

SEEK ANNUAL REPORT

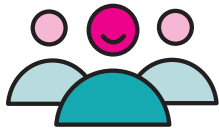


We help people live more fulfilling and productive working lives and help organisations succeed



2020

MAKING A POSITIVE IMPACT ON A GLOBAL SCALE



245m+

Candidate relationships



1m+

Hirer relationships



2.9bn

Population exposure

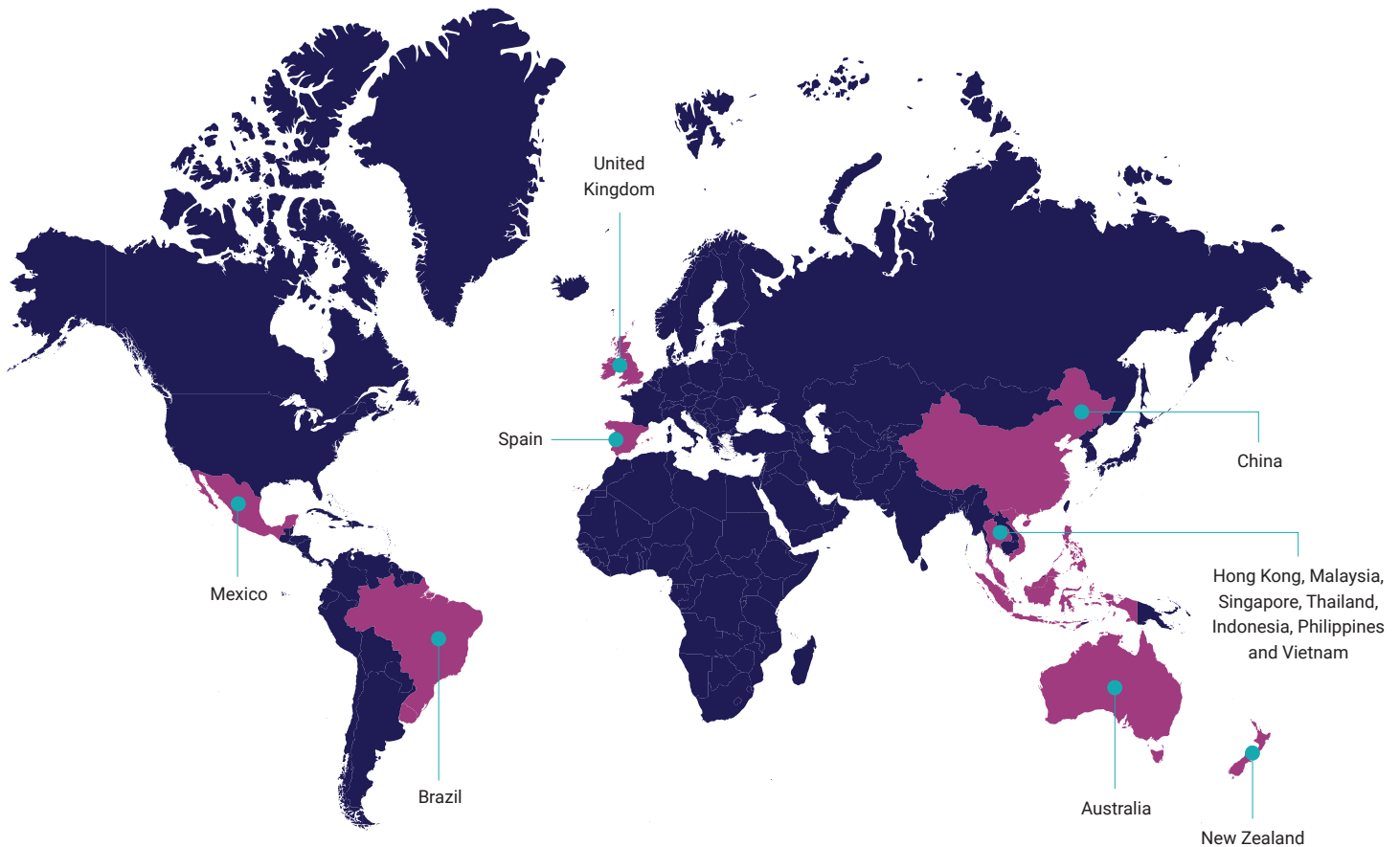


70m+

Students and learners

- > A strong international portfolio of employment and education businesses
- > A market leader in online employment marketplaces with deep and rich insights into the future of work
- > A global presence including Australia, New Zealand, China, Hong Kong, South-East Asia, Brazil & Mexico
- > Creating world-class products through ongoing investment into AI and technology
- > Employing 1,000+ people in Australia and New Zealand, 10,000+ around the world
- > Creating a culture of innovation, empowerment and collaboration
- > Australian listed with headquarters in Melbourne, Victoria

Our unified purpose helps people live more fulfilling and productive working lives and helps organisations succeed.



Asia Pacific & Americas



SEEK Investments





This report covers SEEK Limited as a consolidated entity consisting of SEEK Limited (the Company) and its controlled entities. The Financial Report was authorised for issue by the directors on 29 September 2020. The Company has the power to amend and reissue the Financial Report.

SEEK Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered principal place of business is:

Level 6
541 St Kilda Road
MELBOURNE VIC 3004

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the Directors' Report on pages 4 to 39.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All ASX Announcements, reports, presentations and other information are available at our Investor Centre on our website at www.seek.com.au/about/investors/.

CONTENTS

| | |
|------------------------------------------------|-----|
| Message from the Chairman & CEO | iv |
| Directors' Report | 4 |
| Letter from Remuneration Committee Chairman | 23 |
| Remuneration Report | 24 |
| Auditor's Independence Declaration | 40 |
| Sustainability Report | 41 |
| Corporate Governance Statement | 65 |
| Consolidated Income Statement | 74 |
| Consolidated Statement of Comprehensive Income | 75 |
| Consolidated Balance Sheet | 76 |
| Consolidated Statement of Changes in Equity | 77 |
| Consolidated Statement of Cash Flows | 78 |
| Notes to the Financial Statements | 79 |
| Directors' Declaration | 134 |
| Independent Auditor's Report | 135 |
| Shareholder Information | 142 |
| Five Year Financial Summary | 144 |
| Corporate Directory | IBC |

MESSAGE FROM THE CHAIRMAN & CEO



Welcome to the 2020 Annual Report

Dear Shareholder,

Since the start of calendar year 2020, the COVID-19 pandemic has spread rapidly across the world and impacted almost every country in an unprecedented way. The pandemic has sadly claimed the lives of many people and the secondary impacts on economies and people's livelihoods has been profound. Our thoughts go out to everyone affected during these challenging times and we hope that the path to recovery is quicker than many predict.

The SEEK Group ('the Group') was not immune from the impact of COVID-19 in the 2020 financial year ('FY2020'). However, whilst the external environment posed numerous challenges, we remained focused on executing our key strategic priorities and making decisions that align with SEEK's long-term objectives. Our Purpose coupled with these core principles guided us during this period.

Delivering on our Purpose at a large scale

SEEK's Purpose of "Helping people live more fulfilling and productive working lives and helping organisations succeed" guides our day to day and long-term strategic thinking. Our team's priorities align to our Purpose, and our strong value-based culture ensures we remain focused on delivering exceptional outcomes for our candidates, hirers and students.

Our Purpose and geographic footprint provide us with the opportunity to have a meaningful impact on a global scale:

- SEEK's Asia Pacific & Americas ('AP&A') business has relationships with over 45 million candidates and over 200,000 hirers.
- SEEK Investments has relationships with over 200 million candidates, approximately 820,000 hirers and over 70 million students/ learners.

SEEK's response to COVID-19

As COVID-19 spread across our markets we prioritised the safety and well-being of our people, putting in place measures to protect our permanent workforce, culture and engagement.

We then quickly enacted a series of hirer support measures totalling \$13 million (across AP&A), reflecting our long-term commitment to our customers. We also built new content and insights, as well as launching new courses, to help many jobseekers who lost their jobs during this period.

Given the direct financial impact on billings and an uncertain outlook, we adopted a series of measures to ensure we increased funding flexibility by obtaining increased covenant levels from our senior lenders and issuing subordinated debt. In addition, we prudently managed discretionary costs and liquidity to support our capital position. Our capital management response allowed us to continue investing in long-term competitiveness across areas such as product innovation, technology architecture and data capability, and to preserve long-term shareholder value.

Given the short-term impact to our business, we received \$8.4 million of COVID-19 related government support across Australia, New Zealand and South East Asia for which we are grateful.

During FY2020, we are extremely proud of the way in which our teams adapted to the changing conditions and executed on our key strategic initiatives.

Whilst the near term will continue to pose challenges, we are confident in our strategy and growth prospects. If we continue to invest and execute well, when conditions improve, we expect that SEEK will emerge a stronger and more resilient business.

Strong progress towards key strategic priorities

Our long-term growth strategy and \$5 billion aspirational revenue opportunity remain intact, although the timeframe to achieving this will likely be impacted by weak macro-economic conditions and the rate at which employment activity recovers.

Despite the conditions in FY2020, we made tangible progress against our key strategic priorities including:

- **AP&A:** a new pricing model was launched in SEEK ANZ and SEEK Asia achieved planned milestones for platform unification.
- **SEEK Investments:** ongoing investment to improve the core platform in Zhaopin and scaling new and existing partners in OES. Our Early Stage Ventures portfolio performed very well during COVID-19 and achieved "look-through" revenue growth of 35% compared to FY2019.

We must continue to invest to increase the value that we deliver our candidates, hirers and students, particularly given we compete against large global competitors. Provided we keep investing and executing, we will improve our overall value proposition and defensibility for the years ahead. In turn, we are confident this will translate into SEEK being a larger and more profitable business.

Key financial highlights in FY2020

Results impacted by weak macro conditions and COVID-19

SEEK delivered sales revenue of \$1,577.4m, EBITDA of \$414.9m and Reported NPAT excluding significant items of \$90.3m. Reported NPAT was a loss of \$111.7m as a result of significant items totalling \$202.0m. The significant items related to impairment charges for Brasil Online, OCC and four Early Stage investments totalling \$198.0m and approximately \$4.0m in funding related costs.

Capital management

A focus in FY2020 was on managing the Group's capital structure to support our growth strategy. We undertook debt restructuring activities which led to SEEK increasing its overall funding flexibility and extending its debt maturity profile.

Given the uncertain environment created by COVID-19, we made the decision not to pay a final dividend in FY2020 and to preserve capital to fund SEEK's long-term growth strategy. The dividend decision was not taken lightly but we believe it was the right trade-off to maximise returns for long-term shareholders. Once economic conditions improve, we intend to resume payment of dividends.

Asia Pacific & Americas

As expected, the impact of COVID-19 weighed on job ad volumes across AP&A. Pleasingly, our competitive metrics remained strong and we continued investing and innovating to capture a large long-term addressable market opportunity.

SEEK ANZ performed well in the context of a weak volume environment

- Given the challenging conditions, SEEK ANZ performed well and has observed signs of early recovery led by small and medium-sized enterprises and depth products.
- A new pricing approach and contract structure was launched in December 2019. The roll-out has progressed well considering the economic environment and will be completed across the majority of hirer segments by the end of 2020. We expect this to create a more equitable and efficient online marketplace for hirers and candidates.

SEEK Asia was impacted by weak macro conditions in Hong Kong and COVID-19

- SEEK Asia's financial results were impacted by geopolitical concerns in Hong Kong throughout FY2020 and the economic impact of the pandemic across the region.
- There is more work to do but we are pleased with the progress made with platform and product unification in the critical areas of core search, discovery and mobile apps.
- We remain optimistic about the scale of the addressable market and will be well placed to capture a meaningful share given our market leadership in key regions and the expected strategic benefits from closer integration between SEEK ANZ and SEEK Asia.

Latin America was significantly impacted by COVID-19 amidst ongoing operational and macro challenges

- Brasil Online and OCC have faced challenges for some time, and this was exacerbated by the devastating impact of COVID-19. Given the impact of these factors, we unfortunately had to recognise an aggregate impairment charge of \$139.5m in FY2020 against these businesses.
- Our footprint in Brazil and Mexico provides exposure to very large human capital markets and therefore our focus remains on evolving our product and service offerings to deliver more value to candidates and hirers.

SEEK Investments

Zhaopin successfully navigated a period of challenging operating conditions

- Zhaopin delivered resilient revenue growth of 12% in the context of COVID-19 driven by adjacent services. The team also delivered improved operating efficiency whilst continuing to invest in strategic areas like technology, data and artificial intelligence.
- The competitive landscape continues to be intense and we will remain focused on investing to grow market share in what should be the world's largest human capital market.

OES performed well and is seeing increased demand for online education solutions

- OES delivered solid revenue growth of 7% and continues to benefit from structural shifts to online learning.
- During FY2020 OES made good progress in scaling up its new Australian and international partnerships and invested in evolving its product offerings.

ESV portfolio delivered strong results and we have increased confidence in our Investment themes

- The SEEK Investments ESV portfolio adapted well to the COVID-19 environment and delivered FY2020 "look-through" revenue growth of 35% versus FY2019.
- The resilience of our ESVs during the pandemic has increased our conviction in the key themes of Online Education, HR Software as a Service ('SaaS') and Contingent Labour.

SEEK's sustainable approach to long-term growth

SEEK's long-term growth strategy is supported by a sustainable approach to the management of key environmental, social and governance ("ESG") risks and opportunities. How we manage ESG risks and opportunities is described in the Sustainability Report on page 41. We strive to meet the expectations customers, employees, investors and the community have of SEEK, particularly in key areas of risk such as data trust and privacy, cyber security, business resilience and talent. Focus continues on further minimising the environmental impact of the business and responding to the challenge of climate change.

We are proud of the positive social impact, through employment and education, of our Purpose-led business. The Sustainability Report details SEEK's additional contribution to the community through SEEK Volunteer and our employees' contributions through giving and volunteering.

SEEK Volunteer

Drawing on the successful SEEK employment platform model, SEEK Volunteer connects volunteers in Australia and New Zealand to opportunities via an online platform. Operating for the past 20 years, it is the largest source of volunteer opportunities online, helping over 165,000 potential volunteers connect with over 11,000 registered volunteer organisations in FY2020. The Australian bushfires and COVID-19 saw an increased interest in helping others by volunteering. SEEK Volunteer connected more volunteers than ever before with a 30% increase in individuals applying for opportunities during FY2020.

Small Change workplace giving program

SEEK offers an award-winning workplace giving program 'Small Change', where SEEK matches dollar for dollar every employee donation to one or more of SEEK's ten partner charities. Involvement in the program is high with over 50% of employees participating.

Board update

With great sadness and regret we acknowledge the passing of Emeritus Professor Denise Bradley AC, non-executive director in March 2020.

Denise joined the SEEK Board as a non-executive director in February 2010, following a distinguished career in higher education and training, and was a member of the Remuneration Committee and Nomination Committee.

Denise was an outstanding director, with immense passion and intellect. She made a significant contribution to the Board and SEEK over many years and will be sorely missed.

Thanks to those that make SEEK a success

On behalf of the Board and broader team at SEEK we would like to thank our candidates, hirers, students and shareholders for their continued support this year.

Through everything that has happened this year, we remain proud of the positive impact SEEK is having on millions of people globally. None of this would be possible without our talented and hardworking employees across the Group, the unwavering commitment and effort of the Group Executive team, and the support and guidance of the Board.

As we look ahead to FY2021, COVID-19 continues to have an impact across all our markets, and this will likely persist for a while longer. Whilst it is difficult to predict when things will recover, when they do, job creation and education will be at the core of the economic recovery and we will be well positioned to help facilitate this. Given we cannot control the timing of a recovery, our focus remains on executing against our long-term growth strategies which we believe will unlock large new revenue pools and create significant long-term shareholder value.



Graham Goldsmith
Chairman



Andrew Bassat
CEO and Co-Founder





OUR PURPOSE:

We help people
live more fulfilling
and productive
working lives and
help organisations
succeed.

IMAGE LEFT

Pictured: Ryan Cheng, Sureya Feki and Ben Jervis

"I love working at SEEK because of the flexibility we're offered.
We can work remotely and in different ways and still be productive."
- Sureya Feki, Technical Support Analyst at SEEK

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as 'the Group' or 'SEEK'), consisting of SEEK Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020.

SEEK is having a global impact improving people's lives across employment and education

Asia Pacific and Americas (AP&A)

45m+

Candidate relationships

200k+

Hirer relationships

Approximately

900m

Population exposure



SEEK Investments

200m+

Candidate relationships

820k+

Hirer relationships

Approximately

2bn

Population exposure



Principal activities

During the year the principal activities of the Group consisted of:

- > online matching of hirers and candidates with career opportunities and other related services;
- > investing in early stage businesses and technologies which are in the human capital management market; and
- > distribution and provision of higher education courses.

Business strategies and prospects

Throughout SEEK's history the business has continued to evolve and expand.

Building Australia and New Zealand (ANZ) Online Employment Marketplace

SEEK was founded in Melbourne, Australia in 1997 as a disruptive online marketplace which leveraged the internet and technology to build a low cost and highly effective online employment marketplace and migrate print classified job advertisements online. SEEK's ANZ online marketplace has evolved over the years and continues to hold market leadership on key metrics such as monthly visits, brand awareness, and placement share.

Expansion into International Online Employment Marketplaces and Education

SEEK's international employment marketplace and education expansion commenced in 2005, with the focus being on leveraging its experience and capabilities in acquiring and operating international online employment marketplaces; and leveraging its assets and capabilities in online employment marketplaces into adjacent education businesses.

SEEK has been successful in growing its international footprint and creating value mainly via M&A and strategic support. Over this time SEEK has helped grow existing businesses (including Zhaopin, IDP Education, and SEEK Asia) and incubate new business models such as Online Education Services (OES) which is now a market leader in online adult education.

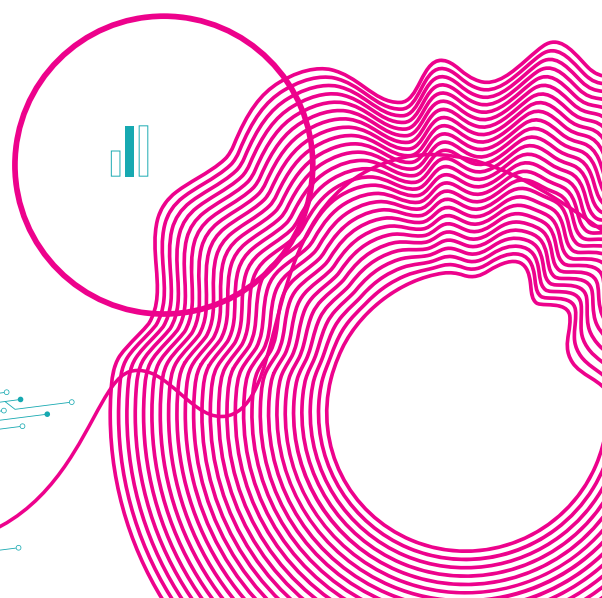
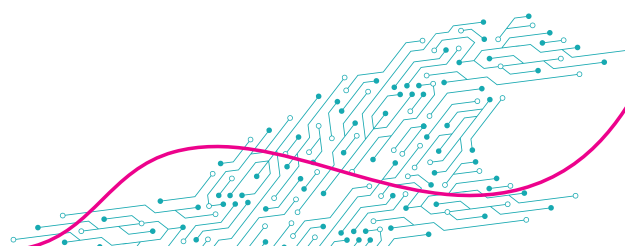
Extending SEEK's horizons to achieve more for candidates/hirers

Over time, SEEK has redefined success for its online employment marketplaces, with a focus on using its technology and data to deliver the most effective search and matching experience and outcomes for candidates and hirers.

Given SEEK's unique capabilities and its relationships with hirers, candidates, students and education providers, SEEK is also well placed to solve large and complex problems for employment and education market participants. SEEK will continue to invest to build new products and services, and also make strategic investments to unlock new revenue streams and create long-term value for shareholders.

The SEEK Group is organised into two main divisions:

- **Asia Pacific and Americas (AP&A):** Consists of online employment marketplaces in Australia and New Zealand, Hong Kong, South-East Asia, Brazil and Mexico and aligned Early Stage Ventures (ESVs) that have synergies with the AP&A operating businesses.
- **SEEK Investments:** Consists of Zhaopin, OES and other ESVs that are operated as independent entities. All assets in the SEEK Investments portfolio are held for long term capital appreciation targeting minimum internal rates of return of 15-20 per cent over approximately five years. SEEK regularly assesses the growth prospects of all of its businesses in the context of capital allocation and value realisation, reassessing whether it is in the best interests of shareholders for the Group to remain long-term owners of assets within the portfolio.

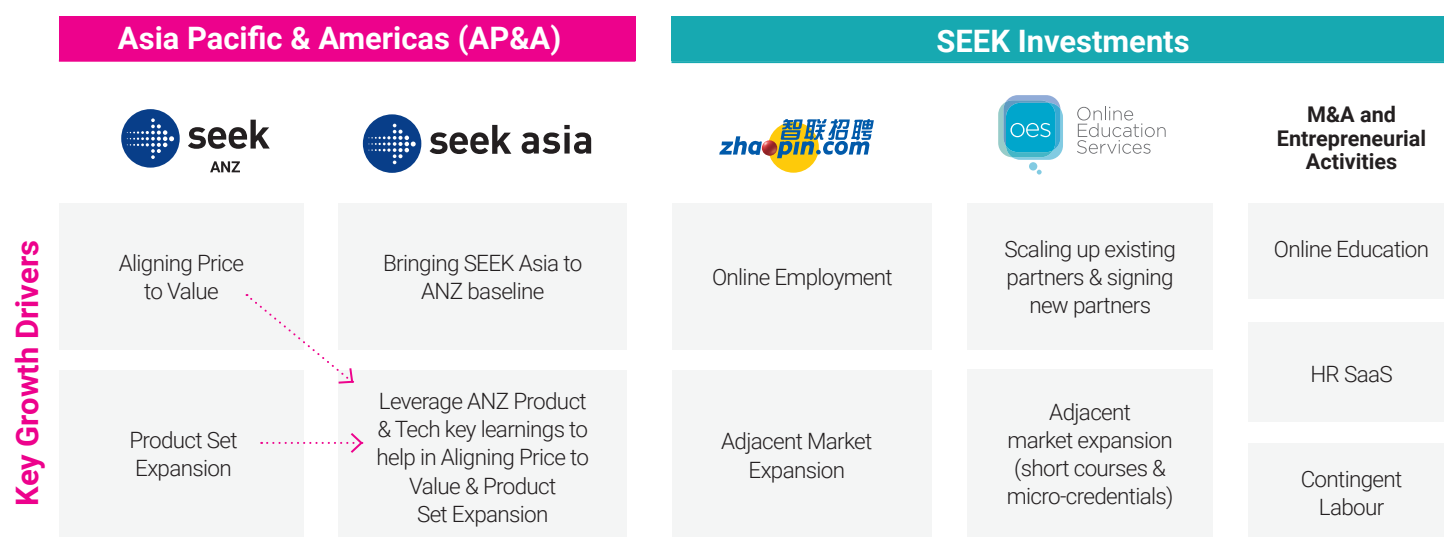


Business strategies and prospects continued

SEEK has identified 5 key areas to drive growth over the medium to long-term.

Growth Strategies over the medium to long-term

As SEEK looks out over the medium to long-term, its market positions and unique experience present clearly defined and executable growth strategies under five main headings:



SEEK ANZ

- Over the last 12 months SEEK ANZ has launched a new pricing and contract structure to help better align job ad pricing to the value or performance delivered and to ultimately create a more efficient and equitable marketplace with greater choice and service offerings
- SEEK ANZ has focused on product set expansion by utilising SEEK ANZ's strategic assets (deep relationships, unique data, strong brand, etc) to deliver new or improved tech enabled solutions in Talent Sourcing and Selection

SEEK Asia

- SEEK Asia is earlier in its evolution relative to SEEK ANZ so the initial focus is to bring SEEK Asia up to the ANZ baseline in terms of product and technology capability and then to leverage ANZ learnings to drive the next leg of growth for SEEK Asia
- SEEK AP&A is building integrated teams focused on common solutions for SEEK ANZ and Asia which will improve speed to market and reduce duplication
- Initial priority is on unification of our candidate experience, with hirer products moving to a common platform over the medium term

Zhaopin: is focused on building online market share and growing adjacent revenue streams in what we believe will be the world's largest Human Capital Market

- Online: Significant opportunity to further penetrate the growing number of hirers in China who are moving their hiring activity online
- Adjacent: Whilst Online is our primary focus, a significant opportunity exists to leverage relationships & data to grow adjacent revenue streams

OES: is investing to scale multiple partnerships and expanding into adjacent market opportunities such as short courses and micro-credentials

Early Stage Ventures: are solving more problems for candidates and hirers where large revenue opportunities exist. Our businesses are favourably exposed to key structural trends across three key investment themes – Online Education, HR SaaS and Contingent Labour



OUR VISION:

**To be the best in
the world in online
employment by:**

- matching more people with job opportunities than any other organisation in each market in which we operate; AND
- being the most trusted partner for advice on, and access to, relevant career related education.

Performance highlights

Reported sales revenue

\$1,577.4 million

| | |
|--------|-------------------|
| FY2019 | \$1,537.3 million |
| FY2018 | \$1,299.5 million |

Reported segment EBITDA⁽¹⁾

\$414.9 million

| | |
|--------|-----------------|
| FY2019 | \$455.0 million |
| FY2018 | \$431.2 million |

Reported profit/(loss) attributable to SEEK

\$(111.7) million

| | |
|--------|-----------------|
| FY2019 | \$180.3 million |
| FY2018 | \$52.2 million |

NPAT (excluding significant items and SEEK Investments ESVs) attributable to SEEK

\$139.6 million

| | |
|--------|-----------------|
| FY2019 | \$207.5 million |
| FY2018 | \$212.1 million |

Total dividend (cents per share)

13c per share

| | |
|--------|---------------|
| FY2019 | 46c per share |
| FY2018 | 46c per share |

COVID-19 impact to SEEK's FY2020 result

- During FY2020, we observed the outbreak of the COVID-19 global pandemic. The phased government restrictions enacted in response to the pandemic had a material economic impact in all markets in which SEEK operates, and on all of SEEK's online employment businesses. The impact of the pandemic was first felt in Zhaopin which peaked during February 2020, with billings approximately 65% lower than FY2019. SEEK ANZ and SEEK Asia experienced sharp billing declines from late March 2020 and bottomed during April 2020 with declines of approximately 65% compared to FY2019. SEEK has observed a gradual recovery across its key businesses (ANZ, Asia and Zhaopin) since their peak declines;
- Due to the economic impacts of COVID-19, many geographies in which SEEK operates have provided government support. In FY2020, the Group has recognised the receipt of subsidy payments totalling \$8.4m (refer Note 3 of the Financial Report for further detail);
- While COVID-19 has created near-term economic challenges across all of SEEK's markets, this does not fundamentally change our long-term aspirations. SEEK expects that its long-term focus will unlock large new revenue pools and create significant long-term shareholder value.

Review of results and operations

| | Reported currency | | Constant currency ⁽²⁾ | |
|------------------------------------------------------------------------------------|-------------------|-------------|----------------------------------|-------------|
| | 2020 \$m | 2019 \$m | Growth % | Growth % |
| Sales revenue | 1,577.4 | 1,537.3 | 3% | 1% |
| Segment EBITDA⁽¹⁾ | 414.9 | 455.0 | (9%) | (11%) |
| Depreciation and amortisation | (133.9) | (85.8) | | |
| Net interest | (59.3) | (44.4) | | |
| Share-based payments and other LTI | (22.2) | (21.6) | | |
| Share of results of equity accounted investments | (39.9) | (16.5) | | |
| Other items | (205.8) | (2.5) | | |
| Income tax expense | (44.6) | (85.8) | | |
| Non-controlling interests | (20.9) | (18.1) | | |
| Reported (loss)/profit attributable to owners of SEEK Limited | (111.7) | 180.3 | (162%) | |
| Add back significant items | 202.0 | 4.5 | | |
| Profit attributable to owners of SEEK Limited (excluding significant items) | 90.3 | 184.8 | (51%) | |

(1) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share-based payment expense, share of results of equity accounted investments, gains/losses on investing activities, and other non-operating gains/losses. Effective 1 July 2019, the Group has applied the new AASB 16 *Leases* standard using the modified retrospective approach. Lease costs such as property rental payments are now accounted for as depreciation and interest expense below Segment EBITDA for FY2020. Comparative information for the year ended 30 June 2019 has not been restated.

(2) Constant currency amounts are calculated by retranslating current year data using prior year exchange rates.

In the year ended 30 June 2020 (FY2020) SEEK achieved growth in sales revenue of 3% (1% constant currency) while EBITDA declined 9% (11% constant currency) compared to the year ended 30 June 2019 (FY2019).

Loss attributable to the owners of SEEK Limited was \$111.7m (30 June 2019: profit of \$180.3m).

Significant items

FY2020 significant items of (\$202.0m) include the following:

- Impairment charge against the carrying value of Brasil Online and OCC (\$139.5m post-tax, SEEK share \$138.7m) and four minority investments (\$59.7m post-tax); and
- Refinancing related costs of (\$3.6m) (post-tax).

Amounts recognised as significant items in FY2019 mainly comprised of Zhaopin privatisation and refinancing related costs of \$4.5m (post-tax).

Key drivers

- Revenue growth of 3% (compared to FY2019) was impacted by weak macro economic conditions in H1 FY2020 and COVID-19 in H2 FY2020. AP&A revenue declined 11% in FY2020, however SEEK Investments increased 15% reflecting robust performance across Zhaopin and strong growth across SEEK Investments Early Stage Ventures (ESVs);
- EBITDA declined 9% reflective of soft revenue conditions and a focus on investing in strategic areas while prudently managing discretionary costs. Significant investment occurred in AP&A, OES and across SEEK's portfolio of ESVs;

- Attributable profit (excluding significant items) for FY2020 declined by 51% to \$90.3m due to increased depreciation and amortisation from investment in product & technology, higher net interest costs associated with SEEK's ongoing investment in M&A and higher losses incurred by ESVs as they continue to scale up to become large and defensible businesses;
- Attributable profit (excluding significant items) includes losses from SEEK Investments ESVs of \$49.3m (FY2019: \$22.7m*). Excluding losses from SEEK Investments ESVs, attributable profit (excluding significant items) was \$139.6m (FY2019: \$207.5m). * Minor changes were made to SEEK's operating segments for FY2020 as described in Note 1 of the Financial Report. Comparative information for the year ended 30 June 2019 has been restated.

SEEK's COVID-19 response

The COVID-19 pandemic has had a material impact on the SEEK Group in FY2020, however the business quickly adapted to manage the challenges that arose, with a clear focus on:

1. *People*: Protected our permanent workforce and implemented work from home protocols, supported by programs focused on physical safety and mental well-being;
2. *Customer*: Provided customer relief including pausing minimum commitments, extending contract lives and providing credits for job advertisements no longer needed in Q4 FY2020; and
3. *Capital management*: Reduced discretionary costs but continued to invest for the long-term, obtained covenant relief from banks (syndicated debt facility), restructured senior debt and raised \$75.0m of subordinated debt in July 2020.

These measures were considered important to protect our workforce, enhance our culture and engagement, increase goodwill with hirers and preserve long-term shareholder value.

Asia Pacific and Americas (AP&A)

The AP&A segment comprises:

The Australia and New Zealand (ANZ) business

SEEK Asia

The Latin America businesses of Brasil Online and OCC

Other entities including Jora

| | Reported currency | | | Constant currency |
|-----------------------------|-------------------|----------------------------------------|--------------|-------------------|
| | 2020 \$m | Restated 2019 ⁽¹⁾ \$m | Growth % | Growth % |
| Sales revenue | 629.6 | 709.7 | (11%) | (13%) |
| ANZ | 387.2 | 440.0 | (12%) | |
| SEEK Asia | 162.9 | 176.6 | (8%) | (14%) |
| Brasil Online | 52.4 | 64.1 | (18%) | (13%) |
| OCC | 25.1 | 26.5 | (5%) | (7%) |
| AP&A Other | 2.0 | 2.5 | | |
| EBITDA⁽²⁾ | 295.0 | 353.5 | (17%) | (18%) |
| ANZ | 223.5 | 263.8 | (15%) | |
| SEEK Asia | 72.8 | 91.3 | (20%) | (26%) |
| Brasil Online | 5.8 | 11.5 | (50%) | (45%) |
| OCC | 7.2 | 5.0 | 44% | 41% |
| AP&A Other | (14.3) | (18.1) | | |
| EBITDA margin (%) | 47% | 50% | | |
| ANZ | 58% | 60% | | |
| SEEK Asia | 45% | 52% | | |
| Brasil Online | 11% | 18% | | |
| OCC | 29% | 19% | | |

(1) Refer to Note 1 Segment information for further details on the minor changes made to SEEK's operating segments for FY2020. Consequently, comparative information for operating segments has been presented differently from previously published results for the year ended 30 June 2019. There has been no change to total SEEK Group revenue or EBITDA.

(2) Effective 1 July 2019, the Group has applied the new AASB 16 Leases standard using the modified retrospective approach. Lease costs such as property rental payments are now accounted for as depreciation and interest expense below EBITDA for FY2020. Comparative information for the year ended 30 June 2019 has not been restated.

Revenue decline of 11% and EBITDA decline of 17% compared to FY2019 were driven by the following:

- ANZ: revenue decline of 12% driven by weak volumes due to softer economic conditions in H1 FY2020 and COVID-19 in H2 FY2020, however revenue from depth products was resilient and provided some offset;
- SEEK Asia: financial results were impacted by weak macro conditions (including COVID-19) particularly in Hong Kong and investment to unlock long-term potential across all markets; and
- Latin America: weak results with COVID-19 exacerbating ongoing operational and macro challenges.

Reported results were positively impacted by the depreciation of the Australian dollar against key currencies, including the Hong Kong dollar and the Malaysian Ringgit. On a constant currency basis AP&A revenue declined 13% and EBITDA declined 18% compared to FY2019.

Australia and New Zealand (ANZ)

- ANZ delivered a resilient result despite a weak volume environment with revenue decline of 12% and EBITDA decline of 15% compared to FY2019;
- The impact of COVID-19 weighed heavily on hiring activity and job ad volumes in H2 FY2020. April 2020 experienced the sharpest contraction compared to FY2019, followed by a consistent trend of improving ad volume and billings in Q4 FY2020, particularly across SME customers. Revenue from depth products (e.g. Premium Ad and Premium Talent Search) was resilient with 1% growth compared to FY2019 despite the weak conditions;
- In light of the conditions, there was a focus on reducing discretionary costs whilst continuing to invest in long term strategic areas such as analytics, architecture, security and product innovation.

SEEK continues to hold market leadership on key metrics despite strong competition including a 33% share of placements, a lead of approximately 5 times our nearest competitor.

Key strategic priorities are progressing well including:

- Launch of the new ANZ pricing model and contract structure. The transition for customers on subscription contracts commenced on 1 December 2019 and we expect the majority of hirers to be on consistent contract and pricing terms by the end of 2020;
- Expanded and enhanced our product suite to optimise value for our candidates and hirers (including Profile apply, Certsy verifications, and Selection tool improvements).

SEEK Asia

- On a constant currency basis, SEEK Asia revenue declined 14% and EBITDA declined 26% compared to FY2019;
- The key driver of the revenue decline was Hong Kong which was impacted by geopolitical issues and COVID-19. Revenue results in other markets were more resilient, as was revenue from depth products;
- Given the challenging environment, there was a focus on reducing short term discretionary costs in FY2020 whilst also continuing to invest in strategic areas (data platforms, analytics, IT security, artificial intelligence and technology) to position the business for growth over the long term.

Latin America

- Financial results in Brasil Online and OCC were weak with COVID-19 having a devastating impact on the Brazilian and Mexican economies and exacerbating ongoing operational and macro challenges;
- An aggregate non-cash impairment charge has been recognised for Brasil Online and OCC totalling \$139.5m (post-tax), SEEK share \$138.7m;
- Near-term macro outlook remains challenging but the focus is on executing strategic and operational plans to build sustainable businesses.

AP&A Other

- A portfolio of early stage investments that complement and/or have synergies with the AP&A operating businesses. Includes Jora which now has a presence in 36 countries and is playing a key role in growing ad scale and supporting new product development.

SEEK Investments

The SEEK Investments segment comprises:

Zhaopin

SEEK share 61%

Online Education Services (OES)

SEEK share 80%

Early Stage Ventures (ESVs)

Controlled entities and equity accounted minority investments

| | Reported currency | | | Constant currency |
|-----------------------------|-------------------|----------------------------------|------------|-------------------|
| | 2020 \$m | Restated 2019 ⁽¹⁾ \$m | Growth % | Growth % |
| Sales revenue | 947.8 | 827.6 | 15% | 12% |
| Zhaopin | 749.6 | 647.9 | 16% | 12% |
| OES | 136.6 | 127.5 | 7% | |
| ESVs | 61.6 | 52.2 | 18% | |
| EBITDA⁽²⁾ | 151.7 | 126.5 | 20% | 17% |
| Zhaopin | 123.7 | 99.1 | 25% | 21% |
| OES | 34.8 | 36.7 | (5%) | |
| ESVs | (6.8) | (9.3) | (27%) | |
| EBITDA margin (%) | 16% | 15% | | |
| Zhaopin | 17% | 15% | | |
| OES | 25% | 29% | | |
| ESVs | (11%) | (18%) | | |

(1) Refer to Note 1 Segment information for further details on the minor changes made to SEEK's operating segments for FY2020. Consequently, comparative information for operating segments has been presented differently from previously published results for the year ended 30 June 2019. There has been no change to total SEEK Group revenue or EBITDA.

(2) Effective 1 July 2019, the Group has applied the new AASB 16 Leases standard using the modified retrospective approach. Lease costs such as property rental payments are now accounted for as depreciation and interest expense below EBITDA for FY2020. Comparative information for the year ended 30 June 2019 has not been restated.

SEEK Investments revenue growth of 15% and EBITDA growth of 20% compared to FY2019 were driven by:

- Zhaopin: robust financial result despite challenging overall market conditions;
- Online Education Services: solid financial result as it invests to scale up new partners and expand online service offerings;
- Early Stage Ventures: strong revenue growth and operating results across the portfolio of consolidated ESVs (JobAdder and Sidekicker) as these businesses continue to scale;
- Reported results were favourably impacted by the depreciation of the Australian dollar against the Chinese Renminbi (RMB). On a constant currency basis, SEEK Investments achieved revenue growth of 12% and EBITDA growth of 17%.

Zhaopin

- On a constant currency basis, Zhaopin delivered a resilient result with revenue growth of 12% and EBITDA growth of 21% compared to FY2019. EBITDA growth of 21% reflects the benefits of the change in operating lease recognition. On a like-for-like basis EBITDA growth would have been 4%;
- Online revenue declined 11% impacted by soft economic conditions and COVID-19. Adjacent services revenue was resilient in the context of restrictions;
- EBITDA growth reflected cost efficiencies across personnel, marketing and discretionary areas. Investment continued in core strategic areas including product, technology, data and artificial intelligence;
- Zhaopin is focused on creating value by extending market leadership, driving long-term monetisation of its online business and scaling up adjacent services.

Online Education Services (OES)

- OES delivered revenue growth of 7% driven by post-graduate and under-graduate students located in the United Kingdom;
- OES continues to focus on maximising the student body across existing partnerships, adding new partners to the platform and evolving its product offerings into short and micro courses, learning management design and other online managed services.

Early Stage Ventures (ESVs)

SEEK Investments ESVs portfolio comprises investments exposed to high growth structural trends across three key themes comprising Online Education, Contingent Labour and HR Software as a Service (HR SaaS).

SEEK has invested in emerging leaders in the three key themes, and actively partners with its investments to leverage its deep online human capital market expertise to accelerate their growth. Some key investments in the portfolio are:

Online Education: FutureLearn and Coursera are global leaders in the delivery of Massive Open Online Course content;

Contingent Labour: Sidekicker, Jobandtalent and Florence are leading on-demand staffing platforms which in combination provide exposure to a large and growing contingent labour markets across Australia, New Zealand, and seven countries across Europe and Latin America;

HR SaaS: GO1 helps organisations source, deliver and track employee training and Employment Hero is a cloud-based platform combining HR software, employee benefits, financial services, compliance and payroll modules.

The portfolio adapted very quickly to the COVID-19 environment by reducing cash outflows whilst continuing to invest for the long-term.

Overall SEEK Investments ESVs delivered strong look-through revenue growth of approximately 35% with several businesses performing well during this challenging period and validating the strength of their business model.

Financial position

| | 2020 \$m | 2019 \$m |
|--------------------------------------|----------------|----------------|
| Cash and cash equivalents | 604.8 | 382.9 |
| Other current assets | 212.4 | 310.3 |
| Intangible assets | 2,550.0 | 2,719.5 |
| Equity accounted investments | 268.3 | 237.2 |
| Other non-current assets | 701.0 | 600.3 |
| Total assets | 4,336.5 | 4,250.2 |
| Current borrowings | 143.4 | 133.1 |
| Non-current borrowings | 1,797.6 | 1,466.6 |
| Unearned income | 350.9 | 401.1 |
| Lease liabilities | 64.0 | - |
| Current creditors and provisions | 439.0 | 370.4 |
| Non-current creditors and provisions | 158.1 | 184.6 |
| Shareholders equity | 1,383.5 | 1,694.4 |
| Total liabilities and equity | 4,336.5 | 4,250.2 |

At 30 June 2020, SEEK had:

- Total assets of \$4,336.5m of which 59% related to long-life intangible assets (goodwill, brands and licences) arising from business combinations, with the remainder relating primarily to cash, funds on deposit, equity accounted investments and trade receivables; and
- Total liabilities of \$2,953.0m of which 66% related to borrowings, with the remainder relating to unearned income, tax and trade and other payables.

SEEK's current liabilities exceed its current assets by \$144.1m. Excluding unearned income of \$350.9m, which represents non-refundable advances from customers, the Group would have net current assets of \$206.8m.

Net debt

Net debt at 30 June 2020 was \$900.6m (\$893.2m net of capitalised borrowing costs) and is further discussed in Note 6 Net debt of the Financial Report.

SEEK's borrowings comprise a combination of debt facilities across SEEK Limited and Zhaopin:

- SEEK Limited has an unsecured syndicated bank facility comprising of A\$612.5m and US\$552.5m, and A\$325.0m of notes issued under SEEK's Euro Medium Term Note Programme; and
- Zhaopin has entrusted loan facilities of US\$322.5m, and a working capital loan facility of RMB309.9m.

At 30 June 2020, \$1,948.4m of the total available facilities were drawn down, with \$322.5m available in undrawn capacity.

Cash flow

Cash generated from operations decreased to \$408.8m and represented an EBITDA conversion ratio⁽¹⁾ of 99%.

(1) EBITDA conversion ratio is calculated as cash generated from operations / EBITDA.

| | 2020 \$m | 2019 \$m |
|-----------------------------------------------------------------|----------------|----------------|
| Cash generated from operations | 408.8 | 499.9 |
| Government grants received | 13.2 | - |
| Transaction costs | (1.0) | (5.2) |
| Finance costs and taxes paid | (116.7) | (122.1) |
| Net cash from operating activities | 304.3 | 372.6 |
| Disposal of equity accounted investment | - | 6.3 |
| Acquisition of subsidiaries (net of acquired cash) | (4.0) | (9.2) |
| Acquisition of equity accounted investments | (126.2) | (121.9) |
| Capital expenditure (intangible assets and plant and equipment) | (125.7) | (125.1) |
| Other investing activities | (5.0) | (51.4) |
| Net cash used in investing activities | (260.9) | (301.3) |
| Net change in borrowings | 328.1 | 262.4 |
| Dividends paid to shareholders of SEEK Limited | (77.4) | (161.5) |
| Dividends paid to non-controlling interests | (7.4) | (9.6) |
| Net change in deposits to support entrusted loan facilities | 18.2 | (86.5) |
| Payment of lease liabilities | (27.3) | - |
| Zhaopin privatisation | - | (49.2) |
| Payment for additional interest in subsidiary | - | (1.6) |
| Other financing activities | (42.0) | (14.5) |
| Net cash from/(used) in financing activities | 192.2 | (60.5) |
| Net increase in cash and cash equivalents | 235.6 | 10.8 |
| Cash and cash equivalents at the beginning of the year | 382.9 | 361.7 |
| Effect of exchange rate changes on cash and cash equivalents | (13.7) | 10.4 |
| Cash and cash equivalents at the end of the year | 604.8 | 382.9 |

Key cash flow movements

Net cash outflow of \$260.9m used in investing activities was primarily due to capital expenditure of \$125.7m and payments for acquisition of equity accounted investments of \$126.2m.

Net cash inflow of \$192.2m from financing activities was primarily due to the issuance of A\$ Subordinated Floating Rate Notes of \$150.0m and net drawdown of other debt facilities of \$178.1m. The net change in borrowings was offset by the payment of dividends of \$77.4m and other financing activities of \$42.0m, relating to settlements on foreign exchange and interest rate hedges during the year. The Group adopted AASB 16 Leases on 1 July 2019 and recognised payments for principal elements of lease liabilities of \$27.3m.



Principal risks

SEEK actively manages the risks that could materially impact our ability to sustain our future financial performance and deliver our long-term strategy. The following are the key risks and the actions we are taking to manage these risks. For SEEK specifically, climate change risk is not considered financially material at this time. Recognising its importance, it is addressed separately in SEEK's Sustainability Report.

| Risk area | Impact of the risk | Mitigation and monitoring strategies |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cyber security | A major cyber security breach or attack could result in the degradation of SEEK services or the loss of personally identifiable information, proprietary algorithms or sensitive data. This would damage SEEK's reputation and could result in regulatory action. | Highly skilled cyber security and technical experts focus on preventative, detective and responsive capabilities, to identify and respond to the existing and emerging cyber threat landscape. Initiatives to embed employee cyber security practices and awareness continue to be implemented. |
| Business resilience | A prolonged, unplanned disruption to critical platforms or significant interruptions in the systems of third parties upon which SEEK relies may impair SEEK's ability to provide services and damage SEEK's reputation and trust with candidates, hirers and students. | SEEK continues to enhance business continuity and disaster recovery capability and procedures, and the monitoring of critical systems for signs of performance, intrusion or interruption. |
| Disruption and competition | New disruptive business models, competitors entering the market or existing competitors aggressively increasing their market share could erode SEEK's ability to compete. SEEK may not successfully build and acquire new growth platforms or products that solve candidate, hirer or student needs in the human capital market as quickly or effectively as competitors. | Productive paranoia about being disrupted by companies keeps SEEK vigilant in monitoring local and global competitive trends and operating metrics. SEEK's organisational structure is designed for effective and fast-paced product and technology rollouts to provide market-leading experience for candidates, hirers and students. Increased investment activity aims to diversify the portfolio and enhance capabilities and value offerings. |
| Data governance | Failure to use and protect personally identifiable information or sensitive data in breach of data privacy laws or contrary to customer expectations may breach customer trust, damage SEEK's reputation and market position, and could result in regulatory action. | SEEK continues to mature its data management practices and procedures. Legal teams monitor developments in data privacy laws in relevant jurisdictions. Privacy policies are supported by clear guidance for candidates on how their information is collected, used, protected and how they can manage their data when they use SEEK's services. |
| Talent | Operating and financial performance is dependent on the ability to attract and retain top talent in a competitive environment, particularly in technology roles. Loss of key people could leave SEEK vulnerable to leadership and capability gaps. | Investment in our people and culture enables SEEK to attract and retain key talent and maintain a motivated and effective workforce. External hiring addresses gaps in experience and capability for more complex roles with cross-geographical responsibility. The senior management remuneration structure is designed to retain key managers in specific geographies and focus them on SEEK's long-term growth potential. In addition, fostering a work environment of high engagement and high performance is also critical to attracting top talent and promoting employee retention. |
| Execution effectiveness | Changes and integration across the operating model and technology systems are complex particularly across geographies, and anticipated business benefits may not be realised within the desired timeline. | Detailed planning processes underpin adjustments to the operating model designed to respond to customer needs, promote cross-regional collaboration and deliver greater impact on a global scale. |

| Risk area | Impact of the risk | Mitigation and monitoring strategies |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country and regulatory | SEEK is exposed to regulatory, legal, political and conduct risks in the countries in which it operates including in China, Asia Pacific and Latin America. Changes in policy or regulation in any country in which SEEK's employment or education businesses operate may adversely impact the delivery of services. | Local and corporate management monitor economic and political indicators and changes to legislation. SEEK maintains strong relationships with key stakeholders in these markets, trains relevant employees and participates in industry consultation. |
| Economic conditions | A prolonged decline in job advertisement volumes and revenue may occur as a result of severe economic downturn impacting employment markets in one or more of SEEK's markets. There are also other changes in the macroeconomic environment associated with events relating to COVID-19. Any continuing uncertainty is likely to have an adverse impact on SEEK. | SEEK continually evolves its business model, products and services. Agile development methodologies enable fast response to challenges as well as enabling us to capitalise on new opportunities as they arise. The portfolio strategy reduces country-specific exposure by generating earnings across several geographies and the wider human capital market, including employment and education. |

Board of Directors



Graham Goldsmith, age 60

Non-Executive Director since October 2012, Chairman from 1 January 2019

Skills and Experience

Graham Goldsmith retired in 2012 as Vice Chairman and a Managing Director of Goldman Sachs Australia after a 25 year career with the firm (and its predecessors in Australia), spanning a number of different roles. He was Chancellor of Swinburne University of Technology until 31 January 2019. Graham is a Panel Member of Adara Partners, a director of Stars Foundation Inc and Deputy Chairman of the Board of Trustees of Gandel Philanthropy.

Other listed company directorships

- Djerriwarrh Investments Ltd since April 2013

Board Committee memberships

- Chairman of Remuneration Committee
- Member of Audit and Risk Management Committee
- Chairman of Nomination Committee

Qualifications

B.Bus (Accounting) (Swinburne), AMP (Harvard University), FCPA, FAICD



Andrew Bassat, age 54

Executive Director since September 1997

Skills and Experience

Andrew Bassat is the Managing Director, CEO and Co-Founder of SEEK Limited. He has been involved in all stages of the development of the business since he co-founded the Company in 1997.

In July 2016 Andrew was appointed as a director of St Kilda Football Club and in December 2018, became President of the Club.

Other listed company directorships

None

Qualifications

BSc (Computer Science) (Melb), LLB (Hons) (Monash), MBA (Melb)



Julie Fahey, age 63

Non-Executive Director since July 2014

Skills and Experience

Julie Fahey has over 30 years of experience in technology, covering consulting, software vendor and Chief Information Officer roles. In addition, Julie spent 10 years as a partner at KPMG. She is a director of Datacom Group Ltd and CenITex, and a member of the Australian Red Cross Blood Service Board and the LaTrobe University Council.

Other listed company directorships

- IRESS Ltd since October 2017
- Vocus Group Ltd since February 2018

Board Committee memberships

- Member of Audit and Risk Management Committee
- Member of Nomination Committee

Qualifications

BAppSc (RMIT)



Leigh Jasper, age 46

Non-Executive Director since April 2019

Skills and Experience

Leigh Jasper co-founded and was the CEO of Aconex, which listed on the ASX in 2014 and was subsequently acquired by Oracle in March 2018. Leigh led Aconex's global growth, expanding the business into Asia, the Americas, the Middle East and Europe.

Leigh is a director of The Macfarlane Burnet Institute for Medical Research and Public Health Limited, Salta Properties Pty Ltd and Buildxact Ltd, and Chair of LaunchVic.

Other listed company directorships

None

Board Committee memberships

- Member of Remuneration Committee
- Member of Nomination Committee

Qualifications

BE (Hons) (Melb), BSc (Mathematics) (Melb), Dip ML (French) (Melb)



Michael Wachtel, age 65

Non-Executive Director since September 2018

Skills and Experience

Michael Wachtel has considerable global business experience gained during his 35 year career in the professional services industry. Michael was previously Chairman (Asia Pacific & Oceania) of Ernst & Young (EY) and a member of the EY Global Governance Council and Global Risk Executive Committee.

He is currently a Board member of the Future Fund and St Vincent's Medical Research Institute.

Other listed company directorships

- Pact Group Holdings Ltd (since April 2020)

Board Committee memberships

- Chairman of Audit and Risk Management Committee
- Member of Nomination Committee

Qualifications

BCom LLB (UCT), LLM (LSE), FAICD



Vanessa Wallace, age 56

Non-Executive Director since March 2017

Skills and Experience

Vanessa Wallace has over 30 years experience in management consulting. Her former roles at Booz & Company (now known as Strategy&) included Executive Chairman of Booz & Company (Japan) Inc, Senior Partner, member of the global Board, lead of the financial services practice in Global Markets and lead of the strategy practice in ANZSEA. Vanessa is also a member of the Chairman's Council of the Australian Chamber Orchestra.

Other listed company directorships

- Wesfarmers Ltd since July 2010
- AMP Ltd (March 2016 to May 2018)

Board Committee memberships

- Member of Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee

Qualifications

BCom (UNSW), MBA (IMD, Switzerland)

Change during the year

Emeritus Professor Denise Bradley AC was a Non-Executive Director until her passing on 20 March 2020 (appointed as a Non-Executive Director in February 2010).

Directors and meetings of directors

All persons listed below were directors of SEEK Limited during the year ended 30 June 2020 and up to the date of this report, unless otherwise stated.

The qualifications, experience and special responsibilities of each director, including current and recent directorships, are detailed on pages 18 and 19 of the Directors' Report.

The table below details the number of Board and Committee meetings held and attended by those directors during the year ended 30 June 2020.

| | Board | | Audit and Risk Management Committee | | | Remuneration Committee | | | Nomination Committee | | | Ad hoc Committee ¹ | | |
|------------------------------------------------------------------|-------|---|-------------------------------------|---|---|------------------------|---|---|----------------------|---|---|-------------------------------|---|---|
| | A | B | A | B | C | A | B | C | A | B | C | A | B | C |
| Managing Director, Chief Executive Officer and Co-Founder | | | | | | | | | | | | | | |
| A R Bassat | 8 | 8 | - | - | 5 | - | - | 4 | - | - | 3 | 2 | 2 | - |
| Non-Executive Directors | | | | | | | | | | | | | | |
| G B Goldsmith | 8 | 8 | 5 | 5 | - | 4 | 4 | - | 3 | 3 | - | 6 | 6 | - |
| D I Bradley ² | 4 | 4 | - | - | 2 | 3 | 3 | - | 3 | - | - | - | - | - |
| J A Fahey | 8 | 8 | 5 | 5 | - | - | - | 4 | 3 | 3 | - | - | - | - |
| L M Jasper | 8 | 8 | - | - | 5 | 4 | 4 | - | 3 | 3 | - | - | - | 1 |
| M H Wachtel | 8 | 8 | 5 | 5 | - | - | - | 4 | 3 | 3 | - | 6 | 6 | - |
| V M Wallace | 8 | 8 | 5 | 5 | - | 4 | 4 | - | 3 | 3 | - | - | - | - |

A - Meetings held while member held office and was eligible to attend as a member

B - Meetings attended

C - Meetings attended by invitation

1. Ad hoc committees of the Board were convened during the year in relation to financial results, the redemption and issue of notes under the Euro Medium Term Note programme and capital management.
2. Denise Bradley was a Non-Executive Director until her passing on 20 March 2020.

Company Secretary

The Company Secretary is Lynne Jensen. Lynne was appointed Company Secretary effective 22 December 2015. Lynne has over 25 years of international and domestic legal and governance experience, including as a partner of Allens Arthur Robinson and as Group General Counsel and Company Secretary of Grocon. Lynne holds a Bachelor of Laws (Honours) and Bachelor of Arts from the University of Melbourne.

Indemnification and insurance of officers

The SEEK Limited Constitution provides that the Company will, to the extent permitted by law, indemnify any current or former director or officer in respect of any liability incurred in that capacity and related legal costs. SEEK Limited has entered into a Deed of Indemnity with each director and a number of senior executives. During the year SEEK Limited paid a premium in respect of an insurance contract which covers the directors and officers against certain liabilities in accordance with the terms of the policy. The insurance contract requires the nature of the liability covered and the amount of the premium paid to be confidential.

Interests in shares and options

As at the date of the report the directors held the following interests in shares and options:

| | Shares in SEEK Limited | Options over SEEK Limited shares |
|---------------|---------------------------|----------------------------------------|
| G B Goldsmith | 50,000 | - |
| A R Bassat | 14,756,293 | 625,915 ¹ |
| J A Fahey | 8,888 | - |
| L M Jasper | 68,133 | - |
| M H Wachtel | 4,000 | - |
| V M Wallace | 17,000 | - |

1. Includes Wealth Sharing Plan Options/Rights (refer to section 7.3 on page 38).

Dividends

Dividends paid or declared by the Company to shareholders during the financial year are set out in Note 18 Dividends of the Financial Report.

Auditor and non-audit services

PricewaterhouseCoopers (PwC) continues in office as auditor of the parent entity (Auditor) in accordance with section 327 of the *Corporations Act 2001*.

It is the Group's policy to engage PricewaterhouseCoopers on assignments in addition to their statutory audit duties only where PricewaterhouseCoopers' expertise and experience with the Group provide a compelling reason to do so. These assignments are principally other assurance and due diligence reporting on acquisitions.

Fees that were paid or payable during the financial year for non-audit services provided by the Auditor and its related practices are disclosed in Note 27 Remuneration of auditors of the Financial Report.

The Board has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are satisfied that the provision of non-audit services by the Auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the Auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 40.

Environmental regulation

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company, nor have any applications for leave to do so been made in respect of the Company, under section 237 of the *Corporations Act 2001*.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Other information

The following information also forms part of this Directors' Report and is located as follows:

- Principal activities are set out on pages 4 to 7;
- the Group's Operating and financial review is set out on pages 8 to 17; and
- the Remuneration Report, including an introductory letter from the Chairman of the Remuneration Committee, is set out on pages 23 to 39.

Matters subsequent to the end of the financial year

Redemption of Senior Guaranteed Floating Rate Notes

On 8 July 2020, the Group announced the successful completion of the cash tender offer to existing holders of SEEK Limited's A\$175.0m Senior Guaranteed Floating Rate Notes maturing in April 2022 (the Senior Notes).

Redemption of A\$175.0m of the Senior Notes was completed on 28 July 2020 and funded from available cash balances.

Issuance of Subordinated Notes

On 8 July 2020, the Group announced the pricing of A\$75.0m of Subordinated Notes. These Subordinated Notes were consolidated and form a single series with SEEK's existing A\$150.0m of Subordinated Floating Rate Notes issued in December 2019 and have a first optional redemption date of 20 June 2023. The notes are subordinated to SEEK's existing senior unsecured debt. The proceeds from the Subordinated Notes will be used for general corporate purposes including the repayment of senior debt.

The Subordinated Notes were issued under SEEK's existing Euro Medium Term Note Programme and are listed on the Singapore Stock Exchange. Settlement of the Subordinated Notes occurred on 14 July 2020.

There are no other matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Corporations Instrument to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.



Letter from Remuneration Committee Chairman

Dear Shareholders,

On behalf of the Board I am pleased to present SEEK's FY2020 Remuneration Report.

As a people centric business with global operations, SEEK's success relies on our ability to attract, motivate and retain world-class talent, foster an ownership mindset, and drive a collective focus on strategy through to execution. Ensuring SEEK has the right leadership team in place is critical to the ongoing success of the Company and to building sustainable, long-term shareholder wealth. The Board's objective is to ensure a remuneration approach that is globally competitive, while remaining fair and reasonable in a local context and delivering outcomes that align with the long-term shareholder experience.

There is no doubt this financial year has been a particularly challenging one, with the impact of COVID-19 felt by our employees, our customers and our shareholders. Furthermore, while the majority of our shareholders voted in favour of the FY2019 Remuneration Report, SEEK narrowly received a 'first strike' with 25.71% of shares voted against its adoption. I have addressed both of these matters in this letter.

FY2020 KMP Remuneration Outcomes and COVID-19 Impact

SEEK's executive remuneration framework is structured such that aside from base salary, Executives and other senior leaders do not receive any payments in cash. For these individuals, variable remuneration is delivered entirely through equity. In light of the current volatile and unpredictable environment, the Board continues to believe this approach reinforces the close alignment between our Executives and our shareholders. Recognising the business challenges arising from COVID-19 and the need to manage discretionary costs the following decisions have been made:

- There will be no increase to Board or Committee fees for FY2021; and
- There will be no FY2021 remuneration increases for the CEO and Co-Founder or other Executive KMP.

In addition, the FY2018 Wealth Sharing Plan ('WSP') lapsed following the completion of FY2020 as the share price hurdle was not met. In accordance with the plan terms, a 60-day VWAP up to and including 30 June 2020 was used for testing purposes. The impact of COVID-19 on the market during this period and the associated share price volatility, resulted in a VWAP of \$18.61. This was below the share price hurdle of \$19.79, notwithstanding SEEK's closing share price was \$21.89 at the end of the vesting period.

Responding to the First Strike

The 'first strike' received last year has been taken seriously by the Board. Over the past 12 months the Board has focused on better understanding the preferences of our investor base in relation to executive remuneration, irrespective of how they voted in FY2019. Thank you to those investors and proxy advisors who took the time to speak with us about their views. This feedback allowed the Board to carefully consider the areas for potential change as well as how to enhance shareholder communication.

The Board's consultation process confirmed our investors hold a broad range of views regarding executive remuneration, with specific design elements reflecting differing levels of importance to them. As a result, there were some aspects of SEEK's executive remuneration framework that were of concern to some investors, but which conversely had strong levels of support from others.

With views on our executive remuneration framework differing across investors and proxy advisors, the Board has assessed SEEK's current approach from three perspectives to test whether it: drives the right long-term focus, reinforces the right behaviours and delivers outcomes that are aligned with shareholders. It is the Board's belief that the overall executive remuneration framework still achieves these three aims. Having said that, the Board acknowledges there are different ways that these aims can be achieved and with the majority of feedback relating to the WSP design, a full review of the plan was undertaken. As part of this review, the Board also considered what made sense in light of COVID-19 and the resultant market and SEEK share price volatility.

As an outcome of the Board's review, several changes have been implemented for the FY2021 WSP award being: the introduction of graduated vesting to address feedback regarding an 'all or nothing' vesting approach; an adjustment to the methodology used to determine the FY2021 share price hurdle required for full vesting to address feedback on the level of 'stretch' within the WSP; and changing the share price input for allocation purposes from a spot price to a VWAP to reduce the impact of share price volatility.

Section 3 of the FY2020 Remuneration Report details SEEK's specific responses to investor feedback received during FY2020 and the key decisions made for FY2021.

It is the Board's intent to review aspects of executive remuneration again once the internal and external landscape becomes clearer. We will continue to share our thinking with you as it evolves and as always, welcome your feedback.

I look forward to engaging with you in FY2021 and thank you for your ongoing support of SEEK.



Graham Goldsmith
Chairman of the Remuneration Committee

Remuneration Report

Introduction and contents

This Remuneration Report ('Report') sets out SEEK's Executive remuneration framework, as well as the remuneration arrangements for the Key Management Personnel ('KMP') of the Company for the year ended 30 June 2020. References to Executives in this Report are to the Executive KMP and other Group Executives with the same remuneration arrangements as the Executive KMP.

The Report has been prepared and audited based on the requirements of the *Corporations Act 2001* and its Regulations.

| Section | Page |
|---------------------------------------------------------------------------------------------|-----------|
| 1 Key Management Personnel | 24 |
| 2 Link between SEEK's performance and executive remuneration outcomes | 25 |
| 3 SEEK's response to feedback provided in relation to the FY2019 Remuneration Report | 27 |
| 4 Executive remuneration framework, contractual terms and statutory remuneration | 29 |
| 5 Remuneration governance | 35 |
| 6 Non-Executive Director fees | 36 |
| 7 Other KMP disclosures | 37 |

1. Key Management Personnel

The KMP covered in this report are SEEK's Non-Executive Directors ('NEDs'), Chief Executive Officer and Co-Founder ('CEO'), Group Chief Operating Officer and Asia Pacific & Americas CEO ('Group COO and AP&A CEO') and Group Chief Financial Officer ('Group CFO'). Each of the KMP held their position for the whole of FY2020, unless stated otherwise.

| Name | Position |
|------------------------------------|----------------------------------------------|
| Non-Executive Directors | |
| G B Goldsmith | Non-Executive Chairman |
| D I Bradley ⁽¹⁾ | Non-Executive Director (until 20 March 2020) |
| J A Fahey | Non-Executive Director |
| L M Jasper | Non-Executive Director |
| M H Wachtel | Non-Executive Director |
| V M Wallace | Non-Executive Director |
| Executive KMP⁽²⁾ | |
| A R Bassat | CEO |
| I M Narev | Group COO and AP&A CEO |
| G I Roberts | Group CFO |

(1) Denise Bradley was a Non-Executive Director until her passing on 20 March 2020.

(2) As announced in February 2019, Michael Ilczynski stepped down from the CEO AP&A role to take an extended leave of absence for a career break in FY2020. Ian Narev commenced with SEEK on 29 April 2019 and after a short transition period, Michael handed over his responsibilities as CEO AP&A to Ian. As such, Michael did not perform a KMP role for any of FY2020.

There have been no changes in KMP since the end of the reporting period.

2. Link between SEEK's performance and executive remuneration outcomes

The main objective of SEEK's executive remuneration framework is to ensure close alignment between Executive reward and shareholder returns over the long-term. For this reason, half of an Executive's Total Remuneration Opportunity is delivered in equity and is subject to performance and/or service-based conditions.

With SEEK's short-term business results closely tied to the broader economy, the equity components delivered under the Executive Equity Plan ('EEP') and Wealth Sharing Plan ('WSP') are designed to:

- 'see through' the ups and down of the economic cycle; and
- encourage Executives to make bold decisions and take actions focused on creating sustainable results over the long-term, leading to wealth creation for SEEK shareholders.

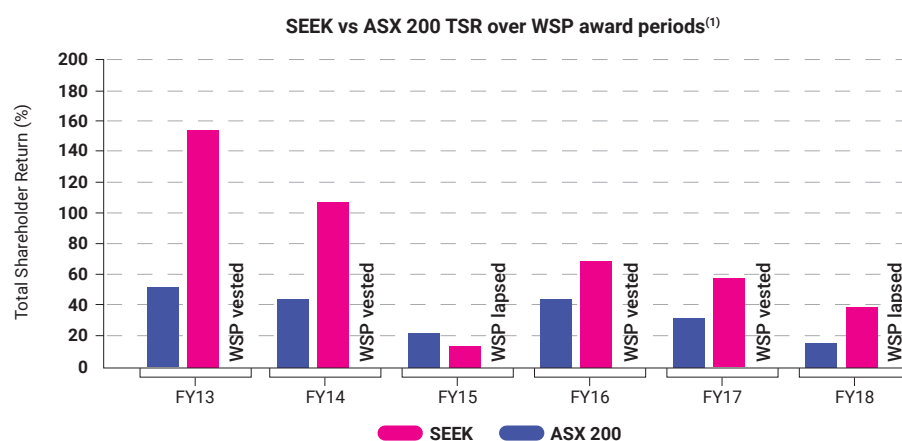
To better understand the extent to which actual executive remuneration outcomes have been aligned with SEEK's performance, the Board analysed the benefit that Executives have effectively 'realised' through the equity based incentive plans, specifically the EEP and WSP, versus the corresponding shareholder returns delivered from FY2013 to FY2018. Given the value of the EEP to an Executive is a direct function of SEEK's share price, there is clear alignment between the benefit received by Executives and growth in SEEK's Total Shareholder Returns ('TSR') over each award period. Similarly, when viewing the six WSP awards tested to date in their totality, as was intended by the Board, there is clear alignment between the overall benefit received by SEEK Executives and SEEK's TSR growth over the eight-year period from 1 July 2012.

SEEK's TSR growth of 302% since 1 July 2012, when the WSP was first introduced, well exceeds the ASX 200 index growth of 103% over the same time period; and the SEEK share price also increased from \$6.53 to \$21.80 during this time. The TSR performance of SEEK compared to the ASX 200 is highlighted in the graphic below. In comparison, assuming an Executive received all six WSP awards granted since 1 July 2012, the combination of four having vested and two having lapsed has led to the benefit received by an Executive being correlated to, but less than the TSR growth experienced by SEEK shareholders. This is an outcome which the Board considers to be fair and reasonable from the perspective of Executive reward and shareholder alignment.



In addition, understanding that for some investors relative rather than absolute TSR performance is a key benchmark, analysis of SEEK's TSR performance compared to the ASX 200 also confirmed that in each of the WSP award periods for the vested awards (FY2013, FY2014, FY2016 and FY2017) and over the performance period of the FY2018 WSP award which ultimately lapsed, SEEK has significantly outperformed the index. Ensuring SEEK has the right leadership team in place has been instrumental to the Company's outperformance of the Australian market throughout the increasing globalisation of the business, whilst facing local and global competitive threats and new disruptive business models.

The WSP vesting history and corresponding TSR for SEEK and the ASX 200 over each award period is shown in the graphic below.



(1) Vested awards were measured over a four-year period, being the three-year performance period and one-year exercise restriction period, to reflect the earliest time at which Executives are able to realise any benefit from the relevant WSP award. Lapsed awards were measured over their three-year performance period only to reflect the time at which the lapsing occurred.

2.1 Vesting outcomes for SEEK equity plans

During FY2020, the FY2018 WSP award came to the end of its three-year vesting period (1 July 2017 to 30 June 2020) and the FY2020 EEP came to the end of its one-year qualifying period (1 July 2019 to 30 June 2020). The vesting outcomes for these awards are outlined below. In relation to the FY2017 WSP and FY2019 EEP awards that vested during FY2020 (on 1 July 2019), details have been provided in the equity tables and footnotes within section 7 of this Report.

FY2018 WSP Options/Rights

Under the FY2018 WSP, Executives were given the choice to receive Options, Rights or a 50/50 combination of Options and Rights, with all electing to receive Rights. The FY2018 WSP award was tested following the end of the vesting period on 30 June 2020. In accordance with the plan terms, a 60-day VWAP up to and including 30 June 2020 was used for testing purposes. The impact of COVID-19 on the market during this period and the associated share price volatility, resulted in a VWAP of \$18.61 which was below the share price hurdle of \$19.79. As a consequence, the FY18 WSP lapsed, notwithstanding that SEEK's closing share price was \$21.89 at the end of the vesting period. Further details have been provided in section 7.3 of this Report.

FY2020 Equity Rights

During FY2020, each Executive received one Equity Right which vested in accordance with the terms of the plan following the end of the qualifying period on 30 June 2020. The table below details the number of shares that were allocated to each Executive KMP following the release of SEEK's FY2020 financial results. The allocated shares are subject to a further one-year disposal restriction meaning the value of each Executive's award remains unrealised and variable based on SEEK's share price until the end of the disposal restriction.

| | Name | Vesting period | Disposal restriction period | Number of shares |
|---------------|-------------|-----------------------------|--------------------------------------------|------------------|
| Executive KMP | A R Bassat | 1 July 2019 to 30 June 2020 | 1 July 2020 to 30 June 2021 ⁽¹⁾ | 63,303 |
| | I M Narev | 1 July 2019 to 30 June 2020 | 1 July 2020 to 30 June 2021 ⁽¹⁾ | 47,858 |
| | G I Roberts | 1 July 2019 to 30 June 2020 | 1 July 2020 to 30 June 2021 ⁽¹⁾ | 29,501 |

(1) Executives are subject to the SEEK Share Trading Policy, so in practice, the disposal restriction will not lift until the release of SEEK's FY2021 financial results.

2.2 SEEK's five-year financial performance

The following table sets out information about the Group's earnings and movements in shareholder wealth for the past five financial years up to and including FY2020.

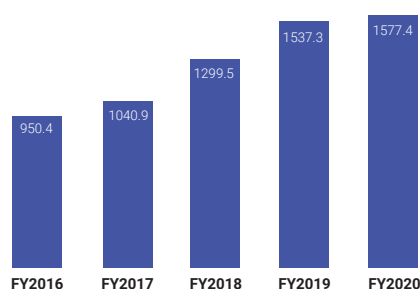
| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
|--------------------------------------------------------------------------------------------------------|--------|---------|---------|---------|---------|
| Share price at year end (\$) | 15.21 | 16.91 | 21.81 | 21.16 | 21.89 |
| Weighted average share price (\$) | 14.12 | 15.76 | 18.73 | 19.13 | 19.76 |
| Cumulative Total Shareholder Return (TSR) - Indexed (%) ⁽¹⁾ | 111.55 | 127.42 | 168.47 | 167.37 | 176.70 |
| Total dividend (cents per share) | 40.0 | 44.0 | 46.0 | 46.0 | 13.0 |
| Sales revenue (excluding significant items) (\$m) | 950.4 | 1,040.9 | 1,299.5 | 1,537.3 | 1,577.4 |
| EBITDA (excluding significant items) (\$m) | 366.7 | 375.8 | 431.2 | 455.0 | 414.9 |
| NPAT (excluding significant items and SEEK Investments ESVs) attributable to SEEK (\$m) ⁽²⁾ | 198.1 | 220.8 | 212.1 | 207.5 | 139.6 |
| Basic EPS (excluding significant items and SEEK Investments ESVs) (cents) ⁽²⁾ | 57.6 | 63.5 | 60.5 | 59.1 | 39.6 |

(1) Cumulative Total Shareholder Return includes dividends and share price appreciation and is indexed from 1 July 2015 (1 July 2015 = 100.00).

(2) SEEK NPAT excludes significant items and SEEK Investments ESVs, as removing items that are one-off in nature and the impact of losses generated from scaling of the SEEK Investments ESVs portfolio, is more representative of the underlying operational performance of the Group. Due to minor changes made to SEEK's operating segments for FY2020, including changes to the SEEK Investments ESVs portfolio, comparative information for FY2018 and FY2019 NPAT and Basic EPS differs from the corresponding table for the year ended 30 June 2019. Refer Note 1 of the Financial Report for further detail.

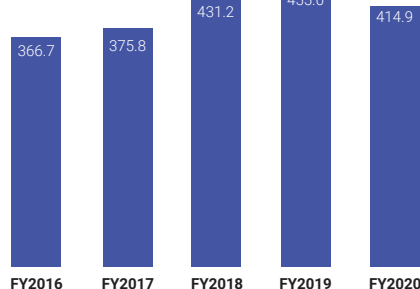
Sales revenue (excluding significant items) (\$m)

CAGR 14% ↗



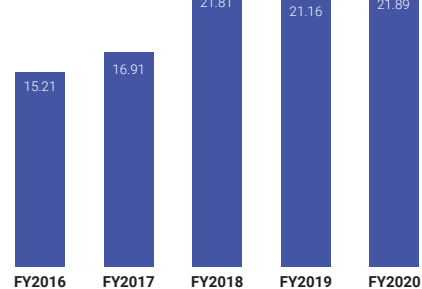
EBITDA (excluding significant items) (\$m)

CAGR 3% ↗



Share price at year end (\$)

CAGR 10% ↗



3. SEEK's response to feedback provided in relation to the FY2019 Remuneration Report

At the 2019 Annual General Meeting SEEK narrowly received a 'first strike' against the Remuneration Report with 25.71% of shares voted against its adoption. Through the Board's engagement with investors and proxy advisors, it has become clear that there are diverse, and in some areas, conflicting views about SEEK's executive remuneration framework across the Company's investor base. The table below summarises into key themes the feedback most commonly received by the Board and a response to each theme. Key decisions for FY2021 are presented in section 3.1.

| Feedback received | SEEK's response |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Wealth Sharing Plan: design</p> <p>Absolute share price as the only Wealth Sharing Plan hurdle may reward or penalise Executives due to external market factors with no reference to their performance</p> <p>The level of 'stretch' built into the Wealth Sharing Plan share price hurdle is insufficient given SEEK's growth expectations; and together with a choice between Options and Rights means awards may result in a substantial benefit to Executives versus the required level of shareholder returns</p> <p>Preference for a graduated rather than a cliff vesting schedule to mitigate the risk that comes with an 'all or nothing' approach and reward Executives over a broader performance band</p> | <p>When implementing the current WSP, the Board's intent was to ensure Executives were rewarded in direct alignment with actual shareholder returns and an absolute share price hurdle was therefore introduced. The Board's view was that an absolute share price hurdle is more challenging than the 'typical' relative TSR approach, as relative TSR approaches can vest even when a company's share price decreases.</p> <p>Analysis undertaken during FY2020 confirmed that the intended alignment has occurred across the six WSP awards tested to date (refer section 2). In addition, with current economic conditions and market volatility, our focus remains on the creation of sustainable, long-term shareholder wealth.</p> <p>The overall executive remuneration structure, including the WSP, will therefore be retained for FY2021. However, in response to investor feedback on the share price hurdle and vesting schedule, and with a need to address the COVID-19 related share price volatility, the following changes will be made for the FY2021 WSP:</p> <ul style="list-style-type: none"> • A graduated vesting schedule with Threshold and Stretch share price hurdles will replace cliff vesting; • The CAGR targets and resultant share price hurdles for FY2021 will be set at levels that balance being both challenging, but still achievable in the current environment; and • The share price input into the external fair valuation used for allocation purposes, will move from a 1 July spot price to a 60-day VWAP to reduce the impact of share price volatility. <p>Refer section 3.1 for further details and the rationale for each of these changes.</p> |
| <p>Wealth Sharing Plan: allocation methodology</p> <p>Preference for a face rather than a fair value allocation methodology as the former is more transparent and removes the discount currently applied for probability of vesting</p> | <p>A fair value allocation methodology is used for consistency between WSP Options and Rights. With several participants electing to receive their FY2020 award as 50% Options and 50% Rights, including the CEO, choice continues to be a key feature of the WSP design. The allocation methodology will therefore remain unchanged and be determined independently by an external advisor using a Monte-Carlo simulation model. As has been the case in prior years, the fair and face value of any WSP Rights received by the CEO in the relevant year (in this case for FY2020) is disclosed in section 4.5.</p> |
| <p>One-off sign-on award</p> <p>Rationale for the provision of a one-off sign-on award to the Group COO and AP&A CEO was not clear and the award quantum excessive</p> | <p>One-off sign-on awards are not common practice at SEEK. However, in seeking to secure the individual who the Board believed had the requisite seniority and CEO-level experience to lead SEEK's core AP&A business, it was determined that a sign-on award was required to ensure a compelling offer and compensate for future reward foregone as a result of the individual leaving their existing employment in the private equity space. The Board acknowledges that this rationale could have been better explained to shareholders.</p> <p>To ensure close alignment with shareholders from commencement, the one-off award was comprised entirely of equity and subject to performance and/or service conditions. No value has yet been realised from the one-off award with two-thirds still at risk and subject to a share price hurdle and the remainder being under a disposal restriction period.</p> |
| <p>CEO remuneration</p> <p>Quantum of CEO remuneration is excessive and well above market median</p> | <p>With SEEK operating in a sector with ever-increasing competition for talent, Executives' Total Remuneration Opportunity is targeted between the 50th and 80th percentiles of the 'market'.</p> <p>We appreciate that some proxy advisors have their own market definition and benchmarking methodology which may result in different views about market positioning. In our case 'market' refers to a primary benchmarking comparator group that consists of 10 companies directly above and 10 directly below SEEK, based on market capitalisation. Refer section 4.2 for further detail.</p> <p>Against this primary comparator group the CEO's Total Remuneration Opportunity is within the targeted percentile range, which the Board considers appropriate given his experience and deep knowledge of the business. Taking into account investor feedback and the impact of COVID-19 on SEEK's business, the CEO's remuneration for FY2021 will remain unchanged for the second year in a row (noting there was also no change between FY2019 and FY2020).</p> |

3.1 Key decisions made for FY2021

Wealth Sharing Plan design

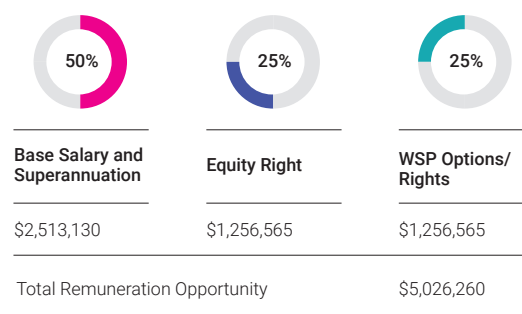
The following changes will be implemented for the FY2021 WSP award to address both investor feedback, and the significant market and SEEK's share price volatility created by COVID-19. Future plans for executive remuneration will be reviewed again by the Board as the internal and external landscape becomes clearer.

| | Change in FY2021 | Rationale for change |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Graduated vesting to replace existing cliff vesting | The existing cliff vesting approach will be replaced by a graduated vesting schedule with 50% vesting occurring at a Threshold share price hurdle, 100% vesting occurring at a Stretch share price hurdle and pro-rata vesting taking place between these points. | This change addresses feedback received by investors on the 'all or nothing' nature of the WSP. While having a graduated vesting schedule increases the complexity of the plan, it will more closely mirror the experience of our shareholders and increase alignment on a per award basis. Having a broader performance band for FY2021 will also allow the Board to better deal with the current share price volatility and market uncertainty. |
| Share price hurdle | <p>The share price hurdle for vesting has previously been based on the 15-year average growth in the ASX All Ordinaries Index. On this basis, the CAGR for FY2021 would be 3.30%. With the introduction of graduated vesting, both a Threshold and Stretch CAGR target (with resultant share price hurdles) are required.</p> <p>For FY2021, the Board has decided that:</p> <ul style="list-style-type: none"> the 3.30% CAGR target will be used to set the Threshold share price (\$20.51) at which 50% vesting occurs; a 6.00% CAGR target will be used to set the Stretch share price (\$22.16) at which 100% vesting occurs; and Between \$20.51 and \$22.16, there will be pro-rata vesting on a straight-line basis. <p>No vesting will occur below Threshold and vesting will be capped at 100% at or above the Stretch share price hurdle.</p> <p>The Threshold share price hurdle will also serve as the exercise price for Options.</p> | <p>The impact of COVID-19 on the Australian market has contributed to the lowest CAGR target under the WSP at 3.30%. Together with SEEK's 60-day VWAP up to and including 30 June (the starting share price upon which the CAGR target is then applied) also being impacted by COVID-19, a different approach has been determined for FY2021 to ensure the plan makes sense and delivers the desired outcomes. With potential changes effectively making vesting more difficult to achieve, the Board also took into consideration the lapsing of the FY18 WSP, largely due to the impact of COVID-19 on SEEK's 60-day VWAP.</p> <p>On balance, the Board considers it reasonable for some vesting to occur at a CAGR target of 3.30%, particularly in the current environment where share price growth is not guaranteed. Under the previous WSP methodology 3.30% would have resulted in full vesting. However, for FY2021, the Stretch CAGR target will be based on a more challenging target of 6.00% which better reflects the targets applied in previous years.</p> <p>Similar to graduated vesting, while this change may be seen to increase the complexity of the plan, it supports our principles of alignment and fairness.</p> |
| Share price input into fair value | The share price input into the external fair valuation undertaken for allocation purposes will change from a 1 July spot price to a 60-day VWAP up to and including 30 June. | This change will reduce the impact of volatility in SEEK's share price that comes from using a spot price, align with the 60-day VWAP period used for calculating the number of shares allocated under the EEP and mirror the VWAP periods used with the WSP for purposes of setting and testing the share price hurdle. It therefore supports our principles of alignment, fairness and transparency. |

KMP remuneration

As outlined above, reflecting the impact of COVID-19, investor feedback and public sentiment regarding the quantum of executive remuneration, there will be no change to CEO remuneration for FY2021. This means that the CEO has not received a remuneration increase since FY2019. There will also be no change for FY2021 to the remuneration for other Executive KMP or Non-Executive Director fees.

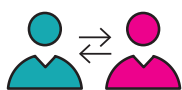
For transparency the CEO's FY2021 Total Remuneration Opportunity for FY2021 is disclosed in the corresponding graphic.



4. Executive remuneration framework, contractual terms and statutory remuneration

SEEK's success as a global, people centric business relies on the Company's ability to attract, motivate and retain world-class talent and appropriately reward them for the behaviours and actions which result in sustainable, long-term shareholder wealth creation, rather than those which result primarily in short-term gains.

Guiding Principles for Executive Remuneration



Aligns reward with SEEK's strategic intent and the shareholder experience, encouraging Executives to think and act as owners



Is sufficiently competitive and flexible enough to attract and retain world-class talent in the face of increasing competition



Balances the need to be competitive with being fair, reasonable and appropriately reflective of SEEK's culture and the external environment



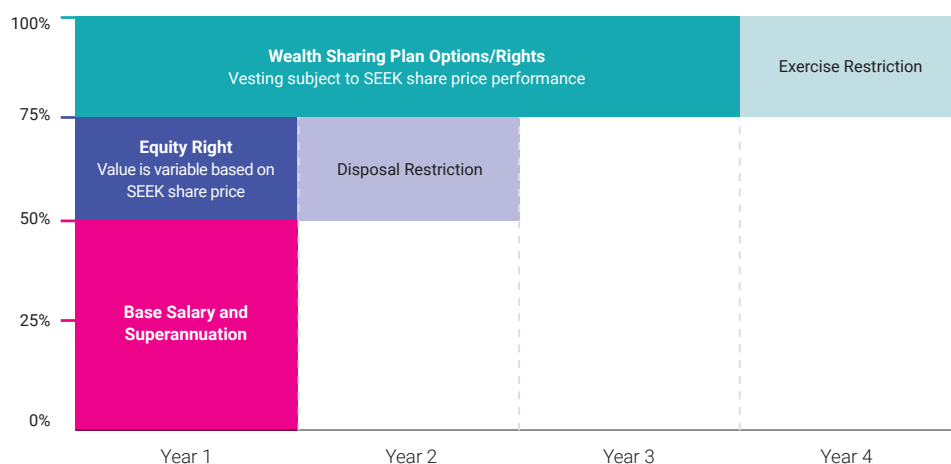
Is simple, easy to explain and delivers transparent remuneration outcomes that make sense internally and to SEEK shareholders

These principles are reviewed on a regular basis to ensure they remain fit for purpose and are used by the Remuneration Committee in its annual assessment of the effectiveness of SEEK's remuneration strategy and framework.

Executive Remuneration Framework

| Component | Base Salary & Superannuation | Executive Equity Plan | Wealth Sharing Plan |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose and how we achieve this | Guaranteed Pay Base Salaries are set at a level that results in Executives' Total Remuneration Opportunity being positioned between the 50th and 80th percentiles of local companies of comparable size Refer section 4.2 for SEEK's FY2020 benchmarking approach and section 4.3 for the link to principles | Equity - Variable in Value Annual grant of 'locked-up' equity that is variable in value as the share price moves; this means that from Day 1 there is ongoing alignment with SEEK shareholders Refer section 4.4 for the link to principles and summary of the FY2020 EEP Offer details | Performance Based Equity (long-term equity component) Annual grant of 'at-risk' equity that is designed to reward for absolute share price growth throughout the economic cycle, in alignment with long-term shareholder returns Refer section 4.5 for the link to principles and summary of the FY2020 WSP Offer details |
| % of Total Remuneration Opportunity | 50% | 25% | 25% |
| Delivery mechanism | Base Salary plus Superannuation | One Equity Right that converts into an agreed number of SEEK shares | Choice of Options and/or Rights that may be converted into SEEK shares |
| Timeframe before reward is realised | Immediate | Two years <i>Deferred Shares allocated after a one-year Qualifying Period with a further one-year Disposal Restriction Period</i> | Four years <i>Vesting determined after a three-year vesting period with any vested equity exercisable only after a further one-year Exercise Restriction Period</i> |

The diagram below provides a graphical overview of SEEK's Executive remuneration framework.



Performance Based Equity
25% of TRO

Equity - Variable in Value
25% of TRO

Guaranteed Pay
50% of TRO

In order to ensure ongoing alignment with shareholders, awards under the Executive Equity Plan and Wealth Sharing Plan are made on an annual basis, so after one year of employment Executives will always have multiple equity awards 'at-risk' and/or 'locked-up'.

4.1 Executive contractual terms

Executives' remuneration and other key employment terms are formalised in individual employee agreements. Each of these agreements provides for Base Salary and Superannuation, the Equity Right, and WSP Options/Rights. Executives' Total Remuneration Opportunities are reviewed on an annual basis.

The table below outlines contractual arrangements for the CEO and Executives.

| Individual | Contract term | Notice period - employer | Notice period - employee | Post-employment restraints |
|--------------------------|---------------|--------------------------|--------------------------|---------------------------------------------------------------------------|
| CEO and other Executives | Ongoing | Six months | Six months | 12 month non-competition period across all markets in which SEEK operates |

Prior to the appointment of an Executive, the Company undertakes detailed checks into an Executive's background and experience.

The Company has the option to terminate employment with a payment in lieu of notice. Any payment in lieu of notice is not to exceed average annual base salary as defined by the *Corporations Act 2001*. The Company may terminate employment immediately for cause, in which case the Executive is not entitled to any payment in lieu of notice.

4.2 SEEK's approach to determining remuneration

Notwithstanding the impact of COVID-19 on the Australian economy, there continues to be an aggressive pursuit of talent with the skills and specific experience of SEEK's senior leaders. Recognising the critical need to attract, retain and motivate the talent that SEEK needs to succeed, the Board's objective is to position Executives' Total Remuneration Opportunity within a target range of the 50th to 80th percentiles of a primary benchmarking comparator group comprising 20 similarly sized ASX-listed companies.

FY2020 benchmarking approach

During FY2020, the Board again engaged Ernst & Young to benchmark Executive remuneration with the aim of confirming SEEK's competitive positioning. Consistent with prior years, three ASX-listed size-based comparator groups were used:

Primary comparator group

For consistency with prior years and reflecting on proxy advisor feedback that a smaller, more targeted comparator group is generally preferred, SEEK's FY2020 primary comparator group comprised 20 ASX-listed companies: 10 companies immediately either side of SEEK based on 12-month average market capitalisation to 29 February 2020 of \$7,408m.

+ 10 Companies

Tabcorp Holdings Limited
Xero Limited
Magellan Financial Group Limited
Computershare Limited
Lendlease Group
Medibank Private Limited
WiseTech Global Limited
Crown Resorts Limited
Orica Limited
Coca-Cola Amatil Limited

SEEK Limited

- 10 Companies

Spark New Zealand Limited
Worley Limited
Northern Star Resources Limited
Afterpay Touch Group Limited
Caltex Australia Limited
Evolution Mining Limited
BlueScope Steel Limited
Alumina Limited
AusNet Services Limited
TPG Telecom. Limited

Secondary data sources

Two additional comparator groups supplemented the FY2020 benchmarking analysis in order to provide a more complete view of Executive remuneration, these reflecting common ASX-listed company benchmarking approaches:

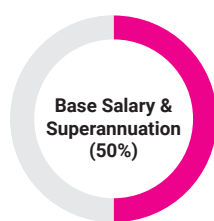
- ASX-listed companies within the range of 50% to 200% of SEEK's market capitalisation based on a 12-month average market capitalisation to 29 February 2020; and
- ASX-listed companies with international operations within the range of 50% to 200% of SEEK's market capitalisation based on a 12-month average market capitalisation to 29 February 2020.

Application of benchmarking data

Executives' Total Remuneration Opportunities are determined by the Board with reference to:

- The market positioning of each Executives' Total Remuneration Opportunity against the primary comparator group;
- Individual performance, role scope and complexity, and internal relativities amongst the Executives; and
- Availability of similar skills and experience in the domestic and international marketplace.

Based on the FY2020 benchmarking outcomes, the Board remains comfortable that Executives are positioned competitively against the primary comparator group. Despite an increasing requirement for the scope of senior roles to expand across multiple geographies, with all current Executives based locally anchoring remuneration primarily to the Australian market continues to be appropriate. However, given SEEK's significant global footprint, and talent and competitive threats, ongoing monitoring of market positioning against multi-national and global technology companies in particular will continue.



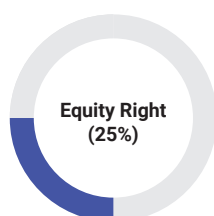
Year 1

4.3 Base Salary and Superannuation

Base Salary and Superannuation for SEEK's Executives comprises 50% of their Total Remuneration Opportunity. Executives are also eligible for cover under the SEEK salary continuance insurance policy available to all permanent employees, as well as on-site car parking.

Provision of a competitive Base Salary that appropriately reflects the opportunities and challenges faced by Executives and the Board's expectation of high performance at all times in all conditions, allows their focus to be on the job at hand. Together with the Equity Rights and WSP Options/Rights, Executives have the confidence they will be fairly remunerated for their efforts throughout the business cycle, without this being excessive.

Superannuation at SEEK is uncapped, with any amount earned over either the general concessional contributions cap or maximum superannuation contributions base paid as cash and included within 'cash salary'.

Year 1
Qualifying PeriodYear 2
Disposal Restriction

4.4 Equity Rights

Executives receive 25% of their Total Remuneration Opportunity as Equity Rights which ensures alignment with shareholders and emphasises SEEK's focus on sustainable, long-term shareholder wealth creation. The provision of Equity Rights rather than a traditional STI, encourages Executives to think and act as owners and focus on the actions that will sustainably grow the business rather than on short-term financial targets which may not be aligned with SEEK's long-term aims.

The key features of the FY2020 Executive Equity Plan are as follows:

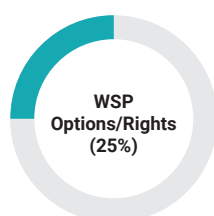
- Equity Rights vest, subject to continued employment, after a one-year Qualifying Period. Shares allocated are subject to a further one-year Disposal Restriction Period (in total, a two-year 'lock-up' period);
- The number of shares to be allocated is determined based on a volume weighted average price for the 60 trading days leading up to the start of the Qualifying Period (up to and including 30 June); and
- The actual value of each Equity Right is variable during the Qualifying and Disposal Restriction Periods based on the SEEK share price at a given point in time. This means that Executives are always exposed to the same SEEK share price movements, up and down, as shareholders.

Terms and duration

The terms of the FY2020 Equity Rights award are set out below. There were no design changes from the prior financial year.

Equity Rights

| | |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective | Ensuring Executives hold substantial equity in SEEK to create shareholder alignment and exposure to movements in SEEK's share price for the duration of the award. |
| Effective Date | 1 July 2019 |
| Grant date | Executives: 23 September 2019 CEO: 29 November 2019 |
| Closing share price at 1 July 2019 | \$21.36 |
| Qualifying Period | 1 July 2019 to 30 June 2020 |
| Lapsing condition | Equity Rights generally lapse where the Executive ceases employment before the end of the Qualifying Period. In other circumstances, being good leaver events, the Executive's Equity Right will remain on foot and the number of shares that will be received will be adjusted to take into account the Executive's service period. The Board retains discretion to determine a different treatment if considered appropriate in the circumstances. |
| Vesting and allocation methodology | Vesting is determined following the end of the Qualifying Period with the number of shares allocated to an Executive determined by dividing the Executive's FY2020 EEP award opportunity by the 60-day SEEK VWAP up to and including 30 June 2019, being \$19.85. |
| Exercise price | \$nil |
| Disposal Restriction Period | 1 July 2020 to 30 June 2021 During the Disposal Restriction Period, the shares allocated following vesting of an Equity Right are referred to as 'Deferred Shares'. Executives are entitled to retain their shares if employment ceases during the Disposal Restriction Period, subject to the original restriction terms and compliance with post-employment obligations. |
| Dividend and voting entitlements | Executives are entitled to dividends on and can exercise the voting rights attached to Deferred Shares. |
| Change of control | Board discretion to determine an appropriate treatment for unvested Equity Rights and/or Deferred Shares. |
| Malus and clawback | Equity Rights and/or Deferred Shares may lapse or be forfeited, at the discretion of the Board, in certain circumstances which include fraudulent behaviour or gross misconduct in relation to the Group, material breach of contractual obligations or where equity awards have vested as a result of a material misstatement in the financial statements. |



Year 1–Year 3
Performance Period

Year 4
Exercise Restriction

4.5 Wealth Sharing Plan Options/Rights

Executives receive 25% of their Total Remuneration Opportunity in equity awards granted to them under the SEEK Wealth Sharing Plan, representing the at-risk, long-term, equity component of remuneration. The WSP is designed to align Executive reward with long-term shareholder returns and support bold decision making to enhance SEEK's future prospects at all times and in all conditions.

The key features of the FY2020 Wealth Sharing Plan are as follows:

- Executives are offered the choice to receive a grant of Options and/or Rights. The number of awards granted to each Executive is dependent on this choice: fewer Rights are offered compared to Options, reflecting the lower allocation value of an Option due to the payment of an exercise price. The CEO, COO and AP&A CEO, and several other participants elected to receive their FY2020 WSP award as 50% Options and 50% Rights, while the remaining participants chose to receive 100% Rights. These different elections demonstrate to the Board that choice is valued and worth retaining as it allows individuals to receive the award that best aligns with their risk profile and personal circumstances.
- Options and Rights are both subject to a share price performance hurdle which requires the SEEK share price to outperform the historical average of the Australian market applied on a CAGR basis for vesting to occur. This share price hurdle also serves as the exercise price for Options. Having a requirement for absolute share price growth ensures a clear link between Executive reward and the actual value created for shareholders over the WSP vesting period (refer below). As outlined in section 2 of this Report, significant value has been delivered to SEEK shareholders since 1 July 2012, when the current WSP design was introduced. Over the same time period two of six WSP awards have lapsed, demonstrating that reward is received only when shareholder returns warrant it and vesting of the WSP is not guaranteed.
- Awards vest in full upon achievement of the share price performance hurdle. Conversely, no vesting occurs if the hurdle is not achieved and shareholders have therefore not seen a substantial capital return on their investment over the vesting period, even if the SEEK share price has outperformed its peers.
- Awards have a three-year vesting period followed by a one-year exercise restriction. This means that even after awards have vested, the value that may be realised by Executives remains subject to movements in the SEEK share price. Exposure to a further year of share price variability means that if SEEK's share price decreases following achievement of the share price hurdle, Executives will experience the same downside as shareholders (and vice versa).

Several key changes have been made to the WSP design for FY2021 to reflect investor feedback and the current internal and external environment. These are outlined in section 3.1.

Value of the CEO's FY2020 Wealth Sharing Plan award

The Board acknowledges that some shareholders and proxy advisors have a preference to convert the fair value of the CEO's WSP award into an equivalent face value amount. The CEO elected to receive his FY2020 WSP award as 50% Options and 50% Rights. While the Options component is difficult to translate into a face value equivalent as Options have an exercise price attached, for transparency, a conversion of the Rights component is provided below.

| | Number of Rights | Fair value of Rights | Face value of Rights |
|---------------|------------------|----------------------|----------------------|
| Andrew Bassat | 70,593 | \$628,283 | \$1,401,271 |

The CEO's FY2020 WSP award was equal to 25% of his Total Remuneration Opportunity. Following shareholder approval at SEEK's 2019 Annual General Meeting ('AGM'), this resulted in 243,520 Options being granted at a fair value for allocation purposes of \$2.58 (determined by Ernst & Young at the start of the performance period, 1 July 2019) and 70,593 Rights being granted at a fair value of \$8.90. The equivalent face value of the WSP Rights, based on SEEK's 60-day VWAP up to and including 30 June 2019, was \$19.85.

The difference between the fair and face value of WSP Rights reflects the degree of difficulty associated with achieving full vesting under the plan: a combination of SEEK having a share price performance hurdle that requires absolute share price growth over the vesting period irrespective of any external conditions; and an all or nothing vesting approach. The fair value also takes into account dividends foregone during the vesting period.

Terms and duration

The terms of the FY2020 Wealth Sharing Plan award are set out below. There were no design changes from the prior financial year.

| Wealth Sharing Plan Options/Rights | |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective | Ensuring Executives focus on sustainable absolute increases in shareholder value over the long-term. |
| Effective Date | 1 July 2019 |
| Grant date | Executives: 23 September 2019 CEO: 29 November 2019 |
| Vesting period | 1 July 2019 to 30 June 2022 |
| Testing date | 30 June 2022 |
| Exercise restriction period | 1 July 2022 to 30 June 2023 |
| Exercise period | 1 July 2023 to 1 July 2024 |
| Expiry date | 1 July 2024 |
| Fair value at Effective Date (allocation value)⁽¹⁾ | Option: \$2.58; Right: \$8.90 |
| Closing share price at grant date⁽²⁾ | Executives: \$21.69 at 23 September 2019 CEO: \$23.19 at 29 November 2019 |
| Exercise price | Option: \$23.18; Right: \$nil |
| Fair value at grant date (accounting value)⁽²⁾ | Executives: Option: \$2.90 and Right: \$9.96 at 23 September 2019 CEO: Option: \$3.57 and Right: \$12.04 at 29 November 2019 |
| Performance conditions | <p>Vesting is determined following the end of the vesting period and is dependent on achieving a share price hurdle of \$23.18, calculated as follows:</p> <ul style="list-style-type: none"> i. The 15-year average growth in the ASX All Ordinaries Index, which for the FY2020 award was 5.30%; ii. The 60-day SEEK VWAP up to, but not including, the Effective Date, which for the FY2020 award was \$19.85; iii. The 5.30% ASX All Ordinaries Index average growth was multiplied over a three-year performance period on a compound basis and applied to SEEK's 60-day VWAP <p>Calculation: $(1+0.053)^3 \times \\$19.85 = \\23.18</p> |
| Lapsing condition | <p>Options/Rights will lapse, subject to Board discretion, where the Executive ceases employment (i) before the testing date as a result of summary dismissal or (ii) less than one year has elapsed between the Effective Date and the date of cessation.</p> <p>In other circumstances, the Executive's Options/Rights will be pro-rated based on service period and remain on foot, subject to their original terms, unless the Board determines otherwise.</p> |
| Vesting schedule | If SEEK's 60-day VWAP up to and including 30 June 2022 meets or exceeds the share price hurdle, 100% of Options/Rights will vest. If SEEK's share price does not meet the hurdle, 0% of Options/Rights will vest. |
| Allocation methodology | <p>The number of Options/Rights granted to an Executive was determined by dividing the Executive's FY2020 WSP award opportunity by the fair value of the Options/Rights as at the Effective Date.</p> <p>The fair value was based on the closing share price as at the Effective Date, and was determined independently by Ernst & Young using a Monte-Carlo simulation model, which takes into consideration factors such as the performance hurdle, probability of the hurdle being achieved, share price volatility, expected life of the award, dividend yield and risk-free rate.</p> |
| Change of control | Board discretion to determine an appropriate treatment for unvested and/or vested, but unexercised Options/Rights. |
| Malus and clawback | Unvested and vested, but unexercised Options/Rights may lapse or be forfeited, at the discretion of the Board, in certain circumstances which include fraudulent behaviour or gross misconduct in relation to the Group, material breach of contractual obligations or where equity awards have vested as a result of a material misstatement in the financial statements. |

(1) A fair value per Option/Right was determined as at the Effective Date, 1 July 2019 for purposes of calculating the number of Options/Rights to be allocated to the CEO and other Executives.

(2) WSP Options/Rights were granted to Executives other than the CEO on 23 September 2019; and to the CEO on 29 November 2019, following shareholder approval of the CEO's FY2020 WSP award at SEEK's 2019 AGM. The closing share prices and fair values at grant date therefore reflect SEEK's share price and the fair value per Option/Right as at 23 September 2019 and 29 November 2019 respectively. The fair values at grant date are the values attributed to the CEO and Executives' FY2020 WSP Options/Rights for accounting purposes, as shown in section 7.3.

4.6 Executive statutory remuneration for FY2020 and FY2019

The following table provides the statutory remuneration disclosures for Executive KMP for FY2020, prepared in accordance with Australian Accounting Standards. As such, the amounts in this table may differ from the Executive KMPs FY2020 Total Remuneration Opportunities and the elements of the remuneration framework outlined in sections 4.1 to 4.5. Differences arise mainly due to the accounting treatment of long-term benefits (including annual and long service leave) and share-based payments (Equity Rights and Wealth Sharing Plan Options/Rights). Specifically, Australian Accounting Standards require share-based payments to be expensed and included as remuneration over the vesting period of the award, even if an Executive may not realise any benefit from it. The accounting values for current year Equity Rights, all unvested Wealth Sharing Plan Options/Rights and a one-off equity award granted in FY2019 are therefore what is shown in the following table.

| | Short-term benefits | | Post-employment benefits | | Long-term benefits | | One-off share-based payment | | Ongoing share-based payments | | | | Total | Performance based equity component ⁽⁶⁾ % | |
|-------------------------------|-------------------------------|-----------------------------------------|-----------------------------------|-------------------------|----------------------------------------|---------------------------------|-------------------------------|------------------------------|------------------------------|------------|-----|--|-------|-----------------------------------------------------|--|
| | Cash salary ⁽¹⁾ \$ | Non-monetary benefits ⁽²⁾ \$ | Super-annuation ⁽³⁾ \$ | Leave ⁽⁴⁾ \$ | One-off equity award ⁽⁵⁾ \$ | Equity Rights ⁽⁶⁾ \$ | WSP Options ⁽⁷⁾ \$ | WSP Rights ⁽⁷⁾ \$ | | | | | | | |
| Executive KMP | | | | | | | | | | | | | | | |
| A R Bassat | 2020 | 2,488,130 | 8,386 | 25,000 | 133,398 | - | 1,256,565 | 289,789 | 453,621 | 4,654,889 | 16% | | | | |
| | 2019 | 2,488,130 | 7,823 | 25,000 | 361,493 | - | 1,256,565 | - | 686,131 | 4,825,142 | 14% | | | | |
| I M Narev ⁽⁹⁾ | 2020 | 1,765,385 | 12,413 | 25,000 | 101,314 | 2,046,500 | 950,000 | 177,971 | 177,188 | 5,255,771 | 29% | | | | |
| | 2019 | 303,846 | 1,701 | 25,000 | 32,911 | 370,713 | 164,422 | - | - | 898,593 | 21% | | | | |
| G I Roberts | 2020 | 1,145,063 | 12,243 | 25,000 | 43,671 | - | 585,603 | - | 339,905 | 2,151,485 | 16% | | | | |
| | 2019 | 1,105,674 | 11,679 | 20,532 | 28,037 | - | 571,320 | - | 359,574 | 2,096,816 | 17% | | | | |
| Former Executive KMP | | | | | | | | | | | | | | | |
| M J Ilczynski ⁽¹⁰⁾ | 2020 | - | - | - | - | - | - | - | - | - | n/a | | | | |
| | 2019 | 1,750,025 | 11,680 | 25,000 | 116,933 | - | 887,513 | - | 518,945 | 3,310,096 | 16% | | | | |
| Total | 2020 | 5,398,578 | 33,042 | 75,000 | 278,383 | 2,046,500 | 2,792,168 | 467,760 | 970,714 | 12,062,145 | | | | | |
| | 2019 | 5,647,675 | 32,883 | 95,532 | 539,374 | 370,713 | 2,879,820 | - | 1,564,650 | 11,130,647 | | | | | |

(1) Amounts disclosed include base salary and any superannuation amount over the general concessional contributions cap of \$25,000 for the 2019-20 income year.

(2) Non-monetary benefits include car parking benefits and income protection insurance.

(3) Any superannuation amount earned over the general concessional contributions cap or maximum superannuation contributions base (where applicable) is paid as cash and included within 'cash salary'.

(4) Amounts disclosed reflect long service leave and annual leave accrued but not taken.

(5) Amounts disclosed reflect the accounting expense for the one-off sign-on equity award granted to Ian Narev following commencement with SEEK on 29 April 2019. One-third of the award was granted as an Equity Right, with the remaining two-thirds granted as WSP Options and Rights. While the grant occurred in FY2019 and no further one-off share-based payments have been made since then, the disclosures show the accounting value which has been attributed to FY2019 and FY2020 due to amortisation of the Equity Right and WSP Options and Rights over their associated one and three-year vesting periods.

(6) Amounts disclosed reflect the accounting expense for the Equity Rights.

(7) Amounts disclosed reflect the accounting expense for the WSP Options and Rights. For FY2020, Andrew Bassat and Ian Narev elected to receive their WSP award as 50% WSP Options and 50% WSP Rights.

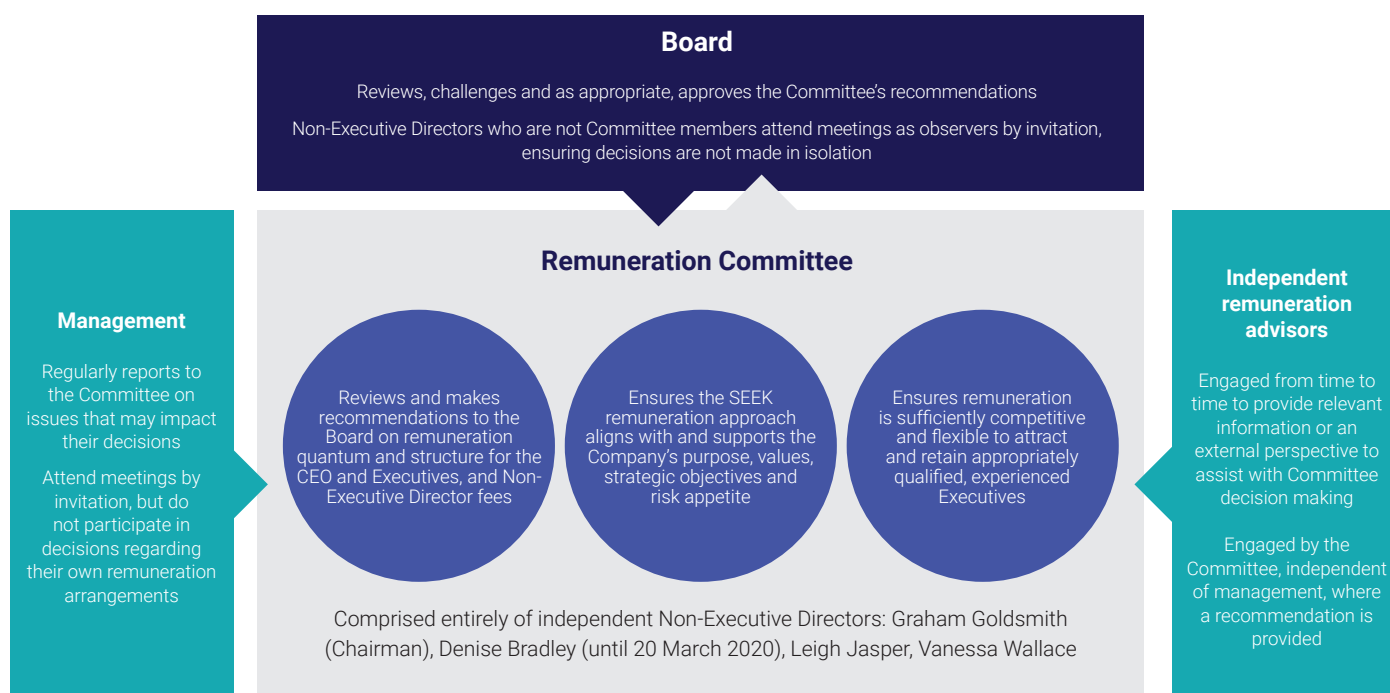
(8) Amounts disclosed reflect the expense relating to the WSP Options and Rights component of the one-off equity award granted to Ian Narev in FY2019 (refer footnote 5), and ongoing WSP Options and Rights, as a percentage of Total Remuneration.

(9) Ian Narev became a KMP effective 29 April 2019. The FY2019 amounts reflect his remuneration from 29 April 2019 to 30 June 2019.

(10) Michael Ilczynski was not considered to be a KMP during FY2020 and following his transition of the CEO AP&A role to Ian Narev in FY2019 and subsequent leave of absence, he resigned from SEEK effective 24 April 2020. With Michael's leave of absence commencing on 22 July 2019, no EEP or WSP awards were made to him for FY2020. In addition, no termination benefits were provided in relation to his cessation of employment, including there being no acceleration of vesting for any prior year equity awards.

5. Remuneration governance

SEEK's remuneration governance framework and related policies ensure that the integrity of the Company's remuneration strategy is maintained and appropriate outcomes are delivered. The diagram below illustrates SEEK's remuneration governance framework and the key roles of the Board and Remuneration Committee ('Committee').



5.1 Independent remuneration advisors

The Committee engages independent remuneration advisors on an as needs basis to provide information regarding market movements, trends and regulatory developments. The Committee and the Board consider this information along with other best practice insights to ascertain what is right for SEEK when making decisions regarding remuneration.

In FY2020, Ernst & Young was engaged to provide Executive benchmarking data for the purposes of informing the Committee of the current market positioning of Executives against SEEK's benchmarking comparator groups, as well as to provide market practice and insights on long-term incentive plans to support SEEK's Wealth Sharing Plan review.

The Committee is satisfied that no remuneration recommendations (as defined in the *Corporations Act 2001*) were provided by Ernst & Young or any other external remuneration advisor during FY2020.

5.2 Executive performance evaluations

The performance of each Executive including the CEO is assessed annually, with performance conversations conducted on an ongoing basis throughout the year. The CEO's performance assessment is conducted by the Board, followed by a one-on-one discussion between the Chairman and the CEO, taking into account the results achieved, demonstrated leadership behaviours and the culture fostered across the organisation. Executives' performance is assessed by the CEO and tabled with the Board for discussion. Discussions on CEO and Executive performance also occur at Board and Committee meetings on a more regular basis throughout the year.

Performance assessments at SEEK are undertaken primarily against the Company's performance framework, referred to as 'This is SEEK', which is applied consistently for all SEEK employees. The framework considers both the individual and collective outcomes achieved, along with how well each individual has demonstrated the SEEK values and attributes when achieving these. For the CEO, Executives and other senior leaders, other inputs into their performance assessment include formal '360 degree' feedback and the results and insights from engagement survey results.

In respect of FY2020, CEO and Executive performance evaluations have been undertaken in accordance with the process described above.

5.3 Malus and clawback

There is a malus and clawback clause in the SEEK Equity Plan Rules, which govern offers made to Executives under the Executive Equity Plan and Wealth Sharing Plan. While SEEK's remuneration framework aims to avoid the risk of a conflict between short-term key performance indicators and sustainable, long-term decision-making, this clause provides clarity for all parties regarding when and how any such clawback and/or adjustment may occur.

Under the applicable clause, the Board may determine that both unvested and/or vested equity awards (the latter in relation to shares which have not yet been allocated), along with any restricted shares allocated under the SEEK Equity Plan, may lapse or be forfeited if the circumstances require. Examples of where the Board may seek to enforce the malus and clawback clause include instances of fraudulent behaviour or gross misconduct in relation to the Group, material breach of contractual obligations or where equity awards have vested as a result of a misstatement in the financial statements.

5.4 Minimum shareholding requirements

SEEK has a Minimum Shareholding Policy ('Policy') that applies to Executives and Non-Executive Directors to promote the alignment of interests of Executives and Non-Executive Directors with the interests of shareholders. In FY2020, the CEO, Executives and Non-Executive Directors met or are on track to meet, their minimum shareholding requirements as outlined below.

Under the Policy, the CEO is required to hold SEEK equity equivalent to two years of annual base salary and superannuation and Executives are required to hold SEEK equity equivalent to one year of annual base salary and superannuation. Newly appointed Executives are permitted to reach the minimum shareholding requirement over a three-year period. The equity remuneration taken into account in determining if this requirement is met includes shares, vested Options/Rights and unvested Equity Rights.

Non-Executive Directors are required to hold SEEK shares equivalent to one year of their annual base director fee under the Policy. Non-Executive Directors fulfill this obligation through their own purchase of SEEK shares on-market. Newly appointed Non-Executive Directors are permitted to reach the minimum shareholding requirement over a five-year period. During this period, new Non-Executive Directors are expected to build 20% of their annual base director fee in SEEK shares for each year of their directorship until the minimum shareholding requirement is achieved.

5.5 Share Trading Policy

SEEK has a Share Trading Policy which aims to ensure that all employees understand their obligations in relation to insider trading, describes restrictions on buying and selling SEEK shares by Executives, other senior leaders and certain other SEEK employees ('Designated Persons') and when approvals need to be sought. Under the Share Trading Policy, SEEK prohibits Designated Persons from entering into arrangements which have the effect of limiting the economic risk related to an unvested share, option or other security granted or awarded under a SEEK employee incentive scheme, including those still subject to disposal restrictions.

All KMP, Executives and certain other SEEK senior leaders are also restricted from entering into margin loans in respect to SEEK's securities, unless they have received prior written approval from the Chairman. No margin loans were entered into by KMP during FY2020 and none are currently on foot.

The Share Trading Policy can be found on the Corporate Governance page in the Investors section of the Company's website at <https://www.seek.com.au/about/investors/corporate-governance>.

6. Non-Executive Director fees

SEEK's Non-Executive Director fees aim to appropriately recognise the time, contribution and expertise of each director. The following sections set out how SEEK's director fees are determined and details the actual Non-Executive Director fees paid in FY2020.

6.1 Non-Executive Director fee policy

The following table outlines the Non-Executive Director fee policy and terms of the parent entity and the Group:

| | | | | | | | | | | | | | | | | | | |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------|-----------|-------------------------|-----------|---------------------------------------------------|--|-----------------------------------------------------|----------|---------------------------------------------------|----------|----------------------------------------|----------|--------------------------------------|----------|------------------------------------|-----|
| Aggregate Non-Executive Director fee limit | Non-Executive Director fees are determined within a yearly aggregate directors' fee limit. The current aggregate fee limit of \$1,800,000 per annum was approved by shareholders at the 2016 AGM. | | | | | | | | | | | | | | | | | |
| Non-Executive Director fee reviews | Non-Executive Director fees and payments are reviewed annually by the Committee, and approved by the Board, to ensure fees are appropriately positioned in the market to attract and retain high calibre Non-Executive Directors. In light of modest market movements, in FY2020 (effective 1 July 2019) Board and Committee fees remained unchanged from their FY2019 levels. Further, in recognition of the business challenges arising from COVID-19 and the need to manage discretionary costs, there will be no increase to Non-Executive Director fees for FY2021. | | | | | | | | | | | | | | | | | |
| Non-Executive Director fees FY2021 | The fee structure for FY2021 is unchanged from FY2019 and FY2020 and is set out below. <table><tr><td>Chairman of the Board</td><td>\$410,000</td></tr><tr><td>Non-Executive Directors</td><td>\$154,000</td></tr><tr><td colspan="2">Additional fees are paid for the following roles:</td></tr><tr><td>Chairman of the Audit and Risk Management Committee</td><td>\$38,000</td></tr><tr><td>Member of the Audit and Risk Management Committee</td><td>\$19,500</td></tr><tr><td>Chairman of the Remuneration Committee</td><td>\$31,000</td></tr><tr><td>Member of the Remuneration Committee</td><td>\$15,500</td></tr><tr><td>Member of the Nomination Committee</td><td>\$0</td></tr></table> The Chairman of the Board does not receive Committee fees on top of his Chairman of the Board fee. | | Chairman of the Board | \$410,000 | Non-Executive Directors | \$154,000 | Additional fees are paid for the following roles: | | Chairman of the Audit and Risk Management Committee | \$38,000 | Member of the Audit and Risk Management Committee | \$19,500 | Chairman of the Remuneration Committee | \$31,000 | Member of the Remuneration Committee | \$15,500 | Member of the Nomination Committee | \$0 |
| Chairman of the Board | \$410,000 | | | | | | | | | | | | | | | | | |
| Non-Executive Directors | \$154,000 | | | | | | | | | | | | | | | | | |
| Additional fees are paid for the following roles: | | | | | | | | | | | | | | | | | | |
| Chairman of the Audit and Risk Management Committee | \$38,000 | | | | | | | | | | | | | | | | | |
| Member of the Audit and Risk Management Committee | \$19,500 | | | | | | | | | | | | | | | | | |
| Chairman of the Remuneration Committee | \$31,000 | | | | | | | | | | | | | | | | | |
| Member of the Remuneration Committee | \$15,500 | | | | | | | | | | | | | | | | | |
| Member of the Nomination Committee | \$0 | | | | | | | | | | | | | | | | | |
| Superannuation | The fees set out above include superannuation payments in accordance with relevant statutory requirements. Any superannuation amount earned over the general concessional contributions cap is paid as cash and included within 'cash salary'. | | | | | | | | | | | | | | | | | |
| Non-Executive Director shareholding requirement | All Non-Executive Directors are required to hold a SEEK shareholding equivalent to one year of their annual base director fee. Refer section 5.4 for further detail. | | | | | | | | | | | | | | | | | |
| Performance-based remuneration | Non-Executive Directors do not receive share options or rights or any performance-based remuneration. | | | | | | | | | | | | | | | | | |

6.2 Non-Executive Director fees

Details of the actual fees paid to each Non-Executive Director of SEEK Limited for FY2020 and FY2019 are set out in the following table. The total Non-Executive Director fees paid for FY2020 were \$1,266,940, which is below the current annual aggregate fee limit of \$1,800,000.

| | | Short-term benefits | | Post-employment benefits | |
|--------------------------------------|------|-------------------------------|-----------------------------------------|--------------------------|-----------|
| | | SEEK Limited director fees \$ | Non-monetary benefits ⁽¹⁾ \$ | Superannuation \$ | Total \$ |
| G B Goldsmith | 2020 | 386,211 | 5,815 | 23,789 | 415,815 |
| | 2019 | 277,245 | 5,251 | 26,338 | 308,834 |
| J A Fahey | 2020 | 158,448 | - | 15,052 | 173,500 |
| | 2019 | 158,448 | - | 15,052 | 173,500 |
| L M Jasper | 2020 | 154,795 | - | 14,705 | 169,500 |
| | 2019 | 38,699 | - | 3,676 | 42,375 |
| M H Wachtel | 2020 | 175,342 | - | 16,658 | 192,000 |
| | 2019 | 137,519 | - | 13,064 | 150,583 |
| V M Wallace | 2020 | 172,603 | - | 16,397 | 189,000 |
| | 2019 | 172,603 | - | 16,397 | 189,000 |
| Former Non-Executive Director | | | | | |
| D I Bradley ⁽²⁾ | 2020 | 116,096 | - | 11,029 | 127,125 |
| | 2019 | 154,794 | - | 14,706 | 169,500 |
| N G Chatfield ⁽³⁾ | 2020 | - | - | - | - |
| | 2019 | 194,614 | 2,622 | 10,386 | 207,622 |
| Total | 2020 | 1,163,495 | 5,815 | 97,630 | 1,266,940 |
| | 2019 | 1,133,922 | 7,873 | 99,619 | 1,241,414 |

(1) Non-monetary benefits relate to car parking benefits.

(2) Denise Bradley ceased to be a Non-Executive director effective 20 March 2020.

(3) Neil Chatfield retired as Chairman of the Board and a Non-Executive Director effective 31 December 2018.

7. Other KMP disclosures

7.1 Ordinary shareholdings – SEEK Limited

The number of Ordinary shares in the Company held during FY2020 by each KMP, including their personally related parties, is set out below. No shares were granted during the reporting period as compensation.

| FY2020 - SEEK Limited shares | Balance at the start of the year | Received during the year on exercise of WSP Rights | Received during the year on exercise of ongoing Equity Rights ⁽¹⁾ | Received during the year on exercise of one-off Equity Right ⁽²⁾ | Purchase of shares | Sale of shares | Other changes during the year | Balance at the end of the year |
|--------------------------------------|----------------------------------|----------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------|----------------|-------------------------------|--------------------------------|
| Non-Executive Directors | | | | | | | | |
| G B Goldsmith | 45,000 | - | - | - | 5,000 | - | - | 50,000 |
| J A Fahey | 8,888 | - | - | - | - | - | - | 8,888 |
| L M Jasper | 15,849 | - | - | - | 52,284 | - | - | 68,133 |
| M H Wachtel | 4,000 | - | - | - | - | - | - | 4,000 |
| V M Wallace | 10,000 | - | - | - | 7,000 | - | - | 17,000 |
| Executive KMP | | | | | | | | |
| A R Bassat | 14,512,045 | 182,713 | 61,535 | - | - | - | - | 14,756,293 |
| I M Narev | - | - | 8,052 | 60,127 | - | - | - | 68,179 |
| G I Roberts | 95,685 | 92,753 | 27,978 | - | - | (27,395) | - | 189,021 |
| Former Non-Executive Director | | | | | | | | |
| D I Bradley ⁽³⁾ | 10,056 | - | - | - | - | - | (10,056) | - |

(1) Relates to the FY2019 EEP award which vested following the end of the Qualifying Period on 30 June 2019. The shares allocated during FY2020 remained subject to a disposal restriction until 1 July 2020.

(2) Relates to the Equity Rights component of Ian Narev's sign-on award, granted following commencement with SEEK on 29 April 2019. The shares are subject to a disposal restriction until 29 April 2021.

(3) Denise Bradley ceased to be a Non-Executive Director effective 20 March 2020 and "Other changes during the year" represents the balance at the time of cessation.

7.2 Other equity holdings

The number of Options and Rights over Ordinary shares in the Company held during FY2020 by KMP (as a result of Equity Rights grants or awards made under the WSP), including their personally related parties, are set out below.

| FY2020 | Balance at the start of the year | Granted during the year as compensation | Exercised during the year | Forfeited during the year | Balance at the end of the year | Vested and exercisable at the end of the year | Vested and unexercisable at the end of the year | Unvested at the end of the year |
|----------------------------------|----------------------------------|-----------------------------------------|---------------------------|---------------------------|--------------------------------|-----------------------------------------------|-------------------------------------------------|---------------------------------|
| WSP Rights⁽¹⁾ | | | | | | | | |
| A R Bassat | 666,456 | 70,593 | (182,713) | - | 554,336 | - | 182,126 | 372,210 |
| I M Narev | 152,817 | 53,370 | - | - | 206,187 | - | - | 206,187 |
| G I Roberts | 323,963 | 65,798 | (92,753) | - | 297,008 | - | 88,603 | 208,405 |
| WSP Options⁽¹⁾ | | | | | | | | |
| A R Bassat | - | 243,520 | - | - | 243,520 | - | - | 243,520 |
| I M Narev | 536,013 | 184,108 | - | - | 720,121 | - | - | 720,121 |
| Equity Rights | | | | | | | | |
| A R Bassat | 1 | 1 | (1) | - | 1 | - | - | 1 |
| I M Narev | 2 ⁽²⁾ | 1 | (2) | - | 1 | - | - | 1 |
| G I Roberts | 1 | 1 | (1) | - | 1 | - | - | 1 |

(1) For FY2020, Andrew Bassat and Ian Narev elected to receive their WSP award as 50% WSP Options and 50% WSP Rights.

(2) Includes the FY2020 EEP award and the Equity Rights component of Ian Narev's sign-on award, granted following commencement with SEEK on 29 April 2019.

7.3 Equity grants on foot during FY2020

The required statutory disclosures of equity grants for SEEK's KMP are set out below.

| | Vesting period | Grant date | # of options and rights granted | Exercise price | Fair value of options and rights at grant date ⁽¹⁾ | Vested % | Vested # | Forfeited / lapsed % |
|----------------------|------------------------------------------|-------------|---------------------------------|----------------|---------------------------------------------------------------|----------|----------|----------------------|
| Executive KMP | | | | | | | | |
| A R Bassat | 1 Jul 2016 - 30 Jun 2019 ⁽²⁾ | 19 Dec 2016 | 182,126 | \$0.00 | \$994,408 | 100% | 182,126 | 0% |
| | 1 Jul 2017 - 30 Jun 2020 ⁽³⁾ | 4 Dec 2017 | 171,941 | \$0.00 | \$1,547,469 | - | - | 100% |
| | 1 Jul 2018 - 30 Jun 2019 ⁽⁴⁾ | 6 Dec 2018 | 1 | \$0.00 | \$1,256,565 | 100% | 1 | 0% |
| | 1 Jul 2018 - 30 Jun 2021 ⁽⁵⁾ | 6 Dec 2018 | 129,676 | \$0.00 | \$510,923 | n/a | n/a | n/a |
| | 1 Jul 2019 - 30 Jun 2020 ⁽⁶⁾ | 29 Nov 2019 | 1 | \$0.00 | \$1,256,565 | 100% | 1 | 0% |
| | 1 Jul 2019 - 30 Jun 2022 ⁽⁵⁾ | 29 Nov 2019 | 243,520 | \$23.18 | \$869,366 | n/a | n/a | n/a |
| | 1 Jul 2019 - 30 Jun 2022 ⁽⁵⁾ | 29 Nov 2019 | 70,593 | \$0.00 | \$849,940 | n/a | n/a | n/a |
| I M Narev | 1 Jul 2018 - 30 Jun 2019 ⁽⁴⁾ | 11 Jun 2019 | 1 | \$0.00 | \$164,422 | 100% | 1 | 0% |
| | 29 Apr 2019 - 28 Apr 2020 ⁽⁷⁾ | 11 Jun 2019 | 1 | \$0.00 | \$1,066,667 | 100% | 1 | 0% |
| | 29 Apr 2019 - 28 Apr 2022 ⁽⁷⁾ | 11 Jun 2019 | 536,013 | \$20.95 | \$1,801,004 | n/a | n/a | n/a |
| | 29 Apr 2019 - 28 Apr 2022 ⁽⁷⁾ | 11 Jun 2019 | 152,817 | \$0.00 | \$1,671,818 | n/a | n/a | n/a |
| | 1 Jul 2019 - 30 Jun 2020 ⁽⁶⁾ | 23 Sep 2019 | 1 | \$0.00 | \$950,000 | 100% | 1 | 0% |
| | 1 Jul 2019 - 30 Jun 2022 ⁽⁵⁾ | 23 Sep 2019 | 184,108 | \$23.18 | \$533,913 | n/a | n/a | n/a |
| | 1 Jul 2019 - 30 Jun 2022 ⁽⁵⁾ | 23 Sep 2019 | 53,370 | \$0.00 | \$531,565 | n/a | n/a | n/a |
| G I Roberts | 1 Jul 2016 - 30 Jun 2019 ⁽²⁾ | 3 Oct 2016 | 88,603 | \$0.00 | \$571,489 | 100% | 88,603 | 0% |
| | 1 Jul 2017 - 30 Jun 2020 ⁽³⁾ | 17 Oct 2017 | 83,648 | \$0.00 | \$714,354 | - | - | 100% |
| | 1 Jul 2018 - 30 Jun 2019 ⁽⁴⁾ | 16 Oct 2018 | 1 | \$0.00 | \$571,320 | 100% | 1 | 0% |
| | 1 Jul 2018 - 30 Jun 2021 ⁽⁵⁾ | 16 Oct 2018 | 58,959 | \$0.00 | \$364,367 | n/a | n/a | n/a |
| | 1 Jul 2019 - 30 Jun 2020 ⁽⁶⁾ | 23 Sep 2019 | 1 | \$0.00 | \$585,603 | 100% | 1 | 0% |
| | 1 Jul 2019 - 30 Jun 2022 ⁽⁵⁾ | 23 Sep 2019 | 65,798 | \$0.00 | \$655,348 | n/a | n/a | n/a |

(1) For Equity Rights, fair value is the allocated value of the Equity Right. For WSP Options/Rights, fair value is the accounting fair value at grant.

(2) The FY2017 WSP award vested in full during FY2020. Vesting occurred following the testing date of 30 June 2019 as the share price hurdle of \$17.85 had been achieved. The FY2017 WSP Rights were subject to an exercise restriction period which ended on 30 June 2020.

(3) The FY2018 WSP award lapsed during FY2021. Lapsing occurred following the testing date of 30 June 2020 as the share price hurdle of \$19.79 had not been achieved.

(4) The FY2019 Equity Right vested in full during FY2020.

(5) As per prior year WSP awards, if the share price hurdle for the FY2019 and FY2020 award is met and the awards subsequently vest, vested awards will be subject to a one-year exercise restriction period. Participants will then have a one-year exercise period within which to exercise their vested awards, including WSP Options which require payment of an exercise price.

(6) The FY2020 Equity Right vested in full during FY2021.

(7) During FY2019, Ian Narev received a one-off sign-on equity award comprising one Equity Right with an allocation value of \$1,066,667, 152,817 WSP Rights with an allocation value of \$6.98 per Right and 536,013 WSP Options with an allocation value of \$1.99 and an exercise price of \$20.95 per Option. Vesting of the WSP Rights and Options is subject to achievement of a three-year share price hurdle.

7.4 Shares under option

Unissued Ordinary shares of SEEK under option at the date of this Report are as follows:

| Date granted | Expiry date | Exercise price ⁽¹⁾ | Number of shares under option |
|------------------------------------------------|---------------|-------------------------------|-------------------------------|
| CEO Options/Rights | | | |
| 19 December 2016 | 1 July 2021 | \$0.00 | 182,126 |
| 6 December 2018 | 1 July 2023 | \$0.00 | 129,676 |
| 29 November 2019 | 1 July 2024 | \$23.18 | 243,520 |
| 29 November 2019 | 1 July 2024 | \$0.00 | 70,593 |
| Other Options/Rights | | | |
| 3 October 2016 | 1 July 2021 | \$0.00 | 186,956 |
| 16 October 2018 | 1 July 2023 | \$0.00 | 344,832 |
| 11 June 2019 | 28 April 2024 | \$20.95 | 536,013 |
| 11 June 2019 | 28 April 2024 | \$0.00 | 152,817 |
| 23 September 2019 | 1 July 2024 | \$23.18 | 217,107 |
| 23 September 2019 | 1 July 2024 | \$0.00 | 444,071 |
| 6 March 2020 | 1 July 2024 | \$0.00 | 29,248 |
| Total shares under option⁽²⁾ | | | 2,536,959 |

(1) Unlike Options, Rights do not have an Exercise Price.

(2) Balance excludes Equity Rights which vested on 1 July 2020. Corresponding fulfilment of these shares occurred in August 2020.

7.5 Shares or options over shares in subsidiaries

KMP do not hold any shares or options over shares in any subsidiaries of SEEK.

7.6 Loans to KMP

There were no loans to KMP during FY2020 (FY2019: \$nil).

7.7 Other transactions with KMP

Some of the Non-Executive Directors hold directorships or positions in other companies or organisations. From time to time, SEEK may provide or receive services from these companies or organisations on arm's length terms. None of the Non-Executive Directors were, or are, involved in any procurement or Board decision-making regarding the companies or organisations with which they have an association. There were no other transactions with KMP during FY2020.

This Directors' Report is made in accordance with a resolution of the directors.



Graham Goldsmith

Chairman
Melbourne

29 September 2020

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of SEEK Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SEEK Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Chris Dodd', written over a light grey rectangular background.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
29 September 2020

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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SUSTAINABILITY REPORT

SEEK's Purpose is to help people live more fulfilling and productive working lives and help organisations succeed.

SEEK is a market leader in online employment marketplaces delivering access to employment and education opportunities to millions of people and creating shared value for candidates, hirers, students and employees, and ultimately investors. Delivering on the Purpose has driven SEEK's long-term growth, supported by a sustainable approach to the management of key environmental, social and governance (ESG) risks and opportunities.

Sustainability reporting is increasingly in focus as investors, potential employees and customers look to how a company performs well beyond its financial statements. During 2020 we have experienced continued assessment by investors of our performance in key ESG areas, most particularly SEEK's response to the upheaval caused by COVID-19.




SEEK's sustainability reporting describes our performance and initiatives across our key ESG areas. Through increased transparency the aim is to further build trust with investors, customers and the community about how SEEK manages its ESG risks and opportunities. We are proud of the positive social impact of our Purpose-led business, and our achievements so far in addressing key areas of stakeholder interest.

Reporting what matters

SEEK has assessed its impacts on people, the environment and the community in the context of SEEK's long-term sustainability.

The topics covered in this report were guided by a materiality assessment considering the viewpoints of stakeholders, the risks that could impact our ability to sustain our future financial performance and deliver our long-term strategy and our ability to have a positive impact given our Purpose. To determine the reporting topics we combined feedback from our investors, SEEK leaders and subject matter experts. Close consideration of the external environment, the ASX Corporate Governance Principles and Recommendations, the Sustainability Accounting Standards Board (SASB) materiality map and the Group Reporting Initiative (GRI) Standards contributed to topic selection. Topic weighting was informed by a self-assessment of the impact of the ESG topics on SEEK's investors, customers and business strategy.

Reporting topics

| | Customers | Community | Employees |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|  Social | <ul style="list-style-type: none"> • Data trust and data privacy • Use of data • Cyber security • Business resilience • Customer experience | <ul style="list-style-type: none"> • Social impact • Social contribution | <ul style="list-style-type: none"> • Our people • Workplace health and safety • Diversity and inclusion |
|  Environment | <ul style="list-style-type: none"> • Climate change • Minimising environmental impact • Energy consumption and emissions | | |
|  Governance | <ul style="list-style-type: none"> • Responsible and ethical business practices | | |

SEEK supports the United Nations Sustainable Development Goals (SDGs), a blueprint to achieve a better and more sustainable future for all. SEEK contributes to the goals that are most relevant to its business strategy.



SEEK's overall Purpose is to help people live more fulfilling and productive working lives and help organisations succeed.



SEEK provides access to career-related and higher education.



Investment in SEEK Volunteer, workplace giving, donations and employee volunteering.



Technology that reduces gender and ethnicity bias in job advertisements, and a diverse workforce with an inclusive culture supporting the LGBTIQA+ community.



Adopting sustainable practices to minimise environmental impact.

Stakeholder expectations and engagement

Stakeholders provide valuable insights into how SEEK is performing in delivering on its Purpose and inform SEEK's approach to the management of sustainability issues and reporting.

| Stakeholder | ESG expectations of SEEK | How SEEK engages on ESG matters |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers <ul style="list-style-type: none"> • candidates • hirers • students | <ul style="list-style-type: none"> • Employment and education services that enhance productive working lives • Safe and reliable access to online services • Communicate openly and fix any mistakes • Protect Personally Identifiable Information (PII) • Reasonable cost for services | <ul style="list-style-type: none"> • Clear explanation on the SEEK employment platforms for candidates about their data, privacy and online security • Corporate reporting including the Sustainability Report |
| Employees | <ul style="list-style-type: none"> • Meaningful employment including fair pay, career opportunities and training • Safe working environment • Diversity and inclusion • Observe anti-discrimination and other employment laws | <ul style="list-style-type: none"> • Regular communications including All-Staff meetings • Internal engagement surveys • Induction and ongoing training • Code of Conduct and other employee policies |
| Shareholders | <ul style="list-style-type: none"> • Information about material non-financial risks and key ESG topics to inform decision making • Sound corporate governance practices | <ul style="list-style-type: none"> • Annual General Meeting • Investor relations programme • Participation in investor surveys • Annual corporate reporting including the Sustainability Report and Corporate Governance Statement • Continuous disclosure to the ASX supplemented by the SEEK Company website |
| Community | <ul style="list-style-type: none"> • Responsible business practices • Compliance with the law • Payment of corporate taxes • Environmental performance | <ul style="list-style-type: none"> • Sustainability Report • Corporate Governance Statement |
| Government and regulators | <ul style="list-style-type: none"> • Compliance with the law • Engagement with regulators on relevant proposals • Payment of corporate taxes | <ul style="list-style-type: none"> • Engagement with governments on proposals affecting SEEK and the technology, employment and education sectors • Governance disclosures in the Sustainability Report • Tax Transparency Report |
| Partners, suppliers and financiers | <ul style="list-style-type: none"> • Conduct business fairly, ethically and lawfully • Communicate openly and honestly | <ul style="list-style-type: none"> • As above • Supplier Code of Conduct |



Report scope

This report addresses the business activities of SEEK in Australia and New Zealand (SEEK ANZ) which are material sustainability topics for the year ended 30 June 2020.

Investments by SEEK that are not under its operational control do not form part of the disclosures.

ESG accountability and oversight

The Board through the Audit and Risk Management Committee is responsible for oversight and management of non-financial risks. The Board approves the statement of SEEK's Principal risks and, after consideration of stakeholder expectations, approves the ESG reporting topics and this Report.

The Chief Financial Officer is accountable for sustainability reporting supported by senior management working in key areas of ESG risk, as well as employees with specialist ESG skills.

Looking to future reports

Evolving community expectations of environmental, social and governance standards for businesses will inform our approach to sustainability. In this context SEEK aspires to continually improve its sustainability performance and reporting.

Current foundations

- Increased transparency for stakeholders on sustainability issues
- Reporting based on a materiality assessment refreshed to reflect changing conditions
- Alignment to Taskforce on Climate Related Disclosure (TCFD) reporting framework
- Climate change position statement and greenhouse gas inventory

On the horizon

- Broader assessment of sustainability impacts across the global SEEK Group
- Enhanced disclosures on human rights risks in the supply chains and operations
- External verification of sustainability disclosures

This report is current as at 10 September 2020.

Data trust

Data and insights form the foundation for SEEK's products and services. As candidates share more information about themselves, SEEK is better placed to provide the most relevant career and education insights to help them to fulfil their career aspirations. For hirers, the breadth and depth of data that SEEK captures improves the efficiency and effectiveness of hiring.

To use the services on SEEK's employment platforms candidates provide their details, including employment and educational history and preferred employment location. This is used to create a candidate's SEEK Profile which provides access to customised tools, services and resources to assist them in finding a job. With the information collected from candidates comes their trust in SEEK's ability to protect their privacy and to use the data ethically and for the candidate's benefit.



SEEK Profile

SEEK Profile is a central location for candidates to provide and edit career-related information about themselves. Automated resume parsing allows candidates to easily update their SEEK Profile by uploading an existing resume. This data immediately pre-fills their SEEK Profile.

SEEK utilises this candidate information to meet candidate and hirer needs such as:

- Enabling hirers to proactively search for and connect with candidates
- Making job recommendations to candidates
- Enabling candidates to stand out to hirers with structured claims about their experience and verified credentials from Certsy
- Enabling candidates to apply for a role on the platform using their SEEK Profile, providing hirers with relevant and structured data.

The information that candidates store in their SEEK Profile can be used to create a resume for use anywhere in their working life. Candidates click "Create Resume" and, based on the information they have provided in their SEEK Profile, a professional style resume is instantly generated.

With the information collected from candidates comes their trust in SEEK's ability to protect their privacy and to use the data ethically and for the candidate's benefit.

Protecting data privacy

When candidates provide their personal information to SEEK, they expect this data will remain secure and be used appropriately. SEEK is committed to meeting these expectations and complying with privacy legislation.

SEEK's platforms display Privacy Statements explaining how personal information is collected and used, and how privacy is protected. On the SEEK jobs website this is supported by a concise plain language section titled 'My Privacy'.

Candidates create their SEEK Profile by submitting their personal information directly to the SEEK platform. Information about candidates' job seeking intentions is also collected by SEEK through analysis of their interactions with the SEEK website or app.

Candidates have control over the data they submit with access to edit or delete their SEEK Profile at any time online. Candidates can control the visibility of their SEEK Profile to hirers on SEEK's Talent Search platform, and whether they are approachable for job opportunities. They can also unsubscribe from receiving job recommendations and career advice at any time.

Some of the data collected provides career and recruitment insights for SEEK based on how candidates use the SEEK employment platforms. This is also used to improve platform performance or make business decisions. When data is used in this way it is always aggregated and anonymised.

SEEK invests heavily to protect candidate and student personal information and SEEK's networks and applications from unauthorised access. This involves a combination of technical solutions, cyber security controls and internal processes. Robust procedures are in place for external data processing and storage, in particular around Personally Identifiable Information. This is data which could reasonably be used to establish the identity of an individual to whom the data belongs. Prior to entering into any arrangement with a third party that involves sharing any PII, the terms of that arrangement are reviewed by the Legal and Security teams, and a data handling and security assessment of the third party is undertaken.

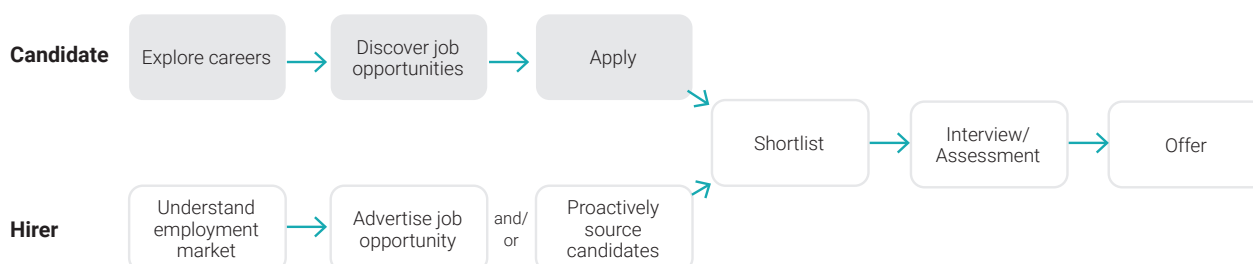
SEEK has not received any substantiated complaints regarding customer privacy or encountered any notifiable data breach under the Privacy Act 1988 (Cth) during the reporting period.

Use of data

SEEK invests heavily to understand how data and technology can lead to efficiencies or better experiences for candidates and hirers.

Data and technology, including the use of artificial intelligence, assist hirers and candidates by improving transparency and efficiency in the recruitment process. 'Talent Search' is an example, using data from candidate profiles and search algorithms to help hirers proactively source candidates who may not otherwise have applied for their role.

Recruitment process for candidates and hirers



Leveraging data and artificial intelligence

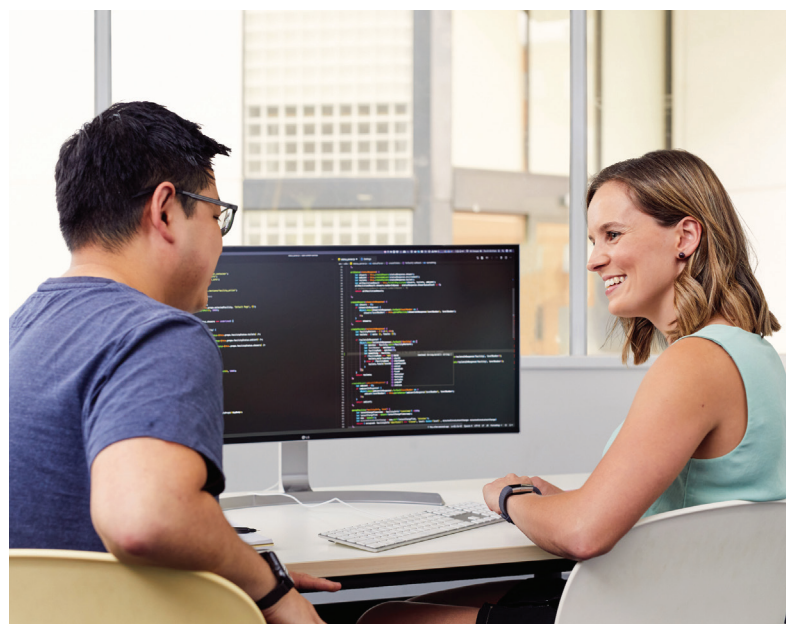
SEEK's platforms connect millions of candidates with job opportunities. Leveraging the data from these interactions through innovation and artificial intelligence techniques is a key competitive advantage, enabling SEEK to match candidates quickly with all the relevant job opportunities.

Candidates provide SEEK with information about their experience, qualifications and preferences, and hirers provide SEEK with information about their job opportunities and requirements. SEEK also collects and analyses data about candidate and hirers' interactions with the platform to better understand job seeking and recruitment preferences. This data is used in products and artificial intelligence algorithms to understand the intent of the candidate and increase the speed and accuracy of job discovery.

SEEK applies its data assets to build scalable tools, such as "role requirement" questions, to help hirers identify and sort candidates according to critical role criteria. While these products and services drive efficiency, none prevent candidates from viewing or applying for roles, being viewed by hirers, or supplant human judgement or interactions that are critical in the ultimate selection of a candidate.

Experience has shown the value that technology and artificial intelligence can deliver to employment outcomes. SEEK recognises that this brings risks and opportunities, primarily relating to bias in recruitment. Potential exists for artificial intelligence to detect and embed discriminatory bias in human behaviour. Conversely there is opportunity to remove explicit bias signals in data to generate more equitable outcomes. One example of this is the removal of names (which can often infer someone's ethnicity or gender) from resumes before they are used in models generating artificial intelligence.

SEEK has developed Trusted & Ethical Artificial Intelligence Principles to address risks associated with artificial intelligence, and a corresponding Ethical Artificial Intelligence Framework. All new artificial intelligence services are tested against this Framework before entering production and on an ongoing basis, to ensure they deliver net value for candidates and hirers, and to assess and mitigate the risk of unfair bias.



Future outlook

Expectations for data privacy and online safety motivate the business to further develop and mature controls. SEEK will continue the programme to equip employees with awareness and understanding of data privacy obligations. Continued focus on data governance reflects the importance of customer trust, particularly when using data for commercial benefit. Implementation of SEEK's Ethical Artificial Intelligence Framework will focus on preventing biased outcomes. Ongoing investment in this evolving area is aimed at ensuring complete access for all candidates to all relevant job opportunities.

Smarter Search

Search technology is constantly evolving. As it does, consumers have higher expectations about the relevance of search results returned to them.

SEEK's search engine 'Smarter Search' has improved the relevance of search results to help candidates find the right opportunities faster. Artificial intelligence and candidate behaviour are key elements. Artificial intelligence applies aggregated data from millions of searches on the SEEK platforms to improve accuracy and continually learn new patterns and trends. The Smarter Search algorithms learn which jobs have higher relevance for candidates.

Real time tracking of views and job applications identifies which roles an individual candidate prefers. Search results are personalised to the most relevant new ads for the candidate regardless of when they last searched or when a specific ad was posted. Smarter Search also responds and learns from the candidate's interactions to offer personalised recommendations for job opportunities.

Artificial intelligence enables SEEK to surface the most relevant roles for a candidate even where titles vary for similar jobs (such as 'early childhood' and 'kindergarten' teacher) or where similar titles apply to jobs across industries ('project manager' or 'architect' in the construction and information technology industries).

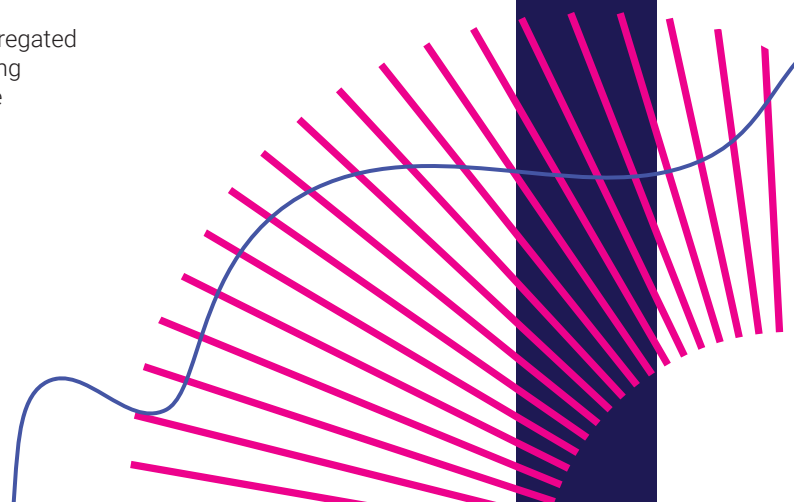
SEEK's search engine aims to make all job opportunities available to a candidate without exclusion. The job search is smarter because it delivers the most relevant results first to satisfy the candidate's intent.



Display advertising

The SEEK employment website when viewed on a desktop computer may, in addition to job advertisements, display advertisers' messages as banners. Additionally, SEEK conducts targeted advertising on websites outside of SEEK with employment or career related display advertising. In both instances SEEK's policy is that display advertising not directly supporting job advertisements must be aligned to employment or career related services, such as a hirer's recruitment campaign.

Audiences for this advertising are compiled by SEEK based on aggregated information from anonymised SEEK Profiles and candidate browsing behaviours. In compiling these audiences no personally identifiable candidate data is provided to third parties.



Cyber security

As the operator of online employment marketplaces and education services with large scale data from hirers, candidates and students, SEEK has significantly invested in cyber security.

Cyber security across systems, infrastructure and processes is a key aspect of SEEK's Risk Management Framework and is managed by an experienced Security team led by the Chief Information Security Officer. The Board through the Audit and Risk Management Committee is regularly briefed on the state of cyber security controls at SEEK.

SEEK has adopted an approach leveraging multiple frameworks to address cyber security, focused on implementing a layered defence-in-depth security programme addressing security across people, process and technology. This is aligned to the National Institute of Standards and Technology (NIST) Cyber Security Framework and supported by the SEEK Information Security Policy.

SEEK's infrastructure operates using a combination of cloud services leveraging Amazon Web Services (AWS) infrastructure and physical data centres in Australia. These facilities are physically secure, geographically separated, Tier III and ISO 27001 compliant, and are discussed further on page 62. SEEK's AWS production environment leverages a cloud-based continuous security monitoring and threat detection capability. SEEK leverages a managed security operations centre to augment internal staff capabilities and provide an additional layer of defence for 24x7 security alert monitoring and response. During FY2020 SEEK further enhanced detection and response capabilities and increased automated responses to security events through security orchestration and automation.

SEEK's security programme applies a risk-based approach to tackling current and emerging cyber security related threats and vulnerabilities. The Security team regularly assesses cyber security controls based on changes to the threat landscape and breaches affecting other organisations. Internal simulated hacking and penetration testing builds defence capability. SEEK participates in threat intelligence sharing services with private organisations and government agencies. The security researcher community is encouraged to legally attack and report security vulnerabilities in SEEK's systems and products through the ongoing public Bug Bounty programme. This allows public researchers to test applications for security weaknesses and be rewarded based on the severity of the issues found.

SEEK employees participate in security awareness training via ongoing internal phishing campaigns, training sessions educating users on the cyber threat landscape, how to report suspicious activity, best practices for staying secure and the role they play in keeping SEEK secure. During FY2020 over 300 ANZ employees undertook Hacker's Mind, a group-based virtual game. Role playing a hacker, participants aim to spot and exploit security vulnerabilities within SEEK, teams and the individual. The experience shows why individual employee behaviour plays a role in protecting customer data.



Cyber security during COVID-19

Monitoring of external attacks and the broader security threat landscape identified a significant increase in attempted cyber attacks and fraudulent activity as cyber criminals looked to capitalise on the challenges of remote working and uncertainty during the COVID-19 period. Increased focus was placed on enhanced systems monitoring, embedding awareness and integrating automated response capabilities to mitigate the risks.

Candidate security and online fraud

Employment platforms are subject to potential fraud by external parties, for example job advertisements which ask candidates for personal and financial information. Malicious cyber activity targeting individuals and organisations across Australia and New Zealand increased in early 2020 with COVID-19 themed scams and phishing emails.

A dedicated team screens the SEEK employment platform to detect suspicious job advertisements and advertisers, and immediately removes them. Every job advertisement posted by a first time hirer is reviewed in full to ensure legitimacy. Simulated candidate profiles are used to apply for fraudulent job ads to build understanding of fraudulent activity to warn and protect candidates. Using these resources, SEEK is committed to ensuring that all job advertisements on the SEEK employment platform are for legitimate job opportunities and to making job searching safe and secure.

Information is also provided to candidates on protecting themselves online from fraudulent job advertisements, phishing, trojans, scams and spam. Advice on "safe job searching" is available on the landing page of the SEEK website. Candidates are encouraged to use SEEK's free platform Certsy rather than provide sensitive personal documents with job applications.



Hirers usually verify work credentials as a pre-hiring background check. Providing sensitive documents with each job application would expose candidates to online security risks.

Certsy was created by SEEK as a secure and free way for candidates to demonstrate they hold the credentials to meet a job's requirements. With Certsy's encrypted digital passport, candidates can upload evidence to verify credentials without sharing sensitive personal documents with each hirer. The verification result is made available to hirers on their SEEK Profile. The candidate remains in control of their data and can verify the data once for multiple job applications. With access to pre-verified candidates, hirers are able to shortlist candidates more confidently.

During FY2020 Certsy expanded to four the range of verifiable work credentials: Right to Work in Australia, Australian Driver's Licence, Australian Health Practitioner Regulation Agency (AHPRA) Registration and Working with Children Check. Focus continued on security and privacy, with a range of platform upgrades and completion of robust external security audits.

Future outlook

The significant investment in cyber expertise and building employee cyber awareness is an on-going priority. SEEK will continue to build capacity to detect fraudulent activity and gain insights into the behaviour of malicious users through artificial intelligence capturing multiple data points to identify elevated risk.

Business resilience



Business continuity management is a priority for SEEK. Managing resilience across systems, infrastructure and processes is a key aspect of SEEK's Risk Management Framework which is overseen by the Group Chief Risk Officer.

The SEEK Business Continuity Plan was established in line with the requirements of ISO 22301. Four broad business continuity scenarios cover loss of IT, building, staff and critical third parties and operate in conjunction with SEEK's Crisis Management Plan. Critical technologies, business processes and third party systems are identified to be available in the event of disruption, supported by a management response plan. The disaster recovery programme ensures that systems and data services remain available or are recoverable in the case of a disaster. This is accomplished through building a robust technical environment, creating and testing disaster recovery plans, and developing back-up and restoration capabilities which are tested regularly.

The framework for business continuity is reviewed periodically by the Audit and Risk Management Committee. Business continuity testing and audits are conducted to identify areas for improvement. In FY2020 the Crisis Management Plan was tested through a simulated data breach and hacker threat scenario.

SEEK's critical services deliver around a third of job placements across Australia and New Zealand, as well as career and education related platforms. Candidates, hirers and students expect these services to be available.

Future outlook

- Strengthening of the business continuity process through improved governance and oversight of critical infrastructure suppliers.
- In the face of ever-increasing cyber threats, continuing to test disaster recovery across key SEEK and third party technologies.
- Building on the experience of COVID-19 by incorporating lessons learned into crisis scenario plans and practices to ensure preparedness.



Business continuity during COVID-19

Before the COVID-19 disruption in early 2020 SEEK had implemented hardware and controls to enable a fully remote workforce. Employees had transitioned away from desktop computers, two-factor identification was mandated for all users and additional security controls had been implemented to be effective when a device is no longer connected to the physical corporate network.

As the COVID-19 threat emerged, SEEK enacted its Business Continuity Plan. Prior to remote activation, key technology systems and business processes were identified and tested to withstand the anticipated disruption from a volume, traffic and licensing perspective. Teams and key staff were activated to operate critical business processes remotely for an extended period.

From mid-March 2020 business critical processes and systems have been successfully maintained in a remote working environment and there has been no disruption to the third party systems upon which SEEK relies. Principally comprising technology suppliers, the business critical supply chain has been relatively insulated from the immediate effects of COVID-19. Supply chain risks associated with the secondary effects of macro-economic shocks caused by the pandemic were monitored. These risks include technology infrastructure bandwidth, supplier cashflow and availability of component parts and maintenance.

The experience of COVID -19 provided the opportunity to practice achieving business continuity. The extended period of disruption has enabled real-time implementation of improvements, for example an enhanced security environment for working-from-home and business processes for remote use.

Customer experience

SEEK services both candidates and hirers as customers of the employment marketplace. SEEK's success relies on the delivery of meaningful services and positive interactions for diverse customers.

Customer satisfaction

To measure satisfaction and to understand candidates more deeply, SEEK surveys over 15,000 working Australians each year, and around 6,000 hirers.

SEEK uses the Net Promoter Score (NPS) to understand customer satisfaction. This is a common loyalty metric designed to measure propensity to recommend an organisation or brand to others. To understand hirer satisfaction, SEEK asks employers to reflect on their last two hiring occasions. To understand candidate satisfaction, SEEK undertakes research amongst Australians that have changed or started a new job in the previous 12 months, or who intend to change jobs in the next 12 months. While overall customer satisfaction is high, SEEK is committed to sourcing insights and data from customers to tailor improvements. From the multiple channels providing customer support, SEEK collates qualitative customer feedback. This is supplemented with user experience (UX) research and on-site surveys that help SEEK optimise future product design and improve the customer experience.



During COVID-19 a weekly Candidate Sentiment Monitor was introduced to collate research and insights to understand the changing work environment of customers. These insights allowed SEEK to swiftly respond to candidate and hirer needs.



Customer support

SEEK offers multiple channel options for support and to address customer concerns. Customer teams servicing the SEEK businesses in Australia and New Zealand are local. To ensure that candidates' and hirers' issues are fully addressed, SEEK's customer service team has no time targets on queries via phone, email or live chat. Customer satisfaction is measured after each interaction on email and live chat. For hirers, SEEK dedicates a support team to help them optimise their SEEK products. In FY2020, SEEK provided this support to 2000 hirers comprising 14,000 individuals. For questions or concerns about privacy of personal information, SEEK provides customers with a dedicated contact point.

Customer service teams operate with a customer service mindset, providing regular reports of customer feedback on products and processes to the operational areas of the business.

Support for bushfire impacted hirers

The 2019–20 Australian bushfire season was long and unusually intense. SEEK supported bushfire affected communities by providing commercial relief to those no longer hiring and helping active hirers. For customers whose recruiting needs were disrupted, SEEK offered credits and extended the life of expiring advertisement packs. Where hirers were actively recruiting, SEEK provided free premium job advertisements. This relief enabled hirers to focus on rebuilding their businesses and lives.

SEEK worked with the Royal Flying Doctor Service to provide free job advertisements to attract urgently needed mental health clinicians to assist people who had been impacted by the bushfires.



COVID-19 - Helping candidates

The working situation of 8 in 10 Australians was affected in the first few weeks of COVID-19. Impacts spanned job losses and reduced hours, to working remotely and increased working hours in some industries. SEEK moved quickly on a range of initiatives to help candidates navigate employment challenges.

A new search filter consolidating 'work from home' and 'remote work opportunities' was popular with jobseekers. A dedicated COVID-19 Career Advice Hub helped jobseekers navigate these challenges by providing relevant advice and tools. Underpinned by SEEK's unique data and bespoke insights, the Hub was visited by over 235,000 jobseekers.

With rapid and significant shifts in labour market needs, a range of online short courses was curated on the SEEK Learning website. This content was designed to help candidates identify in-demand industries and roles, so they could upskill and successfully transition their career.



COVID-19 – Helping hirers

Businesses and recruitment agencies were significantly impacted by COVID-19 as hiring activity reduced markedly and quickly. SEEK responded by providing relief to ANZ customers worth approximately \$11.8 million.

SEEK moved quickly to support changing customer needs caused by COVID-19 by:

- Extending pre-paid products allowing customers more time to use their advertisements
- Removing minimum monthly payments on subscription products
- Crediting advertisements that hirers no longer needed

For hirers with increased hiring needs in critical areas such as healthcare, SEEK provided free premium advertisements and access to products to speed up the candidate search process. SEEK worked closely with hirers as labour needs continued to evolve.

- **SEEK provided free premium ads to Medibank to address the immediate resourcing needs for their COVID-19 hotline service centres and supported an urgent search for mental health professionals.**
- **SEEK provided McKenzie Aged Care with access to Premium Talent Search. Through this product, the customer reached out directly to hire high quality customer service candidates who had been stood down or displaced from other well-known businesses. As a result, Customer Service Assistants were recruited, whose primary function was to enrich residents' lifestyles, for example helping them stay connected with their friends and family via technology.**

Social impact

As a market leader in online marketplaces with rich insights into the future of work, SEEK is positioned to provide expert employment and career-related advice to candidates and the wider labour market.

Leveraging the online capabilities from employment marketplaces into adjacent education businesses, SEEK is helping people at all stages of their career, not only when they are searching for a job.

Employment insights and career advice

SEEK's Career Advice portal supports candidates through the career journey by providing tailored advice and career options. Content is curated to help the candidate achieve their goal, whether they are looking to change jobs, or progress within their current role. Career Advice includes practical tips for resume writing, interviewing and workplace wellbeing. Data driven insights provide information on in-demand industries and roles, necessary skills for those roles and the salaries on offer. Career Advice helped over seven million unique candidates in FY2020.

SEEK's Hiring Advice and Market Insights portal provides hiring advice on writing an effective job advertisement, the importance of employer branding and best practice talent acquisition. Guidance is available on screening candidates, managing the interview process and workforce engagement. The portal includes SEEK Laws of Attraction - a comprehensive study of nearly 6,000 Australian candidates that helps employers discover what attracts candidates to an industry. With Market Insights employers are better positioned to attract the right candidates and retain employees of value. Through Hiring Advice and Market Insights, SEEK helped over 870,000 hirers in FY2020.

Education improving employability

Education helps people live more fulfilling and productive working lives.

Technology continues to improve the accessibility of quality education at scale. Through online platforms people can up-skill and re-skill to meet changes in labour markets. Online education is helping people adapt to rapidly changing labour markets caused by COVID-19. Companies and education providers have embraced online learning in the absence of face-to-face options, and people have more time at home for learning. In-demand offerings include short courses and micro credentials.

SEEK Learning, on the SEEK employment platform in Australia, helps individuals find the right course to progress their career by providing education insights generated from SEEK's unique data and artificial intelligence. In FY2020, SEEK Learning connected 280,000 individuals with education providers.

Online Education Services (OES) is a majority owned subsidiary of SEEK. During the year, OES helped 16,000 non-traditional students in Australia achieve their career aspirations through online education, whilst addressing skills shortages in various employment markets. To increase its impact, OES launched new higher education partnerships, invested in the student experience and increased its learning design and production service offering.

SEEK continues to invest in education businesses such as FutureLearn and Coursera, global leaders in online learning offering short courses, micro-credentials and full degrees on behalf of higher education and specialist institutions.



Providing employment insights during COVID-19

During the early stages of COVID-19 as the job market shifted rapidly, SEEK provided a weekly report to complement the monthly Employment Trends report. This provided real-time insights to media, government and industry bodies based on SEEK's visibility of candidate behaviour and job ad movements. Widely reported across national media, SEEK's unique data and insights helped the community understand the trends, challenges and opportunities facing the jobs market.



Support for the higher education sector during COVID-19

Many higher education students were impacted by the global travel restrictions during COVID-19. FutureLearn partnered with Austrade to provide free online access to a wide range of courses from leading Australian education institutions. The 'Study with Australia' campaign allowed Australian higher education institutions and English language training providers to showcase their online offering, and supported international students and their learning during international travel restrictions. By 30 June 2020 the campaign had attracted 620,000 enrolments by over 350,000 students.

Social contribution



The purpose of SEEK Volunteer is to strengthen communities through the impact of volunteering.

In FY2020, the Australian bushfires and COVID-19 saw an increase in interest in helping others by volunteering. SEEK Volunteer highlighted in-demand roles so volunteers could see where their help was most needed. People were encouraged to volunteer from home when restrictions prevented them from volunteering in person.

In FY2020, SEEK Volunteer connected more volunteers than ever before with a 30% increase in the number of individuals who applied for a volunteer opportunity. SEEK Volunteer connected over 2,500 volunteers with opportunities directly supporting the community during COVID-19.

Drawing on the experience of the successful SEEK employment platform, SEEK Volunteer is free for not-for-profit organisations to post volunteer opportunities and for individuals to access.

Individuals who have applied for a volunteer opportunity

Registered not-for-profit organisations offering volunteering

Volunteer opportunities listed as at 30 June

| | | | |
|------|---------|--------|--------|
| 2020 | 169,178 | 11,410 | 6,497* |
| 2019 | 130,256 | 10,127 | 12,910 |
| 2018 | 119,800 | 8,900 | 12,150 |

Combined Australian and New Zealand volunteer numbers. *The volume of volunteer opportunities available was impacted by COVID-19 Government restrictions in Australia and New Zealand.

Employee volunteering

Each year SEEK encourages individuals and teams to volunteer by providing employees with one day of volunteer leave. An additional five annual days of personal flexi-leave available to employees can also be used for volunteering. SEEK employees have highly sought after skills that have been offered to support not-for-profit organisations. In FY2020, SEEK employees contributed 651 hours of volunteering to the community.

To help long term unemployed people get job ready, a group of SEEK employees used their volunteer leave to help Juno Consulting conduct simulated job interviews. Acting as hirers, the skilled volunteers from SEEK provided each prospective candidate with tangible, honest feedback. The activity supported disadvantaged community members, giving them the tools to gain confidence and find meaningful employment.



Small Change workplace giving

'Small Change' is SEEK's award winning workplace giving programme. Employees participate through pre-tax donations deducted directly from their pay which SEEK matches dollar for dollar. Employees direct their donations to one of SEEK's ten partner charities. Small Change operates on an 'opt-in' basis for all employees, with over half of SEEK's full and part time workforce participating in the programme.

STREAT

SEEK's relationships with its charity partners create shared value well beyond matched workplace giving donations. STREAT, one of SEEK's Small Change charity partners, is a social enterprise that provides homeless youth with the life skills, work experience and training to start a career in the hospitality industry. SEEK made a financial commitment to STREAT to purchase 2,000 copies of a cookbook to underwrite its production. This bulk order enabled STREAT to produce the book for SEEK staff and clients and create bespoke editions for their other clients and partners.

Bushfire recovery

In support of Australian bushfire recovery, SEEK employee fundraising was matched by SEEK. In total \$24,000 was donated to BizRebuild, with the funds going to support young people from Kangaroo Island to access new education and training opportunities. The funds will help purchase textbooks and laptops for university students, purchase tools and equipment for apprentices and assist rural and regional youth to relocate to take up career opportunities.

Our People

SEEK's Purpose and Vision is lived internally and integrated across all aspects of the business. This is enabled by *This is SEEK*, the company's culture statement, which aligns the Purpose and Vision with a clearly defined set of Beliefs and Attributes. The Beliefs describe the fundamentals that are integral to success and differentiate SEEK from other companies. They guide thinking, interactions and decisions at SEEK. The Attributes describe what it takes to be successful and, combined with SEEK's Beliefs, are what SEEK's best people deliver upon every day. *This is SEEK* is the codification of the culture; how SEEK operates and defines what it means to be a high performer. This provides the right platform to recruit, reward and enable high performance.

SEEK Purpose

We help people live more fulfilling and productive working lives and help organisations succeed.

SEEK Vision

Being the best in the world in online employment by:

- Matching more people with job opportunities than any other organisation in each market in which we operate;
- Being the most trusted partner for advice on, and access to, relevant career related education.

SEEK Beliefs | At SEEK we believe in...

- Having a positive impact on society
- Focusing on business fundamentals and customer outcomes rather than short-term financials
- Always striving, challenging and remaining productively paranoid
- Doing the right thing for SEEK, not what is popular or easy
- Doing the right amount of thinking upfront
- Persevering through obstacles to get it done
- Creating a community where individuals are valued

SEEK Attributes | Our best people...

- Are passionate about SEEK and our customers
- Show great judgement and decision making ability
- Know their stuff – professional skills (for everyone) and leadership skills (for leaders)
- Deliver outcomes for SEEK

SEEK's business performance is underpinned by our people.

Inherent in *This is SEEK* is a culture of innovation, empowerment and collaboration, which manifests in various ways. Everyday examples include the continued emphasis on Agile ways of working, use of the OKR framework and bi-annual Hackathons.



OKR framework

SEEK has progressively embedded the Objectives and Key Results "OKR" framework through FY2020, using it to define and measure critical priorities for the business. The objectives capture inspirational business goals, while key results define measurable and quantifiable outcomes.

The OKR framework supports SEEK's culture of empowerment and collaboration, through providing clarity, aligning teams at the organisational level, and ensuring everyone is working towards common goals.

Hackathons

SEEK's bi-annual three-day Hackathons provide employees with opportunities to collaborate cross-functionally, through building out and testing ideas for products, customer solutions or internal innovations. Products developed during Hackathons offer potential long-term value to SEEK.

The June 2020 Hackathon was run jointly across ANZ and Asia. In light of COVID-19, this was adapted to be fully remote.

Workforce profile

At the end of FY2020, SEEK's workforce in Australia and New Zealand consisted of 1,020 employees. This reflects 2% growth compared to 30 June 2019. The majority of employees were permanent, with 8% employed on a fixed-term or casual basis.

| | 30 June 2020 | 30 June 2019 |
|----------------------------|--------------|--------------|
| Permanent employees | 941 | 913 |
| Fixed term | 74 | 76 |
| Casual | 5 | 8 |
| Total | 1,020 | 997 |

Attraction and retention

This is SEEK plays a central role in building a high performance culture and attracting and retaining talent within the highly competitive technology industry. SEEK has a robust recruitment process and the *This is SEEK* framework forms a core part of how potential new employees are evaluated.

SEEK continues to evolve its talent acquisition practices to support the attraction and retention of top talent. A new Applicant Tracking System is being implemented to improve the recruitment experience for candidates, hiring managers and the HR team alike. This new technology will support the end-to-end talent acquisition process, driving greater efficiencies and insights through data capture and reporting.

SEEK retained 89% of permanent employees in FY2020, which is well above industry norms. This is testament to the inclusive work environment and the people-first culture which the company strives to achieve.

Career and talent development

Regular *This is SEEK* performance conversations ensure every employee knows how they are performing. Performance is measured against agreed outcomes specific to an individual's role and the SEEK Attributes, which outline performance expectations from a behavioural perspective.

In FY2020 there has been a continued focus on career development at SEEK. Building on the work done in FY2019 with employees, the emphasis this past year has been on strengthening leader capability, ensuring they have the tools, resources and skills to support their team members to navigate their careers. Alongside this, there continues to be bespoke learning and development initiatives, covering topics such as Gallup strengths, coaching and leading change.

The continued growth and increased global reach of SEEK has created a greater need to invest in leadership capability building for SEEK senior leaders. A multi-stream approach has been adopted, with development programmes in play for both ANZ people leaders and Executive Top 60 leaders globally. Alongside these development initiatives, there is a bi-annual talent and succession management cycle. This provides strong understanding of SEEK's leadership profile and proactive management of highest potential employees and related key person risk.

Employee satisfaction and engagement

SEEK maintains its focus on strong employee engagement. Measurement has evolved from a twice-yearly full engagement survey to one full survey and one check-in. This enables a six-monthly sense check of engagement and progress for identified focus areas, whilst allowing a year between full surveys to assess more meaningful changes.

The check-in results in October 2019 were consistent with previous years. The overall engagement score was within the top quartile and significantly higher than the average of other large technology companies and companies across Oceania, when compared to Culture Amp benchmarks. The FY2020 full survey was repurposed to focus specifically on COVID-19.



Employee benefits

Financial benefits for permanent employees comprise an annual Profit Share opportunity, an employee share purchase plan, salary continuance insurance and travel insurance. In line with legal obligations, employees also are also paid statutory superannuation to the superannuation or pension fund of their choice.

Alongside this, employees are offered flexible working arrangements, generous leave provisions and programmes to support physical and mental wellbeing. Employees also have access to vehicle salary packaging and various offers related to items such as health insurance, fitness and food, travel and accommodation.

Workplace flexibility

SEEK is committed to creating a flexible work environment, that balances the needs of the individual, the leader, the team and the organisation. Flexibility is important in helping employees balance work with caring responsibilities, community involvement and personal development, and allows individuals to meet their personal lifestyle needs.

Generous leave provisions underpin this culture of flexibility. SEEK offers 'Personal Flexi-Leave', which provides employees with five days paid leave per year to attend to personal responsibilities outside of work. Employees are also provided with up to six weeks paid Carer's Leave, in addition to the statutory entitlement.

SEEK offers 14 weeks paid parental leave for the primary carer and two weeks paid partner leave. Employees can take parental leave up to 18 months after their child is born, encouraging each parent to be with the child as primary carer. This initiative is driving greater gender balance in the taking of paid parental leave. Enabling parents to alternate the role of primary carer after 12 months also helps the parent who was initially the nominated primary carer to transition back to work. Specialist coaching services are provided by SEEK to support the employee and manager with the transition prior to leave, during leave and when returning to the workplace. During FY2020, 75 employees were on parental leave as the primary carer, comprising 73% females and 27% males. In addition to this, 21 employees took paid partner leave during the financial year.

Workplace behaviours

Workplace Behaviour Guidelines clarify the standards and expectations of people at SEEK when making decisions and behaving at work. These guidelines sit alongside SEEK's Code of Conduct for Employees and, together with *This is SEEK*, clearly prescribe the behavioural expectations of employees. Clearly defined expectations of employee conduct are important in upholding and strengthening SEEK's workplace culture and the success of the business.

Expected workplace behaviours are covered as part of a day-long induction for new employees, where they learn about *This is SEEK* and the business and meet senior leaders. To further build understanding of the expected behaviours, employees are required to complete mandatory online training modules on commencement at SEEK then every two years. The modules comprise Anti-Bribery and Anti-Corruption, Equal Employment Opportunity and Workplace Health and Safety with completion rates closely monitored. Compliance training was refreshed in February 2020.

Collective agreements and freedom of association

Collective agreements are not customary in SEEK's industry as employees are engaged under individual contracts. Employment contracts and conditions are designed to attract and retain high performing talent. SEEK employees are not restricted in their entitlement to freedom of association.



Retention of employees who took parental leave was strong. Of the 75 employees on parental leave and due to return to work in FY2020, only two resigned, which is a return rate of

97%

Support for employees during COVID-19



The health and wellbeing of SEEK's people was the most significant priority in the face of the COVID-19 pandemic. This principle underpinned the various measures taken, across the spectrum of employee safety, communication and engagement, leader and employee support and cost management.

Measures to protect employees and manage the perceived risks commenced with international travel restrictions applying from January 2020. As the situation evolved, this progressed to deep cleaning and sanitisation of workspaces and then to the closure of all offices, with mandated working from home.

A strong focus on communication and engagement was central to demonstrating care for employees. Extensive communication activity was delivered across multiple channels, underpinned by principles of transparency and frequency. Regular live 'All Staff' meetings allowed SEEK's CEO and Executive leaders to convey key messages and respond to employee questions in the moment. Leadership visibility and accessibility helped to educate and align people around the key business challenges, as well as provide a sense of calm and stability.

SEEK was also proactive in its promotion of employee wellbeing. Various support initiatives were offered, based on the mental health and wellbeing issues exacerbated through COVID-19, including anxiety and social isolation. Members of the Human Resources team were also upskilled to support cases of domestic and family abuse.

In response to the temporary shift to remote schooling, SEEK developed guidelines encouraging impacted employees to use a combination of existing flexible working and generous leave provisions. This has allowed employees to balance work with their home-schooling responsibilities.

SEEK's care for people was also demonstrated in its approach to discretionary cost management. Decisions were based on transparent principles, including:

- Preserving SEEK's long-term approach to business fundamentals and company culture;
- Prioritising the ongoing employment of permanent employees;
- Treating people with respect and communicating management decisions clearly.

Despite the impact of COVID-19 on SEEK's core business, permanent employee job roles across SEEK ANZ have been maintained, with no reductions to salaries or working hours.

As evidenced by the COVID-19 employee survey conducted three months into the pandemic, overwhelmingly employees valued the way SEEK responded and managed through this uncertain time. They reported feeling cared for and supported by SEEK and by their leaders, and expressed appreciation for the prioritisation of employee wellbeing.

As at the date of this report, various restrictions remained in place across SEEK ANZ, with employees continuing to work from home. SEEK continues to support its employees through this challenging period and facilitate office re-openings, when it is safe to do so.

Workplace health and safety

Through the promotion and support of a wide range of health and safety initiatives, SEEK maintained a strong safety record.



Through the Wellbeing at SEEK programme, employees are supported to actively foster their health and wellbeing. The following initiatives are examples of ongoing offerings:

- Annual Wellbeing Week, involving speakers and sessions on financial wellbeing, relationships, nutrition, exercise and mindfulness
- SEEKer Support programme, which enables employees to access professional counselling services via an employee assistance programme provider or a counsellor of their choice
- Regular leader and employee workshops, as well as online courses, covering a range of wellbeing-related topics.

Safety performance

SEEK continued its commitment to ensuring the health and safety of its employees, contractors and visitors at work and conducted its business in accordance with all workplace health and safety laws, standards and codes of practice. Through the promotion and support of a wide range of health and safety initiatives, SEEK maintained a strong safety record with only one lost time injury in the financial year.

| | FY2020 | FY2019 |
|----------------------------------------------------------------|--------|--------|
| Lost time injury frequency rate* (per million hours worked) | 0.5 | 0 |
| Lost time injury incident rate (per 100 employees) | 0.1 | 0 |
| Number of Workcover claims | 1 | 0 |

*Where the following day could not be worked due to injury

Diversity and inclusion

SEEK is committed to an inclusive culture which values diversity of thought, opinion and background, and where its employees are provided with equal access to opportunities.

SEEK recognises and respects qualities which are unique to individuals such as gender, language, ethnicity, age, religion, disability and sexual orientation. In this environment people feel they can bring their true selves to work. SEEK believes in treating all people with dignity and respect.

Underpinning this is SEEK's Diversity and Inclusion Policy, which is available on the Corporate Governance page in the Investors section of the Company's website.

SEEK's Wellbeing, Diversity and Inclusion Strategy outlines the objectives and priority areas, which centre around gender diversity, workplace inclusion and wellbeing. A key initiative under the banner of workplace inclusion was SEEK's sponsorship of Midsumma, Melbourne's premier LGBTIQA+ community event, for the sixth consecutive year. In the wellbeing space, a highlight was Wellbeing Week, which was celebrated at SEEK in October 2019 to coincide with World Mental Health Day.



Gender diversity – a balanced workplace

SEEK recognises that achieving diversity, in all its forms, is important for an innovative and high performing business. The organisation has a specific focus on gender diversity and striving to achieve a workforce composition that is reflective of its customer base. There are unique challenges in striving for gender balance, given significant under representation of women in professional roles in the technology industry.

Achieving gender balance in hiring

Measurable Objective FY2020: Hiring decision based on both suitability for role and gender diversity across teams.

SEEK places great importance on balanced representation throughout the recruitment process. In FY2020, continued focus on gender diversity resulted in a 2% increase in overall female new hires.

Achieving gender balance in hiring outcomes is particularly challenging for technology roles. Whilst gender imbalance continues, proactive focus is resulting in improvement. In FY2020, females accounted for 40% of external hires in Artificial Intelligence and Platform Services (+17% increase from FY2019) and 42% of external hires in Engineering (no prior year comparison due to an organisational restructure). These are SEEK's two most technical functional teams, where under-representation of female candidates is most prominent in the external market.

| | FY2020 | FY2019 |
|---------------------------------------------|--------|--------|
| Female new hires, as a % of total new hires | 44% | 42% |



Female representation at SEEK

There are multiple dynamics which influence SEEK's workforce composition. Despite the positive shift in proportion of female hires, overall female representation across the total workforce declined slightly in FY2020.

The decline in female representation of Executives and Senior Managers is reflective of an increased female voluntary attrition rate in FY2020. In previous years, the female voluntary attrition rate was proportionately lower than for male employees, whereas in FY2020, it was in line with workforce representation.

| Female Representation % | 30 June 2020 | 30 June 2019 |
|--------------------------------------------------------------|--------------|--------------|
| Group Executives of SEEK Limited - direct reports to the CEO | 17% | 17% |
| Executives and senior managers* | 23% | 28% |
| Workforce - all employees | 45% | 46% |

*This is defined based on job title, level and seniority attributed to role, as per information captured in SEEK's HR Information System.

Gender pay equity

Measurable Objective FY2020: Maintain principles of gender pay equity.

SEEK is committed to ensuring gender pay equity across all levels for comparable roles. In Australia and New Zealand there are robust processes to ensure equitable pay outcomes are achieved for similar roles, regardless of gender. These include:

- Transparency of remuneration policies and practices
- Leader education about potential gender bias
- Detailed gender pay reporting regarding salary review outcomes
- Utilising both internal and external remuneration data when hiring external talent

Each year SEEK undertakes detailed analysis of potential gender pay gaps across its ANZ business. Accordingly in FY2020, SEEK undertook a pay parity analysis to ascertain any gender pay gaps between those performing like-for-like roles. Most of the differences could be explained by factors unrelated to gender and no systemic issues were identified. A separate analysis of salary increases as part of the annual salary review in early FY2020 found no statistically significant differences in the increases proposed for males and females, relative to the recommended annual increase for their roles. SEEK is confident that through education of leaders and by monitoring pay decisions during the critical points in the lifecycle of an employee, the risk of gender pay inequity in decision making remains low.

Overall, any gender pay differentials tend to reflect under-representation of females in higher paying technical and senior roles, rather than genuine inequities in pay for like-for-like roles. This reinforces the need to focus on improving gender balance within higher paid roles, rather than specific concerns related to pay inequity within roles.

Increasing female participation in senior roles

The third Females at SEEK Thrive (FAST) programme was delivered through FY2020, involving 26 participants. This year-long programme is a tailored development initiative designed for SEEK, which aims to increase female participation within senior roles by investing in high performing women and fostering their individual career progression. The success of this programme is measured by the career velocity of the individual women and an increase in the pipeline of future women leaders at SEEK.

Improving the talent pipeline through long-term investment in female talent

The focus on building a pipeline of female talent remains an important part of SEEK's strategy, as evidenced by the 2020 Graduate Programme campaign. Reflecting the concerted efforts made around gender balance, five of the six graduate Software Developers hired were female. Other initiatives focused on building the pipeline include:

CAMP SEEK

The aim of Camp SEEK is to engage girls aged 14 to 16, introducing them to the variety of careers available within the technology industry and to female role models. This programme, free to participants, is run during the September school holidays at the SEEK head office in Melbourne. In FY2020, 35 girls and non-binary young people took part.

haXX

haXX is an ethical hacking training programme for women interested in the technical security field and wanting to build foundational expertise. Led by one of SEEK's female cyber security experts, this forms part of SEEK's outreach programme to support women in technology. A series of evening classes is open to both SEEK employees and members of the public. The programme was delivered for the second time in FY2020, with the latest course focused on reverse engineering and malware analysis.

ENVIRONMENT

Climate change

There are significant and well-publicised risks associated with climate change and global warming.

The Board has considered the effect of the physical risks to SEEK of climate change, in particular the overall increase in the frequency and severity of weather events, reliability of power supplies and flooding. It has also assessed the indirect risks of the transition to a lower-carbon economy.

The SEEK business predominantly operates online employment marketplaces and is not currently directly affected by the physical impacts of climate change.

The transition to a lower-carbon economy required to contain climate change will involve social, market and physical adjustments and potential regulatory responses.

SEEK's energy use and greenhouse gas emissions are generated by business travel, offices and data centres. Through measuring and striving to reduce energy use and emissions, SEEK aims to reduce its impact on climate change.

These will affect global and Australian economies, and with this the employment markets in which SEEK operates. Impacts on macroeconomic performance, and therefore hirers' and job seekers' engagement with SEEK, will involve a range of unpredictable factors. These include timeframes and the geographic spread of economic impacts, and the effectiveness of policy or regulatory intervention which may mitigate the economic impact in Australia and other countries in which SEEK operates.

Accordingly, while climate change is an emerging risk for SEEK, it is not currently a material business risk in the context of the financial statements. Climate-related risks will receive continued assessment by the Board.



Minimising environmental impact

SEEK's offices are managed with a commitment to minimising waste and energy use. Continual improvements have minimised energy use from lighting, air conditioning and printing. During early 2020 significant upgrades to 'end of trip' facilities at the head office in Melbourne were implemented to encourage and facilitate bike commuting. SEEK continues to widely implement technologies to connect SEEK offices, partners and service providers which assists with reducing business travel.

Since 2006 SEEK's head office in Melbourne has worked with a cleaning company dedicated to "green cleaning" using GECA certified cleaning products. This avoids the residual and airborne toxic substances left behind from common chemicals generally used in office cleaning.

With the aim of minimising waste, SEEK has a programme for the disposal of electronic hardware which can no longer be deployed within the business. Once any data is removed, hardware is either offered to employees at market value or provided to a charity for use within their organisation. Hardware which is not in a useable condition is securely disposed through certified e-waste providers.



Meeting areas in Melbourne which are enabled for remote and international team communication was increased in late 2019 from

23% to 77%

Energy consumption and emissions

SEEK measures and discloses its energy consumption and greenhouse gas emissions associated with its activities in Australia and New Zealand.

Greenhouse gas emissions by scope SEEK Australia and New Zealand operations

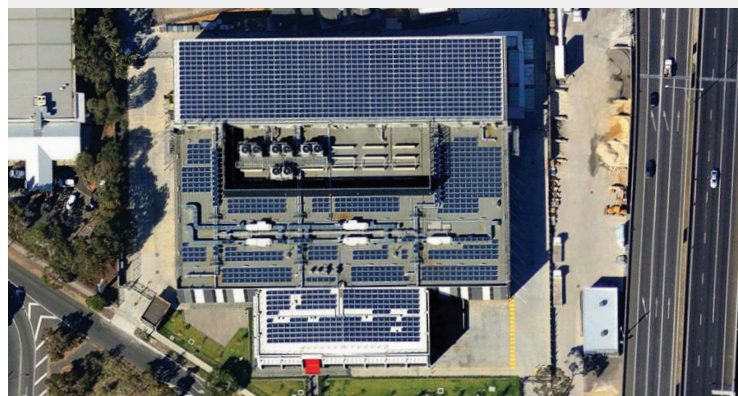
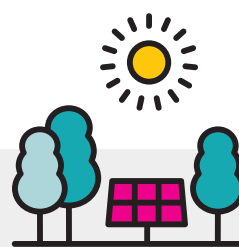
| (tonnes CO ₂ -equivalent) | FY2020 | FY2019 |
|-----------------------------------------|--------------|--------------|
| Scope 1 - direct emissions | 0 | 0 |
| Scope 2 - electricity-related emissions | 1,141 | 1,305 |
| Scope 3 - indirect emissions | 6,329 | 7,385 |
| Total emissions | 7,470 | 8,690 |

Energy consumption SEEK Australia and New Zealand operations

| (GJ) | FY2020 | FY2019 |
|---------------------------------|---------------|---------------|
| Electricity (offices) | 4,231 | 4,922 |
| Energy (via purchased services) | 24,704 | 31,811 |
| Total energy consumption | 28,935 | 36,733 |

Notes

- Scope 1 emissions are direct emissions from operations that are owned or controlled by the reporting entity. SEEK does not have operational control over any activities that result in material scope 1 emissions.
- Scope 2 emissions are indirect emissions from the purchased electricity consumed by the reporting entity.
- Scope 3 emissions are indirect emissions (not included in scope 2) that occur in the value chain of the reporting entity including both upstream and downstream emissions. SEEK's Scope 3 emissions include: business travel (flights and taxis), base-building services (electricity and natural gas), waste generated in activities, purchased goods and services (primarily data services), employee commuting, embodied carbon in capital goods (IT equipment), and full fuel cycle emissions for fossil fuels and electricity consumed.
- Data includes SEEK Limited subsidiaries OES, JobAdder and Sidekicker.
- Energy (via purchased services) includes business travel (flights and taxis), base-building services (electricity and natural gas) and purchased data services.
- The corporate reporting protocol adopted by SEEK is the World Business Council for Sustainable Development Greenhouse Gas Protocol based on the company's operational control of its sites. Reference has also been made to Australia's National Carbon Offset Standards.
- The methodology (energy and emission factors) used for estimating Scope 1, 2 and 3 emission sources is from Australia's National Greenhouse Accounts (NGA) unless otherwise specified. Emissions estimates for flights were provided by the flight service provider and follows the UK BIES methodology.
- The SEEK Group falls below the threshold for National Greenhouse and Energy Reporting (NGER) mandatory annual reporting.



SEEK uses NEXTDC M1 Melbourne data centre which has a 400kW solar rooftop array.

Data centres

SEEK's data is predominantly stored in cloud-based platforms and also at dedicated external data centres in major Australian cities. Cloud-based data storage uses fewer servers and less power resulting in lower carbon emissions compared with data centres. Sharing common commercial data centres achieves energy efficiencies compared with in-house data centres. During FY2020 SEEK further reduced external data centres to three and increased the proportion of cloud-based data.

Cloud and off site data centres help mitigate SEEK's business continuity risks by providing the excess capacity necessary to ensure agreed power, temperature and humidity levels are met, even during an energy outage or heatwave. Atmospheric controlling and powering at these data centres is a significant use of energy attributed to SEEK.

Where possible, SEEK selects data centres which are pro-active in reducing energy consumption and dependence on non-renewable energy sources. SEEK utilises NEXTDC's M1 data centre in Melbourne which has a 5 star NABERS rating for energy efficiency. NEXTDC's operations have a low Power Usage Effectiveness (PUE) rating of 1.35 where the ideal ratio is 1.00 and the industry average is 1.70.

Future outlook

SEEK continues to build on its progress to understand climate-related risks to the business and minimise the environmental impacts of the business operations. Continued focus on these issues will include:

- Measuring and monitoring Greenhouse Gas emissions
- Monitoring exposure to climate change risks for the business and investments
- Developing a roadmap for minimising the environmental impact of its activities, including minimising consumption of goods and services, energy and water

GOVERNANCE

SEEK's Corporate Governance Statement follows on page 65. In addition on the SEEK Company website in the Corporate Governance section are Board charters and key policies that underpin SEEK's corporate governance practices.

Promoting responsible and ethical business practices

SEEK is committed to conducting business in an honest, ethical and accountable way. Through *This is SEEK* the Company's Purpose and Vision are aligned with a clearly defined set of Beliefs and Attributes. Together, these reflect SEEK's values, codify its culture, and reinforce the desired behaviours and ways of working at SEEK. *This is SEEK* is described on page 54.

Code of conduct

SEEK's Code of Conduct for Employees establishes a standard of performance, behaviour, professionalism and integrity for employees, contractors and directors with respect to their conduct. Workplace Behaviour Guidelines sit alongside the Code of Conduct and, together with *This is SEEK*, set out the standards of expected behaviour for employees.

Whistleblower protection

A revised SEEK Group Whistleblower Protection Policy which complies with the whistleblower legal regime in Australia took effect on 1 January 2020. The policy encourages employees and stakeholders to report concerns of wrongdoing, explains how to speak up, what protections a person who reports wrongdoing will receive and SEEK's processes for dealing with reports of wrongdoing. A new independent channel for whistleblower reports in Australia was established through Deloitte Halo. This enables SEEK to protect the confidentiality of a whistleblower report and the reporter's identity.

The Board through the Audit and Risk Management Committee receives regular updates on any matters reported through SEEK's whistleblower channels.

Anti-bribery and corruption

SEEK is committed to conducting business in compliance with all applicable anti-bribery and anti-corruption laws in all countries in which the Group operates.

The SEEK Group Anti-Bribery and Anti-Corruption Policy sets out the Group's requirements in relation to interactions with officials and third parties, and is supplemented by the SEEK Group Gifts and Entertainment Policy. Awareness and understanding of the policy requirements are promoted through mandatory employee training.

Reporting of suspected breaches of the policy is encouraged, including through the whistleblower channels. Compliance officers have been appointed across the SEEK business. Any material violation of the policy would be reported to the Board through the Audit and Risk Management Committee.

SEEK is committed to conducting business in an honest, ethical and accountable way.

Modern slavery

SEEK's Purpose is to help people live more fulfilling and productive working lives and help organisations succeed. Given this context, SEEK is opposed to slavery in all forms.

SEEK's employment platforms in Australia and New Zealand advertised the largest pool of unique job advertisements for over 145,000 unique hirers during FY2020, and many more across SEEK's Asian and Latin American businesses. SEEK acknowledges its role and responsibility to safeguard against the risk of modern slavery in advertising job opportunities which could be deceptive recruiting for forced or bonded labour including human trafficking. SEEK applies significant resources to ensure that all job advertisements on the employment platforms are for legitimate job opportunities and removes any which are suspicious.

During FY2020 SEEK assessed the risks that jobs advertised on employment platforms across the SEEK Group may be linked to modern slavery practices. This assessment resulted in analysis of the employment websites JobStreet, Workabroad and Seaman Jobsite in the Philippines. Outcomes of the risk assessment will be reported in the FY2020 SEEK Group Modern Slavery Statement, together with the actions to assess and address modern slavery risks in SEEK's supply chains.



Procurement and supply chain

SEEK aims to partner with suppliers that demonstrate responsible practices and deliver value. Suppliers are asked to comply with SEEK's Supplier Code of Conduct, introduced during FY2020, which establishes minimum expectations that suppliers:

- Conduct business in an honest, ethical and accountable way;
- Respect peoples' rights to live and work free from oppression, duress or fear of physical, mental or financial harm;
- Comply with legal, regulatory and reporting obligations to protect the environment and the health of nearby communities; and
- Offer equal opportunities to all community groups and treat all people fairly and with respect.

Under SEEK's Procurement Policy, SEEK conducts analysis of supplier risks including modern slavery, data security and data protection. During FY2021 SEEK will continue to perform and enhance analysis for new and legacy suppliers.

Insider trading prohibitions

The purpose of the Share Trading Policy is to ensure that officers and employees of SEEK have a clear understanding of insider trading laws and the rules that apply to them and to their associates in relation to dealing in SEEK securities.

Under the Share Trading Policy, officers and employees are prohibited from dealing in SEEK securities if they are in possession of inside information. Additional dealing restrictions apply to directors, executives and other SEEK employees who may be exposed to inside information. These people are not permitted to deal in SEEK securities during defined blackout periods, and must obtain clearance to deal at other times.

Competition and consumer law compliance

Competition laws are designed to promote and maintain market competition by regulating anti-competitive conduct. Consumer laws set general standards of business conduct and prohibit unfair trading. SEEK participates lawfully and ethically in all market competitive activities and observes consumer protection laws.

SEEK's Legal team is responsible for advising, monitoring and reporting on competition and consumer law compliance.

Taxation transparency

SEEK releases an annual Tax Transparency Report detailing the tax strategy, governance and tax contributions made during the year to global revenue authorities, including the Australian Taxation Office. The information is provided on a voluntary basis in accordance with the recommendations and guidelines contained in the Voluntary Tax Transparency Code released by the Australian Government.

CORPORATE GOVERNANCE STATEMENT

The Board of SEEK considers that high standards of corporate governance are a cornerstone to creating long-term and sustainable shareholder value, ensuring that the workplace is fair, equitable and respectful of its employees, and protecting the interests of other stakeholders. The Board is committed to fulfilling its corporate governance responsibilities in the best interests of SEEK and its stakeholders.

This statement describes the principal governance arrangements which operated across SEEK Limited ('SEEK', 'Company' or 'Group') during FY2020 to ensure effective decision-making and accountability. The fourth edition of the ASX Corporate Governance Principles and Recommendations ('ASX Recommendations') has been fully reflected in SEEK's governance throughout FY2020.

This Corporate Governance Statement has been approved by the Board and is current as at 16 September 2020.

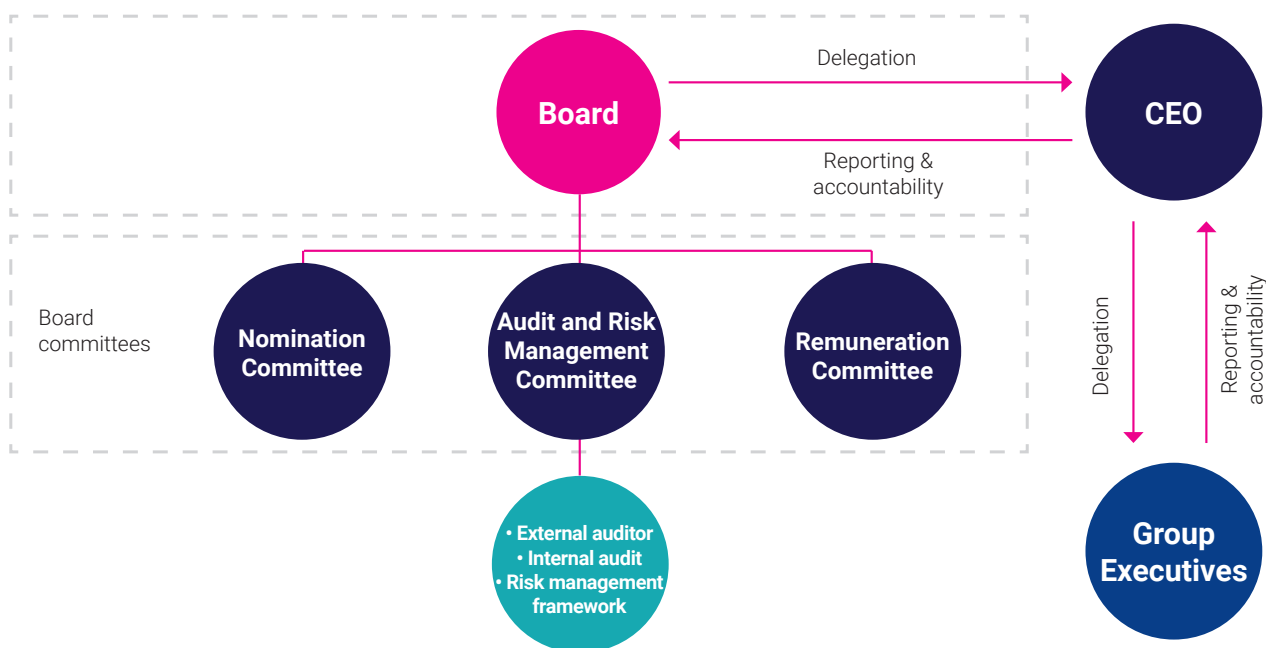
Corporate governance policies and charters

SEEK maintains a Corporate Governance section on the Company website making available the governance policies, Code of Conduct and the Board and Committee charters referred to in this statement. This is located in the Investors section and can be accessed at <https://www.seek.com.au/about/investors/corporate-governance/>

Board of Directors

| Director | Position and independence | Appointment as director |
|------------------------|-------------------------------------------------------------------------------------|-------------------------|
| Graham Goldsmith | Chairman since January 2019 Independent Non-Executive Director | October 2012 |
| Andrew Bassat | Managing Director, CEO and Co-Founder of SEEK Non independent Executive Director | September 1997 |
| Julie Fahey | Independent Non-Executive Director | July 2014 |
| Leigh Jasper | Independent Non-Executive Director | April 2019 |
| Michael Wachtel | Independent Non-Executive Director | September 2018 |
| Vanessa Wallace | Independent Non-Executive Director | March 2017 |
| Former director | | |
| Denise Bradley | Independent Non-Executive Director until her passing in March 2020. | February 2010 |

Board structure



Role of Board

The Board is accountable to shareholders for the performance of SEEK. The Board meets regularly to review SEEK's performance and progress against its strategic direction and business plans. It approves and monitors capital management including major capital expenditure, acquisitions and divestments. The Board also ensures the Group has in place appropriate internal controls, corporate reporting systems and risk management. The Board is responsible for the evaluation of the performance of the CEO, establishment and review of his remuneration and ensuring succession plans for key executive roles are in place.

The Board operates in accordance with the SEEK Board Charter which sets out the functions reserved to the Board and its key responsibilities. The Board reviews the Board Charter periodically to ensure it remains consistent with the Board's objectives.

The Board Charter delegates authority to the CEO for management of the Company, subject to established financial and other limitations. The CEO has overall responsibility for the operational, financial and business performance of the Group, and manages the organisation.

In accordance with its Charter the Board has established standards encouraging responsible and ethical behaviour for all SEEK employees, officers and directors including the Code of Conduct, Whistleblower Protection Policy and Anti-Bribery and Anti-Corruption Policy.

This is SEEK is the Company's culture statement, which aligns SEEK's Purpose and Vision with a clearly defined set of Beliefs and Attributes. A summary can be found on page 54 of the Annual Report.

Chairman

Graham Goldsmith became Chairman in January 2019 having served for six years on the Board and as Chairman of the Audit and Risk Management Committee. He is an independent director and devotes significant time to his chairmanship. The Board Charter describes his responsibilities which involve working closely with the CEO as the primary link between the Board and management. He leads the Board in discharging its responsibilities, and is supported by the Company Secretary in ensuring effective Board meetings.

Company Secretary

The Company Secretary is Lynne Jensen who is accountable directly to the Board, through the Chairman, on all matters to do with corporate governance and the proper functioning of the Board. Each director has access to advice and support of the Company Secretary.

Board committees

The Board has established three standing committees which provide efficient and effective mechanisms to focus on key areas of Board responsibility. On occasion the Board has also established ad hoc committees to provide specific oversight of time-critical matters, for example finalisation of the statutory financial reports.

| Committee | Membership | Key roles and responsibilities |
|--------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit and Risk Management Committee | Michael Wachtel (Chairman) Julie Fahey Graham Goldsmith Vanessa Wallace | The Committee supports the Board by: <ul style="list-style-type: none"> • reviewing and recommending the statutory financial reports; • making recommendations in relation to the Group's accounting and financial controls; • recommending the appointment, of the external auditor, and assessing the provision of non-audit services and external auditor independence; • reviewing the internal audit plan, reporting on significant findings, management's actions to remediate findings and the adequacy of the Group's processes for managing risk; • reviewing and recommending the Risk Management Framework and risk appetite statements, monitoring the Group's risk management against the Risk Management Framework and overseeing the insurance programme; • reviewing the Group's key risks and controls and mitigation measures to deal with those risks; • receiving periodic reports from management on the operation of the Whistleblower Protection Policy and Anti-Bribery and Anti-Corruption Policy. |
| Remuneration Committee | Graham Goldsmith (Chairman) Leigh Jasper Vanessa Wallace | The Committee supports the Board by reviewing and recommending: <ul style="list-style-type: none"> • SEEK's remuneration strategy, framework and design; • allocation of the pool of non-executive director fees; • the remuneration structure, outcomes and termination arrangements for the CEO and the Group Executive; • the design of equity-based plans; and • SEEK's Diversity and Inclusion Policy, gender pay equity, diversity measurable objectives and annual progress against these objectives. |
| Nomination Committee | Graham Goldsmith (Chairman) All other Non-Executive Directors | The Committee supports the Board by: <ul style="list-style-type: none"> • reviewing the size, and composition of the Board and its Committees; • reviewing director succession and recommending the selection and appointment of new directors and retirement and re-election; • developing and implementing the process for evaluating Board, Chair of the Board and individual director performance; and • ensuring there is a director induction and professional development for the Board. |

Committee composition

- Members are all independent non-executive directors.
- Minimum of three members.
- Chaired by an independent director. The Audit and Risk Management Committee Chair may not be the Chair of the Board.
- The relevant financial qualifications and experience of the members of the Audit and Risk Management Committee are set out on pages 18-19 of the Annual Report.

The number of times each Committee met during the reporting period and the individual attendances of the members at those meetings is set out on page 20 of the Annual Report.

Board composition

In determining the composition of the Board, the directors consider the size of the Board by reference to the Constitution and Board Charter, the needs of the Company for director skills and experience and orderly succession planning.

Currently the Board comprises five non-executive directors and a managing director. All the non-executive directors of SEEK are independent, and regularly confer as a group without management present. Andrew Bassat as the Managing Director, CEO and Co-Founder of SEEK, is an executive director and is the only director not considered independent.

Board skills matrix

The skills and experience of SEEK's non-executive directors reflect the Group's principal activities globally. In assessing its skills mix and identifying any gaps in its collective skills, the Board applies a skills matrix. The results of the most recent survey assessing the Board's collective skills and experience is shown in the matrix below. The criteria each individual non-executive director meets to be considered to have the skill is a rating of 'experienced or competent' or 'expert or significant operational experience'.

The Board is in the process of appointing an additional director to supplement the current mix of skills of SEEK's non-executive directors and bring experience in the education sector. Board renewal will continue, as opportunity arises through vacancies, to add directors to assist the Board to address existing and emerging business and governance issues in SEEK's growth markets.

| Skill area | Description | Number of non-executive directors with these skills | | | | |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| Information technology/Digital | Technology industry, digital platform, e-commerce, technology strategy, technology infrastructure, information monetisation, digital disruption | ● | ● | ● | ● | ● |
| Education and employment | Higher education, online education, education policy, employment policy, recruitment and employment related industries | ● | ● | | | |
| Customer and marketing | Key relationships with customer base and industry participants; customer marketing strategies, consumer marketing, business development | ● | ● | ● | ● | |
| Executive/Senior management leadership | Senior executive level role in an organisation of similar scale | ● | ● | ● | ● | ● |
| Listed company governance | Non-executive directorship or CEO of a listed company, related shareholder and investor relationships and corporate governance | ● | ● | ● | ● | ● |
| Financial acumen and risk management | Assessment of financial performance of significant businesses, financial accounting and reporting, audit, oversight of risk management and internal controls | ● | ● | ● | ● | ● |
| Business mergers and acquisitions | Mergers and acquisitions and business integration | ● | ● | ● | ● | |
| Corporate finance | Capital management; debt and equity raising | ● | ● | ● | ● | |
| Global perspective | Exposure to or responsibility for international operations or global markets | ● | ● | ● | ● | ● |
| Strategy and innovation | Developing strategic business objectives, execution of strategy, business transformation, driving long term change and growth | ● | ● | ● | ● | ● |

Board diversity

SEEK is committed to an inclusive culture that values diversity. This is reflected in the Board's considerations on its composition which extends beyond ensuring the directors bring the right skills and experience for SEEK's current business and emerging challenges. Diversity of background and experiences brings different perspectives and thought which enhances decision-making.

The Board reflects gender balance, a broad tenure and age range, and diverse educational and geographic backgrounds.

Measurable objectives

The SEEK Board intends to maintain the level of female directors at or above 30%. The Board of six directors including the CEO is comparatively small, and one change of director can affect the gender balance considerably.

The measurable objectives established by the Board pursuant to SEEK's Diversity and Inclusion Policy for achieving gender diversity in the composition of senior executives and the workforce generally and its progress towards achieving those objectives is described in the 'Diversity and inclusion' section of the Sustainability Report on pages 59-60 of the Annual Report, together with the respective proportions of women and men in executive and senior manager positions and across the whole workforce.



33%

Female directors of
SEEK Limited



46-65 years

Age range of directors



50%

Directors have obtained
higher education
qualifications outside
Australia



50%

Directors born
outside Australia



1.5 to 8 years

Range of tenure of SEEK's
non-executive directors



4 years

Average tenure of SEEK's
non-executive directors

Appointment of new directors

The Nomination Committee performs Board succession planning. As opportunity arises through vacancies, the Nomination Committee will identify suitable candidates to bring specific skills to complement the existing Board. Where appropriate, external search consultants may be engaged to assist.

The Nomination Committee will assess a candidate against a range of criteria including experience, professional qualifications, personal qualities and cultural fit with the Board and the Company. It also considers the candidate's other significant time commitments, if any, to ensure that the candidate will have capacity to fulfil his or her responsibilities as a director of SEEK.

Where a candidate is recommended by the Nomination Committee, the Company Secretary initiates detailed checks into the candidate's background and experience. Before the Board resolves to appoint the candidate as a director an independence assessment is also conducted using the detailed analysis which is applied annually in respect of each non-executive director.

A newly appointed director will stand for election at the annual general meeting ('AGM') following their appointment, as required under the Constitution. The notice of meeting will contain a detailed biography, including other directorships and significant commitments, and any other material information relevant to a shareholder's decision whether to elect the director.

A new director is provided an induction programme and materials designed to introduce the director to all aspects of SEEK's business and strategy. This will include meetings with the Chairman and the other directors, the CEO and senior management to gain insight into the business. The induction programme also incorporates information tailored to the director's committee work, knowledge, experience and particular area of expertise.

Directors' responsibilities and obligations

Written agreement with each director

Upon appointment each director is provided with a letter of appointment which details the terms of their directorship and the Board's expectations. The letter of appointment is with the director personally, and places specific obligations on the director in terms of time commitment, independence, disclosure of material interests and potential conflicts of interest and minimum shareholdings in SEEK. It also requires the director to consult with the Chairman before accepting any appointment which may affect a director's ability to meet the time commitment to SEEK.

Independence

The Board requires that each non-executive director brings views and judgement to Board deliberations which are independent of management or any substantial shareholder, and free from interests, positions or other relationships which could interfere with the exercise of independent judgement. The Board's approach to the assessment of independence is set out in its Director Independence

Guidelines, and is also informed by the ASX Recommendations, the *Corporations Act 2001 (Cth)* and the Australian Accounting Standards.

Each year the Board considers and assesses each non-executive director's independence in light of the director's positions, relationships and interests and the materiality guidelines set out in the Director Independence Guidelines. The Board requires non-executive directors to provide relevant information to enable it to make the assessment.

The Board has reviewed the positions and relationships of all the non-executive directors in office as at the date of this statement. The Board has determined that each of the non-executive directors is independent and free of any interest, position or relationship that could materially interfere with their capacity for independent judgement and to act in the best interests of SEEK as a whole.

The Board also noted that some non-executive directors are involved in other companies or professional firms which may from time to time have immaterial dealings with SEEK, including as customers of SEEK's jobs websites. Details of offices held by directors with other listed companies are on pages 18-19 of the Annual Report.

Retirement and re-election

Under the Constitution, directors cannot hold office without re-election for more than three years or past the third AGM after their appointment, whichever is longer. In addition, the Constitution provides that any director appointed by the Board holds office until the next AGM when they are eligible for election.

If no director is in a position requiring them to stand for election or re-election in the normal rotation, then one director must retire and stand for re-election at the AGM, as selected under the rules of the Constitution. In the notice of meeting security holders are provided with all material information relevant to their decision on whether or not to re-elect a director.

Andrew Bassat is exempt from retirement and re-election while he holds the position of Managing Director.

Minimum shareholding requirements for Directors

To align the Board experience with that of shareholders, the Board has adopted a minimum shareholding policy which is described in the Remuneration Report on page 36 of the Annual Report.

Directors' development and support

Professional development

In addition to the induction programme for new directors, there is an ongoing programme of presentations and briefings on matters impacting the strategy and operations of SEEK. Directors are also provided with legal compliance training on matters such as continuous disclosure and anti-bribery and anti-corruption and briefings on key changes to laws and accounting standards affecting the Group. Periodically a review is undertaken to assess whether further professional development

is required for Directors to assist them to maintain the skills and knowledge necessary to perform their roles effectively. To assist directors in better understanding the Company's international, strategic and operational objectives, the Board and individual directors visit various overseas operations of the Group from time to time.

Access to Information

In addition to comprehensive Board papers and briefings at Board meetings, directors are able to access the CEO and management to request relevant information.

Directors receive access to all Committee packs, including the minutes of each Committee meeting. In addition, the Chair of each Committee provides an update at the following Board meeting on the activities of the Committee. All directors have a standing invitation to attend any Committee meeting.

Independent professional advice

Directors are entitled to seek independent professional advice at the Company's expense relating to their role as a director of SEEK, subject to prior written approval by the Chairman.

Board performance evaluation

The Board reviews its performance each year, including assessing the operation of the Board, committees and individual directors as well as Board reporting and processes. The aim of the Board performance review is to ensure that individual directors and the Board as a whole work effectively in meeting the responsibilities described in the Board Charter.

The Board performance evaluations are led by the Chairman. In FY2020, the Chairman met with each non-executive director and the CEO to seek feedback on the operation of the Board, committees and individual directors and discuss individual performance and provided a report on the feedback to the Board.

The Board engages an externally facilitated performance review periodically, with the aim to conduct such reviews in every third year. These reviews incorporate feedback from executives and other stakeholders beyond the Board. The Board conducted an externally facilitated performance review in FY2018 and intends to do so again in FY2021.

Risk management and assurance

The Board views effective risk management as essential to achieving its operational and strategic objectives.

The Board is responsible for SEEK's risk management, and has established the Risk Management Framework which it reviews annually to satisfy itself that it continues to be sound. Through SEEK's Risk Appetite Statements, the Board determines the Group's appetite for risk after taking into account the Group's strategic objectives and other factors including regulatory and legal requirements, shareholder and customer expectations, the Group's financial position and organisational culture. SEEK's approach to risk management is to identify and minimise the potential for loss, whilst also maximising strategic opportunities for growth.

SEEK monitors its exposure to all risks to the business including operational, financial and non-financial risks. The Group's Principal Risks are described in the Directors' Report on pages 16-17 of the Annual Report. The Sustainability Report on pages 41-64 of the Annual Report outlines SEEK's approach to environmental, social and governance sustainability risks.

The Audit and Risk Management Committee monitors SEEK's risk management against the Risk Management Framework, including whether it is operating within the risk appetite set by the Board. The Committee reviewed the Risk Management Framework during FY2020. Risk reporting across the Group is aggregated for reporting to the Audit and Risk Management Committee.

The Audit and Risk Management Committee approves the Internal Audit Plan and receives regular reporting on internal audit findings and the status of management actions with a focus on findings rated critical or high.

The Group Risk and Assurance function incorporates the internal audit function and is responsible for delivering assurance projects including internal audits. Assurance projects may be undertaken internally by members of the Group Risk and Assurance function or in conjunction with external service providers. The Group Chief Risk Officer reports to the CFO and has unfettered access to the Chairman and to the Chairman of the Audit and Risk Management Committee and attends all meetings of the Audit and Risk Management Committee.

Remuneration of Directors and Executives

The following matters are discussed in detail in the Remuneration Report from page 24 of the Annual Report.

- Executives' contractual arrangements and remuneration structure for FY2020
- Executive performance evaluations
- Malus and clawback policies
- Minimum shareholding requirements
- Prohibitions on executives hedging equity based remuneration contained in the Share Trading Policy
- Non-Executive Director remuneration policy and structure for FY2020
- Checks undertaken on Executives prior to appointment

Corporate reporting and assurance

SEEK has in place processes to verify the integrity of corporate reporting. The Audit and Risk Management Committee provides the Board with independent oversight of the corporate reporting processes. Its membership includes accounting and financial experts. The Committee reviews the financial reports and the related representations provided by management. It meets with the external auditor to discuss the financial reports including without management present. The Committee recommends to the Board the appointment of the external auditor and the matters associated with the external auditor including rotation of the audit engagement partner, fees for audit and non-audit services and the scope of the external audit.

The CEO and CFO have for FY2020 assured the Board that the annual declaration provided in accordance with section 295A of the *Corporations Act 2001 (Cth)* and the equivalent declaration at half year are founded on a sound system of risk management and internal controls which is operating effectively.

SEEK has in place processes to verify the integrity of any unaudited periodic corporate report it releases to the market to satisfy itself that the report is materially accurate and balanced. The unaudited corporate reports include the Corporate Governance Statement, the Sustainability Report and the Tax Transparency Report. These are prepared by the relevant subject matter experts and content sign-off is provided by responsible senior management. The Chief Financial Officer reviews each report in full prior to review and approval by the Board. All material quantitative and qualitative statements are supported with verifiable evidence, and certain elements receive independent verification, such as the energy consumption and emissions data in the Sustainability Report. Under its Charter, the Audit and Risk Management Committee provides the Board with independent oversight of this process.

Market disclosure

SEEK is committed to accurate, balanced and timely disclosure to ensure the efficient operation of the securities market and is committed to promoting stakeholder and investor confidence through its continuous disclosure practices. The Continuous Disclosure Policy aims to ensure that the management and delivery of price sensitive information by SEEK complies with SEEK's continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001 (Cth)*.

The Continuous Disclosure Policy sets out SEEK's legal obligations, provides guidance for the identification of material information that may require disclosure to the market and sets out the roles and responsibilities of SEEK personnel.

The Board has ultimate responsibility for ensuring that SEEK complies with its continuous disclosure obligations and is responsible for implementing and overseeing compliance with the Continuous Disclosure Policy. The Board has delegated certain responsibilities relating to SEEK's continuous disclosure obligations to a Disclosure Committee which comprises the CEO, CFO and Company Secretary. The Disclosure Committee is responsible for considering potentially price sensitive information, determining whether it requires disclosure and approving the form of that disclosure, other than on certain matters reserved to the Board for approval.

The Board receives copies of market releases directly after they are released to the market. When SEEK gives a substantive investor or analyst presentation, this is released to the market ahead of the presentation.

Shareholders and stakeholder engagement

SEEK is committed to transparency and openness in its communication with its shareholders. It works to keep shareholders fully informed regarding developments and important information affecting the Company.

The channel for shareholders to access information about SEEK is the 'About SEEK' section of the SEEK website which provides information about the Group generally and includes:

- a dedicated area for Investors including a Corporate Governance section;
- ASX announcements, including the AGM Notice of Meeting, Chairman's address, CEO's presentation and voting results;
- reports and presentations including the Annual Report, the Sustainability Report, the Tax Transparency Report, financial results and accompanying presentations to the market;
- information about key dates, the share price and dividends;
- links to and contact details for SEEK's share registry, Computershare; and
- contact details for enquiries by shareholders, analysts and media.

Shareholders may send and receive communications with SEEK and Computershare electronically. Investors and other stakeholders may sign up on the SEEK website to receive news and investor updates by email. SEEK is committed to dealing with shareholder queries in a respectful and timely manner whenever they are received by the Company.

The AGM is a key opportunity for shareholders to hear the CEO and Chairman provide updates on the Company's performance, ask questions of the Board, and to express a view and vote on a poll on the various matters of Company business. Shareholders may also ask questions of the Company's external auditor during the meeting. SEEK encourages its shareholders to attend its AGM which in 2020 will be a virtual online meeting in line with the relief provided by the Commonwealth Treasurer in response to the COVID-19 pandemic.

SEEK has an active investor engagement program in Australia that includes scheduled briefings following half-yearly and annual results reporting and during the AGM period. Other ad hoc briefings are held throughout the year with institutional investors, private investors, analysts and the media. These briefings and presentations provide an opportunity for two-way communication between SEEK and these stakeholders. The Company ensures provision of equal access to material information by observing the following:

- all discussions with investors and analysts are conducted by or with the sanction of the CEO or the CFO, and are limited to explanation of previously disclosed material;
- where information is likely to be price sensitive then, in line with its legal obligations and Continuous Disclosure Policy, SEEK immediately discloses the information to the market;
- all formal SEEK analyst presentations are released to the market prior to delivery; and
- meetings with analysts to discuss financial results are not held between 1 January and the release of the half-year results, or between 1 July and the release of the full-year results.

FINANCIAL REPORT

Financial Statements

| | |
|------------------------------------------------|----|
| Consolidated Income Statement | 74 |
| Consolidated Statement of Comprehensive Income | 75 |
| Consolidated Balance Sheet | 76 |
| Consolidated Statement of Changes in Equity | 77 |
| Consolidated Statement of Cash Flows | 78 |

Notes to the Financial Statements

Performance

| | | |
|--------|---------------------------|----|
| Note 1 | Segment information | 79 |
| Note 2 | Revenue | 83 |
| Note 3 | Other income and expenses | 85 |
| Note 4 | Earnings per share | 86 |
| Note 5 | Income tax | 87 |

Financing and risk management

| | | |
|--------|--------------------------------------------------|----|
| Note 6 | Net debt | 91 |
| Note 7 | Notes to the cash flow statement | 94 |
| Note 8 | Financial instruments and fair value measurement | 96 |
| Note 9 | Financial risk management | 99 |

Assets and liabilities

| | | |
|---------|-----------------------------|-----|
| Note 10 | Trade and other receivables | 105 |
| Note 11 | Intangible assets | 106 |
| Note 12 | Impairment | 107 |
| Note 13 | Trade and other payables | 111 |
| Note 14 | Leases | 111 |
| Note 15 | Provisions | 113 |

Equity

| | | |
|---------|---------------|-----|
| Note 16 | Share capital | 114 |
| Note 17 | Reserves | 115 |
| Note 18 | Dividends | 116 |

Group structure

| | | |
|---------|-------------------------------------------|-----|
| Note 19 | Interests in controlled entities | 117 |
| Note 20 | Interests in equity accounted investments | 120 |
| Note 21 | Parent entity financial information | 123 |

Unrecognised items

| | | |
|---------|-------------------------------------------|-----|
| Note 22 | Commitments for expenditure | 124 |
| Note 23 | Contingent liabilities | 125 |
| Note 24 | Events occurring after balance sheet date | 125 |

Other information

| | | |
|---------|---------------------------------------|-----|
| Note 25 | Share-based payments | 126 |
| Note 26 | Related party transactions | 130 |
| Note 27 | Remuneration of auditors | 131 |
| Note 28 | Other significant accounting policies | 131 |
| Note 29 | Changes in accounting policies | 133 |

Page

Basis of preparation

SEEK Limited is a for-profit entity for the purpose of preparing financial statements.

These financial statements:

- are general purpose financial statements;
- are for the consolidated entity consisting of SEEK Limited and its subsidiaries;
- have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*;
- comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- have been prepared on a historical cost basis except for the revaluation of financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss; and
- are presented in Australian dollars with all values rounded to the nearest hundred thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations Instrument 2016/191.

Accounting policies adopted are consistent with those of the previous financial year, with the exception of the areas described in Note 29 Changes in accounting policies.

The Directors have included information in this report that they deem to be material and relevant to the understanding of the financial statements.

Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current year results;
- impact of significant changes in the Group's business; or
- aspects of the Group's operations that are important to future performance.

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these financial statements. While pervasive across the financial statements, the estimation uncertainty is predominantly related to the fair value measurement and recoverable amount assessments of non-financial assets where the Group recognised a gross impairment loss of \$203.1 million in respect to the carrying values of intangible assets and some Early Stage Ventures.

The financial statements have been prepared on a going concern basis. The Directors have made this assessment on the basis that, despite a downturn in business performance effected by COVID-19, the SEEK Group has sufficient liquidity, undrawn borrowing facilities and an active and ongoing capital management strategy which enables it to meet its obligations and pay its debts as and when they fall due. Notwithstanding, current liabilities exceed current assets by \$144.1m as at 30 June 2020, mainly due to unearned income of \$350.9m which represents non-refundable advances from customers.

Consolidated Income Statement for the year ended 30 June 2020

| | Notes | 2020 \$m | 2019 \$m |
|-----------------------------------------------------------------------|-------|------------------|--------------|
| Revenue | 2 | 1,595.2 | 1,557.3 |
| Other income | 3(a) | 17.9 | 8.5 |
| Operating expenses | | | |
| Direct cost of services | | (377.5) | (228.7) |
| Employee benefits expenses | | (510.7) | (541.6) |
| Marketing related expenses | | (140.9) | (149.8) |
| Technology, product and development expenses | | (51.2) | (37.7) |
| Operations and administration expenses | | (121.6) | (148.3) |
| Depreciation and amortisation expenses | | (133.9) | (85.8) |
| Finance costs | 3(b) | (78.8) | (66.8) |
| Transaction costs | | (1.7) | (6.4) |
| Total operating expenses | | (1,416.3) | (1,265.1) |
| Impairment loss | 12(c) | (203.1) | - |
| Share of results of equity accounted investments | 20(b) | (39.9) | (16.5) |
| (Loss)/Profit before income tax expense | | (46.2) | 284.2 |
| Income tax expense | 5(a) | (44.6) | (85.8) |
| (Loss)/Profit for the year | | (90.8) | 198.4 |
| (Loss)/Profit is attributable to: | | | |
| Owners of SEEK Limited | | (111.7) | 180.3 |
| Non-controlling interests | 19(c) | 20.9 | 18.1 |
| | | (90.8) | 198.4 |
| Earnings per share attributable to the owners of SEEK Limited: | | Cents | Cents |
| Basic earnings per share | 4 | (31.7) | 51.3 |
| Diluted earnings per share | 4 | (32.6) | 50.1 |

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2020

| | Notes | 2020 \$m | 2019 \$m |
|-----------------------------------------------------------------------------|---------|----------------|-------------|
| (Loss)/Profit for the year | | (90.8) | 198.4 |
| Other comprehensive (loss)/income | | | |
| Items that may be reclassified to profit or loss: | | | |
| Exchange differences on translation of foreign controlled entities | | (70.7) | 82.1 |
| Exchange differences on translation of foreign equity accounted investments | | (11.0) | 5.5 |
| Reserves recycled on disposal of equity accounted investment | | - | (0.4) |
| Losses on net investment hedges | | (32.3) | (18.2) |
| Losses on cash flow hedges | | (5.1) | (13.1) |
| Other individually immaterial items | | - | (0.9) |
| Income tax recognised in other comprehensive income | 5(b) | 2.4 | 4.2 |
| Items that will not be reclassified to profit or loss: | | | |
| Losses on fair value hedges | | (0.9) | 0.1 |
| Change in equity instruments held at fair value | 8(b)(i) | 22.3 | - |
| Exchange differences on translation of equity instruments | 8(b)(i) | 0.9 | 0.5 |
| Other comprehensive (loss)/income for the year | | (94.4) | 59.8 |
| Total comprehensive (loss)/income for the year | | (185.2) | 258.2 |
| Total comprehensive (loss)/income for the year attributable to: | | | |
| Owners of SEEK Limited | | (198.7) | 242.0 |
| Non-controlling interests | | 13.5 | 16.2 |
| | | (185.2) | 258.2 |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet as at 30 June 2020

| | Notes | 2020 \$m | 2019 \$m |
|---------------------------------------------------|-------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 6(c) | 604.8 | 382.9 |
| Trade and other receivables | 10 | 151.6 | 147.8 |
| Other financial assets | 8(b) | 57.6 | 158.9 |
| Current tax assets | 5(a) | 3.2 | 3.6 |
| Total current assets | | 817.2 | 693.2 |
| Non-current assets | | | |
| Investments accounted for using the equity method | 20(b) | 268.3 | 237.2 |
| Plant and equipment | | 35.5 | 43.0 |
| Intangible assets | 11 | 2,550.0 | 2,719.5 |
| Right-of-use assets | 14(a) | 55.5 | - |
| Other receivables | 10 | 114.9 | 151.5 |
| Other financial assets | 8(b) | 436.4 | 359.8 |
| Deferred tax assets | 5(c) | 58.7 | 46.0 |
| Total non-current assets | | 3,519.3 | 3,557.0 |
| Total assets | | 4,336.5 | 4,250.2 |
| Current liabilities | | | |
| Trade and other payables | 13 | 307.3 | 260.3 |
| Borrowings | 6(b) | 143.4 | 133.1 |
| Unearned income | | 350.9 | 401.1 |
| Lease liabilities | 14(b) | 28.0 | - |
| Other financial liabilities | 8(b) | 70.0 | 40.0 |
| Current tax liabilities | 5(a) | 25.2 | 31.0 |
| Provisions | 15 | 36.5 | 39.1 |
| Total current liabilities | | 961.3 | 904.6 |
| Non-current liabilities | | | |
| Borrowings | 6(b) | 1,797.6 | 1,466.6 |
| Lease liabilities | 14(b) | 36.0 | - |
| Other financial liabilities | 8(b) | 3.1 | 24.0 |
| Deferred tax liabilities | 5(c) | 127.5 | 138.6 |
| Provisions | 15 | 27.5 | 22.0 |
| Total non-current liabilities | | 1,991.7 | 1,651.2 |
| Total liabilities | | 2,953.0 | 2,555.8 |
| Net assets | | 1,383.5 | 1,694.4 |
| Equity | | | |
| Share capital | 16 | 269.2 | 269.2 |
| Foreign currency translation reserve | | 60.8 | 127.6 |
| Hedging reserves | 17(a) | (158.0) | (120.3) |
| Other reserves | 17(b) | 16.1 | (10.6) |
| Retained profits | | 894.4 | 1,133.3 |
| Non-controlling interests | 19(c) | 301.0 | 295.2 |
| Total equity | | 1,383.5 | 1,694.4 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2020

| | | Attributable to equity holders of the parent | | | | | | | |
|--------------------------------------------------------------|-------|----------------------------------------------|---------------------------------------------|-------------------------|-----------------------|-------------------------|----------------|----------------------------------|---------------------|
| | Notes | Share capital \$m | Foreign currency translation reserve \$m | Hedging reserves \$m | Other reserves \$m | Retained profits \$m | Total \$m | Non-controlling interests \$m | Total equity \$m |
| Balance as at 1 July 2018 | | | | | | | | | |
| Profit for the year | | - | - | - | - | 180.3 | 180.3 | 18.1 | 198.4 |
| Exchange differences on translation of foreign operations | | - | 89.9 | - | - | - | 89.9 | (2.3) | 87.6 |
| (Losses)/gains on hedges | | - | - | (32.5) | - | - | (32.5) | 0.4 | (32.1) |
| Exchange differences on translation of equity instruments | | 8(b)(i) | - | - | 0.5 | - | 0.5 | - | 0.5 |
| Income tax recognised in other comprehensive income | | 5(b) | - | 0.1 | 4.1 | - | 4.2 | - | 4.2 |
| Reserves recycled on disposal of equity accounted investment | | - | (0.4) | - | - | - | (0.4) | - | (0.4) |
| Total comprehensive income for the year | | - | 89.6 | (28.4) | 0.5 | 180.3 | 242.0 | 16.2 | 258.2 |
| <i>Transactions with owners:</i> | | | | | | | | | |
| Dividends provided for or paid | | 18 | - | - | - | (161.5) | (161.5) | (9.6) | (171.1) |
| Employee share options scheme | | - | - | - | 15.4 | - | 15.4 | 2.7 | 18.1 |
| Tax associated with employee share schemes | | 5(b) | - | - | 1.0 | 1.3 | 2.3 | - | 2.3 |
| Change in ownership of subsidiaries | | - | (0.7) | - | (2.6) | - | (3.3) | 1.7 | (1.6) |
| Share of reserve movement of equity accounted investments | | - | (0.2) | - | (4.4) | - | (4.6) | - | (4.6) |
| Zhaopin privatisation | | - | - | - | (19.1) | - | (19.1) | (12.8) | (31.9) |
| Transfer between reserves | | - | - | - | (1.3) | 1.3 | - | - | - |
| Balance at 30 June 2019 | | 269.2 | 127.6 | (120.3) | (10.6) | 1,133.3 | 1,399.2 | 295.2 | 1,694.4 |
| Impact on transition to AASB 16 | | 29 | - | - | - | (6.0) | (6.0) | (1.8) | (7.8) |
| Adjusted balance at 1 July 2019 | | 269.2 | 127.6 | (120.3) | (10.6) | 1,127.3 | 1,393.2 | 293.4 | 1,686.6 |
| (Loss)/Profit for the year | | - | - | - | - | (111.7) | (111.7) | 20.9 | (90.8) |
| Exchange differences on translation of foreign operations | | - | (73.4) | - | - | - | (73.4) | (8.3) | (81.7) |
| (Losses)/gains on hedges | | - | - | (39.2) | - | - | (39.2) | 0.9 | (38.3) |
| Change in fair value of equity instruments | | 8(b)(i) | - | - | 22.3 | - | 22.3 | - | 22.3 |
| Exchange differences on translation of equity instruments | | 8(b)(i) | - | - | 0.9 | - | 0.9 | - | 0.9 |
| Income tax recognised in other comprehensive income | | 5(b) | - | 0.9 | 1.5 | - | 2.4 | - | 2.4 |
| Total comprehensive (loss)/ income for the year | | - | (72.5) | (37.7) | 23.2 | (111.7) | (198.7) | 13.5 | (185.2) |
| <i>Transactions with owners:</i> | | | | | | | | | |
| Dividends provided for or paid | | 18 | - | - | - | (123.2) | (123.2) | (7.4) | (130.6) |
| Employee share options scheme | | - | - | - | 9.7 | - | 9.7 | 1.5 | 11.2 |
| Tax associated with employee share schemes | | 5(b) | - | - | (0.6) | 2.4 | 1.8 | - | 1.8 |
| Share of reserve movement of equity accounted investments | | 20(b) | - | 5.7 | (5.6) | (0.4) | (0.3) | - | (0.3) |
| Balance at 30 June 2020 | | 269.2 | 60.8 | (158.0) | 16.1 | 894.4 | 1,082.5 | 301.0 | 1,383.5 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2020

| | Notes | 2020 \$m | 2019 \$m |
|---------------------------------------------------------------------------|-------|----------------|----------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of goods and services tax) | | 1,668.7 | 1,687.0 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (1,259.9) | (1,187.1) |
| | | 408.8 | 499.9 |
| Interest received | | 16.1 | 13.9 |
| Government grants received | 3(a) | 13.2 | - |
| Interest paid | | (66.2) | (45.0) |
| Transaction costs | | (1.0) | (5.2) |
| Income taxes paid | 5(a) | (66.6) | (91.0) |
| Net cash inflow from operating activities | 7(a) | 304.3 | 372.6 |
| Cash flows from investing activities | | | |
| Payments for acquisition of subsidiary, net of cash acquired | | (4.0) | (9.2) |
| Payments for interests in equity accounted investments | | (126.2) | (121.9) |
| Proceeds from disposal of equity accounted investment | | - | 6.3 |
| Dividends and distributions received from equity accounted investments | | 1.0 | 0.9 |
| Return of capital from equity accounted investment | | 10.7 | - |
| Payment for investment in financial assets | | (15.5) | (50.0) |
| Payment for intangible assets | | (114.3) | (106.1) |
| Payment for plant and equipment | | (11.4) | (19.0) |
| Payment for convertible notes | | (1.2) | (2.9) |
| Proceeds/(payments) from other investing arrangements | | - | 0.6 |
| Net cash outflow from investing activities | | (260.9) | (301.3) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 681.2 | 464.7 |
| Repayment of borrowings | | (353.1) | (202.3) |
| Transaction costs on establishment of debt facilities | | (6.1) | (5.5) |
| Cash released from entrusted loan facilities | 10(i) | 139.3 | 35.8 |
| Cash deposited for entrusted loan facilities | 10(i) | (121.1) | (122.3) |
| Settlement of share options in subsidiaries | | (6.5) | (0.9) |
| Zhaopin privatisation | | - | (49.2) |
| Dividends paid to members of the parent | 18 | (77.4) | (161.5) |
| Dividends paid to non-controlling interests | 19(c) | (7.4) | (9.6) |
| Payment for additional interest in subsidiary | | - | (1.6) |
| Payment of lease liabilities | | (27.3) | - |
| Net payment for other financing arrangements | | (29.4) | (8.1) |
| Net cash inflow/(outflow) from financing activities | | 192.2 | (60.5) |
| Net increase in cash and cash equivalents | | 235.6 | 10.8 |
| Cash and cash equivalents at the beginning of the year | | 382.9 | 361.7 |
| Effect of exchange rate changes on cash and cash equivalents | | (13.7) | 10.4 |
| Cash and cash equivalents at the end of the year | | 604.8 | 382.9 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

Performance

1. Segment information

Accounting Policy

Operating segments, which have not been aggregated, are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Segment EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses.

SEEK's operating segments are aligned with Executive responsibilities and analysis of results as provided to the CODM.

A change has been made to SEEK's operating segments for FY2020 to align with Executive responsibilities and analysis of results as provided to the CODM. The main changes are:

- JobAdder moving from AP&A Other to SEEK Investments Early Stage Ventures (ESVs);
- SEEK Learning and GradConnection moving from AP&A Other to ANZ, reflecting their closer integration with the ANZ operations; and
- OCC Education moving from OCC to SEEK Investments ESVs.

Comparative information for the year ended 30 June 2019 has been restated. This has not resulted in any change to total EBITDA or net profit. The operating segments are as described below.

| SEEK Group | | | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------|
| Operating segment | | | |
| Nature of operations | | | |
| Primary source of revenue | | | |
| Geographical location | | | |
| ANZ | Online employment marketplace services | Job advertising | Australia and New Zealand |
| SEEK Asia | Online employment marketplace services | Job advertising | Seven countries across South East Asia |
| Brasil Online | Online employment marketplace services | Candidate services and job advertising | Brazil |
| OCC | Online employment marketplace services | Job advertising | Mexico |
| AP&A Other | A portfolio of early stage investments that complement and/or have synergies with the AP&A operating businesses | Various | Various |
| Zhaopin | Online employment marketplace services and provision of other offline services | Job and banner advertising | People's Republic of China |
| OES | Provision of Online Education courses | Provision of education services to students | Australia |
| Early Stage Ventures | A portfolio of early stage investments which are managed as independent entities | Various | Various |

(a) Segment information provided to the CODM

| Asia Pacific & Americas | | | | | | | | | | | | | | SEEK Investments | | | | Corporate Costs | | Total | | | |
|------------------------------------------------------|-------|--------|-----------|---------|---------------|--------|---------|--------|--------|--------|--------|--------|---------|------------------|-------|--|------|-----------------|-------|-------|-----|---------|--|
| Notes | ANZ | | SEEK Asia | | Brasil Online | | OCC | | Other | | Total | | Zhaopin | | OES | | ESVs | | Total | | \$m | \$m | |
| | \$m | | \$m | | \$m | | \$m | | \$m | | \$m | | \$m | | \$m | | \$m | | \$m | | | | |
| Year ended 30 June 2020 | | | | | | | | | | | | | | | | | | | | | | | |
| Online employment marketplaces | 385.7 | | 161.0 | | 52.4 | | 25.1 | | 1.2 | | 625.4 | | 427.1 | | - | | 58.0 | | 485.1 | | - | 1,110.5 | |
| Education | 1.5 | | - | | - | | - | | - | | 1.5 | | - | | 136.6 | | 3.6 | | 140.2 | | - | 141.7 | |
| Business process outsourcing | - | | - | | - | | - | | - | | - | | 191.4 | | - | | - | | 191.4 | | - | 191.4 | |
| Other sales revenue | - | | 1.9 | | - | | - | | 0.8 | | 2.7 | | 131.1 | | - | | - | | 131.1 | | - | 133.8 | |
| Sales revenue | 2 | 387.2 | 162.9 | 52.4 | 25.1 | 2.0 | 629.6 | 749.6 | 136.6 | 61.6 | 947.8 | - | 1,577.4 | | | | | | | | | | |
| Segment EBITDA ⁽¹⁾ | | 223.5 | 72.8 | 5.8 | 7.2 | (14.3) | 295.0 | 123.7 | 34.8 | (6.8) | 151.7 | (31.8) | 414.9 | | | | | | | | | | |
| Depreciation | | (4.0) | (6.1) | (1.7) | (1.8) | (0.1) | (13.7) | (24.4) | (1.4) | (1.7) | (27.5) | (2.8) | (44.0) | | | | | | | | | | |
| Amortisation | 11 | (40.0) | (9.1) | (3.7) | (2.7) | (2.9) | (58.4) | (17.8) | (10.6) | (2.8) | (31.2) | (0.3) | (89.9) | | | | | | | | | | |
| Impairment loss | 12(c) | - | - | (100.7) | (42.7) | (20.8) | (164.2) | - | - | (38.9) | (38.9) | - | (203.1) | | | | | | | | | | |
| Net interest (expense)/income | | - | (1.6) | 1.1 | 0.6 | - | 0.1 | (8.0) | 0.1 | (0.3) | (8.2) | (51.2) | (59.3) | | | | | | | | | | |
| Share-based payments and other LTI | 25(b) | (8.3) | (0.5) | (0.4) | - | (0.2) | (9.4) | (3.3) | - | (4.1) | (7.4) | (5.4) | (22.2) | | | | | | | | | | |
| Share of results of equity accounted investments | 20(b) | - | - | - | - | (2.3) | (2.3) | - | - | (37.6) | (37.6) | - | (39.9) | | | | | | | | | | |
| Related party services | | 3.6 | (3.6) | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | |
| Transaction costs | | - | - | - | - | - | - | - | - | - | - | (1.7) | (1.7) | | | | | | | | | | |
| Other financing activities | | - | - | - | - | - | - | - | - | - | - | (1.0) | (1.0) | | | | | | | | | | |
| Profit/(loss) before income tax expense | | 174.8 | 51.9 | (99.6) | (39.4) | (40.6) | 47.1 | 70.2 | 22.9 | (92.2) | 0.9 | (94.2) | (46.2) | | | | | | | | | | |
| Income tax expense | 5(a) | (51.4) | (9.2) | 4.2 | (1.1) | 5.3 | (52.2) | (15.7) | (7.4) | 1.6 | (21.5) | 29.1 | (44.6) | | | | | | | | | | |
| Profit/(loss) for the year | | 123.4 | 42.7 | (95.4) | (40.5) | (35.3) | (5.1) | 54.5 | 15.5 | (90.6) | (20.6) | (65.1) | (90.8) | | | | | | | | | | |
| Non-controlling interests | 19(c) | - | - | - | 0.8 | - | 0.8 | (21.0) | (3.1) | 2.4 | (21.7) | - | (20.9) | | | | | | | | | | |
| Profit/(loss) attributable to owners of SEEK Limited | | 123.4 | 42.7 | (95.4) | (39.7) | (35.3) | (4.3) | 33.5 | 12.4 | (88.2) | (42.3) | (65.1) | (111.7) | | | | | | | | | | |

(1) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payments expense, gains/losses on investing activities and other non-operating gains/losses. Effective 1 July 2019, the Group has applied the new AASB 16 Leases standard using the modified retrospective approach. Lease costs such as property rental payments are now accounted for as depreciation and interest expense below Segment EBITDA for FY2020. Comparative information for 30 June 2019 has not been restated.

| Restated Year ended 30 June 2019 | Notes | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
|-------------------------------------------------------------|-------|--------|--------|-------|-------|--------|--------|--------|-------|--------|--------|--------|
| Online employment marketplaces | | 439.3 | 174.0 | 64.1 | 26.5 | 1.7 | 705.6 | 465.8 | - | 46.2 | 512.0 | - |
| Education | | 0.7 | - | - | - | - | 0.7 | - | 127.5 | 6.0 | 133.5 | - |
| Business process outsourcing | | - | - | - | - | - | - | 53.0 | - | - | 53.0 | - |
| Other sales revenue | | - | 2.6 | - | - | 0.8 | 3.4 | 129.1 | - | - | 129.1 | - |
| Sales revenue | 2 | 440.0 | 176.6 | 64.1 | 26.5 | 2.5 | 709.7 | 647.9 | 127.5 | 52.2 | 827.6 | - |
| Segment EBITDA⁽¹⁾ | | 263.8 | 91.3 | 11.5 | 5.0 | (18.1) | 353.5 | 99.1 | 36.7 | (9.3) | 126.5 | (25.0) |
| Depreciation | | (1.6) | (2.8) | (1.2) | (1.0) | - | (6.6) | (7.3) | (0.5) | (0.2) | (8.0) | (2.2) |
| Amortisation | 11 | (32.6) | (6.3) | (3.8) | (1.3) | (3.2) | (47.2) | (9.9) | (9.6) | (2.2) | (21.7) | (0.1) |
| Net interest (expense)/income | | - | (2.1) | 3.0 | 0.6 | - | 1.5 | (9.5) | 0.9 | (0.3) | (8.9) | (37.0) |
| Share-based payments and other LTI | 25(b) | (7.4) | 1.7 | (0.2) | (0.3) | (0.2) | (6.4) | (7.0) | - | (2.3) | (9.3) | (5.9) |
| Share of results of equity accounted investments | | - | (0.4) | - | - | (1.7) | (2.1) | - | - | (14.4) | (14.4) | - |
| Gain on disposal of equity accounted investment | | - | - | - | - | - | - | - | - | 2.5 | 2.5 | - |
| Fair value gain on financial asset | | - | - | - | - | - | - | 3.2 | - | - | 3.2 | - |
| Related party services | | 3.8 | (3.5) | - | - | (0.3) | - | - | - | - | - | - |
| Transaction costs | | (0.3) | - | - | - | - | (0.3) | (5.2) | - | - | (5.2) | (0.9) |
| Other financing activities | | - | - | - | - | - | - | - | - | - | - | (1.8) |
| Profit/(loss) before income tax expense | | 225.7 | 77.9 | 9.3 | 3.0 | (23.5) | 292.4 | 63.4 | 27.5 | (26.2) | 64.7 | (72.9) |
| Income tax expense | 5(a) | (65.9) | (18.0) | (1.9) | (0.7) | 6.5 | (80.0) | (21.2) | (8.6) | 1.5 | (28.3) | 22.5 |
| Profit/(loss) for the year | | 159.8 | 59.9 | 7.4 | 2.3 | (17.0) | 212.4 | 42.2 | 18.9 | (24.7) | 36.4 | (50.4) |
| Non-controlling interests | 19(c) | - | - | - | - | - | - | (16.3) | (3.8) | 2.0 | (18.1) | - |
| Profit/(loss) attributable to owners of SEEK Limited | | 159.8 | 59.9 | 7.4 | 2.3 | (17.0) | 212.4 | 25.9 | 15.1 | (22.7) | 18.3 | (50.4) |
| | | | | | | | | | | | | 180.3 |

(1) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payments expense, gains/losses on investing activities and other non-operating gains/losses.

1. Segment information continued

(b) Segment financial position

| | Segment assets | | Segment liabilities | |
|--------------------------|----------------|-------------------------|---------------------|-------------------------|
| | 2020 \$m | Restated 2019 \$m | 2020 \$m | Restated 2019 \$m |
| ANZ | 396.5 | 272.4 | (163.4) | (143.9) |
| SEEK Asia | 1,317.5 | 1,315.0 | (88.8) | (99.2) |
| Brasil Online | 64.3 | 224.1 | (21.7) | (24.1) |
| OCC | 39.4 | 98.6 | (15.4) | (18.5) |
| AP&A Other | 21.7 | 36.7 | (0.8) | (1.7) |
| Zhaopin | 1,586.1 | 1,489.0 | (445.4) | (414.8) |
| OES | 382.4 | 398.4 | (31.9) | (23.4) |
| ESVs | 388.0 | 305.8 | (18.3) | (9.4) |
| Corporate | 78.7 | 60.6 | (73.6) | (51.5) |
| Total of segments | 4,274.6 | 4,200.6 | (859.3) | (786.5) |
| Current tax asset | 3.2 | 3.6 | | |
| Deferred tax assets | 58.7 | 46.0 | | |
| Total assets | 4,336.5 | 4,250.2 | | |
| Borrowings | | | (1,941.0) | (1,599.7) |
| Current tax liabilities | | | (25.2) | (31.0) |
| Deferred tax liabilities | | | (127.5) | (138.6) |
| Total liabilities | | | (2,953.0) | (2,555.8) |

(c) Geographical information

The following table analyses sales revenue and non-current assets (excluding deferred tax assets) based on geographical location.

Sales revenue is allocated to a country based on the geographical location of the customers. Refer to Note 2 Revenue for a reconciliation of total sales revenue to total consolidated revenue.

Non-current assets are allocated to a country based on the geographical location of the asset. Intangible assets that relate only to one country have been allocated to that country. Intangible assets acquired as part of the JobsDB and JobStreet acquisitions (goodwill, brands and other intangible assets) relate to several countries and have been shown as "South East Asia" as they cannot practically be split between the individual country locations. This is consistent with the approach for impairment testing (refer to Note 11 Intangible assets).

| | Sales revenue | | Non-current assets (excluding deferred tax assets) | |
|---------------------------|----------------|----------------|----------------------------------------------------|----------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Australia | 522.8 | 559.0 | 838.2 | 873.9 |
| China | 749.6 | 647.9 | 1,207.5 | 1,151.7 |
| South East Asia | 163.7 | 176.8 | 1,122.1 | 1,103.6 |
| Brazil | 53.5 | 66.3 | 46.8 | 182.1 |
| New Zealand | 51.9 | 54.0 | 6.1 | 5.9 |
| Mexico | 27.4 | 29.3 | 58.0 | 124.8 |
| United Kingdom and Europe | 7.0 | 2.4 | 162.6 | 30.8 |
| Rest of the world | 1.5 | 1.6 | 19.3 | 38.2 |
| Total | 1,577.4 | 1,537.3 | 3,460.6 | 3,511.0 |

2. Revenue

Accounting Policy

Recognition criteria

Revenue is measured at the fair value of the consideration received or receivable and is shown net of sales taxes (such as GST and VAT) and amounts collected on behalf of third parties.

The Group recognises revenue when the contract has been identified, it is probable that the entity will collect the consideration to which it is entitled and specific criteria have been met as described below for the material classes of revenue.

| Class of revenue | Recognition criteria |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Online employment marketplaces | |
| Job advertisements | over the period in which the advertisements are placed. If it is expected that the customer will not use all the services they are entitled to, the excess is recognised in the same pattern as for the services that the customer does use. |
| CV search/download | over the period in which the searches/downloads occur. If it is expected that the customer will not use all the services they are entitled to, the excess is recognised in the same pattern as for the services that the customer does use. |
| CV online | over the period in which the jobseeker can access the services. |
| Education | |
| Provision of education services to students | over the period in which the student studies a particular unit. For Higher Education it is typically four months. For Vocational Education (VET), the length of time to complete units can vary so an estimate is made. |
| Business process outsourcing | |
| HR agent services | when the service is provided to the customer. Revenue is recognised on a net basis as the business operates as the agent under the terms and conditions of the contractual arrangement. |
| Labour outsourcing services | when the service is provided to the customer. Revenue is recognised on a gross basis as the business operates as the principal under the terms and conditions of the contractual arrangement. |
| Labour dispatch services | when the service is provided to the customer. Revenue was recognised on a gross basis when the business operated as the principal under the terms and conditions of contractual arrangements. Commencing from Q3 FY2020, the standardised contractual terms and conditions were modified for new contracts. The revisions to the contract provide a refined scope of services with the customer now bearing any potential employment risks associated with the contract. Upon transition to the new agreement, the business operates as an agent and revenue is recognised on a net basis. |
| Other sales revenue | |
| Campus recruitment services | when the service is provided to the customer. |
| Provision of training services | when the service is provided to the customer. |
| Other revenue | |
| Dividend income | when the right to receive payment is established. |
| Interest income | on a time proportion basis using the effective interest method. |

Allocation of transaction price to services in a bundled contract

Where a contract identifies multiple services (performance obligations) that can be used independently of one another, the consideration is allocated between them on the basis of their relative standalone selling prices. This is usually the price at which the service is sold separately.

Contract costs

Costs incurred in the acquisition of contracts, predominantly sales commissions, are considered to be recoverable.

Applying the practical expedient in paragraph 94 of AASB 15 *Revenue from Contracts with Customers*, the Group recognises the incremental costs of obtaining contracts as an expense when incurred because the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Variable consideration

Certain education contracts include variable amounts of consideration dependent on the occurrence or non-occurrence of future events. The Group estimates the amount of revenue to be recognised based on historical and forecast information.

2. Revenue continued

| | 2020 \$m | 2019 \$m |
|--------------------------------|----------------|----------------|
| Online employment marketplaces | 1,110.5 | 1,217.6 |
| Education | 141.7 | 134.2 |
| Business process outsourcing | 191.4 | 53.0 |
| Other sales revenue | 133.8 | 132.5 |
| Sales revenue | 1,577.4 | 1,537.3 |
| Interest income | 17.8 | 20.0 |
| Revenue | 1,595.2 | 1,557.3 |

Sales revenue recognised during the financial year ended 30 June 2020 includes \$399.6m (2019: \$366.9m) that was included in the opening balance of unearned income at the beginning of the corresponding period.

At 30 June 2020, the Group is party to contracts with customers for services that have not yet been delivered (or fully delivered) at that date. Some amounts have already been invoiced to the customer in line with the terms of the contract, and are therefore recognised within unearned income, whereas other amounts are yet to be invoiced.

The Group has chosen to apply the practical expedient in paragraph 121 of AASB 15 *Revenue from Contracts with Customers* and therefore has not disclosed information about contracts that are expected to be completed in one year or less. Of the contracts with a duration of more than one year, the Group expects to recognise future revenue of \$4.0m (2019: \$6.0m).

The Group has provided temporary customer relief in response to COVID-19 by its investment in hirer support packages including pausing minimum commitments, extending contract lives and providing credits for job advertisements no longer needed in Q4 FY2020.

3. Other income and expenses

This note provides a breakdown of the items included in other income, finance costs and the recognition of any other gains/(losses) during the financial year.

(a) Other income

| | Notes | 2020 \$m | 2019 \$m |
|--------------------------------------------------|---------|-------------|-------------|
| Gain on disposal of equity accounted investments | | - | 2.5 |
| Fair value gain on financial asset | 8(b)(i) | - | 3.2 |
| Government grants (i) | | 13.2 | 2.8 |
| Others | | 4.7 | - |
| Total other income | | 17.9 | 8.5 |

(i) Government grants

In FY2020, the Group has recognised the subsidy payments from the following governments: Australia \$9.7m, People's Republic of China \$3.2m, South East Asia \$0.2m and New Zealand \$0.1m.

Due to the economic impacts of COVID-19, many geographies in which SEEK operates have provided government support. The Group recognised \$8.4m from these initiatives comprising Australia and New Zealand \$8.2m and South East Asia \$0.2m.

In accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Grants*, the Group has elected to present Government grants received in FY2020 as other income.

(b) Finance costs

| | Notes | 2020 \$m | 2019 \$m |
|---------------------------------------|-----------|-------------|-------------|
| Interest expense | | 73.9 | 64.4 |
| Interest expense on lease liabilities | 14(b)(ii) | 3.2 | - |
| Borrowing costs written off | | 1.0 | 1.8 |
| Other finance charges paid/payable | | 0.7 | 0.6 |
| Total finance costs | | 78.8 | 66.8 |

(c) Other gains/(losses)

Profit/(loss) before income tax expense includes net gains on foreign exchange movements of \$2.9m (2019: \$8.0m gain), which are classified as 'Operations and administration' costs in the Consolidated Income Statement.

4. Earnings per share

Accounting Policy

Diluted Earnings Per Share (EPS) reflects the following adjustments:

- the impact on profit if the subsidiaries' outstanding employee options were fully exercised, resulting in SEEK's ownership being diluted; and
- the effect of employee options and rights in SEEK Limited, calculated by comparing the number of shares that would be issued if all options/rights were exercised with the number of shares the Company could hypothetically buy back on market using the exercise price (the dilutive impact being the difference between the two). Employee options and rights are only treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

| | 2020 Cents | 2019 Cents |
|----------------------------|---------------|---------------|
| Basic earnings per share | (31.7) | 51.3 |
| Diluted earnings per share | (32.6) | 50.1 |

(a) Reconciliation of earnings used in calculating EPS

| | 2020 \$m | 2019 \$m |
|---------------------------------------------------------------------------------|-------------|-------------|
| Profit/(loss) attributable to owners of SEEK Limited (for basic EPS) | (111.7) | 180.3 |
| Potential dilutive adjustment for subsidiary option plans | (3.2) | (3.1) |
| Adjusted profit/(loss) attributable to owners of SEEK Limited (for diluted EPS) | (114.9) | 177.2 |

(b) Weighted average number of shares

| | 2020 number | 2019 number |
|--------------------------------------------------------------------------------------|----------------|----------------|
| Weighted average number of shares used as denominator in calculating basic EPS | 352,082,752 | 351,183,978 |
| Weighted average of potential dilutive ordinary shares: | | |
| - WSP Options | - | - |
| - WSP Rights | - | 2,032,436 |
| - Equity Rights and Performance Rights | - | 392,227 |
| Weighted average number of shares used as the denominator in calculating diluted EPS | 352,082,752 | 353,608,641 |

The weighted average of potential ordinary shares excludes 1,004,229 Wealth Sharing Plan (WSP) Options (2019: 536,013) which have an exercise price that is higher than the average share price for the period. If these WSP Options were to be exercised the Company could hypothetically use the proceeds to buy back more shares than it issues, resulting in a net positive impact to shareholders.

The conversion of share rights would decrease the loss per share for the year ended 30 June 2020 and therefore its impact has been excluded from the diluted earnings per share calculation.

5. Income tax

Critical accounting estimates and assumptions

Uncertain tax positions

The Group applies its current understanding of the tax law to estimate tax liabilities where the ultimate tax position is uncertain. When the tax position is ultimately determined or tax laws change, the actual tax liability may differ from this current estimate.

Research and development incentive

The research and development incentive available to the Group is estimated in the accounts because a full assessment of the position cannot be made by the reporting date. It is the policy of the Group to only bring to account the preliminary portion of expenses that is reasonably expected to be claimable at reporting date.

Tax rate applicable to Beijing Wangpin, ATS and Zhilian HR Services (PRC subsidiaries of Zhaopin Ltd)

Beijing Wangpin Consulting Co., Ltd and Enlightenment Personnel Assessment Technology (Beijing) Co. Ltd (ATS) both qualified as a High and New Technology Enterprise (HNTE) from 1 January 2017 to 31 December 2019. They reapplied for HNTE status for a three year period from 1 January 2020 and are expected to maintain that status. Zhilian HR Resources Services Co., Ltd qualifies as a HNTE from 1 January 2018 to 31 December 2020. An income tax rate of 15% applies to entities with HNTE status and as such, income tax for the year and deferred tax balances of Beijing Wangpin, ATS and Zhilian HR Services as at 30 June 2020 have been calculated using a 15% tax rate.

Accounting Policy

Each entity in the Group uses the tax laws in place or those that have been substantively enacted at reporting date in the relevant jurisdiction to calculate income tax. For deferred income tax, the entity also considers whether these laws are expected to be in place when the related asset is realised or the liability is settled.

Deferred tax assets and liabilities are recognised on all deductible and taxable temporary differences respectively, except for:

- the initial recognition of goodwill;
- any undistributed profits of the Company's subsidiaries, associates or joint ventures where either the distribution of those profits would not give rise to a tax liability or the directors consider they have the ability to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future; and
- the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets:

- are recognised only to the extent that it is probable that there are sufficient future taxable profits to recover these assets. This assessment is reviewed at each reporting date;
- are offset against deferred tax liabilities in the same tax jurisdiction, when there is a legally enforceable right to do so and they relate to taxes levied by the same taxation authority; and

- acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. If the changed circumstances existed at the acquisition date, it would be treated as a reduction to goodwill (as long as it does not exceed goodwill), otherwise through profit or loss.

SEEK Limited and its wholly-owned Australian subsidiaries formed an Australian income tax consolidated group in 2004. These entities have tax sharing and tax funding agreements in place. Refer to Note 21 for further information.

Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the Voluntary Code). The Voluntary Code recommends additional tax information be publicly disclosed to help educate the public about the corporate sector's compliance with Australia's tax laws. SEEK fully supports and signed up to this Voluntary Code from FY2016. Accordingly, the income tax disclosures in this note include the recommended additional disclosures under Part A of the Voluntary Code.

SEEK's latest Tax Transparency Report can be found on the Reports & Presentations page in the Investors section of the Company's website at <https://www.seek.com.au/about/investors/reports-presentations>.

5. Income tax continued

(a) Income tax expense

| | 2020 \$m | 2019 \$m |
|------------------------------------------------------------------------------|---------------|-------------|
| Current tax | 60.9 | 77.9 |
| Deferred tax | (16.7) | 6.7 |
| Under provision in prior years (current tax) | 0.6 | 3.6 |
| Over provision in prior years (deferred tax) | (0.2) | (2.4) |
| Income tax expense in the Consolidated Income Statement | 44.6 | 85.8 |
| Deferred income tax expense included in income tax expense comprises: | | |
| Increase in deferred tax assets | (12.5) | (5.7) |
| (Decrease)/increase in deferred tax liabilities | (4.4) | 10.0 |
| | (16.9) | 4.3 |

(i) Reconciliation of income tax expense

| | 2020 \$m | 2019 \$m |
|----------------------------------------------------------------|---------------|--------------|
| (Loss)/profit before income tax expense | (46.2) | 284.2 |
| Income tax calculated @ 30% (2019: 30%) | (13.9) | 85.3 |
| Increase/(decrease) in income tax expense due to: | | |
| Impairment loss (a) | 57.5 | - |
| Post-tax share of results of equity accounted investments (b) | 12.0 | 4.9 |
| Financing, transaction and legal costs (c) | 6.2 | 8.1 |
| Non-deductible employee benefits (d) | 4.6 | 7.2 |
| Research and development incentive (e) | (15.7) | (14.2) |
| Overseas tax rate differential (f) | (9.1) | (4.5) |
| Under provision in prior years | 0.4 | 1.2 |
| Other | 2.6 | (2.2) |
| Income tax expense in the Consolidated Income Statement | 44.6 | 85.8 |

Explanation of key items:

- (a) Non-deductible accounting impairment loss excluding brand intangibles (refer Note 12 Impairment).
- (b) SEEK's share of associates' results is taken up net of associates' tax expense.
- (c) Non-deductible financing, transaction and legal costs throughout the Group.
- (d) Non-deductible share-based payments and other employee benefits throughout the Group.
- (e) Research and development incentives utilised throughout the Group.
- (f) The Group's international profits are taxed at local rates which vary from the Australian corporate tax rate.

(ii) Effective tax rate

| | SEEK Group | | Australian operations ⁽¹⁾ | |
|----------------------------------------------------------------|--------------|--------------|--------------------------------------|--------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| (Loss)/profit before income tax expense | (46.2) | 284.2 | 43.7 | 135.2 |
| Add: Impairment loss | 203.1 | - | - | - |
| Add: Post-tax share of results of equity accounted investments | 39.9 | 16.5 | 28.9 | 11.1 |
| (A) Adjusted profit before income tax expense ⁽²⁾ | 196.8 | 300.7 | 72.6 | 146.3 |
| (B) Income tax expense | 44.6 | 85.8 | 23.2 | 43.9 |
| Effective tax rate (B/A) | 22.7% | 28.5% | 32.0% | 30.0% |

(1) Excludes dividends within the Group.

(2) Impairment loss and post-tax share of results from SEEK's equity accounted investments have been excluded from the effective tax rate calculation to ensure the effective tax rate accurately reflects the actual tax payable on SEEK's profit.

(iii) Reconciliation of income tax expense to net current tax liabilities

| | 2020 \$m | 2019 \$m |
|----------------------------------------------------------------|-------------|-------------|
| Income tax expense in the Consolidated Income Statement | 44.6 | 85.8 |
| Add/(subtract): | | |
| Deferred tax assets charged to income | 12.3 | 3.3 |
| Deferred tax liabilities credited/(charged) to income | 4.4 | (10.0) |
| Under provision in prior years | (0.4) | (1.2) |
| Current year tax included in income tax expense | 60.9 | 77.9 |
| Add/(subtract): | | |
| Net opening balance carried forward | 27.4 | 38.4 |
| Tax payments made to tax authorities | (66.6) | (91.0) |
| Under provision in prior years (current tax) | 0.6 | 3.6 |
| Current tax recognised directly in equity | (2.4) | (1.3) |
| Acquisition of subsidiary's tax payable | - | 0.1 |
| Foreign exchange | 1.2 | 0.8 |
| Other | 0.9 | (1.1) |
| Net current tax liabilities | 22.0 | 27.4 |
| Net current tax liabilities comprises: | | |
| Current tax assets in the Consolidated Balance Sheet | (3.2) | (3.6) |
| Current tax liabilities in the Consolidated Balance Sheet | 25.2 | 31.0 |
| Net current tax liabilities | 22.0 | 27.4 |

(b) Amounts recognised directly in equity

Tax relating to certain taxable or deductible items are recognised in other comprehensive income or directly in equity rather than through the Consolidated Income Statement.

| | 2020 \$m | 2019 \$m |
|-----------------------------------------------------------------------------|-------------|-------------|
| Relating to items recognised in other comprehensive income: | | |
| Deferred tax credited directly to foreign currency translation reserve | 0.9 | 0.1 |
| Deferred tax credited directly to cash flow hedge reserve | 1.5 | 4.1 |
| Total tax recognised in other comprehensive income | 2.4 | 4.2 |
| Relating to items recognised directly in equity: | | |
| Deferred tax credited directly to retained profits | 1.2 | - |
| Deferred tax (debited)/credited directly to share-based payment reserve | (0.6) | 1.0 |
| Current tax credited directly to retained profits on issuance of new shares | 2.4 | 1.3 |
| Total tax recognised directly in equity | 3.0 | 2.3 |

5. Income tax continued

(c) Deferred taxes

(i) Deferred tax balances

Deferred tax balances in the Consolidated Balance Sheet comprise temporary differences attributable to the following items:

| As at 30 June | 2020 \$m | 2019 \$m |
|------------------------------------------|--------------|--------------|
| Share-based payments | 7.0 | 8.8 |
| Provisions and accruals | 28.5 | 22.9 |
| Employee benefits | 11.0 | 12.3 |
| Unrealised foreign exchange | 9.5 | 3.7 |
| Research and development incentive | (24.9) | (24.9) |
| Tax losses recognised | 11.2 | 9.5 |
| Property plant and equipment | 6.1 | 2.7 |
| Cash flow hedge | 5.3 | 3.7 |
| Other | 5.0 | 7.3 |
| Deferred tax assets | 58.7 | 46.0 |
| Intangible assets | 86.6 | 99.4 |
| Withholding tax on undistributed profits | 35.0 | 33.8 |
| Other | 5.9 | 5.4 |
| Deferred tax liabilities | 127.5 | 138.6 |
| Net deferred tax liabilities | 68.8 | 92.6 |

Certain deferred tax liability balances are shown as part of deferred tax assets, as they originate in the same jurisdiction as, and can be offset against, other deferred tax assets.

(ii) Deferred tax charged to income

| For the year ended 30 June | 2020 \$m | 2019 \$m |
|------------------------------------------------------|---------------|--------------|
| Share-based payments | 0.4 | 0.9 |
| Provisions and accruals | (7.0) | (5.0) |
| Employee benefits | 1.2 | (0.6) |
| Unrealised foreign exchange | (6.0) | (3.7) |
| Research and development incentive | - | 0.7 |
| Tax losses recognised | (2.4) | (0.7) |
| Property plant and equipment | (1.9) | (1.4) |
| Other | 3.2 | 4.1 |
| Deferred tax assets | (12.5) | (5.7) |
| Intangible assets | (6.5) | (2.4) |
| Withholding tax on undistributed profits | 2.2 | 10.7 |
| Other | (0.1) | 1.7 |
| Deferred tax liabilities | (4.4) | 10.0 |
| Net deferred tax (credited)/charged to income | (16.9) | 4.3 |

(iii) Deferred tax movements

| For the year ended 30 June | 2020 \$m | 2019 \$m |
|---------------------------------------------------|-------------|-------------|
| Opening net deferred tax liabilities | 92.6 | 90.3 |
| (Credited)/charged to income | (16.9) | 4.3 |
| Credited to other comprehensive income and equity | (3.0) | (5.2) |
| Acquisition of subsidiaries | - | 0.9 |
| Other reserves | - | (0.9) |
| Exchange differences | (3.9) | 3.2 |
| Closing net deferred tax liabilities | 68.8 | 92.6 |

Financing and risk management

6. Net debt

Accounting Policy

Borrowings are initially recognised net of transaction costs incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs where it is probable that some or all the facility will be drawn down. The fee is deferred until the drawdown occurs and is amortised on a straight-line basis over the entire life of the facility.

Borrowings are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(a) Cash and cash equivalents

Cash and short-term deposits held in certain Asian countries (including China) are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends. Cash and bank balances at 30 June 2020 include RMB41.2m (A\$8.5m) held by some subsidiaries in the People's Republic of China, which is not freely convertible into other currencies for transfer around the Group (2019: A\$6.9m).

At 30 June 2020, cash and cash equivalents include \$63.9m (2019: \$64.8m) of short-term deposits and debentures held by ANZ, Brasil Online (BOL), Catho and Sidekicker. These highly liquid deposits and investments are readily convertible into known cash amounts and are subject to insignificant risk of changes of value.

(b) Borrowings

| | Current | | Non-current | |
|-------------------------------------|--------------|--------------|----------------|----------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Bank Loans - unsecured | 59.8 | 3.7 | 1,156.7 | 995.3 |
| Bank Loans - secured | 83.6 | 129.4 | 323.3 | 302.7 |
| Capital Markets Debt - unsecured | - | - | 325.0 | 175.0 |
| Less: transaction costs capitalised | - | - | (7.4) | (6.4) |
| Total borrowings | 143.4 | 133.1 | 1,797.6 | 1,466.6 |

The Group had access to \$322.5m in undrawn facilities at 30 June 2020 (2019: \$603.3m).

6. Net debt continued

Financing and credit facilities

The overall funding structure of the SEEK Group includes bank loans and capital markets debt funding as follows:

| | | Drawn | | Undrawn | | Total | |
|--------------------------------------|----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Facility Type | Maturity | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| SEEK Limited - Non-current | | | | | | | |
| Bank facilities - unsecured (i) | | | | | | | |
| Tranche A (Revolving) | Nov 2022 | A\$362.5m | A\$335.0m | - | A\$40.0m | A\$362.5m | A\$375.0m |
| Tranche B (Revolving) | Nov 2023 | A\$105.0m | A\$90.0m | A\$145.0m | A\$160.0m | A\$250.0m | A\$250.0m |
| Tranche C (Revolving) | Nov 2024 | US\$175.3m | US\$100.3m | US\$77.2m | US\$174.7m | US\$252.5m | US\$275.0m |
| Tranche D (Term Loan) | Nov 2023 | US\$100.0m | US\$100.0m | - | - | US\$100.0m | US\$100.0m |
| Tranche E (Term Loan) | Nov 2024 | US\$200.0m | US\$200.0m | - | - | US\$200.0m | US\$200.0m |
| Capital Markets Debt (ii) | | | | | | | |
| A\$ Floating Rate Notes | Apr 2022 | A\$175.0m | A\$175.0m | - | - | A\$175.0m | A\$175.0m |
| A\$ Subordinated Floating Rate Notes | Jun 2026 | A\$150.0m | n/a | - | n/a | A\$150.0m | n/a |
| Zhaopin - Current | | | | | | | |
| Bank facilities - unsecured (iii) | | | | | | | |
| Working Capital Facilities | Jul 2020 | RMB290.9m | RMB18.0m | RMB19.0m | RMB182.0m | RMB309.9m | RMB200.0m |
| Bank facilities - secured (iv) | | | | | | | |
| Loan Facility | Jul 2020 | US\$30.0m | US\$30.0m | - | - | US\$30.0m | US\$30.0m |
| Amortising Term Loan Facility | Sep 2020 | US\$27.5m | US\$27.5m | - | - | US\$27.5m | US\$27.5m |
| Zhaopin - Non-current | | | | | | | |
| Bank facilities - secured (iv) | | | | | | | |
| Loan Facility | Aug 2022 | US\$70.0m | US\$70.0m | - | - | US\$70.0m | US\$70.0m |
| Amortising Term Loan Facility | Sep 2022 | US\$55.0m | US\$82.5m | - | - | US\$55.0m | US\$82.5m |
| Loan Facility | Oct 2022 | US\$97.5m | US\$29.7m | USD\$2.5m | US\$70.3m | US\$100.0m | US\$100.0m |
| Revolving Credit Facility | Aug 2023 | - | US\$63.2m | US\$40.0m | US\$11.8m | US\$40.0m | US\$75.0m |

(i) As at 30 June 2020, A\$1,156.7m principal had been drawn down against the facility, comprising A\$467.5m and US\$475.3m (2019: A\$995.3m, comprising A\$425.0m and US\$400.3m). The SEEK Limited Borrower Group includes SEEK Limited and all subsidiaries in which its ownership is at least 90%.

(ii) A Guaranteed Euro Medium Term Note (EMTN) Programme was originally established in March 2017 with a programme limit of EUR 1 billion. Under the programme the Group may from time to time issue notes denominated in any currency, with funds raised under the programme to be used for general corporate purposes. In December 2019, the Group issued A\$150.0m of A\$ Subordinated Floating Rate Notes with a maturity date of June 2026 and a first optional redemption date of June 2023. These notes are unsecured and subordinate to SEEK's existing unsecured bank debt and A\$ Floating Rate Notes. The Group initiated a redemption of the April 2022 A\$175.0m Floating Rate Notes in June 2020, that completed in July 2020 and was funded from available cash balances. The Group also completed an A\$75.0m "tap" issuance of the June 2026 A\$ Subordinated Floating Rate Notes in July 2020, increasing the total outstanding to A\$225.0m.

(iii) The facilities are non-recourse to the SEEK Limited Borrower Group. In July 2020, total RMB working capital facilities increased from RMB309.9m to RMB439.9m, and maturity dates were extended. Updated facilities include two RMB facilities of RMB300.0m and RMB100.0m that were extended until December 2020 and July 2021 respectively, and a new facility of RMB40.0m maturing in January 2021.

(iv) The facilities are supported by funds on deposit of A\$442.8m within Zhaopin Limited and are non-recourse to the SEEK Limited Borrower Group (2019: A\$466.2m). During July 2020 Zhaopin implemented and drew down on a new US\$30.0m loan facility maturing in July 2023, and repaid the US\$30.0m facility expiring in July 2020.

(c) Net debt

| | Facility limit | Borrowings \$m Note 6(b) | Cash \$m | Short-term investments \$m Note 8(b) | Funds on deposit \$m Note 10(i) | Net cash/ (debt) \$m |
|---------------------------------------------------|--------------------|--------------------------------|--------------|-----------------------------------------------|------------------------------------------|----------------------------|
| Year ended 30 June 2020 | | | | | | |
| SEEK Limited A\$ bank debt | A\$612.5m | (467.5) | | | | |
| SEEK Limited US\$ bank debt | US\$552.5m | (689.2) | | | | |
| SEEK Limited A\$ Floating Rate Notes | A\$175.0m | (175.0) | | | | |
| SEEK Limited A\$ Subordinated Floating Rate Notes | A\$150.0m | (150.0) | | | | |
| | | (1,481.7) | | | | (1,481.7) |
| Cash & short-term investments | | | 337.7 | 0.1 | | 337.8 |
| SEEK Limited Borrower Group⁽¹⁾ | | (1,481.7) | 337.7 | 0.1 | - | (1,143.9) |
| Zhaopin | RMB309.9m | (59.8) | | | | |
| Zhaopin | US\$322.5m | (406.9) | | | | |
| | | (466.7) | 245.8 | - | 442.8 | 221.9 |
| Other | | - | 21.3 | 0.1 | - | 21.4 |
| SEEK GROUP | A\$2,270.9m | (1,948.4) | 604.8 | 0.2 | 442.8 | (900.6) |
| Less: transaction costs capitalised | | 7.4 | | | | |
| Per Consolidated Balance Sheet | | (1,941.0) | | | | |

Consolidated net interest cover: EBITDA⁽²⁾ / Net interest

7.0

Consolidated net leverage ratio: Net debt / EBITDA⁽²⁾

2.2

(1) Borrower Group includes SEEK Limited and all subsidiaries in which its ownership is at least 90%. Borrower Group EBITDA for the year ended 30 June 2020 was \$310.3m (2019: \$368.7m) inclusive of cash dividends received from excluded subsidiaries OES \$29.6m (2019: \$37.5m) and amounts received from equity accounted investments in the form of cash dividends or return of capital \$11.6m (June 19: \$0.9m).

(2) EBITDA is defined and reconciled to consolidated profit before income tax expense in Note 1 Segment information.

| | Facility limit | Borrowings \$m Note 6(b) | Cash \$m | Short-term investments \$m Note 8(b) | Funds on deposit \$m Note 10(i) | Net cash/ (debt) \$m |
|---------------------------------------------------------------|--------------------|--------------------------------|--------------|-----------------------------------------------|------------------------------------------|----------------------------|
| Year ended 30 June 2019 | | | | | | |
| SEEK Limited A\$ bank debt | A\$625.0m | (425.0) | | | | |
| SEEK Limited US\$ bank debt | US\$575.0m | (570.3) | | | | |
| SEEK Limited A\$ Floating Rate Notes | A\$175.0m | (175.0) | | | | |
| | | (1,170.3) | 60.7 | - | - | (1,109.6) |
| Cash & short-term investments | | - | 130.8 | 0.1 | - | 130.9 |
| SEEK Limited Borrower Group | | (1,170.3) | 191.5 | 0.1 | - | (978.7) |
| Zhaopin | RMB200.0m | (3.7) | | | | |
| Zhaopin | US\$385.0m | (432.1) | | | | |
| | | (435.8) | 147.4 | - | 466.2 | 177.8 |
| Other | | - | 44.0 | - | - | 44.0 |
| SEEK GROUP | A\$2,209.4m | (1,606.1) | 382.9 | 0.1 | 466.2 | (756.9) |
| Less: transaction costs capitalised | | 6.4 | | | | |
| Per Consolidated Balance Sheet | | (1,599.7) | | | | |
| Consolidated net interest cover: EBITDA / Net interest | | | | | | |
| | | | | | | 10.2 |
| Consolidated net leverage ratio: Net debt / EBITDA | | | | | | |
| | | | | | | 1.7 |

7. Notes to the cash flow statement

(a) Reconciliation of profit for the year to net cash inflow from operating activities

The table below shows the reconciliation of profit after tax to operating cash flow. Operating cash flow is, broadly speaking, the net cash amount of receipts from our customers and payments to our suppliers. The difference between profit and operating cash flow is generally due to:

- items included in profit which have no cash impact (e.g. depreciation, amortisation, share of results from equity accounted investments and impairment);
- items included in profit which are not related to operations (e.g. fair value changes in financial assets);
- payments/receipts being made in the current financial year in relation to previous or future financial years (e.g. opening balances on debtor/creditor accounts); and
- foreign exchange movements which cause operating assets and liabilities balances to fluctuate.

| | 2020 \$m | 2019 \$m |
|--------------------------------------------------------------------------------------|---------------|-------------|
| (Loss)/profit for the year | (90.8) | 198.4 |
| Non-cash items | | |
| Impairment loss | 203.1 | - |
| Depreciation and amortisation | 133.9 | 85.8 |
| Share of results of equity accounted investments | 39.9 | 16.5 |
| Amortisation of share-based payments | 17.2 | 18.1 |
| Aggregated tax amounts arising in the reporting period recognised directly in equity | (1.8) | (2.3) |
| Net loss on derivative instruments at fair value through profit and loss | 14.8 | - |
| Other | 5.5 | 2.3 |
| Non-operating items | | |
| Gain on disposal of equity accounted investment | - | (2.5) |
| Fair value gain on financial asset | - | (3.2) |
| Write-off of borrowing costs | 1.0 | 1.8 |
| Change in operating assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | 44.0 | (2.5) |
| (Increase)/decrease in current tax assets | 0.4 | (3.6) |
| (Increase)/decrease in deferred tax assets | (12.7) | (12.1) |
| Increase/(decrease) in trade and other payables | 3.6 | 19.7 |
| Increase/(decrease) in unearned income | (50.2) | 33.8 |
| Increase/(decrease) in current tax liabilities | (5.8) | (7.4) |
| Increase/(decrease) in provisions | 2.9 | 2.6 |
| Increase/(decrease) in deferred tax liabilities | (11.1) | 14.4 |
| Exchange gains/(losses) on translation of foreign operations | 10.4 | 12.8 |
| Net cash inflow from operating activities | 304.3 | 372.6 |

(b) Changes in assets/liabilities arising from financing activities

This disclosure, which is a requirement of AASB 107 *Statement of Cash Flows*, allows users to understand changes in the balance of certain liabilities such as borrowings. It also includes certain assets where cash flows have been, or will be, included in cash flows from financing activities. The disclosure identifies changes from cash flows as well as non-cash changes such as acquisitions and exchange differences.

| | | Trade and other receivables | Other financial assets | | | Borrowings | Other financial liabilities | |
|------|------------------------------------------|----------------------------------------------------|----------------------------|----------------------------------------------------|-----------------------|----------------------|-----------------------------|----------------------------|
| | | Funds on deposit for entrusted loan facilities \$m | Short term investments \$m | Funds on deposit for entrusted loan facilities \$m | Derivative assets \$m | Total Borrowings \$m | Put option \$m | Derivative liabilities \$m |
| 2019 | Movement type | | | | | | | |
| | Opening balance | 118.7 | 0.1 | 249.9 | 10.6 | 1,299.2 | 18.8 | 3.2 |
| | Net cash flows from financing activities | Cash | 26.2 | - | 60.3 | - | 256.9 | - |
| | Interest received/receivable | Non-cash | 4.2 | - | (0.1) | - | 0.4 | - |
| | Amortisation | Non-cash | - | - | - | (0.2) | 3.5 | - |
| | Fair value through OCI | Non-cash | - | - | - | (3.8) | - | 24.7 |
| | Fair value through profit and loss | Non-cash | - | - | - | 1.7 | - | 5.6 |
| | Foreign exchange movements | Non-cash | 2.4 | - | 4.6 | - | 40.1 | - |
| | Closing balance | 151.5 | 0.1 | 314.7 | 8.3 | 1,599.7 | 19.2 | 33.5 |
| 2020 | | | | | | | | |
| | Net cash flows from financing activities | Cash | 15.4 | 0.1 | (33.6) | - | 322.0 | - |
| | Interest received/receivable | Non-cash | (2.9) | - | 2.7 | - | - | - |
| | Amortisation | Non-cash | - | - | - | - | - | - |
| | Fair value through OCI | Non-cash | - | - | - | 3.6 | 10.6 | 26.6 |
| | Fair value through profit and loss | Non-cash | - | - | - | (6.2) | 4.5 | 4.1 |
| | Write-off borrowing costs | Non-cash | - | - | - | - | 1.0 | - |
| | Foreign exchange movements | Non-cash | (1.7) | - | (3.3) | - | 3.2 | - |
| | Closing balance | 162.3 | 0.2 | 280.5 | 5.7 | 1,941.0 | 19.2 | 49.2 |

8. Financial instruments and fair value measurement

Accounting Policy

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value at each reporting period.

(i) Derivatives that qualify for hedge accounting

Hedge effectiveness is determined at the establishment of the hedge relationship. This relates to the extent that the hedging instrument (derivative) offsets the changes in value of the hedged item (asset, liability or future transaction that is being hedged). It is measured through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The Group uses the hypothetical derivative method and the critical terms match method to assess effectiveness of its hedge arrangements.

The Group designates certain derivatives as either:

Cash flow hedge

| | |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk that is being hedged | The risk of uncertain cash flows attributable to a particular risk associated with an asset, liability or future transaction. |
| Treatment of gains or losses | The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'operations and administration expenses'. |
| Treatment if the hedge relationship finishes | The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged risk occurs. Gains and losses accumulated in equity remain in equity until the hedged item affects profit or loss. At this time, the accumulated gain or loss is reclassified to profit or loss within: <ul style="list-style-type: none"> • 'finance costs' for interest rate derivatives hedging variable rate borrowings; and • 'operations and administration expenses' for other derivative instruments, where the underlying exposure is not relating to funding the Company. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss. |

Fair value hedge

| | |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk that is being hedged | The risk of changes in the fair value of a financial asset, liability or unrecognised firm commitment. |
| Treatment of gains or losses | The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'operations and administration expenses'. Where the hedged item is an equity instrument for which an election has been made to present changes in fair value in other comprehensive income, the ineffective portion shall remain in other comprehensive income. |
| Treatment if the hedge relationship finishes | The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged item is disposed of. Gains and losses accumulated in equity remain in equity until the hedged item affects profit or loss. If the hedged item is an equity instrument for which an election has been made to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income. |

Net investment hedge

| | |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk that is being hedged | The risk of changes in foreign currency when net assets of a foreign operation are translated from their functional currency to Australian dollars. |
| Treatment of gains or losses | The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'operations and administration expenses'. |
| Treatment if the hedge relationship finishes | The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged item is disposed of. Gains and losses accumulated in equity remain in equity until the foreign operation ceases to be consolidated. At this time, the accumulated gain or loss is recognised in profit or loss as part of the gain or loss on disposal. |

(ii) Derivatives that do not qualify for hedge accounting

Derivatives are only used for economic hedging purposes and not as speculative investments. However, certain derivative instruments do not qualify for hedge accounting or are not designated for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify or is not designated for hedge accounting are recognised immediately in profit or loss and are included in 'operations and administration expenses' or 'finance costs'.

This note provides information about the Group's financial instruments, including:

- (a) Valuation methodology of financial instruments;
- (b) Composition of financial instruments held by the Group; and
- (c) Derivative financial instruments.

(a) Valuation methodology of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following fair value measurement hierarchy:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Composition of the Group's financial instruments

| Financial Instruments | Valuation method | Note | Current | | Non-current | |
|------------------------------------------------|------------------|-------|-------------|-------------|-------------|-------------|
| | | | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Cash and cash equivalents | Amortised cost | 6(c) | 604.8 | 382.9 | - | - |
| Net trade receivables | Amortised cost | 10 | 46.6 | 90.0 | - | - |
| Funds on deposit for entrusted loan facilities | Amortised cost | 10 | 47.4 | - | 114.9 | 151.5 |
| Other financial assets | Various | 8(b) | 57.6 | 158.9 | 436.4 | 359.8 |
| Trade and other payables | Amortised cost | 13 | (307.3) | (260.3) | - | - |
| Lease liabilities | Amortised cost | 14(b) | (28.0) | - | (36.0) | - |
| Borrowings | Amortised cost | 6(b) | (143.4) | (133.1) | (1,797.6) | (1,466.6) |
| Other financial liabilities | Various | 8(b) | (70.0) | (40.0) | (3.1) | (24.0) |

Further information regarding the Group's other financial assets and liabilities is provided below.

| Other financial assets | Hierarchy level | Current | | Non-current | |
|----------------------------------------------------------------------------------|-----------------|-------------|--------------|--------------|--------------|
| | | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Financial assets held at amortised cost | | | | | |
| Funds on deposit for entrusted loan facilities | n/a | 43.3 | 141.2 | 237.2 | 173.5 |
| Short-term investments | n/a | 0.2 | 0.1 | - | - |
| Security deposits | n/a | - | - | 1.4 | 1.1 |
| Financial assets at fair value through profit and loss (FVPL) | | | | | |
| Investment in equity instruments (i) | Level 3 | - | - | 113.6 | 102.2 |
| Convertible loans (ii) | Level 3 | 8.4 | 9.3 | 1.2 | 26.5 |
| Derivative financial instruments (c) | Level 2 | 1.3 | 7.5 | - | - |
| Financial assets at fair value through other comprehensive income (FVOCI) | | | | | |
| Investment in equity instruments (i) | Level 2 | - | - | 82.0 | 50.0 |
| Investment in equity instruments (i) | Level 3 | - | - | 1.0 | 6.5 |
| Derivative financial instruments (c) | Level 2 | 4.4 | 0.8 | - | - |
| Total other financial assets | | 57.6 | 158.9 | 436.4 | 359.8 |

| | | Current | | Non-current | |
|--------------------------------------------------------------------------------|-----------------|----------|----------|-------------|----------|
| | Hierarchy level | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Other financial liabilities | | | | | |
| Financial liabilities at fair value through profit and loss (FVPL) | | | | | |
| Derivative financial instruments (c) | Level 2 | (10.0) | (5.9) | - | - |
| Put option (iii) | Level 3 | (19.2) | - | - | (19.2) |
| Contingent consideration | Level 3 | (1.6) | (6.5) | (3.1) | (4.8) |
| Financial liabilities at fair value through other comprehensive income (FVOCI) | | | | | |
| Derivative financial instruments (c) | Level 2 | (39.2) | (27.6) | - | - |
| Total other financial liabilities | | (70.0) | (40.0) | (3.1) | (24.0) |

8. Financial instruments and fair value measurement continued

Other financial assets and liabilities held by the Group as at 30 June 2020 are carried at an amount which closely approximates their fair value.

The Group's exposure to various risks associated with financial instruments is discussed in Note 9 Financial risk management.

(i) Investment in equity instruments

As part of its overall investment strategy, the Group holds various investments in equity instruments that do not meet the requirements of either consolidation or equity accounting, and which are not held for the purposes of trading. They are therefore held at fair value.

The following table shows the summary of changes in the fair value of the Group's investment in equity instruments:

| | FVPL \$m | FVOCI \$m | Total \$m |
|---------------------------------------------------------------|--------------|--------------|--------------|
| Opening fair value 1 July 2018 | 97.7 | 6.0 | 103.7 |
| Additions | - | 50.0 | 50.0 |
| Unrealised gain recognised in other income | 3.2 | - | 3.2 |
| Foreign exchange movements | 1.3 | 0.5 | 1.8 |
| Closing fair value as at 30 June 2019 | 102.2 | 56.5 | 158.7 |
| Additions | 12.6 | 3.3 | 15.9 |
| Change in fair value recognised in other comprehensive income | - | 22.3 | 22.3 |
| Foreign exchange movements | (1.2) | 0.9 | (0.3) |
| Closing fair value as at 30 June 2020 | 113.6 | 83.0 | 196.6 |

(ii) Convertible loans

The Group has extended convertible loans to certain Early Stage Ventures. These loans are interest-bearing and subject to various terms and conditions.

(iii) Put option

A put option has been recognised relating to the remaining shares held by non-controlling interests in JobAdder. Movements in the estimated exercise value of this put option are recognised in the Consolidated Income Statement.

(c) Derivative financial instruments

The Group is party to derivative financial instruments (forward foreign exchange contracts, options and swaps) in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's treasury policies.

Derivatives are only used for economic hedging purposes and not as speculative instruments. The Group has the following derivative instruments:

| Derivative instrument | Current assets | | Current liabilities | |
|--------------------------------------------------------|----------------|-------------|---------------------|---------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Derivatives designated as cash flow hedges | | | | |
| Forward foreign exchange contracts & options | 0.2 | - | - | (0.1) |
| Interest rate options contracts | - | - | (2.5) | (1.2) |
| Interest rate swap contracts | - | - | (0.4) | (11.2) |
| Derivatives designated as net investment hedges | | | | |
| Forward foreign exchange contracts | 0.9 | - | - | (0.7) |
| Foreign exchange options | - | - | (23.3) | (2.6) |
| Cross currency interest rate swap contracts | 3.3 | 0.8 | (13.0) | (11.8) |
| Derivatives not designated as hedges | | | | |
| Forward foreign exchange contracts & options | 1.3 | 1.2 | (6.8) | (2.2) |
| Cross currency interest rate swap contracts | - | 6.3 | (1.7) | - |
| Interest rate options & swap contracts | - | - | (1.5) | (3.7) |
| Total derivative financial instruments | 5.7 | 8.3 | (49.2) | (33.5) |

9. Financial risk management

The Group maintains a capital structure for the business to ensure sufficient liquidity and support to fund business operations, maintain shareholder and market confidence, provide strong stakeholder returns, and position the business for future growth.

The Group's ongoing capital management approach is characterised by:

- Rolling cash flow forecast analyses and detailed budgeting processes which, combined with continual development of relationships with banks and investors, is directed at providing a sound financial positioning for the Group's operations and financial management activities;
- A capital structure that provides adequate funding for the Group's potential acquisition and investment strategies in order to build future growth in shareholder value; and
- Investment criteria that consider earnings accretion and risk adjusted rate of return requirements based on overall strategic goals.

The Group's financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as use of derivative financial instruments and investment of excess liquidity.

Exposure to risks

The Group's capital structure, global operations and the nature of the business activities result in exposure to operational risks and a number of financial risks including:

| Risk | Exposure arising from | Management |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Foreign exchange risk - the risk that fluctuations in foreign exchange rates may impact the Group results | Translation risk - the risk of unfavourable foreign exchange movements in the translation of the profits, assets and liabilities of overseas subsidiaries operating in functional currencies other than Australian dollars | Creating a natural hedge by matching debt with underlying local currency earnings and investments Where a natural hedge is not possible, creating synthetic debt (via cross currency interest rate swaps) to hedge some underlying earnings and balance sheet exposures |
| | Transaction risk - the risk that unfavourable foreign exchange movements may have an adverse impact on future cash flows which are committed to in foreign currencies | When international cash inflows and outflows are certain, use forward foreign exchange contracts or options to hedge inflows/outflows |
| Interest rate risk – the risk that fluctuations in interest rates may impact the Group results | Long-term borrowings at variable interest rates | Where appropriate, adopt interest rate swaps or options to fix some interest rates |
| Liquidity risk – the risk that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities | Borrowings and other liabilities | Availability of cash, and committed and uncommitted borrowing facilities |
| Credit risk – the risk that default by a counterparty (debtor or creditor) could impact the Group's financial position and results | Cash and cash equivalents, and derivative financial instruments | Use of financial institutions with an investment grade rating |
| | Trade receivables | Credit limits and credit checks |

A summary of the Group's derivative financial instruments and its application of hedge accounting is outlined in Note 8 Financial instruments and fair value measurement.

9. Financial risk management continued

(a) Foreign exchange risk

The Group increasingly operates internationally and is therefore exposed to foreign exchange risk arising from various currencies, predominantly the US Dollar (USD), Chinese Renminbi (RMB), Hong Kong Dollar (HKD), Malaysian Ringgit (MYR), Philippine Peso (PHP), Singapore Dollar (SGD), British Pound (GBP), Euro (EUR), Brazilian Real (BRL) and Mexican Peso (MXN).

As a result of this international presence, the Group is exposed to both translation and transaction risk.

Risk management policy

The Group's foreign exchange risk management policy is to hedge up to 100% of anticipated significant cash flows in foreign currencies (for example for one-off significant transactions) for up to a six month period using external forward currency contracts. The derivative instruments used for hedging these types of exposures are forward foreign exchange contracts and purchased net forward exchange option contracts. The forward foreign exchange contracts taken up by the Group are regularly reassessed.

If funding of equity in foreign subsidiaries is material, Group Treasury will attempt to match the asset with borrowings in the currency of that subsidiary to form a natural hedge to protect the balance sheet. Where a natural hedge is not possible, synthetic debt may be created using a cross currency interest rate swap.

Whilst, as mentioned above, the Group's reported profits are subject to foreign exchange translation risk, the current policy is not to specifically hedge reported profits on the basis that:

- there can be significant cost associated with hedging some currencies, particularly in 'emerging markets' where SEEK has significant exposures;
- profits do not always align with cash flow, and to the extent that there is a mismatch between profits and cash flow, hedging can create mismatches; and
- the level of balance sheet (translation) and cash flow (transaction) hedging undertaken already provides a degree of protection against P&L translation risk.

Material arrangements in place at reporting date

The Group has foreign exchange options in hedging relationships against the USD denominated portion of the Group's syndicated facility intended to limit the cost of making the repayments.

The Group has foreign exchange options, forwards and cross currency swaps in hedging relationships to hedge the Group's SGD, GBP and EUR net investments. At 30 June 2020, there is a net liability on the foreign exchange options of \$23.3m (2019: net liability of \$2.6m). Cross currency interest rate swap contracts have a net liability of \$9.7m (2019: net liability of \$11.0m).

The Group also manages the foreign currency exposure on USD debt which is not designated as a net investment hedge and therefore revalued to profit and loss, by entering foreign exchange forward and option contracts. At 30 June 2020, there is a net liability on these derivatives of \$5.5m (2019: net liability \$1.0m).

Material exposures and sensitivities

As noted above, the Group has significant offshore operations. In addition to the revenue and earnings for these operations as set out in the segment information (refer to Note 1) and other related disclosures, there are also significant assets which are subject to foreign exchange fluctuations, as set out in Note 11 Intangible assets and Note 19 Interests in controlled entities. The method for translating the Group's offshore results, assets and liabilities is described in Note 28 Other significant accounting policies.

A sensitivity analysis has been performed over possible movements in relevant foreign currencies against the underlying functional currencies in the short term subsequent to 30 June 2020. Utilising a range of +5% to -5%, the analysis showed that the impact to the profit and loss would be less than \$1.5m for each of the common currency pairings.

At 30 June 2020, the Group's largest exposure to foreign currency exchange risk is in regards to the USD denominated borrowings. This is the largest exposure that the Group has in relation to a foreign currency denominated asset or liability as it is repayable in USD but held by an Australian entity which operates in Australian dollars.

At 30 June 2020, the amount of USD borrowings drawn down on SEEK Limited's USD bank debt was US\$475.3m (2019: US\$400.3m). US\$239.9m of this loan has been designated as a net investment hedge with a further US\$35.0m designated as a fair value hedge for accounting purposes and therefore movements are taken directly to equity, rather than impacting profit or loss. The remaining US\$200.4m of this loan has been economically hedged by cross currency interest rate swap contracts, forward foreign exchange contracts and USD denominated assets.

(b) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Risk management policy

To protect part of its borrowings from exposure to fluctuations in interest rates, the Group's Treasury policy prescribes the use of interest rate swaps and options.

Material arrangements in place at reporting date

The Group has entered into interest rate swaps and options under which it receives interest at variable rates and pays interest at fixed rates. As shown in the table below, swaps and options in place at 30 June 2020 cover approximately 26% (2019: 36%) of the variable loan principal outstanding on the Group's loan facility.

| | 2020 | | 2019 | |
|--------------------------------------------------------|----------------------------------|---------|----------------------------------|---------|
| | Weighted average interest rate % | \$m | Weighted average interest rate % | \$m |
| AUD denominated borrowings | | | | |
| Bank loans - principal | 2.5% | 467.5 | 3.3% | 425.0 |
| Subordinated note | 4.5% | 150.0 | n/a | - |
| Senior Euro Medium Term Note | 3.1% | 175.0 | 4.2% | 175.0 |
| Less amounts covered by interest rate swaps | 1.9% | (435.0) | 1.8% | (450.0) |
| | | 357.5 | | 150.0 |
| USD denominated borrowings | | | | |
| Bank loan - principal | 3.6% | 689.2 | 4.2% | 570.3 |
| Entrusted loan facilities | 3.2% | 406.9 | 3.9% | 432.1 |
| Less amounts covered by interest rate swaps or options | 2.6% | (72.5) | 2.2% | (135.4) |
| | | 1,023.6 | | 867.0 |
| RMB denominated borrowings | | | | |
| Loan facility | 3.9% | 59.8 | 4.8% | 3.7 |
| Less amounts covered by interest rate swaps | n/a | - | n/a | - |
| | | 59.8 | | 3.7 |
| Total Group borrowings | | | | |
| Total borrowings | 3.2% | 1,948.4 | 3.8% | 1,606.1 |
| Less amounts covered by interest rate swaps | 2.0% | (507.5) | 1.9% | (585.4) |
| | | 1,440.9 | | 1,020.7 |

As at 30 June 2020, the Group has a net liability on its interest rate swaps and options of \$4.4m (2019: net liability \$16.1m). During the year, the Group restructured some of its interest rate swap contracts to optimise its level of hedge cover and take advantage of lower interest rates.

Material exposures and sensitivities

The weighted average interest rate for the year ended 30 June 2020 was 3.2% (2019: 3.8%). If the weighted average interest rate had been 10% higher or 10% lower, interest expense would increase/decrease by \$5.7m.

While the Group's bank accounts are predominantly interest bearing accounts, funds that are in excess of short-term liquidity requirements are generally invested in short-term deposits. Where excess funds are significantly in excess of short-term requirements, they are then applied to reduce the syndicated loan facility balance. Given this, at 30 June 2020, there is not a material interest rate risk relating to the Group's cash balances.

9. Financial risk management continued

(c) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and ensuring that all term deposits can be converted to funds at call.

Risk management policy

Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping the cash reserves of the business accessible. The Group maintains borrowing facilities to enable the Group to borrow funds when necessary. For details of these facilities, refer to Note 6 Net debt.

Material arrangements in place at reporting date

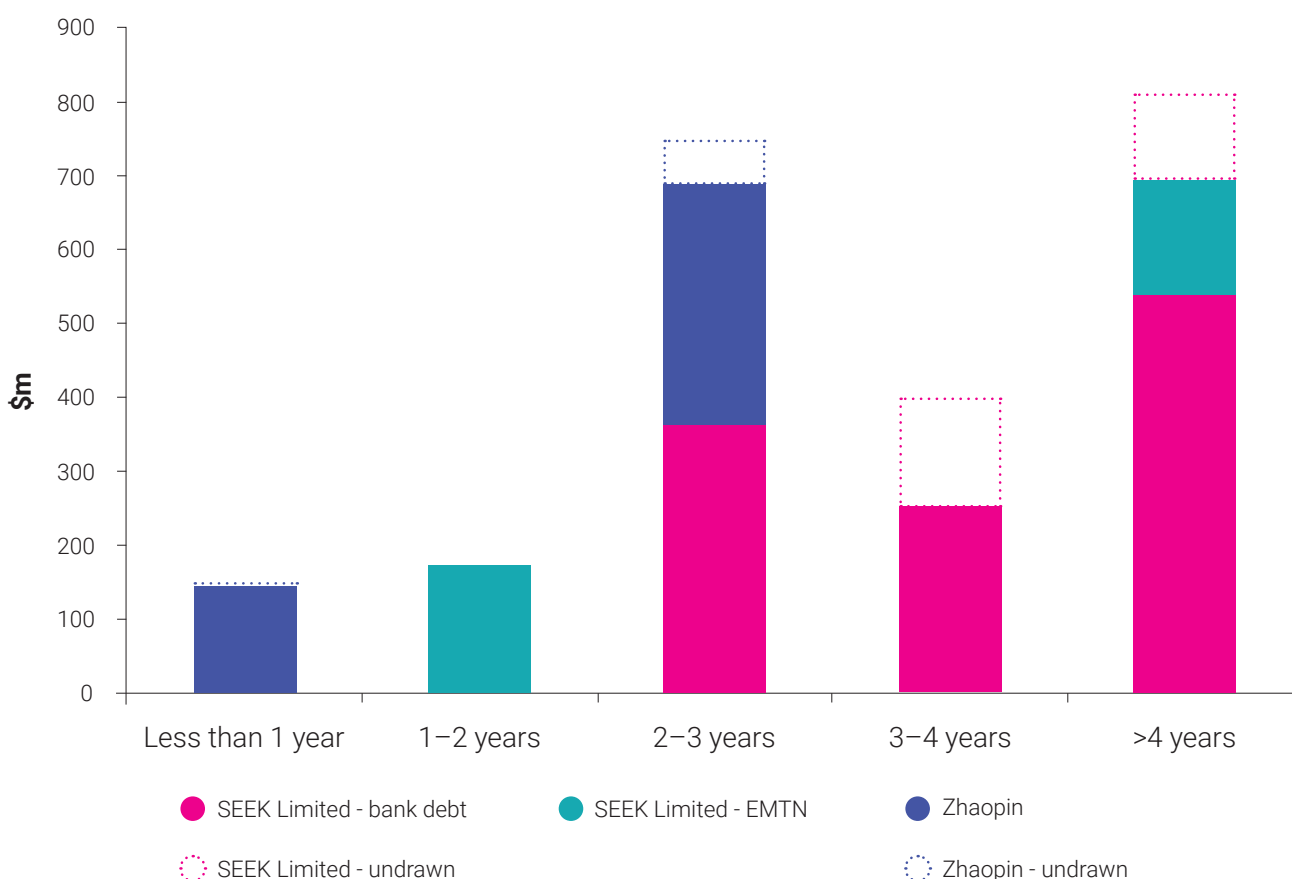
At 30 June 2020, the Group had access to borrowing facilities totalling \$147.2m expiring within one year and \$2,123.7m expiring beyond one year (2019: \$187.6m expiring within one year and \$2,021.8m expiring beyond one year). The table below outlines the level of drawn and undrawn debt at the balance sheet date.

| | Drawn | | Undrawn | | Total | |
|--------------------------|----------------|----------------|--------------|--------------|----------------|----------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Floating rate | | | | | | |
| Expiring within one year | 143.4 | 133.1 | 3.8 | 54.5 | 147.2 | 187.6 |
| Expiring beyond one year | 1,805.0 | 1,473.0 | 318.7 | 548.8 | 2,123.7 | 2,021.8 |
| | 1,948.4 | 1,606.1 | 322.5 | 603.3 | 2,270.9 | 2,209.4 |

Subject to continuing to meet certain financial covenants, certain revolving bank loan facilities may be drawn down at any time. The Group is not subject to externally imposed capital requirements, other than the contractual banking covenants and obligations. SEEK has obtained a temporary increase to key covenant limits in its senior syndicated debt facility through to June 2021. The Group has complied with all bank lending requirements during the year and at the date of this report.

Material exposures

The below graph outlines the contractual undiscounted maturities of the Group's borrowing portfolio as at 30 June 2020 and prior to the redemption and new issue activities set out in Note 6 Net debt:



Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual undiscounted maturities for:

- (a) all non-derivative financial liabilities, and
- (b) net and gross settled derivative financial instruments.

| Contractual maturities of financial liabilities | Less than 6 months \$m | 6 to 12 months \$m | Between 1 and 2 years \$m | Between 2 and 5 years \$m | Over 5 years \$m | Total contractual (inflows)/outflows \$m | Carrying amount (assets)/liabilities \$m |
|-------------------------------------------------|---------------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------------------|---------------------------------------------|
| At 30 June 2020 | | | | | | | |
| Non-derivatives | | | | | | | |
| Trade payables | 307.3 | - | - | - | - | 307.3 | 307.3 |
| Lease liabilities | 14.8 | 13.3 | 20.8 | 18.9 | - | 67.8 | 64.0 |
| Put option | 10.5 | 8.7 | - | - | - | 19.2 | 19.2 |
| Contingent consideration | 1.6 | - | 1.9 | 1.2 | - | 4.7 | 4.7 |
| Borrowings | 166.8 | 21.8 | 217.8 | 1,530.1 | 155.7 | 2,092.2 | 1,948.4 |
| Total non-derivatives | 501.0 | 43.8 | 240.5 | 1,550.2 | 155.7 | 2,491.2 | 2,343.6 |
| Derivatives | | | | | | | |
| Net settled | | | | | | | |
| Interest rate swaps | (14.5) | 0.8 | 9.0 | 5.4 | - | 0.7 | 1.2 |
| Gross settled | | | | | | | |
| Forward foreign exchange contracts/options | | | | | | | |
| - (inflow) | (320.2) | (18.7) | - | - | - | (338.9) | 30.2 |
| - outflow | 324.8 | 18.6 | - | - | - | 343.4 | |
| Cross currency interest rate swaps | | | | | | | |
| - (inflow) | (1.5) | (90.7) | (80.9) | (111.7) | - | (284.8) | 17.8 |
| - outflow | 2.2 | 92.8 | 86.5 | 120.3 | - | 301.8 | |
| Total derivatives | (9.2) | 2.8 | 14.6 | 14.0 | - | 22.2 | 49.2 |

| Contractual maturities of financial liabilities | Less than 6 months \$m | 6 to 12 months \$m | Between 1 and 2 years \$m | Between 2 and 5 years \$m | Over 5 years \$m | Total contractual (inflows)/outflows \$m | Carrying amount (assets)/liabilities \$m |
|-------------------------------------------------|---------------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------------------|---------------------------------------------|
| At 30 June 2019 | | | | | | | |
| Non-derivatives | | | | | | | |
| Trade payables | 260.3 | - | - | - | - | 260.3 | 260.3 |
| Put option | - | - | 19.2 | - | - | 19.2 | 19.2 |
| Contingent consideration | 5.9 | 0.6 | 1.3 | 3.5 | - | 11.3 | 11.3 |
| Borrowings | 151.6 | 24.9 | 83.6 | 1,479.1 | - | 1,739.2 | 1,606.1 |
| Total non-derivatives | 417.8 | 25.5 | 104.1 | 1,482.6 | - | 2,030.0 | 1,896.9 |
| Derivatives | | | | | | | |
| Net settled | | | | | | | |
| Interest rate swaps | 1.5 | 2.2 | 4.2 | 2.5 | | 10.4 | 11.1 |
| Gross settled | | | | | | | |
| Forward foreign exchange contracts/options | | | | | | | |
| - (inflow) | (353.6) | (36.3) | - | - | - | (389.9) | 5.6 |
| - outflow | 353.8 | 36.5 | - | - | - | 390.3 | |
| Cross currency interest rate swaps | | | | | | | |
| - (inflow) | (51.7) | (1.6) | (3.2) | (193.6) | - | (250.1) | 16.8 |
| - outflow | 54.6 | 1.8 | 3.5 | 209.4 | - | 269.3 | |
| Total derivatives | 4.6 | 2.6 | 4.5 | 18.3 | - | 30.0 | 33.5 |

9. Financial risk management continued

(d) Credit risk

The Group's exposure to credit risk arises from the potential default of the Group's trade and other receivables as well as the institutions in which the Group's cash and cash equivalents are deposited, and with whom derivative instruments are traded, with a maximum exposure equal to the carrying amounts of these assets.

Risk management policy

Credit risk in relation to trade and other receivables is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers (e.g. appropriate credit history, credit limits, past experience); and
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.

Credit risk arising from the deposit of Group cash and cash equivalents is managed under the Group's treasury policy which only authorises dealings with financial institutions that have an investment grade rating.

Material exposures

Cash and cash equivalents at 30 June 2020 were \$604.8m (2019: \$382.9m). All amounts are invested with financial institutions that have an investment grade rating. Funds on deposit to support entrusted loan facilities at 30 June 2020 were \$442.8m (2019: \$466.2m). All amounts are invested with financial institutions that have an investment grade rating, and are held as security against the borrowing facilities of Zhaopin. Given this, at 30 June 2020, there is not a material credit risk relating to the Group's cash balances.

Trade receivables at 30 June 2020 were \$52.2m (2019: \$94.2m). The Group does not hold any credit derivatives or collateral to offset its credit exposure. Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The exposure to credit risk is relatively low due to the credit terms provided and the large and diverse customer base.

Net trade receivables

During the year, a total expense of \$3.7m (2019: \$0.7m) was recognised in the Consolidated Income Statement in relation to the provision for doubtful debts and credit notes.

The following table shows the ageing of the Group's net trade receivables at 30 June

| | 2020 \$m | 2019 \$m |
|----------------------------|-------------|-------------|
| Not past due | 29.7 | 55.0 |
| Past due less than 30 days | 7.7 | 23.8 |
| Past due 30 - 60 days | 3.0 | 5.6 |
| Past due 61 - 90 days | 2.1 | 3.1 |
| Past due 91 - 120 days | 3.0 | 0.9 |
| Past due 120+ days | 1.1 | 1.6 |
| Closing balance | 46.6 | 90.0 |

Assets and liabilities

Accounting Policy

Trade receivables are recognised initially at the amount stated on the invoice and subsequently at the amount considered receivable from the customer (amortised cost using the effective interest method), less a provision for expected credit losses. These receivables are interest-free and are generally due for settlement within 30 days.

Amounts recognised as revenue, which are not yet able to be invoiced to the customer, are recognised in the Consolidated Balance Sheet as accrued revenue.

Once the amount is unconditionally payable by the customer, it is invoiced and reclassified from accrued revenue to trade receivables.

The creation or release of the provision for doubtful debts has been included in 'operations and administration' expenses in the Consolidated Income Statement and the creation or the release of the credit note provision has been included within sales revenue. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

10. Trade and other receivables

| | Current | | Non-current | |
|----------------------------------------------------|--------------|--------------|--------------|--------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Trade receivables | 52.2 | 94.2 | - | - |
| Less: loss allowance | (5.6) | (4.2) | - | - |
| Net trade receivables | 46.6 | 90.0 | - | - |
| Accrued revenue | 8.0 | 4.9 | - | - |
| Other receivables | 17.2 | 21.5 | - | - |
| Funds on deposit for entrusted loan facilities (i) | 47.4 | - | 114.9 | 151.5 |
| Prepayments | 32.4 | 31.4 | - | - |
| Total trade and other receivables | 151.6 | 147.8 | 114.9 | 151.5 |

Receivables - Recoverability

The Group has applied a provision matrix to capture the different historical credit loss experience for different customer segments, risk adjusted for expected delays in payment only due to impacts of COVID-19 on customers.

(i) Funds on deposit for entrusted loan facilities

The following table shows the Zhaopin funds on deposit to support entrusted loan facilities:

| | Other financial assets - Note 8(b) | | Other receivables - Note 10 | | Total \$m |
|-----------------------------------------------------------------|---------------------------------------|--------------------|--------------------------------|--------------------|--------------|
| | Current \$m | Non-current \$m | Current \$m | Non-current \$m | |
| Opening funds on deposit as at 1 July 2019 | 141.2 | 173.5 | - | 151.5 | 466.2 |
| Cash released from deposit to support entrusted loan facilities | (139.3) | - | - | - | (139.3) |
| Cash placed on deposit to support entrusted loan facilities | 2.4 | 103.3 | - | 15.4 | 121.1 |
| Transfer between current and non-current classification | 39.4 | (39.4) | 46.7 | (46.7) | - |
| Movement in interest received/receivable | (0.6) | 3.3 | 0.6 | (3.5) | (0.2) |
| Movement in exchange | 0.2 | (3.5) | 0.1 | (1.8) | (5.0) |
| Closing funds on deposit as at 30 June 2020 | 43.3 | 237.2 | 47.4 | 114.9 | 442.8 |

11. Intangible assets

Critical accounting estimates and assumptions

Management has determined that some of the intangible assets (brands and licences) recognised as part of business combinations have indefinite useful lives. This means that the value of these assets do not reduce over time and therefore they are not amortised. These assets have no legal or contractual expiry date and are integral to future revenue generation. Management intends to continue to promote, maintain and defend the brands and

licences to the extent necessary to maintain their values for the foreseeable future.

Management assesses the useful lives of the Group's intangible assets at the end of each reporting period. If an intangible asset is no longer considered to have an indefinite useful life, this change is accounted for prospectively.

Accounting Policy

Intangible assets are non-physical assets held by the Group in order to generate revenue and profit. These assets include goodwill, brands and licences, software and website development and work in progress. They are recognised either at the cost the Group has paid for them or at their fair value if they are acquired as part of a business combination. They are amortised over their expected useful life unless they are considered to have an indefinite useful life.

| Type of intangible asset | Valuation method | Amortisation method | Estimated useful life |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------|
| Goodwill | Initially measured at cost. The excess of consideration paid and the amount of any non-controlling interest in a business combination over the fair value of the net identifiable assets acquired is recognised as goodwill | Not amortised, reviewed for impairment at least annually | n/a |
| Brands and licences | Initially at cost, or fair value if acquired as part of a business combination | Finite life brands, straight-line. Indefinite life brands not amortised, reviewed for impairment at least annually | Specific to circumstances |
| Customer relationships | Initially at fair value at date of business combination | Straight-line | 1 to 5 years |
| Software and website development | Initially at cost, or fair value if acquired as part of a business combination, and subsequently at cost less accumulated amortisation | Straight-line | 3 to 5 years |
| Work in progress | Cost | Not amortised as not ready for use | n/a |

(i) Goodwill

Goodwill relates to the portion of amounts paid to acquire other entities which cannot be identified as separate assets but instead represents expected future economic benefits. Goodwill on acquisition of subsidiaries is included in intangible assets whilst goodwill on acquisitions of associates and joint ventures is included in the carrying amount of the investment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Software and website development

Costs incurred in acquiring, developing and implementing new websites or software are recognised as intangible assets 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. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licences and direct labour.

(iii) Work in progress

Work in progress (WIP) represents intangible assets of other classes not yet put into use. These assets are transferred to another class of assets, normally software and website development, on the date of completion.

| | Notes | Goodwill \$m | Brands and licences \$m | Customer relationships \$m | Software and website development \$m | Work in progress \$m | Total \$m |
|---------------------------------------|-------|-----------------|-------------------------------|----------------------------------|-----------------------------------------------|----------------------------|----------------|
| 2019 | | | | | | | |
| Cost | | | | | | | |
| Opening balance at 1 July 2018 | | 2,192.5 | 358.9 | 95.4 | 288.5 | 27.9 | 2,963.2 |
| Additions | | - | - | - | 8.7 | 97.1 | 105.8 |
| Exchange differences | | 99.5 | 16.1 | 3.1 | 4.5 | (0.2) | 123.0 |
| Acquisition of subsidiaries | | 20.9 | 1.4 | 0.9 | 3.5 | | 26.7 |
| Transfers | | - | - | - | 95.1 | (95.1) | - |
| Closing balance at 30 June 2019 | | 2,312.9 | 376.4 | 99.4 | 400.3 | 29.7 | 3,218.7 |
| Amortisation | | | | | | | |
| Opening balance at 1 July 2018 | | (179.0) | (3.7) | (72.7) | (155.2) | - | (410.6) |
| Amortisation charge | | - | (0.1) | (7.0) | (61.9) | - | (69.0) |
| Exchange differences | | (13.0) | - | (4.0) | (2.6) | - | (19.6) |
| Closing balance at 30 June 2019 | | (192.0) | (3.8) | (83.7) | (219.7) | - | (499.2) |
| Carrying value at 30 June 2019 | | 2,120.9 | 372.6 | 15.7 | 180.6 | 29.7 | 2,719.5 |
| 2020 | | | | | | | |
| Cost | | | | | | | |
| Opening balance at 1 July 2019 | | 2,312.9 | 376.4 | 99.4 | 400.3 | 29.7 | 3,218.7 |
| Additions | | - | - | - | 6.7 | 107.4 | 114.1 |
| Acquisition of subsidiaries | | 0.6 | - | - | - | - | 0.6 |
| Disposals | | - | - | - | (1.2) | - | (1.2) |
| Exchange differences | | (77.6) | (17.7) | (1.2) | (7.7) | (1.6) | (105.8) |
| Transfers | | - | - | - | 92.7 | (92.7) | - |
| Closing balance at 30 June 2020 | | 2,235.9 | 358.7 | 98.2 | 490.8 | 42.8 | 3,226.4 |
| Amortisation | | | | | | | |
| Opening balance at 1 July 2019 | | (192.0) | (3.8) | (83.7) | (219.7) | - | (499.2) |
| Amortisation charge | | - | (0.6) | (7.1) | (82.2) | - | (89.9) |
| Disposals | | - | - | - | 0.7 | - | 0.7 |
| Impairment loss | 12(c) | (129.0) | (11.4) | - | - | - | (140.4) |
| Exchange differences | | 45.4 | 0.1 | 1.2 | 5.7 | - | 52.4 |
| Closing balance at 30 June 2020 | | (275.6) | (15.7) | (89.6) | (295.5) | - | (676.4) |
| Carrying value at 30 June 2020 | | 1,960.3 | 343.0 | 8.6 | 195.3 | 42.8 | 2,550.0 |

12. Impairment

Critical accounting estimates and assumptions

Goodwill and intangible assets with indefinite useful lives are allocated to a cash-generating unit (CGU) or group of CGUs and tested annually to determine whether they have suffered any impairment.

The recoverable amounts of the CGU or group of CGUs to which the assets have been allocated have been determined based on value-in-use or fair value less costs of disposal calculations. These calculations are performed based on cash flow projections and other supplementary information which, given their forward looking nature, require the adoption of assumptions and estimates.

The key assumptions and estimates utilised in management's assessments relate primarily to:

- Ten year cash flow forecasts sourced from internal budgets and long-term management forecasts;
- Terminal value growth rates applied to the period beyond the ten year cash flow forecasts; and
- Post-tax discount rates, used to discount the cash flows to present value.

Each of these assumptions and estimates is based on a 'best estimate' at the time of performing the valuation. However, increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amount of CGUs or groups of CGUs to fall below their carrying amounts, resulting in an impairment loss being recognised.

12. Impairment continued

(a) Cash-generating units

Goodwill and other intangible assets are allocated to CGUs for the purpose of impairment testing.

| CGU / Group of CGUs | 2020 | | 2019 | |
|------------------------------------|-----------------|----------------------------------------------------------------|-----------------|----------------------------------------------------------------|
| | Goodwill \$m | Intangible assets with indefinite useful lives \$m | Goodwill \$m | Intangible assets with indefinite useful lives \$m |
| Asia Pacific & Americas | | | | |
| SEEK New Zealand | 5.7 | - | 5.8 | - |
| SEEK Asia (i) | 1,055.4 | 146.9 | 1,040.0 | 145.3 |
| Brasil Online (ii) | - | 25.7 | 120.0 | 51.6 |
| OCC | 8.6 | 16.8 | 60.4 | 20.4 |
| Jora | 1.1 | - | 1.1 | - |
| GradConnection | 14.7 | 1.4 | 14.4 | 1.4 |
| SEEK Investments | | | | |
| Zhaopin | 520.4 | 147.2 | 526.2 | 148.9 |
| OES | 336.1 | - | 334.7 | - |
| JobAdder | 12.6 | 5.0 | 12.6 | 5.0 |
| Sidekicker | 5.7 | - | 5.7 | - |
| | 1,960.3 | 343.0 | 2,120.9 | 372.6 |

(i) SEEK Asia

SEEK Asia is a leading provider of online employment marketplaces operating across seven countries throughout South East Asia and Hong Kong. The goodwill and intangible assets with indefinite useful lives relating to SEEK Asia are a significant component of the Consolidated Balance Sheet. The goodwill for this business is attributable to the strong market position it holds and the high growth potential in these emerging markets.

For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill is tested across the group of CGUs that comprise SEEK Asia as the goodwill balance contributes to the generation of cash flows across the whole business; and
- The JobsDB and JobStreet brands are tested across the group of CGUs that comprise SEEK Asia as a high level of integration has been achieved in the period post acquisition of JobStreet in November 2014, with management having exercised its ability to direct cash flows from one brand to the other.

(ii) Brasil Online

Brasil Online (BOL) operates the two online employment marketplaces in Brazil, Catho Online and Manager Online, and considers them as two CGUs. For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill and Catho Online and Manager Online brands are tested across the group of CGUs that comprise Brasil Online as they contribute to the generation of cash flows across the whole of the businesses.

(b) Impairment testing and key assumptions

The Group tests whether goodwill and other intangible assets have suffered any impairment as described above. Impairment is recognised where the recoverable amount of an asset or CGU has fallen below the carrying amount.

The recoverable amounts of assets and CGUs have been determined based on the higher of:

- value-in-use (expected future cash flows from operating the asset/CGU); and
- fair value less costs of disposal (expected net proceeds if the asset/CGU were sold).

These calculations require the use of key assumptions on which management has based its cash flow projections, as well as post-tax discount rates. These key assumptions are discussed further on the next page.

The cash flow projections have been:

- derived from management forecasts based on next year's budgeted result, with the remaining years based on management forecasts; and
- compiled using a combination of past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

Key assumptions

Management determines the carrying value of certain CGUs / Groups of CGUs based on discounted future cash flow projections which include estimates relating to: revenue, operating costs, capital expenditure and tax, in addition to the terminal growth rate and discount rates noted in the table below. Future cash flow forecasts are derived based on judgement and management's best estimates with reference to key structural and market factors, and have been derived under a consistent approach to the prior year impairment assessment, utilising past experience, external data and internal analysis. The key structural and market factors considered in relation to the online employment businesses comprise labour market growth, rising internet penetration, continued structural migration of advertising expenditure from print to online channels and GDP growth. Management also anticipate growth from market penetration and continued evolution of products and services.

| CGU / Group of CGUs | Valuation method | Years of cash flow projection | Terminal growth rate % | Post-tax discount rate % | |
|---------------------|-----------------------------------|-------------------------------|------------------------|--------------------------|------|
| | | | | 2020 | 2019 |
| SEEK Asia | Fair value less costs of disposal | 10 | 2.4 | 11.5 | 14.5 |
| Brasil Online | Fair value less costs of disposal | 10 | 3.5 | 16.0 | 17.0 |
| OCC | Fair value less costs of disposal | 10 | 3.0 | 13.5 | 13.5 |
| GradConnection (i) | Fair value less costs of disposal | n/a | n/a | n/a | n/a |
| Zhaopin | Fair value less costs of disposal | 10 | 2.6 | 12.5 | n/a |
| OES | Fair value less costs of disposal | 10 | 2.3 | 9.5 | 10.0 |
| JobAdder (ii) | Fair value less costs of disposal | n/a | n/a | n/a | n/a |
| Sidekicker (iii) | Fair value less costs of disposal | n/a | n/a | n/a | n/a |

(i) GradConnection

On 8 February 2019, SEEK acquired a 100% interest in GradConnection Holdings Pty Ltd (together with its consolidated subsidiaries, 'GradConnection'). GradConnection was consolidated in the SEEK Group result from that date. As at 30 June 2020, the recoverable amount of its assets have been determined with reference to this transaction. There are no indicators to suggest that the fair value of GradConnection has significantly changed since this transaction.

(ii) JobAdder

In determining the indicative fair value of SEEK's Early Stage Ventures portfolio in the prior year (refer Note 20 Interests in equity accounted investments), SEEK performed an indicative valuation assessment based on a revenue multiple as determined previously by an independent valuer, adjusted for the latest financial performance. As at 30 June 2020, the recoverable amount of its assets have been determined with reference to this indicative valuation assessment.

(iii) Sidekicker

In determining the indicative fair value of SEEK's Early Stage Ventures portfolio in the prior year (refer Note 20 Interests in equity accounted investments), SEEK obtained an external independent valuation for Sidekicker. As at 30 June 2020, the recoverable amount of its assets have been determined with reference to this independent external valuation.

(c) Impairment losses recognised during the year

In its FY2020 results, SEEK recognised a total non-cash impairment loss of \$203.1m in relation to Brasil Online, OCC and four of its minority investments which sit outside its core investment themes.

The total impairment loss of \$203.1m recognised in the Consolidated Income Statement is before the unwind of deferred tax liabilities relating to impaired brand intangibles in Brasil Online (\$3.9m) (refer Note 5 Income tax). The net impairment charge of \$199.2m (SEEK share: \$198.4m) is classified as a significant item in SEEK's FY2020 results and has no impact on SEEK's funding covenants.

| Year ended 30 June 2020 | Notes | Brasil Online (i) \$m | OCC (ii) \$m | AP&A Other (iii) \$m | SEEK Investments ESVs (iii) \$m | Total \$m |
|------------------------------------------------------------------|-------|--------------------------|-----------------|-------------------------|---------------------------------------|--------------|
| Goodwill | 11 | 86.3 | 42.7 | - | - | 129.0 |
| Brands and licences | 11 | 11.4 | - | - | - | 11.4 |
| Other | | 3.0 | - | - | - | 3.0 |
| Equity accounted investments | 20(b) | - | - | 20.8 | 38.9 | 59.7 |
| Total impairment loss (per Consolidated Income Statement) | | 100.7 | 42.7 | 20.8 | 38.9 | 203.1 |
| Unwind of DTL relating to impaired Brand intangibles | 5(a)i | (3.9) | - | - | - | (3.9) |
| Net impairment charge (post-tax) | | 96.8 | 42.7 | 20.8 | 38.9 | 199.2 |

12. Impairment continued

(i) Brasil Online

As part of management's impairment testing for the year ended 30 June 2020, the carrying amount of the goodwill and other indefinite life intangible assets in Brasil Online was compared to the recoverable amount using a fair value less cost of disposal (FVLCD) discounted cash flow (DCF) model. As at 30 June 2020, the carrying amount of Brasil Online exceeded its recoverable amount by \$96.8m and a net impairment loss of the same amount was recognised.

(ii) OCC

As part of management's impairment review for the year ended 30 June 2020, the carrying amount of the goodwill and other indefinite life intangible assets in OCC was compared to the recoverable amount using a fair value less cost of disposal (FVLCD) discounted cash flow (DCF) model. As at 30 June 2020, the carrying amount of OCC exceeded its recoverable amount by \$42.7m and an impairment loss of the same amount was recognised.

(iii) Equity accounted investments

As part of management's impairment review for the year ended 30 June 2020, the carrying amount of four of SEEK's Early Stage Ventures was compared to the recoverable amount. As at 30 June 2020, the carrying amount of these four investments exceeded their recoverable amount by an aggregate amount of \$59.7m (individually from \$7m to \$20m) and an impairment loss of the same amount was recognised.

The impaired investments are all outside of SEEK's core focus areas of Online Education, HR SaaS and Contingent Labour. The decrease in the recoverable amounts of these assets reflects a combination of macro and political conditions, competitive intensity, operational issues and significant impacts of COVID-19.

The Group did not recognise an impairment loss for the year ended 30 June 2019.

(d) Sensitivity analysis

Future net cash flows for each CGU / Group of CGUs are based on the key assumptions noted above, each of which are subject to some uncertainty. Except for those CGUs / Group of CGUs noted below, any reasonable change in the key assumptions would not result in the carrying amounts materially exceeding their recoverable amounts.

(i) Brasil Online

The decrease in the recoverable amount of Brasil Online as at 30 June 2020 largely reflects the devastating impact of COVID-19 across Brazil and the challenging economics of the candidate pays model in this environment. This has had, and is expected to continue to have, a negative impact on the economy and the future cash flows of the business.

Consistent with 31 December 2019, the recoverable amount of Brasil Online is sensitive to:

- i. Assumed improvements in the Brazilian economy, which has a significant impact on Brasil Online's revenue growth profile; and
- ii. The macro-economic and political environment (specifically key inputs such as market risk premium, inflation and interest rates) which have an impact on the discount rate.

If the return to positive revenue growth were to be delayed until FY2024 (a further one year compared to management's current assumption), or the post-tax discount rate were to increase by 1%, the valuation indicated by the FVLCD DCF model would decrease by approximately \$9m and \$4m respectively.

(ii) OCC

The decrease in the recoverable amount of OCC as at 30 June 2020 largely reflects the devastating impact of COVID-19 across Mexico. This has had, and is expected to continue to have, a negative impact on the economy and the future cash flows of the business.

Consistent with 31 December 2019, the recoverable amount of OCC is sensitive to:

- i. Assumed timing of recovery from the cyclical downturn and operational improvements, which have a significant impact on OCC's revenue growth profile; and
- ii. The macro-economic and political environment (specifically key inputs such as market risk premium, inflation and interest rates) which have an impact on the discount rate.

If the return to positive revenue growth were to be delayed until FY2023 (a further one year compared to management's current assumption), or the post-tax discount rate were to increase by 1%, the valuation indicated by the FVLCD DCF model would decrease by approximately \$9m and \$3m respectively.

13. Trade and other payables

| | 2020 \$m | 2019 \$m |
|-----------------------------------------|--------------|--------------|
| Trade payables | 16.4 | 26.1 |
| Accruals | 221.7 | 201.1 |
| Dividend payable (i) | 45.8 | - |
| GST and other value added taxes payable | 5.5 | 13.8 |
| Other payables | 17.9 | 19.3 |
| Total trade and other payables | 307.3 | 260.3 |

(i) On 6 April 2020, the Group announced that it had deferred payment of the 2020 interim dividend until 23 July 2020.

14. Leases

Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The consideration in the contract is then allocated to each component on the basis of their relative stand-alone prices.

Leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, an estimate of make-good costs, and initial direct costs incurred, less any lease incentives received.

Subsequently, the asset is depreciated using the straight-line method from commencement date to the earlier of the end of its useful life and the lease term.

Periodically, the asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Subsequently, the lease liability is increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or a change in the assessment of whether renewal or termination options contained within the contract are reasonably certain to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. Any excess is recorded in the Consolidated Income Statement.

Lease payments are allocated between principal and finance cost. The finance cost is recorded in the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group does not recognise right-of-use assets and lease liabilities for low-value assets. These leases are recognised as incurred and treated as an expense in the Consolidated Income Statement.

Refer to Note 29 Changes in accounting policies for further information regarding the impacts of the adoption of AASB 16 *Leases* which the Group applied from 1 July 2019.

14. Leases continued

(i) Amounts recognised in the Consolidated Balance sheet

(a) Right-of-use assets

The Group leases various offices under non-cancellable agreements which primarily expire within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are negotiated.

| Year ended 30 June 2020 | Property leases \$m |
|--------------------------------------------------|------------------------|
| Balance recognised at 1 July 2019 ⁽¹⁾ | 56.7 |
| Additions to right-of-use assets | 30.7 |
| Disposals of right-of-use assets | (3.6) |
| Depreciation charge for the year | (26.5) |
| Impact of exchange differences | (1.8) |
| Balance at 30 June 2020 | 55.5 |

(1) The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

(b) Lease liabilities

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.84%.

| | 2020 \$m | 2019 \$m |
|--------------------------------|-------------|-------------|
| Current | 28.0 | - |
| Non-current | 36.0 | - |
| Total lease liabilities | 64.0 | - |

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The following factors are normally the most relevant in making this determination:

- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend; and
- other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 30 June 2020, potential future cash outflows of \$6.5m (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$13.4m.

(ii) Amounts recognised in the Consolidated Income Statement

The following amounts relating to leases were recognised in the Consolidated Income Statement during the year ended 30 June:

| | 2020 \$m | 2019 \$m |
|---------------------------------------------------------------------|-------------|-------------|
| Depreciation - right-of-use assets | 26.5 | - |
| Interest expense on lease liabilities (included in 'finance costs') | 3.2 | - |

Impact of COVID-19

The Group has adopted the practical expedient in paragraph 46A of AASB 16 *Leases* and elected not to account for any rent concessions granted as a result of the COVID-19 pandemic as a lease modification. The amount recognised in profit or loss due to changes in lease payments arising from such concessions was \$0.9m.

(iii) Amounts recognised in the Consolidated Statement of Cash Flows

The total cash outflow for lease liabilities during the year ended 30 June 2020 was \$30.5m, comprising interest expense on lease liabilities of \$3.2m (recognised as 'operating activities') and principal elements of lease liabilities of \$27.3m (recognised as 'financing activities') (2019: nil).

The future cash outflows relating to leases that have not yet commenced are disclosed in Note 22 Commitments for expenditure.

15. Provisions

Critical accounting estimates and assumptions

Following the guidance in AASB 3 *Business Combinations*, the Group has recognised a provision for contingent liabilities acquired in various business combinations. At acquisition, the provisions were measured at the fair value of the contingent liabilities, which reflected the range of possible outcomes across the portfolio of contingent liabilities and is adjusted for risk.

The carrying amount of the provision has been reassessed in each subsequent reporting period.

The settlement of these contingent liabilities is uncertain and the difference between the settlement amounts and the amounts provided for may be material.

Accounting Policy

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources (usually cash or other assets) will be required to settle the obligation; and
- the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering those similar obligations together. A provision is recognised in aggregate even if the likelihood of an outflow with respect to any one item is small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

| | Current | | Non-current | |
|-----------------------------|-------------|-------------|-------------|-------------|
| | 2020 \$m | 2019 \$m | 2020 \$m | 2019 \$m |
| Employee benefits provision | 27.1 | 25.7 | 15.9 | 11.8 |
| Other provisions | 9.4 | 13.4 | 11.6 | 10.2 |
| Total provisions | 36.5 | 39.1 | 27.5 | 22.0 |

The movement in other provisions during the financial year is set out below:

| | Lease incentives \$m | Make good provision \$m | Acquired contingent liabilities (i) \$m | Tax cases provision (ii) \$m | Other \$m | Total \$m |
|-----------------------------------------------|----------------------------|-------------------------------|--------------------------------------------------|------------------------------------|--------------|--------------|
| Balance at 1 July 2019 | 0.8 | 1.6 | 12.1 | 5.8 | 3.3 | 23.6 |
| Additional provision recognised in the year | - | 0.7 | - | 4.2 | 5.3 | 10.2 |
| Credited to the Consolidated Income Statement | (0.4) | - | (5.3) | - | (3.8) | (9.5) |
| Utilisation during the year | - | - | - | (1.1) | - | (1.1) |
| Impact of AASB 16 implementation | (0.4) | 0.4 | - | - | - | - |
| Effect of movement in foreign exchange | - | - | (0.3) | (1.7) | (0.2) | (2.2) |
| Balance at 30 June 2020 | - | 2.7 | 6.5 | 7.2 | 4.6 | 21.0 |
| Current | - | 1.4 | 4.4 | - | 3.6 | 9.4 |
| Non-current | - | 1.3 | 2.1 | 7.2 | 1.0 | 11.6 |

(i) Acquired contingent liabilities

In accordance with the Group's accounting policy on business combinations, the Group has recognised the fair value of contingent liabilities acquired as part of a number of business combinations:

- JobStreet (FY2015), relating to tax and legal contingent liabilities (current);
- Zhaopin (FY2013), relating to tax and labour contingent liabilities (current); and
- Brasil Online (FY2012), relating to legal, and social security provisions (non-current).

15. Provisions continued

(ii) Tax cases provision

Brasil Online is subject to a number of tax infraction notices from Brazilian tax authorities. These tax infractions are either open, subject to legal proceedings, or under appeal. Based on advice from leading Brazilian external legal counsel, Brasil Online has estimated the most likely amounts payable including penalties and interest and has recognised this amount as a provision. Unrecognised contingent liabilities relating to uncertain tax positions applicable to Brasil Online are discussed further in Note 23 Contingent liabilities.

Equity

16. Share capital

| Movement of shares on issue | Ordinary shares (excluding Treasury shares) | Treasury shares | Total Share capital | |
|----------------------------------------------------|---------------------------------------------------|------------------|---------------------|--------------|
| | No. of Shares | No. of Shares | No. of Shares | \$m |
| Balance at 30 June 2018 | 350,265,303 | 790,579 | 351,055,882 | 269.2 |
| Issue of shares to satisfy future rights exercises | - | 955,000 | 955,000 | - |
| Exercise of rights | 88,173 | (88,173) | - | - |
| Release of restricted shares | 377,949 | (377,949) | - | - |
| Balance at 30 June 2019 | 350,731,425 | 1,279,457 | 352,010,882 | 269.2 |
| Issue of shares to satisfy future rights exercises | - | 1,019,308 | 1,019,308 | - |
| Exercise of rights | 662,215 | (662,215) | - | - |
| Release of restricted shares | 389,832 | (389,832) | - | - |
| Balance at 30 June 2020 | 351,783,472 | 1,246,718 | 353,030,190 | 269.2 |

Ordinary shares have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Treasury shares are shares in the Company that are held by the Employee Share Trust for the purpose of future allocation to employees under the SEEK Equity Plan, and shares held by the Employee Share Trust that have been allocated to employees but are subject to a disposal restriction.

17. Reserves

Nature and purpose of reserves

Cash flow hedge reserve

The Cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that is recognised directly in equity, as described in Note 8.

Net investment hedge reserve

The Net investment hedge reserve is used to record gains or losses on a hedging instrument in a net investment hedge that is recognised directly in equity, as described in Note 8.

Fair value hedge reserve

The Fair value hedge reserve is used to record gains or losses on a hedging instrument in a fair value hedge that is recognised directly in equity, as described in Note 8.

Cost of hedging reserve

The Cost of hedging reserve is used to record gains or losses on the forward element of a hedging instrument where the cost of hedging approach is applied.

Share-based payments reserve

The Share-based payments reserve is used to recognise the grant date fair value of shares issued to employees.

Put option reserve

This reserve relates to a put option over the remaining shares held by a non-controlling interest in JobAdder. The Group has recognised a financial liability for the estimated exercise value of that option, as described in Note 8.

Equity instruments revaluation reserve

The Equity instruments revaluation reserve is used to record changes in the fair value of investments in equity instruments that are not held for trading, for which the Group elected, at initial recognition, to present gains and losses in other comprehensive income.

Transactions with non-controlling interests

This reserve is used to record differences arising as a result of transactions with a non-controlling interest that do not result in a loss of control.

Transfers under common control reserve

The Transfers under common control reserve is used to record the net impact on the equity attributable to the shareholders of the Group in the event of a transfer of an entity under common control. Upon disposal of all interests in that entity by the Group this reserve would be transferred to retained earnings.

Foreign currency translation reserve

Exchange differences arising on the translation of foreign controlled entities and associates are recognised in the Foreign currency translation reserve, as described in Note 28.

(a) Hedging reserves

| | 2020 \$m | 2019 \$m |
|----------------------------------|----------------|----------------|
| Cash flow hedge reserve | (11.1) | (7.5) |
| Net investment hedge reserve (i) | (145.2) | (112.0) |
| Fair value hedge reserve | (0.8) | 0.1 |
| Cost of hedging reserve | (0.9) | (0.9) |
| Total hedging reserve | (158.0) | (120.3) |

The Group's approach to hedging is described in Note 8 Financial instruments and fair value management.

(i) Net investment hedge reserve

The movement of \$33.2m (2019: \$18.6m) in the net investment hedge reserve for the year was mainly due to the appreciation of the US dollar and the Singapore dollar against the Australian dollar for most of the year. The appreciation of these currencies has impacted US dollar borrowings and derivatives which have been designated as net investment hedges to SEEK's foreign operations.

17. Reserves continued

(b) Other reserves

Other reserves comprises the following reserves:

| | 2020 \$m | 2019 \$m |
|---------------------------------------------|-------------|---------------|
| Share-based payments reserve | 110.8 | 100.0 |
| Put option reserve | (18.3) | (18.3) |
| Equity instruments revaluation reserve (i) | 21.4 | (1.8) |
| Transactions with non-controlling interests | (93.2) | (89.4) |
| Transfers under common control | (4.6) | (1.1) |
| Total other reserves | 16.1 | (10.6) |

(i) Equity instruments revaluation reserve

The movement of \$23.2m (2019: (\$0.5m)) in the equity instruments revaluation reserve is due mainly to \$22.3m in fair value remeasurement and \$0.9m in exchange differences. SEEK recorded a net fair value uplift primarily in relation to its investment in Coursera and two other minor investments during the year.

The movements in transaction with non-controlling interest and transfers under common control reserve during FY20 are attributable to SEEK's share of reserve movement of equity accounted associates.

18. Dividends

| | Payment date | Amount per share | Franked amount per share | Total dividend |
|------------------------------------------------------|----------------|------------------|--------------------------|----------------|
| Financial Year 2019 | | | | |
| 2018 final dividend | 4 October 2018 | 22.0 cents | 22.0 cents | \$77.2m |
| 2019 interim dividend | 12 April 2019 | 24.0 cents | 24.0 cents | \$84.3m |
| Total dividends paid for the year ended 30 June 2019 | | | | \$161.5m |
| Financial Year 2020 | | | | |
| 2019 final dividend | 3 October 2019 | 22.0 cents | 22.0 cents | \$77.4m |
| Total dividend paid for the year ended 30 June 2020 | | | | \$77.4m |

Dividends paid or declared by the Company after the financial year (to be paid out of retained profits at 30 June 2020):

| | | | | |
|-----------------------|--------------|------------|------------|---------|
| 2020 interim dividend | 23 July 2020 | 13.0 cents | 13.0 cents | \$45.8m |
|-----------------------|--------------|------------|------------|---------|

The SEEK Australian income tax consolidated group's franking account balance adjusted for franking credits: (i) attaching to the 2020 interim dividend; and (ii) that will arise from payment of its current tax liability, is \$48.0m at 30 June 2020 (2019: \$68.8m) based on a tax rate of 30% (2019: 30%).

Group structure

19. Interests in controlled entities

(a) Material subsidiaries

Critical judgements in applying the entity's accounting policies

The Group has fully consolidated a number of entities in the SEEK Asia group despite not holding the majority of equity. SEEK has also consolidated a number of Special Purpose Entities (SPEs) which Zhaopin controls despite not holding a direct ownership interest. A list of these entities is shown below in section (b).

Unless otherwise stated, the following subsidiaries have share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights of the Group.

| Name of entity | Country of incorporation | Equity holding 2020 % | Equity holding 2019 % |
|-------------------------------------------------------------------------------------------------|--------------------------|-----------------------|-----------------------|
| SEEK (NZ) Limited | New Zealand | 100 | 100 |
| SEEK Learning Pty Ltd | Australia | 100 | 100 |
| SEEKAsia Ltd ⁽¹⁾ (together with its consolidated subsidiaries, 'SEEK Asia') | Cayman Islands | 100 | 100 |
| Jobs DB Hong Kong Limited | Hong Kong | 100 | 100 |
| Jobs DB Singapore Pte Limited | Singapore | 100 | 100 |
| Jobs DB Recruitment (Thailand) Limited | Thailand | 100 | 100 |
| PT. Jobs DB Indonesia | Indonesia | 100 | 100 |
| Jobs DB Philippines Inc. | Philippines | 100 | 100 |
| SEEK Asia Investments Pte. Ltd. | Singapore | 100 | 100 |
| JobStreet.com Pte Ltd | Singapore | 100 | 100 |
| JobStreet.com Shared Services Sdn. Bhd. | Malaysia | 100 | 100 |
| JobStreet.com Philippines, Inc | Philippines | 100 | 100 |
| PT. JobStreet Indonesia | Indonesia | 100 | 100 |
| JobStreet Company Limited | Vietnam | 100 | 100 |
| Catho Online, Ltda (together with its parent and other subsidiaries, 'Brasil Online') | Brazil | 100 | 100 |
| Online Career Center Mexico, S.A.P.I de CV (together with its consolidated subsidiaries, 'OCC') | Mexico | 98.2 | 98.2 |
| Zhaopin Limited ⁽¹⁾ (together with its consolidated subsidiaries, 'Zhaopin') | Cayman Islands | 61.1 | 61.1 |
| Beijing Wangpin Consulting Co., Ltd | China | 100 | 100 |
| Shenzhen Xijier Human Resources Co., Ltd (CJOL) | China | 75.6 | 75.6 |
| Online Education Services Pty Ltd | Australia | 80 | 80 |
| The Sidekicker Group Pty Ltd | Australia | 85.7 | 85.7 |
| Job Adder Operations Pty Ltd | Australia | 60 | 60 |

(1) Certain entities in these groups are fully consolidated despite not holding the majority of equity. See section (b) for further details.

19. Interests in controlled entities continued

(b) Entities fully consolidated despite not holding majority of equity

The Group has fully consolidated a number of entities in the SEEK Asia group and Zhaopin despite not holding the majority of equity or direct ownership interest. Through existing contractual agreements, the Group is able to exercise effective control over the financial and operating policies of these businesses and receive substantially all of the economic benefits and returns.

SEEK Asia entities

| | |
|-------------------------------------------------|-------------------------------|
| Jobs DB Malaysia Sdn. Bhd. | Jobs DB Assets (Thailand) Ltd |
| 88 Karat Sdn. Bhd. | PT. Prestige Indonesia |
| Agensi Pekerjaan JobStreet.com Sdn. Bhd. | |
| Agensi Pekerjaan JS Staffing Services Sdn. Bhd. | |

Zhaopin entities

| |
|---------------------------------------------------------|
| Beijing Zhilian Sanke Human Resources Service Co., Ltd. |
| Guangzhou HouBo Information Technology Co., Ltd. |

(c) Summarised financial information for subsidiaries with non-controlling interests

| For the year ended 30 June 2020 | Zhaopin \$m | OES \$m | Other ⁽¹⁾ \$m | Total \$m |
|-----------------------------------------------------------------|----------------|--------------|-----------------------------|--------------|
| Non-controlling interests percentage | 38.9% | 20.0% | | |
| Non-current assets | 1,239.8 | 360.4 | | |
| Current assets | 378.5 | 26.1 | | |
| Non-current liabilities | (423.4) | (4.7) | | |
| Current liabilities | (589.2) | (29.4) | | |
| Net assets | 605.7 | 352.4 | | |
| Net assets attributable to non-controlling interests | 212.5 | 70.5 | | |
| Net assets attributable to vested share options ⁽²⁾ | 8.8 | - | | |
| Carrying amount of non-controlling interests | 221.3 | 70.5 | 9.2 | 301.0 |
| Revenue | 749.6 | 136.6 | | |
| Profit | 54.5 | 15.5 | | |
| Other comprehensive loss for the year | (19.4) | - | | |
| Total comprehensive income | 35.1 | 15.5 | | |
| Profit allocated to non-controlling interests | 21.0 | 3.1 | (3.2) | 20.9 |
| Other comprehensive loss allocated to non-controlling interests | (7.2) | - | (0.2) | (7.4) |
| Cash flows from operating activities | 108.6 | 26.3 | | |
| Cash flows from investing activities | (16.0) | (6.0) | | |
| Cash flows from financing activities | 8.5 | (37.5) | | |
| Net increase/(decrease) in cash and cash equivalents | 101.1 | (17.2) | | |
| Dividends paid to non-controlling interests | - | 7.4 | - | 7.4 |

(1) 'Other' represents other individually immaterial non-controlling interests.

(2) Non-controlling interest reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

| For the year ended 30 June 2019 | Zhaopin \$m | OES \$m | Other ⁽¹⁾ \$m | Total \$m |
|-------------------------------------------------------------------|----------------|------------|-----------------------------|--------------|
| Non-controlling interests percentage | 38.9% | 20.0% | | |
| Non-current assets | 1,171.7 | 361.4 | | |
| Current assets | 341.3 | 40.6 | | |
| Non-current liabilities | (377.3) | (5.3) | | |
| Current liabilities | (565.2) | (22.8) | | |
| Net assets | 570.5 | 373.9 | | |
| Net assets attributable to non-controlling interests | 198.5 | 74.8 | | |
| Net assets attributable to vested share options ⁽²⁾ | 8.8 | - | | |
| Carrying amount of non-controlling interests | 207.3 | 74.8 | 13.1 | 295.2 |
| Revenue | 647.9 | 127.5 | | |
| Profit | 47.7 | 18.9 | | |
| Other comprehensive income | (4.7) | - | | |
| Total comprehensive income | 43.0 | 18.9 | | |
| Profit allocated to non-controlling interests | 16.3 | 3.8 | (2.0) | 18.1 |
| Other comprehensive income allocated to non-controlling interests | (1.9) | - | - | (1.9) |
| Cash flows from operating activities | 77.4 | 29.9 | | |
| Cash flows from investing activities | (8.6) | (4.7) | | |
| Cash flows from financing activities | (62.7) | (51.5) | | |
| Net increase/(decrease) in cash and cash equivalents | 6.1 | (26.3) | | |
| Dividends paid to non-controlling interests | - | 9.4 | 0.2 | 9.6 |

(1) 'Other' represents other individually immaterial non-controlling interests.

(2) Non-controlling interests reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

20. Interests in equity accounted investments

Critical judgements in applying the entity's accounting policies

The Group's investment in its associates and joint ventures are reviewed for impairment on an annual basis or when events or circumstances indicate that the carrying amount of the investment may not be recoverable. As required by current Accounting Standards, the Group has evaluated, among other factors, the financial health of and business outlook of its associates and joint ventures and has assessed the carrying value of its investments against current estimated fair value.

(a) Interests in associates and joint ventures

Set out below is the additional information about some of the Group's interests in associates and joint ventures as at 30 June 2020.

| Name of entity | Principal activity | Country of Incorporation | Nature of relationship | Ownership interest | |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------|--------------------|--------|
| | | | | 2020 % | 2019 % |
| Apiom Inc (GO1) | Provides an online platform that helps organisations source, deliver and track employee training | United States of America | Associate | 32.7 | 30.0 |
| BDJOBS.com Limited (BDjobs) | Online employment focused business that helps job seekers manage their career more efficiently, including job search, training and assessment | Bangladesh | Associate | 35.0 | 35.0 |
| Educalcp II, S.A. de C.V. (UTEL) | A private online university in Mexico that provides online higher education, predominantly to working adults | Mexico | Associate | 36.1 | 36.1 |
| Framework Computer Consultants Limited (Digitary) | Provides an online platform for education institutions to issue secure, shareable academic documents such as transcripts and testamurs | Ireland | Associate | 42.8 | 42.8 |
| FutureLearn Limited ⁽¹⁾ | Online education platform offering short courses, micro-credentials and full degrees on behalf of higher education and specialist institutions | United Kingdom | Joint venture | 50.0 | 50.0 |
| Job and Talent Holding Limited (Jobandtalent) ⁽²⁾ | Providing hirers with access to on demand, highly skilled talent for short-term assignments | United Kingdom | Associate | 18.9 | - |
| Ringier One Africa Media (Pty) Ltd (ROAM) | Owns, operates and invests in a portfolio of African market-leading online marketplaces in the segments of jobs, cars and real estate | South Africa | Joint venture | 37.5 | 35.1 |

(1) On 28 April 2019, SEEK acquired a 50.0% interest in FutureLearn Limited for GBP 50.0m (A\$92.2m at the exchange rate on the date of the transaction). Although the Group has a 50.0% interest in FutureLearn, certain provisions within the shareholders' agreement stipulate that commercial and operational decisions over its activities require the approval of all parties to the arrangement. As a result, it has been determined that SEEK has joint control and therefore accounts for FutureLearn as a joint venture.

(2) On 3 October 2019, SEEK acquired a 18.9% interest in Job and Talent Holding Limited for EUR 42.0m (\$68.6m at the exchange rate on the date of the transaction). Although the Group has 18.9% interest, certain provisions with the shareholders' agreement stipulate that certain commercial and operational decision over its activities requires the approval of SEEK as a minority shareholder. As a result, it has been determined that SEEK has significant influence and therefore accounts for Jobandtalent as an associate.

(b) Movement in carrying amount of equity accounted investments

The carrying amount of equity accounted investments has changed as follows for the year ended 30 June 2020:

| For the year ended 30 June 2020 | Notes | SEEK Investments | | | | | AP&A | |
|----------------------------------------|-------|----------------------|-----------------------|-------------|-------------|---------------|------------|--------------|
| | | Online Education \$m | Contingent Labour \$m | HR SaaS \$m | Other \$m | Sub-total \$m | Other \$m | Total \$m |
| Carrying amount at 1 July 2019 | | 139.3 | 14.8 | 21.1 | 31.5 | 206.7 | 30.5 | 237.2 |
| Acquisition of interest | | 4.6 | 73.8 | 46.0 | - | 124.4 | - | 124.4 |
| Transfer from financial instruments | | - | - | - | 29.9 | 29.9 | - | 29.9 |
| Share of results | | (10.4) | (8.3) | (13.4) | (5.5) | (37.6) | (2.3) | (39.9) |
| Share of other comprehensive income | | (7.8) | (0.2) | - | (2.9) | (10.9) | (0.1) | (11.0) |
| Impairment loss | 12(c) | - | - | - | (38.9) | (38.9) | (20.8) | (59.7) |
| Return of capital | | (10.7) | - | - | - | (10.7) | - | (10.7) |
| Dividends received or declared | | (1.0) | - | - | (0.6) | (1.6) | - | (1.6) |
| Share of movement in other reserves | | 0.1 | (2.3) | 3.1 | (0.9) | - | (0.3) | (0.3) |
| Carrying amount at 30 June 2020 | | 114.1 | 77.8 | 56.8 | 12.6 | 261.3 | 7.0 | 268.3 |
| Investments in associates | | 32.8 | 77.8 | 56.8 | 12.6 | 180.0 | 7.0 | 187.0 |
| Investments in joint ventures | | 81.3 | - | - | - | 81.3 | - | 81.3 |

(c) Summarised financial information for equity accounted investments

| | | SEEK Investments | | | | | AP&A | |
|-----------------------------------------------------|-------|----------------------|-----------------------|-------------|-----------|---------------|-----------|-----------|
| | | Online Education \$m | Contingent Labour \$m | HR SaaS \$m | Other \$m | Sub-total \$m | Other \$m | Total \$m |
| For the year ended 30 June 2020 | Notes | | | | | | | |
| Summarised balance sheet (100%) | | | | | | | | |
| Current assets | | 116.2 | 189.5 | 67.7 | 16.4 | 389.8 | 1.3 | 391.1 |
| Non-current assets | | 28.9 | 54.6 | 24.8 | 15.4 | 123.7 | 6.5 | 130.2 |
| Current liabilities | | (34.5) | (78.7) | (15.3) | (10.6) | (139.1) | (1.6) | (140.7) |
| Non-current liabilities | | (27.5) | (111.0) | (0.2) | (1.5) | (140.2) | (1.7) | (141.9) |
| NCI share of net assets | | 0.2 | - | - | (4.2) | (4.0) | - | (4.0) |
| Net assets | | 83.3 | 54.4 | 77.0 | 15.5 | 230.2 | 4.5 | 234.7 |
| Group interest | | | | | | | | |
| Group's share of net assets | | 38.5 | 9.3 | 22.8 | 7.9 | 78.5 | 2.0 | 80.5 |
| Goodwill | | 75.6 | 68.5 | 34.0 | 43.6 | 221.7 | 25.8 | 247.5 |
| Impairment | 12(c) | - | - | - | (38.9) | (38.9) | (20.8) | (59.7) |
| Carrying amount | | 114.1 | 77.8 | 56.8 | 12.6 | 261.3 | 7.0 | 268.3 |
| Summarised statement of comprehensive income (100%) | | | | | | | | |
| Gross revenue | | 97.5 | 407.4 | 29.6 | 12.2 | 546.7 | 5.3 | 552.0 |
| Interest income | | 0.8 | 0.6 | 0.1 | 0.4 | 1.9 | - | 1.9 |
| Depreciation and amortisation | | (7.2) | (2.8) | (1.5) | (3.8) | (15.3) | (1.4) | (16.7) |
| Other operating costs | | (104.4) | (434.7) | (73.6) | (22.5) | (635.2) | (9.5) | (644.7) |
| Interest expense | | - | (5.0) | - | (0.4) | (5.4) | - | (5.4) |
| Income tax benefit/(expense) | | (0.7) | (3.5) | - | (0.1) | (4.3) | 0.3 | (4.0) |
| Non-controlling interest | | (1.2) | - | - | 5.1 | 3.9 | - | 3.9 |
| Loss for the period | | (15.2) | (38.0) | (45.4) | (9.1) | (107.7) | (5.3) | (113.0) |
| Other comprehensive income/(loss) | | 1.5 | (1.8) | (8.7) | (7.8) | (16.8) | 0.6 | (16.2) |
| Total comprehensive loss | | (13.7) | (39.8) | (54.1) | (16.9) | (124.5) | (4.7) | (129.2) |

20. Interests in equity accounted investments continued

(d) Early Stage Ventures (ESVs) - Additional non-statutory information

SEEK ESVs comprise investments held in the SEEK Investments ESVs segment. SEEK ESVs portfolio is targeting high growth structural trends across Online Education, Contingent Labour and HR Software as a Service (SaaS).

In most cases, SEEK ESVs are accounted for as an equity accounted investment. Accounting convention for equity accounted investments requires the Group to expense interest on purchase, recognise our share of losses as the ESVs expand their addressable markets, expense long-term incentives that relate to valuation uplifts but does not enable the recognition of valuation uplifts until the investment is sold.

The analysis below aims to provide additional relevant information (non-statutory) on indicative valuation uplifts based primarily on levels 2 and 3 of the fair value measurement hierarchy as disclosed in Note 8 Financial instruments and fair value measurement.

| | | 30 June 2020 (\$m) | | |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|-----------------------------|
| Indicative valuation methodology | | SEEK's share of indicative fair value * | Carrying value per Balance Sheet | Initial capital investments |
| Level 2 | Subsequent funding rounds (last 12 months) | 88.0 | 42.7 | 64.8 |
| Level 3 | Determined using either revenue or EBITDA multiples (based on multiples in the last funding round or determined by independent valuers, adjusted for the latest financial performance) | 381.0 | 237.8 | 355.7 |
| Sub-total⁽¹⁾ | | 469.0 | 280.5 | 420.5 |
| SEEK Investment ESVs carried on the Consolidated Balance Sheet at fair value ⁽²⁾ | | 83.0 | 83.0 | 59.5 |
| Convertible loans (Note 8(b)) | | 9.6 | 9.6 | 7.8 |
| Total SEEK Investments ESVs | | 561.6 | 373.1 | 487.8 |

(1) Including equity accounted investments with a carrying value of \$261.3m (refer Note 20(b)). The difference of \$7.0m represents AP&A investments). The remaining carrying value of \$19.2m relates to consolidated subsidiaries as at 30 June 2020 representing 100% of net assets including goodwill on acquisition.

(2) Note 8(b) Investment in equity instruments of \$83.0m.

* Valuing Early Stage Ventures in a COVID-19 impacted environment is inherently difficult and subjective. Despite this, we have provided the above information for transparency and consistency with prior year disclosure.

The spread of COVID-19 has resulted in an increase in economic uncertainties, market volatility and significant impacts on assessing the fair value of assets. For ESVs with subsequent funding rounds in the last 12 months, the indicative fair value was based on the capital raising valuation. For the remaining ESVs, indicative fair value was calculated using FY2020 revenue or EBITDA multiples in the last subsequent funding round or determined by independent valuers, adjusted where appropriate to reflect the Group's assessment of FY2020 performance and other information available as at 30 June 2020.

As at 30 June 2020, the Group has estimated a 50% fair value uplift of \$188.5m (30 June 2019: fair value uplift of 32% (\$102.2m)) on the Carrying value per Balance Sheet of \$373.1m (30 June 2019: \$322.8m). Fair value uplift is defined as SEEK's share of indicative fair value based on a fully-diluted ownership less carrying value.

The increased uplift percentage was driven by increased underlying investment values, mainly through subsequent funding rounds in the last 12 months as well as revenue growth. This fair value uplift is net of a decrease in carrying value as a result of SEEK's share of ESVs losses and impairment charges during the year.

The improved fair value uplift trend is noted across HR SaaS, Contingent Labour and Online Education.

| | | 30 June 2019 (\$m) | | |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------|-----------------------------|
| Indicative valuation methodology | | SEEK's share of indicative fair value | Carrying value per Balance Sheet | Initial capital investments |
| Level 2 | Subsequent funding rounds (last 12 months) | 156.4 | 133.2 | 144.7 |
| Level 3 | Adjusted subsequent funding rounds (beyond 12 months, based on either revenue or EBITDA multiples in the last subsequent funding round and updated for the latest financial performance) | 178.6 | 99.6 | 125.5 |
| Sub-total⁽¹⁾ | | 335.0 | 232.8 | 270.2 |
| SEEK Investment ESVs carried on the Consolidated Balance Sheet at fair value ⁽²⁾ | | 54.2 | 54.2 | 54.2 |
| Convertible loans (Note 8(b)) | | 35.8 | 35.8 | 32.1 |
| Total SEEK Investments ESVs⁽³⁾ | | 425.0 | 322.8 | 356.5 |

(1) Including equity accounted investments with a carrying value of \$206.7m (refer Note 20(b)). The difference of \$30.5m represents AP&A investments). The remaining carrying value of \$26.1m relates to consolidated subsidiaries as at 30 June 2019 representing 100% of net assets including goodwill on acquisition.

(2) Note 8(b) Investment in equity instruments of \$56.3m, difference of \$2.1m represents an AP&A investment.

(3) Including SEEK Investments only, with the exception of JobAdder included in AP&A Other, but transferred to SEEK Investments from 1 July 2019.

21. Parent entity financial information

Accounting Policy

The financial information for the parent entity, SEEK Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of SEEK Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established, rather than being deducted from the carrying amount of these investments.

(ii) Income tax consolidation legislation

SEEK Limited and its wholly-owned Australian subsidiaries have elected to form an Australian income tax consolidated group.

The entities in the arrangement each account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the arrangement continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, SEEK Limited also recognises the current tax assets/liabilities and the

deferred tax assets arising from unused tax losses and unused tax credits assumed from the other entities in the arrangement. As a result, the entities in the Australian income tax consolidated group have entered into a tax funding agreement under which they:

- fully compensate SEEK Limited for any current tax liabilities assumed; and
- are compensated by SEEK Limited for any current tax assets and deferred tax assets relating to unused tax losses or unused tax credits that are assumed by SEEK Limited under the Australian income tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in each entity's financial statements. Assets or liabilities arising under the tax funding agreement are recognised as current amounts receivable from or payable to SEEK Limited.

(iii) Financial guarantees

Where SEEK Limited has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

| | 2020 \$m | 2019 \$m |
|--------------------------------------|--------------|--------------|
| Balance sheet | | |
| Current assets | 252.6 | 115.1 |
| Total assets | 2,413.3 | 1,953.7 |
| Current liabilities | (222.2) | (161.7) |
| Total liabilities | (1,700.9) | (1,347.8) |
| Net assets | 712.4 | 605.9 |
| Equity | | |
| Issued capital | 269.2 | 269.2 |
| Reserves | | |
| Cash flow hedge reserve | (11.1) | (7.5) |
| Put option reserve | (18.3) | (18.3) |
| Foreign currency translation reserve | - | (0.1) |
| Share-based payments reserve | 96.1 | 83.2 |
| Retained earnings | 376.5 | 279.4 |
| | 712.4 | 605.9 |
| Profit for the year | 218.9 | 153.2 |
| Total comprehensive income | 228.3 | 158.0 |

21. Parent entity financial information continued

(b) Significant transactions during the financial year

Internal restructure

During the year, the Group undertook an internal restructure to align the legal ownership of the Group entities to the operating segments (as defined in Note 1 Segment information).

SEEK Limited, as parent entity of the Group, transferred a number of its investments in subsidiaries, associates and joint ventures to other wholly owned Australian incorporated entities at an indicative fair value. As a result, SEEK Limited recognised a gain of \$249.0m in its standalone Income Statement. The gain represented the difference between the investments held at cost and the transfer at fair value. At SEEK consolidation level, this internal restructure did not have any impact on the Consolidated Income Statement.

Impairment

As disclosed in Note 12 Impairment, the Group impaired some investments at 30 June 2020.

For the purposes of the parent entity individual financial statements the investments in subsidiaries, associates and joint ventures subject to impairment are held at cost. SEEK Limited has recognised a loss of \$158.2m on impairment related to its investments held at cost in Brasil Online and OCC.

(c) Guarantees entered into by the parent entity

The parent entity and certain subsidiaries have given unsecured guarantees in respect of the syndicated loan facility of A\$612.5m and US\$552.5m. As at 30 June 2020, A\$1,156.7m principal had been drawn down against the facility, comprising A\$467.5m and US\$475.3m (2019: \$995.3m, comprising A\$425.0m and US\$400.3m). Refer to Note 6 Net debt.

The parent entity and certain subsidiaries have also given unsecured guarantees in respect of any debt issued under the EMTN Programme by Jobstreet.com Pte Ltd (Singapore) and Job DB Hong Kong Limited. As at 30 June 2020, no such debt has been issued.

The parent entity is also the guarantor in respect of a number of subsidiaries' operating leases.

(d) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2020 (2019: nil).

(e) Contractual commitments

As at 30 June 2020, the parent entity had contractual commitments for minimum lease payments in relation to a lease agreement not yet commenced totalling \$241.7m (2019: \$249.5m).

Other commitments for the payment of IT services, car parks, advertising and promotions under long-term contracts in existence totalled \$3.2m (2019: \$4.2m).

Unrecognised Items

22. Commitments for expenditure

| | 2020 \$m | 2019 \$m |
|---------------------------------------------------|-------------|-------------|
| Within one year | 4.3 | 5.9 |
| Later than one year but not later than five years | 2.2 | 7.6 |
| More than five years | 0.1 | - |
| Total | 6.6 | 13.5 |

The Group has commitments for the payment of IT services, car parks, advertising and promotions under long-term contracts in existence at the reporting date but not recognised as liabilities payable.

In addition to the amounts disclosed above, SEEK International Holdings Pty Ltd, a wholly owned subsidiary of SEEK Limited, has committed to contribute additional capital to a jointly controlled entity, Avenu Learning LLC ("Avenu"), subject to Avenu's achievement of certain milestones. The amount of the commitment is US\$4.7m (A\$6.8m at the exchange rate on 30 June 2020) and is expected to be fulfilled in the next 12 months.

22. Commitments for expenditure continued

(a) Non-cancellable lease commitments

In June 2018, council approval was granted for the construction of the Group's new headquarters in Melbourne. Although the property is not expected to be available for use until FY2021, the future lease payments for this non-cancellable lease are \$5.4m within one year, \$53.5m within five years and \$182.8m thereafter (2019: Within one year nil, within five years \$44.8m and more than five years \$196.9m).

23. Contingent liabilities

Unrecognised contingent liabilities represent the possible (but not probable) cash outflow in excess of any provision. They do not represent management's expectation of likely outflow and are not recognised on the balance sheet.

AASB Interpretation 23 *Uncertainty over Income Tax Treatments*, which became effective on 1 July 2019, clarifies that uncertain tax positions that give rise to contingent liabilities should be disclosed in a consistent manner with other contingent liabilities. In advance of the application date of this Interpretation, the Group adopted the disclosure at 30 June 2019.

Uncertain tax positions

As mentioned in Note 15 Provisions, Brasil Online is subject to a number of tax infraction notices from Brazilian tax authorities. Based on advice from leading Brazilian external legal counsel, Brasil Online has estimated the most likely amounts payable including penalties and interest and has recognised this amount as a provision.

For tax infraction notices where it is not probable that an outflow of resources will be required, a provision has not been raised. Unrecognised contingent liabilities at 30 June 2020 amounted to BRL 148.9m (A\$39.8m) (2019: BRL 199.0m (A\$74.0m)) including penalties and interest.

Other matters

From time to time, the Group is subject to legal claims. The majority of these are subsequently proven to be without merit and resolved with no cash outflow. At 30 June 2020, in addition to the provisions recognised in Note 15 Provisions, the Group has unrecognised contingent liabilities of \$2.2m (2019: \$2.2m) which relate to labour and civil cases in Brasil Online.

24. Events occurring after balance sheet date

Redemption of Senior Guaranteed Floating Rate Notes

On 8 July 2020, the Group announced the successful completion of the cash tender offer to existing holders of SEEK Limited's A\$175.0m Senior Guaranteed Floating Rate Notes maturing in April 2022 (the Senior Notes).

Redemption of A\$175.0m of the Senior Notes was completed on 28 July 2020 and funded from available cash balances.

Issuance of Subordinated Notes

On 8 July 2020, the Group announced the pricing of A\$75.0m of Subordinated Notes. These Subordinated Notes were consolidated and form a single series with SEEK's existing A\$150.0m of Subordinated Floating Rate Notes issued in December 2019 and have a first optional redemption date of 20 June 2023. The notes are subordinated to SEEK's existing senior unsecured debt. The proceeds from the Subordinated Notes will be used for general corporate purposes including the repayment of senior debt.

The Subordinated Notes were issued under SEEK's existing Euro Medium Term Note Programme and are listed on the Singapore Stock Exchange. Settlement of the Subordinated Notes occurred on 14 July 2020.

There are no other matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Other information

25. Share-based payments

Accounting Policy

The cost of share-based payments is recognised by expensing the fair value of options or rights granted, over the period during which the employees become unconditionally entitled to these benefits. Where the plan will be settled by:

- issuing equity, the corresponding entry is an increase in the share-based payment reserve;
- a payment in cash, the corresponding entry is a liability.

Calculating the fair value

Calculating the fair value of share-based payments can be complex. Independent consultants use Black-Scholes or similar option pricing models to value options and rights. This calculation includes any

market performance conditions and the impact of any non-vesting conditions. Once the fair value has been determined (at grant date), it is not revised.

The impact of any service and non-market vesting conditions is excluded from the fair value. Instead, this is included in assumptions about the number of options that are expected to vest. These assumptions are revised at the end of each reporting period. The impact of any revision to original estimates is recognised in the Consolidated Income Statement, with a corresponding adjustment to equity.

(a) Types of share-based payments

The SEEK Group has several forms of share-based payments:

- **SEEK Limited:** Share-based benefits are provided to SEEK Limited and SEEK Asia Executives and certain employees via Performance Rights, Equity Rights and/or Wealth Sharing Plan Options/Rights.
- **Zhaopin:** A new equity-settled share option plan was established during FY2019.
- **SEEK Asia:** The share option plan that was established in SEEK Asia in 2014 has been closed out during the year.
- **OCC:** The options are held over the ordinary share capital of Online Career Centre Mexico, S.A.P.I de CV.
- **Sidekicker:** The options are held over the ordinary share capital of The Sidekicker Group Pty Ltd.

If the options granted by Zhaopin, OCC or Sidekicker were to be exercised and satisfied by issuing new shares, the Group's interest in the respective businesses would be diluted.

(b) Financial impact of share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of the employee benefits expense were \$22.2m (2019: \$21.6m) including:

- Equity-settled share-based payment plans:
 - SEEK Limited options and rights: \$13.3m (2019: \$12.6m)
 - Subsidiary options: \$3.9m (2019: \$5.5m)
- Cash-settled share-based payments: \$3.9m (2019: \$2.5m)
- Other associated costs: \$1.1m (2019: \$1.0m).

The total liability arising from cash-settled share-based payment transactions recognised at the end of the period has a carrying amount of \$10.7m (2019: \$7.3m), including vested amounts of \$6.7m (2019: \$4.3m).

(c) Options and rights - SEEK Limited

SEEK Limited and SEEK Asia Executives and selected senior leaders receive one Equity Right or one Performance Right as part of their Total Remuneration Opportunity each year. For details of Equity Rights, refer to the Remuneration Report contained in the Directors' Report. For Performance Rights, vesting is also linked to the performance of the individual over the relevant financial year. Shares allocated are subject to a 12-month disposal restriction following vesting (Deferred Shares). SEEK Asia Executives receive Performance Rights similar to those described above with changes to reflect local law including the allocation of Restricted Rights with a 12-month exercise restriction in lieu of Deferred Shares.

SEEK Limited and SEEK Asia Executives and a small number of selected senior leaders also receive Wealth Sharing Plan Options and/or Rights at their election. Vesting of Wealth Sharing Plan Options and Rights is subject to the achievement of a three year share price hurdle performance condition. Vested Wealth Sharing Plan Options and Rights are subject to a 12-month exercise restriction, following which they can be exercised (Rights at nil cost; Options upon payment of an exercise price equivalent to the share price hurdle) and convert into an equivalent number of shares. For further details of Wealth Sharing Plan Options and/or Rights, refer to the Remuneration Report contained in the Directors' Report.

| 2020 | | | Number of options or rights | | | | | | |
|-----------------------------|---------------------|----------------|-----------------------------|-------------------------|---------------------------|---------------------------|-----------------|-----------------------------------|--|
| Grant date | Expiry date (years) | Exercise price | Opening balance | Granted during the year | Exercised during the year | Forfeited during the year | Closing balance | Vested and exercisable at 30 June | |
| Wealth Sharing Plan Options | | | | | | | | | |
| 11 June 2019 | 5 | \$20.95 | 536,013 | - | - | - | 536,013 | - | |
| 23 September 2019 | 5 | \$23.18 | - | 224,696 | - | - | 224,696 | - | |
| 29 November 2019 | 5 | \$23.18 | - | 243,520 | - | - | 243,520 | - | |
| Total | | | 536,013 | 468,216 | - | - | 1,004,229 | - | |
| Wealth Sharing Plan Rights | | | | | | | | | |
| Oct 2015- May 2016 | 5 | \$0.00 | 488,034 | - | (488,034) | - | - | - | |
| 3 October 2016 | 5 | \$0.00 | 233,617 | - | (46,661) | - | 186,956 | - | |
| 19 December 2016 | 5 | \$0.00 | 309,646 | - | (127,520) | - | 182,126 | - | |
| 17 October 2017 | 5 | \$0.00 | 444,351 | - | - | (18,185) | 426,166 | - | |
| 4 December 2017 | 5 | \$0.00 | 171,941 | - | - | - | 171,941 | - | |
| 16 October 2018 | 5 | \$0.00 | 408,689 | - | - | (63,857) | 344,832 | - | |
| 6 December 2018 | 5 | \$0.00 | 129,676 | - | - | - | 129,676 | - | |
| 11 June 2019 | 5 | \$0.00 | 152,817 | - | - | - | 152,817 | - | |
| 23 September 2019 | 5 | \$0.00 | - | 455,259 | - | (8,988) | 446,271 | - | |
| 29 November 2019 | 5 | \$0.00 | - | 70,593 | - | - | 70,593 | - | |
| 6 March 2020 | 5 | \$0.00 | - | 29,248 | - | - | 29,248 | - | |
| Total | | | 2,338,771 | 555,100 | (662,215) | (91,030) | 2,140,626 | - | |
| Equity Rights | | | | | | | | | |
| Oct 2018 - Jun 2019 | 2 | \$0.00 | 9 | - | (9) | - | - | - | |
| 23 October 2019 | 2 | \$0.00 | - | 5 | - | - | 5 | - | |
| 6 November 2019 | 2 | \$0.00 | - | 1 | - | - | 1 | - | |
| 6 March 2020 | 2 | \$0.00 | - | 1 | - | - | 1 | - | |
| Total | | | 9 | 7 | (9) | - | 7 | - | |
| Performance Rights | | | | | | | | | |
| Oct 2018 - Jun 2019 | 2 | \$0.00 | 58 | - | (58) | - | - | - | |
| 23 October 2019 | 2 | \$0.00 | - | 65 | - | (4) | 61 | - | |
| 6 March 2020 | 2 | \$0.00 | - | 7 | - | - | 7 | - | |
| 28 April 2020 | 2 | \$0.00 | - | 1 | - | - | 1 | - | |
| Total | | | 58 | 73 | (58) | (4) | 69 | - | |
| Total All Plans | | | 2,874,851 | 1,023,396 | (662,282) | (91,034) | 3,144,931 | - | |

2019

Wealth Sharing Plan Options

| | | | | | | | | |
|--------------|---|---------|---|---------|---|---|---------|---|
| 11 June 2019 | 5 | \$20.95 | - | 536,013 | - | - | 536,013 | - |
| Total | | | - | 536,013 | - | - | 536,013 | - |

Wealth Sharing Plan Rights

| | | | | | | | | |
|--------------------|---|--------|-----------|---------|----------|---|-----------|---|
| Oct 2015- May 2016 | 5 | \$0.00 | 576,207 | - | (88,173) | - | 488,034 | - |
| 3 October 2016 | 5 | \$0.00 | 233,617 | - | - | - | 233,617 | - |
| 19 December 2016 | 5 | \$0.00 | 309,646 | - | - | - | 309,646 | - |
| 17 October 2017 | 5 | \$0.00 | 444,351 | - | - | - | 444,351 | - |
| 4 December 2017 | 5 | \$0.00 | 171,941 | - | - | - | 171,941 | - |
| 16 October 2018 | 5 | \$0.00 | - | 408,689 | - | - | 408,689 | - |
| 6 December 2018 | 5 | \$0.00 | - | 129,676 | - | - | 129,676 | - |
| 11 June 2019 | 5 | \$0.00 | - | 152,817 | - | - | 152,817 | - |
| Total | | | 1,735,762 | 691,182 | (88,173) | - | 2,338,771 | - |

Equity Rights

| | | | | | | | | |
|----------------|---|--------|---|---|-----|---|---|---|
| Oct - Dec 2017 | 2 | \$0.00 | 7 | - | (7) | - | - | - |
| Oct - Dec 2018 | 2 | \$0.00 | - | 9 | - | - | 9 | - |
| Total | | | 7 | 9 | (7) | - | 9 | - |

Performance Rights

| | | | | | | | | |
|------------------------|---|--------|-----------|-----------|----------|-----|-----------|---|
| Oct 2017 - May 2018 | 2 | \$0.00 | 58 | - | (58) | - | - | - |
| Oct 2018 - June 2019 | 2 | \$0.00 | - | 60 | - | (2) | 58 | - |
| Total | | | 58 | 60 | (58) | (2) | 58 | - |
| Total All Plans | | | 1,735,827 | 1,227,264 | (88,238) | (2) | 2,874,851 | - |

25. Share-based payments continued

The following table summarises the weighted average exercise price for the SEEK Limited plans:

| | Opening balance | Granted during the year | Exercised during the year | Forfeited during the year | Closing balance | Vested and exercisable at 30 June |
|---------------------------------|-----------------|-------------------------|---------------------------|---------------------------|-----------------|-----------------------------------|
| 2020 - SEEK Limited | | | | | | |
| Weighted average exercise price | \$3.91 | \$10.61 | \$0.00 | \$0.00 | \$7.02 | - |
| 2019 - SEEK Limited | | | | | | |
| Weighted average exercise price | \$0.00 | \$9.15 | \$0.00 | - | \$3.91 | - |

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2020 was 19.39 (2019: \$16.58).

The weighted average remaining contractual life of share options outstanding at the end of the year was 3.1 years (2019: 3.9 years)

The following table shows the inputs for Wealth Sharing Plan Rights and Options granted during the year:

| Grant date | Expiry date | Share price at grant date | Expected price volatility of the company's shares | Expected dividend yield | Risk-free interest rate | |
|-----------------------------------------------|---------------|---------------------------|---------------------------------------------------|-------------------------|-------------------------|---------|
| 2020 | | | | | Rights | Options |
| Wealth Sharing Plan Options and Rights | | | | | | |
| 23 September 2019 | 30 June 2024 | \$21.69 | 25% | 1.7% | 0.74% | 0.76% |
| 29 November 2019 | 30 June 2024 | \$23.19 | 25% | 1.7% | 0.67% | 0.69% |
| 6 March 2020 | 30 June 2024 | \$20.31 | 25% | 1.7% | 0.38% | n/a |
| 2019 | | | | | Rights | Options |
| Wealth Sharing Plan Options and Rights | | | | | | |
| 16 October 2018 | 30 June 2023 | \$19.23 | 26% | 2.4% | 2.17% | n/a |
| 6 December 2018 | 30 June 2023 | \$17.38 | 26% | 2.6% | 1.99% | n/a |
| 11 June 2019 | 28 April 2024 | \$21.46 | 25% | 2.6% | 1.09% | 1.12% |

(d) Share option plans - SEEK Asia

The table below summarises the movements in options over shares of SEEKAsia Limited

| 2020 - SEEK Asia | | | Number of options | | | | | | |
|---------------------------------|---------------------|-----------------------|-------------------|-------------------------|---------------------------|---------------------------------|------------------------------|-----------------|----------------------------------------|
| Grant date | Expiry date (years) | Exercise price (US\$) | Opening balance | Granted during the year | Exercised during the year | Expired/ lapsed during the year | Cash-settled during the year | Closing balance | Vested and exercisable at balance date |
| 31 December 2014 | 5 | \$1.29 | 5,541,350 | - | - | (1,240,640) | (4,300,710) | - | - |
| Balance at 30 June 2020 | | | 5,541,350 | - | - | (1,240,640) | (4,300,710) | - | - |
| Weighted average exercise price | | | \$1.29 | n/a | n/a | \$1.29 | \$1.29 | n/a | n/a |

| 2019 - SEEK Asia | | | | | | | | | |
|---------------------------------|---|--------|-----------|-----|-----|-------------|-----|-----------|-----------|
| 31 December 2014 | 5 | \$1.29 | 9,500,000 | - | - | (3,958,650) | - | 5,541,350 | 5,541,350 |
| Balance at 30 June 2019 | | | 9,500,000 | - | - | (3,958,650) | - | 5,541,350 | 5,541,350 |
| Weighted average exercise price | | | \$1.29 | n/a | n/a | \$1.29 | n/a | \$1.29 | n/a |

The weighted average remaining contractual life of share options outstanding at 30 June 2019 was 0.5 years.

(e) Share option plans - Zhaopin

The table below summarises the movements in options over shares of Zhaopin Limited.

| | | | Number of options | | | | | | | |
|----------------------------------------|---------------------|-----------------------|-------------------|-------------------------|---------------------------|---------------------------|--------------------------------|------------------------------|-------------------|----------------------------------------|
| Grant date | Expiry date (years) | Exercise price (US\$) | Opening balance | Granted during the year | Exercised during the year | Forfeited during the year | Expired/lapsed during the year | Cash-settled during the year | Closing balance | Vested and exercisable at balance date |
| Schemes issued prior to FY2014 | | | 3,584,100 | - | - | - | - | - | 3,584,100 | 3,584,100 |
| 31 March 2014 | 7 | \$4.00 | 224,280 | - | - | (8,880) | - | (7,200) | 208,200 | 208,200 |
| 31 March 2014 | 7 | \$4.50 | 8,400 | - | - | - | - | (1,200) | 7,200 | 3,600 |
| 1 March 2016 | 5 | \$7.42 | 50,000 | - | - | - | - | - | 50,000 | 50,000 |
| 14 June 2018 | 4 | \$7.91 | 7,141,849 | - | - | (742,591) | - | - | 6,399,258 | 2,981,773 |
| 28 June 2019 | 4 | \$7.91 | 1,517,643 | - | - | - | - | - | 1,517,643 | 303,529 |
| 24 June 2020 | 4 | \$7.91 | - | 1,517,643 | - | - | - | - | 1,517,643 | - |
| Balance at 30 June 2020 | | | 12,526,272 | 1,517,643 | - | (751,471) | - | (8,400) | 13,284,044 | 7,131,202 |
| Weighted average exercise price | | | \$6.39 | \$7.91 | n/a | \$7.86 | n/a | \$4.07 | \$6.48 | \$5.25 |

2019 - Zhaopin

| | | | | | | | | | | |
|----------------------------------------|---|--------|-------------------|------------------|---------------|-----------------|----------------|------------------|-------------------|------------------|
| Schemes issued prior to FY2014 | | | 3,586,500 | - | - | - | - | (2,400) | 3,584,100 | 3,584,100 |
| 31 March 2014 | 6 | \$5.00 | 14,400 | - | - | (14,400) | - | - | - | - |
| 31 March 2014 | 7 | \$4.00 | 392,520 | - | - | (53,760) | - | (114,480) | 224,280 | 145,200 |
| 31 March 2014 | 7 | \$4.50 | 35,400 | - | - | (18,600) | (1,200) | (7,200) | 8,400 | 1,200 |
| 1 March 2016 | 5 | \$7.42 | 50,000 | - | - | - | - | - | 50,000 | 27,500 |
| 14 June 2018 | 4 | \$7.91 | 7,141,849 | - | - | - | - | - | 7,141,849 | 1,428,370 |
| 28 June 2019 | 4 | \$7.91 | - | 1,517,643 | - | - | - | - | 1,517,643 | - |
| Balance at 30 June 2019 | | | 11,220,669 | 1,517,643 | - | (86,760) | (1,200) | (124,080) | 12,526,272 | 5,186,370 |
| Weighted average exercise price | | | \$6.14 | \$7.91 | \$0.00 | \$4.27 | \$4.50 | \$4.04 | \$6.39 | \$4.31 |

There were no options exercised during the year ended 30 June 2019 and 30 June 2020.

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.8 years (2019: 2.2 years).

(f) Share option plans - OCC

The table below summarises the movements in options over shares of Online Career Centre Mexico, S.A.P.I de CV.

| | | | Number of options | | | | | | |
|----------------------------------------|---------------------|-----------------------|-------------------|-------------------------|---------------------------|------------------------|-----------------|----------------------------------------|--|
| Grant date | Expiry date (years) | Exercise price (US\$) | Opening balance | Granted during the year | Exercised during the year | Lapsed during the year | Closing balance | Vested and exercisable at balance date | |
| Schemes issued prior to FY2014 | | | 6,460 | - | - | - | 6,460 | 6,460 | |
| 12 May 2014 | 10 | \$145.00 | 2,951 | - | - | - | 2,951 | 2,951 | |
| Balance at 30 June 2020 | | | 9,411 | - | - | - | 9,411 | 9,411 | |
| Weighted average exercise price | | | \$124.44 | n/a | n/a | n/a | \$124.44 | \$124.44 | |

| | | | | | | | | | |
|----------------------------------------|----|----------|-----------------|------------|------------|-----------------|-----------------|-----------------|--|
| Schemes issued prior to FY2014 | | | 6,460 | - | - | - | 6,460 | 6,460 | |
| 12 May 2014 | 10 | \$145.00 | 2,951 | - | - | - | 2,951 | 2,951 | |
| 1 June 2015 | 14 | \$168.20 | 52,725 | - | - | (52,725) | - | - | |
| Balance at 30 June 2019 | | | 62,136 | - | - | (52,725) | 9,411 | 9,411 | |
| Weighted average exercise price | | | \$161.57 | n/a | n/a | \$168.20 | \$124.44 | \$124.44 | |

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.9 years (2019: 2.9 years).

25. Share-based payments continued

(g) Share option plans - Sidekicker

The table below summarises the movements in options over shares of The Sidekicker Group Pty Ltd.

| Grant date | Expiry date (years) | Exercise price (AUD) | Number of options | | | | Closing balance | Vested and exercisable at balance date |
|----------------------------------------|---------------------|----------------------|-------------------|-------------------------|---------------------------|---------------------------|-----------------|----------------------------------------|
| | | | Opening balance | Granted during the year | Exercised during the year | Forfeited during the year | | |
| 1 January 2018 | 6 | \$612.79 | 3,460 | - | - | - | 3,460 | 2,308 |
| 1 January 2019 | 6 | \$1,171.36 | 2,498 | - | - | - | 2,498 | 833 |
| Balance at 30 June 2020 | | | 5,958 | - | - | - | 5,958 | 3,141 |
| Weighted average exercise price | | | \$846.98 | n/a | n/a | n/a | \$846.98 | \$760.88 |

| | | | | | | | | |
|----------------------------------------|---|------------|--------------|-------------------|------------|------------|-----------------|-----------------|
| 2019 - Sidekicker | | | | | | | | |
| 1 January 2018 | 6 | \$612.79 | 3,460 | - | - | - | 3,460 | 1,154 |
| 1 January 2019 | 6 | \$1,171.36 | - | 2,498 | - | - | 2,498 | - |
| Balance at 30 June 2019 | | | 3,460 | 2,498 | - | - | 5,958 | 1,154 |
| Weighted average exercise price | | | n/a | \$1,171.36 | n/a | n/a | \$846.98 | \$612.79 |

The weighted average remaining contractual life of share options outstanding at the end of the year was 3.9 years (2019: 4.9 years).

26. Related party transactions

The Group has identified the parties it considers to be related and the transactions conducted with those parties. Other than those disclosed below, no other related party transactions have been identified.

(a) Transactions with equity accounted investments

| | 2020 \$ | 2019 \$ |
|------------------------------------------------------------------------|------------|------------|
| Dividends and distributions received from equity accounted investments | 1,576,423 | 946,281 |
| Convertible loans advanced to equity accounted investments (i) | 7,807,260 | 1,405,755 |
| Convertible loans repaid or converted to equity | 16,986,739 | 1,456,240 |
| Return of capital from equity accounted investments | 10,654,269 | - |
| Revenue generated from equity accounted investments | 970,378 | 863,496 |
| Interest payable to equity accounted investments | 78,213 | 230,244 |
| Interest received from equity accounted investments | 429,024 | 556,723 |

(i) Convertible loans advanced to equity accounted investments

Convertible loans have been advanced to certain equity accounted investments in the Group. These loans are interest-bearing and, if converted, would convert to additional equity interests in existing investments.

(b) Transactions with key management personnel

| | 2020 \$ | 2019 \$ |
|-------------------------------|-------------------|-------------------|
| Short-term employee benefits | 6,600,930 | 6,822,353 |
| Post-employment benefits | 172,630 | 195,151 |
| Share-based employee benefits | 6,277,142 | 4,815,183 |
| Other long-term benefits | 278,383 | 539,374 |
| | 13,329,085 | 12,372,061 |

(c) Amounts outstanding

| | 2020 \$ | 2019 \$ |
|----------------------------------------------------------------------------------------------|------------|------------|
| Amounts receivable from equity accounted investments | 9,929,732 | 17,544,897 |
| Provision for doubtful debts related to amounts receivable from equity accounted investments | - | 3,441 |
| Amounts payable to equity accounted investments | 1,380,722 | 3,645,105 |

(d) Transactions with Director related parties

Some of the Non-Executive Directors hold directorships or positions in other companies or organisations. From time to time, SEEK may provide or receive services from these companies or organisations on arm's length terms. None of the Non-Executive Directors were, or are, involved in any procurement or Board decision-making regarding the companies or organisations with which they have an association.

27. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the Auditor, its related practices and non-related audit firms:

| | 2020 \$ | 2019 \$ |
|-------------------------------------------------------------------------------------|------------------|------------------|
| Audit services | | |
| Audit services | | |
| PricewaterhouseCoopers Australia | 1,329,060 | 1,193,000 |
| Network firms of PricewaterhouseCoopers Australia | 1,806,011 | 1,829,822 |
| Total remuneration for audit services | 3,135,071 | 3,022,822 |
| Non-audit services | | |
| Other assurance services | | |
| PricewaterhouseCoopers Australia | 216,804 | 63,800 |
| Network firms of PricewaterhouseCoopers Australia | - | 28,694 |
| Total remuneration for other assurance services | 216,804 | 92,494 |
| Taxation services | | |
| PricewaterhouseCoopers Australia | 11,618 | 128,850 |
| Network firms of PricewaterhouseCoopers Australia | 63,363 | 165,168 |
| Total remuneration for taxation services | 74,981 | 294,018 |
| Other services⁽¹⁾ | | |
| PricewaterhouseCoopers Australia | 203,000 | 133,224 |
| Network firms of PricewaterhouseCoopers Australia | - | 489,854 |
| Total remuneration for other services | 203,000 | 623,078 |
| Total remuneration for non-audit services | 494,785 | 1,009,590 |
| Total remuneration of Auditor | 3,629,856 | 4,032,412 |
| Non-PwC audit firms - services provided to Online Education Services Pty Ltd | | |
| Audit services | - | 89,650 |
| Other non-audit services | 3,600 | 36,000 |
| Total remuneration of non-PwC audit firms⁽²⁾ | 3,600 | 125,650 |

(1) Other services provided by PwC comprises mainly due diligence services.

(2) During FY2019, the auditor of Online Education Services Pty Ltd was also engaged to provide non-audit services to other SEEK Group companies.

28. Other significant accounting policies

(a) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Joint ventures are all entities over which the Group has joint control with one or more other investors. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method, the investment is shown in one line on the balance sheet, with the Group's share of post-acquisition profits or losses recognised in profit or loss.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are also accounted for using the equity method.

Accounting policies of subsidiaries, associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

28. Other significant accounting policies continued

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is SEEK Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate on that day. Non-monetary assets and liabilities are maintained at the exchange rate on the date of the transaction. Monetary assets and liabilities are translated into the functional currency at the year end exchange rate.

Where there is a movement in the exchange rate between the date of the transaction and the date of settlement or the year end, a foreign exchange gain or loss may arise. This is recognised in the income statement (within "finance costs"), unless the asset or liability is a qualifying cash flow hedge or net investment hedge, in which case it is deferred in equity.

(iii) Group companies

The results and financial position of all Group entities (none of which has 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 (including goodwill and other fair value adjustments arising on acquisition) are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated using monthly average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(c) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST and VAT, unless the GST and VAT incurred is not recoverable from the taxation authority. 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 and VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included within 'trade and other receivables' or 'trade and other payables' in the consolidated balance sheet.

(d) Impairment of assets

Assets other than goodwill and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the asset's fair value less costs of disposal and value in use).

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(e) New and amended Accounting Standards and Interpretations

(i) New and amended Accounting Standards and Interpretations issued and effective

Refer to Note 29 Changes in accounting policies for the new Accounting Standards and Interpretations which became effective from 1 July 2019 and the corresponding impact of those changes on the Group's financial results.

Apart from these changes, the Group has not adopted any new or amended Accounting Standards and Interpretations this year that have had a material impact on the Group or the Company.

(ii) Accounting Standards and Interpretations issued but not yet effective

In June 2019, the AASB issued a revised *Conceptual Framework for Financial Reporting*. The new Framework includes updated definitions and criteria for the recognition and derecognition of assets and liabilities. Additionally it introduces new concepts on measurement, including factors to consider when selecting a measurement basis. The revised Conceptual Framework will apply to the Group from 1 July 2020 and is not expected to have a material impact upon adoption.

A number of new accounting standards, amendments to standards and interpretations, have also been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts on the financial statements of the Group or the Company have been identified to date. These standards have not been applied in the preparation of these Financial Statements.

29. Changes in accounting policies

The financial statements have been prepared on the basis of accounting consistent with those applied in the 30 June 2019 Annual Report, with the exception of AASB 16 *Leases* which became effective from 1 July 2019. Further information regarding the impact of the change is provided below.

AASB Interpretation 23 *Uncertainty over Income Tax Treatments* which sets out how to determine the accounting tax position when there is uncertainty over income tax treatments, also became effective from 1 July 2019 but did not have a material effect on the Group's financial statements.

AASB 16 Leases

The Group has adopted AASB 16 with an initial application date of 1 July 2019. Upon adoption, the Group applied a modified retrospective transition method, with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings on the date of initial application. Refer to paragraph (iii) for further detail on the impact on equity balances upon transition date.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.84%.

(i) Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard on a lease-by-lease basis:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying AASB 117 *Leases* and AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(ii) Measurement of lease liabilities

The table below reconciles the Group's operating lease commitments as at 30 June 2019 to the transition lease liabilities recognised on 1 July 2019:

| | \$m |
|--------------------------------------------------------------------------|---------|
| Operating lease commitments disclosed as at 30 June 2019 | 313.6 |
| Add: optional renewal periods reasonably certain to be exercised | 0.6 |
| (Less): committed leases not yet commenced | (241.7) |
| (Less): contracts which are a lease under AASB 117 but not under AASB 16 | (1.4) |
| Effect of discounting | (5.0) |
| Lease liability recognised as at 1 July 2019 | 66.1 |
| Current | 24.8 |
| Non-current | 41.3 |
| | 66.1 |

(iii) Impact on equity

The impact on transition to AASB 16 at 1 July 2019 is summarised below:

| | \$m |
|------------------------------------------------------|--------------|
| Right-of-use assets (Property leases) ⁽¹⁾ | 56.7 |
| Lease liabilities | (66.1) |
| Other balance sheet accounts | 0.4 |
| Net deferred tax asset | 1.2 |
| Total equity | (7.8) |

(1) The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

DIRECTORS' DECLARATION

In the directors' opinion:

- a. the financial statements and notes set out on pages 73 to 133 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- b. there are reasonable grounds to believe that SEEK Limited will be able to pay its debts as and when they become due and payable.

Page 73 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Graham Goldsmith

Chairman

Melbourne

29 September 2020

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

To the members of SEEK Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of SEEK Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2020
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if

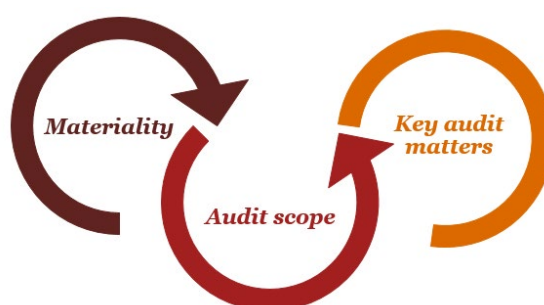
PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of \$11.5 million. This represents approximately 5% of the Group's 3 year average adjusted profit before tax, weighted towards the current year and adjusted for significant infrequently occurring items of impairment charges on goodwill and indefinite life intangible assets and fair value gains and losses in investments in equity instruments in all three years as applicable.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group adjusted profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We chose a 3 year weighted average because of the volatility in performance arising from the impacts of the COVID-19 pandemic.

Audit Scope

- Our audit focused on where the Group made subjective judgements and significant accounting estimates involving assumptions and inherently uncertain future events including valuation assessments of assets.
- Audits of the most financially significant operations being, SEEK Employment Australia, Zhaopin, SEEK Asia and Online Education Services, were conducted.
- Specified audit procedures over Brasil Online, OCC, Go1 and FutureLearn were conducted.
- Where audit work was performed by auditors operating under our instruction (component auditors), we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion. This included active dialogue throughout the year through phone calls, discussions and written instructions. We tailored our audit approach accordingly, considering factors such as differing regulations, compliance and tax regimes and sovereign risks in relation to foreign ownership.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

| Key audit matter | How our audit addressed the key audit matter |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Valuation of goodwill and indefinite lived intangible assets <i>(Refer to note 11 and note 12 - intangible assets and impairment) \$1,960.3m Goodwill and \$343.0m of indefinite lived intangible assets</i></p> <p>Result During the year, the Group recognised an impairment charge of \$100.7m for Brasil Online and \$42.7m for OCC in relation to goodwill and indefinite lived intangible assets.</p> <p>For all other cash generating units, the Group's valuation approximated or exceeded its carrying value. No further impairment charges were recognised during the year in relation to goodwill or indefinite lived intangible assets.</p> <p>Summary The year end consolidated balance sheet includes \$1,960.3m of goodwill and \$343.0m of indefinite lived intangible assets that are subject to an annual impairment assessment by the Group.</p> <p>The Group's annual impairment assessment is performed at the lowest level at which the Group could allocate the goodwill of an asset which generates cash flows that are largely independent of cash flows from other assets, which is referred to as a cash generating unit (CGU). The annual impairment assessment is also carried out on indefinite lived intangible assets.</p> <p>The valuation models used by the Group to perform the impairment assessment are based on cash flow forecasts that use key assumptions including, revenue, operating costs, capital expenditure assumptions, discount rates and terminal growth rates. Future cash flows are discounted using a post-tax discount rate</p> | <p>We evaluated whether the allocation of the Group into CGUs was consistent with our knowledge of the Group's operations and internal Group reporting.</p> <p>For the significant CGUs of Brasil Online, OCC, SEEK Asia, Zhaopin and OES, which are valued by the Group using fair value less costs of disposal models (the models), our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Testing the mathematical accuracy and integrity of the calculations in the models. • Considering the historical accuracy of the Group's forecasts by comparing the forecasts used in the prior year models to the actual performance. • Assessing the forecasted cash flow growth assumptions including considering historic and current performance and the historic growth performance of similar established businesses within the SEEK portfolio. • Together with PwC valuation experts, comparing the forecast terminal growth rates (used to estimate future cash flows) and the post-tax discount rates used in the models to external market data. • Performing sensitivity analyses on the models to identify if a reasonably possible change in the key assumptions would cause goodwill and indefinite lived intangible assets to be impaired. • Comparing the Group's valuations to external data sources including broker reports. <p>In addition to the above procedures, to assess the impairment charge for Brasil Online and OCC</p> |



Key audit matter

How our audit addressed the key audit matter

specific to the individual CGU. The cash flow forecast has been derived from approved budgets and the Group's long term forecasting.

We considered the valuation of goodwill and indefinite lived intangible assets to be a key audit matter due to the size of the balances and because small subjective changes in key assumptions can have a material impact on the valuation.

Brasil Online and OCC operate in areas that have been significantly impacted by the COVID-19 pandemic, resulting in increased economic and political uncertainty. For Brasil Online, there remains operational issues and a need to reinvest to evolve the business model which impacts the outlook on future cashflows.

respectively, we performed the following procedures, amongst others:

- Considering the Group's key assumptions used in the cash flow forecasts, noting that a reasonably possible change in key assumptions including post tax discount rates, terminal growth rates and the recovery of the business and revenue growth profile could result in a further impairment.
- Considering the current year performance, and in particular, the performance over the period of time impacted by the COVID-19 pandemic, when assessing the Groups ability to achieve short term forecasts.
- Evaluating the adequacy of disclosures in the financial report in light of the requirements of Australian Accounting Standards. In particular, we considered the adequacy of the disclosures made in note 11 and 12 to the financial statements which explain that there is significant estimation uncertainty in relation to the valuation of goodwill and indefinite lived intangible assets.

Revenue recognition

(Refer to note 2 - revenue) \$1,595.2m

The Group's most significant revenue stream is Online employment marketplaces (\$1,110.5m) ("online revenue") which is derived from a high volume of transactions. The Group also has revenues from "Business Process Outsourcing" totalling \$191.4m, which are predominantly derived from the Zhaopin operating segment. At the year-end, services sold to customers in advance (i.e. which are yet to be delivered) are recognised as a liability and classified as unearned income (\$350.9m).

We considered revenue recognition a key audit matter due to the:

- material value of online revenue recognised during the year and the high volume of online revenue transactions recorded
- introduction of a new pricing mechanism and COVID-19 revenue relief for customers for online revenue in ANZ operating segment
- The complexity involved with the bespoke nature

Our audit procedures over revenue included, amongst others:

- Assessing the design, and implementation of relevant key internal controls over the recognition of revenue and testing whether a sample of these controls operated effectively throughout the year.
- For a sample of contracts covering material revenue streams we:
 - Developed an understanding of the key contractual terms of the arrangement including background of agreement, performance obligations and receipts
 - Considered the Group's identification of performance obligations and allocation of selling prices to the performance obligations
 - For Business Process Outsourcing, developing an understanding of the contractual terms and conditions to assess whether services are on a principal or agent basis. Where the majority of risk and reward is retained by Seek as principal, revenues and costs are recognised on a gross basis. When acting as an agent for another party, recognition is of the net commission received.



| Key audit matter | How our audit addressed the key audit matter |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>of Business Process Outsourcing revenue terms and conditions with customers and the impact of recognition on a gross or net basis in Zhaopin operating segment</p> <ul style="list-style-type: none"> The complexity involved in applying Australian Accounting Standards for Revenue across multiple geographical locations as revenue models can vary | <ul style="list-style-type: none"> Analysing the expected flows of revenue transactions and agreeing a sample of transactions that deviated from our expectations to supporting documentation. Agreeing a sample of revenue transactions invoiced by the Group during the year to the relevant settlement and sales order supporting documents. For unearned income outstanding at 30 June 2020, we selected a sample and agreed to supporting evidence. Comparing a sample of manual journal entries that impact revenue to relevant supporting documentation and assessing whether they had been recorded in accordance with the Group's accounting policy. Evaluating the adequacy of disclosures in the financial report in light of the requirements of Australian Accounting Standards. |
| <p>Valuation of, and accounting for, equity accounted investments and other unlisted equity instruments (Refer to note 8 - other financial assets and note 20 - interests in equity accounted investments)</p> <p>As at 30 June 2020 the Group's Consolidated Balance Sheet included investments accounted for under the equity method amounting to \$268.3m, and investments in equity instruments amounting to \$196.6m. There was one significant investment during the year being JobandTalent (equity accounted investment of \$68.5m, see note 20). The Group impaired four equity accounted investments during the year totalling \$59.7m (see note 12).</p> <p>Investments in unlisted equity instruments are carried at fair value. For unlisted equity instruments where inputs are not based on observable market data (level 3 financial assets), the Group is required to make judgements in selecting the valuation technique to estimate the fair value of these assets.</p> <p>Associates are entities over which the Group has significant influence or joint control, but not control, and are accounted for under the equity method. These</p> | <p>Our audit procedures over the valuation of, and accounting for, investments in unlisted equity instruments and equity accounted investments included:</p> <ul style="list-style-type: none"> Inspecting a sample of signed shareholder agreements to develop an understanding of the underlying terms, arrangements and the appropriate accounting treatment. Assessing, for a sample of equity accounted investments acquired during the year, the Group's determination of whether it has significant influence, joint control or control. For equity accounted investments, considering the appropriateness of the Group's impairment assessment against the requirements of Australian Accounting Standards. For investments in equity instruments, considering the appropriateness of the Group's valuation methodology against the requirements of Australian Accounting Standards. Evaluating the adequacy of disclosures in the financial report in light of the requirements of Australian Accounting Standards. |



Key audit matter

How our audit addressed the key audit matter

investments are assessed on an annual basis by the Group for impairment.

We considered the valuation of, and accounting for, equity accounted investments and other unlisted equity instruments a key audit matter due to the:

- Subjectivity and judgement involved in performing impairment assessments for equity accounted investments or determining the fair value for equity instruments.
- Large number of investments held by the Group, each with varying terms, which creates complexity in determining the appropriate accounting treatment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 24 to 39 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of SEEK Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A stylized, handwritten signature of PricewaterhouseCoopers in black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of Chris Dodd in black ink.

Chris Dodd
Partner

Melbourne
29 September 2020

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 31 August 2020.

A. Distribution of shareholders

Analysis of numbers of ordinary shareholders by size of holding:

| Range | Total holders | Shares | % of Issued Capital |
|------------------|---------------|--------------------|---------------------|
| 1 – 1,000 | 21,506 | 7,656,693 | 2.17 |
| 1,001 – 5,000 | 8,575 | 18,971,450 | 5.37 |
| 5,001 – 10,000 | 1,049 | 7,395,399 | 2.09 |
| 10,001 – 100,000 | 515 | 11,151,662 | 3.16 |
| 100,001 + | 55 | 307,854,986 | 87.20 |
| Rounding | | | 0.01 |
| Total | 31,700 | 353,030,190 | 100.00 |

There were 579 holders of less than a marketable parcel of ordinary shares.

B. Twenty largest quoted equity security holders

The names of the twenty largest registered holders of quoted equity securities are listed below:

| Name | Ordinary Shares | |
|------------------------------------------------------------------------|--------------------|---------------------|
| | Number Held | % of Issued Capital |
| HSBC Custody Nominees (Australia) Limited | 114,169,073 | 32.34 |
| JP Morgan Nominees Australia Pty Limited | 85,507,709 | 24.22 |
| Citicorp Nominees Pty Limited | 21,929,842 | 6.21 |
| National Nominees Limited | 21,924,580 | 6.21 |
| BNP Paribas Nominees Pty Ltd (Agency Lending DRP a/c) | 13,388,419 | 3.79 |
| Kiteford Pty Ltd (Andrew Bassat Family a/c) | 11,250,113 | 3.19 |
| BNP Paribas Noms Pty Ltd (DRP) | 6,609,806 | 1.87 |
| Citicorp Nominees Pty Limited (Colonial First State Inv a/c) | 4,251,271 | 1.20 |
| Australian Foundation Investment Company Limited | 4,159,633 | 1.18 |
| Mr Andrew Reuven Bassat | 3,113,705 | 0.88 |
| Netwealth Investments Limited (Wrap Services a/c) | 1,992,384 | 0.56 |
| HSBC Custody Nominees (Australia) Limited (NT-Comnwlth Super Corp a/c) | 1,539,361 | 0.44 |
| Pacific Custodians Pty Limited (SEK Plans Ctrl a/c) | 1,267,346 | 0.36 |
| BNP Paribas Nominees Pty Ltd Hub 24 Custodial Serv Ltd (DRP a/c) | 1,217,663 | 0.34 |
| Netherlane Pty Ltd (Paul Bassat Family a/c) | 1,161,245 | 0.33 |
| Mr Roger William Allen | 1,145,820 | 0.32 |
| HSBC Custody Nominees (Australia) Limited - GSCO ECA | 1,032,745 | 0.29 |
| Pacific Custodians Pty Limited (Employee Share Tst a/c) | 959,699 | 0.27 |
| Australian United Investment Company Limited | 900,000 | 0.25 |
| Mutual Trust Pty Ltd | 893,175 | 0.25 |
| Top 20 holders of ordinary fully paid shares (total) | 298,413,589 | 84.53 |
| Other shareholders | 54,616,601 | 15.47 |
| Total | 353,030,190 | 100.00 |

Unquoted equity securities

Options/rights issued to take up ordinary shares under SEEK's equity plans:

| | Number held | Number of holders |
|----------------------------------|-------------|-------------------|
| Wealth Sharing Plan Rights | 1,540,319 | 30 |
| Wealth Sharing Plan Options | 996,640 | 5 |
| Restricted Rights ⁽¹⁾ | 25,985 | 8 |

(1) Restricted Rights are issued to Malaysian-based SEEK Equity Plan participants in lieu of Deferred Shares.

C. Substantial Holders

Substantial holders in the company are set out below:

| | Number held ⁽¹⁾ | % issued capital |
|---------------------------------------------------------------|----------------------------|------------------|
| FIL Limited and FIL Investment Management (Australia) Limited | 25,709,706 | 7.28 |
| Pinnacle Investment Management Group Limited and subsidiaries | 21,805,325 | 6.18 |
| The Vanguard Group Inc and Vanguard Investments Australia Ltd | 17,760,331 | 5.03 |
| BlackRock Inc and subsidiaries | 17,641,283 | 5.00 |

(1) Number of shares held by substantial shareholders is based on the most recent notifications lodged by substantial shareholders with the ASX.

D. 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.

Wealth Sharing Plan Options and Rights

No voting rights.

Restricted Rights

No voting rights.

FIVE YEAR FINANCIAL SUMMARY

| Operating Results | 2020 \$m | 2019 \$m | 2018 ⁽¹⁾ \$m | 2017 \$m | 2016 \$m |
|-------------------------------------------------------------------|----------------|----------------|----------------------------|----------------|----------------|
| Sales revenue | | | | | |
| ANZ | 387.2 | 440.0 | 409.7 | 355.9 | 313.1 |
| SEEK Asia | 162.9 | 176.6 | 151.8 | 139.7 | 141.8 |
| Brasil Online | 52.4 | 64.1 | 74.9 | 87.3 | 91.7 |
| OCC | 25.1 | 26.5 | 29.0 | 29.4 | 29.7 |
| SEEK Learning | - | - | - | 2.6 | 42.1 |
| Other businesses (AP&A Other) | 2.0 | 2.5 | 19.2 | 14.0 | 2.6 |
| Zhaopin | 749.6 | 647.9 | 468.1 | 372.9 | 329.1 |
| Online Education Services | 136.6 | 127.5 | 119.4 | 28.0 | - |
| Early Stage Ventures | 61.6 | 52.2 | 27.4 | 5.4 | 0.3 |
| Total sales revenue^{(2) (3)} | 1,577.4 | 1,537.3 | 1,299.5 | 1,035.2 | 950.4 |
| Segment EBITDA⁽⁴⁾ | 414.9 | 455.0 | 431.2 | 362.3 | 366.7 |
| Segment EBITDA to sales (%) | 26.3% | 29.6% | 33.2% | 35.0% | 38.6% |
| Share of results of equity accounted investments ⁽⁵⁾ | (39.9) | (16.5) | (6.2) | 4.3 | 12.2 |
| Net profit after tax (NPAT) | (90.8) | 198.4 | 90.0 | 362.0 | 399.4 |
| Non-controlling interests | (20.9) | (18.1) | (37.8) | (21.8) | (42.3) |
| Profit for the year attributable to owners of SEEK Limited | (111.7) | 180.3 | 52.2 | 340.2 | 357.1 |
| Balance Sheet | | | | | |
| Current assets | 817.2 | 693.2 | 618.2 | 841.9 | 737.0 |
| Non-current assets | 3,519.3 | 3,557.0 | 3,165.8 | 2,841.1 | 2,541.4 |
| Total assets | 4,336.5 | 4,250.2 | 3,784.0 | 3,683.0 | 3,278.4 |
| Current liabilities | 961.3 | 904.6 | 774.1 | 550.0 | 575.0 |
| Non-current liabilities | 1,991.7 | 1,651.2 | 1,384.9 | 1,093.1 | 878.8 |
| Total liabilities | 2,953.0 | 2,555.8 | 2,159.0 | 1,643.1 | 1,453.8 |
| Net assets | 1,383.5 | 1,694.4 | 1,625.0 | 2,039.9 | 1,824.6 |
| Equity | 1,383.5 | 1,694.4 | 1,625.0 | 2,039.9 | 1,824.6 |
| Gearing (debt/debt+equity) | 58.4% | 48.6% | 44.4% | 32.2% | 31.1% |
| Per ordinary share (\$) (from continuing operations) | | | | | |
| Dividends - interim | 13.0 | 24.0 | 24.0 | 23.0 | 21.0 |
| Dividends - final | - | 22.0 | 22.0 | 21.0 | 19.0 |
| Dividends - total | 13.0 | 46.0 | 46.0 | 44.0 | 40.0 |
| Basic earnings per share | (31.7) | 51.3 | 14.9 | 97.9 | 103.7 |
| Diluted earnings per share | (32.6) | 50.1 | 13.8 | 96.6 | 101.7 |

(1) Certain amounts reported for FY2018 have been restated due to the adoption of AASB 15 Revenue from Contracts with Customers on 1 July 2018.

(2) Sales revenue is revenue excluding interest, dividend, other revenue and other income from fair value gains on acquisitions.

(3) Refer to Note 1 Segment information for further details on the minor changes made to SEEK's operating segments for FY2020. Consequently, sales revenue by operating segment has been restated for the year ended 30 June 2019. There has been no change to total SEEK Group revenue or EBITDA.

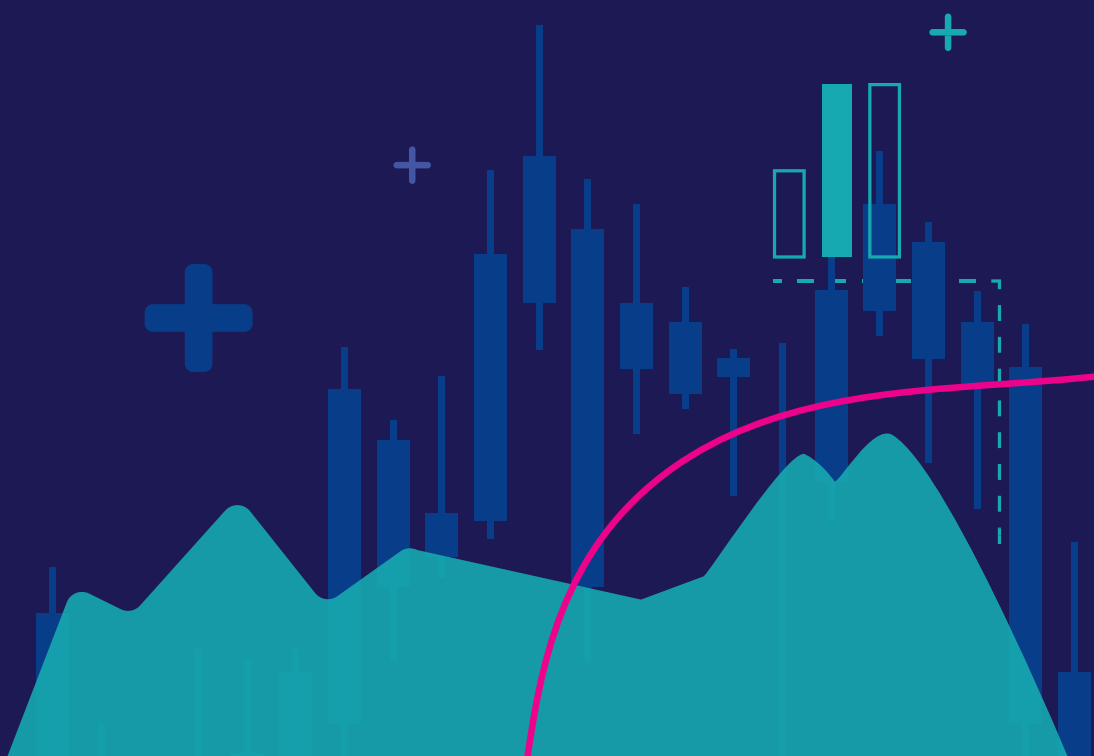
(4) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses. Effective 1 July 2019, the Group has applied the new AASB 16 Leases standard using the modified retrospective approach. Lease costs such as property rental payments are now accounted for as depreciation and interest expense below EBITDA for FY2020. Comparative information for the year ended 30 June 2019 has not been restated.

(5) Includes dilution of investments in associates.



OUR PURPOSE:

We help people
live more fulfilling
and productive
working lives and
help organisations
succeed.



Directors

Graham B Goldsmith
Chairman

Andrew R Bassat
*Managing Director,
Chief Executive Officer and Co-Founder*

Julie A Fahey

Leigh M Jasper

Michael H Wachtel

Vanessa M Wallace

Lynne Jensen
Secretary

Principal registered office in Australia

Level 6
541 St Kilda Road
MELBOURNE VIC 3004
AUSTRALIA
Ph: +61 3 8517 4100

Share register

Computershare Investor
Services Pty Ltd
452 Johnston Street
ABBOTSFORD VIC 3067
Ph: +61 3 9415 4000

Auditor

PricewaterhouseCoopers
2 Riverside Quay
SOUTHBANK VIC 3006

Stock exchange listing

SEEK Limited shares are
listed on the Australian
Securities Exchange
(Listing code: SEK)

Website

www.seek.com.au

ABN

46 080 075 314



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