



10 October 2024

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

INVESTOR DAY PRESENTATION

Attached is The Lottery Corporation's Investor Day presentation.

The Investor Day will be webcast live at <https://www.thelotterycorporation.com/investors/presentations> from 9:00am (AEDT) Sydney today and will be archived on The Lottery Corporation website for viewing later today.

This announcement was authorised for release by The Lottery Corporation Continuous Disclosure Committee.

For more information

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Investor Day

10 October 2024

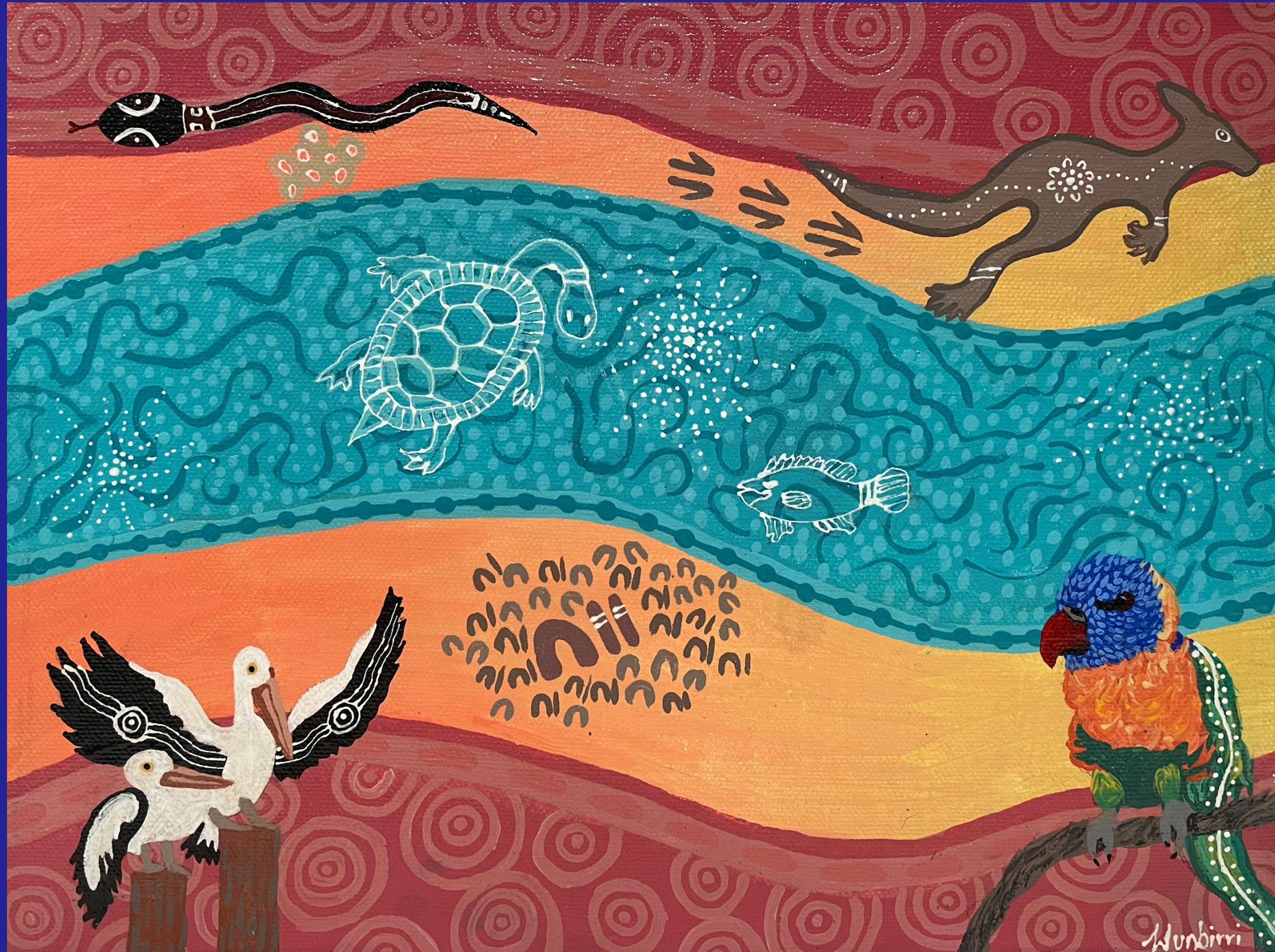
Acknowledgement of Country

The Lottery Corporation would like to acknowledge the First Nations Peoples of Australia. We acknowledge that they are the Traditional Custodians of the lands on which our offices, retail outlets and venues operate. As our nation and organisation continues our journey towards reconciliation, it is with great respect we acknowledge all Elders past and present. We acknowledge the inextricable link First Peoples of Australia, past, present and future, have with the land.

Artist Acknowledgement

Johanna Gregory, Stars Foundation past student.

“The River is what is generous for us as people. We are fortunate to be blessed with fresh and saltwater ecosystems. People tending to the land must give back what we take.”



Running order

| Time | Event | Location |
|-----------------|--|-----------|
| 8.30 – 9.00am | Registration and arrival coffee | Lobby |
| 9.00 – 11.00am | Presentation session 1 (Webcast commences) | The Forum |
| 11.00 – 11.30am | Morning break / Trade show | Expo zone |
| 11.30 – 12.30pm | Presentation session 2 | The Forum |
| 12.30 – 1.00pm | Q&A panel session / Recap | The Forum |
| 1.00pm | Webcast concludes | |
| 1.00 – 1.30pm | Lunch / Trade show | Expo zone |
| 1.30pm | Event concludes | |

What to expect from today



Learn more about an exciting and unique world leader in lotteries



Deepen your understanding of our business model, strategy and multiple levers to drive sustainable growth and shareholder value



Gain insight into our customer-focused approach to delivering seamless experiences and growing the customer base









Hear how we help take care of our customers with a low harm model and strong focus on responsible play



Get to know our highly experienced management team



Agenda

| | | | | |
|----------------------|---|---------|---|--|
| GROUP OVERVIEW | The Lottery Corporation – a world class lottery business | 9.00am |  | Sue van der Merwe Managing Director & CEO |
| CUSTOMER & MARKETING | Portfolio of recognised brands inspiring Australians to dream | 9.30am |  | Andrew Shepherd Chief Customer & Marketing Officer |
| TECHNOLOGY | Technology capability driving leading customer experience | 10.00am |  | Loren Somerville Chief Information Officer |
| RETAIL | Retail is a key foundation of our Lotteries business | 10.30am |  | Antony Moore Chief Channel Officer |
| GAME PORTFOLIO | Active portfolio and licence management | 11.30am |  | Callum Mulvihill Chief Commercial Officer |
| KENO | Keno – a complementary and differentiated offer | 12.00pm | | Andrew Shepherd Antony Moore |
| CAPITAL | Foundations for growth and financial discipline | 12.15pm |  | Adam Newman Chief Financial Officer |
| | Q&A panel session | 12.30pm | | All presenters |
| GROUP OVERVIEW | Recap | 12.55pm | | Sue van der Merwe Managing Director & CEO |

A world class lottery business

Sue van der Merwe – Managing Director & CEO



2022

Appointed Managing Director and CEO following demerger from Tabcorp

30+ years' experience in lotteries

Started industry career at Golden Casket in 1990

WLA Executive Committee member

Chair of the Asia Pacific Lottery Association, World Lottery Association Executive Committee Member, Public Gaming Research Institute's Lottery Industry Hall of Fame Inductee (2016)

Experienced Board and Management team

Non-Executive Directors



Doug McTaggart
Independent Non-Executive Chairman



Harry Boon
Independent Non-Executive Director



Megan Quinn
Independent Non-Executive Director



Anne Brennan
Independent Non-Executive Director



John O'Sullivan
Independent Non-Executive Director



Stephen Morro
Independent Non-Executive Director

Executive Leadership Team (ELT)



Sue van der Merwe
Managing Director & Chief Executive Officer



Adam Newman
Chief Financial Officer



Andrew Shepherd
Chief Customer & Marketing Officer



Rob Ure
Chief Corporate Development Officer



Michelle Williams
Chief People Officer



Nicholas Allton
Chief Legal Officer



Antony Moore
Chief Channel Officer



Callum Mulvihill
Chief Commercial Officer



Loren Somerville
Chief Information Officer

 Today's Presenters

TLC by the numbers – a business of scale and social significance

Financial and Operational¹

Total revenue

\$4.0bn

EBITDA (before significant items)²

\$827m

EBITDA (Reported): \$771m

NPAT (before significant items)²

\$412m

NPAT (Reported): \$414m

Market cap

c.\$11bn

Lotteries channel mix
(Retail / Digital)

(59%/41%)

Points of sale

c.7,200

Average licence
term remaining

24 years

of employees
(FTE – 30 September 2024)

c.890

Customers¹

Total prizes paid

\$5.6bn

Millionaires
created

320+

of active Lotteries
registered customers

4.75m

Estimated # of total
Lotteries customers³

c.10m

Average Lotteries
weekly spend/customer

c.\$13

Draw lottery turnover
per capita globally

3rd

Other Stakeholders¹

State Lotteries and Keno taxes

\$1.9bn

Commissions to retailers and
venue partners

\$725m

Focus on operational excellence and ESG supports our strong commitment to all our stakeholders

1. All figures reflect FY24 unless otherwise indicated

2. This is "Non-IFRS" information and is unaudited. Refer to page 27 of the FY24 Full Year Results Presentation for further details

3. Estimated total active customers based on Roy Morgan Gambling Monitor

The Australian market leader and one of the highest performing lotteries businesses globally



Exclusive and/or long dated licences (and approvals)



Low-spend, mass participation model underpins wide community acceptance



Diversified and balanced portfolio of high-profile brands



Significant and diverse retail distribution; further upside potential from digital growth



Highly defensive characteristics, including strong cashflow generation and low capital intensity



Globally unique as the only large-scale listed pure-play lottery company

Pure-play lottery

Non-government owned lottery focused operators/distributors



Global diversified gambling

Multi-category gambling companies (e.g. lotteries, casinos, sports betting)



Suppliers

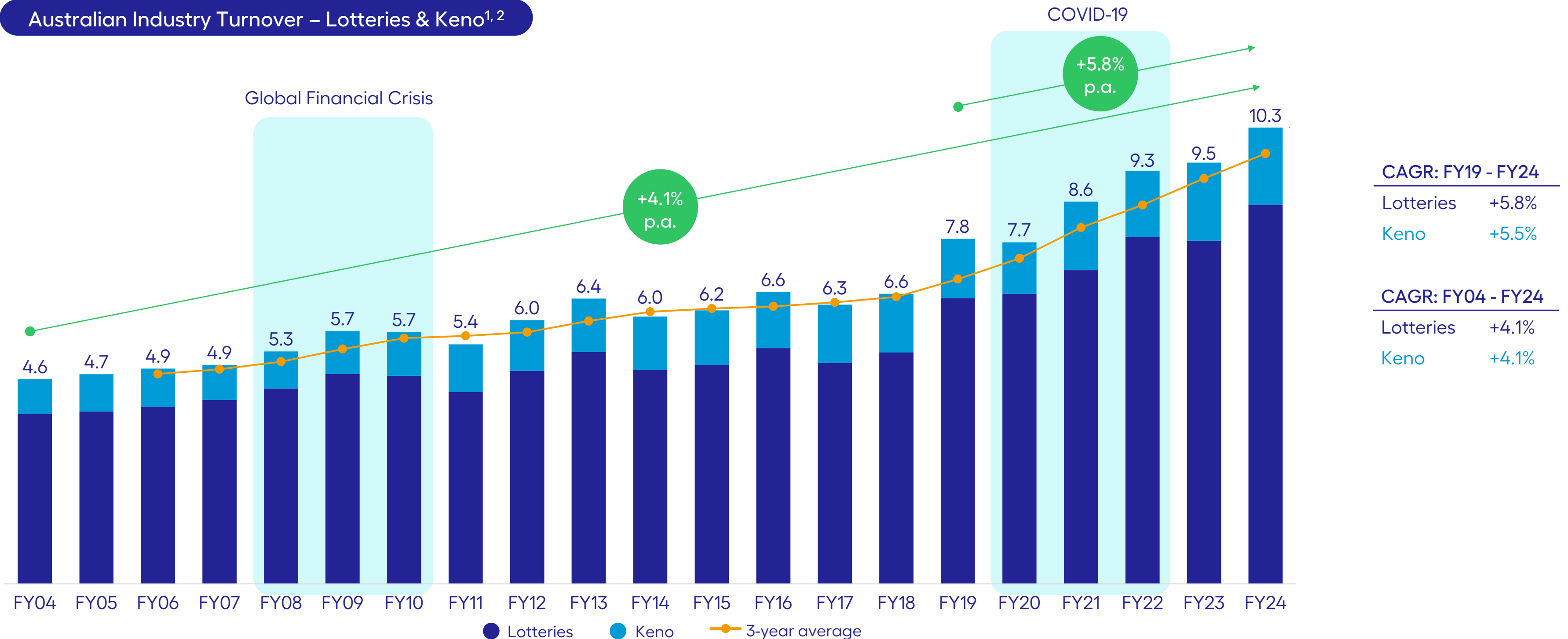
Primarily focused on particular segments of the lottery value chain



A proven track record of delivering long-term market growth and resilience

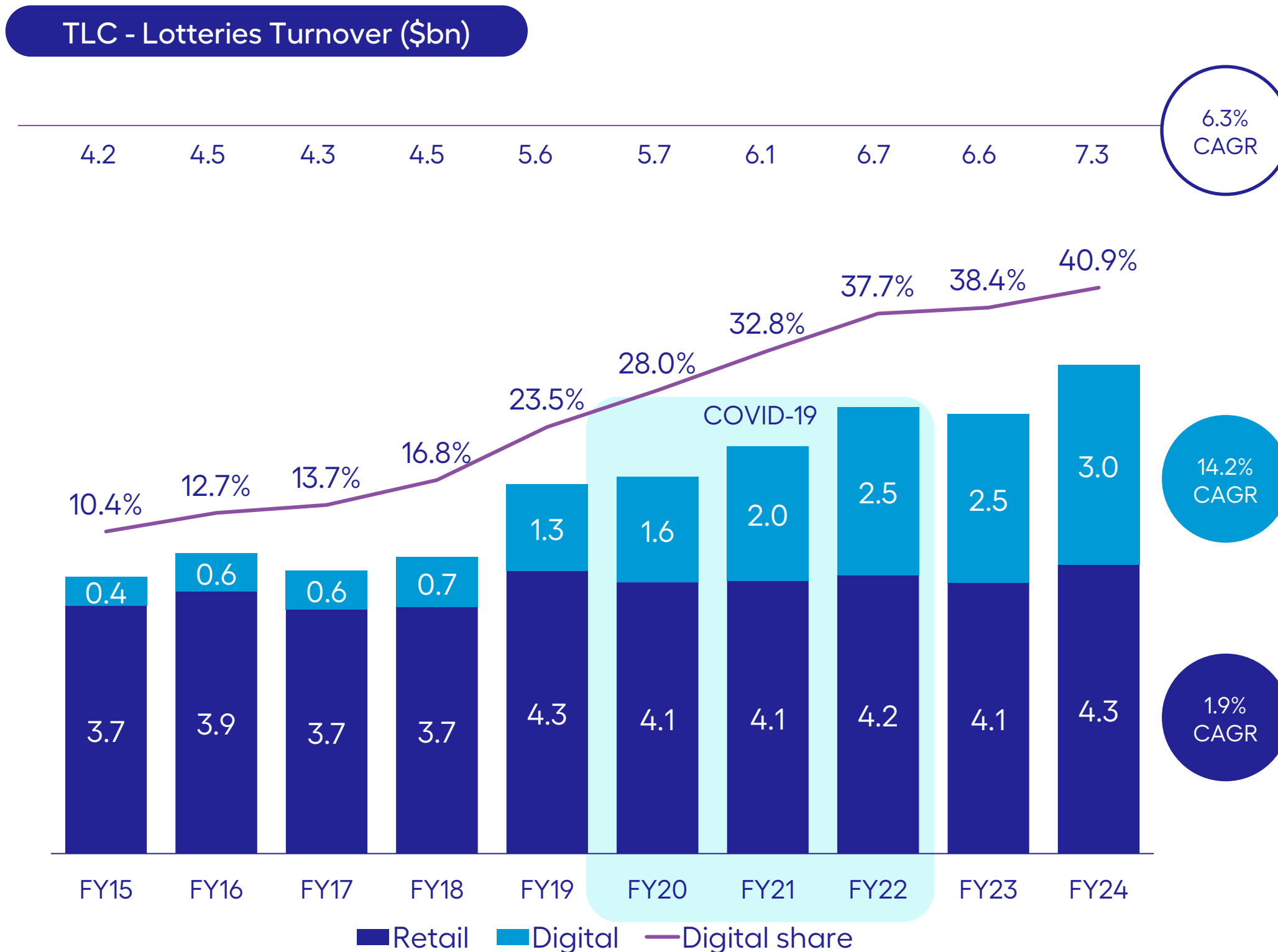
Growth in rolling 3-year average has always been positive, notwithstanding short-term fluctuations due to jackpot variability

Australian Industry Turnover – Lotteries & Keno^{1, 2}



1. Source: Australian Gambling Statistics, 39th edition, for period FY04 to FY23
2. Estimates by The Lottery Corporation of the Australian industry for FY24

Customer-focused approach driving continued Lotteries growth



- Retail is our foundational channel, provides a strong community connection and underpins omni-channel customer engagement
- Digital represents the majority of growth and offers higher margins
- Digital growth has not resulted in a decline in retail
- We are channel agnostic, offering a truly omni-channel experience where customers can complete their journey using multiple channels

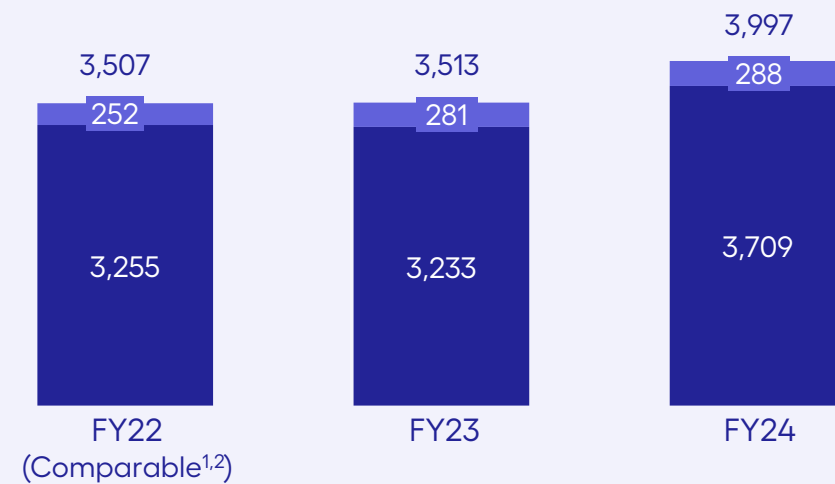
Our goal is to drive lifetime customer value through engaged and retained customers

Our business has performed strongly since demerger

Revenue

(\$m)

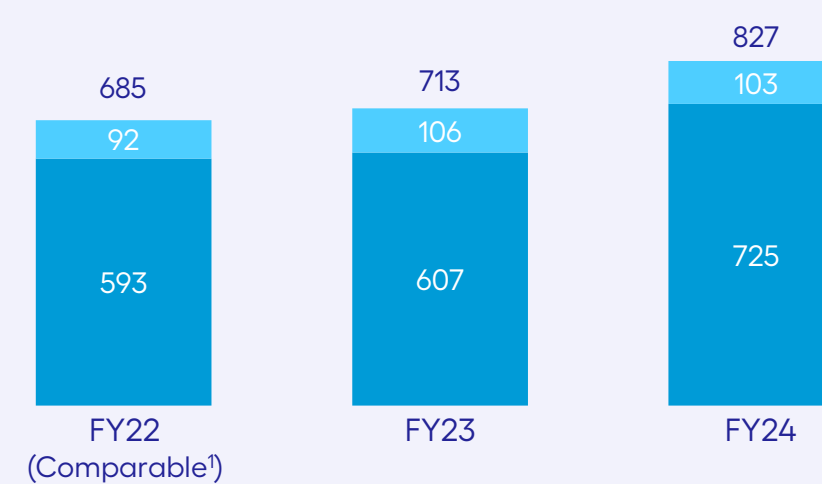
Lotteries Keno



EBITDA

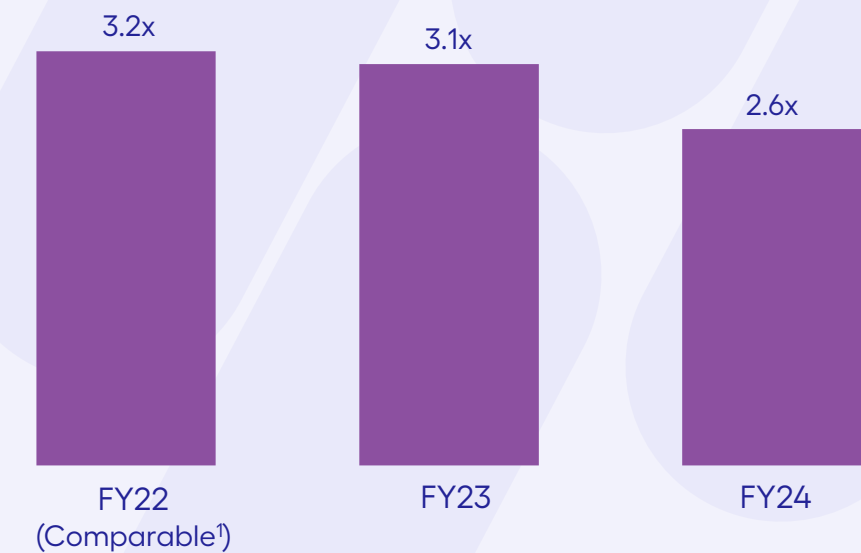
(before significant items²) (\$m)

Lotteries Keno



Leverage

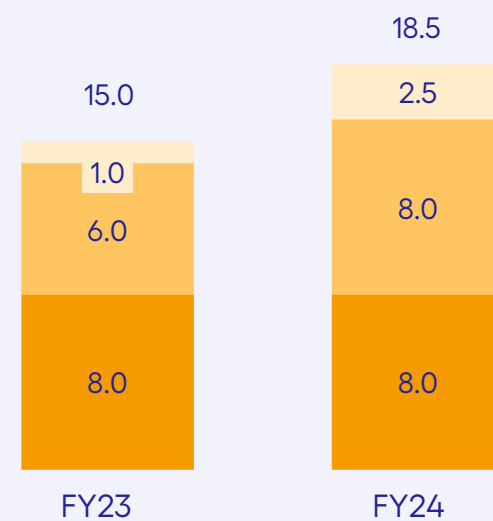
(Net Debt / EBITDA (before significant items)²)



Dividends

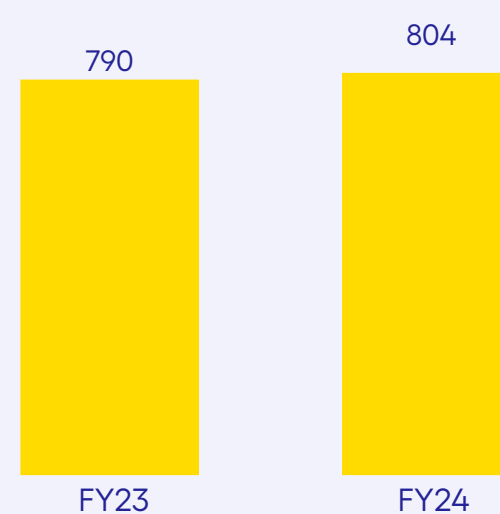
(cents per share)

1H 2H Special⁴



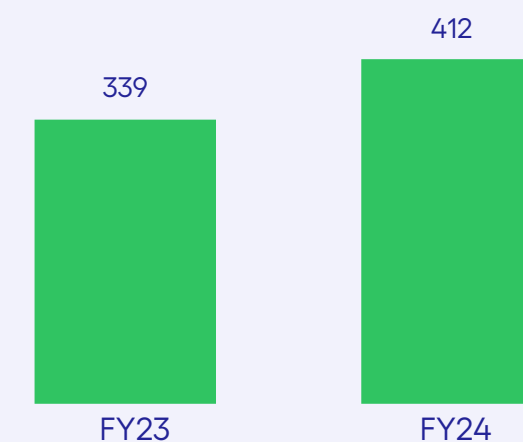
Operating Cash Flows, before Interest, Financing, Tax, Capex and Significant Items³

(\$m)



NPAT^{2,3}

(before significant items) (\$m)



1. Comparable results adjust the FY22 reported results to include Keno fully in relation to Keno operating results. EBITDA has been updated to include the estimated impact of net additional standalone operating costs associated with the demerger

2. This is "Non-IFRS" information and is unaudited

3. FY22 not included principally due to reported results only including one month of Keno results and interest on transferred debt as a result of the demerger

4. 1.0 cps special dividend in FY23 was paid in relation to June 2022 NPAT (being the month subsequent to the demerger from Tabcorp Holdings Limited)

Our business is underpinned by our exclusive and/or long-dated licences

Lotteries

Licence expiry

Indefinite
(unless revoked)



Tasmanian
lottery permit is a
renewable 5-year
fixed term
arrangement

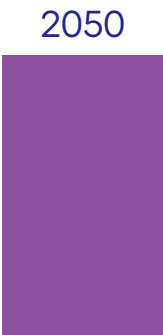
| State | Aus. Capital Territory | Queensland | South Australia | New South Wales | Northern Territory | Victoria | Tasmania |
|----------------------------|-------------------------------------|--------------|-----------------|-----------------|--------------------|--------------|-------------|
| Year issued (Term - years) | 2010 (Indefinite unless revoked) | 2007 (65) | 2012 (40) | 2010 (40) | 2012 (20) | 2018 (10) | 2020 (5) |

Average remaining licence length 19 years

Keno

Licence expiry

2072



| State | Aus. Capital Territory | South Australia | New South Wales | Queensland | Victoria |
|----------------------------|------------------------|-----------------|-----------------|--------------|--------------|
| Year issued (Term - years) | 2022 (50) | 2012 (40) | 2016 (34) | 1997 (50) | 2022 (20) |

Average remaining licence length 29 years

A strong focus on our integrated ESG approach

Our Pillars

Operating our business and products responsibly



We operate our business ethically and responsibly, helping customers to have fun whilst recognising our responsibility to help protect our customers from potential and actual harms arising from use of our products

Supporting our community



We have an important role to play in our communities, through supporting small business and collaborating with our philanthropic and foundation partners to deliver impactful outcomes where they are needed

Nurturing our people



We strive to create a great place for our people to work, where we embrace their uniqueness, invest in their wellbeing, and support their development

Reducing our environmental impact



We take action to reduce our impact on the environment, through our business operations and influencing value chain activities

FY24 Performance



Retained WLA LEVEL 4 Responsible Gaming Accreditation

8.64%

Keno Responsible Play Early Intervention Communications¹

0.88%

Lottery Responsible Play Early Intervention Communications²

\$725m

Paid in Commissions to Retailers and Venue Partners

\$5m

Total Community Contributions

\$3.3m

Raised for Charities through our support of the 50-50 Foundation

40.4%

Women in Senior Leadership

71%

Employee Engagement

1,255 tCO2-e

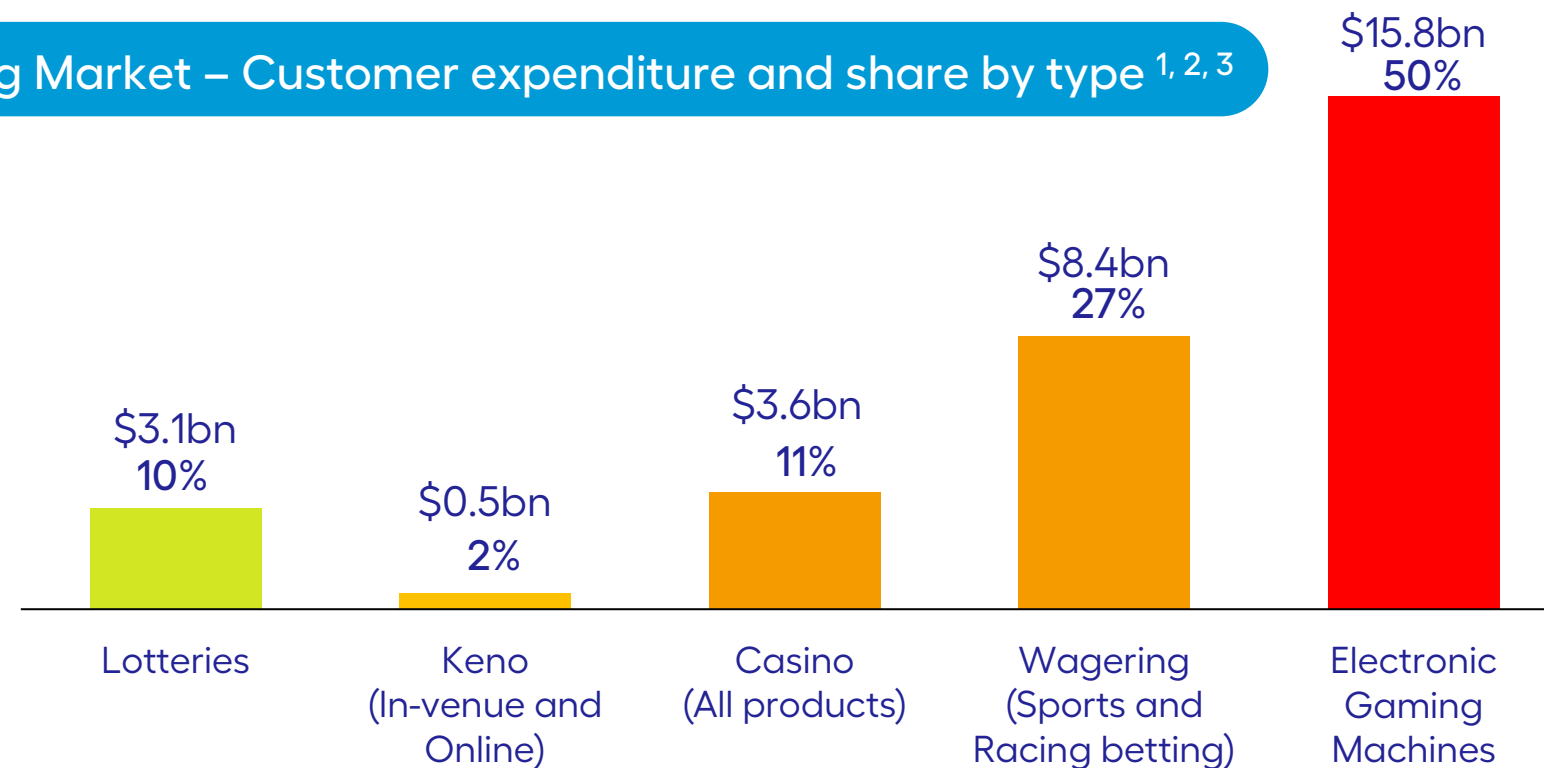
Scope 1 & 2 emissions

Net Zero Roadmap in development

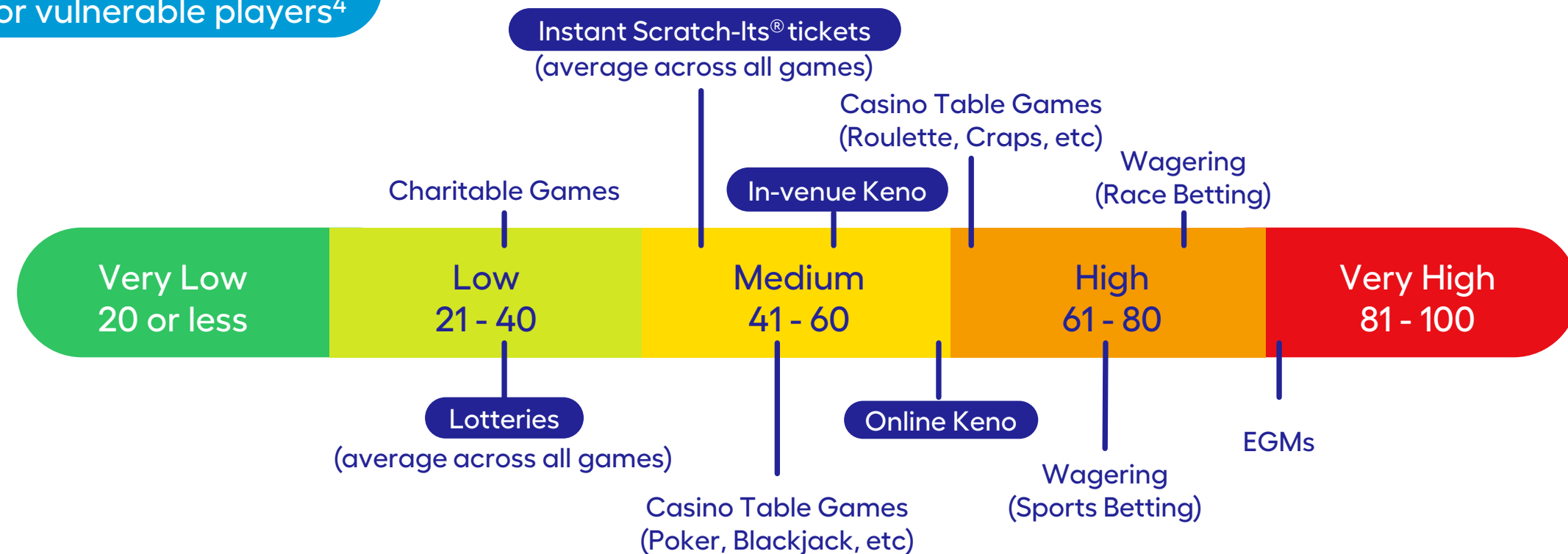
1. Total number of Keno early intervention communications delivered to customers as a proportion of total active online Keno customers
2. Total number of Lotteries early intervention communications delivered to customers as a proportion of total active registered Lottery customers

The majority of our turnover relates to products which are low risk

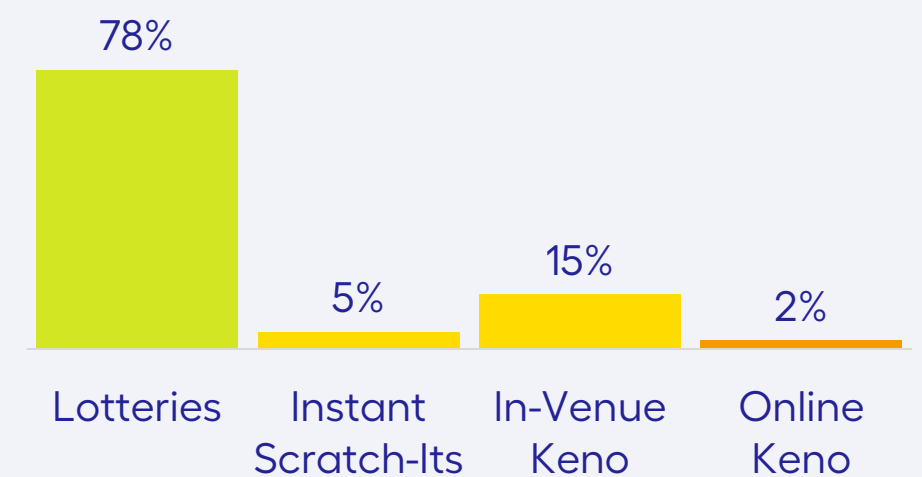
FY23 Australian Gambling Market – Customer expenditure and share by type ^{1, 2, 3}



Gamgard risk rating for vulnerable players⁴



98% of our FY24 turnover was in lower risk games



1. Interactive Gaming excluded. (Expenditure from interactive gaming is completely sourced from overseas players)

2. Customer expenditure defined as turnover less return to player

3. Source: Australian Gambling Statistics 2022-23, 39th edition

4. As at 30 September 2024. Gamgard assesses games based on ten structural and situational characteristics or 'risk factors' that have been observed to influence player behaviour and potentially increase risk of gambling harm, and four responsible gaming features, which have been observed to reduce risk of gambling harm. Games are categorised into Very Low, Low, Medium, High and Very High Risk for vulnerable players. Game risk can be decreased by addressing any of the game risk factors or implementing responsible gaming features. For example, the implementation of mandatory spend limits for all Keno digital players in September 2024 reduced the Gamgard risk rating to the upper end of Medium (previously lower end of High)

Our strategy is designed to deliver on our ambition

OUR VISION

To be the world's best lottery operator

OUR PURPOSE

To create positive impacts

STRATEGIC PILLARS

DRIVE

Customer centred initiatives to support sustainable growth

Responsibly deliver seamless and personalised customer experiences

Continue to reshape digital and retail offer

Actively manage and innovate the game portfolio

DEVELOP

Guiding strategies to future-proof TLC

Reimagine digital experiences

Maximise operational efficiency

Enhance licence value

Amplify community impact

DISCOVER

Complementary new earnings pathways

Explore new revenue segments

Pursue new licence opportunities

COMPANY PRINCIPLES



CREATE JOYFUL
MOMENTS



BE ACCOUNTABLE
& TRANSPARENT



DARE TO FIND
A BETTER WAY



NURTURE THE
UNIQUENESS OF
OUR PEOPLE

Key takeaways

Strong brands and licences, and customer-focused strategy drives consistent growth

Proven track record of delivery over time

Highly energised Board and leadership

Actively preserving and enhancing value of licences

Low-spend, mass participation model with strong focus on minimising harm



Portfolio of recognised brands inspiring Australians to dream



Andrew Shepherd – Chief Customer & Marketing Officer



2022

Appointed Chief Customer & Marketing Officer after six years as General Manager Customer & Marketing

Deep
lotteries
experience

Began career in lotteries in 1997 at Golden Casket, returned to Tatts Group in 2016

30+ years'
marketing
experience

Diverse experience in marketing roles in the automotive, dairy, beverage and lottery industries



Portfolio of recognised brands inspiring c.10m Australians to dream

Our major national game brands enjoy awareness of more than 90% and are supported by a range of mid-tier and add-on games

Channel and licensee brands

The official home of Australia's lotteries



Major games

Games with strong weekly participation and big events that drive retail traffic

Three of Australia's top 40 most valuable brands¹



"Saturday lotto"



Mid-tier games

More frequently conducted games that are regularly purchased with a major game



Add-on games

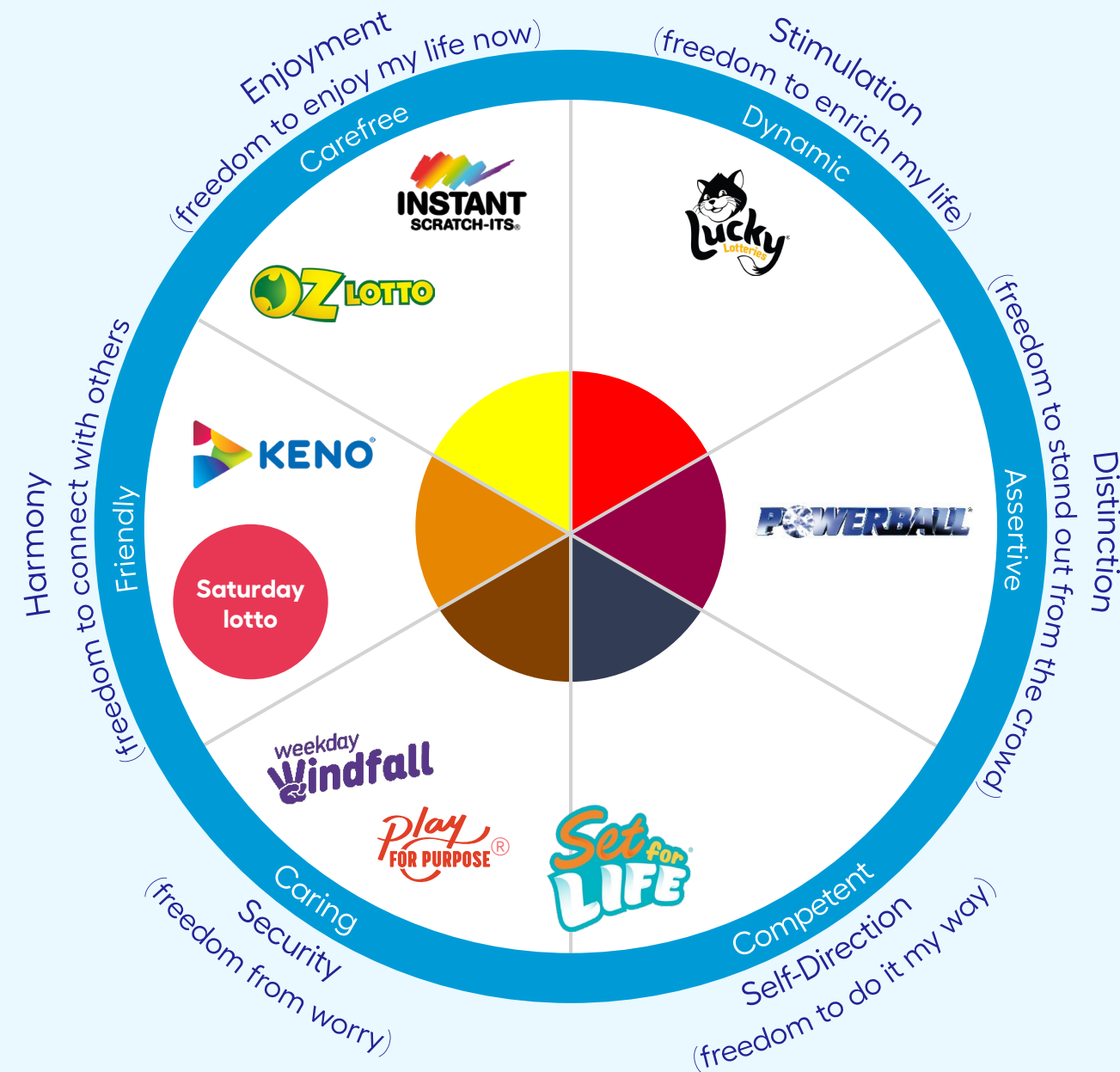
Low-cost game options that give customers another chance to win



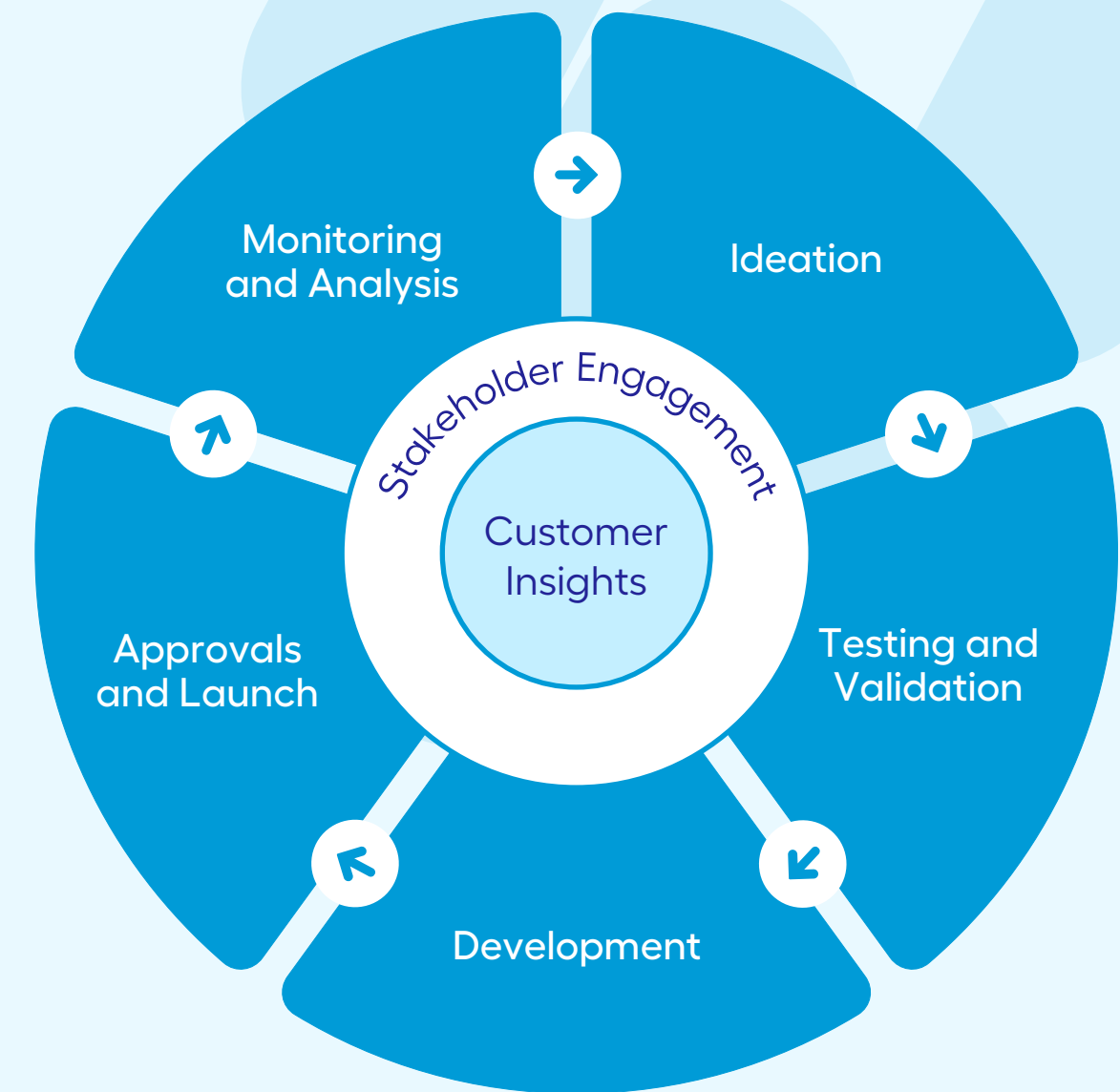


A portfolio approach to maximise our range of customer segments

Strategic NeedScope model guides our portfolio, aiming to have at least one brand occupy each need state



Sophisticated approach to managing the portfolio, underpinned by deep customer insights

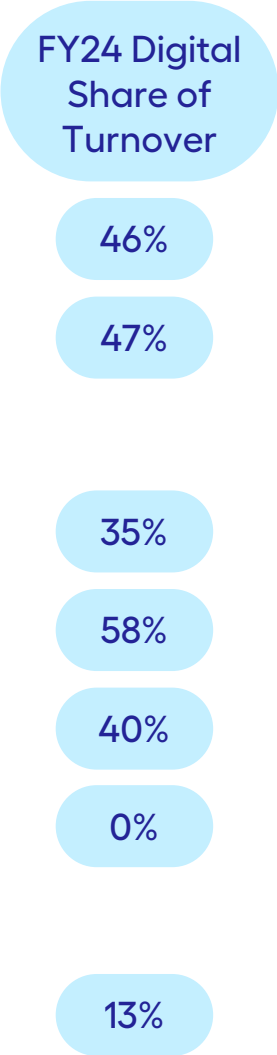
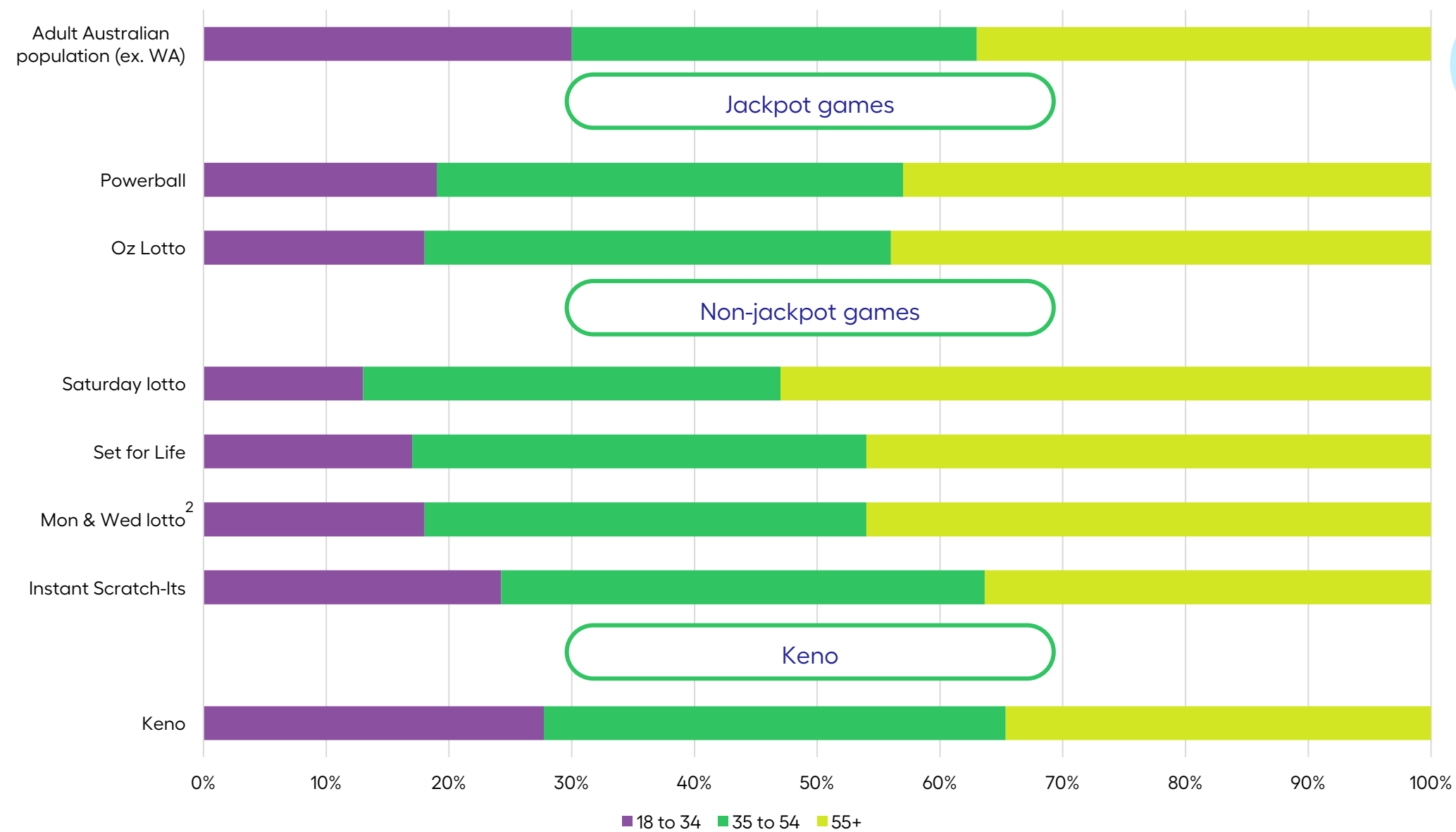




Broad population reach with increasing growth from younger audiences



Participation by Age Group across Product Portfolio¹



75%
Powerball \$200m
new registrations
aged 18-43 (Gen Z & Y³)

64%
of the customers
who joined in FY24
aged 18-43 (Gen Z & Y³)

Registered customer participation growth highest
among customers aged 18 to 34⁴

Customers aged 28-43 (Gen Y) now the biggest proportion of our registered customer group⁵

1. Source: Roy Morgan Gambling Monitor, FY24
2. Monday & Wednesday lotto transitioned to the Weekday Windfall lottery effective on and from 20 May 2024
3. Gen Z born 1997 to 2006 (ages 18 to 27), Gen Y born 1981 to 1996 (ages 28 to 43)
4. Lotteries last 3-month participation in FY24 (vs FY23): 18-24 +26% and 25-34 +17%
5. Gen Y represents 29% of active customers



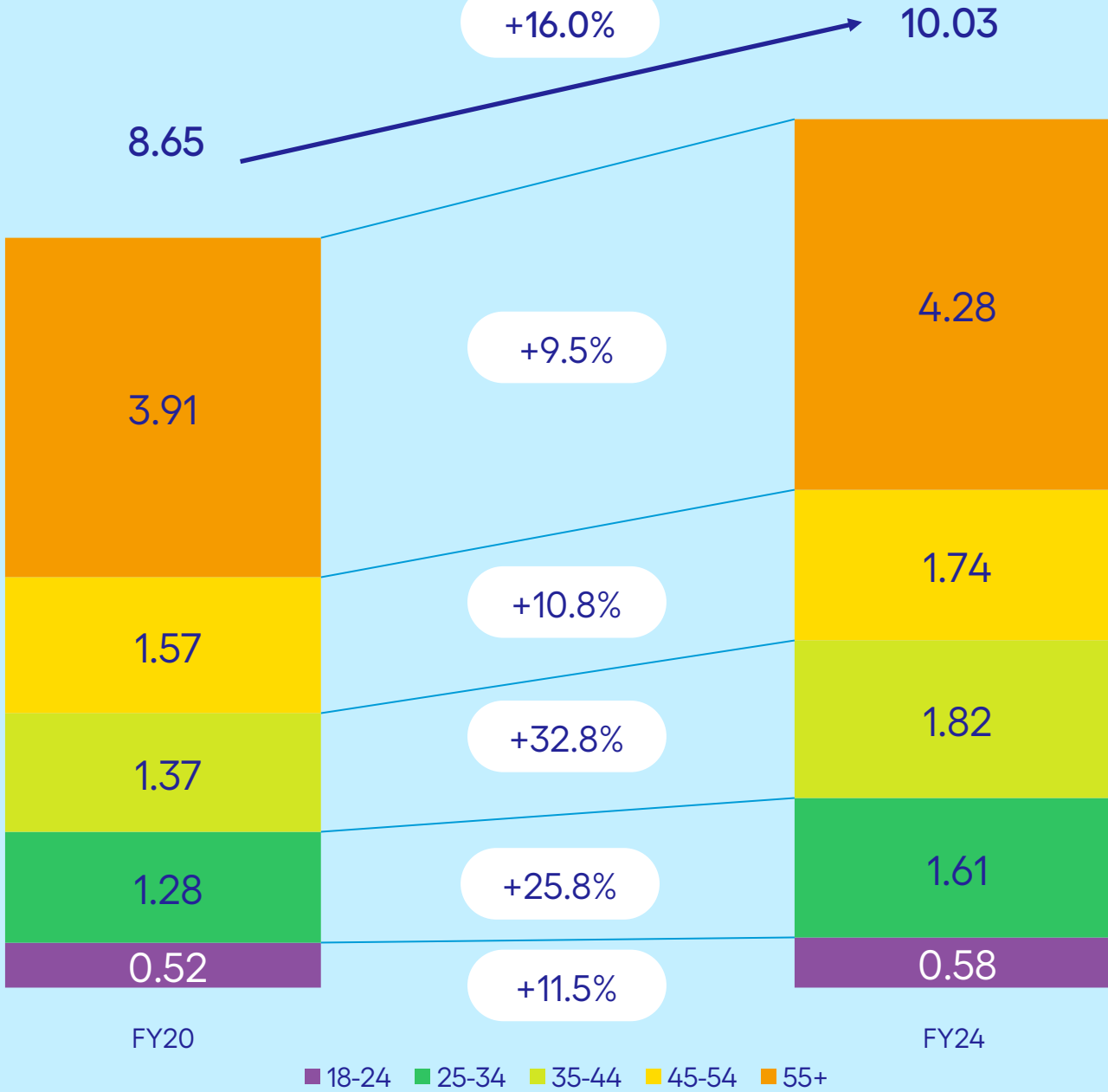
Significant upside from large and growing Lotteries customer base of c.10m



Estimated customer numbers (m) (FY20 – FY24)¹



Estimated customer numbers by age (m) (FY20 – FY24)¹

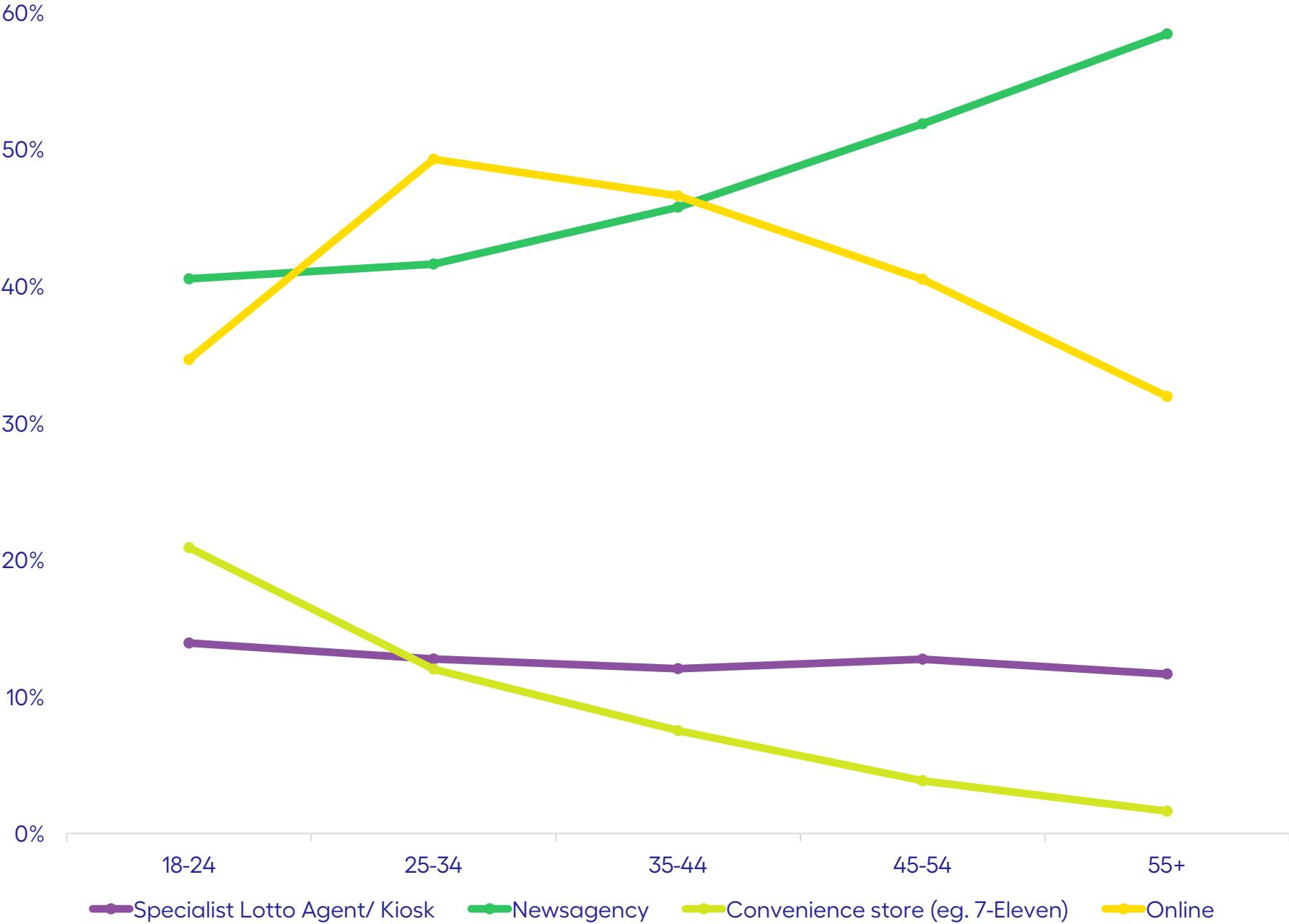


1. Estimated total active customers based on Roy Morgan Gambling Monitor



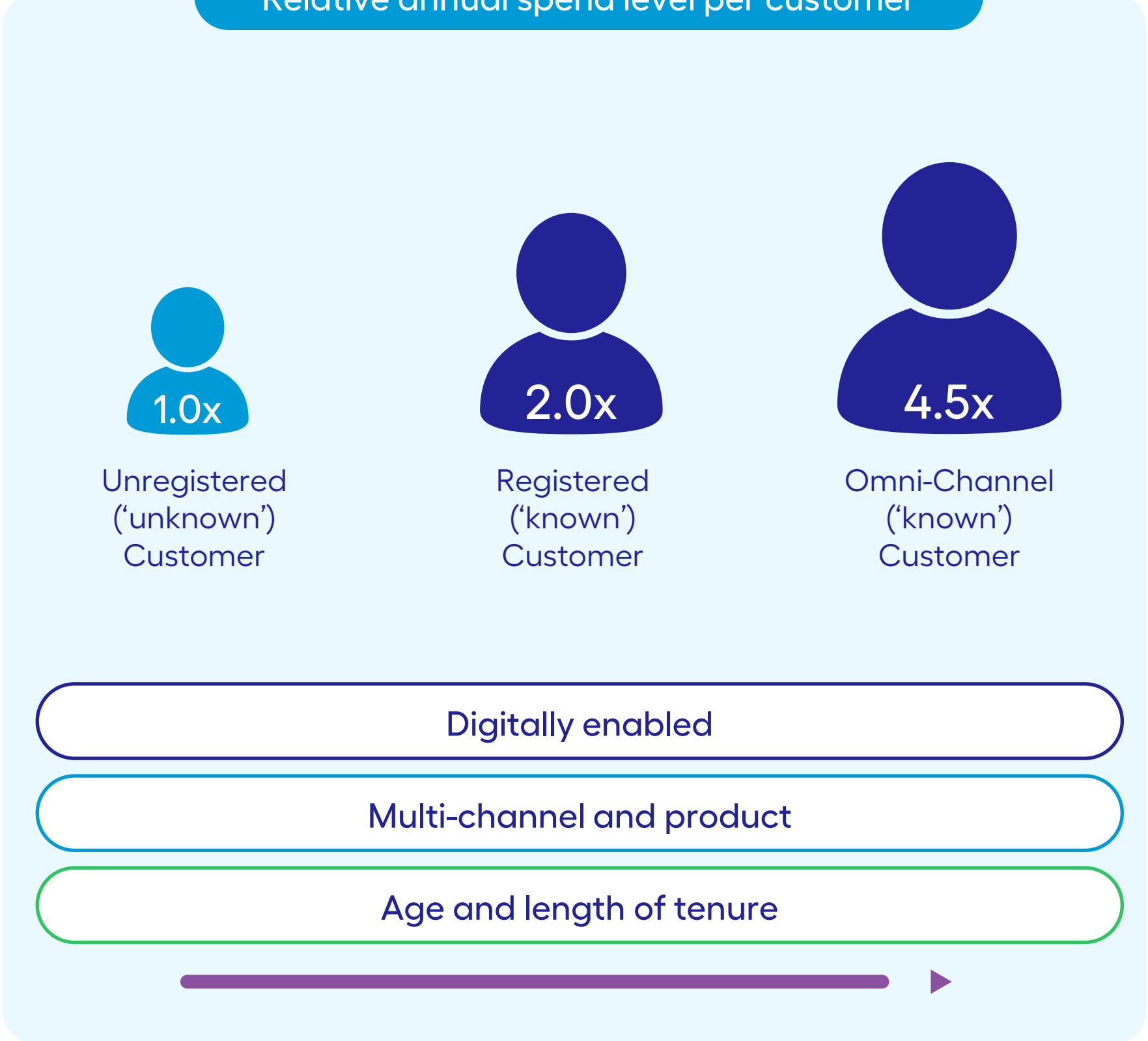
We offer our customers convenient channel choice with ‘known customer’ membership driving increased customer value

Purchase channel by age¹



1. Based on Roy Morgan Gambling Monitor, FY24

Relative annual spend level per customer

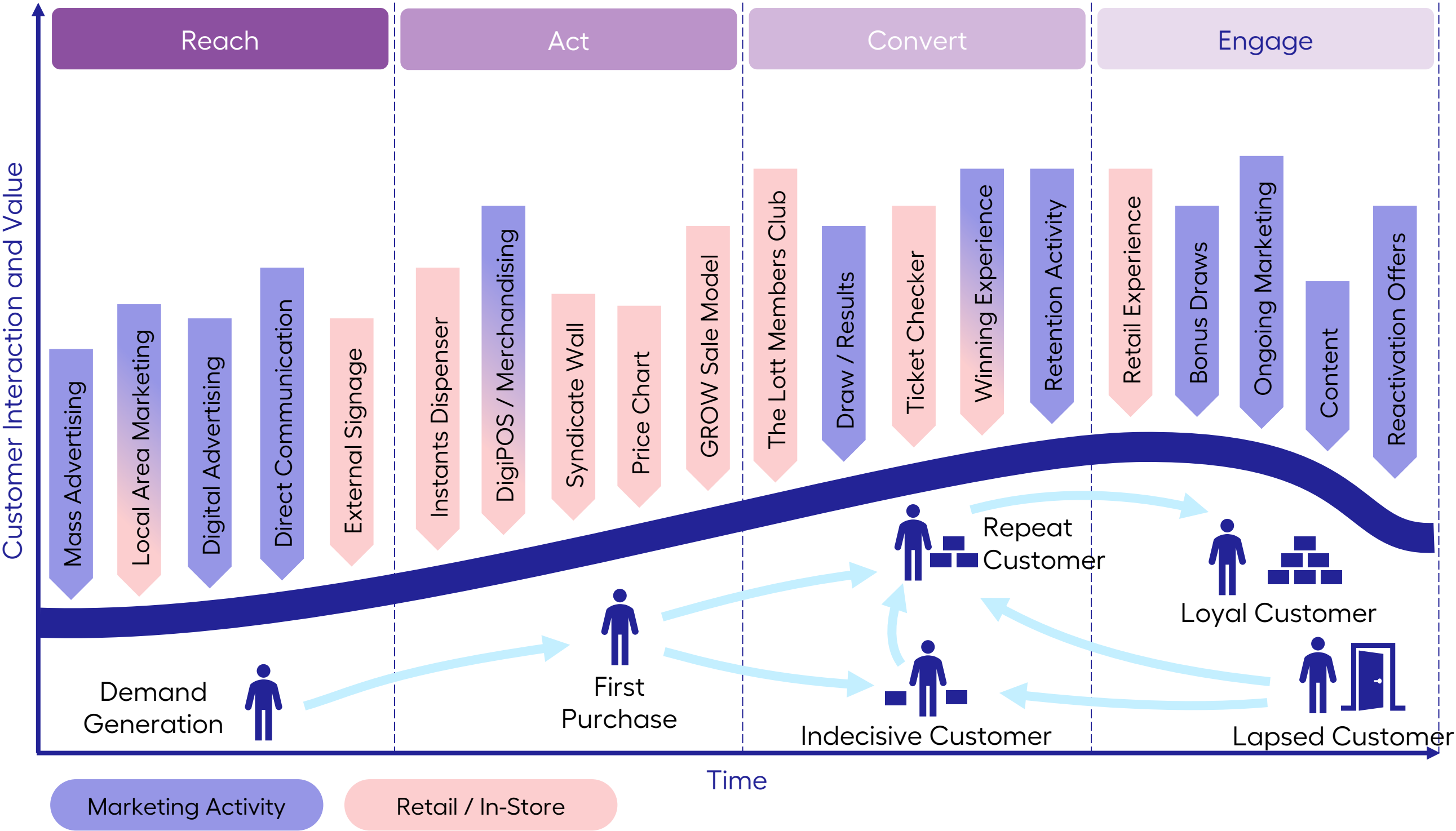




Sophisticated marketing approach to maximise conversion across the customer lifecycle

Customer path to purchase

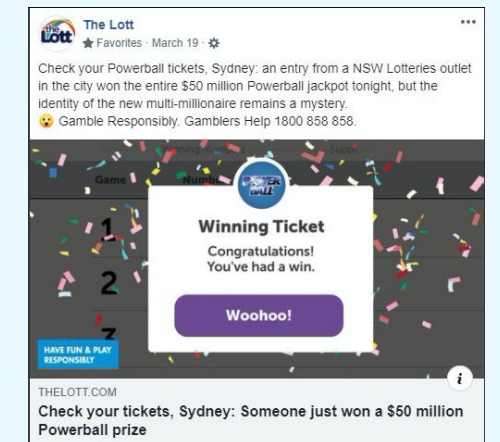
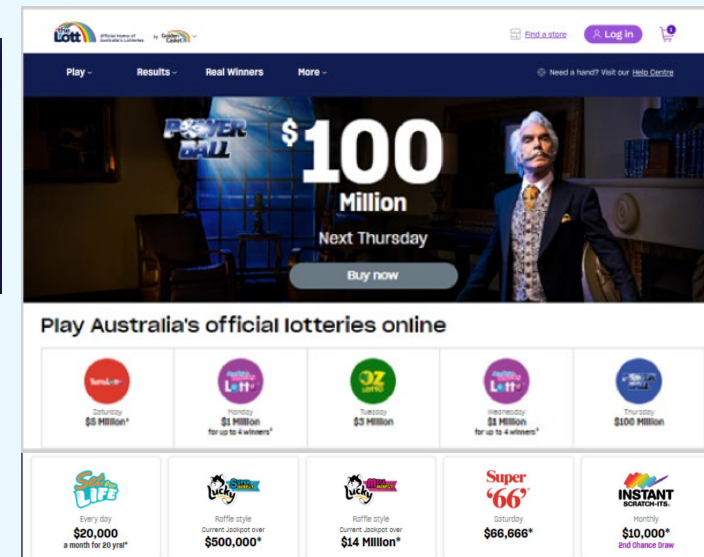
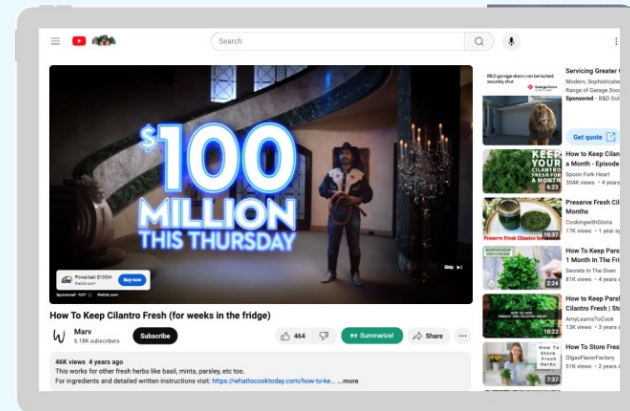
Changes in consumer demographics, behaviour and experience expectations means we need to continue to evolve the customer value proposition to deliver on changing customer expectations



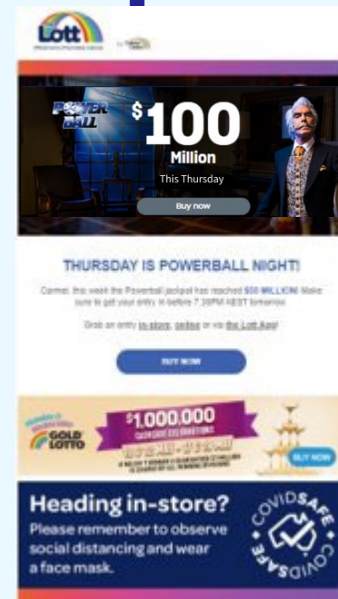


Personalised marketing journeys at scale

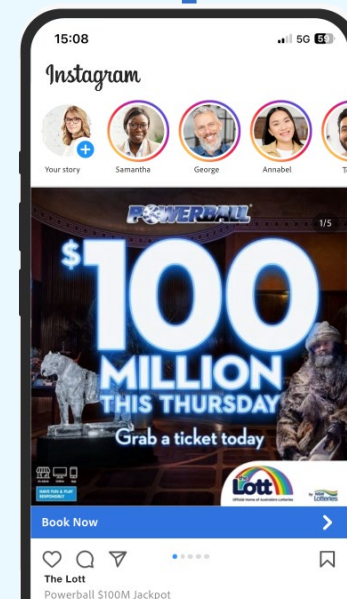
Alternate AI generated content



Email



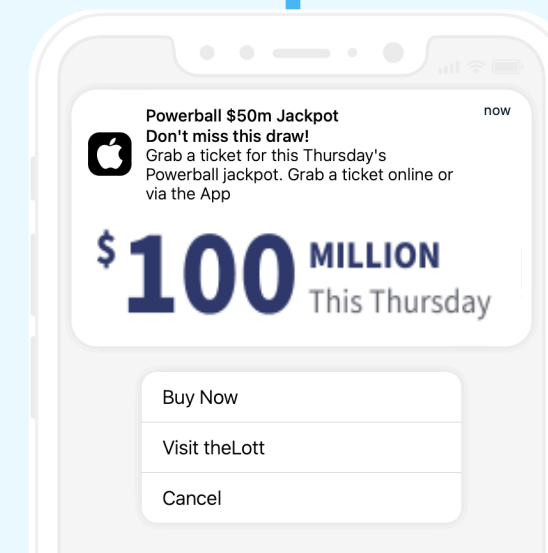
Connected TV / Broadcast video-on-demand / Digital display



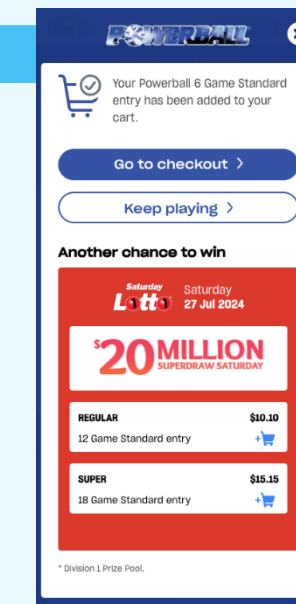
Meta targeting

The Lott website

PUSH reminder



Cross-sell Saturday lotto to leverage increased traffic



Post-draw social winner's story

Suppress Ads



Experience-led approach using AI and machine learning to deliver personalisation

Next Best Offer Model

Offer based recommendation engine

Drives content and offer across channels

Adobe Sensei

Automated white label decisioning AI

Drives offer arbitration

Engagement Model

Communication channel preference

Drives comms channel and timing

Early Intervention Model

Identifies risk of gambling harm

Drives early intervention executions

Cross-Sell Model

Market basket cross-sell offer

Drives cross-sell into alternative games



Maximising efficiency through data-driven out of home media

 theTradeDesk

Target audience profiling across
13,000 screens



Office buildings



Hotels



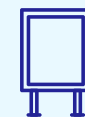
Outdoor
billboards



Shopping malls



Train/bus stations



Display panels



Sports halls/
gyms



Supermarket
checkouts



TV screens/
monitors

Tracking out of home
exposure data fuels cross-
channel campaign
optimisation and campaign
measurement



7:15AM

Reach Jack with a
digital billboard
while he's on his
way to the gym



7:45AM

Immerse Jack in
brand with an
audio ad as he
works out to his
favourite Spotify
playlist



8:45AM

Engage Jack again
with a **digital
billboard** in his
office building as
he heads to work



12:00PM

Stay top-of mind
with a **native ad on
mobile** as Jack
scrolls through the
latest rugby news



3:00PM

Jack **visits website**
and leaves



5:00PM

Reach Jack again
on his commute
home with a **digital
billboard** at the
train station



7:00PM

Connect with Jack
on CTV as he
catches up with his
favourite TV show
to unwind

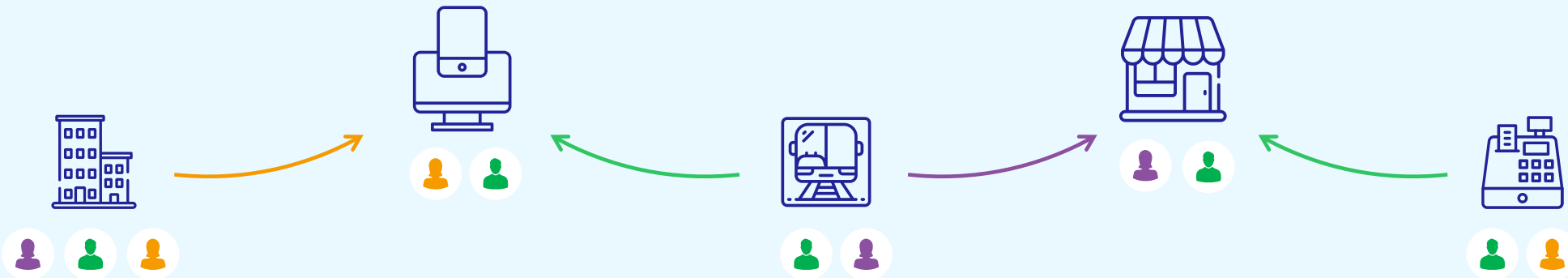


7:15PM

Jack **visits website
again** and **takes
action** after dinner

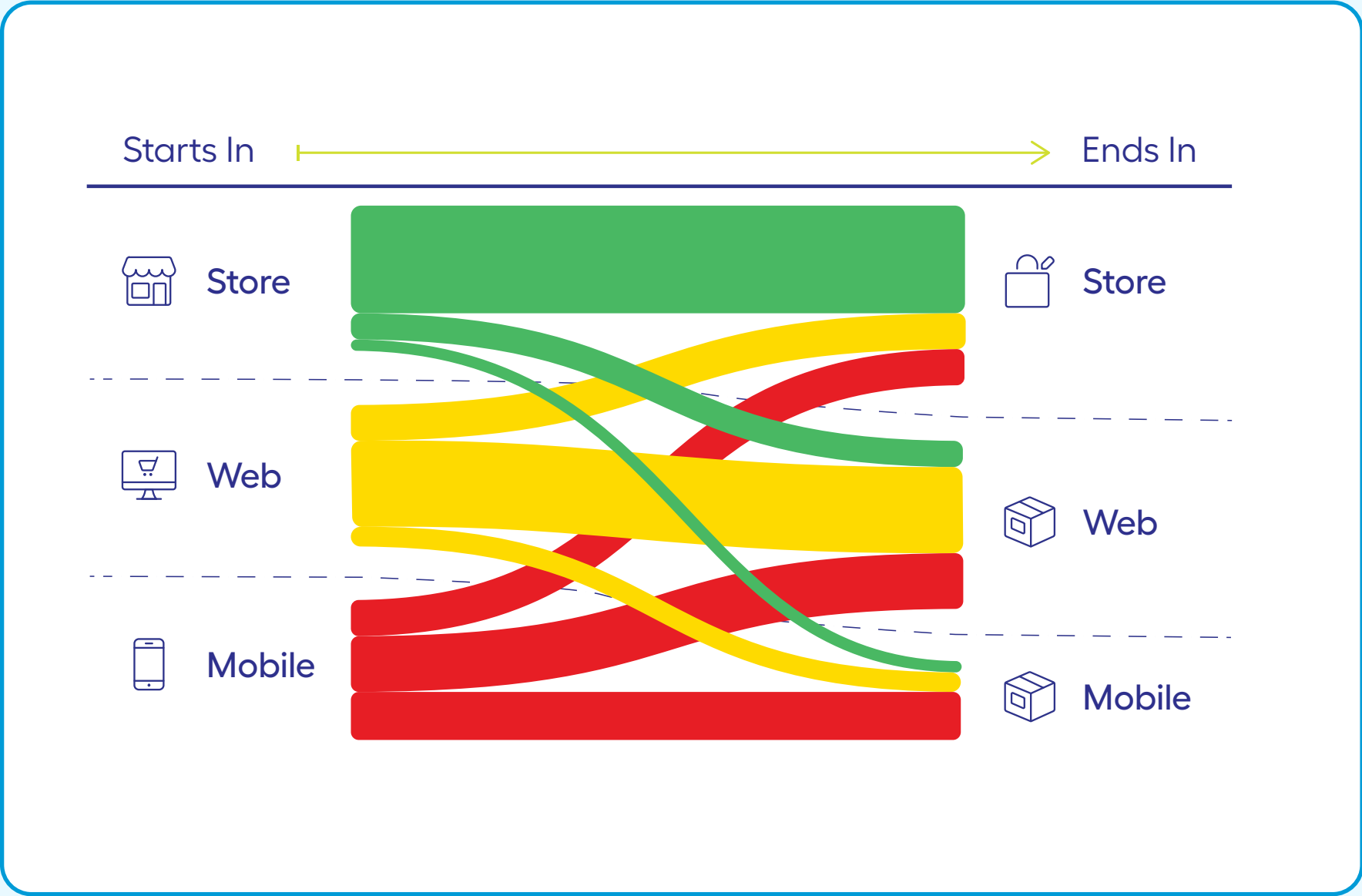
Tracking out of home panel
exposure we can identify
resulting online or in-store events.

These events are fed back into
the algorithm for **continued
optimisation.**





Seamless omni-channel experience increasingly important to customers



Potential experience enhancements

- Physical tickets > Digital or paper tickets
- Physical coupons > App-enabled purchase
- Paper membership form > Digitally enhanced sign-up
- Pay prizes in-store > Digital prize claim to bank account or digital wallet



Key takeaways

Portfolio of recognised brands optimised for growth

Sophisticated approach to brand and customer management

Customer-centric approach drives higher lifetime value

Significant upside from growing registered (“known”) customers (and a plan to capture this opportunity)



Technology capability driving leading customer experience



Loren Somerville – Chief Information Officer



2022

Joined as Chief Information Officer in 2022 post demerger from Tabcorp

Experienced
Technology
executive

Previously Chief Digital & Information Officer at Youi Insurance; held senior roles at Gartner and Rio Tinto



Technology that reliably powers the largest events in Australia



**POWER
BALL**

**\$200
MILLION**

RECORD JACKPOT

February 2024

10,658

tickets sold
per min peak

4,309

retail tickets
sold per min
peak

751

new accounts
per min peak

4,678

deposits per min
peak

42,170

account logins
per min peak

218k

new accounts
opened in week of
draw

1.6m

deposits in last
24 hours

443k

membership card
swipes on day of draw

4,283

customer contacts
in week of draw

14.9m

visits to digital channels
in week of draw

#1

Trending search term
on Google in Australia

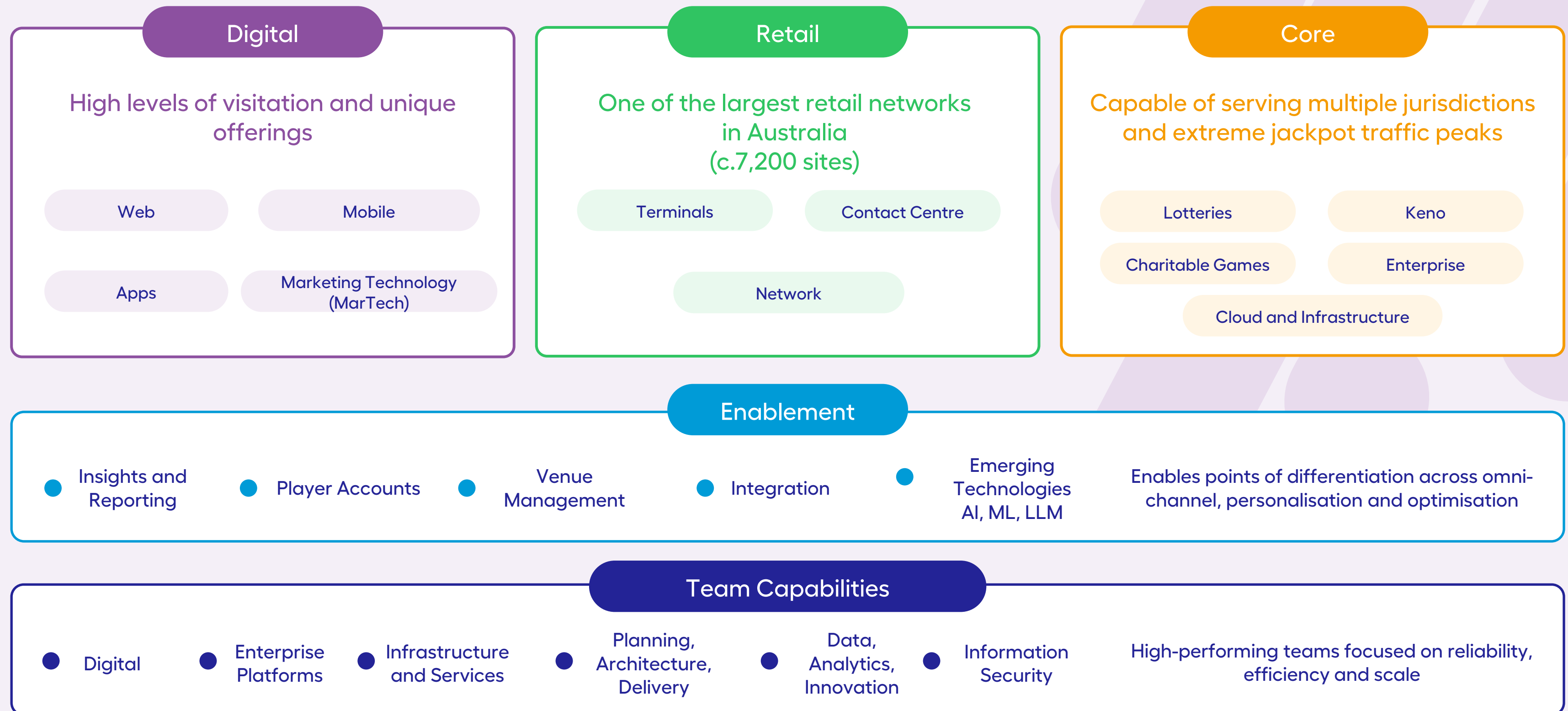
#1

App Store position

On the day of the draw, Powerball transactions represented less than 20% of total transactions made through our systems



Scalable technology ecosystem delivering specialised capability





Delivering a leading digital customer experience



4.8/5

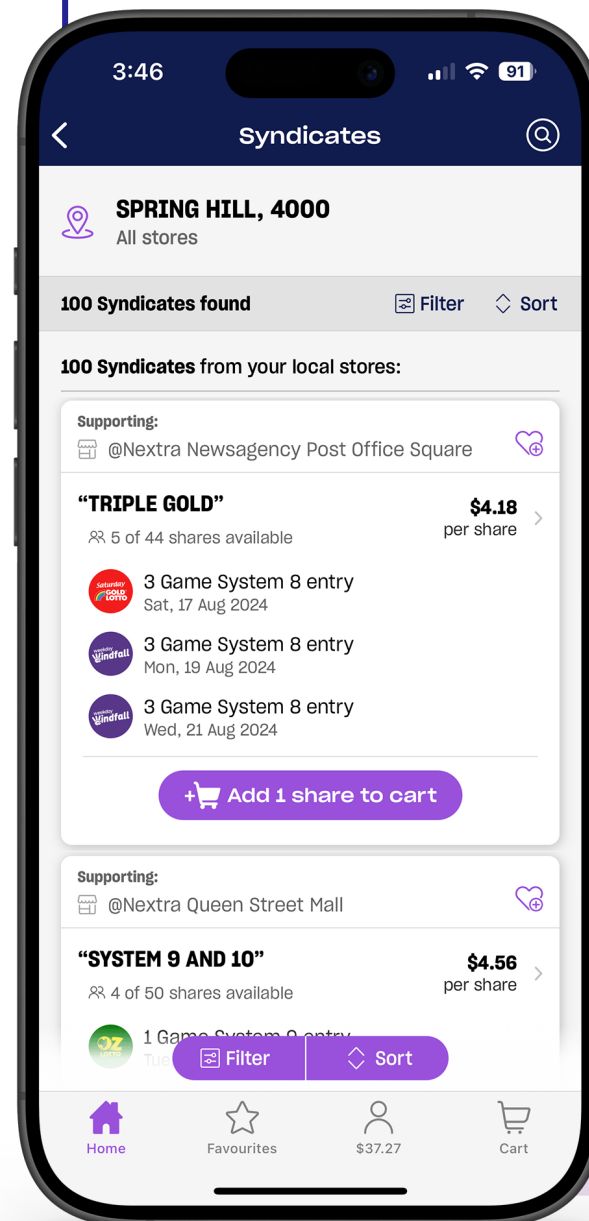
App Store rating

40.9%

Lotteries turnover
through digital channels

Store Syndicates Online

A world-first lotteries syndication tool loved by customers and retailers



Exciting new ways to engage and play

- ✓ Enables retailers to create and market syndicate products
- ✓ Available for in store and digital purchase

In FY24

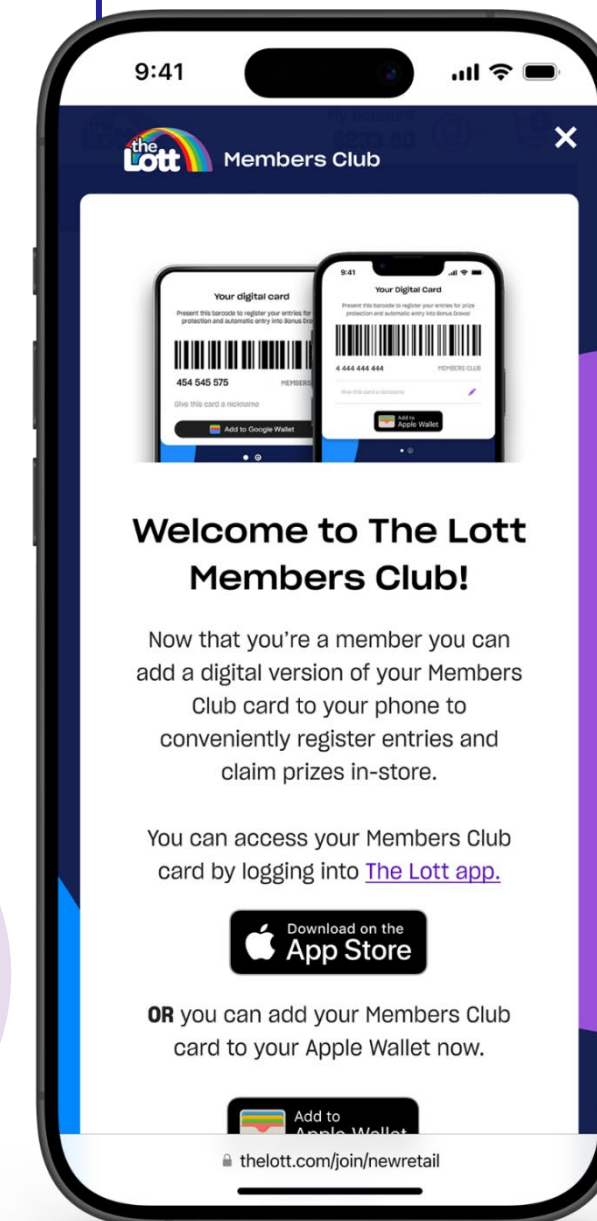
11.1M
Shares sold
online

c.\$130M
Turnover

66%
Online shares
sold via apps

Digitally-Enabled Retail Membership

Activating over 3,800 lottery retail outlets as affiliates to grow registered customer base



Removing friction for the customer

- ✓ Removal of paper-based forms
- ✓ Centralised player account management
- ✓ One-click upgrade to full online membership
- ✓ Membership card in Apple & Google Wallets

Recently launched
(July 2024)



Building a technology foundation for growth



Customer

Enhancements and efficiencies across omni-channel, retail technology and channel network operations

Delivering experiences based on shifting customer expectations

Modernisation of retail hardware and software

Improving retail network scale and flexibility



Product Innovation

New products and innovative changes to current game portfolio

Embedding new and innovative products

Innovating across existing game portfolio



Data and AI

Emerging technologies to enhance business operations

Customer data platform for personalisation at scale

AI-enhanced operations and risk management

Uplifting data governance



Foundations

Technology programs that underpin progress of strategic goals

Cybersecurity program

Efficiency-based optimisation programs

Modernisation of core systems



Delivering experiences to serve changing customer expectations



Deliver intuitive and engaging omni-channel experiences



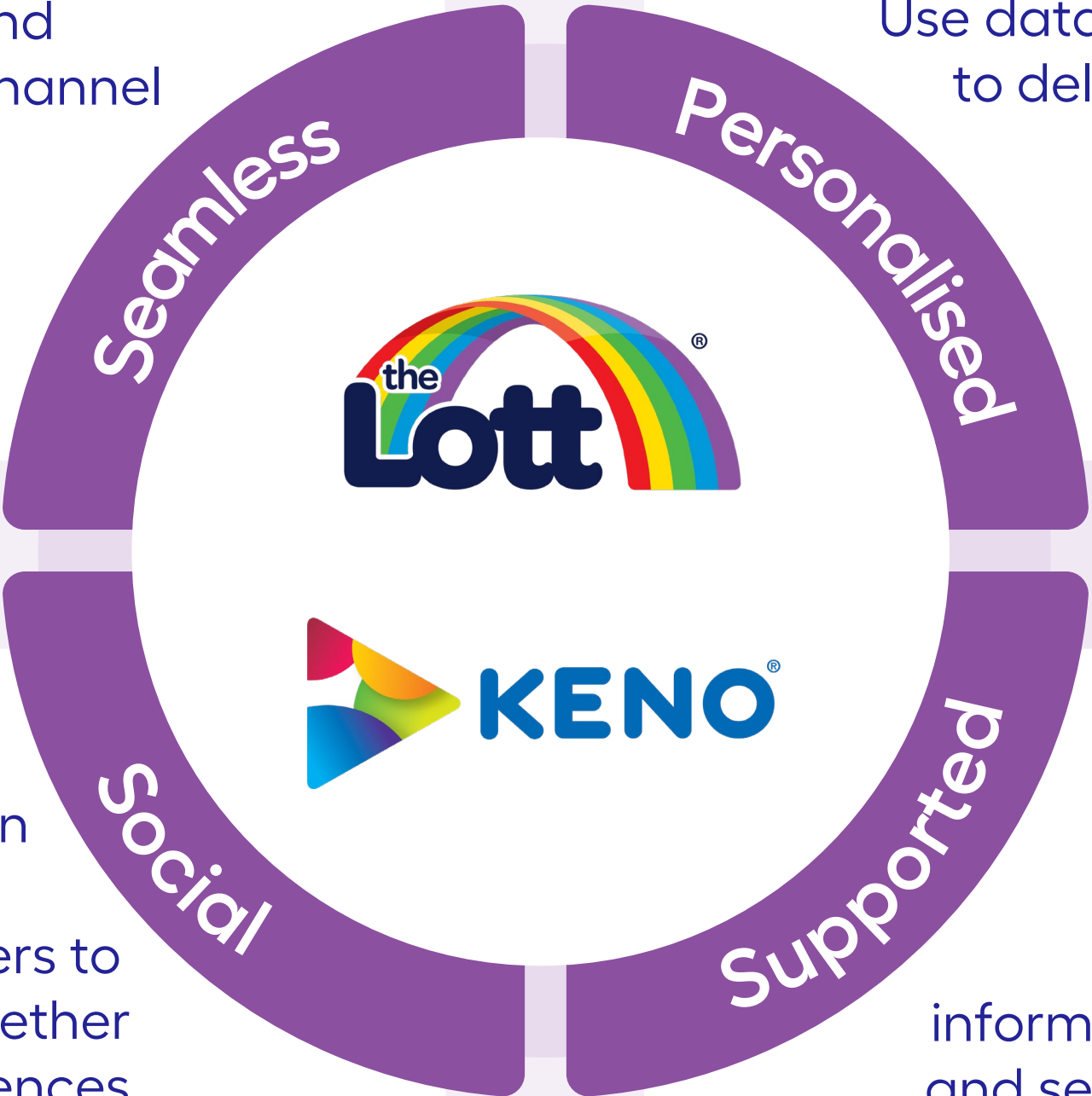
Use data, content, and AI to deliver Personalised Customer experiences



Community-driven engagements enabling customers to connect, play together and share experiences

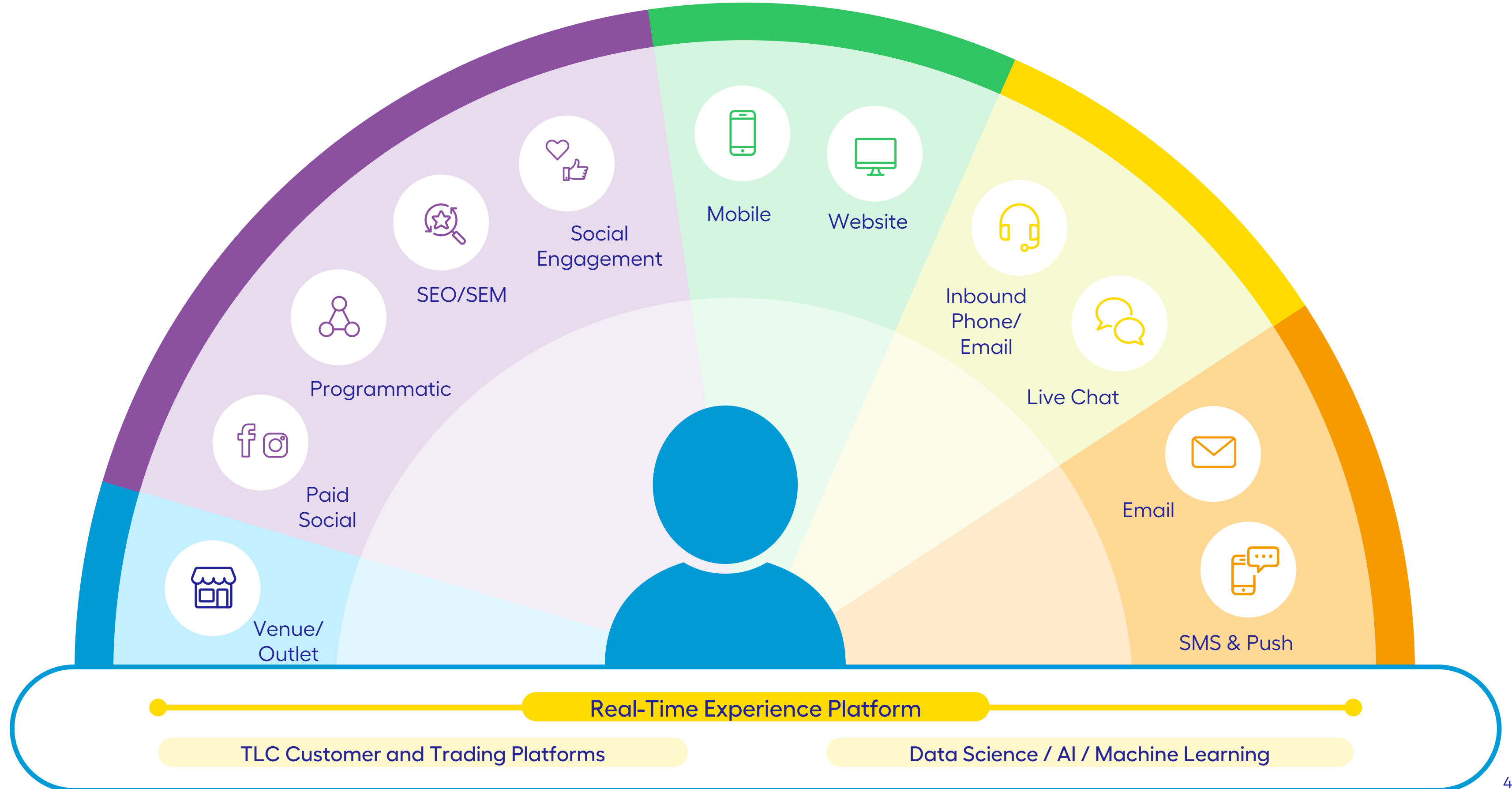


Convenient and Instant access to information, assistance and self-service options





Customer Data Platform enabling personalisation at scale





Data and AI-enhanced operations and risk management



Customer Care

Using data-driven models to identify and minimise risk of gambling harm

Identify markers of risky play from player behaviour data

Predict the level of risk of a player

Offer targeted interventions to provide players with help



Retail & Venue Fraud

Anomaly detection modelling to help reduce risk in our network

Assess retailer and venue transactions and log data

Detect anomalies in retailer and venue player behaviours

Surface new outlets for potential investigation



Internal Operations

Improving the way we work and shaping our long-term plan

Microsoft Copilot to drive everyday productivity

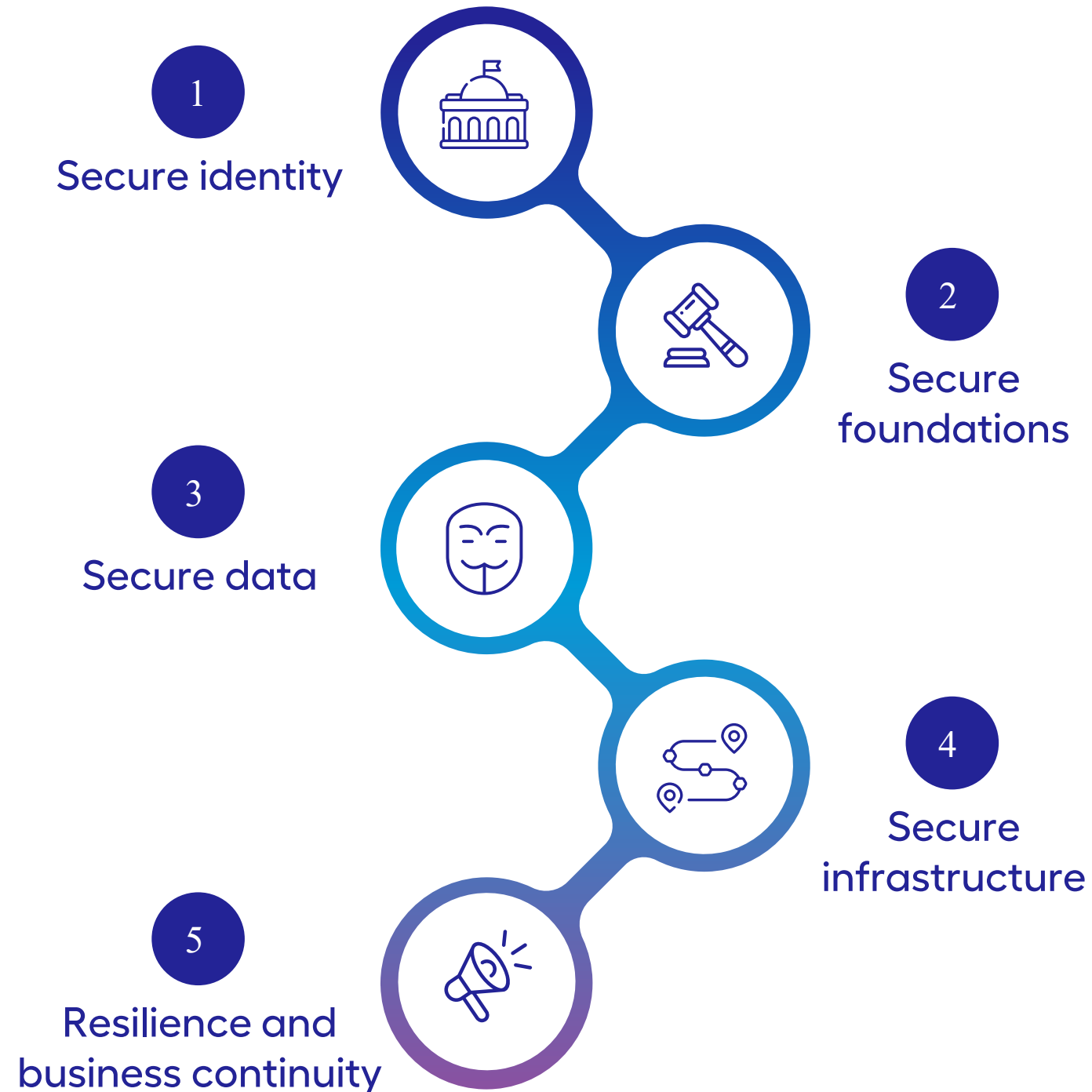
Coding assistants to enhance our developers' efficiency

Large Language Models (LLMs) to convert our code base between languages



Delivering enhanced cyber resilience while addressing emerging threats

Cyber strategy and program delivery



Emerging threats

-  Proactive protection
-  Adaptability to emerging risks
-  Comprehensive security
-  Real-time response
-  Managing the human factor
-  Operational continuity



Key takeaways

Robust and proven technology platforms that handle significant scale

Scalable technology ecosystem delivering specialised capability, underpinned by high-performing teams

Delivering a leading digital customer experience through an omni-channel offer

Embedding Customer Data Platform to deliver personalisation at scale

Increasing use of AI and other emerging technologies

Delivering enhanced cyber resilience while addressing emerging threats



**Retail is a key
foundation of our
Lotteries business**



Antony Moore – Chief Channel Officer



2022

Commenced as Chief Channel Officer in 2022 post demerger from Tabcorp

Deep
lotteries
experience

Joined Tatts Group in 2011 as Head of Retail

25 years'
retail
experience

Experience in senior roles with leading retailers including Retail Adventures, Rebel Group, Coles Liquor, Coles Supermarkets and Big W



The powerful role of retail in helping drive sustainable growth

Large and diversified network offers unrivalled scale, brand presence and depth of customer connection

Low-cost model; highly variable costs

Supports industry sustainability, including through advocacy

Large upside potential through enhanced customer experiences

Supports the communities in which we operate

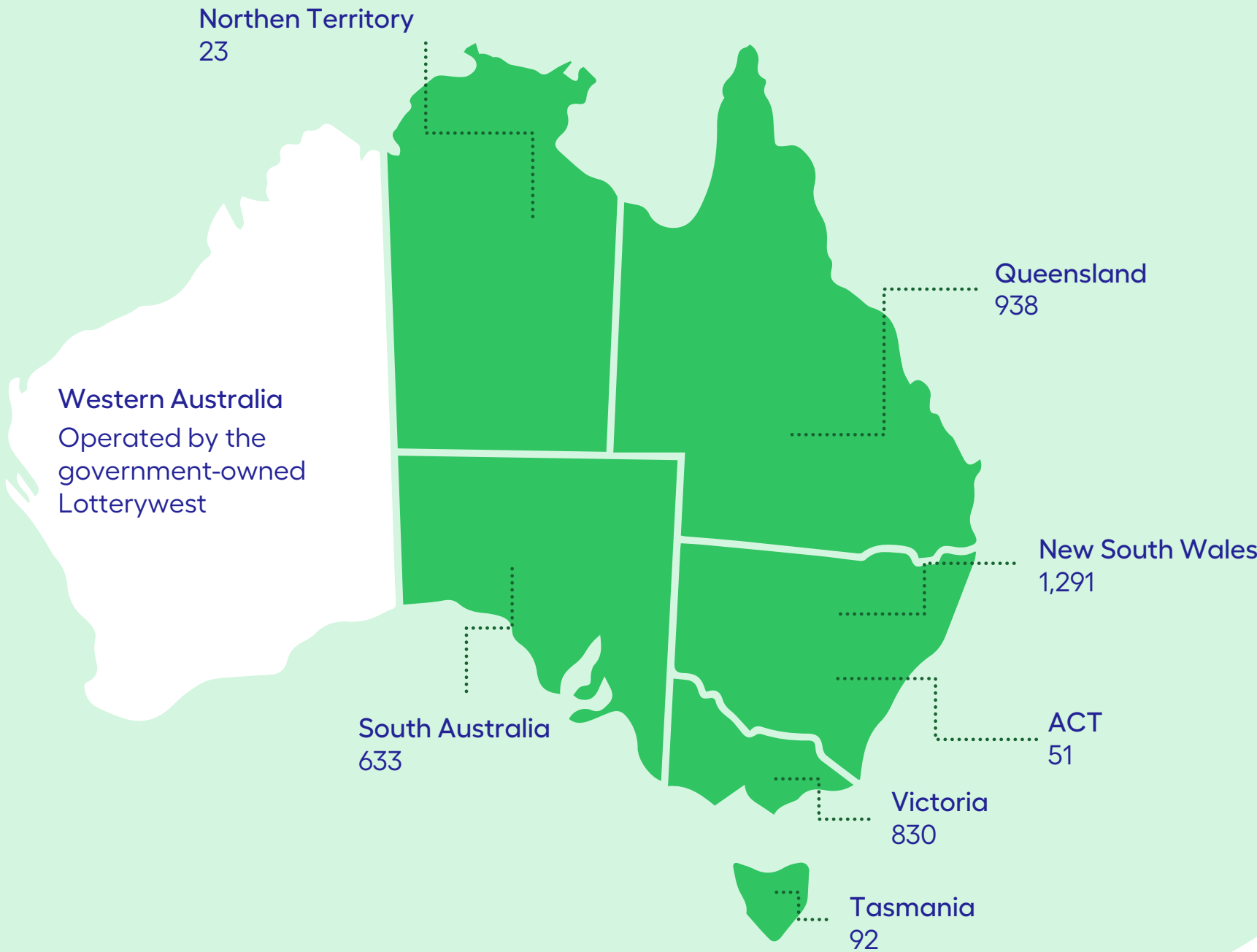




One of Australia’s largest retail networks with a capital-lite lottery franchise model



Extensive retail network with 3,858 lottery outlets¹ in Australian communities



Broad network of key stakeholders

Industry Partners



Industry Associations



Key Distributors



1. As at 30 June 2024



Stakeholder and industry partnerships underpin network delivery and policy advocacy



ALNA
Australian Lottery &
Newsagents Association

“The Lottery Corporation has a very focused approach to partnering with us, evident from the step change in omni-channel commissions last year.”

Ben Kearney – CEO
Australian Lottery & Newsagents Association



“There is great collaboration between TLC and NLNA, embracing technology, particularly around the online syndicates. Members in retail can be enjoying profits and revenue of online syndicates outside of their trading hours.”

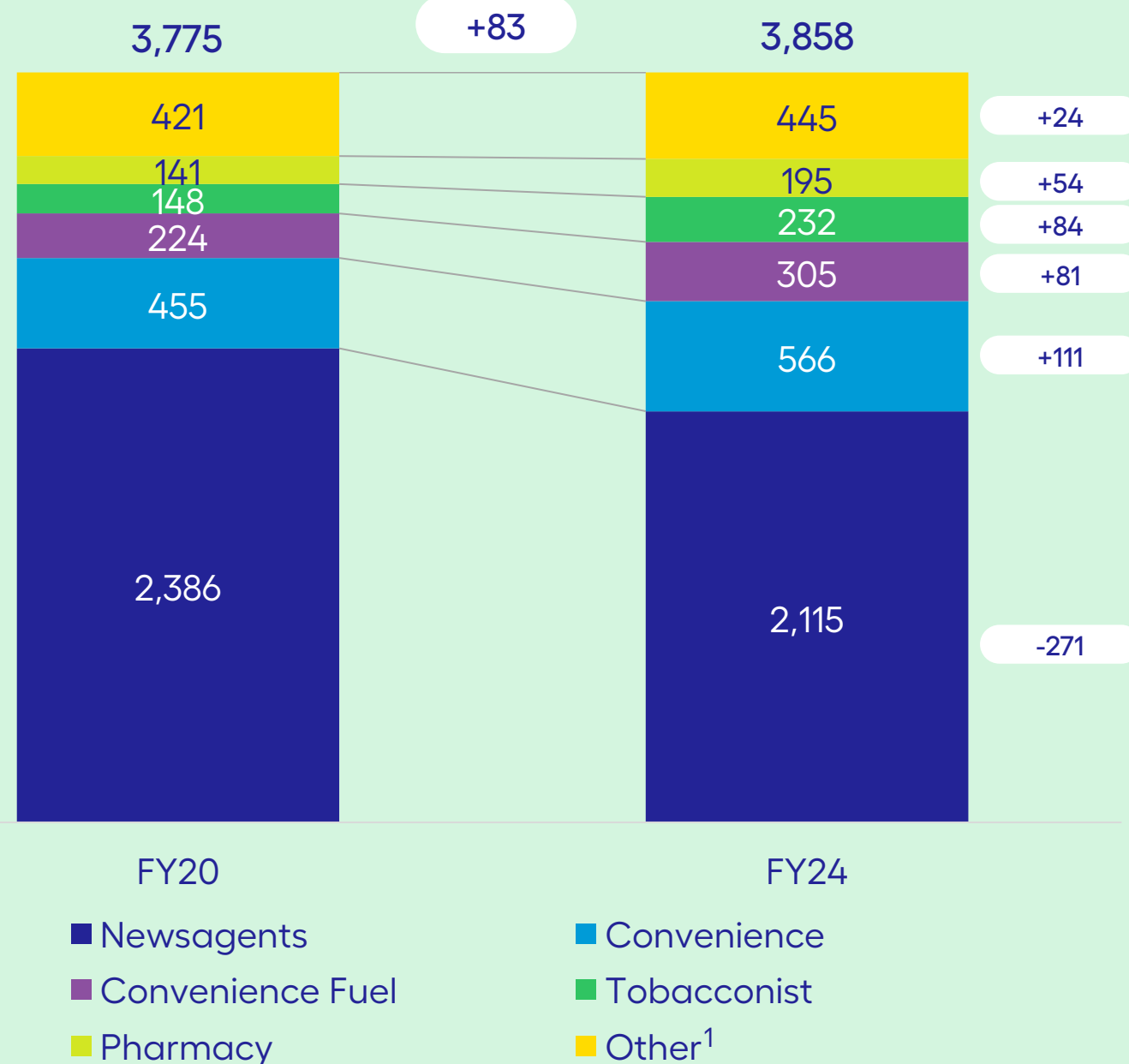
Brendan Tohill – CEO
National Lotteries and Newsagents Association





Evolving channel mix to meet changing consumer preferences

Number of outlets by type



Strategic considerations

- Expansion into complementary FMCG channels
- Diversification reduces reliance on any single channel
- Highly responsive to market changes

Key changes

- Shift towards convenience
- Shift to local and neighbourhood locations
- Innovating to meet changing customer expectations (e.g. BWS pilot)

1. 'Other' comprises hotels/clubs, kiosks, bottle shops and miscellaneous other outlets



Diversified retail footprint with a variety of formats – a virtual store tour

Newsagent



Convenience Supermarket



Convenience Fuel



Bottle Shop





Retail underpins strong omni-channel customer engagement

The combined strength of the digital and physical retail channels

Retail Remuneration Model

Commercial model to better align our retailers with the digital network

- Seamless experience between channels
- Omni-channel focus through retail and digital
- Incentivises retailers to onboard customers (sign-up bonus, omni-channel commission)
- Rewards for better in-store compliance and standards

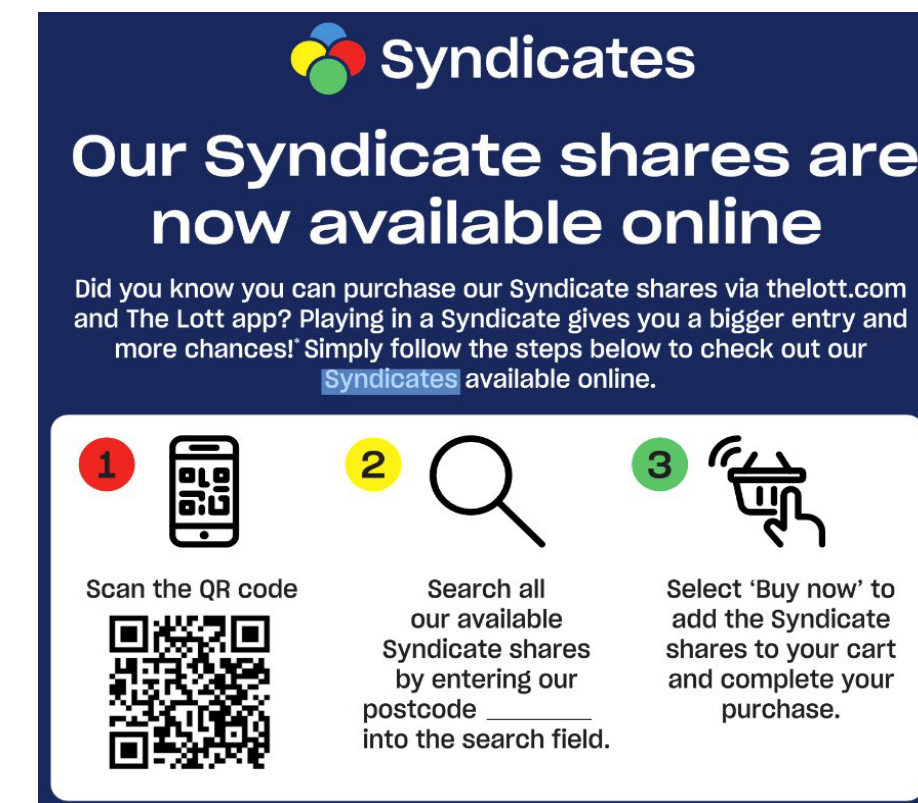
Digitally Enhanced Retail Membership (DERM)

- Empowers customers with account control
- Integrates physical retail with the convenience of digital
- Less manual processing helps ensure data integrity

Store Syndicates Online

A truly omni-channel experience benefiting retailers, customers and TLC




- Retailers can be 'open' 24 hours a day
- Full commissions back to local retailers
- Attracts a younger demographic



Syndicates

Our Syndicate shares are now available online

Did you know you can purchase our Syndicate shares via thelott.com and The Lott app? Playing in a Syndicate gives you a bigger entry and more chances! Simply follow the steps below to check out our [Syndicates](#) available online.

- 1**  Scan the QR code
- 2**  Search all our available Syndicate shares by entering our postcode _____ into the search field.
- 3**  Select 'Buy now' to add the Syndicate shares to your cart and complete your purchase.

Retail plays a key role in our communities

Estimated
jobs
c.20,000

Supporting
employment in
lottery franchises

FY24 Retail
Commissions
\$591m

Paid to Lotteries retailers
and venue partners

FY24 Omni-channel
Commissions
\$42m

Paid to Lotteries
retailers



Key takeaways

Large, diversified retail network provides large-scale brand presence

Low-cost, capital-lite lottery franchise model

Actively managing network to match changing consumer preferences

Enables connection and convenience, drives registrations

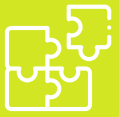
Strong partnership with franchisees supported by omni-channel remuneration model

Stakeholder and industry partnerships underpin network delivery and policy advocacy

Supporting the communities in which we operate



Active portfolio and licence management



Callum Mulvihill – Chief Commercial Officer



2022

Commenced as Chief Commercial Officer in 2022 post demerger from Tabcorp

Deep
lotteries
experience

Started lotteries career at SA Lotteries in 2006 as General Manager of Marketing & Sales

25 years'
commercial
experience

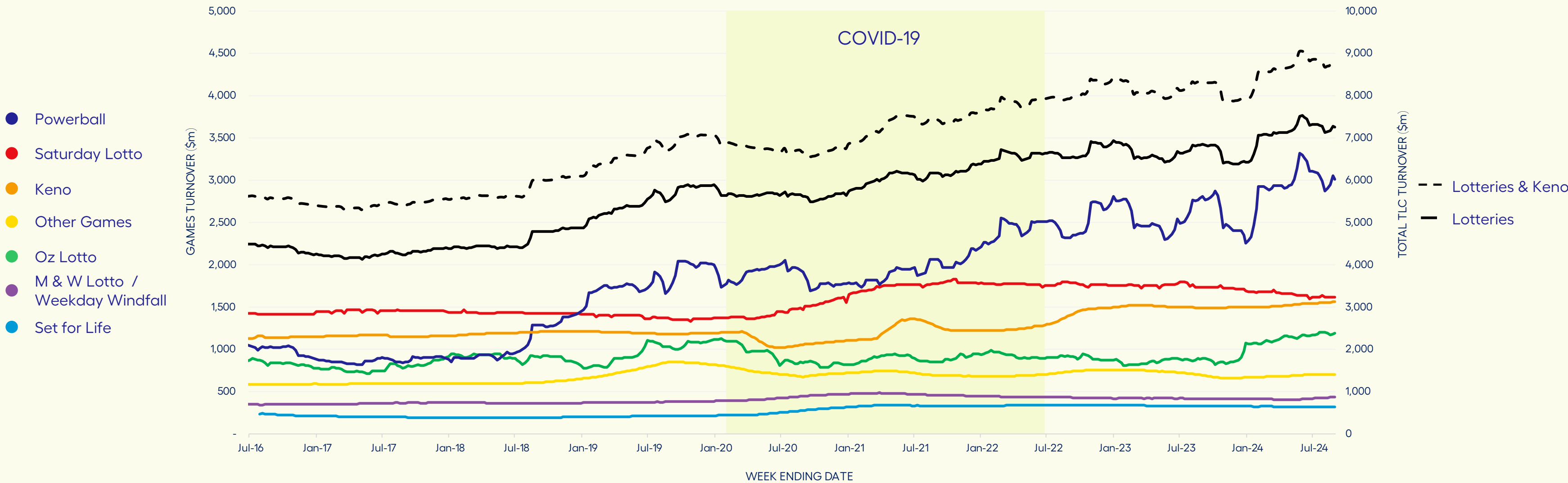
Previously worked for more than a decade in finance, marketing and sales at Westpac and Ford Australia



Our product innovation pipeline continues to deliver balanced growth across the portfolio



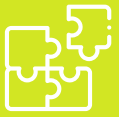
52 week moving annual turnover - TLC portfolio FY17 – FY24



2016 2017 2017 2018 2018 2020 2020 2022 2023 2024

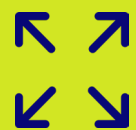
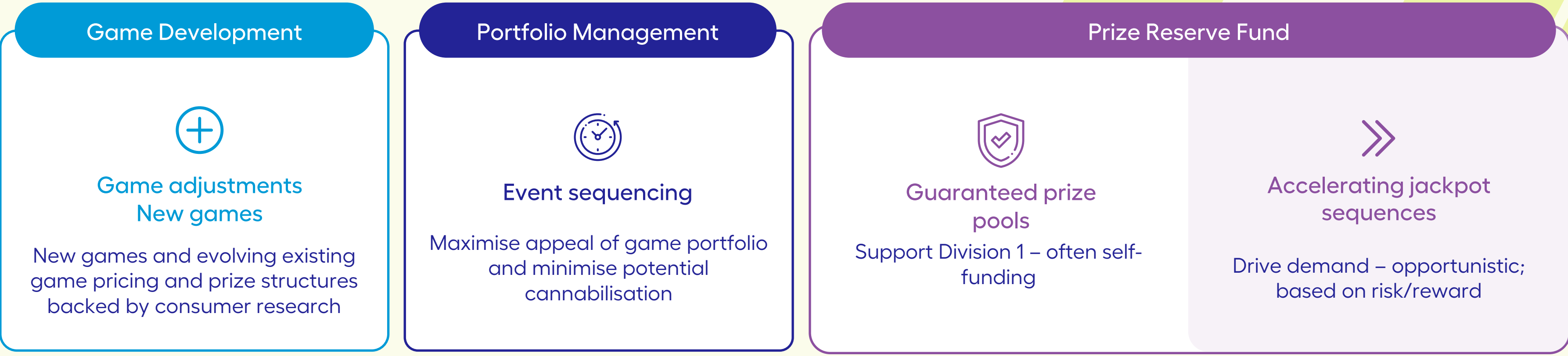
Game changes





Disciplined approach to maximising potential game performance

We implement variations of portfolio and jackpot sequence management dependent on the market conditions and circumstances to maximise outcomes



Scale, planning and risk management supports the delivery of impactful outcomes

Creating Australia's big lottery events

Our ability to combine long term game structuring and short/medium term game management levers has been proven over many years; key event draws offer players a gateway to the category; timing these draws and carefully managing new record events is an important ingredient

Balancing the Portfolio

Managing the portfolio for optimal impact

- We strive to ensure our jackpot products complement each other. Forecasting demand models are applied over the entire portfolio to optimise game turnover – e.g. December 2023



Saturday Lotto EOY Megadraw



\$90m Oz Lotto Jackpot

Sequencing the Demand

Forecasting our demand to drive tailored outcomes

- Demand is stimulated through the combined effort of active game management and marketing
- Risk levels around jackpots are known and we actively manage prizes in the cycle to maximise turnover whilst preparing for future sequences

Choosing When to Activate Accelerated Draws

Balancing probability with calculated risk

- Our Powerball game structure provides flexibility to accelerate jackpot rolls
- Statistical analysis used to determine when to utilise this lever
- Careful management of our prize reserves allows multiple chances to maximise these opportunities

Powerball Jackpot sequence January 2024

\$8m > \$20m > \$30m > \$50m > \$100m > \$150m > \$200m

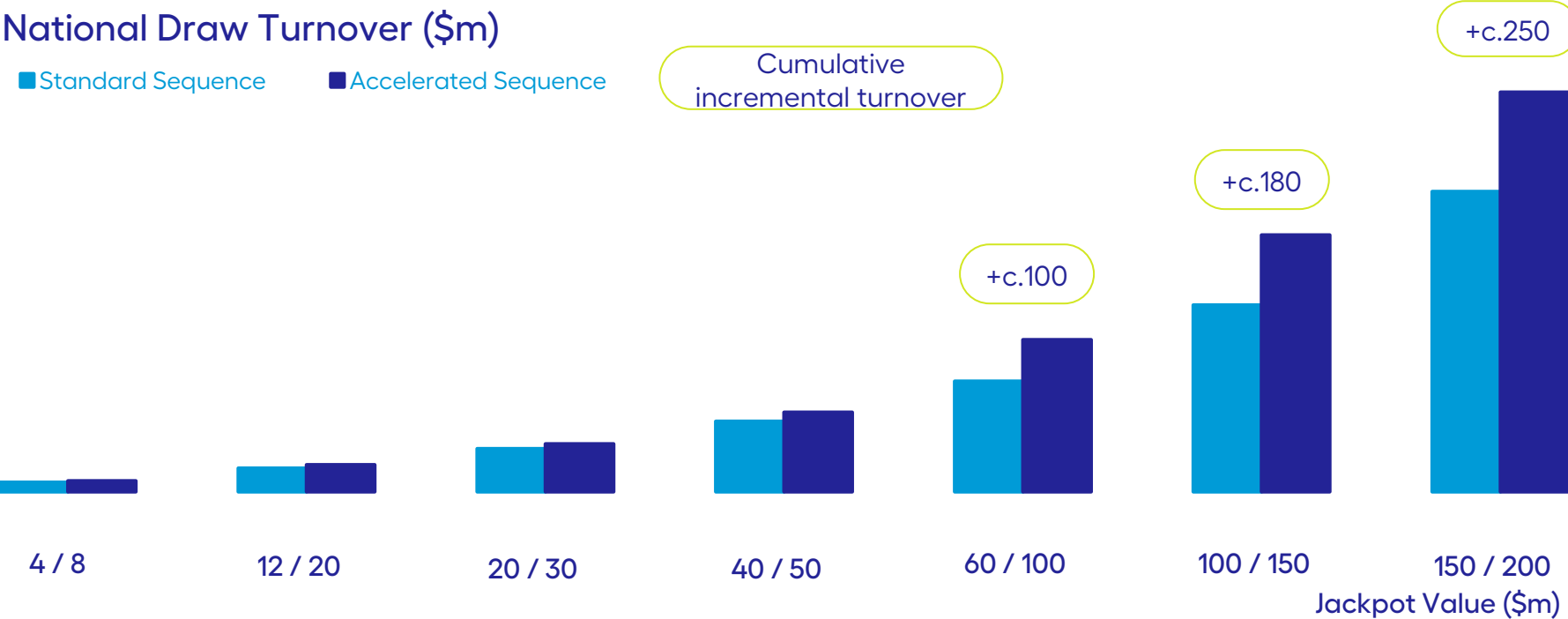
Considerations made to market conditions

Economic conditions | Consumer sentiment | Public holidays | Relative turnover in other games and recent trends



Powerball: Prize Reserve Fund risk/benefit of an accelerated sequence

\$200m Roll Comparison – Standard vs Accelerated Sequence



PRF Risk/Movement - Standard v Accelerated Sequence



\$200M Powerball sequence delivered immediate turnover returns and extended benefits more broadly across the portfolio



Risk points known and managed



Balanced approach driving turnover benefit with associated risk



Prize fund appropriately managed to allow multiple accelerated sequences



Retained value/reinvestment across portfolio



Case study: Powerball game restructure (2018) continues to drive growth

Key 2018 changes

Intent

- Unique opportunity to reposition the game and brand

The changes

- Matrix change: 1:134.5m combinations (was 1:76.9m)
- Deeper prize structure - 9 divisional prizes (was 8)
- Price to \$1.10 per game (was \$0.85)
- Increased chance of >\$100m event

Current state of play

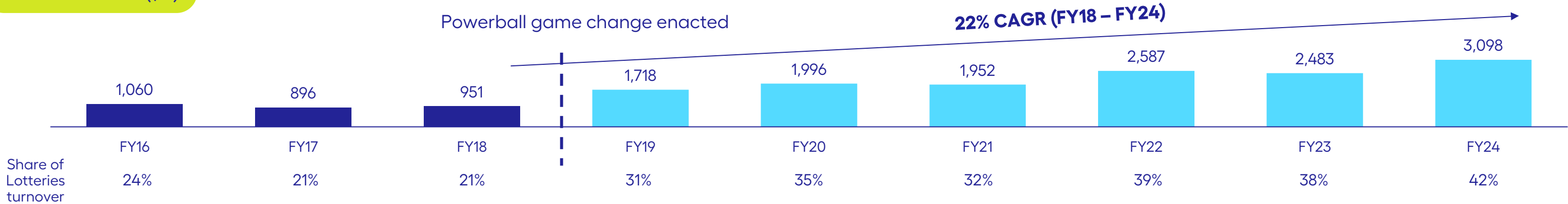
- Price further increased to \$1.20 in May 2023
- Momentum and sequence management delivering new record jackpots of \$160m in FY23 and \$200m in FY24
- Pre-eminent game in the portfolio
- High customer acceptance, still with room for growth

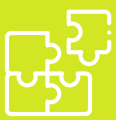
Key future considerations

- Pricing and relative position in portfolio
- Jackpot fatigue
- Portfolio impact/balance



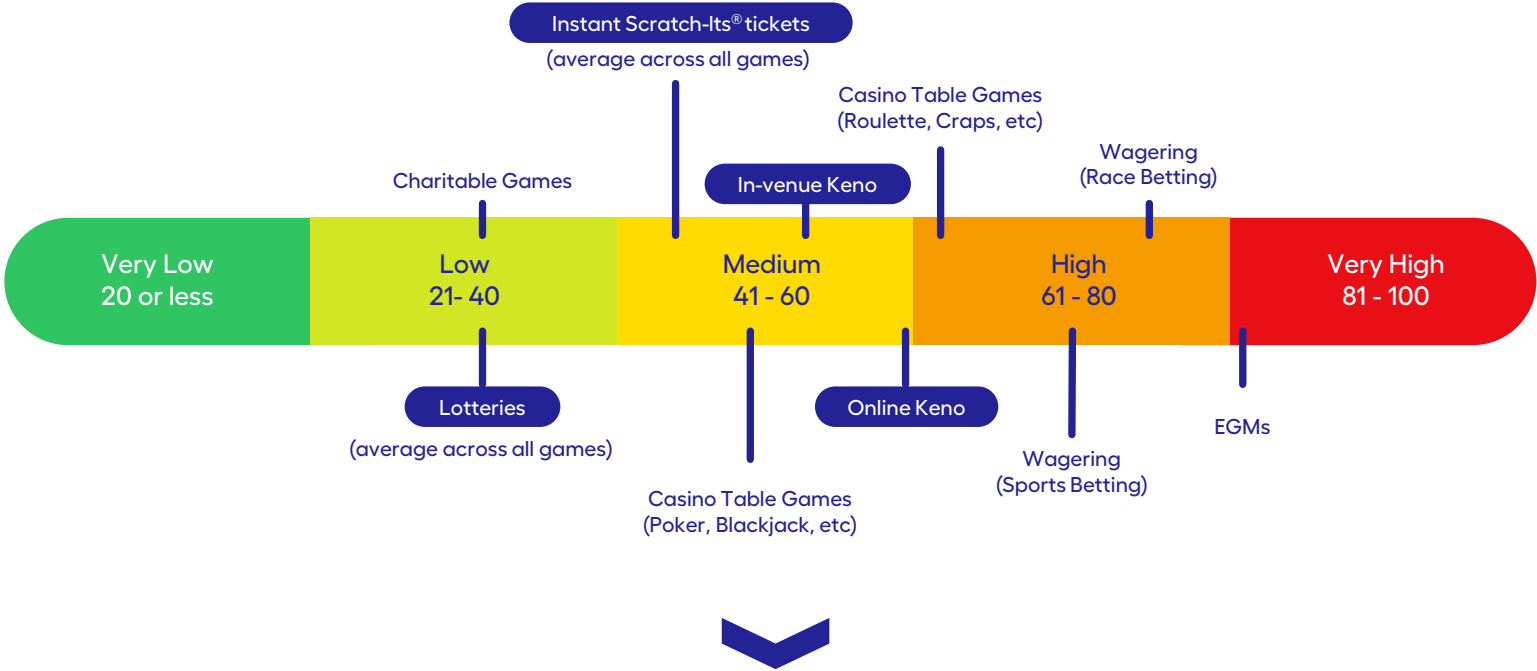
Powerball turnover (\$m)



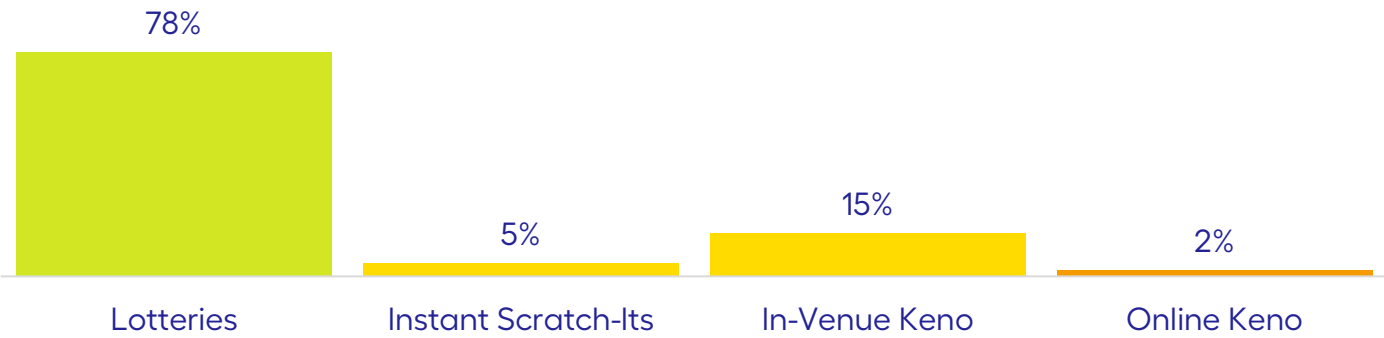


Our products are different from other forms of gambling

The majority of our turnover relates to products at the lower risk end of the gambling entertainment spectrum¹



98% of our FY24 turnover was in lower risk games



TLC product attributes and strong responsible gambling programs provide clear industry differentiation

| | Lotteries | Other forms of gambling |
|-----------------|---|--|
| Perception | <ul style="list-style-type: none">Legacy of community contributionLower risk of gambling harm | <ul style="list-style-type: none">Recent greater proliferation of gambling products, operatorsIncrease in advertisingGreater risk of gambling harm |
| Characteristics | <ul style="list-style-type: none">Low spend (c. \$13 per week/customer)Low frequency | <ul style="list-style-type: none">Significantly higher spend per week/customerHigh frequency |
| Regulatory | <ul style="list-style-type: none">Single operator (excluding Keno)Stable regulatory environmentExempted from recent regulatory changes (credit card bans) | <ul style="list-style-type: none">Multiple operators licensed in NTChanging regulatory environmentSubject to state and federal regulator crackdowns (EGMs – play, blackout periods; wagering – ad restrictions, credit card ban) |

Focused on minimising gambling harm through our Responsible Play Program

1. As at 30 September 2024. Gamgard assesses games based on ten structural and situational characteristics or 'risk factors' that have been observed to influence player behaviour and potentially increase risk of gambling harm, and four responsible gaming features, which have been observed to reduce risk of gambling harm. Games are categorised into Very Low, Low, Medium, High and Very High Risk for vulnerable players. Game risk can be decreased by addressing any of the game risk factors or implementing responsible gaming features. For example, the implementation of mandatory spend limits for all Keno digital players in September 2024 reduced the Gamgard risk rating to the upper end of Medium (previously lower end of High).



Focused on minimising gambling harm through our Responsible Play Program



Global leader in responsible gambling programs



The Lottery Corporation
Best Overall Program for responsible gaming (2022)



Effective stakeholder relationships



Leveraging data to reduce harm



Organisational customer care mission



Continuous improvement mandate

Risk based approach, supported by evidence



Establishes inherent product risk



c.4.8m registered customers

Enables understanding and intervention



Internal & external research

Complements data and more fully understand impacts

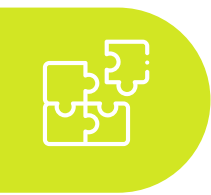
Mass participation, low average spend model, coupled with extensive program and longstanding commitment to continuous improvement supports the model

✓ Delivered since demerger

- ✓ Established senior governance and accountability
- ✓ WLA Level 4 Re-certification (2024)
- ✓ Advanced early intervention capability across Lotteries and Keno
- ✓ Online Keno spend limits

✓ FY25 & near term roadmap

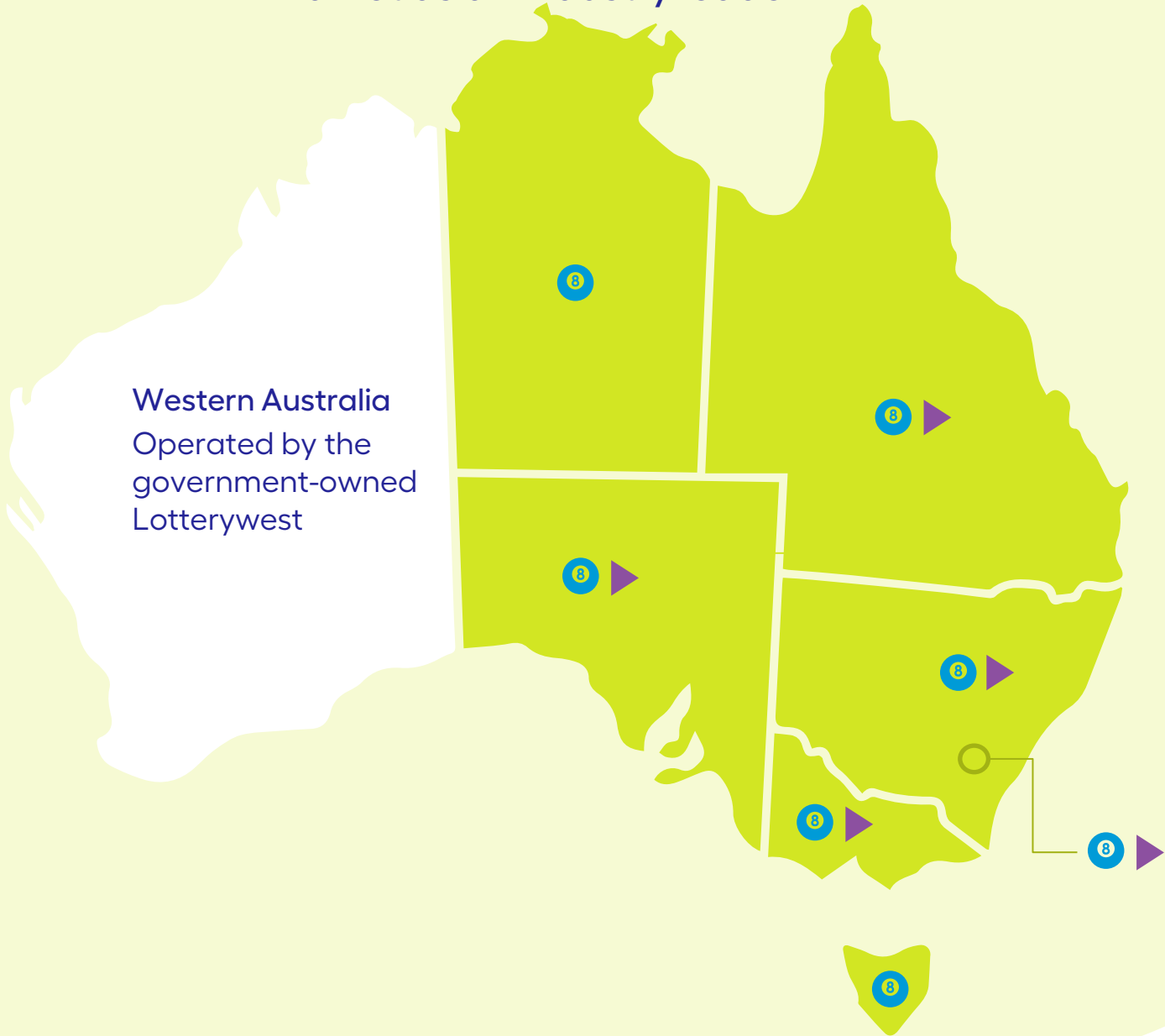
- > Enhanced account verification and account closure functionality
- > Take a Break – implementation in Lotteries
- > Data capability; research; stakeholder engagement; culture



Social licence and measured market responses critical to maximising licence value





Licence Value Enhancement Program

Ensuring TLC remains effectively positioned in the market as an industry leader



Western Australia
Operated by the
government-owned
Lotterywest



| Focus Areas | Levers |
|---|--|
|  Commitment to our social responsibility | <ul style="list-style-type: none">✓ Responsible play✓ Giving back to the community |
|  Proactive approach to preserve positive attributes of market structures | <ul style="list-style-type: none">✓ Legislative frameworks relative to licences✓ Industry changes and mandates✓ Government and regulatory engagement |
|  Suitably prepared to respond in a competitive landscape | <ul style="list-style-type: none">✓ Market analysis✓ Strategic partnerships✓ Product / Brand / IP / Marketing |
|  Operationally excellent | <ul style="list-style-type: none">✓ Compliance with our licence obligations✓ Optimising our licence structures |

Advocating for balanced and consistent policy reform

- Supportive of an effective lotteries regulatory framework to support industry sustainability and protect customers
- Long-term sustainable growth preserves our model, the value of state-issued licences and their beneficiaries
- A well-established and considered program of engagement with governments enables appropriate representation in public policy considerations at state and federal levels

Recent government reforms and inquiries have differentiated traditional lotteries from other forms of gambling

Interactive Gambling Amendment (Credit and Other Measures) Bill 2023

- Lotteries considered sufficiently low harm to be exempt from prohibition on gambling service providers accepting payment on credit
- Keno not captured, but Minister committed to Senate Committee recommendation to review Keno-type lotteries
- Bill enacted in December 2023

Inquiry into online gambling and its impacts on those experiencing gambling harm

- Report released by Standing Committee on Social Policy and Legal Affairs in June 2023
- Noted lotteries have lower gambling harm risk and should be exempt from recommended advertising restrictions; Keno not mentioned
- Awaiting government response

Review into impact of foreign-matched lotteries and online Keno

- Stakeholder submissions currently with Federal Department for consideration



Key takeaways

Track record of innovation, leveraging scale and active management to maximise results from game portfolio

Focus on harm minimisation and preserving social licence reduces risk profile

Actively managing our risks and opportunities to preserve and enhance value of our licences

Supportive of effective regulation to enhance industry sustainability, with lotteries recognised as lower harm

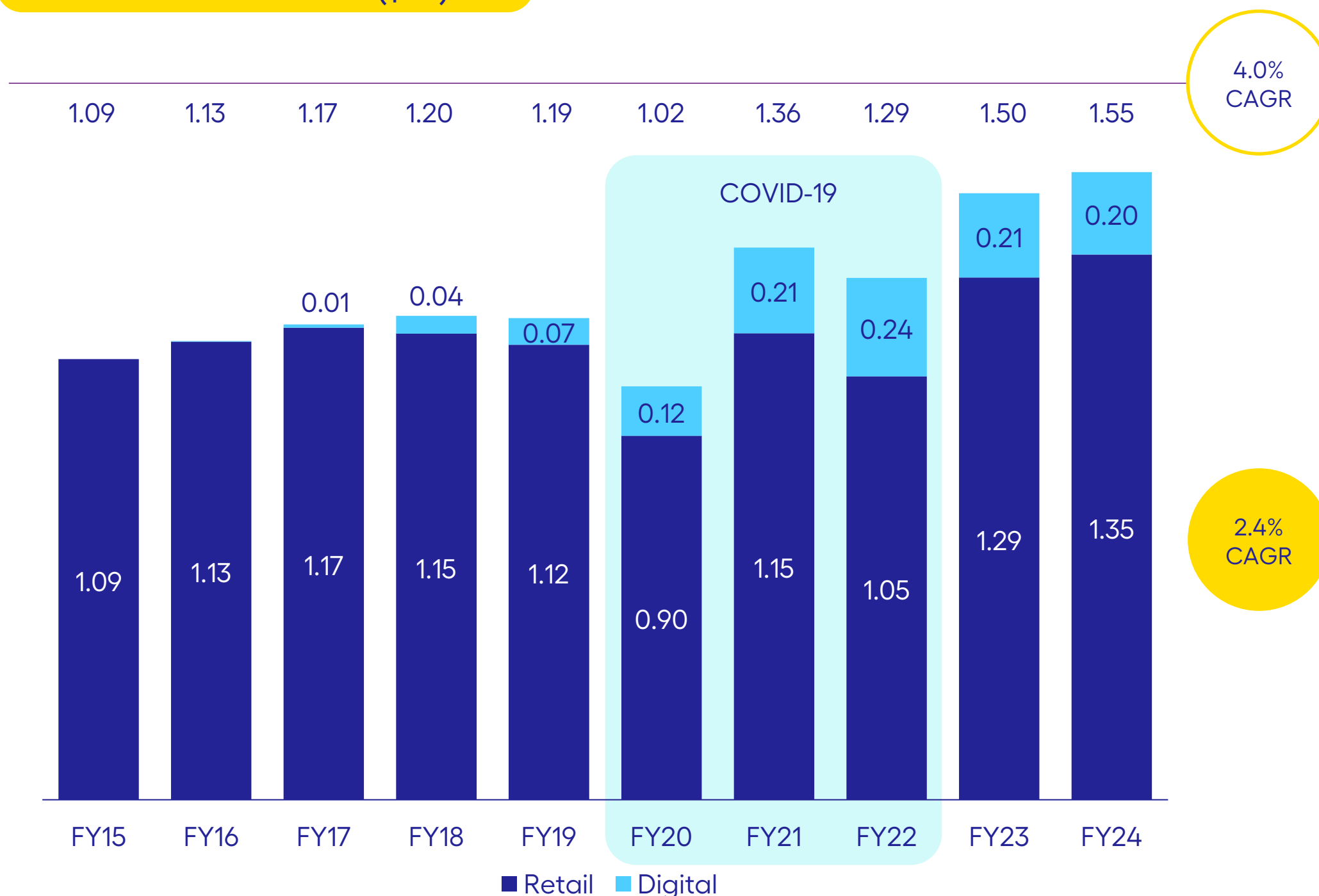


Keno – a complementary and differentiated offer



Keno has delivered consistent and reliable growth over time

TLC - Keno Turnover (\$bn)



- Retail-centric product with particularly strong historical social presence in pubs and clubs, especially in New South Wales and Queensland
- Continued strong retail performance post COVID-19
- Digital opportunity centred around licences in Victoria and ACT



Keno is a social occasion-driven product

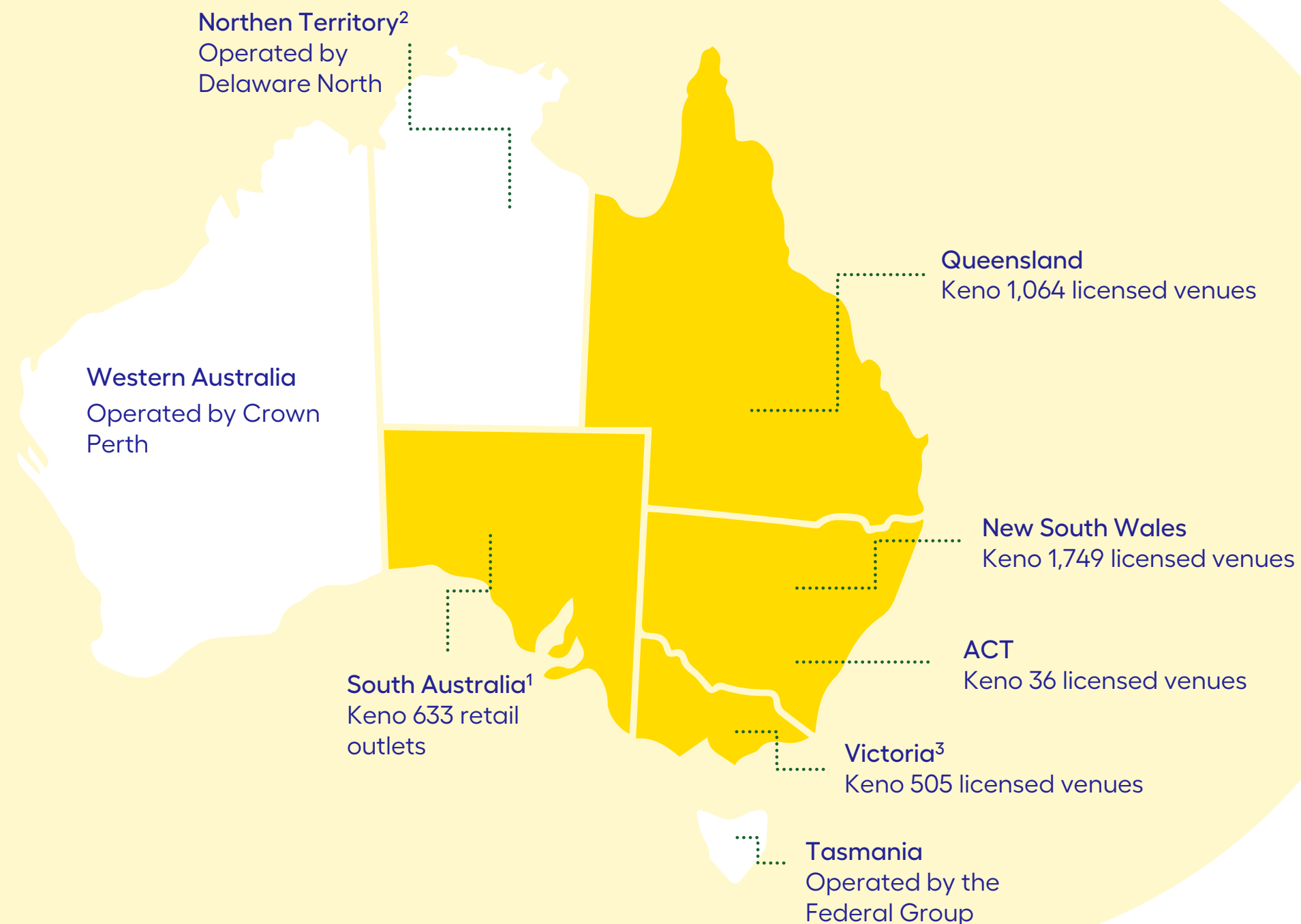
- Keno is intentionally positioned as a lottery-style product
 - **‘Fun is in the playing’** - easy to play - Kwikpiks, low-cost game with frequent wins
 - A social connector bringing people together
- Thursday to Sunday are peak trading days for the Keno retail channel with purchases highest from 5-8pm





Large footprint within Australia's iconic pub and club network

3,354 retail points of presence in Australia¹



Broad network of key stakeholders

Keno is partnered with 9 prominent industry associations



AUSTRALIAN HOTELS ASSOCIATION

Keno's distribution network features 71 national & key account partners



1. Excludes South Australia where Keno is part of the Lotteries Licence
2. In addition to Delaware North (operated through their Mindil Beach Casino Resort); NT also has licenced online Keno to Annexio Australia, which trades as LottoGO
3. Victorian Keno is operated under a non-exclusive licence. Lottoland also holds a licence in Victoria (KenoGO), only operating online with no retail presence



Diverse network of stakeholders supporting sustainable and responsible delivery of Keno



"Keno is really important in clubs because it provides yet another entertainment opportunity. It brings people together to enjoy the game and it also provides another ancillary revenue stream for venues."

Rebecca Riant CEO
Clubs New South Wales



"Keno plays a key role in broadening the range of entertainment offered in hotels. Keno and AHA work collaboratively to ensure safe and responsible entertainment is provided to hotel patrons."

Stephen Ferguson National CEO
Australian Hotels Association





Key takeaways

Established product centered around licensed venues and social occasions

Large network across the pub and club sector

Provides earnings diversification with different purchase motivation and distribution

Actively managing responsible play risk to help support our customers and preserve value

Addressing competitive challenges in the market



Foundations for growth and financial discipline



Adam Newman – Chief Financial Officer

2022

Commenced at The Lottery Corporation post demerger

Foundation
role at TLC

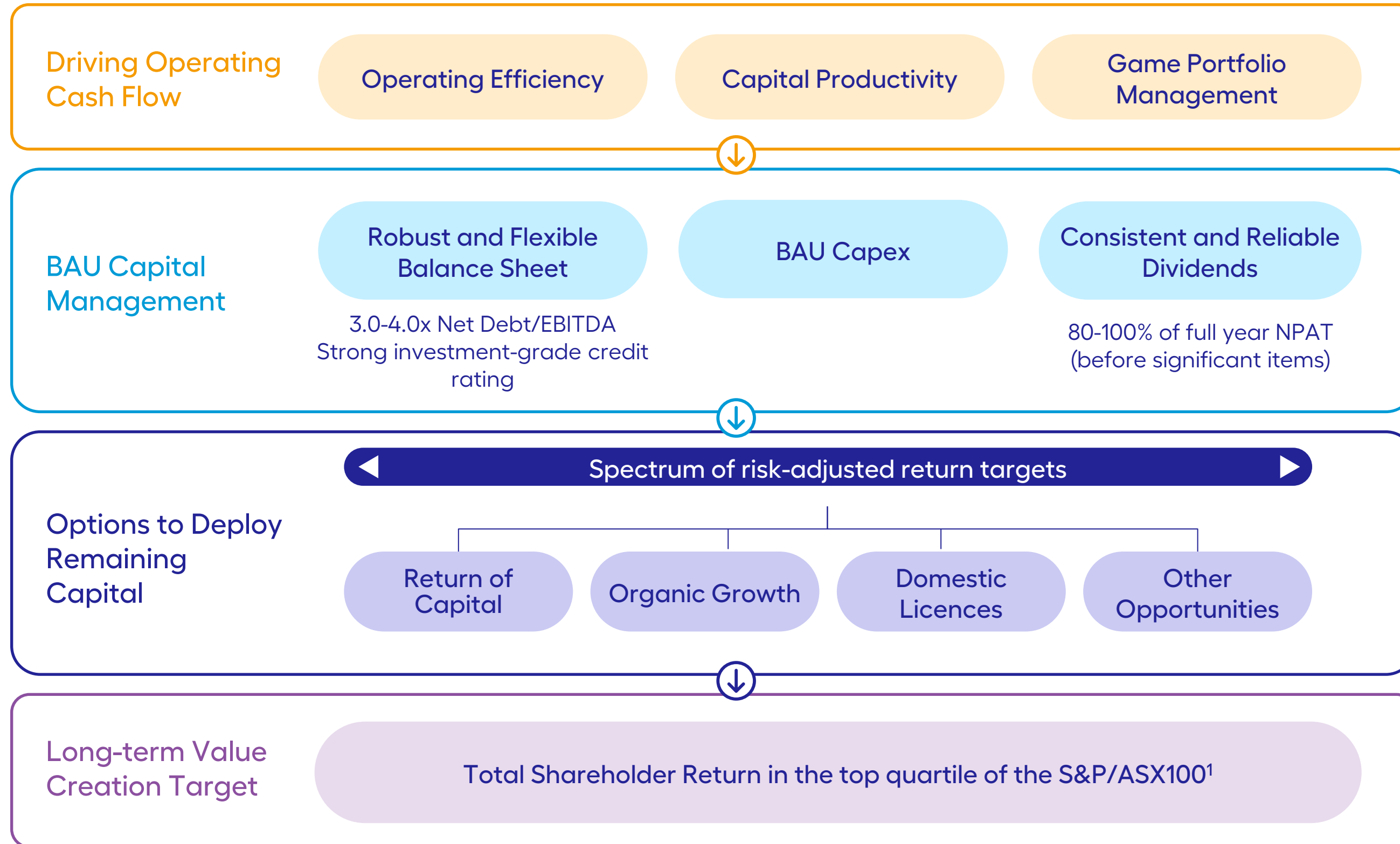
Joined Tabcorp as Chief Financial Officer in 2019, playing a key role in the demerger and creation of The Lottery Corporation

35 years
finance
experience

Previously CFO of AusNet Services, following senior finance, operational and commercial roles at BlueScope Steel and BHP, both in Australia and overseas



Disciplined implementation of capital allocation framework



A disciplined approach to capital allocation

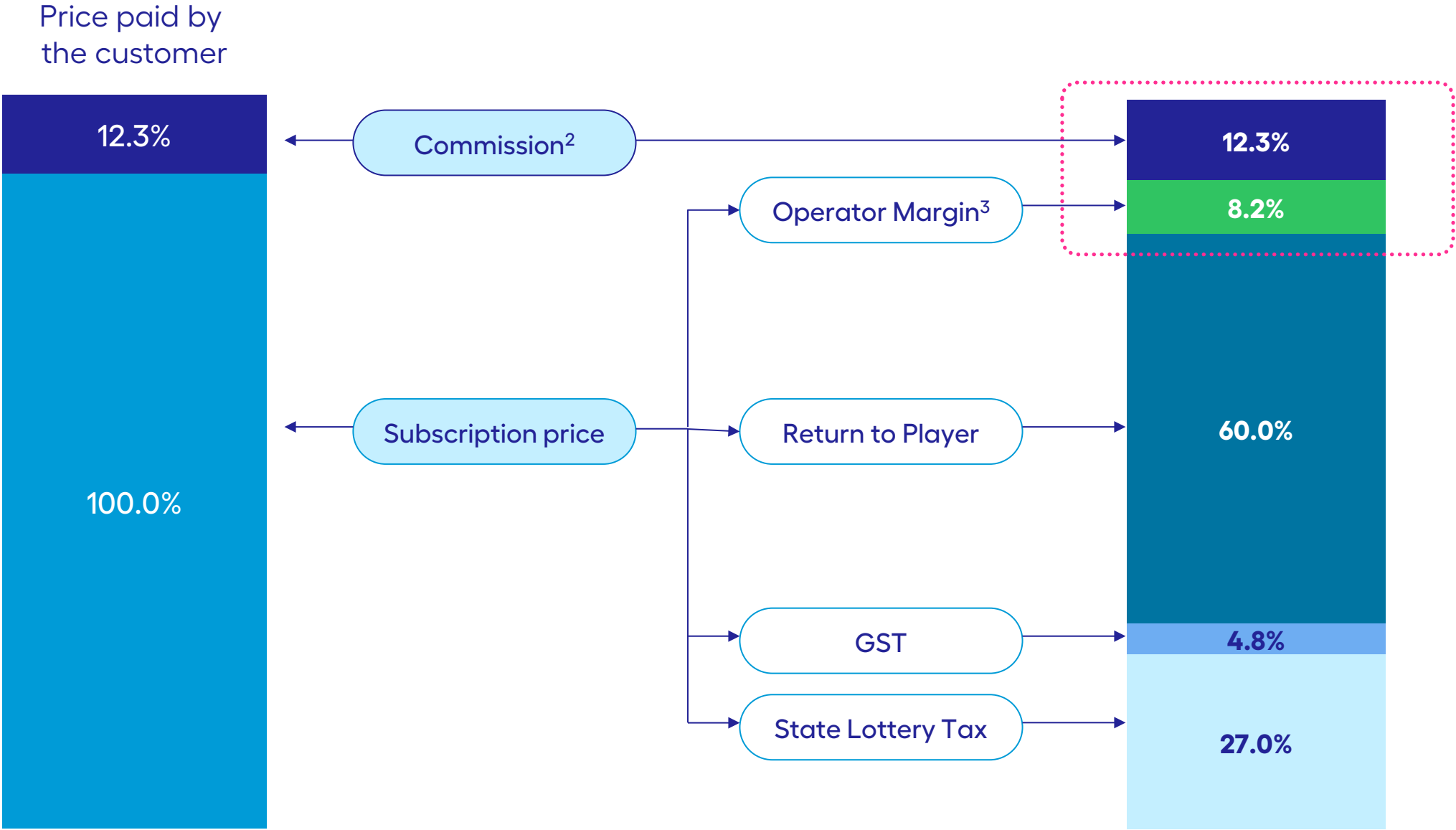
- Commitment to a strong investment-grade credit rating (Current: BBB+)
- Strong and predictable cash flows underpin core operations, recognising some short-term jackpot-related volatility
- Disciplined approach to capital expenditure and deploying excess capital – only at appropriate risk-adjusted returns
- Options to deploy any remaining capital to be assessed on a case-by-case basis with a view to maximising long-term shareholder value

1. Excludes companies operating in the Metals & Mining and Oil & Gas sectors

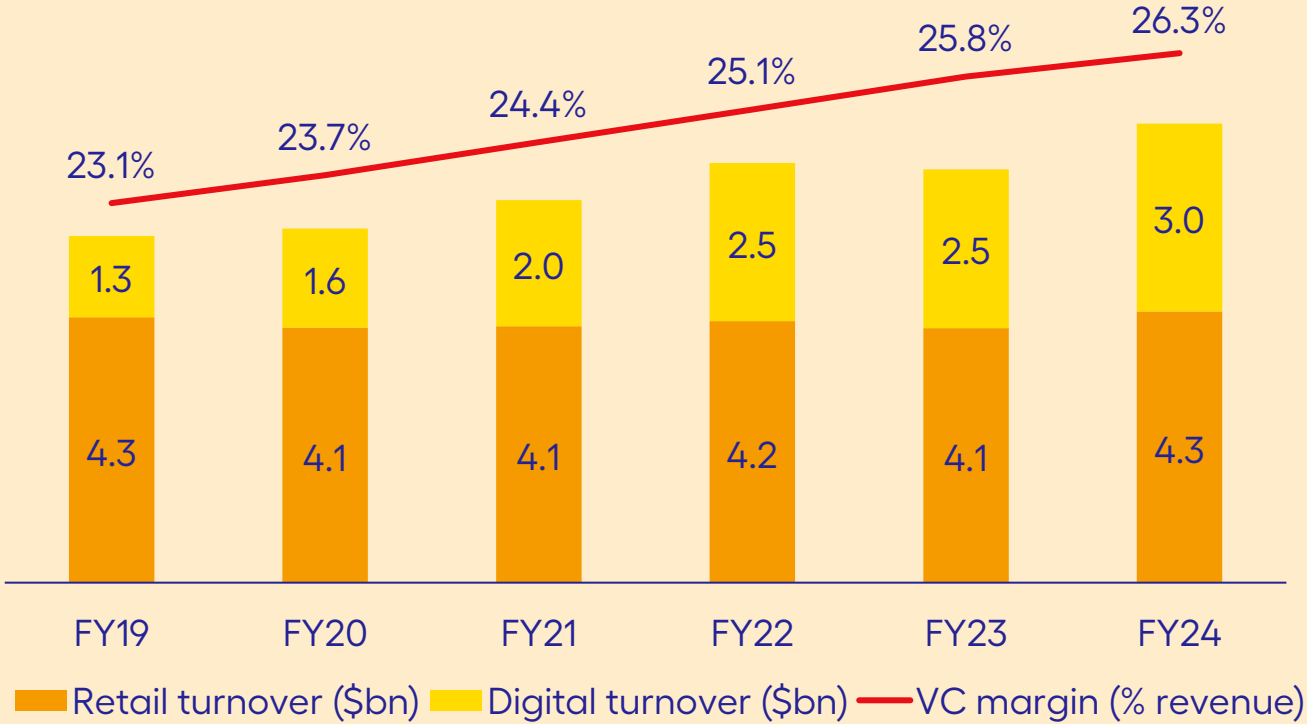


Exclusive and/or long-term licences deliver attractive returns for governments, communities and shareholders (with margin upside from digital)

Composition of a typical lottery ticket¹



- Digital turnover has a higher gross margin (20.5%) than retail turnover (8.2%) as TLC acts as both operator and retailer, retaining the commission from the digital turnover
- Digital mix has been the main contributor to Lotteries VC margin growth in recent years



1. The Composite of a Lottery Ticket Sale is presented on a blended basis, as each jurisdiction is slightly different

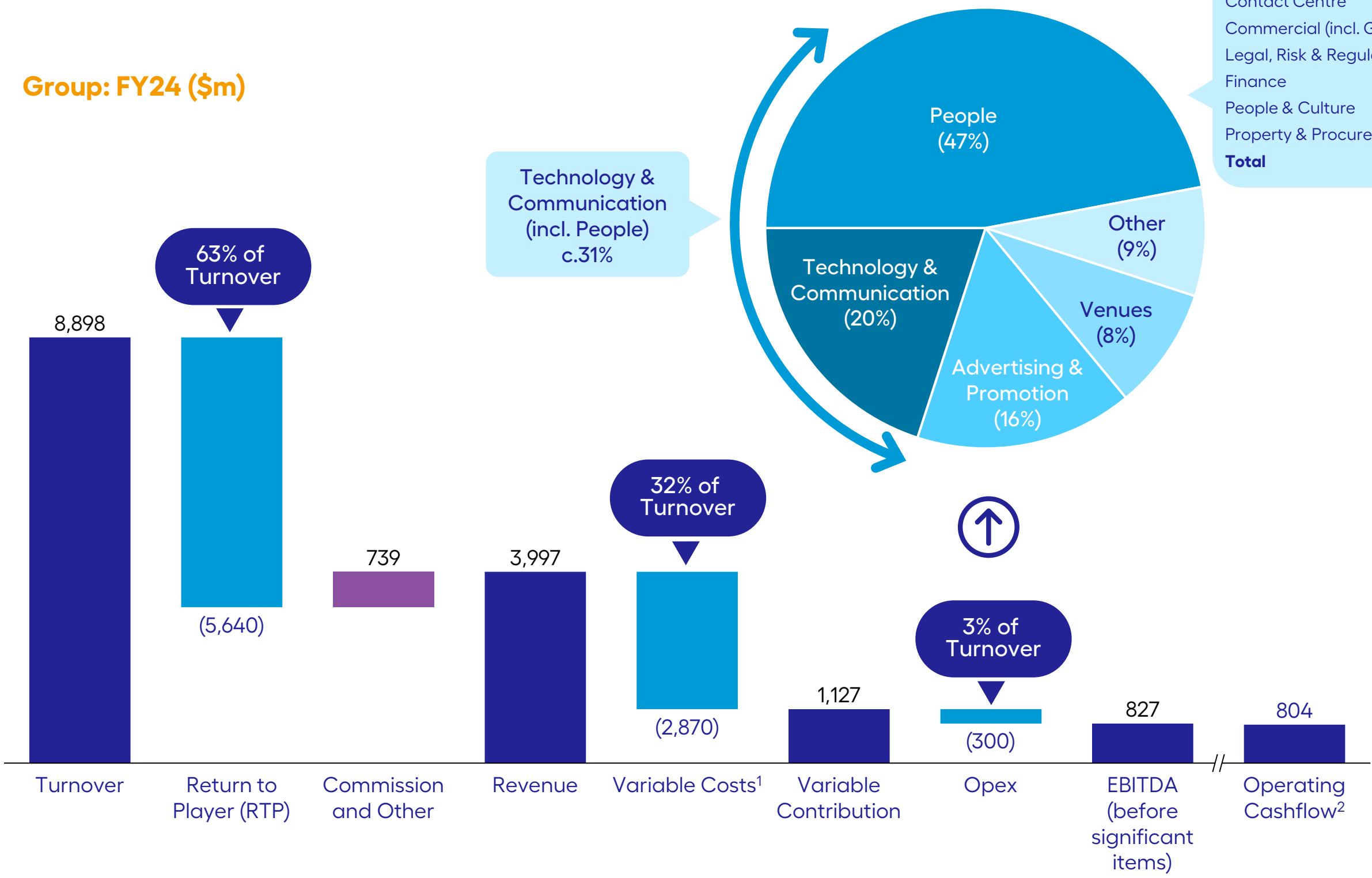
2. Commissions are added on top of the price of a lottery ticket and do not impact allocations to prizes and state taxes – hence why percentages add to 112.3%

3. Return to Player, State Lottery Tax and GST are statutory settings that determine the operator margin. This is not the same as the Variable Contribution (VC) margin as it does not include all components of the Lottery P&L from turnover through to VC (e.g., Other Revenue)



Highly flexible cost base with majority of expenses linked to turnover and strong cash conversion

Group: FY24 (\$m)



FTE (30 September 2024)

| | | |
|---|--------------|-------------|
| Technology & Communication | 300 | Operational |
| Customer & Marketing (incl. Prize Payments) | 150 | |
| Venues | 125 | |
| Contact Centre | 100 | |
| Commercial (incl. Game Management & Government Relations) | 50 | Support |
| Legal, Risk & Regulatory | 60 | |
| Finance | 50 | |
| People & Culture | 30 | |
| Property & Procurement | 25 | |
| Total | c.890 | |

Majority of expenses (c.90%) are linked to turnover

- State Lotteries and Keno taxes, and GST
- Commissions to (generally) small businesses
- Some additional advertising & promotions associated with large draws

Opex base reflects scale and complexity of the business

- Highly regulated
- State by state licence regimes
- Extensive distribution network
- High transaction volumes
- Owned core technology systems

FY25 represents final post separation run-rate opex increase

1. Variable costs principally comprise state government taxes, GST and commissions paid
 2. Before Interest, Financing, Tax, Capex and Significant Items



Ongoing optimisation to drive efficiency and provide platform for growth

A focused program has been established to deliver bankable efficiencies, an optimised and sustainable cost base, and capability to deliver continued efficiencies

To date

- ✓ Reduced property footprint by 40% through subleasing (\$5m p.a. in cash savings)
- ✓ Supplier rationalisation and re-tendering (\$4m p.a. in opex savings)
- ✓ Implemented a ‘best-in-class’ ERP system to enhance functionality and improve processes
- ✓ Continued to evolve operating model, while uplifting capability
- ✓ Commenced data centre optimisation and rationalisation
- ✓ Leveraged strategic partner relationships to mitigate cost increases and risk
- ✓ Launched digitally-enhanced retail membership

Strategic

Multi-year process and capability uplift improvement



Call centre ops



Warehouse ops



Tech/tool consolidation



Vendor contracts



Tech support model



Op model reviews

Operational

Targeted ‘in year’ cost reduction program



Existing project benefit capture



Zero-based budgeting



Consultancy expenditure



Advertising and promotions



Contingent labour



Travel and entertainment

Project benefits analysis

Addressable spend



Key takeaways

Strong cash generation and disciplined approach to capital management helping drive returns for shareholders

Leverage provides flexibility for potential licence opportunities in short-term

Margin upside from increased digital penetration

Cost base is primarily variable

Focus on cost discipline to help deliver operating leverage



Q & A

Recap

Key takeaways

Strong brands and licences, and customer-focused strategy drives consistent growth

Proven track record of delivery over time

Highly energised Board and leadership

Actively preserving and enhancing value of licences

Low-spend, mass participation model with strong focus on minimising harm



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