



Tax Transparency Report

for the year ended 30 September 2023

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Company Profile

About Aristocrat

Aristocrat Leisure Limited (ASX: ALL) is a leading global gaming content and technology company and top-tier mobile games publisher, with more than 7,800 employees around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems, free-to-play mobile games and online real money games. The company's regulated gaming products are approved for use in more than 325 licensed jurisdictions and are available in more than 100 countries.

For further information including our latest Results Announcement, visit the Group's website at www.aristocrat.com.

Global Tax Strategy

Overview

Our tax strategy strives to achieve an appropriate balance between creating shareholder value and mitigating risk as we support the continued growth of the business. Our tax strategy applies consistently to all jurisdictions in which we operate, and consists of four key pillars:

- Our approach to risk management and governance,
- Our attitude towards managing our tax affairs,
- Our reputation as a responsible business and a good corporate citizen, and
- Our approach to dealing with tax authorities.

Our approach to risk management and governance

Given the size, geographic scope, and complexity of our operations, and at times, uncertainty regarding the application of tax laws, risk may arise in the determination of our tax liabilities. The identification and management of risk are central to creating long-term shareholder value.

Risk management is embedded in all our critical business activities, functions, processes, and systems through the following mechanisms:

- Risk assessments – we regularly assess known, new and emerging risks.
- Risk controls – we put controls in place over material risks, and periodically assess the effectiveness of those controls.
- Risk materiality and tolerability evaluation – we will tolerate a low level of risk, which is inherent in taxation matters given the complexity of the law.

Our attitude towards managing our tax affairs

We seek to have a tax charge that contributes to superior business performance and delivers long-term shareholder value. In this respect, our transactions have proper commercial purposes and economic rationale. We locate business activities where value is optimally created. Accordingly, we do not engage in aggressive tax planning.

Our reputation as a responsible business and a good corporate citizen

We take our commitment to corporate citizenship seriously. We adopt an open and transparent approach to our tax affairs, and Aristocrat is a proud signatory to Australia's Voluntary Tax Transparency Code.

Our approach to dealing with tax authorities

We act with integrity when engaging with tax authorities to support positive and sustainable relationships. Where possible, for the purposes of obtaining certainty of our tax positions, we engage with tax authorities on a real-time basis regarding the application of the tax law and to identify and resolve any disagreements on a timely basis.

For further information visit <https://ir.aristocrat.com/governance>

Income taxes disclosed in FY23 Results Announcement

The income tax results disclosed in the Group's Results Announcement for the year ended 30 September 2023 ("FY23") are calculated in accordance with Australian Accounting Standards which are consistent with International Financial Reporting Standards (IFRS). Differences may exist between income tax expense/(benefit) calculated in the Results Announcement and the total cash taxes paid in a relevant tax jurisdiction during the same income year. The differences can be due to various factors, including but not limited to, timing of corporate tax instalment payments, whether any tax losses are incurred or utilised, and other taxes being excluded such as Fringe Benefits Tax (FBT), payroll and/or employee taxes.

In accordance with the Voluntary Tax Transparency Code, the disclosures below have been made in respect of FY23.

Reconciliation of accounting profit to income tax expense and income tax payable including temporary and non-temporary differences

Aristocrat Leisure Limited	FY23 \$'m	FY22 \$'m
Profit before tax	1,670.4	1,229.1
Tax at the Australian tax rate of 30% (2022: 30%)	501.1	368.7
Impact to tax expense due to an internal reorganisation of the Group Structure	(217.3)	(55.1)
Impact of changes in tax rates and law	0.1	0.1
Non-deductible expenses	24.4	8.9
Research and development tax credit	(12.8)	(7.8)
Difference in overseas tax rates	(76.4)	(37.2)
Adjustment in respect of previous years income tax	(2.8)	3.0
Income tax expense	216.3	280.6
Current		
Adjustment for prior years	(5.0)	34.8
Deferred		
Temporary differences	212.4	49.4
Adjustment for prior years	7.8	(37.8)
Current income tax payable	431.5	327.0

Accounting effective company tax rates for Australian and global operations (pursuant to AASB guidance)

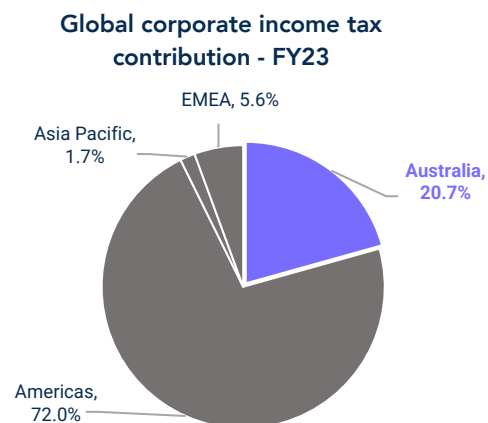
Effective tax rate (%)	FY23	FY22
Global operations (Statutory)¹	12.9%	22.8%
Australian operations	31.0%	50.5%

¹ When reporting annual results to the market, typically adjustments are made to exclude items that are non-recurring in nature. When adjusted for these items, the Group Global operations effective tax rate was 25% in FY23 (24.6% in FY22).

Tax Contribution Summary

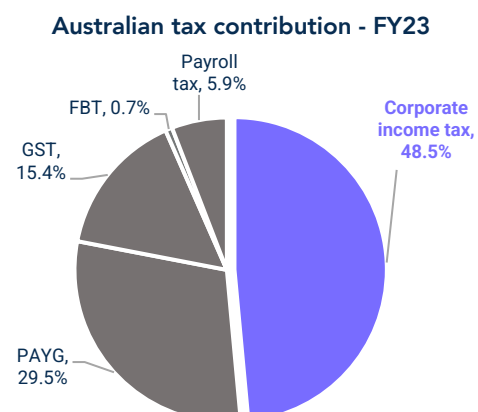
Aristocrat paid a total of \$384.8m in global corporate income taxes in FY23 (FY22: \$365.0m). Payments to tax authorities in the Australian and Americas regions continue to represent over 90% of the Group's global corporate income tax contribution.

	FY23 \$'m	FY22 \$'m
Global corporate income tax contribution		
Australia	79.5	124.8
Americas	277.2	212.6
Asia Pacific	6.6	5.5
EMEA	21.5	22.1
Total Group income tax paid	384.8	365.0



The corporate income tax of \$79.5m paid in Australia (\$124.8m in FY22), represents 20.7% of the Global corporate income tax contribution of the Group (34.2% in FY22) and 48.5% of the total Australian tax contribution (63.7% in FY22).

Australian tax contribution summary	FY23 \$'m	FY22 \$'m
Corporate Income Tax	79.5	124.8
PAYG Withholding ²	48.3	43.1
Net GST remitted	25.2	19.4
Fringe Benefits Tax	1.2	0.6
Payroll Tax	9.6	8.1
Total Australian taxes paid	163.8	196.0



² PAYG Withholding includes withholding from employee salaries and royalties.

International related party dealings

Given the size and complexity of Aristocrat's business operations, international transfer pricing is a significant area of tax risk for the Group. In order to manage this risk, Aristocrat prices its cross border related party transactions and arrangements having regard to the Group's global value chain, taking into account where value is created and where significant economic activities occur, in compliance with the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) and based on the arm's length principle.

Aristocrat enters into formal legal agreements with international related parties and prepares transfer pricing documentation to ensure related party transactions are documented and contemporaneous records are prepared and maintained to support the appropriateness of the arm's length pricing methodologies adopted, in accordance with the OECD Guidelines and local tax laws.

Where appropriate and possible, Aristocrat also enters into Advanced Pricing Arrangements with tax authorities to increase the certainty of tax outcomes relating to the Group's international related party transactions.

Aristocrat's key international related party dealings are summarised below:

- Licensing of intellectual property;
- Contract design and development (D&D) services;
- Sales and marketing services (including distribution services for the Aristocrat Gaming business);
- Group and business segment support services.

Aristocrat also complies with the Country-by-Country Reporting (CbCR) requirements in each of the countries in which it operates.