New Zealand Limited	New Zealand	100%	100%
oOh!media New Zealand Limited	New Zealand	100%	100%
oOh!media Retail New Zealand Limited	New Zealand	100%	100%
oOh!media Study New Zealand Limited	New Zealand	100%	100%
Calibre Audience Measurement Limited	New Zealand	33.3%	50%

## 26. Capital commitments

The Group entered into contracts to purchase plant and equipment in 2022 for \$17,721,000 (2021: \$10,525,000).



## 27. Contingencies

### Contingent liabilities

	31 Dec 22	31 Dec 21
	\$'000	\$'000
Bank guarantees <sup>(1)</sup>	36,584	33,676
<b>Bank guarantees</b>	<b>36,584</b>	<b>33,676</b>

(1) Bank guarantees of \$204,000 are not included in and do not form part of the debt facility per note 24.

Bank Guarantees are issued to lessors as part of the groups commercial lease obligations.

### Contingent liability: Deductibility of historic upfront payments creating an uncertain tax position

Prior to the acquisition of Adshel in September 2018, Adshel management had negotiated \$21,000,000 of upfront payments for street furniture contracts with two metro councils. The Company treated these payments as deductible when paid. For accounting purposes, the payments are being amortised over the terms of the contracts. The Company has recognised deferred tax liabilities for the unamortised balances. The Australian Taxation Office (ATO) has formed a view that the payments may be capital in nature and not deductible and has commenced an audit of the Company's tax treatment. The Company has obtained specialist tax advice and believes its current tax treatment is correct. The Company has engaged legal advisors and will defend its position. If the Company is unsuccessful, the Company would be required to raise \$6,300,000 as a current tax liability and may be exposed to penalties and interest. At 31 December 2022 the deferred tax liability related to upfront payments is \$4,712,000. This matter is not expected to be resolved until late into 2023 or beyond.

### Contingent assets

During 2019, the Group was advised by Transport for NSW that certain sites in the Sydney Airport Precinct would be permanently removed as part of the Sydney Gateway Project. In 2020, Transport for NSW compulsorily acquired those sites. The Group has recorded a receivable based on the Valuer General's determination of compensation. The Group appealed to the Land and Environment Court and is awaiting the Court's determination of compensation.

## 28. Related parties

### (a) Parent entity and ultimate controlling party

As at 31 December 2022, the parent entity of the Group is oOh!media Limited.

### (b) Subsidiaries

Interest in subsidiaries is set out in Note 25 List of subsidiaries and equity accounted investees.

### (c) Transactions with Key Management Personnel

#### i) Key Management Personnel compensation

The Key Management Personnel compensation comprised:

	31 Dec 22	31 Dec 21
	\$	\$
Short term employee benefits	3,207,193	3,374,046
Termination benefits	-	-
Post-employment benefits	118,287	128,607
Share-based benefits	805,108	375,870
<b></b>	<b>4,130,588</b>	<b>3,878,523</b>

Key Management Personnel also participate in the Group's share plans, details of which are discussed in Note 9 Share-based payments.

Included in the above is the Non-executive Director compensation of \$1,009,386 (2021: 1,176,348) and the post-employment benefits of \$66,192 (2021: 69,425).

## ii) Directors' related party transactions

Directorships and shareholdings held by former oOh!media Limited's Non-executive Director Marco Hellman gave rise to related party arrangements in the current and prior period.

Marco Hellman is a Founder, Managing Partner & member of the Investment Committee of HMI Capital Management, L.P. HMI Capital Management, L.P. was a significant shareholder in the Group. Marco Hellman was appointed as a Non-executive Director on 7 April 2020 and retired as a Director effective 9 April 2022. In June 2020, the Company entered into a consultancy agreement with HMI under which the Company could request consultancy services on matters the Company considers are within the expertise of HMI. There was no fee payable for services provided under the consultancy agreement. The agreement was terminated when Marco retired as a Non-executive Director.

To mitigate any potential conflicts arising, there was a Board protocol in place whereby the aforementioned Board member was asked to exit a Board meeting should any matters arise that would have impacted their independence.

## 29. Earnings per share

The table below shows the calculation of basic and diluted earnings per share for 2022 and 2021.

	31 Dec 22 \$'000	31 Dec 21 \$'000
Profit / (loss) attributable to ordinary shareholders	31,516	(10,288)
Net profit / (loss) after income tax attributable to equity holders of the parent	<b>31,516</b>	<b>(10,288)</b>
	Number of shares	
<b>Weighted average number of shares outstanding - basic</b>		
Opening issued ordinary shares balance	598,645,873	591,788,280
Employee bonus shares	-	5,557,665
Share buy back	(3,292,712)	-
<b>Weighted average number of ordinary shares at 31 December - basic</b>	<b>595,353,161</b>	<b>597,345,945</b>
Weighted average number of shares outstanding - basic	595,353,161	597,345,945
<b>Weighted average number of ordinary shares at 31 December - basic</b>	<b>595,353,161</b>	<b>597,345,945</b>
<b>Weighted average number of shares outstanding - diluted</b>		
Weighted average number of shares outstanding - basic	595,353,161	597,345,945
Effect of performance rights on issue	4,941,319	-
<b>Weighted average number of ordinary shares at 31 December - diluted</b>	<b>600,294,480</b>	<b>597,345,945</b>
	31 Dec 22	31 Dec 21
Basic earnings / (loss) earnings per share (cents)	5.3	(1.7)
Diluted earnings / (loss) earnings per share (cents)	5.3	(1.7)

### 30. Reconciliation of cash flows from operating activities

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Cash flows from operating activities</b>		
Profit after income tax for the year	31,516	(10,288)
Adjustments for:		
Depreciation	177,068	183,966
Amortisation	23,597	25,095
Hedge ineffectiveness	(2,366)	4,723
Borrowing costs	1,289	1,291
Share of profit of equity-accounted investees, net of tax	(11)	90
Covid-19 Fixed rent abatements	(10,850)	(13,939)
Net exchange differences	2,925	(75)
Equity-settled share-based payment transactions	4,009	673
	<b>227,177</b>	<b>191,536</b>
<b>Changes in:</b>		
Trade receivables	(13,217)	(14,347)
Deferred tax balances	(4,775)	(10,336)
Other operating assets	11,500	(5,314)
Trade payables	(204)	7,545
Other provisions	(2,496)	231
Provision for income taxes payable	13,657	7,595
Other operating liabilities	39,117	30,701
<b>Cash generated from operating activities</b>	<b>270,759</b>	<b>207,611</b>
Interest paid	(40,232)	(48,858)
Interest received	481	45
Taxes paid	(8,320)	(2,717)
<b>Net cash generated from operating activities</b>	<b>222,688</b>	<b>156,081</b>

#### Accounting policy: Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other highly liquid investments with original maturities of three months or less that are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

### 31. Auditor's remuneration

	31 Dec 22 \$	31 Dec 21 \$
<b>Audit and assurance services</b>		
KPMG Australia		
Audit and review of financial statements	673,770	601,002
Other assurance services	131,087	171,991
<b>Total audit and assurance services</b>	<b>804,857</b>	<b>772,993</b>
<b>Other services</b>		
Taxation compliance and advisory services	473,978	213,407
<b>Total other services</b>	<b>473,978</b>	<b>213,407</b>
<b>Total auditor's remuneration</b>	<b>1,278,835</b>	<b>986,400</b>



## 32. Parent entity disclosures

As at and throughout the financial year ended 31 December 2022 the parent entity of the Group was oOh!media Limited (2021: oOh!media Limited).

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>(a) Financial position</b>		
<b>Financial position of parent entity at year end</b>		
Current assets	99,641	141,576
Non-current assets	888,140	910,504
<b>Total asset</b>	<b>987,781</b>	<b>1,052,080</b>
Current liabilities	22,884	9,227
Non-current liabilities	72,536	137,879
<b>Total liabilities</b>	<b>95,420</b>	<b>147,106</b>
<b>Net assets</b>	<b>892,361</b>	<b>904,974</b>
<b>Total equity of parent entity comprising of:</b>		
Contributed equity	864,104	886,468
Reserves	28,257	18,506
<b>Total equity</b>	<b>892,361</b>	<b>904,974</b>
<b>(b) Comprehensive income</b>		
<b>Result of parent entity</b>		
Profit for the year:		
Dividends received from subsidiary	14,922	-
Other comprehensive income	5,742	5,957
<b>Total comprehensive income for the year</b>	<b>20,664</b>	<b>5,957</b>

### (c) Parent entity capital commitments for acquisition of property, plant and equipment

The parent entity did not have any capital commitments for the acquisition of property, plant or equipment as at 31 December 2022 (2021: Nil).

### (d) Guarantees and contingent liabilities

Please refer to Note 27 for information on the guarantees and contingent liabilities of the parent entity.

## 33. Deed of cross guarantee

On 20 April 2018, the wholly owned subsidiaries listed below entered into a Deed of Cross Guarantee with oOh!media Limited in accordance with ASIC Corporations (Wholly Owned Companies) Instrument 2016/785 thereby relieving them from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt of the others.

The subsidiaries subject to the Deed are:

Outdoor Media Operations Pty Limited  
oOh!media Group Pty Limited  
oOh!media Operations Pty Limited  
oOh!media Produce Pty Limited  
oOh!media Assets Pty Limited  
oOh!media Factor Pty Limited  
oOh!media Digital Pty Limited  
oOh!media Locate Pty Limited  
oOh!media Retail Pty Limited  
oOh!media Lifestyle Pty Limited  
oOh!media Shop Pty Limited  
oOh!media Roadside Pty Limited  
oOh!media MEP Pty Limited  
oOh!media Regional Pty Limited  
Red Outdoor Pty Ltd  
Eye Corp Pty Limited  
Eye Corp Australia Pty Limited  
oOh!media Fly Pty Limited

Eye Drive Sydney Pty Limited  
 Eye Outdoor Pty Limited  
 Eye Mall Media Pty Limited  
 Eye Drive Melbourne Pty Limited  
 oOh!media Study Pty Limited  
 Outdoor Plus Pty Limited  
 Eye Shop Pty Limited  
 Homemaker Media Pty Limited  
 oOh!media Office Pty Limited  
 Inlink Office Pty Ltd  
 Inlink Café Pty Ltd  
 Inlink Fitness Pty Ltd  
 Executive Channel International Pty Ltd  
 Executive Channel Pty Ltd  
 Cactus Imaging Holdings Pty Limited  
 Cactus Imaging Pty Limited  
 oOh!media Café Screen Pty Limited  
 oOh!media Street Furniture Limited  
 Faster Louder Pty Limited <sup>(1)</sup>  
 Thought By Them Pty Ltd <sup>(1)</sup>  
 QJump Australia Pty Limited <sup>(1)</sup>  
 Sound Alliance Nominees Pty Ltd <sup>(1)</sup>  
 Inthemix dot com dot au Pty Ltd <sup>(1)</sup>

<sup>(1)</sup> FasterLouder Pty Ltd, Thought By Them Pty Ltd, QJump Australia Pty Ltd, Sound Alliance Nominees Pty Ltd and InTheMix dot com dot au Pty Ltd became a party to the Deed on 28 June 2019, by virtue of a Deed of Assumption.

A consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 31 December 2022 is set out as follows:

#### Consolidated statement of profit or loss and other comprehensive income and retained earnings

	31 Dec 22 \$'000	31 Dec 21 \$'000
Revenue	540,545	453,759
Cost of sales	(145,418)	(109,501)
<b>Gross profit</b>	<b>395,127</b>	<b>344,258</b>
Other income	2,136	3,863
Operating expenses, depreciation and amortisation	(320,527)	(325,205)
Finance income	415	(148)
Finance costs and foreign exchange costs	(41,725)	(46,102)
<b>Profit / (loss) before tax</b>	<b>35,426</b>	<b>(23,334)</b>
Tax expense	(11,782)	7,287
<b>Profit / (loss) after tax</b>	<b>23,644</b>	<b>(16,047)</b>
Effective portion of changes in fair value of cash flow hedges, net of tax	7,118	3,455
De-designation of interest rate derivatives to the Consolidated Income Statement, net of tax	(1,376)	2,502
<b>Other comprehensive income for the period, net of tax</b>	<b>5,742</b>	<b>5,957</b>
<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>29,386</b>	<b>(10,090)</b>

#### Consolidated statement of financial position

	31 Dec 22 \$'000	31 Dec 21 \$'000
<b>Assets</b>		
Cash and cash equivalents	28,532	38,407
Trade and other receivables	57,002	92,411
Inventories	5,937	4,234
Other current assets	14,634	26,149
<b>Current assets</b>	<b>106,105</b>	<b>161,201</b>
Property, plant and equipment	135,000	147,282
Right of use asset	641,112	710,595
Intangible assets	653,887	672,917
Investments	129,152	129,152
Derivative assets	5,466	-
Deferred tax asset	2,008	-
Other non-current assets	3,847	984
<b>Non-current assets</b>	<b>1,570,472</b>	<b>1,660,930</b>
<b>Total assets</b>	<b>1,676,577</b>	<b>1,822,131</b>

**Liabilities**

Trade and other payables	44,490	43,591
Loans and borrowings	-	26,706
Interest bearing lease liabilities	141,570	175,155
Provisions	3,117	1,090
Employee benefits	9,225	7,908
Income tax payable	20,184	(738)
Derivative liabilities	-	7,266

**Current liabilities**

Loans and borrowings	73,513	124,308
Provisions	6,975	12,166
Employee benefits	2,140	2,570
Interest bearing lease liabilities	599,729	637,161
Derivative liabilities	-	5,102
Deferred tax liabilities	-	1,218

**Non-current liabilities**

<b>Total liabilities</b>	<b>900,943</b>	<b>1,043,503</b>
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**Net assets**

	<b>775,634</b>	<b>778,628</b>
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**Equity**

Share capital	864,104	884,067
Reserves	34,638	24,690
Minority interest	10	10
Accumulated losses	(123,118)	(130,139)
<b>Total equity</b>	<b>775,634</b>	<b>778,628</b>

**34. Subsequent events**

Since the end of the financial year, and after the approval of these consolidated financial statements, the Board has declared a fully franked dividend of 3.0 cents per ordinary share, amounting to \$17,433,000 in respect of the year ended 31 December 2022 (31 December 2021: \$5,986,000). This dividend is payable on 23 March 2023. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 31 December 2022 and will be recognised in subsequent financial reports.

No other matter or circumstance at the date of this report has arisen since 31 December 2022 that has significantly affected or may affect:

- (a) the operations of the Group;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in the future financial years.



# Directors' Declaration

In accordance with a resolution of the Directors of oOh!media Limited ('the Company'), we state that:

1. In the Directors opinion:
  - a) the consolidated financial statements and notes of the Group that are set out on pages 46 to 83, for the year ended 31 December 2022, are in accordance with the *Corporations Act 2001* (Cth), including:
    - i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
    - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth); and
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that oOh!media Limited and the controlled entities will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between oOh!media Limited and those controlled entities pursuant to ASIC Corporations (Wholly-owned companies) instrument 2016/785 (Instrument).
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 31 December 2022.
4. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

On behalf of the Board



**Tony Faure**  
Chairman  
20 February 2023  
Sydney

# Independent Auditor's Report

This is the original version of the Independent Auditor's Report over the Financial Report signed by the Directors on 20 February 2023. Page reference 24 to 43 with respect to the audit of the Remuneration Report, should be updated to read 34 to 53. The page reference has been updated to reflect the correct references now that the financial statements have been presented in the context of the Annual Report.



To the shareholders of oOh!media Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of oOh!media Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with these requirements.

## Key Audit Matters

The **Key Audit Matters** we identified are:

- Lease accounting
- Recoverable amount of goodwill

**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.

## Leases accounting

Refer to Notes 13 and 18 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The accounting requirements of AASB 16 <i>Leases</i> (AASB 16) are inherently complex, where specific and individualised lease-features drive different accounting outcomes, increasing the need for interpretation and judgement. This increases our audit effort and is a key audit matter. We focused on:</p> <ul style="list-style-type: none"> <li>• High volume of leases – the Group has a high volume of individualised lease agreements required to be assessed in determining the lease liability and right-of-use asset. A focus for us was the completeness of the lease population and the accuracy of multiple and varied inputs which may drive different accounting outcomes, including key terms of the lease agreements, such as key dates, fixed rent payments, renewal options and incentives.</li> <li>• Complex modelling process – the Group developed an AASB 16 lease calculation model, which is largely manual and complex, and therefore is at greater risk for potential error and inconsistent application.</li> <li>• Relative magnitude – the size of balances has a significant financial impact on the Group's financial position and performance.</li> </ul> <p>The most significant areas of judgement we focus on was in assessing the Group's:</p> <ul style="list-style-type: none"> <li>• Incremental borrowing rates used – these are meant to reflect the Group's entity specific credit risk and vary based on each lease term. The Group engaged an external expert to assist with determining each of the Group's</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We considered the appropriateness of the Group's accounting policies against the requirements of the accounting standard and our understanding of the business and industry practice.</li> <li>• We obtained an understanding of the Group's processes used to calculate the lease liability, right-of-use asset, depreciation and interest expense.</li> <li>• We assessed the completeness of the Group's leases by checking actual lease payments throughout the period against expected lease payments per the Group's AASB 16 lease calculation model.</li> <li>• We compared the Group's inputs in the AASB 16 lease calculation model, such as, key dates, fixed rent payments, renewal options and incentives, for consistency to the relevant terms of a sample of underlying signed lease agreements.</li> <li>• We assessed the Group's estimate of whether it is reasonably certain to exercise lease renewal options. We compared key management decisions for consistency to board approved plans, strategies and past practices.</li> <li>• We assessed the scope, competency and objectivity of the external expert engaged by the Group to assist determining the Group's incremental borrowing rates. We checked key inputs into the incremental</li> </ul>



<p>incremental borrowing rates.</p> <ul style="list-style-type: none"> <li>Lease terms where leases have renewal options – assessing the Group’s estimate of whether it is reasonably certain renewal options will be exercised impacts the measurement of the lease, therefore is important to the accuracy of the accounting.</li> </ul> <p>During the financial year, the Group negotiated a number of rent abatements with lessors. The Group applied the practical expedient issued by the IASB in May 2020 and extension in March 2021, where applicable, and the assessment of whether individual rent abatements met the criteria of the practical expedient required additional audit effort in the current year.</p> <p>We involved our senior audit team members in assessing these areas.</p>	<p>borrowing rate to published authoritative sources.</p> <ul style="list-style-type: none"> <li>Working with our modelling specialists, we assessed the integrity of the Group’s AASB 16 lease calculation model used, including the accuracy of the underlying calculation formulas.</li> <li>We tested a sample of rent abatements to signed lease modifications with the lessors and assessed against the requirements of the practical expedient in the accounting standards.</li> <li>We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.</li> </ul>
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#### Recoverable amount of goodwill (\$607 million)

Refer to Notes 14 and 15 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The Group’s annual testing of goodwill for impairment is a key audit matter, given the size of the balance (being 35% of total assets) and the degree of judgement applied by the Group. We focused on the significant forward-looking assumptions the Group applied in its discounted cash flow models (“DCF models”), including:</p> <ul style="list-style-type: none"> <li>Forecast cash flows – the Group has experienced uncertainty around future cash flows due to the short term, non-recurring nature of customer contracts, as well as a heightened uncertainty due to volatile economic conditions caused by supply chain issues affecting the Group’s customers and rising interest rates. These conditions increase the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider.</li> <li>Forecast growth rates, including long-term growth rates into perpetuity – in addition to the uncertainties described above, the Group’s DCF models are sensitive to small</li> </ul>	<p>Working with our valuation specialists, our procedures included:</p> <ul style="list-style-type: none"> <li>We considered the appropriateness of the fair value less costs of disposal method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards.</li> <li>We assessed the integrity of the DCF models used, including the accuracy of the underlying calculation formulas.</li> <li>We compared the forecast cash flows contained in the DCF models to Board approved forecasts.</li> <li>We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the DCF models.</li> <li>We assessed the Group’s underlying methodology for the allocation of corporate costs to the forecast cash flows contained in the DCF models, for consistency with our understanding of the business and the criteria</li> </ul>

<p>changes in these assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy.</p> <ul style="list-style-type: none"> <li>Discount rate – these are complex in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time. We involved our valuations specialists with this assessment.</li> </ul> <p>The Group uses complex DCF models to perform their annual testing of goodwill for impairment. The DCF models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Complex modelling, including judgemental allocations of corporate assets and costs to CGUs, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p>	<p>in the accounting standards.</p> <ul style="list-style-type: none"> <li>We assessed the Group's allocation of corporate assets to CGUs for reasonableness and consistency based on the requirements of the accounting standards.</li> <li>We considered the Group's determination of their CGUs based on our understanding of the operations of the Group's business and how independent cash inflows were generated against the requirements of the accounting standards.</li> <li>Working with our valuation specialists, we challenged the Group's significant forecast cash flow and growth assumptions in light of the expected continuation of volatile economic conditions caused by supply chain issues affecting the Group's customers and rising interest rates. We assessed how the Group had considered the impacts of these events in the Board-approved plan and strategy. We compared forecast growth rates and long-term growth rates into perpetuity to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience.</li> <li>Working with our valuation specialists, we independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.</li> <li>We considered the sensitivity of the DCF models by varying key assumptions, such as forecast growth rates, long-term growth rates into perpetuity and discount rates, within a reasonably possible range. We did this to identify any CGU at higher risk of impairment and those assumptions at a higher risk of bias or inconsistency in application and to focus our further procedures.</li> <li>We assessed the Group's reconciliation of differences between the year-end market capitalisation and the carrying amount of the net assets by comparing the implicit earnings multiples from the DCF models to market multiples of comparable entities.</li> <li>We assessed the disclosures in the financial report using our understanding obtained from</li> </ul>
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our testing against the requirements of the accounting standards.

## Other Information

Other Information is financial and non-financial information in oOh!media Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.





A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of oOh!media Limited for the year ended 31 December 2022, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 24 to 43 of the Directors' Report for the year ended 31 December 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Kristen Peterson


*Partner*

Sydney

20 February 2023



oh!



Alissa's 'open to work' post opened new doors.

Take your next step. **LinkedIn**

# Shareholder Information

## VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

**Ordinary shares:** On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no other classes of equity securities.

**Share rights:** Share rights holders do not have any voting rights on the share rights held by them.

Unless otherwise stated, the shareholder information set out below is current as of 15 February 2023.

## DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of equity security holders by size of holding:

Range	Number of holders	% of holders	Number of shares	% of shares
1 - 1,000	2,619	36.70	1,397,329	0.24
1,001 - 5,000	2,796	39.18	7,129,014	1.23
5,001 - 10,000	844	11.82	6,340,532	1.09
10,001 - 100,000	814	11.40	21,094,816	3.63
100,001 and over	64	0.9	545,122,269	93.81
<b>Total number of security holders</b>	<b>7,137</b>	<b>100.00</b>	<b>581,083,960</b>	<b>100.00</b>
Holders holding less than a marketable parcel of shares (being a parcel of 329 shares based on a closing price of \$1.520 on 15 February 2023)	702	9.84	95,525	-

## RESTRICTED SECURITIES

As of the date of the Annual Report, there are currently no restricted securities on issue.

## ON-MARKET BUY BACK

As announced to the market on 22 August 2022, oOh! is currently undertaking an on-market buy back

## UNQUOTED EQUITY SECURITIES

Range	Number of share rights holders	Number of share rights	% of share rights
1 - 1,000	0	0	0
1,001 - 5,000	0	0	0
5,001 - 10,000	0	0	0
10,001 - 100,000	31	1,324,245	20.74
100,001 and over	13	5,060,766	79.26
<b>Total</b>	<b>44</b>	<b>6,385,011</b>	<b>100.00</b>

## TOTAL OF QUOTED AND RESTRICTED SECURITIES

Range	% of share rights
Ordinary shares not subject to voluntary escrow (quoted securities)	581,083,960
Ordinary shares subject to voluntary escrow (restricted securities)	0
<b>Total Number of Shares</b>	<b>581,083,960</b>



## TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

Range	Number of ordinary shares held	Percentage of ordinary shares %
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	190,856,871	32.84%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	127,627,383	21.96%
CITICORP NOMINEES PTY LIMITED	115,162,085	19.82%
NATIONAL NOMINEES LIMITED	48,631,834	8.37%
UBS NOMINEES PTY LTD	12,928,100	2.22%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,389,789	2.13%
BNP PARIBAS NOMS PTY LTD	8,973,727	1.54%
BNP PARIBAS NOMINEES PTY LTD	6,110,334	1.05%
PACIFIC CUSTODIANS PTY LIMITED	4,437,256	0.76%
CITICORP NOMINEES PTY LIMITED	1,465,876	0.25%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,165,951	0.20%
BNP PARIBAS NOMINEES PTY LTD	1,123,887	0.19%
WARBONT NOMINEES PTY LTD	1,032,607	0.18%
MR JOHN GERARD BELL	837,612	0.14%
MRS DEBRA ANNE COOK	740,000	0.13%
HOBSON WEALTH CUSTODIANS LTD	627,513	0.11%
MRS SHARMINI KUNASINGAM + MR JUVARAJAN K SIVALINGAM	608,080	0.10%
MR BARRY MARTIN LAMBERT + MRS JOY WILMA LILLIAN LAMBERT	600,000	0.10%
BNP PARIBAS NOMS(NZ) LTD	487,362	0.08%
SEYMOUR-NEWTON PTY LTD	474,583	0.08%
<b>Total held by top 20 largest holders</b>	<b>536,280,850</b>	<b>92.29</b>
<b>Other</b>	<b>44,803,110</b>	<b>7.71</b>
<b>Total</b>	<b>581,083,960</b>	<b>100.00</b>

## SUBSTANTIAL HOLDERS (AS DISCLOSED IN SUBSTANTIAL HOLDING NOTICES GIVEN TO THE COMPANY IN ACCORDANCE WITH THE CORPORATIONS ACT)

Range	Number of ordinary shares held	Percentage of ordinary shares %
Perpetual Limited	65,917,498	11.343
Yarra Funds Management Limited	37,656,525	6.2903
Harris Associates	30,590,427	5.111
Fisher Funds Management	30,355,456	5.071
Wilson Asset Management Group	29,846,234	5.04

# Glossary

Term	Meaning/definition
<b>AASB</b>	Australian Accounting Standards Board
<b>AGM</b>	Annual General Meeting
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange, as operated by ASX Limited ABN 98 008 624 691
<b>AUD, A\$, \$ or Australian dollar</b>	The lawful currency of the Commonwealth of Australia
<b>Auditor</b>	KPMG
<b>Australian Accounting Standards</b>	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations
<b>Board or Board of Directors</b>	The board of Directors of oOh!media Limited
<b>CAGR</b>	Compound Annual Growth Rate
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CGU</b>	Cash Generating Unit
<b>Company</b>	oOh!media Limited ACN 602 195 380
<b>Company Secretary</b>	The Company Secretary of oOh!media as appointed from time-to-time
<b>Constitution</b>	The constitution of the Company
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>CY17</b>	Financial year ended 31 December 2017
<b>CY18</b>	Financial year ended 31 December 2018
<b>CY19</b>	Financial year ended 31 December 2019
<b>CY20</b>	Financial year ended 31 December 2020
<b>CY21</b>	Financial year ended 31 December 2021
<b>CY22</b>	Financial year ended 31 December 2022
<b>Digital revenue</b>	Revenue from digital advertising display panels
<b>Director</b>	Each of the Directors of oOh!media as appointed to the position from time-to-time
<b>EBIT</b>	Earnings before interest and taxation
<b>EBITDA</b>	Earnings before interest, taxation, depreciation and amortisation
<b>EPS</b>	Earnings Per Share
<b>Escrow</b>	An 'escrow' is a restriction on sale, disposal or encumbering of, or certain other dealings in respect of, the shares concerned for the period of the escrow, subject to exceptions set out in the escrow arrangement
<b>FAR</b>	Fixed annual remuneration
<b>FCTR</b>	Foreign Currency Translation Reserve
<b>FMCG</b>	Fast moving consumer goods
<b>Group</b>	oOh!media Limited and its subsidiaries
<b>GST</b>	Goods and services or similar tax imposed in Australia and New Zealand
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>KMP</b>	Key Management Personnel
<b>KPI</b>	Key Performance Indicator
<b>KPMG</b>	KPMG ABN 51 194 660 183

Term	Meaning/definition
<b>Listing</b>	The admission of oOh!media to the Official List of the ASX
<b>Listing Rules</b>	The Official Listing Rules of ASX
<b>LTI</b>	Long term incentive as payable under the LTI Plan
<b>LTI Plan</b>	oOh!media's long-term incentive plan, as amended by oOh!media from time-to-time
<b>Management</b>	The management of oOh!media
<b>MD</b>	Managing Director
<b>MOVE</b>	Measurement of Outdoor Visibility and Exposure, Australia's national Out of Home audience measurement system
<b>n/a</b>	Not applicable
<b>NCI</b>	Non-controlling Interest
<b>NED</b>	Non-executive Director
<b>NPAT</b>	Net profit after tax
<b>NPATA</b>	Net profit after tax before amortisation of acquired intangibles
<b>NZD</b>	New Zealand Dollars
<b>OCI</b>	Other Comprehensive Income
<b>OFR</b>	Operating and Financial Review
<b>OMA</b>	Outdoor Media Association, the peak national industry body that represents most of Australia's traditional and digital outdoor media display companies and production facilities, as well as some media display asset owners.
<b>Officer</b>	An Officer of the Company
<b>OMI</b>	Outdoor Media Investments Limited ABN 32 156 446 187
<b>OML</b>	oOh!media Limited ACN 602 195 380
<b>oOh!</b>	oOh!media Limited ACN 602 195 380
<b>oOh!media</b>	oOh!media Limited ACN 602 195 380
<b>Out of Home</b>	Out of Home, also commonly referred to as out of home or outdoor advertising, represents the media sector of the advertising industry that communicates with people when they are out of their home
<b>Registry</b>	Link Market Services Limited ABN 54 083 214 537
<b>Rights</b>	Rights to shares granted pursuant to the LTI Plan
<b>Senior Executive</b>	The senior executive management of oOh!media
<b>Share of security</b>	A fully paid ordinary share in oOh!media
<b>Share registry</b>	Link Market Services Limited ABN 54 083 214 537
<b>Shareholder</b>	The registered holder of a Share
<b>SMI</b>	Standard Media Index
<b>STI</b>	Short term incentive payable under the STI Plan
<b>STI Plan</b>	oOh!media's short term incentive plan, as amended by oOh!media from time-to-time
<b>TSR</b>	Total Shareholder Return
<b>VWAP</b>	Volume weighted average price
<b>WHS</b>	Workplace health & safety
<b>WHSE&amp;S</b>	Work, health, safety, environment & sustainability
<b>WSE</b>	Wellbeing, safety & environment



# Corporate Directory

OOH!MEDIA LIMITED ACN 602 195 380

**Directors:**

**Tony Faure**

Chair and Non-executive Director

**Cathy O'Connor**

Chief Executive Officer and Managing Director

**Philippa Kelly**

Independent Non-executive Director

**Tim Miles**

Independent Non-executive Director

**Joanne Pollard**

Independent Non-executive Director

**Andrew Stevens**

Independent Non-executive Director

**David Wiadrowski**

Independent Non-executive Director

**Company Secretaries:**

**Melissa Jones**

**Chris Roberts**

**Principal registered Office:**

Level 2, 73 Miller Street  
North Sydney NSW 2060  
Ph: +61 2 9927 5555

**Share register:**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Ph: 1300 554 474

**Auditors:**

**KPMG**

Tower 3, International Towers Sydney  
300 Barangaroo Avenue  
Sydney NSW 2000

**Bankers:**

Australia and New Zealand Banking Group Limited  
Commonwealth Bank of Australia  
ING Bank (Australia) Limited  
National Australia Bank  
Sumitomo Mitsui Banking Corporation  
Westpac Banking Corporation

**Stock exchange listing:**

The shares of oOh!media Limited are listed by ASX Ltd on the Australian Securities Exchange trading under the ASX Listing Code "OML".

**Website:**

[www.oohmedia.com.au](http://www.oohmedia.com.au)  
<https://investors.oohmedia.com.au/investor-centre/>







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