19 August 2026

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

RESULTS FOR THE YEAR ENDED 30 JUNE 2026
FOR ANNOUNCEMENT TO THE MARKET

The Lottery Corporation Limited (**The Lottery Corporation**) attaches for immediate release the following documents:

1. Appendix 4E and
2. 2026 Annual Report.

This announcement was authorised for release by the Board of The Lottery Corporation.

For more information

Media: Rick Wallace, Senior Manager Corporate Affairs +61 3 9737 5724
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Appendix 4E

Results for announcement to the market
Preliminary final report for the year ended 30 June 2026
The Lottery Corporation Limited (ABN 21 081 925 706)

Results	**$m**	**% change increase/ (decrease)**
Revenue from ordinary activities	3,576.6	(3%)
Profit from ordinary activities after tax attributable to members	284.6	(22%)
Net profit for the period attributable to members	284.6	(22%)
Net profit for the period (before significant items)[(i)]	342.5	(6%)

(i) "Non-IFRS" information and unaudited. For details of significant items ($82.7m before tax; $57.9m after tax), refer note A1 in the Financial Report.

Dividend	**Record date**	**Payment date**	**Amount per share**	**Franked amount per share**
Final dividend	27 August 2026	24 September 2026	8.5 ¢	8.5 ¢
Interim dividend	26 February 2026	26 March 2026	8.0 ¢	8.0 ¢
Total dividend per share (interim plus final)			16.5 ¢	16.5 ¢

Dividend reinvestment plan

The Lottery Corporation Limited's Dividend Reinvestment Plan (DRP) will operate in respect of the final dividend, with the last date for receipt of election notices being 28 August 2026. No discount is applicable to shares allocated to participants and no brokerage, commission or other transaction costs will be payable by participants on shares acquired under the DRP. Shares will be allocated on 24 September 2026 and will rank equally in all respects with existing shares. The price at which shares are allocated is the daily volume weighted average market price of The Lottery Corporation Limited shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of 10 business days beginning on the second business day after the dividend record date. The Company intends to procure the purchase of shares on market to satisfy its obligations under the DRP.

Net tangible asset backing[(ii)]	**30 June 2026 $**	**30 June 2025 $**
Net tangible asset backing per ordinary share	(1.66)	(1.16)
Net tangible asset backing per ordinary share including licences	(0.89)	(0.87)

(ii) Net tangible assets includes liabilities in relation to leasing and the corresponding right-of-use assets.

Supplementary information

The previous corresponding period is the year ended 30 June 2025.

For additional Appendix 4E disclosures, and further commentary on these results, refer to the Financial Results for the year ended 30 June 2026 and the Media Release lodged with the ASX on 19 August 2026.

This Appendix 4E should be read in conjunction with the Directors' Report and the audited Financial Report for the year ended 30 June 2026 and any public announcements made in the period by The Lottery Corporation in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Where Australia Comes to Play

2026
Annual Report

The Lottery Corporation Limited
ABN 21 081 925 706

FY26 Financial Highlights

Resilient financial performance; dividend maintained in an unfavourable jackpot year.

$3,576.6m

Group revenue

$710.4m

Group EBITDA

$736.1m

Group EBITDA (before significant items)[(i)]

$284.6m

Group NPAT

$342.5m

Group NPAT (before significant items)[(i)]

Ordinary dividends[(ii)]

16.5

cents per share fully franked

(Dividend maintained in line with FY25)

Earnings per share

12.8

cents per share

Earnings per share (before significant items)[(i)]

15.4

cents per share

Dividend payout ratio[(iii)]

107%

(i) Non-IFRS information and unaudited

(ii) Total ordinary dividends comprised of an interim dividend of 8.0 cps and a final dividend of 8.5 cps for FY26

(iii) Payout ratio based on FY26 NPAT (before significant items)

FY26 Operational Highlights

Strategic refresh and operational reset position The Lottery Corporation for its next phase of growth.

Delivering product and marketing initiatives

Strong retention of the Powerball price increase

Continued innovation of Instant Scratch-Its games, including new $30 price point

Keno retail growth driven by effective marketing initiatives and increased venue visitation

Refreshed the Oz Lotto brand platform

Creating positive stakeholder impacts

40-year extension of Victorian lotteries licence

Supported Australian businesses with $637 million in commissions(i)

Returned over $1.7 billion in State lottery and Keno taxes, making a meaningful difference in communities(i)

Paid $5.1 billion in Lotteries and Keno prize money with approximately 200 million winning entries(ii)

Uplifting customer experiences

Completed rollout of new lottery terminals in New South Wales and ACT

Applied AI-driven service solutions in the contact centre to streamline operations and enhance customer experiences

Introduced 'check and collect', enabling customers to claim retail prizes directly into their online account

Simplified pathways for retail customers to become digitally enabled

Introduced new responsible play controls for Lotteries.

Transformed digital signage infrastructure across the Lotteries network

2.5%

Keno retail turnover growth

Digital share of total Lotteries turnover(iii)

46.6%

up from 45.7% in FY25

(i) FY26 Australia wide (ex. WA)

(ii) Prizes paid in the Saturday lotto, Weekday Windfall, Oz Lotto, Powerball, Set for Life, Super 66, Lotto Strike, Instant Scratch-Its and Keno games in FY26 Australia-wide (ex. WA).

(iii) Digital turnover comprises The Lottery Corporation direct online (including Store Syndicates Online) and resellers. Digital share of total Lotteries turnover excludes products not sold digitally.

Contents

2026 Annual General Meeting
The 2026 Annual General Meeting will be held in person at 10:00am (Sydney time) on Wednesday, 14 October 2026. Details of the meeting (including the items of business) are set out in the Notice of Annual General Meeting which is available on our website at: **thelotterycorporation.com/investors/annual-general-meeting**

2026 Corporate Governance Statement
The 2026 Corporate Governance Statement can be found on our website at: **thelotterycorporation.com/about/corporate-governance**

2026 Voluntary Sustainability Report
The 2026 Voluntary Sustainability Report is available on our website at: **thelotterycorporation.com/esg-strategy**

Who We Are

The Lottery Corporation Limited **(The Lottery Corporation** or the **Company)** is the trusted home for lottery games in Australia and is "where Australia comes to play".

Building on that trusted foundation, we are evolving into a digitally-led entertainment platform, using technology and insights to deliver more engaging and personalised customer experiences across our retail and digital channels, while strengthening our business for the future.

We operate a diversified and balanced portfolio of high-profile brands under exclusive and/or long-dated licences and approvals, with weighted average licence durations of 34 years for lotteries and 23 years for Keno.

Customer-led convenience is central to us bringing Australia's largest lottery games to an estimated 8.3 million active Lotteries customers[(i)].

We operate through more than 7,100 retail points of distribution[(ii)], which are integrated with our well developed digital channel across web and mobile apps.

We have a proud history of delivering life-changing wins to our customers and making a meaningful difference in our communities.

More information can be found at:
www.thelotterycorporation.com

(i) Active customer numbers based on Roy Morgan Gambling Monitor, July 2025 – June 2026. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at December 2025, based on Australian Bureau of Statistics monthly estimates.

(ii) As at 30 June 2026. Comprised of 3,880 Lotteries outlets and 3,263 Keno venues.

Letter from the Chairman

Dear shareholder,

I am pleased to present The Lottery Corporation's Annual Report for the 2025/26 financial year (FY26).

The Company delivered a resilient performance through a period of ongoing economic challenges for Australian consumers and an especially unfavourable period for Powerball and Oz Lotto jackpots (a 1 in c.45 year outcome). It did so while delivering significant outcomes including a refresh of our strategy and operating model, and the 40-year extension of the Victorian lottery licence. This extension delivers a range of financial and strategic benefits, including structurally lowering the risk of our business and extending the average duration of our licence base. It allows us to continue to support a vibrant lottery small business network in Victoria, while generating material lottery duty revenue to fund community services.

The Lottery Corporation's long dated licences, stable cash generation and distribution strength underpin the resilience of the business.The Board was pleased to determine to pay total ordinary dividends of 16.5¢ cents per share - in line with FY25 notwithstanding the impact on this year's result from short-term jackpot outcomes.

While earnings per share (before significant items) of 15.4 cents per share were down, the strength of the diversified portfolio and highly cash generative model allowed us to maintain the dividend. This reflects confidence in the business' health and future prospects.

CEO succession

Following the retirement of Sue van der Merwe, Wayne Pickup was appointed Managing Director and CEO.

Wayne formally assumed his role following the receipt of all necessary regulatory approvals in December 2025. He has brought extensive lottery industry experience spanning 25 years across international markets, having served most recently as CEO of Allwyn North America.

Strategy refresh and operating model changes

Under Wayne's guidance, in June 2026 the Company unveiled a refreshed strategy and operating model designed to capture the next chapter of growth.

The new strategy builds on the foundations that have delivered reliable cash generation. Centred on the proposition 'Where Australia Comes to Play', the strategy prioritises strengthening our domestic market position, leading in digital entertainment and building a high-performance enterprise.

Under the new operating model, which commenced on 1 July 2026, the Company now operates three distinct businesses – Lottery, Digital and Keno – supported by our enterprise services units: Finance & Enterprise Services, People & Brand and Strategy.

Board areas of focus

The Board maintained strong oversight of the Company's strategic direction, risk management framework and stakeholder engagement activities. The Board continued to oversee the Company's advocacy, including through engagement on reforms to the Interactive Gambling Act (Cth), for a sustainable and appropriately regulated lottery sector in Australia that preserves state and territory revenue.

The Board believes all industry participants should be subject to consistent regulatory requirements to safeguard consumers, uphold the integrity of lottery products and support the sustainability of small businesses. Our proactive engagement reflects the Company's commitment to preserving the integrity of the sector and maintaining its social licence.

The Company continued to advance its technology ecosystem, a critical enabler of long-term growth, operational resilience and competitiveness, while embedding the use of AI in the business. The Board maintained a strong focus on cyber resilience, recognising the increasingly sophisticated nature of cyber threats. The Company continued to invest in cybersecurity capabilities and resilience measures to safeguard customer information, support operational continuity and mitigate emerging cyber-related risks.

In closing

I would like to thank my fellow Directors, the Senior Leadership Team and all team members for helping to deliver a successful FY26 – a year in which the Company again showed its resilience while laying down foundations for the next phase of growth.

Our long-term investment case remains compelling. It's supported by a resilient and diversified portfolio, disciplined capital and cost management, and considered investment in customer experience and technology. With a strong investment-grade credit rating, reinforced by the recent Victorian lotteries licence extension, and a clear strategy, The Lottery Corporation remains well positioned to deliver sustainable value for all our stakeholders.

Doug McTaggart
Chairman

Letter from the CEO

Dear shareholder,

Since I joined last November, I have said often that we start from a position of strength. Our foundations are infrastructure-like: long-duration licences, national reach, and brands Australians know and trust. Managed well, that portfolio has delivered steady turnover growth and reliable returns over many years.

But customer behaviour continues to shift rapidly online, and our customers expect more. That creates a clear opportunity for us. In the near-term, we can grow and innovate by renewing our products, improving the digital experience, and using data and AI to make play more personal.

Looking further out, our ambition is bigger. We want to be more than a lottery operator. The vision is simple: to be the place where Australia comes to play. The strategy to get there has three priorities: strengthen our position at home, lead in digital entertainment, and build a stronger, sharper business.

FY26 performance

In FY26 the business again showed its infrastructure-like qualities: steady, durable and cash generative.

FY26 was an especially unfavourable period for Powerball and Oz Lotto jackpots (a 1 in c.45 year outcome) and this resulted in a decline in revenue and EBITDA. Notwithstanding the soft jackpot run, the business's reliable cash generation enabled us to maintain the dividend for shareholders in line with the prior year.

Where we control the levers, we performed well. We achieved strong retention of price increases in our two largest games - Powerball and Saturday lotto - and continued growth in base games and Keno.

Our expense discipline was structural, not a one-off. It gives us room to reinvest in digital, AI, product and customer capability.

Jackpots are volatile and even out over time. What matters more to our long-term trajectory is the momentum in pricing, base-game participation and digital share — not any single year's run of draws.

Strategic delivery

The refresh of our strategy and the changes to our operating model were a key focus in the second half of FY26.

The 40-year extension of our Victorian lottery licence, announced in May 2026, reinforces the quality and duration of the earnings base.

Victoria represents c.30% of our lotteries turnover and was the key near- term renewal risk in the portfolio.

With that licence secured until 2068, our next major renewal is not until NSW in 2050.

In November 2025, we delivered a Powerball price change taking the subscription price from $1.20 to $1.40 (a 16.7% increase) supporting increases across all divisional prizes. Despite unfavourable jackpot outcomes, we achieved price retention of 63%, within our target range of 50-75%.

In September 2026, we expect to refresh Set for Life, a game which plays a distinct role in the product portfolio. The refresh will see an increase in subscription price from 60 cents to 70 cents and the introduction of additional upfront prizes.

Oz Lotto is the next game scheduled for refresh in 1H28, subject to regulatory and other approvals, with a price change which may be accompanied by a matrix change.

Community impact

Australia's official lotteries are synonymous with community impact. In fact, 27 cents in every dollar spent on a typical lottery ticket is returned to state and territory governments. In FY26 this meant our operations returned $1.7 billion in lotteries and Keno taxes and duties. In addition, $637 million in commissions was paid to our retail and venue partners, who are primarily small businesses.

Sharing value this widely is why our products are trusted, and why they matter to the communities they support.

In closing

I am optimistic about what lies ahead, for the Company and for you.

The plan is clear. In Lotteries, we strengthen the licence-backed core. In Digital, we scale our main growth engine. In Keno, we modernise a venue-led, social game.

We will keep engaging with you, and I thank you for your support of The Lottery Corporation.

Wayne Pickup

Managing Director and
Chief Executive Officer

Key Initiatives Delivered

A year of strategic and operational reset, positioning The Lottery Corporation for the next phase of growth

During FY26, The Lottery Corporation strengthened the foundations of the business while continuing to deliver against key strategic, operational and customer priorities.

Key achievements were delivered across strategy, operating model, licences, product enhancements, retail and venue networks, supported by disciplined cost management

Strengthened financial resilience and operational discipline

The Lottery Corporation continued to manage the business with financial and operational discipline during the year, including managing operating expenses to reflect a lower jackpot environment.

The Company also extended existing bank facilities and secured funding commitments to support the Victorian lottery licence extension. These actions strengthened The Company's financial flexibility and supported the long-term foundations of the business.

Refreshed strategy and operating model to support the next phase of growth

During the year, The Lottery Corporation refreshed its enterprise strategy under the vision 'Where Australia Comes to Play'. The refreshed strategy sets a clear direction for the Company to build on its licence-led, trust-based foundations while evolving from a lottery operator to a digitally-led entertainment platform.

To support delivery, the Company also established a new operating model, effective from 1 July 2026, with clearer accountability across Lotteries, Digital and Keno, supported by enterprise functions. The model is designed to sharpen customer focus, improve execution discipline and support more effective prioritisation across the Company.

Extension of the Victorian lottery licence

In FY26, The Lottery Corporation secured a 40-year extension of the Victorian lottery licence, reinforcing the strength and duration of the Company 's licence portfolio.

The extension supports the long-term resilience of the Lotteries business and provides greater certainty to continue investing in products, channels, customer experiences and retail partners in Victoria.

Delivery of product and retail network enhancements in Lotteries

The Lotteries business delivered a number of important product and channel enhancements during the year. Continued success from the Saturday lotto changes introduced in late FY25, together with successful Powerball game enhancements, supported customer engagement and retention within or above the targeted range.

The Lottery Corporation also completed the rollout of new lottery terminals across New South Wales and the Australian Capital Territory. These upgrades support a more modern and consistent in-store experience for customers and provide operational benefits for retail partners.

Digital prize claiming and QR codes on unregistered tickets were also introduced, reducing friction for customers and supporting greater integration between the retail and digital experience.

Continued growth and modernisation of the Keno venue network

Keno delivered continued retail growth in FY26, supported by a disciplined focus on improving the in-venue customer experience. Growth benefited from the reconfiguration of Keno collateral to improve visibility and engagement, continued effectiveness of local area marketing, and resilient footfall across the licensed venue network.

The business also progressed key network modernisation initiatives, including completion of the new terminal rollout in Queensland, with early benefits evident. These initiatives support the broader repositioning of Keno as a simpler, stronger venue-led social play asset, with a focus on sustainable participation, improved venue partner outcomes and long-term value creation.

Operating & Financial Review

About The Lottery Corporation

Our Business

The Lottery Corporation is Australia's leading lottery and Keno operator with a portfolio of high-profile brands and games. The Lottery Corporation's business segments consist of:

Lotteries – The Company holds exclusive and/or long-dated licences or approvals to operate in all Australian States and Territories (excluding Western Australia), with a significant retail distribution network and a strong online presence.

Keno – The Company is also licensed to provide Keno products to venues across New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory. Keno is supplied in licensed venues including hotels, clubs, casinos and TABs as well as online in the Australian Capital Territory and Victoria[i]. Keno is also distributed through lottery outlets in South Australia.

$3,576.6m
Group revenue

$710.4m
Group EBITDA

$736.1m
Group EBITDA
(before significant items)[ii]

$284.6m
Group NPAT

$342.5m
Group NPAT
(before significant items)[ii]

Key Investment Characteristics

We have strong infrastructure-like foundations

- Licence-backed market positions
- Trusted national brands and liquidity
- Scaled-distribution footprint
- Disciplined pricing and yield
- Reliable cash generation and returns

We also have clear levers for accelerating growth

- Product renewal
- Digital experience shift
- Data and AI-leverage

(i) The Australian Government has introduced proposed amendments to the Interactive Gambling Act into Parliament which would have the effect, among other things, of prohibiting online keno-type lottery products nationally, effective from 1 January 2027. If enacted in its current form, the Company intends to cease all online Keno operations from this date across relevant jurisdictions.

(ii) Non-IFRS information and unaudited.

Our licences and approvals

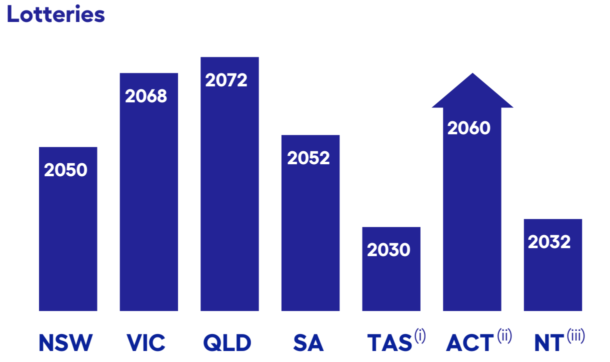


Figure 1 – Lotteries licences/approvals year of maturity

(i) The Lottery Corporation's Victorian and Queensland lottery licensees each hold a Tasmanian issued renewable five-year Foreign Games Permit which authorise the sale of certain draw lottery games (Victorian licensee permit holder) and Instant Scratch-Its tickets (Queensland licensee permit holder) in Tasmania.

(ii) The ACT Lotteries licence is indefinite unless revoked.

(iii) Permit to sell Instant Scratch-Its tickets in the NT expires in 2028.

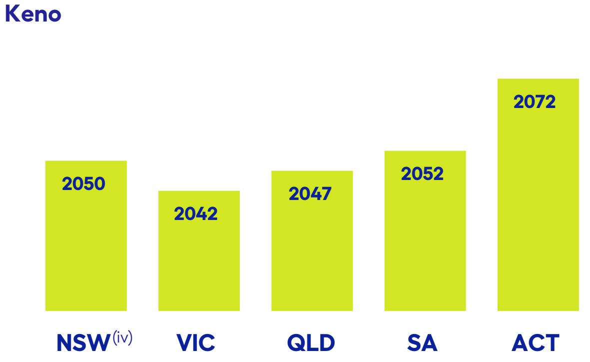


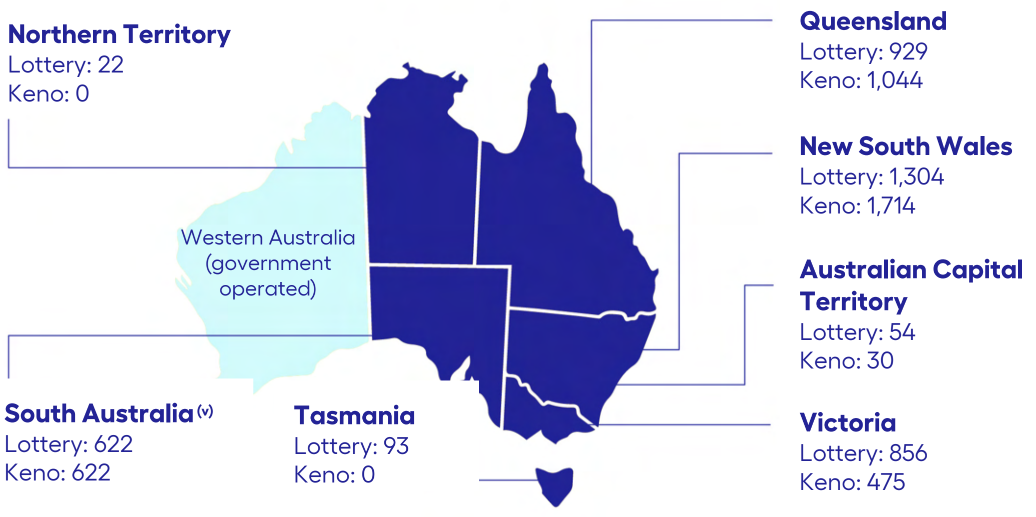
Figure 2 – Keno licences/approvals year of maturity

(iv) The NSW licence is operated with ClubKeno Holdings Pty Ltd as co-licensee.

The Lottery Corporation's national reach

The Lottery Corporation has a retail network of more than 7,100 points of distribution making it one of the largest retail networks in the country. As at 30 June 2026, there were 3,880 Lotteries outlets and 3,263[v] Keno venues.

Figure 3 – The Lottery Corporation map of retail distribution as at 30 June 2026



(v) Keno products are distributed through lottery retail outlets in South Australia and are excluded from Keno number of venues total.

The Lottery Corporation's digital reach

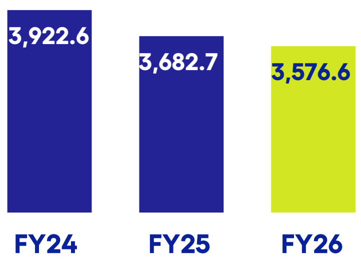
The Lottery Corporation offers its products digitally via its app and website across both the Lotteries and Keno businesses, including through resellers. Our lottery products are offered online in every state and territory other than in Western Australia. Keno is currently offered online through relevant Australian Capital Territory and Victorian approvals, but may cease effective from 1 January 2027 if certain proposed legislation is enacted (refer page 11 for further details).

We are evolving into a digitally led entertainment platform, using technology and insights to deliver more engaging and personalised customer experiences across our retail and digital channels. We continue to strive to create connected experiences across digital and retail so customers can play via the channel they prefer at a particular time and place.

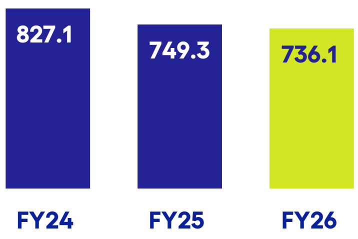
FY26 Financial Performance

Overview of Group results

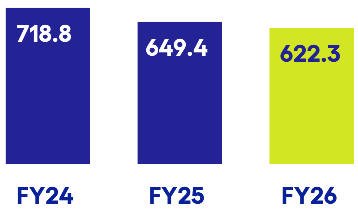
Revenue ($m)[i]



EBITDA ($m)
(before significant items)[ii]

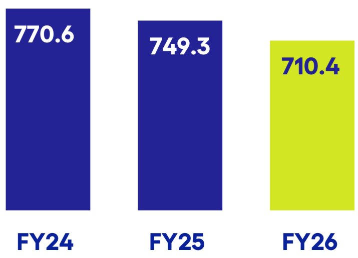


EBIT ($m)
(before significant items)[ii]

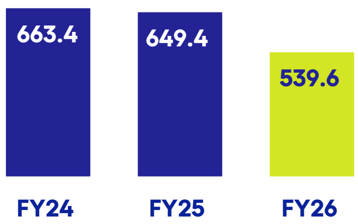


NPAT ($m)
(before significant items)[ii]

EBITDA ($m)



EBIT ($m)



NPAT ($m)

(i) The presentation of lottery franchise fee and Keno venue fee charges has been revised. This change has no impact on EBITDA. The effect of this change is a decrease in Revenue, with a corresponding decrease in Variable costs of $65.1m in FY26. The FY25 and FY24 comparatives have been presented on a consistent basis ($66.2m and $74.0m decrease in both Revenue and Variable costs for FY25 and FY24 respectively).

(ii) Non-IFRS information and unaudited.

Table 1 – Group FY26 performance summary

Group results for the year ended 30 June	FY26 $m	FY25 $m	% Change
Revenue[i]	**3,576.6**	3,682.7	(2.9)
Variable costs[i][ii]	**(2,550.5)**	(2,626.3)	(2.9)
Operating expenses	**(315.7)**	(307.1)	2.8
Operating expenses (before significant items)[iii]	**(295.9)**	(307.1)	(3.6)
EBITDA	**710.4**	749.3	(5.2)
EBITDA (before significant items)[iii]	**736.1**	749.3	(1.8)
Depreciation and amortisation	**(114.1)**	(105.1)	8.6
Impairment (loss)/reversal	**(56.7)**	5.2	n.m.
EBIT	**539.6**	649.4	(16.9)
EBIT (before significant items)[iii]	**622.3**	649.4	(4.2)
NPAT	**284.6**	365.5	(22.1)
NPAT (before significant items)[iii]	**342.5**	365.5	(6.3)
EPS - cents per share	**12.8**	16.4	(22.0)
EPS (before significant items)[iii] - cents per share	**15.4**	16.4	(6.1)

(i) The presentation of lottery franchise fee and Keno venue fee charges has been revised. This change has no impact on EBITDA. The effect of this change is a decrease in Revenue, with a corresponding decrease in Variable costs of $65.1m in FY26. The FY25 comparatives have been presented on a consistent basis ($66.2m decrease in both Revenue and Variable costs).

(ii) Comprises Government taxes and levies and Commissions, fees and consumables.

(iii) "Non-IFRS" information and unaudited. For details of significant items, refer to note A1 Segment information of the Financial Report.

Review of Group performance

The Lottery Corporation and its subsidiaries (the **Group**) reported revenue for FY26 of $3,576.6m, down 2.9% on the previous year. Group NPAT was $284.6m, down 22.1% on the previous year. Group NPAT (before significant items) was $342.5m, down 6.3% on the previous year.

Further details about the operational performance and results of our Lotteries business and Keno business are set out in this report.

Capital management

The Group's objectives when managing capital are to ensure the Group continues as a going concern while providing optimal returns to shareholders and other stakeholders, and to maintain an appropriate capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may alter the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. Our approach to capital management includes the following objectives.

Target	Actual
Leverage of 3.0x to 4.0x (Net debt / EBITDA (before significant items))	3.1x (as at 30 June 2026) based on FY26 EBITDA (before significant items)
Minimise the cost of borrowing	Average interest rate of 5.8% (based on drawn debt as at 30 June 2026)
Strong investment grade credit rating	S&P Rating of BBB+

The Group targets a strong investment grade credit rating and, as at 30 June 2026, had a BBB+/stable rating. Leverage is managed primarily through the ratio of net debt to EBITDA. Net debt is gross debt (bank loans and US Private Placement at the Australian dollar principal repayable under cross currency interest rate swaps) plus lease liabilities less unrestricted cash.

Dividends

In relation to FY26 dividends, The Lottery Corporation has announced:

- A final ordinary dividend of 8.5 cents per share, fully franked, payable on 24 September 2026.
- An interim ordinary dividend of 8.0 cents per share, fully franked, paid on 26 March 2026.
- This brings total ordinary dividends (interim and final) to 16.5 cents per share, which represents a payout ratio of 107% of FY26 NPAT (before significant items).

The Lottery Corporation implemented a dividend reinvestment plan (DRP) from February 2023. The DRP did not operate in relation to the FY26 interim dividend. Participation will be offered to shareholders with a registered address in Australia or New Zealand in respect the final dividend for FY26. No discount will be applied to shares to be allocated under the plan for the final dividend. The allocation of shares under the DRP in respect of the final dividend will be satisfied in full by an on-market purchase of shares.

Our Operations

Lotteries

The Lott is the official home of Australia's lotteries by Tatts, NSW Lotteries, Golden Casket and SA Lotteries, with operations in Victoria, Tasmania, Northern Territory, New South Wales, Australian Capital Territory, Queensland and South Australia.

Figure 4 – The Lottery Corporation's licensed entities operate a portfolio of leading game brands. The portfolio includes 10 lottery games, consisting of base games and jackpot games.

The Lottery Corporation's game portfolio offers a range of top prizes that appeal to an array of consumer purchase motivations. The products range from Instant Scratch-Its tickets offering players instant wins to Powerball jackpots, which provides life-changing prizes.

Each game is designed, positioned and promoted to appeal to different customer segments to ensure broad appeal across the Australian adult population.

The Lottery Corporation offers its lottery products digitally through its website and app under The Lott brand, as well as through resellers, with the digital share of Lotteries turnover (excluding products not sold digitally) growing to 46.6% for FY26. The business also has a significant retail presence across Australia (excluding WA) through its distribution of lottery products in 3,880 retail outlets[(i)].

The Lottery Corporation's retail franchise network includes full-service outlets and instant-only outlets that are installed as a 'store within a store' format to provide identity under The Lott brand alongside the respective licensee brands which follow a specific state based identity. Participation across these channels has resulted in the equivalent of 43% of the Australian adult population purchasing a lottery product in the last 12 months, which translates to an estimated 8.3m players[(ii)]. Of these players, The Lottery Corporation had 4.15 million active registered customers in its Lotteries database as at 30 June 2026, which accounted for approximately 60% of turnover in FY26. This database enables targeted communications which supports and engages customers across multiple customer touch points.

(i) As at 30 June 2026.

(ii) Source: Roy Morgan Gambling Monitor, July 2025 – June 2026. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at December 2025, based on Australian Bureau of Statistics monthly estimates.

Table 2 – Lotteries FY26 performance summary

Lotteries results for the year ended 30 June	**FY26 $m**	FY25 $m	% Change
Revenue[(i)]	**3,218.2**	3,329.1	(3.3)
Variable costs[(i)(ii)]	**(2,338.2)**	(2,421.6)	(3.4)
Variable Contribution	**880.0**	907.5	(3.0)
Operating expenses	**(253.4)**	(261.3)	(3.0)
EBITDA	**626.6**	646.2	(3.0)
Depreciation and amortisation	**(83.1)**	(75.1)	10.7
Impairment reversal	**0.3**	—	n.m.
EBIT	**543.8**	571.1	(4.8)

(i) The presentation of revenue for Lotteries has been revised. This change has no impact on EBITDA. The effect of this change is a decrease in Revenue, with a corresponding decrease in Variable costs of $44.0m in FY26. The FY25 comparatives have been presented on a consistent basis ($45.8m decrease in both Revenue and Variable costs).

(ii) Comprises Government taxes and levies and Commissions, fees and consumables.

Review of Lotteries FY26 performance

Revenue was $3,218.2m, down 3.3% and EBIT was $543.8m, down 4.8%.

The Lotteries division delivered a resilient underlying performance in an especially unfavourable period for jackpot outcomes. There was no $100m Powerball jackpot for the first time since FY21 and no Oz Lotto jackpot of $50m for the first time since FY17. These jackpot outcomes negatively impacted revenue by c.$350m (c.$50m in the pcp) and variable contribution by c.$90m (c.$10m in the pcp).

This was partly offset by the positive impact of changes to the two largest games - Powerball, which had a price change in November 2025; and the full year impact of the Saturday lotto change in May 2025. The Company's proven and repeatable price retention strategy continues to deliver gains, with price retention of 63% and 100%, respectively.

Growth in base games was resilient and partially offset the reduction in jackpot game turnover, which was consistent with the reduction in Division 1 offers.

Customer numbers were similarly impacted by low jackpot offers. Our refreshed strategy includes a heightened focus on driving growth in registered active customer numbers by bringing the more than 4 million existing unregistered customers and completely new customers into the retail and digital membership ecosystem.

The EBITDA/Revenue margin was 19.5% (19.4% in the pcp). Digital share of turnover (excluding products not sold digitally) rose to 46.6% (45.7% in the pcp). This was despite lower turnover from jackpot games which have above-average digital mix. Operating expenses were flat as a share of revenue, reflecting continued disciplined cost management, and a reduction in variable components (advertising and promotions, and short-term incentives).

Set for Life will be the next game to benefit from a refresh with an increase in subscription price from 60 cents to 70 cents and the introduction of additional upfront prizes from September 2026, subject to regulatory approvals.

An Oz Lotto game refresh is intended to follow late in calendar year 2027, subject to regulatory approvals, with a price change possibly accompanied by a matrix change.

4.15m

active registered Lotteries customers

609m

lottery entries sold in FY26

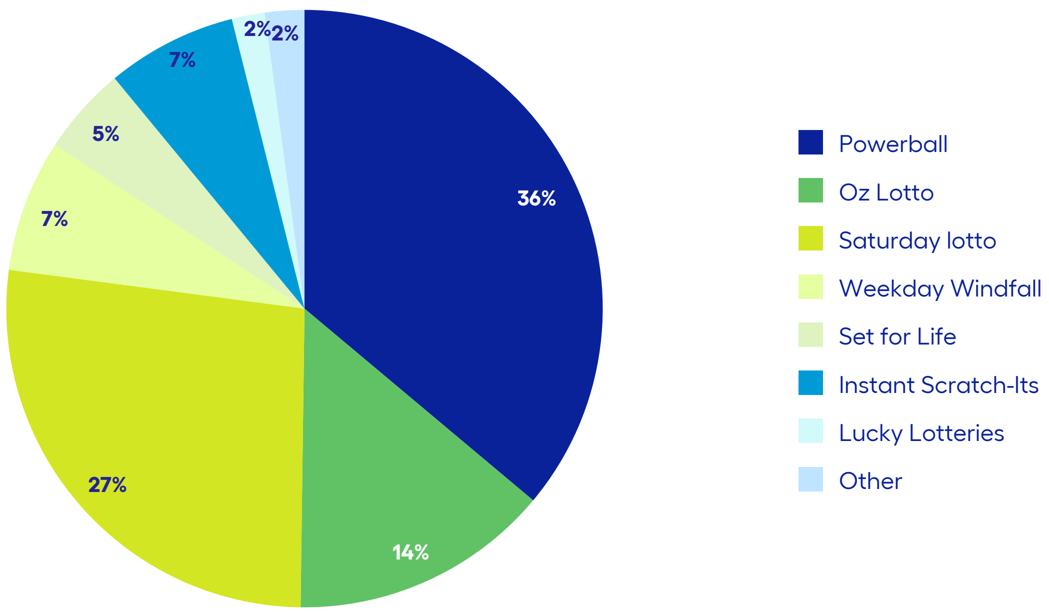
The equivalent of

43%

of the Australian adult population purchased a lottery product in the last 12 months(i)

(i) Source: Roy Morgan Gambling Monitor, July 2025 – June 2026. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations (ex. WA), and weighted against the Australian adult population as at December 2025, based on Australian Bureau of Statistics monthly estimates.

Figure 5 – FY26 Lotteries Turnover by game



Keno

Keno is a number game where 20 numbers between 1 and 80 are randomly drawn with the chance for customers to win instant prizes and multi-million-dollar jackpots.

Keno is an interactive social game played predominantly in venues such as pubs, clubs, hotels, casinos and TABs, with games typically running every three minutes. The Lottery Corporation operates a Keno distribution network of 3,263 venues[(i)] across New South Wales, Victoria, Queensland and the Australian Capital Territory, and holds licences/approvals to offer Keno products in both these venues and online through relevant Australian Capital Territory and Victorian approvals. The online offer may cease effective from 1 January 2027 if certain proposed legislation is enacted (refer page 11 for further details).

(i) As at 30 June 2026. Keno products are distributed through lottery retail outlets in South Australia and are excluded from Keno number of venues total.

Table 3 – Keno FY26 performance summary

Keno results for the year ended 30 June	FY26 $m	FY25 $m	% Change
Revenue[(i)]	**364.3**	353.6	3.0
Variable costs[(i)(ii)]	**(212.3)**	(204.7)	3.7
Variable contribution	**152.0**	148.9	2.1
Operating expenses	**(42.5)**	(45.8)	(7.2)
EBITDA	**109.5**	103.1	6.2
Depreciation and amortisation	**(31.0)**	(30.0)	3.3
EBIT	**78.5**	73.1	7.4

(i) The presentation of revenue for Keno has been revised. This change has no impact on EBITDA. The effect of this change is a decrease in Revenue, with a corresponding decrease in Variable costs of $21.1m in FY26. The FY25 comparatives have been presented on a consistent basis ($20.4m decrease in both Revenue and Variable costs).

(ii) Comprises Government taxes and levies and Commissions, fees and consumables.

Review of Keno FY26 performance

Revenue was $364.3m, up 3.0% and EBIT was $78.5m, up 7.4%.

Keno retail turnover continued to grow, while cycling a well above average Keno Classic run in the pcp. Retail play benefited from enhanced configuration of in-venue Keno collateral to maximise visibility and engagement.

The strength of the licensed venue network was evident in resilient footfall levels, and Keno also saw early benefits from the rollout of new terminals.

The EBITDA/Revenue margin was 30.1% (29.2% in the pcp), impacted by lower growth in digital turnover relative to retail. This was more than offset by a reduction in operating expenses which, like Lotteries, reflected continued disciplined cost management, and a reduction in variable components (advertising and promotions, and short-term incentives).

1,604
New Point of Sale Terminals installed (Queensland complete)

Played in
3,263
venues[(i)]

124m
Keno tickets sold in FY26

(i) As at 30 June 2026, excluding South Australia.

Strategy

Our Vision	Where Australia Comes to Play

The Lottery Corporation is Australia's leading lottery and Keno operator, with trusted brands, long-dated licences, broad retail and licensed venue distribution, and growing digital capability.

During FY26, The Lottery Corporation refreshed its enterprise strategy to guide the next phase of growth. The strategy builds on the licence-led, trust-based model that has underpinned our success, while modernising how we engage customers as expectations continue to evolve.

The Lottery Corporation's strategic vision is to evolve from a lottery operator to a digitally-led entertainment platform 'Where Australia Comes to Play', building a trusted home for lottery products, in retail and on device, whilst preserving the licence-led, trust-based model that has underpinned our success.

Our strategic focus is to strengthen our domestic market position, lead in digital entertainment and build a high-performance enterprise. These priorities are supported by four strategic enablers: People and Culture; Brand and Trust; Licences and Regulation; and Data, AI and Technology.

Together, they provide a clear framework for how The Lottery Corporation will continue to create value for customers, shareholders, retail and venue partners, governments and the broader community.

Pillar 1 – Strengthen domestic market position

The Lottery Corporation's domestic position is underpinned by long-dated licences, trusted brands, scaled distribution and a broad portfolio of lottery and Keno products. In FY26, The Lottery Corporation strengthened this foundation through the extension of the Victorian lottery licence and continued active management of the product portfolio. The focus is on keeping our core products relevant and accessible, renewing the customer proposition over time and using our retail and venue networks to support broader customer engagement.

Lotteries remains The Lottery Corporation's licence-backed core business, with product renewal and retail customer engagement central to future-proofing participation. Keno is being repositioned as a licensed, venue-led social play asset, with a focus on simpler play, stronger venue economics and improved customer visibility over time.

Pillar 2 – Lead in digital entertainment

Digital is a key growth engine for The Lottery Corporation and an important platform for deepening customer relationships. Our digital strategy is focused on scaling the core digital lottery customer base, reaching new audiences through more engaging experiences, and using data and AI to improve relevance, personalisation and operating leverage.

This work is being pursued within the responsible play and licence settings that underpin The Lottery Corporation's trust with customers, governments and regulators. The ambition is to make our digital experiences more engaging and easy to return to, while continuing to support safe and responsible participation.

Pillar 3 – Build a high-performance enterprise

Delivering The Lottery Corporation's strategy requires a disciplined, accountable and efficient enterprise. During FY26, The Lottery Corporation refined its operating model around three business verticals - Lotteries, Digital and Keno - supported by enterprise functions. This model is designed to sharpen customer focus, clarify accountability, improve decision-making and support disciplined execution.

The Lottery Corporation is also building capability in data, AI and technology to support faster delivery, better customer insights, stronger governance and improved productivity. These capabilities will help the organisation continue to invest in growth while maintaining cost discipline, responsible conduct and the trust that is central to our licence to operate.

Strategic Enablers

Our strategic priorities are supported by four enterprise-wide enablers:

People & Culture	Brand & Trust	Licences & Regulation	Data, AI & Technology
Building the organisational capability, leadership and ways of working required to deliver the strategy.	Strengthening The Lottery Corporation's trusted brands and community connection as we modernise customer experiences.	Maintaining strong licence stewardship, regulatory engagement and responsible play leadership.	Using modern platforms, data and AI capability to support better customer experiences, smarter decision-making and more efficient delivery.

Risk Management

The Company takes a structured approach to identifying, evaluating, and managing current and emerging risks which may affect the achievement of its strategic objectives.

The Company has adopted a risk management framework which reflects ISO31000:2018, the international standard on risk management. The Company has a dedicated Risk and Compliance function which supports all business functions of The Lottery Corporation with the management of operational risks. Key risks, issues and trends are managed by the Company's Senior leadership team. Our enterprise risk management practices, policies and framework are overseen by the Board's Risk and Compliance Committee and the Board.

The Company's risk mitigation strategies include various controls, processes and systems to support the management of risks. A non-exhaustive summary of the Company's material risks and related risk mitigations is set out below. There may be risks that are considered immaterial or unknown to the Company which subsequently become material or known. These risks may adversely impact the Company. Accordingly, the Company provides no assurances or guarantees of future profitability, performance, or dividends. The mitigation strategies are designed to reduce the likelihood of the risk occurring or to minimise the adverse consequences of the risk should any arise. However, some risks are affected by factors external to, and beyond the control of, the Company. The mitigation strategies adopted by the Company are regularly reviewed as part of assessing the ongoing effectiveness of the Company's Enterprise Risk Management Framework.

Risk: Compliance

Achieving compliance in a highly regulated environment.

Risk description

Breaches of laws, regulations, rules, licence conditions, industry codes, permits and other approvals could impact the Company's licence to operate and expose the Company to significant compliance and remediation costs, reputational damage, regulatory enforcement action, penalties, civil and criminal proceedings or litigation (including class actions), or could result in suspension or loss of licences (or the failure to renew a licence).

FY26 commentary	Mitigations in place
During FY26, the Company continued to strengthen its compliance framework and processes to support improved clarity of obligations, accountability and oversight. Key Initiatives include: • Further simplification and enhancement of our compliance obligations register and assurance review processes to improve understanding of, and clarify accountability for, compliance. • Strengthening management attestation processes. • Enhancing the incident management and breach reporting framework to better identify, assess, manage and learn from incidents. • Improvements in data protection and privacy processes to further embed a culture of proactive risk identification, issue escalation, and continuous improvement across the organisation.	We maintain processes, systems and controls to meet our compliance requirements, and monitor and test them to check effectiveness. These Include. • We have experienced and dedicated Risk and Compliance functions that report into the Chief Information Security and Risk Officer. • A compliance management framework, system and supporting processes that support the identification, assessment, management, monitoring and governance of the Company's applicable regulatory obligations. • A risk governance and reporting framework that provides for regular reporting to the Board Risk and Compliance Committee (and, as appropriate, to the Board). • An obligation register that captures the Company's material compliance obligations and designated accountable person(s). • Training programs for employees, retailers and venues to promote compliance with their obligations • Periodic reviews and management attestations that are facilitated by the Risk & Compliance team, compliance focussed internal audits and an in-house Investigations Team which investigates staff, retailer and venue activity that may give rise to incidents of non-compliance.

Risk: Changes in laws and the regulatory environment

Advocating for balanced and considered reform.

Risk description

Changes in legislation, regulation, taxation or government policy (and related judicial decisions and enforcement policy or regulatory interpretation by regulators) which may adversely affect the Company's operational and financial performance.

FY26 commentary	Mitigations in place
During FY26, we continued to actively monitor, assess, and prepare for a range of regulatory developments relevant to operations. This included ongoing engagement and readiness activities in relation to proposed Privacy Act reforms, R&D tax, unfair trading practices, and proposed Australian Government reforms impacting certain online lottery products and a ban of online Keno products, which is planned to take effect on 1 January 2027 (subject to the enactment of relevant legislation). We maintained a proactive approach to regulatory engagement and reform readiness, including scenario analysis and impact assessment, to support effective response to potential changes in the regulatory landscape.	• We have an established legal and regulatory change process to monitor and assess the impacts to the Company of areas of potential reform. • We have dedicated regulatory and government affairs teams for effective liaison with and advocacy to regulators and governments. • We engage regularly with regulators, governments, and key industry bodies to support regulatory change management strategies and to help us better manage the impact of legislative changes.

Risk: Competition

Responding to disruption and competing effectively.

Risk description

Failure to respond effectively to emerging or increased competition in traditional or adjacent markets through innovation and development of new products may adversely impact the Company's operational performance, market share and financial outcomes.

FY26 commentary	Mitigations in place
During FY26, the Company continued to operate in an evolving competitive environment including digital competition and the presence of competing suppliers, including from overseas, marketing lottery-like, subscription-based trade promotions, and Keno products to Australian consumers. Changes in consumer preferences, technology, and the regulatory environment continue to influence market dynamics. An example of this is the Australian Government's proposed ban of online Keno products, which is planned to take effect on 1 January 2027 (subject to enactment of relevant legislation). The Company maintained focus on strengthening its product offering, customer experience and distribution channel to remain competitive in this environment.	• We monitor the Lotteries and Keno markets to assess consumer behaviours and competitor/disruptor offerings. • We regularly review our products and service offering to attract new customers and retain existing customers. • We advocate for an industry where all legitimate operators compete effectively and are required to adhere to, and are held to, the same laws, regulations, licence conditions (where relevant) and industry codes and standards. • We operate in several Australian jurisdictions and market segments, which reduces reliance on any single business, product or customer category. • We have continued to engage with regulators and State/Territory/Federal Governments and regulatory considerations associated with emerging product developments..

Risk: Financial

Compliance with financial covenants and maintaining access to funds.

Risk description

The Company is exposed to risks relating to the cost and availability of funds to support its operations, including changes in interest rates and foreign currency exchange rates, and liquidity risks which could affect its financing activities.

FY26 commentary	Mitigations in place
In FY26, the Company maintained compliance with its financial covenants and continued to actively manage its capital structure and liquidity position. The Company also progressed initiatives to support its funding requirements (including in relation to the extension of its Victorian Public Lottery Licence) as well as its longer-term capital management strategy	• We monitor and evaluate the Company's compliance with financial covenants. • We have a dedicated Treasury function which oversees compliance with detailed policies approved by the Board. • We have adopted a capital management program with a range of funding sources and long dated maturities. • We target, and have, a strong investment-grade credit rating.

Risk: Technology, cybersecurity and data/privacy

Protecting technology systems and protecting personal information.

Risk description

Significant technology disruptions, cyber incidents including those resulting in a data breach, could damage the Company's reputation and financial performance and expose it to regulatory enforcement action.

Failure to appropriately adopt emerging technology could present an opportunity risk related to failure to realise potential organisational efficiencies and strategic outcomes.

FY26 commentary	Mitigations in place
During FY26, the Company materially strengthened its cyber security and data protection capabilities as part of its multiyear uplift program. This included enhancements to security governance, Board oversight, refreshed information security and data protection standards, strengthened security operations and incident response capabilities, improved third-party cyber risk management, and expanded workforce cyber awareness. The Company also progressed the controlled adoption of emerging technologies, including artificial intelligence, supported by defined governance and risk controls	• We have a Technology team that dedicates resources, systems and expertise to identifying, assessing and mitigating on-going technology, cyber and data risks. This includes a Chief Information Security and Risk Officer, who is responsible for overseeing the Company's cybersecurity and risk management strategies. • We have adopted practices, procedures and systems to support the appropriate management of data and privacy to assess the risk and opportunity of new technologies (including artificial intelligence) and use cases that exist within the Company. • The Board's Risk and Compliance Committee regularly receives presentations regarding actions taken to improve the Company's technology and cybersecurity risk profiles. • The Company has processes to assess the risk and opportunity of new technologies (including artificial intelligence) and use cases that exist within the Company.

Risk: Business resilience

To maintain acceptable levels of service in the event of an outage.

Risk description

Failure of the Company to manage its business resilience including risks, issues and incidents relating to management of complex IT infrastructure, IT disaster recovery, business continuity management and supply chain risk including outsourcing.

<table>
<tr><th>FY26 commentary</th><th>Mitigations in place</th></tr>
<tr><td>In FY26, the Company continued to enhance its business resilience across strategic, operational, and crisis response levels having regard for a wide range of factors including climate risk. This included:
Transitioning its secondary data centre from a legacy environment to a modern, purpose-built, third-party facility, materially strengthening resilience, redundancy and the continuity of critical technology services.
Enhancing the documentation and tools supporting the Crisis Management Team.
Conducting crisis management scenario-based exercises at operational and executive levels to test preparedness and response capability
Continued to invest in the resilience of the retail technology infrastructure though delivery of the Network transformation program with deployment of new retail terminals. The continued refresh improves recovery capability and reduces technology related disruption risk across the retail network.</td><td>We have in place dedicated incident management and response functions across the business.
We have established operational, tactical, and strategic response plans to address a wide range of scenarios including business disruptions, IT disaster recovery, pandemics, cybersecurity incidents, third-party cyber event and data loss events and extreme weather events.
We undertake annual reviews of our business continuity, disaster recovery and crisis management plans so they are kept up to date and fit for purpose, including consideration of emerging climate related risks.
We test and exercise plans at least annually so that we can respond to a broad range of potential disruptions to the business and to build the awareness and capability of incident managers and responders.
We use the outcomes of testing, exercising, near misses and real incidents to improve our preparedness, response and recovery capability.</td></tr>
</table>

Risk: People, health, safety and wellbeing

Maintaining the health and wellbeing of staff.

Risk description

Failure by the Company to appropriately manage team members' physical and/or psychological health and wellbeing, or a failure to comply with relevant workplace health and safety laws and regulations.

<table>
<tr><th>FY26 commentary</th><th>Mitigations in place</th></tr>
<tr><td>In FY26, the Company continued to strengthen its approach to health, safety and wellbeing maintaining strong safety performance outcomes. We achieved a LTIFR(i) and WCIFR(ii) result of 0.0 (i.e. there were no lost time injuries during the financial year).

The Company advanced its focus on psychosocial health through the completion of psychosocial risk audit, enhanced governance and reporting, and further integration of psychosocial risk into H&S systems.

The Company also continued to monitor conduct and change related risks as part of its broader approach to workforce wellbeing.

(i) Lost Time Injury Frequency Rate - calculated as per Australian Standard 1885.1 – 1990 Measurement and recording.
(ii) Workers' compensation injury frequency rate calculated in line with - https://data.safeworkaustralia.gov.au/interactive-data/topic/workers-compensation-injury-frequency-rates</td><td>The Board, the People and Remuneration Committee, the Chief People and Brand Officer and various management committees oversee strategies and programs related to people, health, safety and wellbeing.
The People and Remuneration Committee has health, safety and wellbeing as a standing agenda item for its meetings. The Committee receives regular reports about health, safety and wellbeing performance and any key issues that may have arisen.
Our health, safety and wellbeing framework (including policies, procedures, reporting, training and education) prioritises the health and safety of our people.</td></tr>
</table>

Risk: People management

Creating a desirable workplace, effective succession plan and resilient organisation capability.

Risk description

Failure to attract, develop and retain key personnel, maintain a high-performance and inclusive culture, and effectively manage organisation and operating model change could adversely impact the Company's performance, control environment, operating continuity and execution of strategies priorities..

FY26 commentary	Mitigations in place
In FY26 we continued to focus on building a strong, inclusive and high-performing culture, with continued emphasis on trust, belonging, psychological safety, performance and accountability. We continued to embed changes to our performance and talent processes including continued focus on goal setting, performance conversations, differentiated performance outcomes, succession planning and leadership capability. This work supported clearer expectations, stronger accountability and improved visibility of critical talent and capability risks. We progressed targeted organisational and operating model changes to support strategic delivery, improve efficiency and strengthen accountability. We managed these changes in a controlled manner, with a focus on maintaining business continuity, preserving critical capabilities and supporting employees through transition. We maintained a structured employee listening approach and remained proactive in monitoring culture, engagement and workforce risks, with regular reporting to the People and Remuneration Committee. Following the organisational restructure, we conducted regular change surveys to track sentiment through the transition, with findings used to adapt our approach and respond to employee needs. We commenced work to strengthen the connection between enterprise strategy, Objectives and Key Results (OKRs), performance management and reward, recognising that FY26 highlighted the need for clearer alignment between strategic delivery, individual contribution and remuneration outcomes. We continued to progress our Employee Value Proposition to strengthen attraction, engagement and retention of talent in a competitive market.	• We have performance management and remuneration frameworks in place to support clear expectations, accountability and differentiated outcomes. • We provide training, leadership development and succession planning programs to build capability, support, motivate employees, and support continuity in key roles. • We monitor workforce metrics, including engagement, turnover, vacancy ratios, high performer retention, succession coverage and women in leadership roles, with reporting to the People and Remuneration Committee. • We regularly survey employees and use targeted listening mechanisms, including change surveys, to identify emerging workforce risks and adjust our response where required. • We monitor employment market trends and adapt our employer narrative and talent acquisition process as required. • We have a recognition program in place to reinforce positive behaviours and achievements and contribution to strategic priorities. • We develop inclusive leadership, reinforce cultural safety through awareness and events, and support diverse employee resource groups across the organisation. • We support material organisational and operating model changes through established governance, change management, communication and people-impact assessment processes. • We are strengthening the alignment between enterprise strategy, OKRs, performance management and reward to improve accountability and execution discipline. • We identify, monitor and escalate key people, workforce and operational risks through enterprise risk management framework, relevant executive and the Board level oversight forums such as Risk and Compliance Committee.

Risk: Responsible gambling

The Company operates in the gambling industry and is committed to reducing the risk of gambling harm by offering its games to players in a responsible way.

Risk description

Material failures of the Company’s responsible gambling frameworks could result in harm to players as well as damaging the Company's reputation and exposing it to fines from breaches of laws, licences and regulations.

Failure to adequately manage the risks associated with responsible gambling may also expose the Company to other potential risks such as regulatory change risk.

FY26 commentary	Mitigations in place
In FY26 the Company continued to enhance it's responsible play framework and hard minimisation measures. This included strengthening account opening / closing measures and self-exclusion practices (both online and in outlets) for Lotteries and increasing targeted interventions for potentially at-risk players. The Company also continued to benchmark its practices against global operators and progressed preparations for re-accreditation under the World Lottery Association Responsible Gaming Framework.	• A Responsible Play Committee provides executive oversight of the effectiveness of the Company's responsible gambling strategies and opportunities for improvement. • We provide player online account management tools such as pre-commitment spending limits and self- exclusion features. • We train our employees and outlet/venue staff to promote compliance with our obligations and drive a positive culture of reducing the risk of gambling harm. • We have specialist teams who engage with community and industry stakeholders to inform our practices. This includes monitoring relevant research from Australia and overseas. • We maintain the highest level of accreditation (Level 4) in the World Lottery Association Responsible Gaming Framework. • The Board's Risk and Compliance Committee receives an update at each of its meetings on matters considered by the Responsible Play Committee, and on any other matters relevant to this risk. • We periodically update our Responsible Gambling Codes of Conduct.

Risk: Economic

Adapting and managing to broader externalities.

Risk description

Achievement of the Company's financial objectives depends on customers continuing to spend money on its products on a discretionary basis. This is partly determined by the economic climate.

FY26 commentary	Mitigations in place
FY26 was characterised by ongoing economic uncertainty and continued cost-of-living pressures for many Australian households. This was amidst an especially unfavourable period for Powerball and Oz Lotto jackpots (a 1 in c.45 year outcome). Despite this environment, the Company delivered a resilient performance, supported by the strength of its diversified nature of it products, brands, licences and operating model.	• We operate in several Australian jurisdictions and market segments, which reduces reliance on any single business, product or customer category. We regularly review our product offerings to meet customer demand. • We maintain a diverse portfolio of products with a wide pricing range of entry types available for customers to purchase in each product. • Historical evidence indicates that lottery ticket sales are not strongly correlated with economic conditions.

Risk: ESG/Social Licence

Protect our social licence to operate by managing environmental, social and governance (ESG) risks.

Risk description

Failure to meet evolving customer, investor and community expectations in relation to ESG performance or to maintain stakeholder trust (social licence) may harm the Company's reputation, sustainable financial performance.

FY26 commentary	Mitigations in place
In FY26, the Company: • Continued to strengthen governance and oversight of sustainability-related risks, including embedding ESG considerations across responsible play, human rights, climate and environmental risk. • Enhanced responsible play and harm controls by implementing additional harm-minimisation, monitoring and early-intervention measures for higher-risk products. • Advanced our net zero Scope 1 and 2 roadmap, completed a climate risk assessment and strengthened modern slavery governance processes	• The Board and its committees each provide oversight of elements of the ESG strategy and programs. • We operate a Sustainability Working Group, comprised of relevant business managers responsible for delivery of the Group's ESG strategy, with a regular meeting schedule. • We undertake a materiality assessment on a biennial basis to support identification and prioritisation of material ESG risks throughout our value chain. • We have a sustainability framework which guides our approach to managing material ESG risks and opportunities. • We monitor and publish a range of metrics (internal and external) on ESG performance.

Risk: Third-Party service providers, agents and franchisees

Reliance on third parties, agents and franchise networks to support the delivery of key operational, technology and customer-facing services.

Risk description

The Company relies on a range of third parties (including suppliers, service providers, technology vendors, retailers, agents, franchisees and resellers) to support the delivery of its operations and strategic objectives. This reliance creates exposure to operational, regulatory and reputational risks arising from third-party failure, disruption or misconduct, including cyber security incidents, data breaches, service outages, financial distress or non-compliance with applicable laws, licence conditions or contractual obligations

FY26 commentary	Mitigations in place
In FY26, the Company: • Strengthened oversight of retailer, agent and franchisee conduct through enhanced data analytics, compliance assurance activities, incident reporting and investigation processes, supporting earlier identification and remediation of potential issues. • Completed its annual compliance assurance program across relevant retail, agent and franchise networks, with findings addressed through targeted remediation and continuous improvement initiatives. • Delivered mandatory compliance training to relevant agents, franchisees and retailers to support awareness of regulatory obligations, including responsible gambling.	• We maintain a structured third-party risk management framework supporting risk profiling, due diligence, onboarding, contract management and ongoing monitoring of material third-party relationships. • We incorporate contractual protections, service level expectations and control requirements into third-party arrangements. • We provide onboarding, training and guidance to agents, franchisees and relevant third parties to support compliance with applicable laws, licence conditions and Company standards. • We undertake risk-based monitoring, assurance and, where appropriate, audit activities across third-party, agent and franchisee networks. • We escalate and respond to incidents involving third parties, agents and franchisees through the Company's incident management and compliance framework.

Our Executives

Wayne Pickup

Managing Director and Chief Executive Officer

Wayne heads The Lottery Corporation with extensive lotteries industry experience spanning 25 years across international markets.

He was previously CEO of global lottery operator Allwyn's North American operations where he led the transformation of the Illinois Lottery's digital business from $50 million to $700 million in annual sales.

Before Allwyn, he was Chief Executive of Lotto New Zealand and held senior positions at Gtech Corporation (now Brightstar) in both Australia and Europe. Prior to joining Gtech, Wayne held various roles at Lotto New Zealand, including Chief Information Officer.

Through his senior leadership roles in technology, product management and game management, Wayne brings a diverse skill set and understanding of high-performing lotteries businesses.

Wayne holds a Business and Science degree from the University of Auckland.

Adam Newman

Chief Financial Officer

Adam is The Lottery Corporation's Chief Financial Officer.

He holds a Bachelor of Business, a Postgraduate Diploma of Business, and a Graduate Diploma in Applied Finance. He has also attended the Advanced Management Programme at INSEAD (France) and is a member of Chartered Accountants Australia & New Zealand and the Financial Services Institute of Australasia.

Before joining The Lottery Corporation as Chief Financial Officer, Adam served in that role with Tabcorp Holdings having joined in 2019.

He was previously Chief Financial Officer of ASX-listed energy company AusNet Services and held senior leadership roles at BlueScope Steel in Australia and the USA. He also worked at BHP and in Coopers & Lybrand's Perth and London Corporate Advisory Groups.

Antony Moore

Chief Operating Officer - Keno

Antony is The Lottery Corporation's Chief Operating Officer - Keno.

He holds a Bachelor of Commerce (Economics and Accounting) and is a Graduate Member of the Australian Institute of Company Directors.

Antony has more than 25 years of experience in retail operations, including senior roles with Retail Adventures, Rebel Group, Coles Liquor, Coles Supermarkets, and Big W.

Prior to joining The Lottery Corporation, Antony was the General Manager of Lotteries Retail at Tabcorp Holdings.

Antony is the Deputy Chair of the Australian Retail Council, and a Franchise Council of Australia certified Franchise Executive.

Callum Mulvihill

Chief Operating Officer - Lottery

Callum is The Lottery Corporation's Chief Operating Officer - Lottery.

He holds a Bachelor of Commerce, a Masters of Business Administration, is a Certified Practising Accountant, and is a Graduate Member of the Australian Institute of Company Directors.

Callum has nearly 20 years of leadership experience in the lottery industry.

Prior to joining The Lottery Corporation, Callum was the General Manager of Finance & Commercial for Tabcorp Holdings' Lotteries & Keno business and held numerous commercial and business development roles at Tatts Group since 2013.

Prior to lotteries, Callum held several financial, marketing and sales roles for more than a decade at Westpac and Ford Australia.

Callum is a Director of the 50-50 Foundation Limited.

Loren Somerville

Chief Operating Officer - Digital

Loren is The Lottery Corporation's Chief Operating Officer - Digital.

She holds a Bachelor of Commerce (Business Management) and Information Systems, and a certificate in Driving Digital Transformation from Harvard Business School.

She is a Graduate Member of the Australian Institute of Company Directors

Loren has held a range of senior technology roles including at Gartner and Rio Tinto.

Prior to joining The Lottery Corporation, Loren was Chief Digital & Information Officer at Youi Insurance.

Rob Ure

Chief Strategy Officer

Rob is The Lottery Corporation's Chief Strategy Officer.

He holds a Bachelor of Laws and a Bachelor of Economics (Economics and Accounting) from the University of Sydney.

Rob has extensive experience leading corporate development and strategy teams in both the corporate and investment banking sectors in Australia and internationally.

Prior to joining The Lottery Corporation, Rob was Director of Strategy and M&A at News Corp Australia.

Previously he has held senior corporate development roles at Wesfarmers and Coca-Cola Amatil and worked in investment banking at Macquarie Capital, based in Sydney and New York.

Michelle Williams

Chief People & Brand Officer

Michelle is The Lottery Corporation's Chief People & Brand Officer.

She holds a Bachelor of Commerce and a Bachelor of Science. She is a member of the Australian Human Resources Institute and a Graduate Member of the Australian Institute of Company Directors.

Michelle has more than 25 years' experience in human resource roles.

Prior to joining The Lottery Corporation, Michelle was Chief People Officer at Tabcorp Holdings.

She was previously Group Director of Human Resources at Fairfax Media. Michelle has also held HR roles with AXA Asia Pacific Holdings and Colonial Limited.

ESG & Responsible Play

ESG & Responsible Play

Safeguarding our licences and strengthening stakeholder trust are critical to long-term value creation.

Our approach to ESG and our sustainability priorities is informed by our materiality assessment and the Group's enterprise strategy.

In FY26, we refreshed our ESG priorities to strengthen alignment to our new enterprise strategy and to support clearer performance monitoring through our ESG scorecard.

ESG targets are reviewed annually, with some targets extending over multiple reporting periods, such as our net zero by 2030 target.

Enterprise Strategy Pillars		
Strengthen our Domestic Position	**Lead in Digital Entertainment**	**Build a High-Performance Enterprise**
Our ESG Priorities		
Protect and enhance the value of our social license	**Maintain trust across our digital experiences**	**Operate responsibly and sustainably for long-term growth**
Our Goals		
• Maintain strong governance and stakeholder relations • Grow the value of our licences by embedding responsible practices across core operations • Create value for partners and communities across Australia	• Protect customer privacy and the security of data and systems • Use data ethically and transparently across all digital products and experiences	• Maintain robust levels of regulatory compliance and demonstrate leadership in responsible play • Reduce climate risk within own operations • Effective reporting of mandatory ESG requirements • Enhance team culture and capability to deliver on long-term growth

Embedding sustainability in strategic decision making

In recognition of the importance of sustainability in creating enduring value for stakeholders, sustainability performance metrics are embedded in the organisation’s short-term incentive (STI) plan through both key scorecard measures and a STI sustainability modifier.

Responsible Play

Responsible play is embedded in our policies, processes and game design. It's central to how we make decisions across our business.

We seek to align our practices with our Responsible Gambling Codes of Conduct/Practice and applicable State and Territory legislative requirements, while continuing to consider opportunities to strengthen our responsible play framework.

Our lotteries operations (retail and online) remain certified at the highest-available Level 4 under the World Lottery Association's Responsible Gaming Framework - a certification we have held since 2017 - with preparations underway for re-certification in 2027.

In FY26 we delivered initiatives to strengthen responsible play practices, including:

- Introducing new customer tools and controls, including strengthened online and retail self-exclusion practices.
- Exploring new digital tools to review Contact Centre calls with a responsible play perspective, enabling analysis at greater scale and helping our consultants have more effective conversations with customers.
- Uplifting training and education for our team members, with a focus on customer-facing teams in our Contact Centre.
- Enhancing our early intervention models and associated customer intervention pathways.

Together, these initiatives support our customers, help minimise the risk of gambling harm, and ensure our approach continues to be informed by robust data, independent research and customer insight.

Supporting Our Community

For generations, lottery proceeds have helped fund essential community services including health, medical research, education and infrastructure. Our retail network has supported thousands of small businesses across Australia (excluding Western Australia).

In FY26 we continued to build on that legacy, helping to strengthen the communities where we operate through our partnerships, giving and grassroots support. Highlights included:

- Support for small businesses and industry development throughout our network of lottery outlets and Keno venues, paying $637m in retail partner commissions.
- Contribution of $5.2m to community, with funding sourced through our operating expenditure, unclaimed lottery prize money in QLD and the NT and as part of State and Territory licence agreements in the ACT, NT and QLD. Recipients spanned health and medical research, education and resilience, homelessness and mental health, arts and culture, and environmental sustainability.
- In FY26, we provided support to the 50-50 Foundation by providing technology, marketing and corporate services that enabled the 50-50 Foundation to distribute more than $5.9m to 600-plus charities and community organisations through its 50-50 Charity Raffle and Play For Purpose products.

Operating Responsibly

At The Lottery Corporation, operating responsibly means maintaining a culture of integrity, safeguarding our licences, and managing the risks and impacts most material to our business, our customers and the communities we serve.

In FY26 we:

- Refreshed our ESG strategy to strengthen alignment with our enterprise strategy and enable clearer performance monitoring through our ESG scorecard, supported by Board and Committee oversight of sustainability strategy, risk and reporting.
- Continued to invest in the resilience of our technology and information systems - and in the security awareness of our people - reflecting the critical role cyber and data security play in helping to protect our customers, our operations and our licences.
- Continued to advance our climate response, including preparing our first mandatory climate-related financial disclosures under the new Australian Sustainability Reporting Standards, and taking practical steps to reduce our direct emissions in support of our net zero by 2030 target for Scope 1 and 2 emissions.

FY26 ESG Highlights

Upheld Mandatory Limits and Continuous Play Alerts for online Keno

71%

Employee Engagement[(i)]

$1.7b

Paid in state Lotteries & Keno taxes

$5.9m

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

44%

Women in Senior Leadership

$637m

Paid in commissions to retail partners

$5.2m

Total Community Contributions

(i) Employee engagement represents the percentage of employees who responded favourably to engagement-related questions in The Lottery Corporation's 'Tune In' employee engagement survey. The survey is administered through Culture Amp, an independent third-party platform that enables external benchmarking.

Corporate Governance

Corporate Governance

The Lottery Corporation maintains high standards of corporate governance which the Directors believe are fundamental to sustainable business performance, long-term value creation and stakeholder confidence.

For the financial year ended 30 June 2026, The Lottery Corporation complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition). Details of The Company's compliance are set out in the 2026 Corporate Governance Statement and in the Appendix 4G. The Corporate Governance Statement is current as at 19 August 2026 and has been approved by the Board.

The Company undertakes regular reviews of its corporate governance practices and policies to support their continued alignment with developments in good corporate governance practice, the Company's strategic priorities and shareholders' expectations.

FY26 corporate governance activities

In FY26, the Board provided oversight of the successful transition of The Lottery Corporation's leadership, changes to the Company's operating model and the evolution of the Company's business strategy.

Managing Director and Chief Executive Officer

Mr Wayne Pickup commenced as the Company's Managing Director and Chief Executive Officer on 9 December 2025, marking an important leadership transition following the retirement of Ms Sue van der Merwe.

Operating Model

On 5 March 2026, The Lottery Corporation announced a new operating model designed to support the next phase of the Company's strategy and accelerate growth.

As part of this change, the composition and accountabilities of the Senior Leadership Team (**SLT**) were enhanced and realigned, with effect from 1 July 2026.

The new structure established three customer-facing business units — **Lotteries, Digital and Keno** — each with a distinct mandate, clear accountability and dedicated leadership by a Chief Operating Officer.

These business units are supported by three enterprise functions — **Finance & Enterprise Services, Strategy, and People & Brand** — which provide governance, shared services and enterprise-wide alignment.

Strategy

During FY26, the Board continued to provide effective oversight of management's development and implementation of the Company's business strategy and maintained a strong focus on monitoring the Company's performance.

The Company's refreshed strategy marked an important evolution from a lottery operator to a digitally led entertainment platform — **Where Australia Comes to Play** — providing a trusted home for lottery products, in retail and on device.

Key aspects of the revised strategy include:

- Product renewal through innovative new formats, optimised game mechanics and disciplined portfolio management, designed to broaden participation and support more consistent engagement beyond jackpot peaks.
- A shift in the digital experience towards more personalised, engaging and social customer experiences, supporting higher-margin growth and stronger known-customer relationships.
- The use of data and AI to enhance personalisation, accelerate testing, deliver more relevant customer journeys and drive productivity at scale.

Culture and governance

The Board continued to monitor and support the Company’s culture, including through periodic surveys, and engaged with the Senior Leadership Team to oversee actions responding to staff feedback.

The Board reviewed and refined the Company’s remuneration policies to further support the development of a high-performance culture and reinforce alignment between performance, accountability and shareholder outcomes. An overview of the changes is summarised in the Remuneration Report on pages 49 to 76.

The Board engaged in ongoing review and enhancement of key governance documents and corporate policies, including the Company’s Supplier Code of Conduct, Treasury Policy, Market Disclosure Policy and Securities Trading Policy, to support robust governance and continued alignment with regulatory expectations and good corporate governance practice.

Risk management

The Board continued to oversee programs designed to uplift data protection and cyber security, including ongoing investment in technology to further enhance the Company’s operational resilience.

The Board oversaw, and actively participated in, a crisis management exercise, reinforcing the Company’s preparedness and resilience in responding to potential significant events.

The Board participated in the ongoing review and refinement of the Company’s risk catalogue, top risks and risk appetite statements, supporting effective risk oversight and continued alignment with the Company’s strategic priorities.

The Lottery Corporation's 2026 Corporate Governance Statement is available at:

www.thelotterycorporation.com/about/corporate-governance

Directors' Report

The Directors of The Lottery Corporation Limited (**The Lottery Corporation**, or **the Company**) present their report for the consolidated entity comprising the Company and its subsidiaries (the **Group**) in respect of the financial year ended 30 June 2026.

1. Principal activities

The principal activities of the Group during the financial year comprised the operation of a portfolio of lottery and Keno games. The Group's principal activities remain unchanged from the previous financial year, except as disclosed elsewhere in this Directors' Report.

2. Operating & Financial Review

The financial results of the Group for the financial year ended 30 June 2026 comprise its two operating segments of Lotteries and Keno. The activities and financial performance of the Group and each of its operating segments for the financial year are set out in the Operating & Financial Review section commencing on page 10.

Lotteries

The Lotteries business has the following operations which are supported by various licences/ approvals.

Lotteries operations:

- The Lott is the brand that unites The Lottery Corporation's licensed lottery operations under one banner. The Lottery Corporation conducts lotteries in all States and Territories of Australia, except Western Australia, under licence arrangements.
- Our leading game brands include Powerball, Oz Lotto, TattsLotto, Saturday lotto, Gold Lotto, X Lotto, Set for Life, Weekday Windfall, Lucky Lotteries and Instant Scratch-Its.
- Our Lotteries products can be purchased in newsagencies, convenience stores and other retail outlets, online at thelott.com and via our mobile app.

Lotteries licences/approvals:

- NSW Operator Licence and various product licences expire in April 2050.
- Victorian Public Lottery Licence expires in June 2068.
- Queensland Licensed Lottery Operator's Licence expires in July 2072.
- Lotteries operates under an agency agreement with the Lotteries Commission of South Australia which runs until December 2052.
- The Lottery Corporation's Victorian and Queensland lottery licensees each hold a Tasmanian issued renewable five-year Foreign Games Permit which authorise the sale of certain draw lottery games (Victorian licensee permit holder) and Instant Scratch-Its tickets (Queensland licensee permit holder) in Tasmania
- ACT Approval to conduct a lottery indefinitely unless revoked.
- Northern Territory Lottery Agreement expires in June 2032, with permit to sell Instant Scratch-Its tickets expiring in June 2028.

Keno

The Keno business has the following operations which are supported by various licences/approvals.

Keno operations:

- Keno is a random number game with games typically running every three minutes with the chance for customers to win instant prizes and multi-million-dollar life-changing jackpots.
- Keno is played in clubs, hotels and TABs in Victoria, Queensland, South Australia and ACT, and in clubs and hotels in NSW, and is available online in ACT and Victoria. The online offer may cease effective from 1 January 2027 if certain proposed legislation is enacted (refer page 11 for further details).
- Keno jackpots are pooled across NSW, Victoria, Queensland and ACT.

Keno licences/approvals:

- NSW Keno Licence expires in April 2050. The Lottery Corporation operates Keno in NSW as co-licensee with ClubKeno Holdings Pty Ltd under management and operating agreements.
- Victorian Keno Licence expires in April 2042.
- Queensland Keno Licence expires in June 2047.
- Keno operates under an agency agreement with the Lotteries Commission of South Australia which runs until December 2052.
- ACT Approval and agreement to conduct Keno expires in May 2072.

3. Significant changes in the state of affairs

Other than the changes outlined in this Directors' Report, or in the Operating & Financial Review section commencing on page 10, there have been no other matters or significant changes in the state of affairs during the financial year.

4. Significant events after the end of the financial year

There have been no matters or circumstances that have arisen since the end of the financial year, which are not otherwise dealt with in this Directors' Report or in the Financial Report, that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

5. Business strategies

As Australia's leading lottery and Keno operator, The Lottery Corporation is committed to creating positive impacts for its customers, stakeholders and communities.

During the year, the Group refreshed its enterprise strategy under the vision "Where Australia Comes to Play". The strategy builds on the Group's licence-led, trust-based foundations while positioning the business for changing customer expectations and a more digital, entertainment-oriented market

The Group's strategy is focused on three priorities: strengthening its domestic market position; leading in digital entertainment; and building a high-performance enterprise. These priorities are supported by enterprise-wide capabilities in people and culture, brand, licences and regulation, and data, AI and technology.

The strategy is designed to support disciplined growth, responsible participation, operational efficiency and long-term value creation. The Group remains focused on executing within its licence and regulatory settings while continuing to adapt to the markets in which it operates. For more information on the Group's strategic priorities, refer to pages 19 to 20.

6. Likely developments and expected results

The achievements of the anticipated results in future financial years is dependent on a range of factors and may be adversely affected by any number of events, and are subject to, among other things, material business risks.

The Directors have excluded from this Directors' Report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors have reasonable grounds to believe that to include such information, will be likely to result in unreasonable prejudice to the Group.

7. Directors

The names and details of the Company's Directors in office during the financial year and until the date of this Directors' Report are set out below. Directors were in office for this entire period unless otherwise stated.

- Doug McTaggart - appointed 31 October 2022
- Wayne Pickup - appointed 9 December 2025
- Anne Brennan - appointed 20 May 2022
- Harry Boon - appointed 20 May 2022
- Stephen Morro - appointed 11 December 2023
- John O'Sullivan - appointed 31 October 2022
- Tim Poole - appointed 6 August 2025
- Megan Quinn - appointed 31 October 2022
- Sue van der Merwe - retired 27 November 2025

The Directors' qualifications, experience and special responsibilities are detailed in the following section.

Doug McTaggart

Independent Chairman

Bachelor of Economics (Honours)
Master of Arts (Economics) PhD

Life Fellow of the Australian Institute of Company Directors

Senior Fellow of the Financial Services Institute of Australasia

Doug McTaggart is the Chairman of the Board of The Lottery Corporation and the Chairman of the Nomination Committee.

He is a Non-executive Director of Indigenous Business Australia.

Doug was formerly the Chairman of Spark Infrastructure RE, a Non-executive Director of Suncorp Group and a Member of the Australian National University Council. He was also a Non-executive Director of UGL and the former Chairman of SunCentral Maroochydore.

Doug was previously Chief Executive Officer of the Queensland Investment Corporation, a member of the Council of Australian Governments' Reform Council, Councillor on the National Competition Council, and Professor of Economics and Associate Dean at Bond University.

Other ASX Company directorships in the past three years:

- Suncorp Group Limited from April 2012 to December 2023

Wayne Pickup

Managing Director and Chief Executive Officer

Bachelor of Business and Science

Wayne Pickup is the Managing Director and CEO of The Lottery Corporation.

With extensive lotteries industry experience spanning 25 years across international markets, he was previously CEO of global lottery operator Allwyn's North American operations where he led the transformation of the Illinois Lottery's digital business from $50 million to $700 million in annual sales.

Before Allwyn, Wayne was Chief Executive of Lotto New Zealand and held senior positions at Gtech Corporation (now Brightstar) in both Australia and Europe. Prior to joining Gtech, Wayne held various roles at Lotto New Zealand, including Chief Information Officer.

Through his senior leadership roles in technology, product management and game management, Wayne brings a diverse skill set and understanding of high-performing lotteries businesses.

Harry Boon

Independent
Non-executive Director

Bachelor of Laws (Honours),
Bachelor of Commerce

Harry Boon is a Non-executive Director of The Lottery Corporation, Chairman of the People & Remuneration Committee, and a Member of the Audit and Nomination Committees.

He has more than 20 years' experience in the gaming industry.

Previously, Harry was a Non-executive Director of Tabcorp Holdings, Chairman of Tatts Group, Chairman of Asaleo Care Limited, and Non-executive Director of Toll Holdings.

Harry was a former Managing Director and Chief Executive Officer of Ansell Limited.

Stephen Morro

Independent
Non-executive Director

Bachelor of Arts - Business Administration

Stephen Morro is a Non-executive Director of The Lottery Corporation and a Member of the People & Remuneration, Risk & Compliance and Nomination Committees.

He has more than 30 years' experience in the gaming industry as a supplier, operator, and regulator.

Stephen is a Non-executive Director of Light & Wonder and a former Non-executive Director of Dreamscape Entertainment Integrated Resorts.

He was formerly a Non-executive Director of Aristocrat Leisure Limited.

Stephen previously held various roles at International Game Technology PLC, including as President of the North American Gaming Division and Chief Operating Officer.

Other ASX Company directorships in the past three years:

- Light & Wonder since August 2022.

John O'Sullivan

Independent
Non-executive Director

Bachelor of Laws, Bachelor of Arts, Master of Laws

John O'Sullivan is a Non-executive Director of The Lottery Corporation, and is the Chairman of the Risk & Compliance Committee and a Member of the Audit and Nomination Committees.

John is the Chairman of Storage King Group and an Ambassador for the Australian Indigenous Education Foundation.

He was a former partner at Freehill Hollingdale & Page (now Herbert Smith Freehills Kramer) practising in corporate, finance, mergers and acquisitions.

He was also General Counsel of the Commonwealth Bank of Australia, Executive Chairman of Investment Banking and Capital Markets (Australia) at Credit Suisse Australia, and a Non-executive Director of AMP Limited.

Other ASX Company directorships in the past three years:

- Storage King Group from June 2023.

Megan Quinn

Independent
Non-executive Director

Fellow of the Australian Institute of Company Directors

Megan Quinn is a Non-executive Director of The Lottery Corporation, and a Member of the People & Remuneration, Risk & Compliance, and Nomination Committees.

She has more than 30 years' experience as a senior executive, entrepreneur, advisor, and non-executive director across a range of industries.

Megan co-founded online luxury retailer Net-A-Porter.

She is currently a Non-executive Director on the VCA Foundation Board for the Victorian College of the Arts. Megan is a former Non-executive Director of Reece Limited, InvoCare Limited and City Chic Collective.

Megan previously served on the Board and National Committee of UNICEF Australia.

Other ASX Company directorships in the past three years:

- City Chic Collective Limited from October 2012 to August 2025
- Reece Limited from August 2017 to July 2025
- InvoCare Limited from October 2018 to November 2023 (when InvoCare was acquired by TPG Capital and delisted from the ASX).

Tim Poole

Independent
Non-executive Director

Bachelor of Commerce

Tim Poole is a Non-executive Director of The Lottery Corporation and a Member of the Audit Committee and the People & Remuneration Committee .

Tim is currently the Chairman of Endeavour Group Limited and was formerly Chairman of Reece Limited and Aurizon Holdings Limited.

Tim has served as a non-executive director in a range of public and private companies in various sectors including infrastructure, transport, property, financial services and mining.

He was also formerly the Managing Director of Hastings Funds Management.

Other ASX Company directorships in the past three years:

- Endeavour Group Limited since May 2026
- Aurizon Holdings Limited July 2015 to January 2026
- Reece Limited July 2016 to December 2024.

Anne Brennan

Independent
Non-executive Director

Bachelor of Commerce (Honours)

Fellow of Chartered Accountants of Australia & New Zealand

Fellow of the Australian Institute of Company Directors

Anne Brennan is a Non-executive Director of The Lottery Corporation, and the Chair of the Audit Committee, a Member of the People & Remuneration Committee and Nomination Committee.

She is a Non-executive Director of GPT Group.

Anne is an experienced Non-executive Director with deep financial and business experience across a range of industries. Her previous directorships include Endeavour Group Limited, Argo Investments Limited, Charter Hall Group, Echo Entertainment Group, Metcash Limited, Myer Limited, Nufarm Limited, NSW Treasury Corporation, Tabcorp Holdings, Rabobank Australia and Rabobank New Zealand, and Spark Infrastructure Group.

She has held a variety of senior management roles in both large corporates and professional services firms. Anne was formerly Chief Financial Officer at CSR Limited and Finance Director at Coates Hire Limited. She was also a partner at Ernst & Young, Andersen and KPMG.

Other ASX Company directorships in the past three years:

- GPT Group since May 2022
- Endeavour Group Limited from June 2022 to November 2025.

Directors' Report

8. Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of The Lottery Corporation Limited were:

Doug McTaggart	Wayne Pickup
88,391	50,000
Anne Brennan	**Harry Boon**
38,500	76,364
Stephen Morro	**John O'Sullivan**
40,000	41,191
Tim Poole	**Megan Quinn**
56,000	36,146

9. Directors' interests in contracts

Some Directors, or related entities of the Directors, may conduct transactions with entities within the Group that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the Director or Director-related entity on normal commercial terms and conditions.

The Board assesses the independence of Directors and, among other things, takes into account any related party dealings referable to a Director which are material and require disclosure under accounting standards, and whether any Director is, or is associated with, a supplier, professional adviser, consultant to or customer of the Group which is material. No such circumstances arose during the financial year.

10. Indemnification and insurance - Directors and officers

The Lottery Corporation's constitution provides that the Company will indemnify each Director and officer to the extent permitted by law against any liability incurred by that officer as an officer of the Company or a related body corporate.

In accordance with The Lottery Corporation's constitution, the Company has entered into deeds of indemnity, insurance and access with each of The Lottery Corporation's Directors.

The Lottery Corporation has paid a premium in respect of a contract insuring Directors and officers against any liability incurred by them arising out of the conduct of the business of The Lottery Corporation or in or arising out of the discharge of their duties. In accordance with normal commercial practices, under the terms of the insurance contracts, the details of the nature and extent of the liabilities insured against and the amount of premiums paid are confidential.

11. Company Secretary

Adam Newman is the Chief Financial Officer and the Company Secretary of The Lottery Corporation. He is supported by the Deputy Company Secretary who is responsible for the day to day management of the Company Secretariat function and corporate governance support across the Group.

Adam holds a Bachelor of Business, a Postgraduate Diploma of Business, and a Graduate Diploma in Applied Finance. He is a member of Chartered Accountants Australia & New Zealand and the Financial Services Institute of Australasia.

12. Environmental regulation and performance

The Lottery Corporation recognises that its activities have environmental impacts through its operations and value chain.

During the financial year ended 30 June 2026, no environmental breaches have been notified to the Group by any government agency. Information regarding the Group's sustainability strategy, performance and initiatives is provided in the FY26 Voluntary Sustainability Report. The Group's climate-related disclosures are set out in the Sustainability Report which can be found on pages 77 to 93.

13. Political contributions and engagement

The Lottery Corporation's Political Contributions Policy acknowledges the responsibility the Company has to its shareholders and stakeholders to participate in the process of public policy development.

As part of this, The Lottery Corporation holds memberships of political party networking forums and attends events that support political parties as they participate in the democratic system of parliamentary government in Australia. In FY26, The Lottery Corporation's political contributions totalled $130,700 (including GST).

The Lottery Corporation's principles around its political contributions include maintaining an honest and transparent approach; no 'cash-only' donations; and a bipartisan approach as much as practicable. Priorities include advocating for sustainable lotteries sectors across Australia, strong responsible gambling and consumer protection laws and strategic priorities to create value for The Lottery Corporation customers, partners, the community and shareholders.

The Lottery Corporation's Political Contributions Policy is available on The Lottery Corporation's website (www.thelotterycorporation.com) under the Corporate Governance section.

14. Rounding of amounts

Dollar amounts in the Financial Report and the Directors' Report have been rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183.

15. Auditors

The Group's external auditor is Ernst & Young Australia. The Group's internal auditor is KPMG.

16. Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

17. Non-audit services

Ernst & Young Australia, the external auditor to the Company and the Group, provided non-statutory audit services to the Company during the financial year ended 30 June 2026. The Directors are satisfied that the provision of non-statutory audit services during this period was compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-statutory audit service provided means that auditor independence was not compromised.

The Audit Committee reviews the activities of the independent external auditor and reviews the auditor's performance on an annual basis. The Chairman of the Audit Committee must approve all non-statutory audit and other work to be undertaken by the auditor (if any).

Ernst & Young Australia, acting as the Company's external auditor, received or are due to receive \$377,000 in relation to the provision of other assurance services (of which \$140,000 is reimbursed to the Group by the Lotteries Commission of South Australia) and \$18,000 in relation to the provision of other non-audit services to the Company in respect of the financial year ended 30 June 2026. Amounts paid or payable by the Company for audit and non-statutory audit services are disclosed in note E5 to the Financial Report.

18. Directors' meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director is set out in the table below.

2026 Annual Report – Meeting Attendance Table

Director	Board Meetings		Committee Meetings							
			Audit		People & Remuneration		Risk & Compliance		Nomination	
	held/ attended BM	held/ attended as O	held/ attended as CM	held/ attended as O or NCM	held/ attended as CM	held/ attended as O or NCM	held/ attended as CM	held/ attended as O or NCM	held/ attended as CM	held/ attended as O or NCM
Doug McTaggart	8/8	N/A	N/A	4/4	N/A	4/4	N/A	4/4	1/1	N/A
Wayne Pickup(i)	4/4 (ii)	1/1 (ii)	N/A	3/3	N/A	3/3 (ii)	N/A	3/3	N/A	N/A
Harry Boon	7/8(iii)	N/A	4/4	N/A	4/4	N/A	N/A	4/4	1/1	N/A
Anne Brennan	8/8	N/A	4/4	N/A	4/4	N/A	N/A	3/4(iii)	1/1	N/A
Stephen Morro	8/8	N/A	N/A	4/4	4/4	N/A	4/4	N/A	1/1	N/A
John O'Sullivan	8/8	N/A	4/4	N/A	N/A	4/4	4/4	N/A	1/1	N/A
Megan Quinn	8/8	N/A	N/A	4/4	3/4(iii)	N/A	3/4(iii)	N/A	1/1	N/A
Tim Poole(iv)	8/8	N/A	1/1	3/3	2/2	2/2	N/A	4/4	1/1	N/A
Sue van der Merwe(v)	4/4(vi)	N/A	N/A	2/2	N/A	2/2(vi)	N/A	2/2	N/A	N/A

Legend:	BM = Board Member	CM = Committee Member	NCM = Non-Committee Member	O = Observer

(i) Mr Pickup commenced as the Chief Executive Officer and as an Observer to the Board on 27 November 2025, and following the completion of all necessary administrative matters, was appointed Managing Director on 9 December 2025.

(ii) Mr Pickup was not present during discussions related to the review of his performance and his remuneration arrangements.

(iii) Absences were due to previously notified conflicts.

(iv) Mr Poole was appointed as Committee Member of the Audit Committee, People & Remuneration Committee and Nomination Committee effective 17 February 2026.

(v) Ms van der Merwe retired as Managing Director and Chief Executive Officer, effective 27 November 2025.

(vi) Ms van der Merwe was not present during discussions related to the review of her performance and her remuneration arrangements,

19. Auditor's independence declaration

Included on page 48 is a copy of the auditor's independence declaration provided under section 307C of the Corporations Act in relation to the audit for the financial year ended 30 June 2026. This auditor's independence declaration forms part of this Directors' Report.

20. Remuneration Report

The Remuneration Report for the financial year ended 30 June 2026 forms part of this Directors' Report and can be found on pages 49 to 76.

This Directors' Report has been signed in accordance with a resolution of Directors.

Dr Doug McTaggart
Chairman
19 August 2026

Wayne Pickup
Managing Director and Chief Executive Officer

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's independence declaration to the directors of The Lottery Corporation Limited

As lead auditor for the audit of the financial report of The Lottery Corporation Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 30 June 2026, I declare 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 review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of The Lottery Corporation Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Michael Collins
Partner
19 August 2026

Remuneration Report

Letter from the People and Remuneration Committee Chairman

On behalf of the People and Remuneration Committee and the Board, I am pleased to present the FY26 Remuneration Report of The Lottery Corporation.

A year of transition

FY26 was a year of significant change for The Lottery Corporation including transition in the Managing Director & CEO role. Sue van der Merwe retired after leading the Company since demerger, having overseen the successful establishment of The Lottery Corporation as an independent ASX-listed entity, delivered healthy returns for shareholders, and built a platform for future growth.

Wayne Pickup commenced on 24 November 2025 and has moved quickly to reset the strategic agenda, with a refreshed enterprise strategy developed and endorsed by the Board, and a new operating model implemented on 1 July 2026. The intention is to further sharpen accountability and focus across our Lotteries and Keno business segments and accelerate our digital agenda as we enter our next phase of growth.

Against this backdrop of change, the Company also delivered a 40-year Victorian licence extension, the Powerball price increase and disciplined cost management that drove savings well ahead of target. External stakeholder confidence in the Company's direction remained strong throughout the year, reflected in positive feedback from investors regarding our June 2026 Investor Day.

Financial Performance

Group revenue was $3,576.6m, down 2.9% on the prior year and EBITDA (before significant items)[(i)] of $736.1m was down 1.8% on prior year. This below target financial performance was largely attributable to unfavourable jackpot game outcomes which were at the low end of statistical probability. While underlying base game performance remained resilient, it was insufficient to fully offset the disappointing jackpot game outcomes.

(i) Non-IFRS information and unaudited

Fixed remuneration

Executive remuneration was again benchmarked to the ASX 25-75 to ensure remuneration remained competitive and appropriately positioned relative to roles of similar size, scope and complexity. There are no increases for executive KMP for FY27, other than the MD & CEO. Following a review of market positioning and recognising Mr Pickup's contribution since his commencement, the Board approved a 6% increase to his fixed remuneration, effective 1 September 2026.

Short term incentive (STI)

Under the FY26 STI plan, the formation of an incentive pool requires Group EBIT (before significant items) to reach at least 95% of target. As this was not met, no STI pool was generated.

The Committee gave careful consideration to whether this outcome appropriately reflected the performance of the organisation and its leadership over the year. Whilst the Committee was conscious that a significant portion of the shortfall reflected jackpot conditions outside management's control, it concluded that the integrity of the EBIT gateway should be maintained and applied as designed, confirming that no STI pool was generated.

Accordingly, the current and former MD & CEO will not receive any STI payment for FY26.

The Board has approved limited and constrained discretionary payments for certain other executive KMP to recognise specific achievements during the year that materially enhanced shareholder value. These included strong operational performance, securing a 40-year early extension of the Victorian licence, executing a full organisational restructure, achieving cost reduction outcomes of 37% above target, and completing a well-received strategic refresh. The average discretionary payments to other executive KMP equate to 9% of fixed remuneration.

These payments are reflected in Table 16 of this report and reflect a differentiated approach: fixed remuneration decisions were made having regard to market positioning and role context, while any discretionary payments were limited to specific in-year contributions that materially supported shareholder value.

Long-term incentive (LTI)

The MD & CEO's FY26 LTI offer was approved by shareholders at the 2025 AGM, with similar offers made to executive KMP. Testing of the FY23 LTI offer, the first since the Company's demerger, resulted in 52.64% of Performance Rights vesting. This reflected the Company's 51st percentile ranking against the peer group of comparable companies within the ASX100 (excluding metals and mining & oil and gas companies).

Non-executive Director fees

Non-executive Director fees remained unchanged in FY26, and have not increased since the Company's initial listing on the ASX on 24 May 2022. There were no changes applied to Board fees for FY27.

FY27 remuneration framework

The Board considers that our remuneration structure, including a simplified STI design and the dual measure LTI, suitably align executive reward with Group strategy, shareholder value creation and responsible performance in FY26.

However, with a revised strategy and a new operating model from 1 July 2026, the People and Remuneration Committee intends to undertake a comprehensive review of the remuneration framework over the next 12 months. This review will consider whether the framework's design, measures and structure remain optimally aligned to the Company's revised strategic priorities and the evolving expectations of our shareholders and other stakeholders. Aspects of this review will be reflected in the FY27 Remuneration Report and would be effective from 1 July 2027.

Conclusion

On behalf of the Board, I would like to thank our people for their continued commitment and resilience during a year of significant change for the organisation.

The People and Remuneration Committee remains committed to remuneration and people strategies that enable a high-performance, customer-first organisation, support execution of The Lottery Corporation's strategy, and drive sustainable long-term value creation.

Harry Boon

People & Remuneration

Committee Chairman

1. Key Management Personnel (KMP)

This Remuneration Report details the remuneration policies and arrangements for Key Management Personnel (KMP) of the Group, comprising The Lottery Corporation and its subsidiaries, for the year ended 30 June 2026 (FY26). KMP are those persons having the authority and responsibility for planning, directing, and controlling the activities of The Group, and comprises the Directors of The Lottery Corporation and certain members of the Senior Leadership Team. This Remuneration Report is presented in accordance with the requirements of the Corporations Act and its regulations and has been audited as required by section 308(3C) of the Corporations Act.

Following our refreshed strategy and a new operating model, changes to the composition and accountabilities of the Senior Leadership Team will take effect from 1 July 2026. As a result Mr Shepherd ceased to be an executive KMP on 30 June 2026. Further changes to the executive KMP have been provided below.

All other KMP were in place for the full year.

For FY27, Mr Moore as Chief Operating Officer - Keno and Ms Somerville as Chief Operating Officer - Digital will be classified as executive KMP. Mr Newman will remain as executive KMP in his role as Chief Financial Officer and Mr Mulvihill will remain as executive KMP in his new role as Chief Operating Officer - Lottery.

Table 1 – KMP for FY26

Name	Position held	Period in position
Current Non-executive Directors		
Doug McTaggart	Chairman and Non-executive Director	Full year
Harry Boon	Non-executive Director	Full year
Anne Brennan	Non-executive Director	Full year
Stephen Morro	Non-executive Director	Full year
John O'Sullivan	Non-executive Director	Full year
Megan Quinn	Non-executive Director	Full year
Tim Poole	Non-executive Director	From 6 August 2025
Current executive Director		
Wayne Pickup	MD & CEO	From 27 November 2025
Former executive Director		
Sue van der Merwe	MD & CEO	From 1 July 2025 to 27 November 2025
Current executive KMP		
Callum Mulvihill[(ii)]	Chief Commercial Officer	Full year
Adam Newman[(ii)]	Chief Financial Officer	Full year
Andrew Shepherd[(i)]	Chief Customer & Marketing Officer	Full year
Future executive KMP		
Antony Moore[(ii)]	Chief Operating Officer - Keno	From 1 July 2026
Loren Somerville[(ii)]	Chief Operating Officer - Digital	From 1 July 2026

(i) Mr Shepherd ceased to be an executive KMP on 30 June 2026.

(ii) Mr Moore and Ms Somerville commenced as executive KMP from 1 July 2026. Mr Mulvihill and Mr Newman will remain as KMP for FY27 in the roles of Chief Operating Officer - Lottery and Chief Financial Officer respectively.

2. Key Messages and Summary

Table 2 – Overview of FY26 and FY27 remuneration

<table>
<tr><th></th><th colspan="6">FY26</th><th colspan="2">FY27</th></tr>
<tr><th colspan="9">Non-executive Director fees</th></tr>
<tr><td>Board and Board Committee fees</td><td colspan="6">No change from FY25. However, cash fees decreased by 0.5% in July 2025 to absorb the corresponding SGC[(i)] rate increase. This resulted in overall fees remaining unchanged.</td><td colspan="2">No change from FY26.</td></tr>
<tr><th colspan="9">Current MD & CEO remuneration</th></tr>
<tr><td>Fixed remuneration</td><td colspan="6">$1,552,500 (commencing from 27 November 2025)</td><td colspan="2">$1,652,500 (6% change from FY26)</td></tr>
<tr><td rowspan="3">Short term incentive (STI) opportunity and award</td><td colspan="2">Target opportunity</td><td colspan="2">Maximum opportunity</td><td colspan="2">Actual FY26 award</td><td>Target opportunity</td><td>Maximum opportunity</td></tr>
<tr><td colspan="2">$1,552,500 (100% of fixed remuneration)</td><td colspan="2">$2,328,750 (150% of fixed remuneration)</td><td colspan="2">$0</td><td>$1,652,500 (100% of fixed remuneration)</td><td>$2,478,750 (150% of fixed remuneration)</td></tr>
<tr><td colspan="8">50% of Mr Pickup's STI award is delivered in Restricted Shares (restricted for 2 years). Restricted Shares are subject to malus, clawback and service conditions. However, for FY26, Mr Pickup will receive no STI award.</td></tr>
<tr><td rowspan="3">Long term incentive (LTI) opportunity and vesting</td><td colspan="3">Target opportunity</td><td colspan="3">Maximum opportunity</td><td>Target opportunity</td><td>Maximum opportunity</td></tr>
<tr><td colspan="3">$1,552,500 (100% of fixed remuneration)</td><td colspan="3">$2,328,750 (150% of fixed remuneration)</td><td>$1,652,500 (100% of fixed remuneration)</td><td>$2,478,750 (150% of fixed remuneration)</td></tr>
<tr><td colspan="8">Mr Pickup was allocated a pro rata amount of the FY26 LTI given his commencement date was part way through the plan's service period.</td></tr>
<tr><td>Sign-on bonus and relocation benefit</td><td colspan="8">$500,000 (Cash Sign-on Bonus) was paid to Mr Pickup to compensate for the forfeiture of certain verified existing incentive arrangements with his previous employer. Payment was made within 10 business days of commencement and was conditional on the Company obtaining all necessary Regulatory Approvals, which were received prior to commencement date. Mr Pickup was also provided $260,711 in relocation benefit to support his transition from the US to Australia.</td></tr>
<tr><th colspan="9">Other executive KMP (FY26) [(iii)]</th></tr>
<tr><td>Fixed remuneration</td><td colspan="6">An average increase of 3% across the executive KMP, effective 1 September 2025. Separately, the 0.5% increase in the SGC[(i)] rate was applied to KMP from 1 July 2025.</td><td colspan="2">For FY27, there were no increases for the executive KMP.</td></tr>
<tr><td rowspan="3">Short term incentive (STI) opportunity and award and discretionary payments</td><td colspan="2">Average target opportunity</td><td colspan="2">Average maximum opportunity</td><td colspan="2">Average actual FY26 award</td><td>Average target opportunity[(iv)]</td><td>Average maximum opportunity[(iv)]</td></tr>
<tr><td colspan="2">$359,677 (50% of fixed remuneration)</td><td colspan="2">$719,353 (100% of fixed remuneration)</td><td colspan="2">$0</td><td>$342,170 (50% of fixed remuneration)</td><td>$684,340 (100% of fixed remuneration)</td></tr>
<tr><td colspan="8">25% of executive KMP's STI awards are delivered in Restricted Shares (restricted for 2 years). Restricted Shares are subject to malus, clawback and service conditions. For FY26, discretionary payments equating to an average of 9% of fixed remuneration are provided to select executive KMP. Further details are provided in section 4(a)(i) and Table 16.</td></tr>
<tr><td rowspan="2">Long term incentive (LTI) opportunity and vesting</td><td colspan="2">Average target opportunity</td><td colspan="2">Average maximum opportunity</td><td colspan="2">Average value of FY23 LTI vesting[(ii)]</td><td>Average target opportunity[(iv)]</td><td>Average maximum opportunity[(iv)]</td></tr>
<tr><td colspan="2">$359,677 (50% of fixed remuneration)</td><td colspan="2">$719,353 (100% of fixed remuneration)</td><td colspan="2">$461,145 (64% of fixed remuneration)</td><td>$342,170 (50% of fixed remuneration)</td><td>$684,340 (100% of fixed remuneration)</td></tr>
<tr><td>FY26 Retention Arrangements</td><td colspan="8">Retention awards in the form of Restricted Shares were allocated to the executive KMP to the value of $250,000. For further details, see section 3(e)(vi).</td></tr>
</table>

(i) SGC – mandatory Superannuation Guarantee Contribution.
(ii) The FY23 LTPP offer was tested on 27 September 2025 and 52.64% of the Performance Rights granted under the offer vested into shares.
(iii) Due to the changes in executive KMP for FY27 further remuneration information is provided in Section 3(c)(i).
(iv) FY27 STI and LTI figures include arrangements for new executive KMP for FY27.

Former MD & CEO

Ms van der Merwe retired during FY26 and her final date as KMP was 27 November 2025. Ms van der Merwe remained employed until 30 January 2026 (cessation date) to support a smooth transition to the new MD & CEO.

Any Restricted Shares allocated as part of Ms van der Merwe's STI remain on foot and continue to be subject to existing restrictions after cessation.

A pro rata portion of the Performance Rights relating to the FY24 and FY25 LTI remain on foot (based on service to cessation date) and remain subject to existing LTI terms and performance/vesting conditions.

Table 3 - Overview of the former MD & CEO FY26 remuneration arrangements

<table>
<tr><th colspan="4">Former MD & CEO</th></tr>
<tr><td>Fixed remuneration</td><td colspan="3">$1,552,500</td></tr>
<tr><td rowspan="2">Short term incentive (STI) opportunity and award</td><td>Target opportunity</td><td>Maximum opportunity</td><td>Actual FY26 award(i)</td></tr>
<tr><td>$1,552,500
(100% of Fixed Remuneration)</td><td>$2,328,750
(150% of Fixed remuneration)</td><td>$0</td></tr>
<tr><td rowspan="2">Long term incentive (LTI) vesting</td><td colspan="3">Value of FY23 LTI vesting(ii)</td></tr>
<tr><td colspan="3">52.64% (368,111) of performance rights granted in FY23 vested against the relative TSR performance condition. These rights increased in value from $1,579,196 at grant ($4.29 share price) to $2,157,130 at exercise ($5.86 share price), reflecting share price growth over the period.</td></tr>
<tr><td>FY26 LTI Grant</td><td colspan="3">Ms van der Merwe's did not receive a grant under the FY26 Offer.</td></tr>
</table>

(i) No FY26 STI award was provided to Ms van Der Merwe.

(ii) Refer to Table 4 for more information in relation to LTI value.

3. Executive Remuneration

a) Governance and Structure

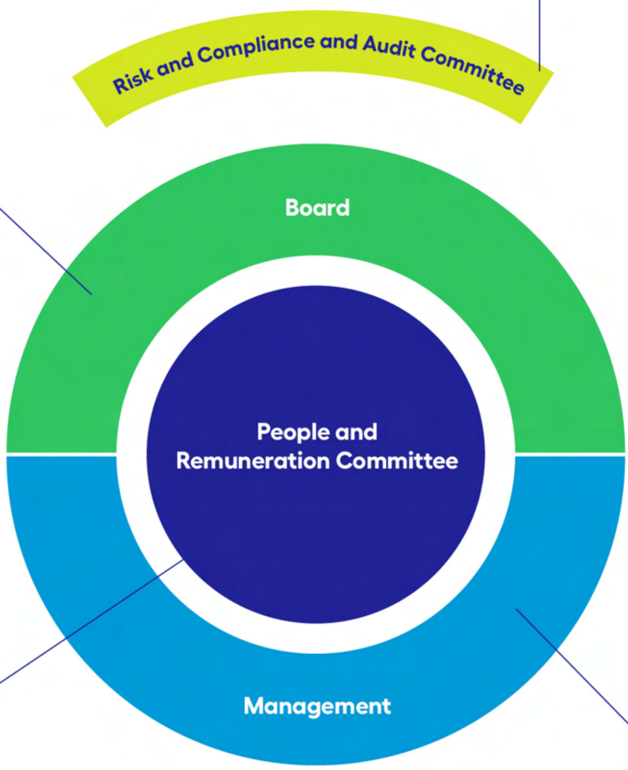
Diagram 1 – Remuneration governance structure and framework

The Board maintains accountability for the oversight of The Lottery Corporation's remuneration policies and seeks to ensure they are aligned with The Lottery Corporation's purpose, principles, strategic objectives, and risk appetite. The Board considers advice and recommendations from the People and Remuneration Committee with respect to the people and remuneration framework and its operation. The Board is responsible for approving and managing Non-executive Director fee arrangements and ensuring the MD & CEO's remuneration is shareholder-aligned, appropriate, competitive, and effectively aligned with Group and individual performance outcomes.

The Risk and Compliance Committee reviews risk and compliance cultural indicators and performance.

The Audit Committee reviews sustainability matters aligned to our environmental, social and governance (ESG) agenda.

Both Committees work with the People and Remuneration Committee to ensure appropriate variable remuneration outcomes.



Management provides advice for the People and Remuneration Committee to consider on matters including:

- Remuneration arrangements for the MD & CEO, and executive level direct reports, including the establishing of new, or amendment to existing, incentive and equity plans.
- Annual performance review and remuneration outcomes of MD & CEO and executive level direct reports.
- Changes to the Group's remuneration policies.
- Risks that have materialised that the People and Remuneration Committee (in conjunction with the Risk and Compliance Committee) should consider as part of the annual review and recommendation of remuneration outcomes for the MD & CEO, and executive level direct reports to assist with the exercise of any Board discretion.

The People and Remuneration Committee ensures The Lottery Corporation's remuneration strategy aligns to the Company's strategic objectives , risk profile , regulatory obligations, shareholder interests and market development.. The Committee does this by:

- Reviewing and monitoring the Company's remuneration policies, governance processes and framework to ensure they continue to be fair, competitive, encourage strong business performance, shareholder value creation and are in line with our approach to risk management and compliance.
- Considering feedback from shareholders, shareholder representative groups, proxy advisors and other stakeholders when determining remuneration arrangements and outcomes.
- Setting people and remuneration strategies and policies, executive remuneration contracts, executive remuneration arrangements, designing organisation and executive incentive plans and approving executive incentive awards.
- Recommending new remuneration and incentive arrangements, key changes and Non-executive Director and MD & CEO remuneration arrangements to the Board.
- Exercising discretion to adjust remuneration outcomes based on business performance, risk, other internal and external factors and governance considerations, where appropriate.

b) Remuneration Framework

Our remuneration framework is designed to drive sustainable performance and long term value creation. It supports the delivery of our evolving Strategy by attracting, retaining and motivating capable and experienced people with the skills and behaviours required to succeed in our next phase.

Reflecting our strategic shift, the framework places emphasis on accountability, disciplined execution and outcomes that strengthen customer trust, community impact and shareholder value over the long term. It clarifies our priorities, sharpens organisational focus, and aligns reward with the delivery of the strategic objectives that matter most.

Our remuneration framework is supported by our remuneration principles which guide the design and ongoing operation of our remuneration framework.

Remuneration Principles

Market Competitive

Market competitive to support attraction and retention

Performance Focussed

Differentiated outcomes to recognise accountability and performance

Shareholder Aligned

Aligned with shareholder interests

Culture Aligned

Reinforce The Lottery Corporation's vision and desired culture

Simple & Clear

Focus on simplicity and what management can materially influence

Our remuneration framework has three key elements:

Fixed remuneration
Set to attract, retain and motivate executives and fairly compensate for the responsibilities of their roles.

Short term incentive (STI)
Rewards executives for delivering on annual financial and non-financial targets that align to the Group's strategic priorities and long-term corporate plan.

Long term incentive (LTI)
Rewards executives for delivering on long-term financial strategic goals which leads to sustained long-term value creation for shareholders.

Cash

- Fixed remuneration is set considering both internal and external relativities for roles of similar size, complexity, performance, and experience.
- 50% of the MD & CEO's and 75% of the other executive KMP's STI awards are provided in cash.

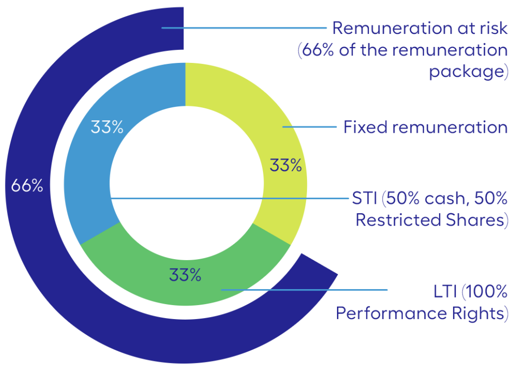
Equity

- 50% of the MD & CEO's and 25% of the other executive KMP's STI awards are provided in Restricted Shares which are restricted for two years and subject to malus, clawback and service conditions.
- The entire LTI grant is provided in Performance Rights which are subject to three-year performance conditions. Any Performance Rights that vest are subject to restriction for one further year. These shares are subject to clawback and malus provisions.

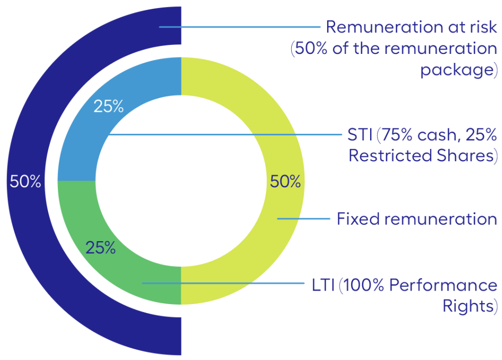
Executive KMP pay mix

The following graphs illustrate the pay mix for the MD & CEO and other executive KMP at target and maximum. The actual STI payments and LTI awards that may vest are subject to performance against pre-determined targets and may differ to what has been shown in graphs. The weighting of at-risk variable remuneration and equity, combined with the minimum shareholding requirements, means executive KMP are encouraged to act like owners and their remuneration outcomes are directly aligned to shareholder experience.

Target remuneration mix - MD & CEO



Target remuneration mix – executive KMP



To inform its decisions, the People and Remuneration Committee sources a range of data and may receive independent advice, as appropriate.

No independent remuneration-related advice was sought, and no remuneration recommendations were received, by The Lottery Corporation in respect of executive KMP remuneration during FY26 and at the date of this report.

The People & Remuneration Committee is governed by its Charter, which is available on The Lottery Corporation's website **www.thelotterycorporation.com** under the Corporate Governance section.

c) Contracted Remuneration

We aim to reward our executive KMP competitively and appropriately for:

Creating long-term shareholder value

Our short and long term incentive performance measures are directly linked to shareholder value creation.

Behaving in line with our principles

All executive KMP are assessed both on performance and behaviour, including how they demonstrate behaviours in line with our principles. This determines fixed and variable remuneration outcomes.

Acting in line with our enterprise risk management framework

Key scorecard measures and an STI sustainability & risk modifier[(i)] seek to ensure that executive KMP are rewarded for results that are achieved sustainably and ethically.

Strong Group financial and non-financial performance

STI outcomes are subject to an EBIT gateway, with subsequent performance assessed against a range of group financial and non-financial measures (including strategic, customer, leadership and people and culture measures).

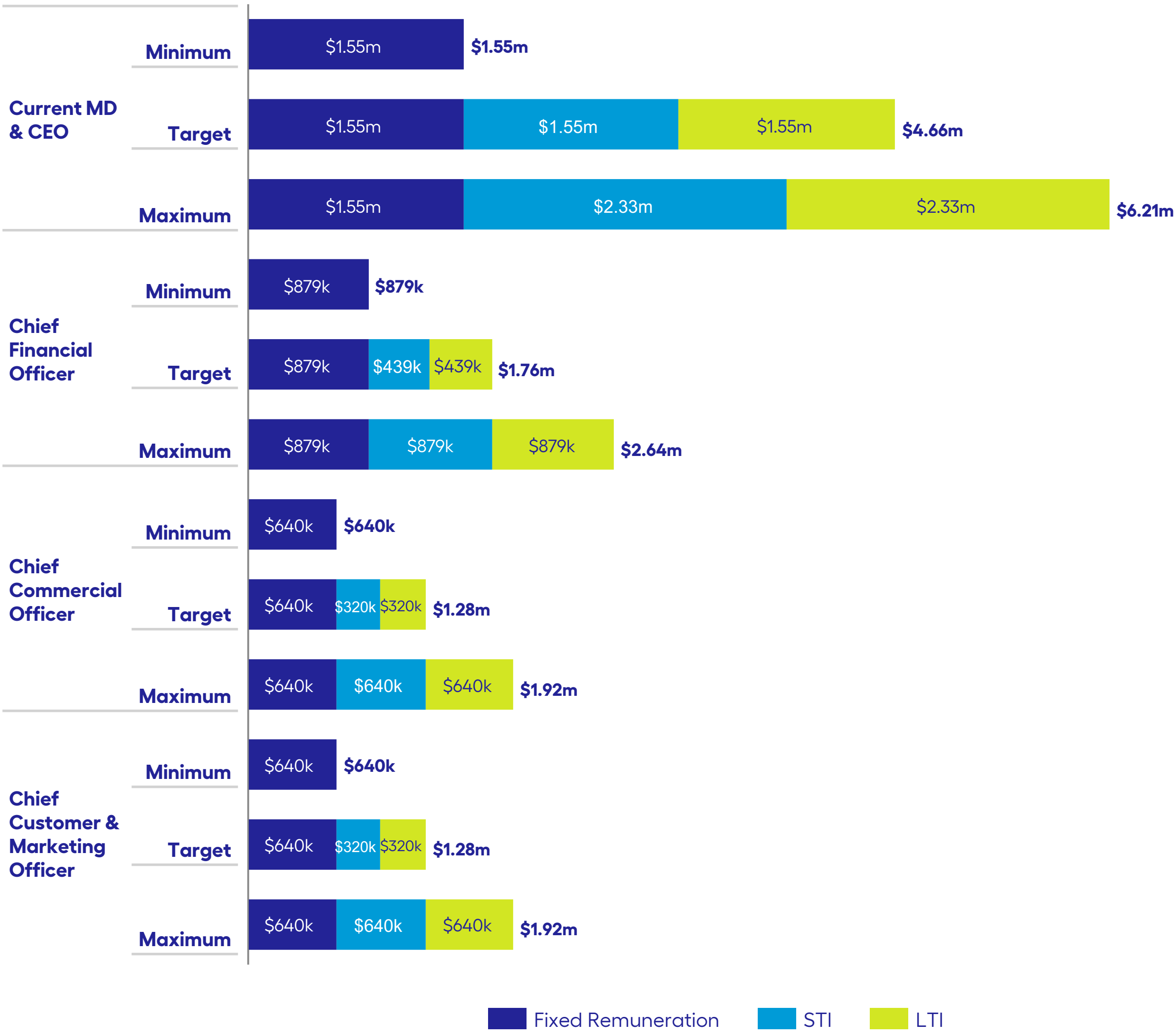
LTI measures are based on key strategic financial measures that align to the long-term corporate plan and value creation for shareholders.

(i) The sustainability & risk modifier and its application is outlined on page 60.

c) Contracted Remuneration (continued)

As actual business and individual performance over the performance period determines reward outcomes, the total remuneration received by Executive KMP each year will vary. Actual remuneration outcomes can also vary, depending on The Lottery Corporation's share price. The diagram below illustrates the range of possible remuneration outcomes for the executive KMP as at 30 June 2026..

Diagram 2 – FY26 Executive Remuneration Packages



Under the Minimum scenario, no STI is paid (STI targets have not been achieved) and LTI (Performance Rights) are forfeited. The MD & CEO would only receive fixed remuneration inclusive of superannuation.

Under the Target scenario, STI targets have been achieved and STI is paid out at target levels. LTI vests at target (the vesting value assumes no changes in share price between the grant date and the vesting date).

To receive the Maximum outcome, The Lottery Corporation would need to achieve stretch performance targets resulting in a maximum STI award and the LTI vest in full.

c) Contracted Remuneration (continued)

i) Contracted remuneration changes from 1 September 2026

Executive KMP salaries for FY27 KMP, were reviewed with adjustments made on an individual basis to ensure alignment to market benchmarks and considering responsibilities and experience in role. Increases were restrained in FY26, with no changes proposed for FY27 executive KMP. The MD & CEO will be provided with a 6% increase effective 1 September 2026.

d) Actual Remuneration Received in FY26

Table 4 provides a non-statutory voluntary disclosure of the total remuneration received by executive KMP during FY26. Some of the figures in the table have not been prepared in accordance with the Australian Accounting Standards. This additional information is supplementary to the remuneration disclosure prepared in accordance with the statutory requirements and Australian Accounting Standards as detailed in section 6 of this report. We believe this information will help shareholders understand the cash and other benefits received by executive KMP from the various components of their remuneration during FY26.

Table 4 – Actual value of remuneration received by executive KMP during FY26

Executive KMP	Salary and Fees(i)	Cash bonus(ii)	Superannuation	Value of Restricted Shares that became unrestricted(iii)	Value of LTI vested(iv)	Total
	$	$	$	$	$	$
Wayne Pickup	899,837	500,000	22,500	—	–	1,422,337
Callum Mulvihill	606,595	210,286	30,000	78,492	395,474	1,320,847
Adam Newman	844,395	288,847	30,000	117,600	592,487	1,873,329
Andrew Shepherd	606,595	210,286	30,000	78,492	395,474	1,320,847
Former executive KMP						
Sue van der Merwe(v)	571,967	625,852	148,046	856,310	2,157,130	4,359,305
Total	**3,529,389**	**1,835,271**	**260,546**	**1,130,894**	**3,540,565**	**10,296,665**

(i) Comprises salary and sacrificed benefits (including salary sacrificed superannuation and motor vehicle novated leases including fringe benefits tax (FBT) where applicable).

(ii) Cash bonus reflects the portion of the FY25 STI which was paid in September 2025. Amount attributable to Mr Pickup reflects the cash Sign-On Bonus paid in January 2026 (refer to Table 2 for further details).

(iii) Restricted Shares that became unrestricted relate to the release of the deferred component of the FY23 STI and calculated based on the market value of The Lottery Corporation shares at the date the restrictions ceased to apply (being August 2025).

(iv) Amounts relate to the FY23 LTI award that vested during FY26. The LTI value is equal to the number of Performance rights that vested multiplied by the share price of $5.86 as at date of exercise (27 September 2025).

(v) Ms van der Merwe ceased to be a KMP on 27 November 2025. She also participated in a defined benefit superannuation plan owned and managed by the Queensland Government. The amount disclosed for superannuation is the contribution paid by the Group into the fund, including $75,102 applicable to STI cash bonus paid in September 2025.

e) Remuneration Framework

i) Fixed remuneration

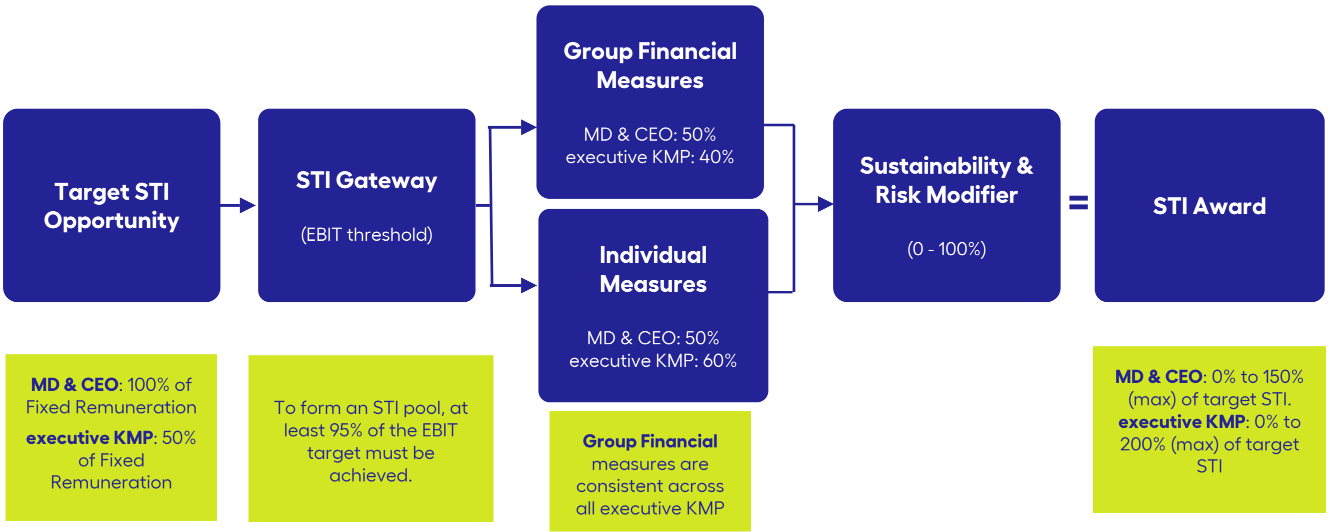
Our aim is to attract and retain talented team members by offering competitive and fair fixed remuneration levels.

What constitutes fixed remuneration?	Cash salary, statutory superannuation contributions and employee-elected salary sacrificed benefits.
How is it set?	With reference to the responsibilities and complexities of the role, the executive's knowledge, experience and skills and external market benchmarks.
What is our remuneration benchmarking peer group?	The ASX 25 to 75 group of companies.

ii) FY26 STI structure and operation

The FY26 STI plan was modified to ensure it remained aligned with our strategic direction. Changes to the plan focused participants on achieving the FY26 Group financial and individual non-financial performance targets which, in turn, help to deliver the Group's strategy over the longer term. The STI plan aims to reward participants for the demonstration of key behaviours aligned to our principles, which set the tone and culture of the organisation.

Diagram 3 – Executive KMP FY26 STI operation summary



EBIT threshold gateway

To form an STI pool, at least 95% of the EBIT target must be achieved.

Group Financial Measures

Group Financial measures are outlined in the MD & CEO scorecard. For FY26 these measures were based on:

- Revenue (40%)
- EBITDA (40%)
- Cost optimisation (20%)

These measures represent 50% of the STI performance assessment for the MD & CEO and 40% for other executive KMP. Achievement against these measures may be subject to Board discretion. Further details are available in section 4(a) i) and ii).

Individual Measures

The MD & CEO award is dependent on a balanced scorecard of measures. 50% of the performance measures are financial and 50% pertain to Group strategic targets.

For executive KMP STI awards, 40% are based on Group Financial outcomes and 60% are based on individual Performance measures. These measures are set to align to strategic Group and business unit priorities as appropriate and were agreed with the Board at the beginning of the financial year.

Sustainability and Risk modifier

The Board considers the organisation's performance in operating responsibly, managing risk effectively and maintaining transparency, alongside its capacity to deliver sustainable financial returns. Risk and sustainability-related measures such as the responsible operation of our business and products, contributing to the communities in which we operate, creating a great workplace, reducing our environmental footprint and identifying and mitigating key operational and strategic risks. These factors are evaluated to determine if any modification to STI outcomes were required.

STI Award

The MD and CEO receives 50% of any applicable STI award in cash and 50% will be provided in Restricted Shares. The executive KMP receives 75% of any applicable award in cash and 25% will be provided in Restricted Shares. Any Restricted Shares are held in restriction for 2 years. Outcomes in relation to the FY26 STI are presented in section 4(a) i).

Table 5 – Additional STI Information

What happens to Restricted Shares if an STI participant leaves the Group during the two-year restriction period?	If the participant resigns or is terminated for cause, Restricted Shares are forfeited (unless the Board determines otherwise). If the participant leaves the Group under any other circumstances (including due to redundancy, retirement, or ill health), then Restricted Shares will remain on foot and dealing restrictions will be lifted at the end of the original restriction period (unless the Board determines otherwise).
When is the STI awarded to participants?	If STI awards are made, the cash component is paid and Restricted Shares are granted in September, following the end of the financial year to which it pertains.
Why was the above method chosen to assess performance?	The methodology set out in Diagram 3 was chosen as it aligns with our approach of rewarding our employees for strong Group and individual financial and non-financial and sustainable performance.
Can Restricted Shares be forfeited or clawed back?	Restricted Shares may be forfeited at the Board's discretion, based on certain adverse events or information that may come to light. If these adverse events occur or adverse information becomes available after the Restricted Shares have become unrestricted, the Board may require the participants to (amongst other things) repay all or part of the value of the Restricted Shares.
How does the STI framework align with The Lottery Corporation's risk and compliance objectives?	The sustainability assessment includes adherence to risk management and compliance objectives, appropriate customer outcomes and cultural measures. The STI award is also dependent on participants displaying the appropriate behaviours and is delivered partly as Restricted Shares (restricted for two years) which are subject to malus and clawback provisions.
What happens in the event of a change in control of the Group?	The Board is required to determine, in its absolute discretion, the appropriate treatment regarding any Restricted Shares.

iii) FY27 STI structure and operation

We seek to to foster a high-performance culture that fairly recognises and rewards strong performance in a simple and equitable manner.

For FY27, The Lottery Corporation's STI has been amended to reinforce accountability for delivery at both Group and Business Unit level, aligned to the Company's strategy and operating model. The Business Unit focus is new and allows assessment of financial performance at both levels. The approach retains continuity with the current structure while sharpening financial accountability and clarifying expectations across the organisation.

Consistent with FY26, eligibility to receive an STI outcome is subject to an EBIT gateway, requiring achievement of at least 95% of EBIT budget. STI outcomes are determined through a balanced assessment of Group financial performance, Business Unit financial performance and individual goals, with weightings differentiated by role to reflect accountability and controllability. Outcomes may be adjusted by a Sustainability & Risk modifier (0% to 100%).

iv) FY26 LTI offer

Consistent with FY25, The Lottery Corporation's FY26 LTI offer included two performance measures being:

Relative total shareholder return (TSR) tranche:

- 50% of the total Performance Rights are subject to a performance measure based on relative TSR over a three year performance period, commencing 1 October 2025, and ending on 30 September 2028; and

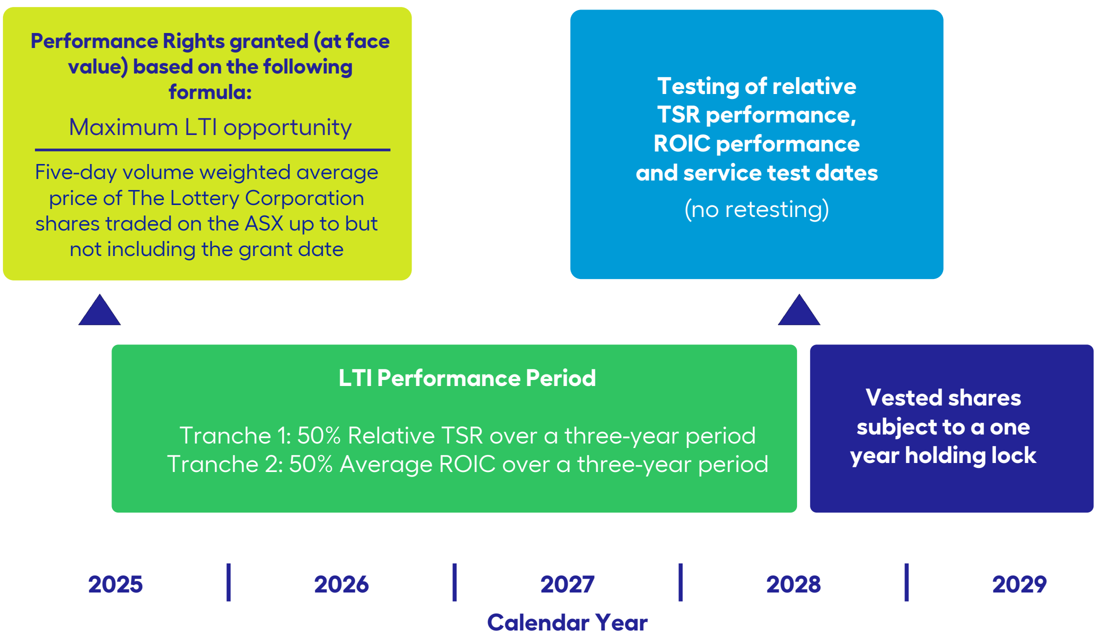
Return on invested capital (ROIC) tranche:

- 50% of the Performance Rights will be subject to a performance measure based on the achievement of average ROIC performance conditions, measured over three financial years (i.e. from 1 July 2025 to 30 June 2028 inclusive).
- Threshold, target and stretch ROIC performance metrics have been set relative to budget and the corporate plan. The ROIC Threshold, Target and Stretch goals will be published following the end of the performance period given the commercial sensitivity of this information.
- The ROIC performance condition was chosen as the second performance measure because it focuses management on achieving targeted returns on The Lottery Corporation's invested capital (equity and debt).

Vesting of all Performance Rights is also subject to a service condition. A one-year holding lock also applies to this offer. This holding lock will apply to any shares that vest in the future and participants are restricted from trading for the one-year period following vesting, providing an additional period to apply any malus or claw back. All performance and service condition will be tested on or around 1 October 2028 (the Test Date).

The current MD & CEO's FY26 LTI offer was approved by shareholders at the 2025 Annual General Meeting and allocated on 24 November 2025.

Diagram 4 – FY26 LTI operation summary



e) Remuneration framework (continued)

Table 6 – Additional FY26 LTI offer information

<table>
<tr><th>On what basis were Performance Rights allocated?</th><td colspan="4">Participants were allocated a maximum number of Performance Rights (based on their maximum LTI opportunities) using a face value allocation methodology. Each Performance Right provides the right to receive one ordinary share, at no cost to the participant (either at grant or at vesting), subject to the satisfaction of performance and service conditions. Performance Rights do not attract dividends or voting rights.</td></tr>
<tr><th>What are the performance measures?</th><td colspan="4">Vesting 50% of the Performance Rights are subject to relative TSR performance. A further 50% of the Performance Rights are subject to a three-year average ROIC target. If the performance conditions are not met, Performance Rights will lapse.</td></tr>
<tr><th>What is “relative TSR”?</th><td colspan="4">The return to shareholders (capital returns, dividends and share price movements) over the performance period relative to a peer group of companies. It was chosen as an LTI measure as it directly aligns to rewarding for sustained shareholder value creation.</td></tr>
<tr><th>What is "ROIC"?</th><td colspan="4">ROIC is an absolute measure, defined as earnings before interest, tax and significant items (EBIT before significant items), divided by the average invested capital base (being shareholders’ equity plus net economic debt). Average invested capital is calculated as the average of opening and closing balances for each financial year.

The ROIC performance condition requires three-year average ROIC performance (measured over three financial years, from 1 July 2025 to 30 June 2028) to exceed specified targets.</td></tr>
<tr><th rowspan="5">What are the relative TSR performance conditions?</th><th colspan="4">Relative TSR</th></tr>
<tr><th></th><th>Percentile ranking[i]</th><th>% of Performance Rights that will vest</th><th>Peer Group</th></tr>
<tr><td>Below Target</td><td>Below 50th percentile</td><td>0%</td><td rowspan="3">Companies included in the S&P/ASX 100 index excluding organisations operating in the Metals & Mining, Communications (Internet Media) Software, Oil and Gas sectors and excluding Block inc.[iii].</td></tr>
<tr><td>Target[ii]</td><td>50th percentile</td><td>50%</td></tr>
<tr><td>Maximum[ii]</td><td>75th percentile</td><td>100%</td></tr>
<tr><th rowspan="7">What are the ROIC performance conditions?</th><th colspan="4">ROIC</th></tr>
<tr><th></th><th>% of Performance Rights that will vest</th><th colspan="2">Performance Conditions[iv]</th></tr>
<tr><td>Below Threshold</td><td>0%</td><td colspan="2" rowspan="2">Threshold acknowledges the level of challenge inherent in the strategic plan upon which the target is based. The threshold has been set at a level of earnings growth and return performance considered to be sufficiently challenging relative to the target.</td></tr>
<tr><td>Between Threshold and Target</td><td>10%</td></tr>
<tr><td>At Target</td><td>50%</td><td colspan="2">Target is based on the achievement of The Lottery Corporation’s return objectives over the three-year performance period as reflected in the Company’s strategic plan.</td></tr>
<tr><td>Between Target and Stretch</td><td>Straight line vesting to occur between 50% and 100%</td><td colspan="2" rowspan="2">Stretch has been set at a sufficiently high value that would require significant growth in The Lottery Corporation’s earnings and level of returns over the three-year performance period, meaningfully beyond the target levels.</td></tr>
<tr><td>At or above Stretch</td><td>100%</td></tr>
<tr><th>What are the ROIC targets?</th><td colspan="4">The ROIC Threshold, Target and Stretch goals will be published following the end of the performance period given the commercial sensitivity of this information.</td></tr>
<tr><th>When will conditions be tested?</th><td colspan="4">At the end of the three-year performance period.</td></tr>
</table>

How will the satisfaction of the performance conditions be assessed?	Relative TSR performance will be calculated by an independent third party, and the results will be assessed by the People and Remuneration Committee to determine appropriate vesting outcomes. ROIC performance will be calculated and verified by The Lottery Corporation's external auditors following 30 June 2028. The ROIC service condition will be tested and agreed with the Board in October 2028.
What happens if performance and service conditions are met?	If the service and performance conditions have been met, The Lottery Corporation will issue or transfer ordinary shares to the participant, which will rank equally with other fully paid shares (full voting and dividend rights). These shares will be held in restriction for a further one-year period from the date of vesting. Participants will be restricted from trading during this period, providing an additional period to apply any malus or claw back.
What happens when an LTI participant leaves the Group?	If a participant resigns or is terminated for cause, Performance Rights will lapse (unless the Board determines otherwise). In all other circumstances (including genuine retirement) a pro rata number of Performance Rights (based on the portion of the service period during which the participant was employed) remain on foot and are subject to the original terms and conditions (including performance but excluding service), unless the Board determines otherwise. The remainder of the Performance Rights will lapse.
What happens if there is a change of control?	The Board can determine, in its absolute discretion, the appropriate treatment regarding any unvested Performance Rights.
Can Performance Rights be cancelled or clawed back?	Performance Rights may lapse at the Board's discretion based on adverse events that have occurred or where adverse material information becomes available after Performance Rights have been granted. If this occurs after the Performance Rights have vested, the Board may require participants to repay all or part of the value of the award.
Accounting treatment	Performance Rights are expensed on a straight-line basis over the vesting period. Under Australian Accounting Standards, for the relative TSR measure, The Lottery Corporation is required to recognise an expense irrespective of whether Performance Rights ultimately vest to the participant. A reversal of the expense is only recognised in the event the Performance Rights lapse due to cessation of employment within the vesting period (for relative TSR and ROIC measures) or the Performance Rights do not vest (for the ROIC measure).

(i) The vesting schedule aligns with predominant ASX 25 to 75 practices.

(ii) Straight line (pro rata) vesting occurs between target and maximum performance levels.

(iii) The Board has discretion to remove organisations included in the peer group if there have been material changes to the market positioning of those organisations or if they have delisted from the ASX. The Board also has discretion to adjust the TSR calculations for a peer group company, where there have been material capital adjustments to that organisation.

(iv) The Board has the discretion to adjust the ROIC calculation so as to not unduly benefit or disadvantage participants. This may include material events or transactions that are in the best interests of the Company, such as the extension of licences, strategic acquisitions or divestments or asset impairments.

v) FY27 LTI offer

The FY27 LTI grant (intended to be offered in November 2026) will be consistent in its structure compared to FY26 with no proposed changes for this year. The current design remains aligned with market practice and shareholder expectations and is considered appropriate at this time. In light of the Company's evolving strategic direction, a broader review of the remuneration framework will be undertaken over the coming year.

More details will be provided in The Lottery Corporation's 2026 Notice of Meeting and the FY27 Remuneration Report.

vi) FY26 executive KMP Retention Arrangements

As disclosed in the FY25 Remuneration Report, a one-off retention plan was approved in June 2025 to support leadership continuity, strategic delivery and the retention of critical Australian lotteries expertise during the transition to a new MD & CEO. Following the release of the FY25 financial results, Restricted Share awards with a face value of $250,000 were granted to each executive KMP (excluding the MD & CEO). The number of shares allocated was determined using the five-day VWAP preceding 28 July 2025, consistent with the terms of the plan. The awards are subject to continued employment and will vest on 28 January 2027, with no additional performance conditions applying.

4. Performance and Incentive Outcomes

a) Five-year business performance and incentive outcomes

The table below shows The Lottery Corporations financial performance, and STI and LTI outcomes for FY22 to FY26.

Table 7 – Overall business performance – FY22, FY23, FY24, FY25 and FY26

Measure	Measurement unit	FY26	FY25	FY24	FY23	FY22(i)
Earnings before interest and tax (EBIT)(ii)	$m	539.6	649.4	663.4	508.4	538.4
EBIT (before significant items)(iii)(iv)	$m	622.3	649.4	718.8	615.0	594.0
EBITDA (before significant items)(iii)(iv)	$m	736.1	749.3	827.1	713.2	684.6
Net profit after tax (NPAT)(ii)	$m	284.6	365.5	414.0	264.8	346.6
Basic earnings per share (EPS)(ii)	Cents	12.8	16.4	18.6	11.9	15.6
Closing share price(v)	$	5.76	5.33	5.07	5.13	4.52
Dividends - ordinary	Cents per share	16.5	16.5	16.0	14.0	—
Dividends - special(vi)	Cents per share	—	—	2.5	1.0	—
STI awards						
MD & CEO	Award as % of target STI opportunity	— %	90 %	108 %	100 %	105 %
	Award as % of maximum STI opportunity(viii)	— %	60 %	72 %	67 %	56 %
Other executive KMP(ix)	Average award as % of target STI opportunity	— %	90 %	121 %	100 %	105 %
	Average award as % of maximum STI opportunity(viii)	— %	45 %	60 %	50 %	53 %
LTI vesting						
LTI awards vested(vii)	% of target opportunity	53 %	n/a	n/a	n/a	n/a

(i) FY22 results include earnings for the Lotteries business for 12 months and the Keno business for one month, following the acquisition in connection with the demerger.

(ii) FY22 and FY23 results are not directly comparable as FY23 includes a full year of the Keno segment profit before interest and tax of $76.0m (FY22: $6.5m), following the acquisition of the business in May 2022, separation costs of $101.2m (FY22: $0.6m), and a full year of finance costs of $124.0m (FY22: $12.2m) following the demerger from Tabcorp. Refer to Note A1 Segment information in the 2023 Financial Report.

(iii) "Non-IFRS" information and unaudited. For details of significant items, refer to note A1 Segment information of the relevant Financial Report.

(iv) To enhance comparability between FY22 and FY23, FY22 reflects the results of Keno as if the acquisition had taken place at the beginning of the prior year.

(v) The closing share price is as at 30 June of the respective financial year. The opening share price as at 24 May 2022 was $4.61.

(vi) FY23 special dividend of 1.0 cents per share paid in relation to June 2022 NPAT (before significant items).

(vii) The Lottery Corporation has made four LTI offers in November 2022 (FY23), October 2023 (FY24), October 2024 (FY25) and October 2025 (FY26). They include a three-year performance period, and the FY25 and FY26 offers included an additional 12-month holding lock.

(viii) The MD & CEO maximum STI award is 1.5X the opportunity and the executive KMP maximum STI award is 2X the opportunity. Hence why Award as a % of maximum STI opportunity for the MD & CEO will be higher than that of the executive KMP.

(ix) In FY26 discretionary payments are provided to select executive KMP. Further details are provided in section 4(a)(i) and Table 16.

i) FY26 STI Outcomes and discretionary payments

FY26 was a year of significant strategic progress and organisational change for The Lottery Corporation, marked by the appointment of a new MD & CEO, the development and endorsement of a refreshed enterprise strategy, the implementation of a new operating model, and a 40-year Victorian licence extension.

Against this backdrop, the financial performance of the business was materially impacted by adverse jackpot results outside management's control, resulting in a Group revenue outcome of $3,576.6m, down 2.9% on the prior year and EBIT well below target.

Under the FY26 STI, the formation of an incentive pool requires achievement of at least 95% of the EBIT budget gateway. As the EBIT outcome for FY26 represents approximately 88.8% of budget, the gateway threshold was not met, and as a result, no STI awards have been made to executive KMP for FY26.

The Board considered carefully whether the financial outcome fairly reflected the underlying performance of the organisation and its leadership. Further analysis confirmed that the shortfall was not attributable to cost management, strategic execution, or operational performance — all of which were strong. However, the Board determined that maintaining the integrity of the plan design was paramount, and that the gateway should be applied as intended.

In recognition of individual contributions made by certain KMP, the Board determined to make targeted discretionary payments to select KMP outside the STI framework. A similar approach was applied across the rest of the organisation. This reflected the Board's view that certain achievements during the year materially enhanced shareholder value, notwithstanding that they fell outside the design parameters of the STI. These included securing an early 40-year Victorian licence extension, achieving cost reduction outcomes of 37% above target, executing a full organisational restructure, and completing a well-received strategic refresh - each of which the Board considers represents significant, lasting contribution to the Company's strategic position and adds long term value. Notwithstanding the importance of these achievements, the Committee was mindful of the Company's financial performance during the year and has deliberately constrained these payments accordingly. Details are set out in Table 16 of this report.

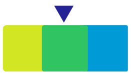
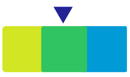
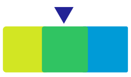
ii) FY26 MD & CEO STI scorecard assessment

Table 8 – The MD & CEO STI scorecard and assessment of performance.

Group financial measures

Measure	Target	MD & CEO weighting	Other exec KMP weighting	Result	Outcome
Revenue	$3.928m	25%	20%	$3,583m	Revenue and EBITDA were below target, primarily reflecting an especially unfavourable period for jackpots (a 1 in c.45 year outcome). Base game performance was above budget, demonstrating underlying business resilience.
EBITDA	$808m	12.5%	10%	$736m	
Cost optimisation	$7m	12.5%	10%	$9.6m	Disciplined cost management delivered $9.6m in savings up 37.1% against target, with benefits embedded in the ongoing cost base.
Total Weighting		**50%**	**40%**		

MD & CEO strategic measures

Measures	Result	FY26 Outcome
Leadership (20%)		
Successfully manage the CEO transition by maintaining stakeholder confidence.		• A refreshed enterprise strategy was developed, endorsed and communicated within six months of the new CEO's appointment. • External confidence remained strong, with the June 2026 Investor Day scoring 6.5 out of 7 on strategy clarity. • The full organisational restructure was designed and mobilised, with the new operating model launched on 1 July. • Stakeholder and regulatory relationships were actively strengthened, supporting a more constructive and proactive external posture.
Strategic Priorities (30%)		
Grow number of total active registered customers		• Lotteries active registered customers of 4.15m (target: 4.61m) and Keno at 51k(target: 55k). • Lotteries customer participation strengthened with digital and omni-channel customers. • FY26 jackpot outcomes were well below average. • New customer acquisition initiatives launched in the second half delivered strong early results and provide a stronger platform for registered customer growth into FY27.
Management of licences		• A 40-year Victorian licence extension was secured in May 2026.
Evolve the technology ecosystem and uplift cybersecurity maturity		• Key technology programs were delivered in line with approved timelines, including the retail terminal rollout and network transformation program. • Cybersecurity capability and controls continued to be strengthened across the enterprise. The Business System Uplift program was restructured to align with the new operating model, improving delivery governance and enterprise data strategy.
Drive product innovation and optimise portfolio performance		• The Powerball price increase was successfully implemented in November 2025, with customer acceptance broadly tracking expectations. • A refreshed product strategy was presented to the Board, outlining a bolder approach to entertainment-led innovation and higher-value opportunities in core games. • In-app personalisation capabilities continued to advance.
Explore complementary new markets and earnings pathways		• Potential growth opportunities were identified and presented to the Board for endorsement, with a number of early-stage opportunities progressing through relevant government processes.
Amplify community impact		• Responsible gambling tools were delivered during the year, including enhanced player account management functionality. • World Lottery Association Level 4 certification was maintained. • Community donations of $5.2m were made.

Below target On target Exceeded target

b) Executive KMP FY26 STI Awards and discretionary payments

Table 9 – Executive KMP FY26 STI Awards and discretionary payments

Executive KMP	Financial Year	Maximum STI opportunity(i)	Total STI awarded(ii)					STI foregone	Discretionary payment (iii)
			Total	Cash portion	Deferred portion	As a % of target	As a % of maximum	As a % of maximum	Total
		$	$	$	$	%	%	%	$
Wayne Pickup	FY26	1,378,110	—	—	—	—	—	100	—
Callum Mulvihill	FY26	639,700	—	—	—	—	—	100	100,000
Adam Newman	FY26	878,660	—	—	—	—	—	100	100,000
Andrew Shepherd	FY26	639,700	—	—	—	—	—	100	—
Former executive KMP									
Sue van der Merwe	FY26	957,021	—	—	—	—	—	100	—

(i) Ms van der Merwe's and Mr Pickup's maximum STI opportunity equates to 150% of their target STI opportunity and figures represented are pro-rated for time served as KMP. For all other executive KMP, their maximum STI opportunities equate to 200% of their target STI opportunities.

(ii) The minimum STI value possible is zero. The maximum possible value of the deferred portion of a participant's STI award will depend on the number of Restricted Shares that become unrestricted for them and the prevailing market value of The Lottery Corporation shares.

(iii) Discretionary payments of $100,000 (fully in cash) are provided to Mr Mulvihill and Mr Newman. Refer to section 4(a)(i) and Table 16.

i) LTI awards granted in FY26

In FY26, LTI grants were provided to executive KMP following shareholder approval of the MD & CEO's FY26 LTI grant received at our Annual General Meeting held on 15 October 2025 and obtained under ASX Listing Rule 10.14. These LTI grants are subject to a performance condition and a service condition as detailed in section 3(e)(iv).

The minimum LTI value possible is zero, and the maximum LTI value will depend on the number of Performance Rights that vest and the prevailing market value of The Lottery Corporation shares.

The former MD & CEO, Ms van der Merwe, was not granted an FY26 LTI.

Table 10 – Performance Rights granted during FY26

Executive KMP	Grant date 16 October 2025(i)					
	Vesting date 1 October 2028					
	Number granted	Fair value(ii) per Performance Right at grant date		Fair value at grant date	Face value(iii) per Performance Right at grant date	Face value at grant date
		Relative TSR $	Return on invested capital (ROIC) $	$	$	$
Wayne Pickup	401,033	2.25	4.65	1,383,563	5.59	2,241,774
Callum Mulvihill	114,391	2.46	4.87	419,242	5.59	639,446
Adam Newman	157,122	2.46	4.87	575,852	5.59	878,312
Andrew Shepherd	114,391	2.46	4.87	419,242	5.59	639,446
Total	**786,937**			**2,797,898**		**4,398,978**

(i) Grant date for Mr Pickup's Performance Rights was 24 November 2025.

(ii) Expensed for accounting purposes over the vesting period and is determined by an external valuer taking into account the terms and conditions upon which the Performance Rights are granted. Vesting of 50% of the grant is subject to relative TSR performance and the remaining 50% is based on ROIC performance.

(iii) Used for allocation purposes and is calculated as the five-day volume weighted average price of The Lottery Corporation shares traded on the ASX up to the grant date. Although Mr Pickup's grant date was 24 November 2025, the same five-day VWAP used for participants granted awards on 16 October 2025 was applied.

Table 11 – KMP interests in Performance Rights (number)

Executive KMP	Balance at start of year(i)	Granted as remuneration	Vested	Lapsed(ii)	Balance at end of year(iii)(iv)
Wayne Pickup	—	401,033	–	–	401,033
Callum Mulvihill	381,177	114,391	(67,487)	(60,718)	367,363
Adam Newman	539,520	157,122	(101,107)	(90,967)	504,568
Andrew Shepherd(v)	381,177	114,391	(67,487)	(60,718)	367,363
Former executive KMP					
Sue van der Merwe(vi)	1,964,162	—	(368,111)	(331,189)	1,264,862
Total	**3,266,036**	**786,937**	**(604,192)**	**(543,592)**	**2,905,189**

(i) Reflects Performance Rights held at 27 November 2025 for Mr Pickup.
(ii) Reflects 543,592 of FY23 LTI Performance Rights that were tested and lapsed during FY26 per Table 12.
(iii) For Ms van der Merwe reflects Performance Rights held at her KMP cessation date of 27 November 2025.
(iv) The number of Performance Rights vested at year end was nil.
(v) Under the LTI plan rules, Mr Shepherd's Performance Rights on foot were pro-rated based on the service completed up till his employment cessation date of 1 July 2026. At this time, 148,885 Performance Rights lapsed.
(vi) Under the LTI plan rules, Ms van der Merwe's Performance Rights on foot were pro-rated based on the portion of service completed up till her employment cessation date of 30 January 2026. At this time 486,343 Performance Rights lapsed.

ii) LTI vesting outcomes in FY26

Vesting of Performance Rights under the FY23 LTI offer, were subject to the single hurdle of relative TSR over the three year period between 2022 and 2025. 52.64% of the Performance Rights vested, due to The Lottery Corporation meeting the 51st percentile ranking (as verified by MUFG Corporate Markets) and were settled in shares in October 2025. The peer group for the FY23 LTI was the ASX 100 (excluding metals and mining & oil and gas companies).

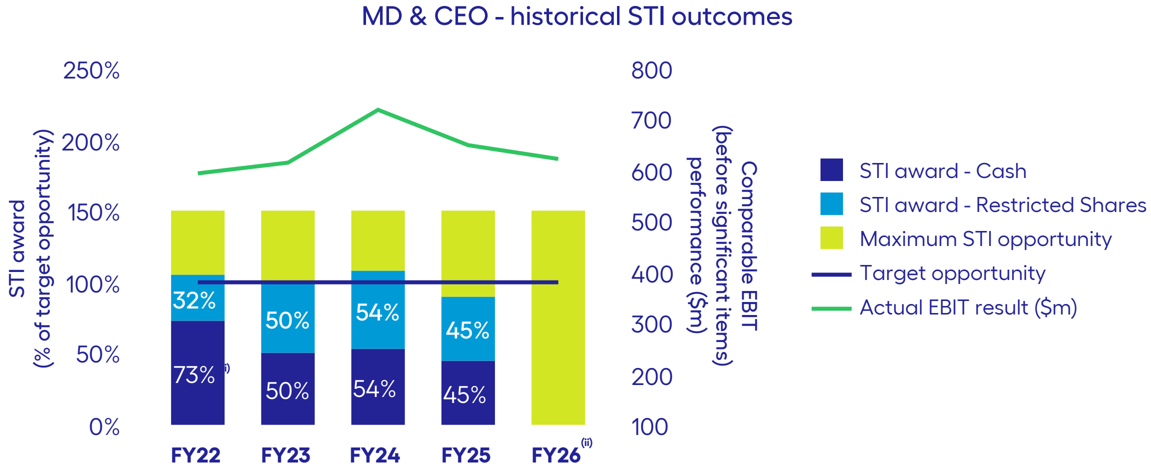
Accordingly, the following Performance Rights vested or were forfeited for KMP under the FY23 LTI plan:

Table 12 – KMP vesting outcomes for FY26 in Performance Rights (number)

Executive KMP	Performance Rights granted	Vested	Lapsed
Callum Mulvihill	128,205	67,487	60,718
Adam Newman	192,074	101,107	90,967
Andrew Shepherd	128,205	67,487	60,718
Former MD & CEO			
Sue van der Merwe	699,300	368,111	331,189
Total	**1,147,784**	**604,192**	**543,592**

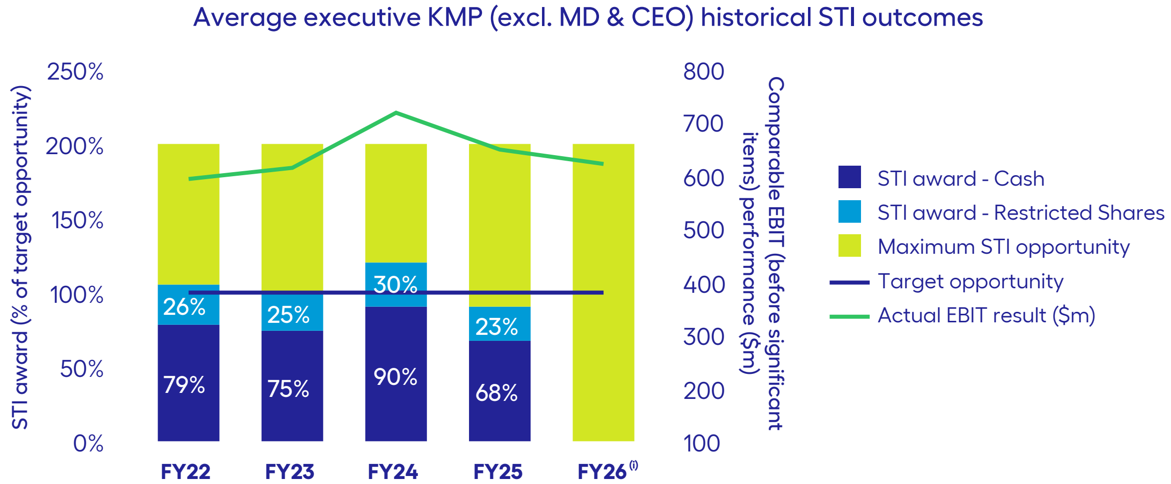
iii) Historical short-term incentive outcomes

Diagram 5 – Executive KMP historical STI outcomes



(i) In FY22, Ms van der Merwe held the role of MD Lotteries & Keno at Tabcorp (pre-demerger) for 11 months and MD & CEO of The Lottery Corporation for one month post demerger. At Tabcorp, 25% of her STI award was paid in Restricted Shares and at The Lottery Corporation, this figure is 50%. The figures in the diagram represent a proportional pro rata split between these two deferral requirements.

(ii) In FY26, no incentives are to be provided to the current or former MD & CEO.



(i) In FY26, no STI was provided to executive KMP. Discretionary payments of $100,000 are provided to Mr Mulvihill and Mr Newman equating to approximately 18% of the average executive KMP target STI opportunity . Total awards are to be provided fully in cash (refer section 4(a)(i) and Table 16 for further details).

c) Executive KMP Employment Contracts

Table 13: Executive KMP employment contracts and notice periods

Current executive KMP	Position held	Contract duration	Minimum notice period (months)	
			Executive	The Lottery Corporation
Wayne Pickup	MD & CEO	Open ended	12	12
Callum Mulvihill	Chief Commercial Officer	Open ended	6	9
Adam Newman	Chief Financial Officer	Open ended	6	9
Andrew Shepherd	Chief Customer & Marketing Officer	Open ended	6	9

Where The Lottery Corporation terminates the executive KMP's employment, The Lottery Corporation may, at its discretion, elect to pay the executive KMP an amount in lieu of notice for any portion of the relevant notice period worked. On cessation of employment, STI or LTI awards may vest, lapse or be forfeited in accordance with the relevant plan rules.

d) Executive Remuneration Policies

Policy prohibiting hedging

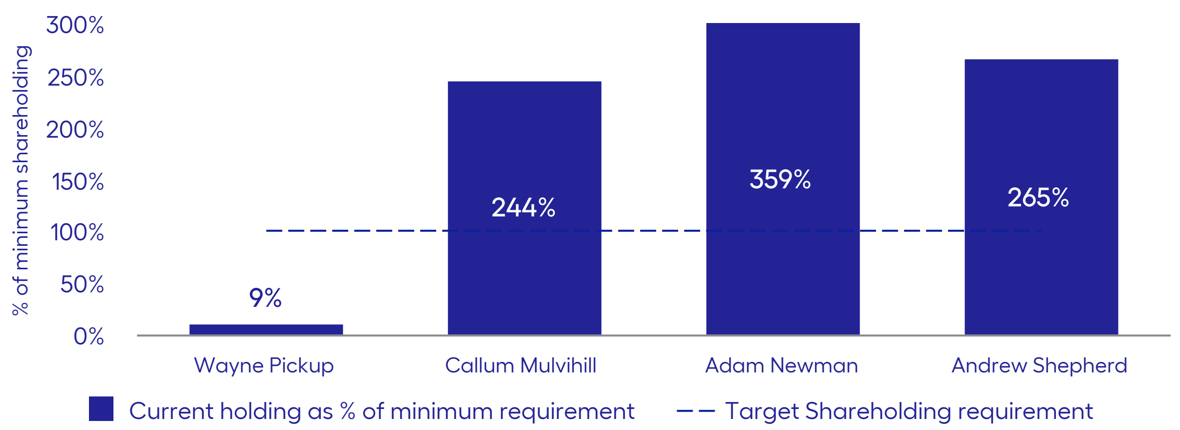
Participants in the Group's incentive plans are restricted from hedging the value of Restricted Shares and unvested Performance Rights and must not enter into a derivative arrangement in respect of the equity instruments granted under these plans. Breaches of the restriction will result in equity instruments being forfeited. These prohibitions are included in the terms and conditions of the incentive plans and The Lottery Corporation's Securities Trading Policy, which is available on The Lottery Corporation's website (www.thelotterycorporation.com) under the Corporate Governance section.

Equity instruments granted under the incentive plans can only be registered in the name of the participant, are identified as non-tradable on the share register (i.e. placed under a holding lock) and cannot be traded or transferred to another party until vested or until any trading restriction period has expired (where applicable).

Executive Shareholding Policy

The Executive Shareholding Policy seeks to ensure that the interests of executives, the Group and shareholders are aligned. Under the policy, the MD & CEO is required to hold the equivalent of 200% of the value of their annual fixed remuneration in The Lottery Corporation shares. Other executive KMP are required to hold the equivalent of 100% of the value of their annual fixed remuneration in The Lottery Corporation shares. The minimum shareholding must be achieved within five years from the executive KMP's appointment or within five years of the date of the demerger (1 June 2022), whichever is later. A copy of this policy is available on The Lottery Corporation's website (www.thelotterycorporation.com) under the Corporate Governance section.

Diagram 6 – Executive KMP progress against minimum shareholding requirements as at 30 June 2026[(i)(ii)]



(i) The value of the shareholding has been calculated using a share price of $5.76 which was the closing share price as at 30 June 2026.

(ii) The graph represents the percentage of the shareholding required under the Executive Shareholding Policy. The minimum shareholding requirement must be met by 1 June 2027 or within five years of commencement as an executive KMP. Mr Pickup will be required to meet the minimum holding by 27 November 2030.

5. Non-executive Director Fees

Non-executive Director fees are set based on workload, responsibilities, qualifications, experience, and market benchmarks. The Lottery Corporation benchmarks Non-executive Director fees to organisations ranked 25 to 75 on the ASX, by market capitalisation. Non-executive Directors do not receive any performance or incentive-related payments.

Board fees are not paid to the MD & CEO or to executives for directorships of The Lottery Corporation or any subsidiaries.

a) Aggregate Fee Limit

The maximum aggregate fee limit is set at $3.0 million and has remained at this level during FY26. No adjustment to this limit is proposed for FY27. Total fees paid (including superannuation) to Non-executive Directors in FY26 was $2.0 million.

b) Non-executive Director Fee Structure

Non-executive Directors receive a base Board fee and a fee for each Board Committee that they chair or are a member of (except for the Nomination Committee, where no additional fees are paid). The Board Chairman receives a single fixed fee which is inclusive of services on applicable Board Committees.

Superannuation contributions form part of the fees and Non-executive Directors are not eligible to receive any other retirement benefits.

The Lottery Corporation aims for Non-executive Director fees to be broadly consistent with fee levels paid by organisations ranked 25 to 75 on the ASX (by market capitalisation as at 30 June 2026). This is considered to be appropriate given the Company's ranked amongst the 50 largest companies on the ASX and remunerating Non-executive Directors competitively is important to attract and retain the desired experience and knowledge in a highly regulated business. The Board intends to continue to review fees to ensure they remain competitive and appropriately remunerate Non-executive Directors for their responsibilities and contribution.

Table 14 – FY26 Non-executive Director fee structure (inclusive of superannuation)

Committee Structure		Annual fees $
Board	Chairman(i)	580,350
	Member(ii)	186,150
Audit Committee	Chairman	54,750
	Member	24,090
Risk & Compliance Committee	Chairman	49,275
	Member	21,900
People & Remuneration Committee	Chairman	49,275
	Member	21,900

(i) The Board Chairman receives a single fixed fee which is inclusive of services on applicable Board Committees.

(ii) The fees paid to Board members are inclusive of services on the Nomination Committee.

c) Non-executive Director fees paid during FY26

There were **no changes** to Non-executive Director fees in FY26. On 1 July 2025, the Superannuation Guarantee Contribution rate increased from 11.5% to 12%. The Board agreed to absorb this change into existing fees, thereby reducing the Non-executive Director cash fees. This resulted in no change to total fees (inclusive of superannuation) in FY26.

There will be no adjustment to Non-executive Directors fees in FY27.

Certain Non-executive Directors may receive additional fees for memberships of other Board Subcommittees, however during FY26 no such fees were paid.

Non-executive Directors are entitled to be reimbursed for all business-related expenses, including travel, which may be incurred as part of their duties.

Table 15 – Non-executive Director fees paid in FY26

Non-executive Directors	Year	Fees	Superannuation	Total
		$	$	$
Current				
Doug McTaggart	**FY26**	**550,350**	**30,000**	**580,350**
	FY25	550,418	29,932	580,350
Harry Boon	**FY26**	**231,710**	**27,805**	**259,515**
	FY25	232,749	26,766	259,515
Anne Brennan	**FY26**	**234,643**	**28,157**	**262,800**
	FY25	235,695	27,105	262,800
Stephen Morro	**FY26**	**229,950**	**–**	**229,950**
	FY25	229,950	–	229,950
John O’Sullivan	**FY26**	**231,710**	**27,805**	**259,515**
	FY25	232,749	26,766	259,515
Tim Poole(i)	**FY26**	**181,433**	**21,772**	**203,205**
	FY25	91,064	10,472	101,536
Megan Quinn	**FY26**	**205,313**	**24,637**	**229,950**
	FY25	206,233	23,717	229,950
Total	**FY26**	**1,865,109**	**160,176**	**2,025,285**
Total	FY25	1,778,858	144,758	1,923,616

(i) Mr Poole was appointed as an Observer to the Board on 16 December 2024, and commenced as a Non-executive Director effective 6 August 2025, following the receipt of all necessary regulatory and ministerial approvals.

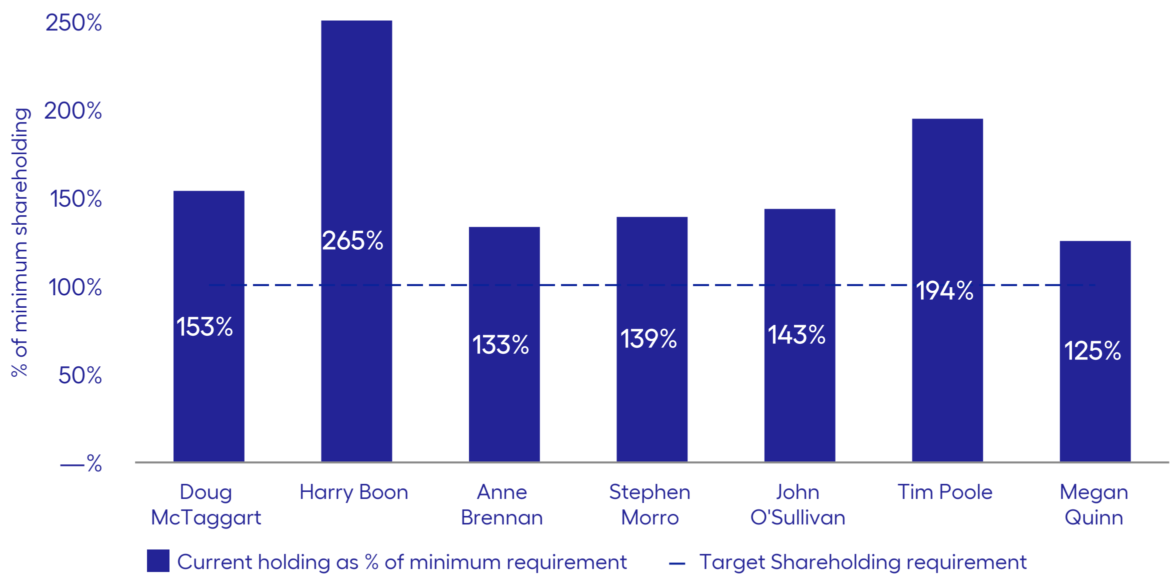
d) Non-executive Director Fee Policies

i) Non-executive Director Shareholding Policy

This policy requires Non-executive Directors to hold a minimum shareholding in The Lottery Corporation, equivalent to the annual Board Member base fee ($166,205 excluding superannuation as at 30 June 2026), and the Board Chairman to hold a minimum shareholding equivalent to double the annual Board Member base fee (excluding superannuation). The Non-executive Directors are required to reach the applicable threshold within three years of appointment or within three years from the date of demerger (whichever is later).

A copy of this policy is available on The Lottery Corporation's website (www.thelotterycorporation.com) under the Corporate Governance section.

Diagram 7 – Non-executive Director progress against minimum shareholding requirements at 30 June 2026(i)



(i) The value of the shareholding is calculated using a share price of $5.76 which was the closing share price as at 30 June 2026.

(ii) The graph represents the percentage of the shareholding required under the Non-executive Director Shareholding Policy. The minimum shareholding requirement must be met within three years of commencement as a Non executive Director.

6. Statistory Remuneration Disclosures

a) KMP Statutory Remuneration Tables

The following table provides a breakdown of the executive KMP remuneration in accordance with statutory requirements and the Australian Accounting Standards.

Table 16 – Executive KMP remuneration for FY26

Current executive KMP	Year	Short term			Long term	Post-employment	Charge for share-based allocation(iv)		Total	Perf. related (vi)	Termination benefits
		Salary and fees(i)	Non-monetary benefits (ii)	Cash bonus (iii)	Accrued leave benefits	Superannuation	Restricted Shares(v)	Perf. Rights			
		$	$	$	$	$	$	$	$	%	$
Wayne Pickup	**FY26**	**899,837**	**261,727**	**500,000**	**31,666**	**22,500**	**—**	**188,869**	**1,904,599**	**10**	**—**
Callum Mulvihill	**FY26**	**606,595**	**2,687**	**100,000**	**16,445**	**30,000**	**214,617**	**179,925**	**1,150,269**	**43**	**—**
	FY25	587,568	4,097	210,286	(4,871)	29,932	72,311	245,680	1,145,003	46	—
Adam Newman	**FY26**	**844,395**	**2,744**	**100,000**	**39,386**	**30,000**	**230,132**	**250,096**	**1,496,753**	**39**	**—**
	FY25	818,234	5,171	288,847	(4,197)	29,932	99,712	349,339	1,587,038	46	—
Andrew Shepherd (vii)	**FY26**	**606,595**	**2,377**	**—**	**32,607**	**30,000**	**252,737**	**154,517**	**1,078,833**	**38**	**479,775**
	FY25	587,568	4,097	210,286	18,299	29,932	75,987	245,680	1,171,849	45	—
Former executive KMP											
Sue van der Merwe(viii)	**FY26**	**571,967**	**947**	**—**	**53,709**	**72,944**	**258,318**	**120,967**	**1,078,852**	**35**	**—**
	FY25	1,373,791	4,097	625,852	86,698	244,725	1,149,022	1,271,792	4,755,977	66	—
Total	**FY26**	**3,529,389**	**270,482**	**700,000**	**173,813**	**185,444**	**955,804**	**894,374**	**6,709,306**		**479,775**
Total	FY25	3,367,161	17,462	1,335,271	95,929	334,521	1,397,032	2,112,491	8,659,867		—

(i) Comprises salary and sacrificed benefits (including salary sacrificed superannuation and motor vehicle novated leases including FBT where applicable).

(ii) Comprises car parking benefit including FBT where applicable. Amount attributable to Mr Pickup also reflects relocation benefits provided of $260,711, refer to Table 2 for further details.

(iii) Cash bonus in the current year reflects discretionary payments provided to Mr Mulvihill and Mr Newman fully in cash with no deferred portion (refer to section 4(a)(i) for further details). Amount attributable to Mr Pickup reflects the cash Sign-On Bonus of $500,000 paid in January 2026 (refer to table 2 for further details). Cash bonus in the prior year reflects the cash portion of the STI achieved in the prior year, being 50% for the MD & CEO (excluding superannuation) and 75% for other executive KMP. The remaining portion of the prior year STI was deferred into Restricted Shares and is reflected in the Restricted Shares column in accordance with Australian Accounting Standards.

(iv) Represents the fair value of share-based payments expensed during the period.

(v) Includes the expensing of Restricted Shares issued for the FY26 Executive Retention Plan. For further details, see section 3(e)(vi).

(vi) Represents the sum of the cash bonus (excluding cash Sign-On Bonus), superannuation applicable to the cash bonus in FY25 (for the former MD & CEO), Restricted Shares and Performance Rights as a percentage of total remuneration, excluding termination payments.

(vii) Mr Shepherd ceased to be an executive KMP on 30 June 2026. The amount disclosed for Restricted Shares in FY26 includes an acceleration of the expense relating to the FY24 and FY25 STI due to Mr Shepherd's cessation. Termination benefits reflect accrued payment in lieu of notice.

(viii) Ms van der Merwe ceased to be an executive KMP on 27 November 2025 and ceased employment on 30 January 2026. Ms van der Merwe participated in a defined benefit superannuation plan owned and managed by the Queensland Government. The amount disclosed for superannuation is the contribution paid by the Group into the fund, with FY25 also including $75,102 applicable to the cash bonus. The amount disclosed for Restricted Shares in FY25 includes an acceleration of the expense relating to the FY24 and FY25 STI due to Ms van der Merwe's announced retirement.

Table 17 – KMP number of interests in The Lottery Corporation Limited shares for FY26

KMP	Balance at start of year(i)	Granted as remuneration(ii)	On vesting of Performance Rights	Net change other(iii)	Balance at end of year(iv)
Current Non-executive Directors					
Doug McTaggart	67,421	–	–	20,970	88,391
Harry Boon	76,364	–	–	–	76,364
Anne Brennan	38,500	–	–	–	38,500
Stephen Morro	40,000	–	–	–	40,000
John O'Sullivan	41,191	–	–	–	41,191
Tim Poole	56,000	–	–	–	56,000
Megan Quinn	10,000	–	–	26,146	36,146
Executive Director					
Wayne Pickup	–	–	–	50,000	50,000
Former Executive Director					
Sue van der Merwe	699,035	120,232	368,111	–	1,187,378
Current executive KMP					
Callum Mulvihill	137,211	58,179	67,487	–	262,877
Adam Newman	417,484	62,670	101,107	(50,000)	531,261
Andrew Shepherd(v)	157,219	58,179	67,487	2,924	285,809
Total	**1,740,425**	**299,260**	**604,192**	**50,040**	**2,693,917**

(i) Reflects shareholding at 27 November 2025 for Mr Pickup.

(ii) Includes Restricted Shares issued during the year as the deferred component of the FY25 STI and for the FY26 Executive Retention Plan .

(iii) Includes voluntary on-market transactions.

(iv) For Ms van der Merwe reflects shareholding at her KMP cessation date of 27 November 2025.

(v) Mr Shepherd ceased employment on 1 July 2026 and at this time 17,708 Restricted Shares relating to the FY26 Executive Retention Plan lapsed.

b) Transactions and Loans with KMP

No KMP (including their related parties) have entered into material commercial relationships or transactions with the Group or a subsidiary during FY26 other than as disclosed in this Remuneration Report. All KMP related party relationships are at arm's length and on normal commercial terms and none of the KMP were, or are, involved in any procurement or other decision-making regarding organisations with which they have an association. No KMP (including their related parties) have entered into a loan made, guaranteed, or secured, directly or indirectly, by the Group or a subsidiary during the reporting period.

Sustainability Report

Introduction

About the Sustainability Report

The Lottery Corporation's (the Group) climate-related disclosures have been prepared in accordance with the AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB), and the requirements of the Corporations Act 2001.

This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Financial Report (refer to note D1 Subsidiaries in the financial statements) and has incorporated climate-related information of the parent and all of its subsidiaries.

This report was authorised for issue in accordance with a resolution of Directors on 19 August 2026.

First year AASB S2 transitional reliefs

As this is the first year the Group has applied AASB S2, the Group has elected to apply the transition relief to not disclose comparative information and Scope 3 greenhouse gas emissions measured in accordance with the requirements of AASB S2 in this report.

The Group has measured Scope 3 emissions in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) and has elected to disclose these emissions in the Group's Voluntary Sustainability Report, on page 20.

Forward-looking statements

This report includes forward looking information relating to the Group's climate-related risks and opportunities, emissions profile, targets and scenario analysis. This information reflects the Group's current expectations, judgements and assumptions, based on reasonable and supportable information available at the date of reporting.

Forward-looking information is inherently uncertain and may be affected by known and unknown risks, uncertainties and other factors, many of which are beyond the Group's control. These factors may cause actual outcomes, results or performance to differ materially from those expressed or implied in this report. Forward-looking information should be read together with the relevant assumptions, methodologies, judgements and areas of measurement uncertainty described in this report. The Group's climate-related disclosures may also evolve over time as climate science, data quality, methodologies, regulation, technology and market practice continue to develop.

Governance

Governance framework

Our sustainability governance framework incorporates the oversight and management of climate-related risks and opportunities (CRROs).

Board

Responsible for oversight and approval of the sustainability strategy, inclusive of climate-related priorities, approval of goals, targets and relevant policies.

Audit Committee

Oversees progress against the sustainability strategy, inclusive of climate risks and opportunities, and including approval of goals, targets and relevant policies.

Risk & Compliance Committee

Oversees activities relating to the identification, assessment, management and reporting of material ESG risks and adherence (inclusive of climate risks and opportunities) with ESG compliance obligations.

People & Remuneration Committee

Oversees progress against people-related aspects of the sustainability strategy and reviews sustainability performance as part of the Annual Remuneration Review process.

Senior Leadership Team

Accountable for implementation of and progress against sustainability strategy, climate-related priorities, goals and targets.

Corporate Affairs

Responsible for development of the sustainability strategy, inclusive of climate-related risks, opportunities, and targets, measuring progress, and preparing sustainability reporting and disclosures.

Business Lines

Responsible for operationalising the sustainability strategy, including climate-related priorities.

Sustainability Working Group

Cross-functional working group comprising relevant business line representatives that meet regularly to discuss sustainability and climate-related progress and performance.

Board oversight

The Board has ultimate responsibility for setting and overseeing the Group's corporate strategy, business plans and annual budgets, and risk management approach. These responsibilities are described in the Audit Committee Charter and Risk and Compliance Committee Charter.

The Board is responsible for reviewing and monitoring systems and frameworks for risk management (for both financial and non-financial risks), internal control and legal compliance. This includes setting the risk appetite for the Group, reviewing procedures to identify the main risks associated with the Group's business, and overseeing implementation of appropriate systems to monitor, manage and report on these risks. This also includes oversight and approval of the Group's sustainability strategy, including climate-related risks and opportunities.

The Board oversees management's development and implementation of the Group's corporate strategy. In the 2026 financial year, two strategy sessions were held as part of multi-day Board meetings, providing an additional forum for management to brief the Board on climate-related risks and opportunities and how these may influence the Group's strategic context and market landscape.

The Audit Committee, Risk and Compliance Committee and the People and Remuneration Committee each assist the Board to discharge these responsibilities.

Governance of climate-related risks and opportunities

The Board and its Committees are kept informed of CRROs through regular updates provided by management, pertaining to the review of risks, target-setting and disclosure requirements. This financial year, two climate-related updates were provided to the Audit Committee and one to the Risk and Compliance Committee.

The Audit Committee reviews and makes recommendations to the Board on the integrity of the Group's mandatory climate-related financial disclosures, including the significant judgements, assumptions and estimates applied by management in assessing climate-related risks and opportunities and preparing those disclosures.

The Risk & Compliance Committee assists the Board in overseeing the Group's approach to identifying, assessing and monitoring CRROs as part of the Group's broader risk management framework.

In the current reporting period, climate-related risks and opportunities were not a significant driver of decision-making and therefore no associated trade-offs were required. As the Group's climate-related assessment processes mature, climate-related trade-offs may be considered more explicitly in future.

Governance of climate targets

In June 2025, The Lottery Corporation's Board approved a target of net zero Scope 1 and 2 greenhouse gas emissions by FY30. Management provides the Audit Committee with annual Scope 1 and 2 emissions updates, including progress against the target, through which the Board monitors performance.

Board skills and experience

The Board has adopted a skills matrix that sets out the technical skills and experience it considers desirable for the ongoing, effective operation of the Board and its Committees. The review is undertaken by the Board, with the assistance of Company Secretariat and includes a benchmarking exercise. Overall, the categories of skills and experience are considered to be broadly aligned with market practice and also support the delivery of the Group's corporate strategy. The ratings are disclosed in the Corporate Governance Statement and reflect the Non-executive Directors' self assessment of their technical skills and experience. The skills matrix is also used to support the identification of director candidates as part of ongoing Board renewal, ensuring the desired skills and experiences are present within the Board.

Sustainability is a domain covered by the matrix, incorporating expertise in sustainability strategy, responsible business practices, knowledge of best practice and regulatory frameworks including climate-related reporting requirements, and long-term value creation. This year, Directors participated in a climate-related briefing delivered by an external sustainability and climate risk specialist.

Directors are expected to maintain the knowledge and skills required to discharge their duties, and are supported by regular briefings provided by management at Board and Committee meetings and workshops.

Remuneration

The Short-Term Incentive program (STI) is one of three elements of the Group's remuneration framework. The program rewards participants for delivering on annual financial and non-financial targets that align to the Group's strategic priorities and long-term corporate plan through Restricted Shares and/or cash. The People and Remuneration Committee oversees the application of a risk-based sustainability modifier within the remuneration framework, which incorporates a range of sustainability-related considerations.

The sustainability modifier does not currently include climate-specific metrics such as emissions reduction or decarbonisation outcomes.

Role of Management

The SLT is collectively accountable for implementing the Group's sustainability strategy, including the management of CRROs. Within the SLT, specific accountability in FY26 was allocated as follows:

- Mr Callum Mulvihill (then Chief Commercial Officer (CCO)) had operational accountability for sustainability and climate, including oversight of management's climate-related judgements. During the period, the CCO received regular reporting from Corporate Affairs on strategy, goals and targets delivery, and was responsible for escalation of material climate matters to the Board through the Audit Committee.
- Mr Nicholas Allton, former Chief Legal and Risk Officer, was responsible for the prioritisation and monitoring of risks through the enterprise risk management framework, including CRROs.

Relevant SLT review and assess the Group's material and emerging risks, including CRROs. SLT also endorsed management actions and supported timely escalation and reporting to Risk and Compliance Committee through established governance processes.

Corporate Affairs, reporting to the CCO and supported by the Head of Group ESG, leads the development of the Group's CRROs identification and assessment, ESG strategy, associated goals and targets; Corporate Affairs also prepare recommendations and disclosures on behalf of the business for SLT consideration and endorsement by the Board.

Business units are responsible for managing CRROs within their operations, while enterprise functions including Risk & Compliance, Finance and People & Culture each contribute to the integration of CRROs into the Group's internal control environment.

The cross-functional Sustainability Working Group, led by Corporate Affairs, coordinates sustainability and climate-related deliverables across enterprise functions and business units alike.

Management Controls and Procedures

To support management's oversight of CRROs, the Group uses controls and procedures that are integrated with its existing internal control environment, rather than maintained as a standalone climate framework. These include:

- the enterprise risk management framework, through which CRROs are assessed, prioritised, monitored and escalated alongside other enterprise risks;
- business continuity, disaster recovery and crisis management procedures that address the operational disruption risks identified through the climate scenario analysis; and
- the financial and non-financial reporting processes and controls applied in preparing the Group's climate-related disclosures.

These controls and procedures operate across both business and enterprise service units. The Sustainability Working Group supports the regular monitoring of CRROs and timely escalation of material climate matters through the SLT to the Board. These controls and procedures are now part of the Group's risk governance review process. Further detail on how CRROs are assessed, prioritised and monitored through the enterprise risk management framework is provided in the Risk Management section of this report.

Strategy

Our business model

The Lottery Corporation operates within a highly regulated environment, centred on the design and management of licensed lottery and Keno games.

Our business model relies on secure game design, compliant draw conduct, and technology platforms that enable seamless play experiences across retail and digital channels. Maintaining trusted relationships with regulators is fundamental to what we do.

The Group's direct operations includes offices, warehouses and digital platforms used to improve operational efficiency and customer experience.

Our value chain consists of retail networks, alongside upstream inputs and downstream partners, including lottery franchisees, venue operators and distributors that support customer engagement and distribution of lottery products across all Australian states and territories, except Western Australia.

This business model and value chain context informs the Group's approach to identifying, assessing and managing climate-related risks and opportunities.

Broader detail on the Group's corporate strategy is provided on pages 19- 20 of the Annual Report .

Our approach to climate

The Lottery Corporation recognises its interaction with the natural environment. We have policies in place to guide our approach to resource use and to assessing and mitigating climate-related impacts across our operations and value chain. For additional contextual information, refer to our Sustainability Principles.

Our approach to identifying CRROs that could reasonably be expected to affect the Group's prospects is to assess them across the stated time horizons, and integrate relevant findings into business planning and risk management processes.

Where we consider climate to be relevant, it is considered alongside other investment drivers through established governance and capital deployment processes, and monitored through our enterprise risk and resilience frameworks.

Climate-related Risks and Opportunities (CRROs)

In FY26 we commenced identification of CRROs that could reasonably be expected to affect the Group's prospects.

The Group, supported by independent climate risk specialists, identified CRROs through a formal assessment of external transition and physical climate-related factors relevant to our industry, and also taking into account the Group's operating landscape, business model, and exposure profile. A long list of CRROs was identified.

The identified CRROs were categorised as physical or transition risks and opportunities, and assessed through the process described below. Each CRRO was initially assessed with reference to the Group's risk assessment framework, including the Risk Consequence Matrix and likelihood descriptors, and considered the nature, likelihood and magnitude of potential effects across short, medium and long-term time horizons. This initial assessment was validated by internal stakeholders.

Qualitative scenario analysis was then conducted to support identification and assessment of the CRROs that could reasonably be expected to affect the Group's prospects, considering the impact on critical business functions, activities and /or value chain. This analysis was also undertaken across short, medium and long-term horizons under lower-temperature (~1.5°C) and higher-temperature (~2.5°C and above) scenarios, to assess the Group's climate resilience.

Physical Risks

The Group has identified two climate-related physical operational risks that could reasonably be expected to affect its financial prospects if they were to occur: severe weather affecting the primary draw site, resulting in a delayed draw or rescheduled draw; and acute climate-related disruption to technology infrastructure that supports digital and retail ticketing channels, potentially affecting customer ticketing access and revenue. Both risks have been incorporated into the Group's Enterprise Risk Register and are managed as part of the Group's Level 1 enterprise risk category of Business Continuity and Asset Protection.

Other physical risks present within the broader value chain include localised acute weather events that may temporarily affect logistical or warehousing aspects however, these were not expected to have a meaningful effect on the Group's financial prospects, as their potential impacts were not considered sufficiently connected to the Group's cashflows, access to finance or cost of capital.

Transition Risks

No climate-related transition risks were identified that could reasonably be expected to affect the Group's prospects, based on reasonable and supportable information available at the reporting date (without undue cost or effort), and considering the Group's current operations and asset base and those changes that are reasonably foreseeable.

Transition risk categories assessed included policy and legal, market, technology and reputational drivers, and included consideration of potential impacts to the Group associated with carbon pricing, stakeholder concerns and regulatory obligations.

Opportunities

While the Group has progressed climate-related initiatives, the Group has not identified any climate-related opportunities that could reasonably be expected to affect the Group's prospects. Physical-related opportunities regarding resilience planning were considered and assessed as part of the CRRO identification process and qualitative scenario analysis; however, the Group determined these opportunities were not additive to what is currently being addressed by the business in response to enterprise-level business resilience.

The Group considered transition-related opportunities that could progress its emissions reduction ambition. However, as the supporting business case is still being developed, management determined not to include these opportunities in the current reporting period. Having recently adopted its net zero Scope 1 and 2 target, the Group is currently focused on implementation and monitoring progress before considering any further increase in ambition.

Time horizons

The Group assessed the effects of climate-related risks and opportunities over the following time horizons:

- Short term: next reporting cycle
- Medium term: up to 5 years
- Long term: to 2050[i]

The short- and medium-term horizons align to the Group's established one year and five year planning cycles. The year 2050 was selected to support consideration of longer-dated strategic exposures, including long-term licensing arrangements and to align with common market conventions for assessing long-term climate pathways.

Climate-related risks

The Group identified two climate-related physical risks that could reasonably be expected to affect its prospects if they were to occur. Taking into account existing mitigation and adaptation activities, the Group does not expect these risks to have a material effect on its financial position, financial performance or cash flows. The risk tables below summarise the nature of each risk, potential impacts on the Group's business model and value chain, current controls and anticipated financial effects.

While the Group has not identified material anticipated financial effects from the disclosed risks, it has provided information on the nature of those risks, existing controls and areas of uncertainty to support users' understanding of the Group's climate resilience assessment.

(i) Long term treated as a set calendar year

Physical Risk	Draw conduct
Nature of the risk before mitigation	Ability to conduct a draw impaired due to acute climate hazard impacts, resulting in reputational impact, potential non-compliance and indirect impacts to operating costs.
Time Horizon	All time horizons
Potential impacts to business model or value chain	Increased frequency in acute climate hazards (e.g. cyclones, floods, storms) may impair the Group's ability to conduct lottery draws within advertised or regulatory timeframes. Physical impacts on draw facilities, infrastructure, or personnel could result in draws being delayed, relocated, or cancelled. An impact may arise if major products such as Powerball or Oz Lotto games are affected, particularly during high-jackpot periods when customer attention and revenue exposure are at their highest. The Group's draw conduct facilities are located in Brisbane, which means this risk has a degree of geographic concentration, as hazards in that region (including severe storms, flooding and extreme heat) are expected to increase over time. This risk is likely to have a greater impact on our long term prospects as the frequency and severity of acute hazards is expected to increase over that timeframe. Consequences include potential regulatory non-compliance and associated reputational impacts. While draw execution is core to the Group's business model, draw delays under current conditions remain rare.
Mitigation controls	The Group has established business continuity processes and has taken steps to reduce draw conduct risk exposure through contingency planning, site redundancy and regulatory engagement. If a draw cannot proceed as scheduled, ministerial approval for rescheduling is required. This occurred as a result of Cyclone Alfred in 2025. The approval was granted promptly, thus limiting the Group's reputational or financial exposure, even though the draws were ultimately not delayed. Draw cancellation or prolonged deferral due to acute climate hazard impacts has historically been limited, reflecting the effectiveness of existing operational resilience and business continuity controls. The Group maintains approved alternate draw sites to enable relocation if the primary facilities in Brisbane are affected. Operational readiness for these contingencies is tested periodically. As an example, when tropical ex-cyclone Alfred bore down on South-East Queensland in March 2025, disaster recovery and business continuity procedures were activated to manage potential impacts on draw conduct arising from disruption to the primary draw location, availability of key personnel and supporting infrastructure. Consistent with regulatory requirements for prescribed draw frequencies and supervision by the Queensland Office of Liquor and Gaming Regulation, several draws (including Powerball, Set For Life, Weekday Windfall and Saturday lotto) were conducted from a pre-identified secondary location over three days, and contingency approval was obtained to allow delays if required. In this short duration scenario, these controls enabled the draws to proceed as scheduled.
Current financial impacts	No climate-related draw disruptions have occurred in the current reporting period and as such there was no material effect on the Group's financial position, financial performance or cash flows in the reporting period.
Anticipated financial impacts	In the short to medium-term, no material effect on financial position, financial performance or cash flows is currently anticipated, based on existing controls and historical experience. Over the longer term, an increase in the frequency of severe weather events may result in more frequent activation of contingency arrangements and potential anticipated financial effects may include: • increased operating costs associated with enhancing contingency procedures and business continuity capability. • increased regulatory compliance and oversight costs, where draw disruptions occur more frequently. Past experience indicates that draw rescheduling processes have been effective in maintaining draw continuity and enabling ticket sales to proceed. This provides support for the assumption that, where disruptions occur, operational impacts can generally be managed without material financial consequences. Based on current assumptions, these impacts are not expected to be material to the Group's overall financial position, performance or cash flows.

Physical Risk	Outage affecting core systems
Nature of the risk before mitigation	Exposure to temporary outage of core systems and data centre infrastructure due to acute physical climate hazard, affecting access to lottery products across digital and retail channels impacting revenue and potentially requiring further investment.
Time Horizon	Long-term (to 2050)
Potential impacts to business model or value chain	An acute climate hazard could cause a temporary power outage affecting core systems across all sales channels (retail terminals, websites, mobile applications) and supporting infrastructure. The Lottery Corporation contracts two third party data centre service providers to provide hosting for core systems infrastructure across multiple sites in Queensland. There is a degree of geographic concentration as key components of core systems and data centre infrastructure are located in Brisbane. System unavailability would prevent customers from purchasing tickets or viewing draw outcomes, with risk concentrated in the critical pre-draw period for major products such as Powerball or Oz Lotto games. A financially material impact would require multiple conditions to coincide: a widespread outage affecting core systems during the pre-draw window for a major product, a high-value jackpot draw, and the absence of viable workarounds. Under current conditions, this remains unlikely.
Mitigation controls	The Group's technology resilience controls and business continuity arrangements address core systems outage risk across data centre infrastructure, digital platforms, and retail channel systems. The Group regularly tests disaster recovery and business continuity procedures for critical systems. Operational controls relevant to climate risk mitigation include technology resilience and disaster recovery policies, digital channel availability monitoring, incident and problem management processes, and business continuity plans covering digital and retail platforms and enterprise systems. These enable detection, response and recovery from acute weather events across core systems supporting lottery operations. Under current conditions, core systems resilience is tested, grid supply is generally stable, and infrastructure redundancy provides protection. Based on current controls, risk is assessed as low under both temperature scenarios, reflecting infrequent climate-induced outages and mitigation through established recovery procedures that span data centre, digital and retail channel operations. These controls demonstrate the Group's capability to respond to acute weather disruptions affecting core technology availability.
Current financial impacts	The Group's existing technology resilience controls and data centre infrastructure means the likelihood of a widespread core systems outage due to acute weather events remain rare. No climate-related core systems outages have occurred in the current period and as such, there was no material effect on the Group's financial position, financial performance or cash flows in the reporting period.
Anticipated financial impacts	No material effect on financial position, financial performance or cash flows is anticipated in the short or medium-term as core systems and data centre resilience is regularly tested, with existing redundancy arrangements expected to remain adequate. Over the longer term, increased frequency of severe weather events and growing reliance on digital channels may elevate the potential impact of outages. Potential anticipated financial effects may include: • reduced ticket sales where outages occur during critical pre-draw periods. • increased operating and capital expenditure to maintain and enhance system resilience. While individual disruption events may affect financial performance, these impacts are not currently expected to be material to the Group's overall financial position, performance or cash flows.

Climate scenarios

Climate scenario analysis explores plausible future states; it is not a forecast. The key judgements, assumptions and uncertainties that informed the scenario analysis are described in the Basis of Preparation, judgements and assumptions section of this report.

In FY26, the Group assessed its climate resilience across the defined time horizons using two scenarios selected to meet legislative requirements:

- The lower-temperature scenario: Aligned with limiting warming to around 1.5°C above pre-industrial levels and reflecting an earlier and more rapid transition, including stronger policy action, technology deployment and shifts in stakeholder expectations consistent with achieving the goals of the Paris Agreement.
- The higher-temperature scenario: Assumes slower global emissions reductions, resulting in warming of approximately 2.5°C or above, and increasing physical hazard intensity and frequency over the medium to long term.

The table below summarises the scenario narratives, temperature alignment, selection rationale and data sources used in the analysis.

The scenario names referenced in the table are recognised climate scenario labels published by the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC). Accessible descriptions are included to explain how each scenario was applied in the Group's analysis.

Scenario	Lower-temperature scenario	Higher-temperature scenario
Scenario details	To 2030: NGFS scenario narrative 'Sudden wake-up call.' From 2030+: IPCC scenario narrative 'SSP1 Sustainability – Taking the Green Road.'	To 2030: NGFS scenario narrative 'Disasters and Policy Stagnation.' From 2030+: IPCC scenario narrative 'SSP3 Regional Rivalry – A Rocky Road.'
Scenario narratives	A sudden policy shift triggers stringent mitigation from 2027, accelerating decarbonisation and mainstreaming low-carbon technologies. Warming stabilises around ~1.5°C, moderating physical hazards over time and aligning emissions with net zero by 2050.	A fragmented, low-cooperation world delays mitigation and applies weak, inconsistent climate policy, leading to rising emissions and limited technology progress. Warming exceeds ~3°C by 2100, increasing the frequency and severity of extreme weather and intensifying chronic physical risks such as heat stress and sea-level rise.
Scenario temperature alignment by 2100	Average temp by 2100: + 1.0° C – 1.8° C degrees	Average temp by 2100: + 2.8° C – 4.6° C degrees
Rationale for selection	This scenario supports the Corporations Act requirement to consider a 1.5°C outcome and tests transition risks associated with the decarbonisation pathway – consistent with the Paris Agreement.	The scenario meets the Corporations Act requirement for a scenario of 2.5°C degrees or more warming.
Key data sources	NGFS - Network for Greening the Financial System IPCC - Intergovernmental Panel on Climate Change	NGFS - Network for Greening the Financial System IPCC - Intergovernmental Panel on Climate Change

Climate Resilience

The scenario analysis, together with a business-led review of mitigation activities and controls, informed the Group's assessment that its strategy and business model remain resilient under both scenarios, across the assessed time horizons. The analysis identified two physical risks that could affect critical operations and parts of the value chain, particularly over the long term under the higher-temperature scenario.

The Group's resilience assessment considered its existing business continuity, disaster recovery, infrastructure redundancy, alternate site arrangements, regulatory escalation processes and asset-light operating model. Based on these factors, the Group expects it would have capacity to adapt its operating arrangements in response to acute physical disruption and does not expect the identified risks to materially affect the Group's financial position, financial performance or cash flows.

Under the lower-temperature scenario, warming is limited to 1.5°C by the end of the century, with the magnitude of physical climate effects expected to be lower than under higher warming scenarios. The identified physical risks are not expected to increase beyond the Group's existing resilience settings.

Under the higher-temperature scenario, physical disruption risks may increase over the medium to long term, particularly where acute weather events affect critical technology infrastructure or draw processes. The timing, frequency, severity and location of these events remain subject to significant uncertainty. Existing business continuity, disaster recovery, infrastructure redundancy, alternate site and regulatory escalation arrangements support the Group's capacity to respond to disruption. We intend to continue to assess whether targeted enhancements are required as physical risk exposure evolves.

The significant areas of uncertainty considered in the resilience assessment, including model and pathway uncertainty, limited short-term differentiation and data availability, are described in the Basis of Preparation section of this report.

Our capacity to respond to physical disruption is supported by our asset-light operating model - including limited owned physical assets, leased premises and third-party technology infrastructure - and by established continuity arrangements that enable the temporary relocation of draw activities, activation of alternate sites and operational workarounds.

We expect to fund any operational or business continuity response from existing financial resources, and we retain flexibility to adjust the timing and prioritisation of resilience-related expenditure through our established risk governance and business planning processes. Climate-related risks and opportunities were not a distinct driver of investment in the current reporting period (refer to the Cross-industry metrics section), and any current or planned investment in resilience enhancements would be considered alongside other business priorities, through the Group's established capital deployment and business planning processes.

While the Group has not identified material anticipated financial effects from the disclosed risks, it has provided information on the nature of those risks, existing controls and areas of uncertainty to support users' understanding of the Group's climate resilience assessment.

Risk Management

Approach to risk management

The Lottery Corporation's governance arrangements are supported by the Group's enterprise risk management framework. Climate-related risks and opportunities are identified through the process described in the Strategy section and assessed using the Group's risk assessment framework, including the Risk Consequence Matrix. They are then prioritised, monitored and integrated through the Group's enterprise risk management framework.The Group monitors a range of disruption drivers to support the resilience of its critical operations, including core technology systems, key facilities, personnel and scheduled draws. Extreme weather is one such driver considered through the Group's business continuity and disaster recovery planning.

Mitigation strategies, as set out in the Strategy section of this report, are in place to reduce the likelihood of risks occurring or to minimise adverse consequences, should they arise.

Outputs from the climate scenario analysis are used by management to understand potential impacts to the Group across the stated time horizons and to inform updates to the enterprise risk register and supporting risk assessments.

Identification and Assessment of CRROs

The processes used by the Group this year to identify and assess climate-related risks and opportunities are described in the Strategy section of this report (refer to pages 82-87).

Prioritisation, Monitoring and Integration

Climate-related risks are prioritised relative to other risk types using the same risk framework applied across the enterprise risk register. CRROs assessed as having a higher level of impact to business operations are included in the register and allocated a risk profile for regular monitoring, whilst those assessed as not having as high a level of risk impact remaining subject to periodic review.

CRROs are monitored through the Group's established risk governance cadence, with changes in exposure, incidents or control effectiveness escalated through management and Board reporting channels. Any changes are reflected in updates to the CRRO's risk profile and, where relevant, the enterprise risk register. Supporting documentation, including climate risk scenario analysis, will be updated as part of the Group's regular business planning cycles.

Metrics and Targets

Overall measurement approach

The Group utilises the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol or GHGP) and applies an operational control boundary approach. The operational control boundary approach was used as this approach reflects where the Group has the direct leverage and day-to-day ability to reduce carbon emissions, and because the Group has the full authority to introduce and implement policies at its facilities. The emissions reporting boundary is consistent with the consolidated reporting entity used in the Group's Financial Report for the same period. There are no other investees included in the emissions boundary.

Methodology for calculating Scope 1 and 2 GHG emissions

The Lottery Corporation has developed its GHG inventory by first reviewing its organisational boundary (which includes the parent organisation and all subsidiaries of the parent organisation) and its operational boundary.

With regards to its operational boundary, the Group included all sources from facilities and activities for which it was found to have operational control - this includes emissions associated with purchased electricity at all of its owned facilities and spaces from which it operates on a lease, and emissions from the combustion of fuel by its leased vehicle fleet. Note that operations at The Lottery Corporation's retail network (e.g. newsagencies, pubs and clubs) are not considered to be under the Group's operational control.

Scope 1 emissions calculations

For the Group's vehicle fleet, fuel purchases for all vehicles were aggregated (as measured by fuel cards; measured in litres), per type of fuel. Aggregated figures were then multiplied by the sum of each fuel consumed by the corresponding scope 1 “cars and light commercial vehicles” transport emissions factor (National Greenhouse Accounts Factors 2025, Table 9). The dataset covered 12 months of the current reporting period.

Scope 2 emissions calculations

The Group collected electricity invoices for all operational sites and aggregated consumption, measured in kWh, for the reporting period. For the location-based approach, the Group aggregated electricity consumption across its sites per jurisdiction, then multiplied each jurisdiction’s subtotal by the corresponding Scope 2 location-based emissions factor from the National Greenhouse Accounts Factors (2025, Table 1).

To determine market-based Scope 2 emissions, the Group followed the market-based approach as defined in the National Greenhouse Accounts Factors (2025, page 11); which is calculated as the sum of purchased electricity in each jurisdiction – less the portion attributed to the Renewable Power Percentage and Jurisdictional Power Percentage where applicable – and then multiplied by the Scope 2 residual mix factor (National Greenhouse Accounts Factors 2025, Table 2).[i]

Measurement Uncertainty: GHG Emissions Inventory

Measurement uncertainty arises in the Group’s Scope 1 and 2 emissions inventory including the use of estimated activity data, published emissions factors, and assumptions regarding residual mix factors.[ii][iii]

(i) The Group has no Renewable Energy Certificates (RECs) that are generated onsite and self-consumed, nor any RECs voluntarily surrendered, nor any electricity exempt from the Renewable Energy Target liability.

(ii) Where electricity invoices or site-level consumption data were not available for the full reporting period, the Group applied either a proxy measure using site-specific FY25 consumption data for the corresponding period, or applied an average of the adjacent monthly consumption data as a proxy. The degree of inaccuracy through the use of either of these approaches is considered to be negligible.

(iii) Fugitive emissions, understood to be entirely comprised of refrigeration units in the vehicles and fridges in offices, are included in the boundary but are not measured; they are understood to be immaterial and of no material importance to the Group's risk profile.

FY26 Emissions

Operational emissions - Scope 1 and 2

The Lottery Corporation discloses both location-based and market-based Scope 2 emissions.

Location-based emissions reflect electricity consumption using the average emissions intensity of the grids in the locations where electricity is consumed. Market-based emissions reflect electricity consumption after taking into account contractual instruments, such as the purchase and retirement of Large-scale Generation Certificates (LGCs), where applicable.

The Group was not party to any such contractual instruments in the reporting period; however, our plan to achieve net zero Scope 2 emissions by FY30 includes the future purchase of renewable energy, as described in the net zero target and pathways section.

Operational emissions - absolute gross Scope 1

Emissions	FY26
Scope 1 Emissions (tCO2-e)	273

Operational emissions - absolute gross Scope 2

Emissions	FY26
Scope 2 Emissions Location-based (tCO2-e)	798
Scope 2 Emissions Market-based (tCO2-e)	799

Value chain emissions (voluntary) - Scope 3

Consistent with the transitional relief available under AASB S2 for the first annual reporting period, the Group has elected not to disclose its Scope 3 greenhouse gas emissions in this report.

The Group has instead disclosed its Scope 3 emissions on a voluntary basis in its Voluntary Sustainability Report (refer to page 20). These voluntary Scope 3 disclosures are not prepared in accordance with AASB S2 nor subject to assurance.

Net zero target and pathways

The Group has adopted a net emissions reduction target (net zero target) for Scope 1 and 2 greenhouse gas emissions by FY30, with the Group targeting to reduce gross Scope 1 and 2 emissions (market-based) by approximately 85.5% before the use of Australian Carbon Credit Units (ACCU's).[1]

The governance of this target, including its approval by the Board and how the Board monitors performance against it, is described in the Governance section of this report on pages 79 to 81.

Target	Net zero Scope 1 and 2 emissions (market-based) by FY30[(i)]
Objective	Reduce the Group's direct and indirect operational emissions
Scope	Applies to the entire Group
Greenhouse gases	The seven Kyoto Protocol-listed greenhouse gases were considered in setting The Lottery Corporation's inventory boundary. Following the application of the inventory boundary, three such gasses feature in the inventory: carbon dioxide (CO_2); methane (CH_4); and nitrous oxide (N_2O).
Period	FY25 - FY30
Target type	Absolute net emissions reduction target supported by an estimated gross Scope 1 and 2 emissions reduction pathway.
Base period	FY24 baseline of 1,176 tCO_2-e
Milestones or interim goals	No milestones or interim targets
Alignment with jurisdictional commitments	Informed by the goals of the Paris Agreement
Validation	The target is not validated by a third party
Revisions	No revisions have been made to the target
Derived using a sectoral decarbonisation approach	No
Progress in FY26	Total Scope 1 and 2 emissions (market-based) for FY26 was 1,072 tCO_2-e representing a reduction of 9% from FY24 baseline

(i) For AASB S2 reporting purposes, this is a net target as residual emissions can be addressed through the purchase and retirement of carbon offsets. The estimated 85.5% gross reduction is subject to uncertainty and reflects the estimated emissions reductions we expect to achieve by the target date. This is based on management's current expectations and reflects judgements, assumptions and estimates available at the date of this report.

The Lottery Corporation's main sources of Scope 1 and 2 emissions are:

- Scope 1 emissions: transport fuel for the 52 leased vehicles in our fleet (as at 30 June 2026).
- Scope 2 emissions: electricity consumption at our corporate offices, warehouse sites and concept store, with all electricity currently sourced from the grid.

Based on target modelling, the Group's current plan to achieve net zero Scope 1 and 2 emissions by FY30 (from a FY24 baseline) includes the following actions:

Net zero pathway levers (Scope 1 and 2)	Contribution to reduction from base year (FY24)
Decarbonisation of the electricity grid	37.9%
Fleet migration from traditional internal combustion engines to hybrid vehicles and electric vehicles (EVs)	10.0%
Purchase of LGCs to eliminate all remaining Scope 2 emissions	37.6%
Residual offsets (Scope 1)	**Contribution to reduction from base year (FY24)**
Purchase of Australian Carbon Credit Units (ACCUs)	14.5%

In FY26, key activities to progress to our net zero pathway included the continued transition of our fleet to lower-emissions vehicles with 69% of our fleet now hybrid or EV, up from 43% in the prior year. This helped deliver a 15% reduction in Scope 1 emissions against our FY24 baseline. Total Scope 1 and 2 emissions (market-based) were 9% below the FY24 baseline.

[1] Any future use of carbon offsets will be assessed closer to the target date and will be subject to the Group's requirements.

Measurement uncertainty: Emissions reduction target

Significant measurement uncertainty arises in the Group's emissions reduction target.

The target pathway relies on assumptions regarding projected residual mix factors - the emissions intensity of the residual electricity grid mix - based on modelling prepared by the Group's independent climate risk specialists using underlying data from the Australian Energy Market Operator (AEMO) Integrated System Plan, and on forward-looking assumptions underpinning the Group's levels of activity through to FY30.

Further judgements and assumptions relate to the fleet transition to hybrid and electric vehicles, renewable electricity procurement from FY30 and each year thereafter, and the potential use of carbon offsets for residual emissions.

Internal carbon pricing

The Group does not currently incorporate internal carbon pricing into decision-making.

Cross-industry metrics

The Group has not disclosed quantified amounts or percentages of assets or business activities vulnerable to climate-related transition risks, physical risks, or aligned with climate-related opportunities.

The CRRO assessment did not include asset-level or activity-level modelling. Having regard to the nature of the assessment and management's judgement that no identified climate-related risk or opportunity is expected to have a material effect on the Group's financial position, financial performance or cash flows for the reporting period, management concluded that quantitative disclosures of these metrics would not provide material information to users.

The Group has not identified any material capital expenditure, financing or investment that is specifically directed towards climate-related risks or opportunities. Accordingly, no amount has been disclosed under this metric for the reporting period.

Basis of Preparation

Reporting boundary

Climate-related risks and opportunities were assessed across the Group's value chain. The emissions reporting boundary is consistent with the consolidated reporting entity used in the Group's Financial Report for the same period.

Significant judgements

In preparing this disclosure, Management has applied judgement in a number of areas, including the identification of climate-related risks and opportunities and in determining material information to report. This included interpreting the AASB S2 reporting requirements and making informed decisions in areas where the standards allow flexibility.

The Group has made the following significant judgements in preparing this report:

1. Identifying CRROs - Judgement was exercised in assessing the impacts and dependencies across The Lottery Corporation's operations and value chain to identify climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, its access to finance or costs of capital over the short-, medium- and long-term. Localised value-chain risks were also considered but management has determined that their potential impacts were not sufficiently connected to the Group's cashflows, access to finance or cost of capital. The Group has also considered potential indirect impacts relating to transition risks associated with increased energy demand, which may result in higher electricity costs incurred by data providers. While there remains uncertainty regarding the timing, design and implementation of these transition-related measures impacting data providers, the Group does not expect any associated cost pass-through from data providers to have a material effect on its prospects over the short, medium or long term as the cloud -based suppliers do not form a substantial proportion of the Group's expenditure;
2. Assessing CRROs - The Group also applied judgement in assessing the likelihood and consequence of the potential impacts of the identified CRROs, including the effects of existing or planned mitigation and adaptation efforts;
3. Scenario analysis – Judgement was applied in selecting plausible scenarios for the Group's resilience assessment. Scenario narratives and assumptions were sourced from reputable sources such as NGFS and IPCC, and judgement applied in analysing the effects on the Group's business model and strategy associated with the inputs;
4. GHG emissions – The Group exercised judgement in selecting the appropriate emissions factors and defining the organisational boundary. Judgement was also applied in preparing reasonable estimates, where direct measurement was not possible.
5. Disclosure - Significant judgement was applied when identifying material information for inclusion in these disclosures, being information that could reasonably be expected to influence the decisions of primary users. This included determining which climate-related risks, opportunities and metrics are material to disclose.

Key assumptions

The scenario analysis relied on the published NGFS and IPCC scenario narratives, which reflect assumptions about climate-related policies in the jurisdiction, energy usage and mix, and developments in technology at a global and national level. Consistent with the qualitative nature of the analysis, the Group did not separately incorporate entity-specific assumptions regarding macroeconomic trends or granular national or regional-level variables, and did not undertake indirect macroeconomic modelling. Assumptions underpinning the Group's emissions inventory and net zero target pathway are described in the Measurement Uncertainty section below.

Measurement Uncertainty: Climate resilience assessments

Climate-related disclosures and its underlying assessments are subject to significant uncertainty, particularly over longer time horizons, due to evolving climate science, policy, technology and market pathways, and limitations in available data and modelling. This report reflects management's current view and does not constitute forecasts. The Group will review related judgements and uncertainties through established business planning and risk governance cycles, and as material developments occur.

Key measurement uncertainties include:

- model and pathway uncertainty (including regional extremes);
- limited short-term differentiation due to climate system inertia; and
- data availability/resolution, including use of NGFS narratives for transition conditions to ~2030 and IPCC pathways/narratives for physical conditions to 2050, and using SSP1-2.6 physical climate data where SSP1-1.9 physical risk climate data were not available.

Directors Declaration

In the opinion of the directors of The Lottery Corporation Limited (the Company), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the Group) for the year ended 30 June 2026, as presented on pages 77 to 93, are in accordance with the Corporations Act 2001, including:

(a) Complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and

(b) Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Made in accordance with a resolution of the directors of The Lottery Corporation Limited pursuant to section 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

Signed in accordance with a resolution of Directors.

Doug McTaggart
Chairman

19 August 2026

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Independent auditor's review report to the members of The Lottery Corporation Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report (the 'Report') of The Lottery Corporation Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	'Governance' section, pages 79 to 81
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	'Climate related risks' section, specifically risk title, type and "*Nature of the risk before mitigation*" within tables on pages 84 and 85
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	'Metrics and Targets' section, specifically "*Overall measurement approach*", "*Methodology for calculating Scope 1 and 2 emissions*" and "*Operational emissions - Scope 1 and 2*", pages 89 and 90

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

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Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report and the Voluntary Sustainability Report but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report. We have issued a separate auditor's report on the Financial Report and the Remuneration Report.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

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Inherent limitations

As discussed on pages 78 and 93 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of the Group's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Ernst & Young

Michael Collins
Partner
Melbourne
19 August 2026

Financial Report

Financial Report: Introduction and Contents

For the year ended 30 June 2026

About this report

The Lottery Corporation Limited (**The Lottery Corporation** or the **Company**) is a company limited by shares which are traded on the Australian Securities Exchange (ASX). The Company is incorporated and domiciled in Australia, and is a for-profit entity. The Financial Report of the Company for the year ended 30 June 2026 comprises the Company and its subsidiaries (the Group).

The Financial Report was authorised for issue by the Board of Directors on 19 August 2026.

Contents

Note disclosures have been grouped into five sections. The notes within each section detail the accounting policies applied, together with any key judgements and estimates used. The purpose of this format is to provide users with a clear understanding of the key drivers of the Group's financial performance and financial position.

Income Statement

For the year ended 30 June 2026

	Note	**2026 $m**	2025 $m
Revenue	A4	**3,576.6**	3,682.7
Other income/(loss)	A4	**(2.5)**	3.6
Government taxes and levies		**(1,977.5)**	(2,040.7)
Commissions, fees and consumables		**(573.0)**	(585.6)
Employment costs		**(169.2)**	(156.8)
Communications and technology costs		**(53.3)**	(55.4)
Advertising and promotions		**(41.2)**	(48.2)
Other expenses		**(49.5)**	(50.3)
Depreciation and amortisation	A4	**(114.1)**	(105.1)
Impairment (loss)/reversal	A4	**(56.7)**	5.2
Profit before income tax and net finance costs		**539.6**	649.4
Interest income		**10.4**	11.0
Finance costs	A4	**(133.7)**	(129.4)
Profit before income tax		**416.3**	531.0
Income tax expense	A5	**(131.7)**	(165.5)
Net profit after tax		**284.6**	365.5
Other comprehensive income			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedges taken to equity	B4.4	**34.7**	(2.3)
Income tax relating to these items	B4.4	**(8.0)**	2.7
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plan liabilities	E2	**(1.0)**	(0.6)
Income tax relating to these items		**0.4**	0.2
Other comprehensive income for the year, net of income tax		**26.1**	—
Total comprehensive income for the year		**310.7**	365.5

		2026 cents	2025 cents
Earnings per share:			
Basic and diluted earnings per share	A2	**12.8**	16.4
Dividends per share:			
Final dividend	A3	**8.5**	8.5
Interim dividend	A3	**8.0**	8.0

The accompanying notes form an integral part of this income statement.

Balance Sheet

As at 30 June 2026

	Note	2026 $m	2025 $m
Current assets			
Cash and cash equivalents	C6	**503.3**	476.9
Receivables	C7	**46.2**	41.7
Prepayments		**21.7**	21.8
Derivative financial instruments	B4	**10.5**	27.3
Other financial assets	B2	**67.9**	73.6
Other	C10	**130.7**	127.4
Total current assets		**780.3**	768.7
Non current assets			
Receivables	C7	**5.7**	6.5
Other financial assets	B2	**351.3**	328.7
Licences	C1	**1,706.4**	647.1
Other intangible assets	C2	**2,252.7**	2,258.3
Property, plant and equipment	C4	**125.4**	93.7
Right-of-use assets	C5	**56.2**	67.4
Derivative financial instruments	B4	**179.4**	234.6
Other		**0.1**	0.2
Total non current assets		**4,677.2**	3,636.5
TOTAL ASSETS		**5,457.5**	4,405.2
Current liabilities			
Payables	C8	**2,000.8**	892.2
Interest bearing liabilities	B3	**—**	160.5
Lease liabilities	C5	**13.4**	13.3
Current tax liabilities		**12.2**	32.7
Provisions	C9	**28.2**	15.8
Derivative financial instruments	B4	**8.9**	0.2
Other	C10	**117.2**	112.8
Total current liabilities		**2,180.7**	1,227.5
Non current liabilities			
Payables	C8	**404.5**	381.7
Interest bearing liabilities	B3	**2,426.3**	2,259.8
Lease liabilities	C5	**55.4**	66.8
Deferred tax liabilities	A5	**110.9**	130.5
Provisions	C9	**11.1**	11.2
Other		**4.5**	5.9
Total non current liabilities		**3,012.7**	2,855.9
TOTAL LIABILITIES		**5,193.4**	4,083.4
NET ASSETS		**264.1**	321.8
Equity			
Issued capital		**778.8**	781.6
Retained earnings		**616.0**	699.3
Reserves		**(1,130.7)**	(1,159.1)
TOTAL EQUITY		**264.1**	321.8

The accompanying notes form an integral part of this balance sheet.

Cash Flow Statement

For the year ended 30 June 2026

		2026 $m	2025 $m
Cash flows from operating activities			
Net cash receipts in the course of operations		**3,672.6**	3,818.3
Payments to suppliers, service providers and employees		**(1,010.0)**	(1,026.8)
Payments to government (including GST)		**(1,947.1)**	(1,956.3)
Interest income received		**10.5**	10.8
Finance costs paid		**(126.6)**	(124.2)
Income tax paid		**(177.5)**	(180.1)
Net cash flows from operating activities	C6	**421.9**	541.7
Cash flows from investing activities			
Payment for property, plant and equipment and intangibles		**(104.0)**	(71.6)
Transfers to term deposits relating to certain lottery games		**(16.6)**	(42.7)
Redemption from managed fund relating to certain lottery games		**–**	18.3
Net cash flows used in investing activities		**(120.6)**	(96.0)
Cash flows from financing activities			
Net drawdown from revolving bank facilities		**250.0**	10.0
Repayment of borrowings		**(136.7)**	–
Payment of lease liabilities		**(11.8)**	(10.7)
Dividends paid[(i)]		**(367.3)**	(411.8)
Net outlay for share purchases under employee incentive plans		**(9.1)**	(2.2)
Net cash flows used in financing activities		**(274.9)**	(414.7)
Net increase in cash held		**26.4**	31.0
Cash at beginning of year		**476.9**	445.9
Cash at end of year	C6	**503.3**	476.9

(i) Includes on-market share purchase for dividend reinvestment plan of $32.1m (2025: $71.8m). Refer to note A3 for further details.

The accompanying notes form an integral part of this cash flow statement.

Statement of Changes in Equity

For the year ended 30 June 2026

	Number of shares		Issued capital			Reserves			
	Ordinary	Treasury	Ordinary shares	Treasury shares	Retained earnings	Hedging	Demerger	Other	Total equity
	m	m	$m	$m	$m	$m	$m	$m	$m
2026									
Balance at beginning of year	**2,224.9**	**0.9**	**785.9**	**(4.3)**	**699.3**	**(34.7)**	**(1,137.1)**	**12.7**	**321.8**
Profit for the year	**-**	**-**	**–**	**–**	**284.6**	**–**	**–**	**–**	**284.6**
Other comprehensive income	**-**	**-**	**–**	**–**	**(0.6)**	**26.7**	**–**	**–**	**26.1**
Total comprehensive income	**-**	**-**	**–**	**–**	**284.0**	**26.7**	**–**	**–**	**310.7**
Dividends paid	**-**	**-**	**–**	**–**	**(367.3)**	**–**	**–**	**–**	**(367.3)**
Share based payments				**–**		**–**		**8.0**	**8.0**
Transfers	**0.4**	**(0.4)**	**(1.0)**	**2.0**		**–**		**(1.0)**	**–**
Net outlay to purchase shares	**(0.6)**	**0.6**		**(3.8)**		**–**		**(5.3)**	**(9.1)**
Balance at end of year	**2,224.7**	**1.1**	**784.9**	**(6.1)**	**616.0**	**(8.0)**	**(1,137.1)**	**14.4**	**264.1**
TOTAL	**Shares**	**2,225.8m**	**Issued capital**	**$778.8m**		**Reserves**		**($1,130.7m)**	
2025									
Balance at beginning of year	2,225.2	0.6	785.9	(3.2)	746.0	(35.1)	(1,137.1)	6.6	363.1
Profit for the year	-	-	–	–	365.5	–	–	–	365.5
Other comprehensive income	-	-	–	–	(0.4)	0.4	–	–	–
Total comprehensive income	-	-	–	–	365.1	0.4	–	–	365.5
Dividends paid	-	-	–	–	(411.8)	–	–	–	(411.8)
Share based payments	-	-	–	–	–	–	–	7.2	7.2
Transfers	0.2	(0.2)	–	1.1	–	–	–	(1.1)	–
Net outlay to purchase shares	(0.5)	0.5	–	(2.2)	–	–	–	–	(2.2)
Balance at end of year	2,224.9	0.9	785.9	(4.3)	699.3	(34.7)	(1,137.1)	12.7	321.8
TOTAL	Shares	2,225.8m	Issued capital	$781.6m		Reserves		($1,159.1m)	

Issued capital

Ordinary shares are issued and fully paid. They carry one vote per share and hold rights to dividends. Issued capital is recognised at the fair value of the consideration received. When issued capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from total issued capital. Any transaction costs directly attributable to the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the share proceeds received.

Treasury shares represent the unvested portion of Restricted Shares issued to executives as an incentive, on appointment or for retention, which is recognised as a reduction in issued capital. The amount which has been credited to the employee equity benefit reserve is transferred to issued capital to the extent the relevant Restricted Shares and Performance Rights vest or have been treated as vested.

Nature of reserves

Hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges.

Demerger reserve arose on the demerger of The Lottery Corporation Limited from Tabcorp Holdings Limited. It represents the value of the US Private Placement debt and the associated derivatives effectively transferred from Tabcorp, together with fair value uplifts relating to the Keno business combination.

Other reserves contain the employee equity benefit reserve and the equity instruments revaluation reserve.

The accompanying notes form an integral part of this statement of changes in equity.

Notes to the Financial Statements:

Basis of Preparation

For the year ended 30 June 2026

102The Financial Report is a general purpose financial report which:

- has been prepared in accordance with the *Corporations Act 2001* (Cth), Australian Accounting Standards as issued by the Australian Accounting Standards Board and other mandatory financial reporting requirements in Australia;
- complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- is presented in Australian dollars with dollar amounts rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*; and
- is prepared on the historical cost basis, except for derivative financial instruments and equity instruments that have been measured at fair value.

The accounting policies have been applied consistently throughout the Group for the purposes of this Financial Report.

The Group's balance sheet reflects a net current asset deficiency as follows:

	Note	**2026 $m**	2025 $m
Current assets			
Cash and cash equivalents(i)	C6	**503.3**	476.9
Receivables	C7	**46.2**	41.7
Other financial assets(ii)	B2	**67.9**	73.6
SA Lotteries monies held in trust	C10	**115.7**	111.3
Other		**47.2**	65.2
Total current assets		**780.3**	768.7
Current liabilities			
Payables - Victorian licence payment	C8	**1,145.0**	—
Payables - prize and game related liabilities		**677.4**	666.9
Payables - other		**178.4**	225.3
Interest bearing liabilities	B3	**—**	160.5
SA Lotteries monies held in trust	C10	**115.7**	111.3
Other		**64.2**	63.5
Total current liabilities		**2,180.7**	1,227.5
Net current asset deficiency		**(1,400.4)**	(458.8)

(i) Includes restricted cash balances (2026: $445.0m; 2025: $406.2m). Refer to note C6 for further details.

(ii) Other financial assets are held to fund payments to winners of certain lottery games, where winnings are payable for up to 20 years.

The net current asset deficiency largely arises due to:

- a payable for the Victorian lotteries licence following a 40 year licence term extension (refer to note C1);
- payables for certain prize and game related liabilities not requiring either equivalent restricted cash or financial assets to be held under regulatory requirements and/or State and Territory based licences; and
- the use of excess cash generated to reduce non current debt until current liabilities become due.

Notes to the Financial Statements:

Basis of Preparation

For the year ended 30 June 2026

The Directors are of the opinion that the Company is a going concern, and have prepared the financial report on this basis, as:

- the Group maintains sufficient liquidity through access to undrawn debt facilities of $380.0m (2025: $630.0m) and the availability of unrestricted cash, refer note B3;
- in addition to the existing facilities, the Group has also obtained binding commitments for a new $1.0 billion bank loan facility and an additional $343.6 million facility under the existing floating interest rate revolving facility agreement with the current banking syndicate, refer note B3. The Group will consider access to long-term debt funding markets as part of its broader financing strategy; and
- the Group is expected to generate sufficient cash flows from operations

which enables it to pay its debts as and when they become due and payable.

The first instalment of $250 million for the Victorian lotteries licence was paid on 3 July 2026 using existing debt facilities.

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of these assets and liabilities recognised in the financial statements are described in the following notes:

Note	Underlying estimates and assumptions
B2 Other financial assets B4 Derivative financial instruments	Fair value measurement.
C1 Licences C2 Other intangible assets C4 Property, plant and equipment	Asset useful lives.
C3 Impairment testing	Recoverable amount of cash generating units (CGUs).
C5 Leases	Lease term, make good and incremental borrowing rate.
C8 Payables	Timing of cash flows.
C9 Provisions	Future obligations and probability of outflow.
E3 Contingencies	Assessment of possible obligation and probability of outflow.

Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A1 Segment information

Operating segments reflect the business level at which financial information is provided to the Managing Director and Chief Executive Officer (Chief Operating Decision Maker (CODM)), for decision making regarding resource allocation and performance assessment. The measure of segment profit used excludes significant and other unallocated items not considered integral to the ongoing performance of the segment. Intersegment pricing is determined on commercial terms and conditions.

The Group has two operating segments at year end.

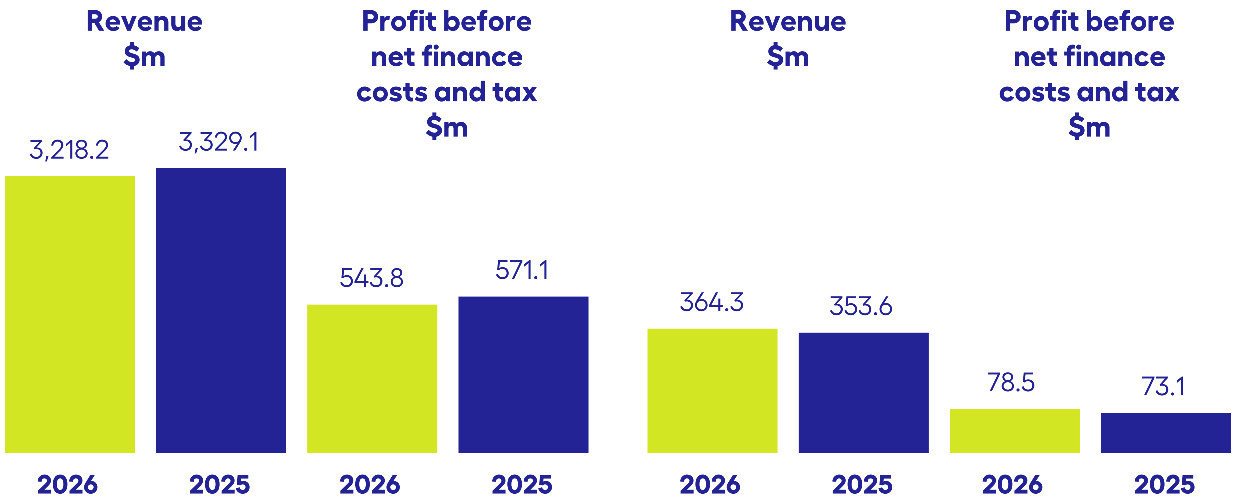
The Lottery Corporation

Lotteries

Operation of Lotteries pursuant to licences and approvals in certain Australian States and Territories.

Keno

Operation of Keno pursuant to licences and approvals in certain Australian States and Territories.



Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A1 Segment information (continued)

	Lotteries		Keno		Total	
	2026	2025	**2026**	2025	**2026**	2025
	$m	$m	**$m**	$m	**$m**	$m
Segment revenue[i][ii]	**3,218.2**	3,329.1	**364.3**	353.6	**3,582.5**	3,682.7
Variable costs [ii][iii][iv]	**(2,338.2)**	(2,421.6)	**(212.3)**	(204.7)	**(2,550.5)**	(2,626.3)
Operating expenses[v]	**(253.4)**	(261.3)	**(42.5)**	(45.8)	**(295.9)**	(307.1)
Depreciation and amortisation[iv]	**(83.1)**	(75.1)	**(31.0)**	(30.0)	**(114.1)**	(105.1)
Impairment reversal	**0.3**	—	**—**	—	**0.3**	—
Segment profit before net finance costs and tax[i]	**543.8**	571.1	**78.5**	73.1	**622.3**	644.2
Capital expenditure[vi]	**77.1**	64.3	**21.5**	13.7	**98.6**	78.0

(i) Lotteries includes interest revenue, refer to note A4.

(ii) Following the change outlined in note A4, the presentation of Revenue and Variable costs for both Lotteries and Keno has been revised. This change has no impact on segment profit before net finance costs and tax. The effect of this change is a decrease in Revenue, with a corresponding decrease in Variable costs of $44.0m for Lotteries and $21.1m for Keno in the current year. The 2025 comparatives have been presented on a consistent basis (decrease in both Revenue and Variable costs of $45.8m for Lotteries and $20.4m for Keno) in accordance with the accounting standards.

(iii) Comprises Government taxes and levies and Commissions, fees and consumables.

(iv) Total agrees to relevant line items as per the Group's income statement.

(v) Comprises Other income, Employment costs, Communications and technology costs, Advertising and promotions and Other expenses.

(vi) Capital expenditure excludes the acquisition of licences, make good provisions raised during the year and additions to right-of-use assets.

A reconciliation (where required) of the segment result to the Group's income statement is as follows:

	Revenue		Operating expenses		Impairment (loss)/ reversal		Profit before income tax	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m
Segment total (per above)	**3,582.5**	3,682.7	**(295.9)**	(307.1)	**0.3**	–	**622.3**	644.2
Unallocated items:								
- significant items:								
- impairment loss[i]	**–**	–	**–**	–	**(57.0)**	–	**(57.0)**	–
- restructure costs[ii]	**–**	–	**(13.4)**	–	**–**	–	**(13.4)**	–
- asset write-offs[iii]	**(5.9)**	–	**(6.4)**	–	**–**	–	**(12.3)**	–
	(5.9)	–	**(19.8)**	–	**(57.0)**	–	**(82.7)**	–
- interest income	**–**	–	**–**	–	**–**	–	**10.4**	11.0
- finance costs	**–**	–	**–**	–	**–**	–	**(133.7)**	(129.4)
- impairment reversal[iv]	**–**	–	**–**	–	**–**	5.2	**–**	5.2
Total per income statement	**3,576.6**	3,682.7	**(315.7)**	(307.1)	**(56.7)**	5.2	**416.3**	531.0

(i) Represents full impairment of the Group's licence to operate Keno in the ACT, which includes authority to operate online Keno. The licence value arose when it was fair valued in May 2022 as part of the demerger. The Australian Government has introduced proposed legislation into Parliament which would have the effect, among other things, of banning online keno-type lottery products nationally, effective from 1 January 2027. If enacted in its current form, the Group intends to cease all online Keno operations from this date across relevant jurisdictions.

(ii) Refer to note C9.

(iii) Asset write-offs of $5.9 million in Keno and $6.4 million in Lotteries were recognised during the year, reflecting the impact of the Australian Government's proposed reforms on the recoverability and commercial viability of certain assets within those segments. The Keno asset balance predominantly arose during FY26.

(iv) Represents a partial reversal of previously recognised write downs of assets in respect of surplus corporate lease space.

Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A2 Earnings per share

	2026 **$m**	2025 $m
Earnings used in calculation of earnings per share (EPS) attributable to shareholders	**284.6**	365.5

	2026 **Number (m)**	2025 Number (m)
Weighted average number of ordinary shares used in calculating basic EPS	**2,224.7**	2,225.0
Effect of dilution from Performance Rights and Treasury shares	**5.9**	4.9
Weighted average number of ordinary shares used in calculating diluted EPS	**2,230.7**	2,229.9

Basic EPS is calculated as net profit after tax divided by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated on the same basis as basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future, for example shares to be issued upon vesting of Performance Rights.

A3 Dividends

	2026 **Cents per share**	2025 Cents per share	**2026** **$m**	2025 $m
Fully franked dividends declared and paid during the year:				
Prior year final dividend	**8.5**	8.0	**189.2**	178.1
Prior year special dividend	**–**	2.5	**–**	55.6
Interim dividend	**8.0**	8.0	**178.1**	178.1
	16.5	18.5	**367.3**	411.8
Cash			**335.2**	340.0
Dividend reinvestment plan (on-market share purchase)			**32.1**	71.8
			367.3	411.8
Fully franked dividends declared and recognised after balance date:				
Final dividend	**8.5**	8.5	**–**	189.2
	8.5	8.5	**–**	189.2
Franking credits balance				
Franking credits available at balance date			**121.6**	101.5
Impact of estimated current tax payable			**12.2**	32.7
Franking credits available at the 30% company tax rate after allowing for tax payable			**133.8**	134.2

Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A4 Revenue and expenses

		Note	2026 $m	2025 $m
(a)	**Revenue comprises:**			
	Revenue from contracts with customers[(i)(ii)]		**3,554.4**	3,661.0
	Interest revenue		**22.2**	21.7
			3,576.6	3,682.7
(b)	**Other income/(loss)**			
	Net loss on disposal and write-off of non current assets		**(7.1)**	–
	Other		**4.6**	3.6
			(2.5)	3.6
(c)	**Employment costs include:**			
	Defined contribution plan expense		**(14.0)**	(13.1)
(d)	**Finance costs**			
	Interest costs on interest bearing liabilities		**(125.3)**	(124.2)
	Interest costs on lease liabilities	C5	**(1.7)**	(1.8)
	Other		**(6.7)**	(3.4)
			(133.7)	(129.4)
(e)	**Impairment (loss)/reversal**			
	Licences[(iii)]	C1	**(57.0)**	–
	Right-of-use assets[(iv)]	C5	**0.3**	5.2
			(56.7)	5.2
(f)	**Depreciation and amortisation**			
	Licences	C1	**(37.1)**	(34.3)
	Other intangible assets	C2	**(39.6)**	(36.8)
	Property, plant and equipment	C4	**(25.9)**	(22.4)
	Right-of-use assets	C5	**(11.5)**	(11.6)
			(114.1)	(105.1)

(i) Includes management fees recognised in relation to the Master Agency Agreement associated with the operation of SA Lotteries of $159.6m (2025: $162.6m).

(ii) The presentation of lottery franchise fee and Keno venue fee charges has been revised. This change has no impact on profit before income tax and net finance costs, with the decrease in Revenue offset by a corresponding decrease in Commissions, fees and consumables of $65.1m in the current year. The 2025 comparatives have been presented on a consistent basis ($66.2m decrease in both Revenue and Commissions, fees and consumables).

(iii) Refer to note A1.

(iv) Represents a partial reversal of previously recognised write downs of assets in respect of surplus corporate lease space.

Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A4 Revenue and expenses (continued)

Revenue from contracts with customers is recognised when control of the goods or services is transferred to customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. Incremental costs of obtaining contracts with a duration of one year or less are expensed as incurred. The following specific criteria must also be met before revenue is recognised:

Lotteries revenue is recognised as the gross subscriptions (inclusive of commissions) received from players less prize obligations when the official draw for each game is completed. Prize obligations are calculated based on a predetermined minimum percentage of gross subscriptions (excluding commissions) that shall be returned to players as established by the State and Territory-based licences. The actual payout for each draw may be below this minimum percentage, with the difference recognised as a liability to be used for prizes in future draws.

The Group also pays commissions to agencies who sell tickets to the players on their behalf. These are recognised as an expense as incurred within Commissions, fees and consumables.

Subscriptions received during the year for games which will be drawn in the next financial period are deferred and recognised as revenue in the next financial period. Lotteries revenue includes management fees recognised in relation to the Master Agency Agreement associated with the operation of SA Lotteries.

Keno revenue is recognised as the residual value of Keno turnover after deducting either the minimum return to customers or the required minimum contribution to prize funds in respect of approved Keno games conducted under each State and Territory-based licence or approval. The actual return to customers for each game may vary from the minimum return or contribution, with the difference recognised on the balance sheet and applied to future games.

Other revenue from contracts with customers for the sale of goods or rendering of a service is recognised upon the delivery of the goods or service to customers.

Interest revenue earned in the ordinary course of operations from certain prize-related financial assets is disclosed within revenue.

Contributions to defined contribution plans are recognised in the income statement as they become payable.

Interest income is recognised using the effective interest rate method.

Finance costs are recognised as an expense using the effective interest rate method.

A5 Income tax

(a) The major components of income tax expense are:	**2026 $m**	2025 $m
Current tax	**(160.4)**	(174.6)
Adjustments in respect of current income tax of previous years	**3.3**	1.9
Deferred tax	**25.4**	7.2
	(131.7)	(165.5)
Income tax reconciliation:		
Profit before income tax	**416.3**	531.0
Income tax payable at the 30% company tax rate	**(124.9)**	(159.3)
Tax effect of adjustments in calculating taxable income:		
- amortisation of licences	**(4.6)**	(3.8)
- other	**(2.2)**	(2.4)
Income tax expense	**(131.7)**	(165.5)

Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A5 Income tax (continued)

(b) Deferred tax assets/(liabilities)

	Balance at 1 July 2025 $m	Recognised in income statement $m	Recognised directly in equity $m	Balance at 30 June 2026 $m
Licences	**(176.8)**	**23.1**	**–**	**(153.7)**
Right-of-use assets	**(20.8)**	**3.6**	**–**	**(17.2)**
Other intangible assets	**(16.6)**	**2.5**	**–**	**(14.1)**
Lease liabilities	**24.2**	**(3.4)**	**–**	**20.8**
Provisions	**7.8**	**3.3**	**–**	**11.1**
Property, plant and equipment	**7.9**	**2.1**	**–**	**10.0**
Unlisted investments - managed fund	**(0.6)**	**–**	**–**	**(0.6)**
Deferred revenue	**2.1**	**(0.5)**	**–**	**1.6**
Separation costs	**15.1**	**(4.9)**	**–**	**10.2**
Other	**0.4**	**1.1**	**2.2**	**3.7**
Accrued expenses	**1.2**	**(1.1)**	**–**	**0.1**
US Private Placement	**0.1**	**(0.4)**	**–**	**(0.3)**
Fair value of cash flow hedges	**25.5**	**–**	**(8.0)**	**17.5**
Net deferred tax assets/(liabilities)	**(130.5)**	**25.4**	**(5.8)**	**(110.9)**

	Balance at 1 July 2024 $m	Recognised in income statement $m	Recognised directly in equity $m	Balance at 30 June 2025 $m
Licences	(183.6)	6.8	–	(176.8)
Right-of-use assets	(22.0)	1.2	–	(20.8)
Other intangible assets	(18.7)	2.1	–	(16.6)
Lease liabilities	26.8	(2.6)	–	24.2
Provisions	7.5	0.3	–	7.8
Property, plant and equipment	5.5	2.4	–	7.9
Unlisted investments - managed fund	(3.2)	2.6	–	(0.6)
Deferred revenue	2.6	(0.5)	–	2.1
Separation costs	22.2	(7.1)	–	15.1
Other	(3.6)	3.2	0.8	0.4
Accrued expenses	2.0	(0.8)	–	1.2
US Private Placement	0.5	(0.4)	–	0.1
Fair value of cash flow hedges	22.8	–	2.7	25.5
Net deferred tax assets/(liabilities)	(141.2)	7.2	3.5	(130.5)

Notes to the Financial Statements:

Section A - Group Performance

For the year ended 30 June 2026

A5 Income tax (continued)

(c) Tax consolidation

The Lottery Corporation Limited (the Head Company) and its 100% owned Australian tax resident subsidiaries have formed an income tax consolidation group, and are therefore taxed as a single entity. Members of the tax consolidation group entered into a tax sharing arrangement that provides for the allocation of income tax liabilities between the entities should the Head Company default on its tax payment obligations. At balance date, the possibility of default is considered remote.

Members of the tax consolidation group have entered into a tax funding agreement which requires each member of the tax consolidation group to make a tax equivalent payment to or from the Head Company, based on the current tax liability or current tax asset of the member. These amounts are recognised as either an increase or decrease in the subsidiaries' intercompany accounts with the Head Company. Deferred taxes are recognised separately by each member of the tax consolidation group. The Group applies the 'separate taxpayer within group' approach in calculating current taxes for each entity in the tax consolidation group.

Income tax comprises current and deferred income tax. Income tax is recognised in the income statement except when it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes. The temporary differences for goodwill and the initial recognition of an asset or liability in a transaction which is not a business combination and that affect neither accounting nor taxable profit at the time of the transaction are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The income tax expense and deferred tax balances assume certain tax outcomes in relation to the application of tax legislation as it applies to the Group. An **uncertain tax treatment** occurs where there is uncertainty over whether a tax authority will accept a tax treatment adopted by the Group under tax law. The Group revisits the accounting in relation to an uncertain tax treatment when there are changes in relevant facts and circumstances.

A6 Subsequent events

Other than the events disclosed elsewhere in this report, no other matters or circumstances have arisen since the end of the financial year, that may significantly affect the Group's operations, the results of those operations or the state of affairs of the Group.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B1 Capital management

The Group's objectives when managing capital are to ensure the Group continues as a going concern while providing optimal returns to shareholders and benefits for other stakeholders, and to maintain an appropriate capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group targets a strong investment grade credit rating, and has a BBB+/stable rating as at 30 June 2026 and 30 June 2025. Leverage is managed primarily through the ratio of net debt to earnings before interest, tax, depreciation, amortisation and impairment (EBITDA).

At 30 June the Group's leverage ratio was:

	2026	2025
	$m	$m
Interest bearing liabilities	**2,426.3**	2,420.3
Benefit of foreign exchange hedges on USPP principal	**(177.1)**	(281.9)
Lease liabilities	**68.8**	80.1
Gross debt	**2,318.0**	2,218.5
Cash on hand and in banks - available for corporate use	**(58.3)**	(70.7)
Net debt	**2,259.7**	2,147.8
EBITDA (before significant items)	**736.1**	749.3
Leverage ratio	**3.1**	2.9

B2 Other financial assets

Other financial assets are held to fund payments to winners of certain lottery games, where winnings are payable for up to 20 years.

	2026	2025
	$m	$m
Equity instruments at fair value through other comprehensive income		
Unlisted investments - managed fund[i]	**6.0**	5.7
Debt instruments at amortised cost		
Investment - term deposits[i]	**413.2**	396.6
	419.2	402.3
Current	**67.9**	73.6
Non current	**351.3**	328.7
	419.2	402.3

(i) Held to satisfy various regulatory requirements per State and Territory-based licences under which the Group operates. Refer to note C6 for further details.

Equity instruments at fair value through other comprehensive income are equity instruments which the Group intends to hold for the foreseeable future, and for which an irrevocable election to classify as such upon transition to AASB 9 has been made.

After initial measurement, they are subsequently carried at fair value (refer to note B5). Changes in the fair value are recognised in other comprehensive income and accumulated in a reserve within equity. No subsequent recycling of gains or losses to profit or loss is permitted.

Debt instruments at amortised cost are financial assets held in order to collect contractual cash flows that solely represent payments of principal and interest. They are carried at amortised cost.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B3 Interest bearing liabilities

The Group borrows money from financial institutions and debt investors in the form of bank loans and foreign currency denominated notes.

The following table details the debt position of the Group at 30 June:

Facility	Details	Facility limit $m	Maturity	2026 $m	2025 $m
Bank loans - unsecured	Floating interest rate revolving facility(i)	400.0	Jul-29	**398.8**	317.0
		550.0	Jan-32	**166.9**	–
		950.0		**565.7**	317.0
US Private Placement	Fixed interest rate US dollar debt. Aggregate US dollar principal of $1,145.0m (Jun-25: $1,250.0m). Cross currency interest rate swaps are in place for all US dollar debt. These swaps hedge the underlying US dollar debt amounts payable, resulting in the aggregate Australian dollar amount payable at maturity being $1,489.8m (Jun-25: $1,626.5m).	USD 105.0	n/a (ii)	**–**	160.5
		USD 450.0	Jun-28	**656.5**	689.2
		USD 520.0	Jun-30	**761.4**	798.1
		USD 175.0	Jun-33	**256.0**	269.6
		AUD 97.3	Jun-35	**93.5**	93.1
		AUD 97.3	Jun-36	**93.2**	92.8
				1,860.6	2,103.3
				2,426.3	2,420.3
Current				**–**	160.5
Non current				**2,426.3**	2,259.8
				2,426.3	2,420.3

(i) The revolving facilities were extended during the current period from Jul-27 to Jul-29 and from Jul-29 to Jan-32. On 3 July 2026, the Group paid the first instalment of $250 million in relation to the extended Victorian lotteries licence, refer to note C8. A drawdown on existing bank loan facilities occurred to support this payment.

(ii) Repaid in full at maturity in June 2026.

All facilities are subject to financial undertakings as to leverage and interest cover, with reporting required at 30 June and 31 December. The Group has complied with these financial undertakings in both the current and prior financial year.

In addition to the facilities outlined above, the Group has also obtained binding commitments for a new $1.0 billion bank loan facility and an additional $343.6 million facility under the existing floating interest rate revolving facility agreement with the current banking syndicate to support the Victorian lottery licence extension. Both commitments expire on 30 October 2026 unless executed on or before that date. If executed, maturities would range between 18 months and 5 years.

Interest bearing liabilities are recognised initially at fair value net of transaction costs, and subsequent to initial recognition are recognised at amortised cost which is calculated using the effective interest rate method.

Foreign currency liabilities are carried at amortised cost and are translated at the exchange rates at reporting date. Gains and losses are recognised in the income statement when the liabilities are derecognised in addition to the amortisation process.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. These fees are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which they relate.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B4 Derivative financial instruments

The Group holds the following derivative financial instruments, all at fair value based on level 2 observable inputs (refer to note B5):

	Assets		Liabilities	
	2026	2025	**2026**	2025
	$m	$m	**$m**	$m
Current				
Cross currency interest rate swaps	**0.3**	23.9	**(8.9)**	–
Interest rate swaps	**9.6**	3.4	**–**	–
Foreign currency forward	**0.6**	–	**–**	(0.2)
	10.5	27.3	**(8.9)**	(0.2)
Non current				
Cross currency interest rate swaps	**171.2**	230.7	**–**	–
Interest rate swaps	**8.2**	3.9	**–**	–
	179.4	234.6	**–**	–
Total derivative financial instruments	**189.9**	261.9	**(8.9)**	(0.2)

Derivative financial instruments are recognised initially at cost, and subsequently are stated at fair value (refer to note B5). The method of recognising any remeasurement gain or loss depends on the nature of the item being hedged. For the purposes of hedge accounting, the Group's hedges are classified as cash flow hedges.

At inception, hedge relationships are designated as such and documented. This includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the hedge effectiveness requirements are assessed.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

Cash flow hedges are used to hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction. Hedge effectiveness is measured at each reporting date by comparing the change in the fair value of the hedged item and the hedging instrument respectively. Any difference represents ineffectiveness. The effective portion of any gain or loss on the hedging instrument is recognised directly in equity, with any ineffective portion recognised in the income statement. For hedged items relating to financial assets or liabilities, amounts recognised in equity are reclassified into the income statement when the hedged transaction affects the income statement (i.e. when interest income or expense is recognised).

When the hedged item is the cost of a non-financial asset or liability, the amounts recognised in equity are transferred into the initial cost or other carrying amount of the non-financial asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or the designation of the hedge relationship is revoked but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

Financial instruments that do not qualify for hedge accounting are stated at fair value with any resultant gain or loss being recognised in the income statement.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B4 Derivative financial instruments (continued)

B4.1 Interest rate swaps

These swaps are used to mitigate the risk of variability in cash flows due to movements in the reference interest rate in relation to the US Private Placement debt.

The notional principal amounts and periods of expiry of these interest rate swap contracts are:

	Notional principal	
	2026	2025
	$m	$m
Less than one year	**–**	136.7
One to five years	**585.4**	585.4
Notional principal	**585.4**	722.1
Fixed interest rate range p.a.	**2.7% - 2.9%**	2.7% - 2.9%
Variable interest rate range p.a.	**4.5%**	3.7%

Net settlement receipts and payments are recognised as an adjustment to interest expense on an accruals basis over the term of the swaps, such that the overall interest expense on borrowings reflects the average cost of funds achieved by entering into the swap agreements.

There is an economic relationship between the hedged item and the hedged instrument as the key terms of the interest rate swap are similar to the key terms of the floating rate borrowings. The Group has established a hedge ratio of 1:1 which has been determined by comparing the notional principal of the swap with the notional amount of the designated debt.

Further information about the Group's interest rate risk management is disclosed in note B6.1.

B4.2 Cross currency interest rate swaps

These swaps are used to reduce the exposure to the variability of movements in the forward USD exchange rate in relation to the US Private Placement debt.

The principal amounts and periods of expiry of the cross currency interest rate swap contracts are:

	2026		2025	
	Pay principal	**Receive principal**	Pay principal	Receive principal
	AUD m	**USD m**	AUD m	USD m
Less than one year	**–**	**–**	136.7	105.0
One to five years	**1,262.0**	**970.0**	1,262.0	970.0
More than five years	**227.8**	**175.0**	227.8	175.0
Notional principal	**1,489.8**	**1,145.0**	1,626.5	1,250.0
Fixed interest rate range p.a.	**5.3% - 5.6%**	**4.7% - 5.0%**	5.3% - 5.6%	4.6% - 5.0%
Variable interest rate range p.a.	**6.7% - 6.8%**		5.8% - 6.0%	

There is an economic relationship between the hedged item and the hedged instrument as the terms and conditions in relation to the interest rate and maturity of the cross currency interest rate swaps are similar to the terms and conditions of the underlying hedged US Private Placement debt. The Group has established a hedge ratio of 1:1 which has been determined by comparing the notional principal of the swap with the notional amount of the designated debt.

Further information about the Group's foreign currency risk management is disclosed in note B6.2.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B4 Derivative financial instruments (continued)

B4.3 Impact of hedging on balance sheet

The change in fair value used for measuring ineffectiveness is set out in the below table. All hedging instruments are presented within derivative financial instruments in the balance sheet.

	2026	2025
	$m	$m
Interest rate swaps	**14.2**	(23.7)
Cross currency interest rate swaps	**(64.8)**	42.7
	(50.6)	19.0

B4.4 Impact of hedging on equity

Set out below is a reconciliation of the movement in the hedging reserve:

	Hedging reserve	
	2026	2025
	$m	$m
Carrying amount at beginning of year	**(34.7)**	(35.1)
Effective portion of changes in fair value arising from:		
- Interest rate swaps	**14.2**	(23.7)
- Cross currency interest rate swaps	**(64.8)**	42.7
Gain/(loss) on revaluation of USD debt	**81.2**	(21.3)
Other	**4.1**	–
	34.7	(2.3)
Tax effect	**(8.0)**	2.7
Carrying amount at end of year	**(8.0)**	(34.7)

B4.5 Impact of hedging on income statement

The ineffectiveness recognised in the income statement was immaterial in both the current and prior financial year.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B5 Fair value measurement

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purposes at each balance date. Various methods are available to estimate the fair value of a financial instrument, and comprise:

Level 1 - calculated using quoted prices in active markets.

Level 2 - 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).

Level 3 - estimated using inputs for the asset or liability that are not based on observable market data.

The carrying amount of financial assets or liabilities recognised in the financial statements is deemed to be the fair value unless stated below:

	Carrying amount		**Fair value**	
	2026	2025	**2026**	2025
	$m	$m	**$m**	$m
Financial liabilities				
US Private Placement	**1,860.6**	2,103.3	**1,842.7**	2,099.3

The fair value of the Group's financial instruments is estimated as follows:

US Private Placement

Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at balance date, in combination with restatement to foreign exchange rates at balance date (level 2 in fair value hierarchy).

Cross currency interest rate and interest rate swaps

Fair value is calculated using discounted future cash flow techniques, where various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves are based on market data at balance date (level 2 in fair value hierarchy).

Equity instruments at fair value through other comprehensive income

Fair value is referenced to market prices prevailing at balance date (level 2 in fair value hierarchy).

There have been no significant transfers between level 1 and level 2 during the financial year ended 30 June 2026.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B6 Financial instruments - risk management

The Group's principal financial instruments, other than derivatives, comprise cash, term deposits, unlisted investments and interest bearing liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group also has various other financial assets and liabilities which arise directly from its operations.

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities, principally interest rate swaps and cross currency interest rate swaps. The Group does not hold or issue derivative financial instruments for trading purposes.

The main risks arising from the Group's financial instruments are discussed in section B6.1 to B6.4.

B6.1 Interest rate risk

The Group has a policy of controlling exposure to interest rate fluctuations by the use of fixed and variable rate debt, floating rate term deposits, interest rate swaps, capped or collar options and forward rate agreements. It has entered into interest rate swap arrangements to hedge underlying debt obligations and allow floating rate borrowings to be swapped to fixed rate borrowings. Under these arrangements, the Group pays fixed interest rates and receives the bank bill swap rate (BBSW) calculated on the notional principal amount of the contracts.

At 30 June 2026 after taking into account the effect of interest rate swaps, approximately 74.7% (2025: 85.1%) of the Group's borrowings are at a fixed rate of interest.

The following assets and liabilities are exposed to floating interest rate risk:

	2026 **$m**	2025 $m
Cash assets	**325.0**	263.8
	325.0	263.8
Bank loans - unsecured	**(565.7)**	(317.0)
Interest rate swaps - notional principal amounts	**585.4**	722.1
Cross currency interest rate swaps - notional principal amounts	**(585.4)**	(722.1)
	(565.7)	(317.0)

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B6 Financial instruments - risk management (continued)

B6.1 Interest rate risk (continued)

Sensitivity analysis - interest rates - AUD and USD

The Group's sensitivity to reasonably possible changes in interest rates on the affected financial assets and financial liabilities in existence at year end is shown below. With all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
	2026	2025	**2026**	2025
	$m	$m	**$m**	$m
AUD				
+0.5% (50 basis points) (2025: +0.5%)	**(0.9)**	(0.2)	**17.9**	32.5
-0.5% (50 basis points) (2025: -0.5%)	**0.9**	0.2	**(16.9)**	(34.8)
USD				
+0.2% (20 basis points) (2025: +0.2%)	**–**	–	**(7.8)**	(15.1)
-0.2% (20 basis points) (2025: -0.2%)	**–**	–	**7.9**	15.2

The movements in profit are due to higher/lower interest costs from variable rate debt and investments. The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges.

Significant assumptions used in the analysis include:

- reasonably possible movements were determined based on the Group's current credit rating and mix of debt, and the level of debt that is expected to be renewed;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at balance date; and
- net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next 12 months.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B6 Financial instruments - risk management (continued)

B6.2 Foreign currency risk

The Group's primary currency exposure is to US dollars as a result of issuing US Private Placement debt. In order to manage this risk exposure, the Group uses hedging primarily through cross currency interest rate swaps to fix the exchange rate on the USD debt until maturity. The Group agrees to pay a fixed USD amount for an agreed AUD amount with swap counterparties, and to re-exchange this again at maturity. These swaps are designated to hedge the principal and interest obligations of the US Private Placement debt.

Sensitivity analysis foreign exchange

The following analysis is based on the Group's foreign currency risk exposures in existence at balance date and demonstrates the Group's sensitivity to reasonably possible changes in the AUD/USD exchange rate. With all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
	2026	2025	**2026**	2025
	$m	$m	**$m**	$m
AUD/USD +10 cents (2025: +10 cents)	**–**	–	**(4.2)**	(8.9)
AUD/USD -10 cents (2025: -10 cents)	**–**	–	**5.6**	13.0

The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges. Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- reasonably possible movements were determined based on a review of the last two years' historical movements and economic forecasters' expectations;
- movement of 10 cents was calculated by taking the USD spot rate as at balance date, moving this spot rate by 10 cents and then re-converting the USD into AUD with the 'new spot rate'. This methodology reflects the translation methodology undertaken by the Group;
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at balance dates; and
- net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next 12 months.

Notes to the Financial Statements:

Section B - Capital and Risk Management

For the year ended 30 June 2026

B6 Financial instruments - risk management (continued)

B6.3 Credit risk

The Group's credit risk arises in relation to cash and cash equivalents, receivables, term deposits, financial liabilities and liabilities under financial guarantees. Credit risk on financial assets which have been recognised on the balance sheet, is the carrying amount less any allowance for non recovery.

Credit risk is managed by:

- adherence to a strict cash management policy;
- conducting all investment and financial instrument activity with approved counterparties with investment grade credit ratings and setting exposure limits based on these ratings; and
- reviewing compliance with counterparty exposure limits on a regular basis, and spreading the aggregate value of transactions amongst the approved counterparties.

Credit risk associated with financial liabilities arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in respect of derivative contracts is detailed in the liquidity risk table in note B6.4.

Credit risk includes liabilities under financial guarantees. For financial guarantee contract liabilities the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. The fair value of financial guarantee contract liabilities has been assessed as nil (2025: nil), as the possibility of an outflow occurring is considered remote.

Details of the financial guarantee contracts at balance date are outlined below:

- The Company has entered into a deed of cross guarantee as outlined in note D2.
- The maximum amount of bank guarantee contracts at balance date is $15.6m (2025: $15.6m).

B6 Financial instruments - risk management (continued)

B6.4 Liquidity risk

Liquidity risk arises from the ongoing financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and notes. To help reduce liquidity risk, the Group maintains a minimum level of cash and cash equivalents and has sufficient undrawn funds available.

The Group's current policy is that not more than 33% of debt facilities should mature in any financial year.

At 30 June 2026, no debt facilities will mature in less than one year (2025: 4.9%).

Due to the measures in place for managing liquidity and access to capital markets, this risk is not considered significant.

The contractual cash flows including principal and estimated interest payments of financial liabilities in existence at year end are as follows:

	2026			2025		
	< 1 year $m	**1 - 5 years $m**	**> 5 years $m**	< 1 year $m	1 - 5 years $m	> 5 years $m
Non-derivative financial instruments						
Financial liabilities						
Payables	**(2,000.8)**	**(121.2)**	**(283.3)**	(892.2)	(107.6)	(273.7)
Bank loans - unsecured	**(32.6)**	**(487.7)**	**(176.4)**	(13.9)	(336.1)	–
US Private Placement	**(91.1)**	**(1,497.1)**	**(497.2)**	(239.0)	(1,577.1)	(522.8)
Lease liabilities	**(13.9)**	**(45.7)**	**(23.3)**	(13.6)	(49.2)	(33.2)
Outflow	**(2,138.4)**	**(2,151.7)**	**(980.2)**	(1,158.7)	(2,070.0)	(829.7)
Derivative financial instruments						
Financial assets						
Interest rate swaps - receive AUD floating	**26.4**	**25.0**	**–**	22.9	41.3	–
Cross currency interest rate swaps - receive USD fixed	**80.1**	**1,449.9**	**252.6**	227.6	1,529.7	267.1
	106.5	**1,474.9**	**252.6**	250.5	1,571.0	267.1
Financial liabilities						
Interest rate swaps - pay AUD fixed	**(16.3)**	**(15.5)**	**–**	(19.7)	(31.8)	–
Cross currency interest rate swaps - pay AUD fixed	**(88.7)**	**(1,457.0)**	**(252.7)**	(224.6)	(1,522.8)	(265.4)
	(105.0)	**(1,472.5)**	**(252.7)**	(244.3)	(1,554.6)	(265.4)
Net inflow	**1.5**	**2.4**	**(0.1)**	6.2	16.4	1.7

For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date. For foreign currency receipts and payments, the amount disclosed is determined by reference to the AUD/USD rate at balance date.

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C1 Licences

	Lotteries licences		Keno licences		Total	
	2026	2025	**2026**	2025	**2026**	2025
	$m	$m	**$m**	$m	**$m**	$m
Carrying amount at beginning of year	**397.7**	422.3	**249.4**	259.1	**647.1**	681.4
Addition(i)	**1,153.4**	–	**–**	–	**1,153.4**	–
Amortisation	**(27.3)**	(24.6)	**(9.8)**	(9.7)	**(37.1)**	(34.3)
Impairment(ii)	**–**	–	**(57.0)**	–	**(57.0)**	–
Carrying amount at end of year	**1,523.8**	397.7	**182.6**	249.4	**1,706.4**	647.1
Cost	**1,723.7**	664.6	**280.1**	280.1	**2,003.8**	944.7
Accumulated amortisation and impairment	**(199.9)**	(266.9)	**(97.5)**	(30.7)	**(297.4)**	(297.6)
	1,523.8	397.7	**182.6**	249.4	**1,706.4**	647.1

(i) During the year the Victorian lotteries licence term was extended by 40 years. An upfront premium payment of $1.145 billion is payable in two instalments ($250 million was paid on 3 July 2026 and $895 million is due on 1 October 2026), and has been recognised as a payable at 30 June 2026 (refer to note C8). The cost of the licence reflects this payment together with the carrying value of the licence prior to the extension. The licence is amortised on a straight line basis over the extended term until expiry in 2068. Prior to the extension, the licence was amortised over the original licence term until expiry in 2028.

(ii) Refer to note A1. The recoverable amount of the Keno ACT licence was determined using fair value less costs of disposal of the relevant cash generating unit. The key estimates and assumptions used are as outlined in note C3.

Licences that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

	Lotteries licences	Keno licences
Amortisation policy - straight line basis over useful life (years):	20 - 65	20 - 50
Licence expiration date:		
- Victoria	2068	2042
- Queensland	2072	2047
- New South Wales(i)	2050	2050
- Northern Territory	2032	
- South Australia	2052	2052
- Australian Capital Territory		2072

(i) The New South Wales Keno licence is operated with ClubKeno Holdings Pty Ltd as co-licensee.

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C2 Other intangible assets

	Goodwill	Brand names	Customer related assets	Software	Total
	$m	$m	$m	$m	$m
2026					
Carrying amount at beginning of year	**2,083.2**	**36.2**	**–**	**138.9**	**2,258.3**
Additions:					
- acquired	**–**	**–**	**–**	**25.2**	**25.2**
- internally developed	**–**	**–**	**–**	**29.8**	**29.8**
Transfers	**–**	**–**	**–**	**(14.2)**	**(14.2)**
Amortisation	**–**	**(0.8)**	**–**	**(38.9)**	**(39.6)**
Disposals and write-offs	**–**	**–**	**–**	**(6.7)**	**(6.7)**
Carrying amount at end of year	**2,083.2**	**35.4**	**–**	**134.1**	**2,252.7**
Cost	**2,083.2**	**50.0**	**–**	**312.9**	**2,446.1**
Accumulated amortisation	**–**	**(14.6)**	**–**	**(178.8)**	**(193.4)**
	2,083.2	**35.4**	**–**	**134.1**	**2,252.7**
Includes capital works in progress of:				**36.6**	**36.6**
2025					
Carrying amount at beginning of year	2,083.2	37.0	0.6	126.5	2,247.3
Additions:					
- acquired	–	–	–	21.4	21.4
- internally developed	–	–	–	30.0	30.0
Transfers	–	–	–	(3.6)	(3.6)
Amortisation	–	(0.8)	(0.6)	(35.4)	(36.8)
Carrying amount at end of year	2,083.2	36.2	–	138.9	2,258.3
Cost	2,083.2	50.0	–	296.7	2,429.9
Accumulated amortisation	–	(13.8)	–	(157.8)	(171.6)
	2,083.2	36.2	–	138.9	2,258.3
Includes capital works in progress of:				32.2	32.2

Amortisation policy - straight line basis over useful life (years):		65	2	3 - 7	

Goodwill arising in a business combination represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. All business combinations are accounted for by applying the acquisition method. Any contingent consideration is recognised at fair value at the acquisition date. Negative goodwill arising on an acquisition is recognised directly in the income statement. Goodwill is not amortised, and is stated at cost less any accumulated impairment losses. Any impairment losses recognised against goodwill cannot be reversed.

Brand names that are acquired by the Group with a finite useful life are stated at cost less accumulated amortisation.

Other intangible assets that are acquired by the Group with a finite useful life are stated at cost less accumulated amortisation. The cost of internally developed software includes the cost of materials, direct labour and an appropriate proportion of overheads.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C3 Impairment testing

Goodwill is tested for impairment annually, or whenever there is an indicator of impairment.

Carrying amount of goodwill allocated to each operating segment:

	2026	2025
	$m	$m
Lotteries	**1,511.0**	1,511.0
Keno	**572.2**	572.2
	2,083.2	2,083.2

In accordance with the Group's accounting policies, the Group performs its impairment testing annually at 30 June.

The impairment test has determined the carrying value of the Keno ACT CGU exceeded its recoverable amount at 30 June 2026. As a result, an impairment charge of $57.0m has been recognised in the income statement, refer to note A1.

The recoverable amount of each CGU (or group of CGUs) is determined based on fair value less costs of disposal, calculated using discounted cash flows. The cash flow forecasts are principally based upon a five year period and extrapolated using long term growth rates, and then discounted using a relevant long term post tax discount rate. This is considered to be level 3 in the fair value hierarchy (refer to note B5 for explanation of the valuation hierarchy). The long term growth rates and discount rates applied are set out in the table below.

	2026	2025
	%	%
Growth rate	**2.5 - 3.5**	2.5 - 3.5
Discount rate	**7.5 - 8.6**	7.5 - 8.6

Key assumptions on which management has based its cash flow projections:

- State tax regimes and the regulatory environment in which the Group currently operates remain largely unchanged.
- The Australian Government's proposed legislation banning online keno-type lottery products nationally is enacted in its current form, effective from 1 January 2027.
- Growth rates used to extrapolate cash flows are either in line with or do not exceed the long term average growth rate for the industry in which the CGU operates.
- Discount rates applied are based on the post tax weighted average cost of capital applicable to the relevant CGU.
- Terminal growth rate applied was in line with the forecast long term underlying growth rate in the Consumer Price Index.

The key estimates and assumptions used to determine the fair value less costs of disposal of a CGU (or group of CGUs) are based on management's current expectations after considering past experience and external information, and are considered to be achievable. Significant changes in any of these estimates and assumptions may result in a CGU's carrying value exceeding its recoverable value requiring an impairment charge to be recognised at a future date.

At each balance date, in addition to goodwill, all non-current assets are reviewed for impairment if events or changes in circumstances indicate they may be impaired. When an indicator of impairment exists, the Group makes a formal assessment of recoverable amount. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless the asset's recoverable value cannot be estimated as it does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, the recoverable amount is determined for the CGU, being assets grouped at the lowest levels for which there are separately identifiable cash flows.

Goodwill acquired through business combinations have been allocated to each CGU or group of CGUs expected to benefit from the business combination's synergies for impairment testing.

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C4 Property, plant and equipment

	Leasehold improvements		Plant and equipment		Total	
	2026	2025	**2026**	2025	**2026**	2025
	$m	$m	**$m**	$m	**$m**	$m
Carrying amount at beginning of year	**14.3**	16.1	**79.4**	69.8	**93.7**	85.9
Additions	**1.5**	0.3	**42.1**	26.3	**43.6**	26.6
Transfers	**(0.4)**	1.7	**14.6**	1.9	**14.2**	3.6
Depreciation	**(2.9)**	(3.8)	**(23.0)**	(18.6)	**(25.9)**	(22.4)
Disposals and write-offs	**(0.2)**	–	**–**	–	**(0.2)**	–
Carrying amount at end of year	**12.3**	14.3	**113.1**	79.4	**125.4**	93.7
Cost	**37.7**	37.0	**258.7**	232.0	**296.4**	269.0
Accumulated depreciation and impairment	**(25.4)**	(22.7)	**(145.6)**	(152.6)	**(171.0)**	(175.3)
	12.3	14.3	**113.1**	79.4	**125.4**	93.7
Includes capital works in progress of:	**0.3**	0.1	**24.7**	24.0	**25.0**	24.1

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

	Leasehold improvements	Plant and equipment
Depreciation policy - straight line basis over useful life (years):	7 - 14	3 - 10

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C5 Leases

(a) Group as a lessee

The Group has lease contracts for various properties and motor vehicles with lease terms expiring from 1 to 7 years.

Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or are subject to market rate review.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Property		Motor vehicle		Total	
	2026 $m	2025 $m	**2026 $m**	2025 $m	**2026 $m**	2025 $m
Carrying amount at beginning of year	**66.5**	70.1	**0.9**	0.6	**67.4**	70.7
Additions	**0.7**	0.9	**0.6**	0.7	**1.3**	1.6
Lease remeasurements	**(0.2)**	1.5	**–**	–	**(0.2)**	1.5
Depreciation	**(11.1)**	(11.2)	**(0.4)**	(0.4)	**(11.5)**	(11.6)
Impairment reversal(i)	**0.3**	5.2	**–**	–	**0.3**	5.2
Terminations	**(1.0)**	–	**(0.1)**	–	**(1.1)**	–
Carrying amount at end of year	**55.2**	66.5	**1.0**	0.9	**56.2**	67.4

(i) Represents a partial reversal of previously recognised write downs of assets in respect of surplus corporate lease space.

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2026 $m	2025 $m
Carrying amount at beginning of year	**80.1**	88.6
Additions	**1.2**	0.7
Lease remeasurements	**0.2**	1.5
Interest expense	**1.7**	1.8
Payments	**(13.5)**	(12.5)
Terminations	**(0.9)**	–
Carrying amount at end of year	**68.8**	80.1
Current	**13.4**	13.3
Non current	**55.4**	66.8
	68.8	80.1

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C5 Leases (continued)

(b) Group as a lessor

Finance sub-leases

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2026	2025
	$m	$m
Less than one year	**1.2**	0.9
Between one to two years	**1.0**	0.9
Between two to three years	**1.0**	1.0
Between three to four years	**1.1**	1.0
Between four to five years	**1.1**	1.1
More than five years	**1.8**	2.9
Total undiscounted lease receivable	**7.2**	7.8
Unearned finance income	**(0.4)**	(0.5)
	6.8	7.3

Operating sub-leases

Future minimum rentals receivable under non-cancellable operating sub-leases as at 30 June:

Not later than one year	**4.2**	2.4
Later than one year but not later than five years	**2.3**	3.3
	6.5	5.7

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C5 Leases (continued)

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Right-of-use assets are recognised at the commencement date of the lease, which is when the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, any make good costs, and lease payments made at or before the commencement date less any lease incentives received. Right- of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities are recognised at the commencement date of the lease, measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. Lease payments include fixed payments or variable lease payments that depend on an index or a rate, incorporating the Group's expectations of extension options which is a key area of judgement. Option periods are only included in determining the lease term at inception when they are reasonably certain to be exercised.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. Lease liabilities are remeasured when there is a modification, a change in the lease term, or changes in future lease payments arising from a change in rates or index used to determine the payments.

Short term leases (lease term of 12 months or less) and **leases of low value assets** are recognised as an expense as incurred.

The Group enters into lease arrangements as lessor in respect of some property leases. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately.

The sub-lease is a **finance lease** where it transfers substantially all the risks and rewards of ownership to the lessee. All other sub-leases are operating leases. The determination of whether a sub-lease is classified as a finance lease or operating lease is made by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease and is included in other income.

The Group recognises on the balance sheet a net investment in a lease as the sum of the lease payments receivable plus any unguaranteed residual value, discounted at the interest rate implicit in the lease.

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C6 Notes to the cash flow statement

	2026 $m	2025 $m
(a) Cash and cash equivalents comprise:		
Cash on hand and in banks - significant restrictions[(i)]	**445.0**	406.2
Cash on hand and in banks - available for corporate use	**58.3**	70.7
Cash and cash equivalents in the cash flow statement	**503.3**	476.9

(i) Significant restrictions

The Group operates under State and Territory-based licences which have various regulatory requirements in place that restrict the Group's use of certain cash balances and other financial assets (refer to note B2) for payment of lotteries duties, licence fees and to satisfy customer prize payment obligations. These restrictions arise under the trading conditions for each licence in connection with the Group's liability obligations and vary by jurisdiction. Cash subject to these restrictions is held in accounts segregated from cash held for general use for corporate purposes where required.

(b) Reconciliation of net profit after tax to net cash flows from operating activities	2026 $m	2025 $m
Net profit after tax	**284.6**	365.5
Add items classified as investing/financing activities:		
- net loss on disposal and write-off of non current assets	**7.1**	–
Add non cash income and expense items:		
- depreciation and amortisation	**114.1**	105.1
- impairment loss/(reversal)	**56.7**	(5.2)
- share based payments expense	**6.1**	6.6
- other	**10.2**	6.3
Net cash provided by operating activities before changes in assets and liabilities	**478.8**	478.3
Changes in assets and liabilities:		
(Increase)/decrease in:		
- debtors	**(3.1)**	6.9
- prepayments	**0.1**	(3.3)
- other assets	**(3.4)**	6.4
(Decrease)/increase in:		
- payables	**(17.1)**	71.7
- provisions	**12.1**	1.3
- deferred tax liabilities	**(25.3)**	(7.2)
- provision for income tax	**(20.5)**	(7.9)
- other liabilities	**0.3**	(4.5)
Net cash flows from operating activities	**421.9**	541.7

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C6 Notes to the cash flow statement (continued)

(c) Changes in liabilities arising from financing activities

	Interest bearing liabilities		**Lease liabilities**		**Total**	
	2026 $m	2025 $m	**2026 $m**	2025 $m	**2026 $m**	2025 $m
Carrying amount at beginning of year	**2,420.3**	2,391.1	**80.1**	88.6	**2,500.4**	2,479.7
Cash flows	**113.3**	10.0	**(13.5)**	(12.5)	**99.8**	(2.5)
Foreign exchange movement	**(104.8)**	21.3	**–**	–	**(104.8)**	21.3
Changes in fair values	**(1.2)**	(1.3)	**–**	–	**(1.2)**	(1.3)
Lease recognition	**–**	–	**1.4**	2.2	**1.4**	2.2
Other	**(1.3)**	(0.8)	**0.8**	1.8	**(0.5)**	1.0
Carrying amount at end of year	**2,426.3**	2,420.3	**68.8**	80.1	**2,495.1**	2,500.4

C7 Receivables

	2026 $m	2025 $m
Current		
Trade debtors	**15.3**	19.0
Allowance for expected credit losses	**–**	(0.1)
	15.3	18.9
Amounts due from other lottery operators	**14.1**	2.4
Accrued interest income	**9.7**	10.3
Other	**7.1**	10.1
	46.2	41.7
Non current		
Other	**5.7**	6.5

Trade debtors are recognised and carried at original invoice amount less an allowance for any uncollectible amount.

Expected credit losses for the Group are calculated using a lifetime expected loss allowance under the simplified approach of AASB 9. The expected credit loss is based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C8 Payables

	2026 $m	2025 $m
Current		
Payables(i)	**855.8**	892.2
Victorian licence payment(ii)	**1,145.0**	–
	2,000.8	892.2
Non current		
Payables(iii)	**404.5**	381.7

(i) Includes prize and game related liabilities totalling $677.4m (2025: $666.9m).

(ii) During the year, the term of the Victorian lotteries licence was extended (refer to note C1). The premium payment is payable in two instalments, the first instalment of $250 million was paid on 3 July 2026 using existing debt facilities, and the second instalment of $895 million is due on 1 October 2026.

(iii) Mainly comprises prizes payable to the winners of certain lottery games where winnings are payable for up to 20 years (refer to note B2).

Payables are recognised initially at fair value, and subsequent to initial recognition are recognised at amortised cost which is calculated using the effective interest rate method.

C9 Provisions

	2026 $m	2025 $m
Current		
Employee benefits	**16.1**	15.7
Restructuring	**11.5**	–
Make good	**0.6**	0.1
	28.2	15.8
Non current		
Employee benefits	**3.0**	2.8
Make good	**8.2**	8.4
	11.1	11.2

Movement in provisions other than employee benefits during the year are set out below:

	Restructuring $m	Make good $m
Carrying amount at beginning of year	**–**	**8.5**
Provisions made during year	**13.4**	**0.3**
Provisions used during year	**(1.9)**	**–**
Carrying amount at end of year	**11.5**	**8.8**

Notes to the Financial Statements:

Section C - Operating Assets and Liabilities

For the year ended 30 June 2026

C9 Provisions (continued)

A **provision** is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recorded as a finance cost.

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

Employee benefits (long term) - the Group's net obligation is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is discounted to determine its present value. Remeasurements are recognised in the income statement in the period in which they arise. This excludes pension plans.

Restructuring provision is recognised when the Group has developed a detailed formal plan to restructure and has communicated the main features of the plan to the affected employees, creating a valid expectation that the restructuring will proceed.

Make good provision is recognised for leasehold properties requiring remedial work at the end of the lease arrangement. The provision recognised represents the present value of the estimated expenditure required for remedial work.

C10 Other current assets and liabilities

	2026 $m	2025 $m
Current assets		
SA Lotteries monies held in trust(i)	**115.7**	111.3
Other	**15.0**	16.1
	130.7	127.4
Current liabilities		
SA Lotteries monies held in trust(i)	**115.7**	111.3
Other	**1.5**	1.5
	117.2	112.8

(i) SA Lotteries is operated under a Master Agency Agreement with Lotteries Commission of South Australia, and monies are held in trust.

Notes to the Financial Statements:

Section D - Group Structure

For the year ended 30 June 2026

D1 Subsidiaries

The ultimate parent entity within the Group is The Lottery Corporation Limited.

The consolidated financial statements incorporate the assets, liabilities and results of The Lottery Corporation Limited and the following controlled entities, that were held in both current and prior period unless otherwise stated:

100% owned Australian subsidiaries in a deed of cross guarantee with The Lottery Corporation Limited (refer to note D2):

Club Gaming Systems (Holdings) Pty Ltd	New South Wales Lotteries Corporation Pty Ltd	Tatts Lotteries SA Pty Ltd
Golden Casket Lottery Corporation Limited	TAHAL Pty Ltd	Tatts NT Lotteries Pty Ltd
Keno (ACT) Pty Ltd	Tattersall's Gaming Pty Ltd	Tatts Online Pty Ltd
Keno (NSW) Pty Ltd	Tattersall's Gaming Systems NSW Pty Ltd	tatts.com Pty Ltd
Keno (QLD) Pty Ltd	Tattersall's Sweeps Pty Ltd	TattsTech Pty Ltd
Keno (VIC) Pty Ltd	Tatts Employee Share Plan Pty Ltd	Thelott Enterprises Pty Ltd
Keno Online Pty Ltd	Tatts Employment Co (NSW) Pty Ltd	Wintech Investments Pty Ltd
L&K Finance Pty Ltd	Tatts Keno Holdings Pty Ltd	50-50 Software Pty Ltd
L&K Operations Pty Ltd		

Subsidiaries are entities controlled by the Company. The Group controls an entity if and only if the Group has:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

The financial statements of subsidiaries are included in the consolidated financial report from the date control commences until the date control ceases.

Elimination of intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are undertaken in preparing the consolidated financial statements.

Investments are initially recognised at cost, being the fair value of the consideration given, and if acquired prior to 1 July 2009 included acquisition charges associated with the investment. Subsequently investments are carried at cost less any impairment losses unless an accounting policy choice is made by a company to measure its investments at fair value, they are stated at fair value with any resultant gain or loss being recognised in the income statement.

D2 Deed of cross guarantee

The parties to the deed of cross guarantee, as identified in note D1, each guarantee the debts of the others. By entering into the deed, the subsidiaries are relieved from the requirements of preparation, audit and lodgement of a financial report and a Directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*. Together with The Lottery Corporation Limited, the entities represent a 'Closed Group' for the purposes of the ASIC Instrument. The consolidated financial statements of the Group represent the results and the financial position of the Closed Group.

Notes to the Financial Statements:

Section D - Group Structure

For the year ended 30 June 2026

D3 Parent entity disclosures

	The Lottery Corporation	
	2026	2025
	$m	$m
Result of the parent entity		
Profit for the year	**262.3**	274.8
Other comprehensive income	**–**	–
Total comprehensive income for the year	**262.3**	274.8
Financial position of the parent entity		
Current assets	**0.5**	0.6
Total assets	**11,520.3**	11,527.8
Current liabilities	**2,216.9**	2,118.3
Total liabilities	**2,216.9**	2,118.3
Net assets	**9,303.4**	9,409.5
Total equity of the parent entity comprising of:		
Issued capital	**778.8**	781.6
Retained earnings	**10,272.6**	10,377.6
Reserves	**(1,748.0)**	(1,749.7)
Total equity	**9,303.4**	9,409.5

Investment in subsidiaries

The Lottery Corporation has made an accounting policy choice to measure its investment in subsidiaries at fair value. Any resultant gain or loss on remeasurement is recognised in the income statement, and eliminates on consolidation at the Group level. The profit for the year includes the gain or loss on remeasurement. This fair value measurement is prepared for financial reporting purposes and reflects the value attributable to the Company's investment in each subsidiary. It should not be interpreted as, and does not purport to represent, an assessment of the Group's enterprise value.

Contingent liabilities

Refer to note E3.

Capital expenditure

The parent entity did not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2026 or 30 June 2025.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in note D2.

Notes to the Financial Statements:

Section E - Other Disclosures

For the year ended 30 June 2026

E1 Employee share plans

The Company operates share plans which provide equity instruments to senior executives and management as a component of their remuneration.

Long Term Incentive Plan (LTI Plan)

The LTI Plan is available at the most senior executive levels. Under the LTI Plan employees may become entitled to Performance Rights in the Company. Performance Rights are subject to a relative total shareholder return (relative TSR) performance measure, a market vesting condition, and for grants made in the 2025 financial year or earlier including a positive absolute TSR gateway. A second performance measure (weighted 50%), Return on Invested Capital (ROIC), a non-market vesting condition, was introduced for grants made in the 2025 financial year onwards. Any Performance Rights that vest into shares following testing are subject to a one-year holding lock (introduced for grants made in the 2024 financial year onwards).

The fair value of Performance Rights under each performance measure is determined at grant date by an external valuer and takes into account the terms and conditions upon which they were granted. The fair value is recognised as an employee expense (with a corresponding increase in equity) over the vesting period.

For the relative TSR measure the fair value is recognised as an expense irrespective of whether the Performance Rights vest to the holder, and a reversal of the expense is only recognised in the event the instruments lapse due to cessation of employment within the vesting period. For the ROIC measure, the amount expensed is based on the expected number of Performance Rights vesting, with the ultimate expense reflecting the actual Performance Rights that vest.

The dilutive effect, if any, of outstanding Performance Rights is reflected in the computation of diluted earnings per share.

Short Term Incentive Plan (STI Plan)

For senior management it is mandatory to defer 25% (50% for the Managing Director and Chief Executive Officer) of their STI Plan into Restricted Shares, which are subject to a two year service condition. The cost of the Restricted Shares is based on the market price at grant date and is recognised over the vesting period. The share based payments expense in respect of the equity instruments granted is recognised in the income statement for the period.

Further explanation of the share plans is disclosed in the Remuneration Report.

Notes to the Financial Statements:

Section E - Other Disclosures

For the year ended 30 June 2026

E1 Employee share plans (continued)

Performance Rights (number)

Details of and movements in Performance Rights granted under the LTI Plan that existed during the current or prior year are:

			Movement during the year			
Grant date	**Expiry date**	**Balance at start of year**	**Granted**	**Forfeited**	**Vested**	**Balance at end of year**
2026						
8 November 2022	28 September 2025	**1,750,707**	**–**	**(829,142)**	**(921,565)**	**–**
19 October 2023	3 October 2026	**2,039,790**	**–**	**(149,573)**	**–**	**1,890,217**
2 October 2024	1 October 2027	**2,023,095**	**–**	**(395,436)**	**–**	**1,627,659**
16 October 2025	30 September 2028	**–**	**1,362,457**	**(96,776)**	**–**	**1,265,681**
24 November 2025	30 September 2028	**–**	**401,033**	**–**	**–**	**401,033**
		5,813,592	**1,763,490**	**(1,470,927)**	**(921,565)**	**5,184,590**
2025						
8 November 2022	28 September 2025	1,750,707	–	–	–	1,750,707
19 October 2023	3 October 2026	2,039,790	–	–	–	2,039,790
2 October 2024	1 October 2027	–	2,023,095	–	–	2,023,095
		3,790,497	2,023,095	–	–	5,813,592

No Performance Rights were exercisable at the end of the current or prior year.

Fair value of equity instruments

Performance Rights have been independently valued at the date of grant using a Monte Carlo simulation option pricing model (relative TSR) and a Black Scholes option pricing model (ROIC).

The weighted average fair value of Performance Rights granted during the year was $3.62 (2025: $3.22).

The assumptions underlying the Performance Rights valuations are:

Grant date	**Expiry date**	**Performance measure**	**Share price at date of grant $**	**Expected volatility in share price %**	**Expected dividend yield %**	**Risk free interest rate %**	**Value per Performance Right $**
8 November 2022	28 September 2025	relative TSR	4.47	20.00	3.44	3.45	2.42
19 October 2023	3 October 2026	relative TSR	4.42	20.00	3.92	4.15	1.73
2 October 2024	1 October 2027	relative TSR	5.04	17.50	3.54	3.44	2.14
2 October 2024	1 October 2027	ROIC	5.04	17.50	3.54	3.44	4.31
16 October 2025	30 September 2028	relative TSR	5.67	17.50	3.44	3.33	2.46
16 October 2025	30 September 2028	ROIC	5.67	17.50	3.44	3.33	4.87
24 November 2025	30 September 2028	relative TSR	5.40	17.50	3.44	3.68	2.25
24 November 2025	30 September 2028	ROIC	5.40	17.50	3.44	3.68	4.65

The expected volatility reflects the volatility in the Company's share price post demerger, together with consideration of the historic volatility of Tabcorp as a consolidated business prior to the demerger.

Notes to the Financial Statements:

Section E - Other Disclosures

For the year ended 30 June 2026

E2 Pensions and other post employment benefit plans

The Group has a defined benefit superannuation plan (closed to new entrants), the New South Wales Lotteries Corporation Pty Limited defined benefit plan, which provides benefits based on salary and length of service. The plan is governed by the employment laws of Australia and the Group contributes to the plan at rates based on actuarial advice.

A reconciliation of the net defined benefit, which is recognised on the balance sheet in other non current liabilities, is set out below.

	Fair value of plan assets		**Present value of defined benefit obligation**		**Net defined benefit plan assets/(liabilities)**	
	2026	2025	**2026**	2025	**2026**	2025
	$m	$m	**$m**	$m	**$m**	$m
Balance at beginning of year	**22.8**	22.1	**(21.7)**	(22.4)	**–**	(0.3)
Actuarial gains/(losses)	**0.8**	0.9	**0.8**	(0.4)	**1.6**	0.5
Benefits paid	**(1.3)**	(2.2)	**1.3**	2.2	**–**	–
Other	**2.1**	2.0	**(1.1)**	(1.1)	**1.0**	0.9
Adjustment for the effect of asset ceiling	**–**	–	**–**	–	**(2.6)**	(1.1)
Balance at end of year	**24.4**	22.8	**(20.7)**	(21.7)	**–**	–

	2026	2025
	$m	$m
Amounts recognised in other comprehensive income	**(1.0)**	(0.6)

Fair value of plan assets

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	%	%
Cash	**7.9**	6.7
Fixed interest	**2.4**	3.1
Australian equities	**12.1**	11.7
International equities	**43.4**	38.9
Property	**7.0**	7.7
Alternatives	**27.2**	31.9
	100.0	100.0

The Trustees are responsible for the governance and administration of the fund, the management and investment of the fund assets and compliance with other applicable regulations. The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

The Group's total defined benefit obligation is not materially sensitive to changes in assumptions.

Defined benefit plans are recognised in the balance sheet as the difference between the present value of the estimated future benefits that will be payable to plan members and the fair value of the plan's assets.

An annual adjustment is made to recognise all movements in the carrying amount of the plan in the income statement, except for the portion of the movement that is attributable to actuarial gains and losses, or the effect of asset ceiling, which are recognised directly in equity. Actuarial gains and losses represent the difference between previous actuarial assumptions of future outcomes and the actual outcome, in addition to the effect of changes in actuarial assumptions.

Notes to the Financial Statements:

Section E - Other Disclosures

For the year ended 30 June 2026

E3 Contingencies

Details of contingencies where the probability of future payments is not considered remote are set out below as well as details of contingencies, which although considered remote, the Directors consider should be disclosed as they are not disclosed elsewhere in the notes to the financial statements.

(a) Legal disputes

From time to time, controlled entities within the Group become party to disputes and/or receive claims in the ordinary course of business, including disputes with retail partners and claims from customers in relation to prizes. There are outstanding legal actions on foot and other potential legal exposures between controlled entities and third parties at 30 June 2026. It is not currently expected that any liabilities arising from any current disputes would have a material adverse effect on the Group's financial position.

E4 Related party disclosures

Compensation of Key Management Personnel (KMP)

	2026	2025
	$	$
Short term	**6,364,980**	6,498,752
Other long term	**173,813**	95,929
Post employment	**345,620**	479,279
Share based payments	**1,850,178**	3,509,523
Termination benefits	**479,775**	–
	9,214,366	10,583,483

E5 Auditor's remuneration

	2026	2025
	$'000	$'000
Amounts received or due and receivable by Ernst and Young for:		
- audit and review of the statutory financial report of the Group and subsidiaries	**1,565**	1,565
- other assurance and agreed upon procedures services under other legislation or contractual arrangements(i)	**377**	692
- other services(ii)	**18**	203
	1,960	2,460

(i) Includes $140,000 (2025: $140,000) for which the Group has been, or is entitled to be, reimbursed by the Lotteries Commission of South Australia.

(ii) The Group engages Ernst and Young to provide permitted non-audit services where there is a compelling reason to do so provided stringent independence requirements are satisfied.

Notes to the Financial Statements:

Section E - Other Disclosures

For the year ended 30 June 2026

E6 Other accounting policies

(a) Changes in accounting policy and disclosures

A number of new and amended accounting standards became mandatorily applicable for the Group for the first time in the current financial year. The adoption of these new and amended standards had no impact on the financial position or performance of the Group, or the disclosures included in this Financial Report.

(b) New Australian Accounting Standards or International Financial Reporting Standards issued but not yet effective

The following new and amended accounting standards and interpretations have been recently issued by the Australian Accounting Standards Board but not yet effective, and are considered relevant to the Group. They are available for early adoption but have not been applied by the Group in this Financial Report:

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments is applicable to the Group from 1 July 2026. The amendments clarify requirements relating to the timing of recognition and derecognition of financial assets and financial liabilities, as well as introducing additional disclosure requirements relating to the impact of contingent events on cash flows from financial instruments measured at amortised cost. The Group is currently finalising its assessment of the amendments, and does not expect adoption to have a material impact on the Financial Report.

AASB 18 Presentation and Disclosure in Financial Statements is applicable to the Group from 1 July 2027. It introduces requirements for the presentation of newly defined subtotals in the income statement and the disclosure of management-defined performance measures and enhances requirements for the aggregation and disaggregation of information. It also requires all income and expenses to be classified as either operating, investing or financing in the income statement. The Group has not yet finalised its assessment of the impact of this new standard on the Financial Report.

(c) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- certain Lotteries and Keno revenues, with the relevant GST being expensed within government taxes; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(d) Foreign currency translation and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement with the exception of differences on foreign currency borrowings that are in an effective hedge relationship. These are taken directly to equity until the liability is extinguished at which time they are recognised in the income statement. Refer to note B4 for further detail.

Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Consolidated Entity Disclosure Statement

As at 30 June 2026

The Lottery Corporation Limited	Body corporate	Australia		Australia
Club Gaming Systems (Holdings) Pty Ltd[i]	Body corporate	Australia	100	Australia
Golden Casket Lottery Corporation	Body corporate	Australia	100	Australia
Keno (ACT) Pty Ltd	Body corporate	Australia	100	Australia
Keno (NSW) Pty Ltd	Body corporate	Australia	100	Australia
Keno (QLD) Pty Ltd	Body corporate	Australia	100	Australia
Keno (VIC) Pty Ltd	Body corporate	Australia	100	Australia
Keno Online Pty Ltd	Body corporate	Australia	100	Australia
L&K Finance Pty Ltd	Body corporate	Australia	100	Australia
L&K Operations Pty Ltd	Body corporate	Australia	100	Australia
New South Wales Lotteries Corporation	Body corporate	Australia	100	Australia
TAHAL Pty Ltd	Body corporate	Australia	100	Australia
Tattersall's Gaming Pty Ltd	Body corporate	Australia	100	Australia
Tattersall's Gaming Systems NSW Pty Ltd	Body corporate	Australia	100	Australia
Tattersall's Sweeps Pty Ltd	Body corporate	Australia	100	Australia
Tatts Employee Share Plan Pty Ltd	Body corporate	Australia	100	Australia
Tatts Employment Co (NSW) Pty Ltd	Body corporate	Australia	100	Australia
Tatts Keno Holdings Pty Ltd	Body corporate	Australia	100	Australia
Tatts Lotteries SA Pty Ltd	Body corporate	Australia	100	Australia
Tatts NT Lotteries Pty Ltd	Body corporate	Australia	100	Australia
Tatts Online Pty Ltd	Body corporate	Australia	100	Australia
tatts.com Pty Ltd	Body corporate	Australia	100	Australia
TattsTech Pty Ltd	Body corporate	Australia	100	Australia
Thelott Enterprises Pty Ltd	Body corporate	Australia	100	Australia
Wintech Investments Pty Ltd	Body corporate	Australia	100	Australia
50-50 Software Pty Ltd	Body corporate	Australia	100	Australia
The CGS Trust	Trust	N/A	N/A	Australia
50-50 Foundation Limited[ii] [iii]	Body corporate	Australia	N/A[iv]	Australia
50-50 Foundation[ii]	Trust	N/A	N/A	Australia

(i) Trustee to The CGS Trust.

(ii) Charitable entities are deemed to be controlled by the Group under Australian Accounting Standards, notwithstanding that the Group does not legally control those charitable entities. Not consolidated into the Group financial statements on the basis of materiality.

(iii) Trustee to the 50-50 Foundation.

(iv) Entity is a company limited by guarantee.

Directors' Declaration

]In the opinion of the Directors of The Lottery Corporation Limited:

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001* (Cth), including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and *Corporations Regulations 2001* (Cth);

(b) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* (Cth) is true and correct;

(c) the financial statements and notes also comply with International Financial Reporting Standards; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2026.

In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note D2 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of Directors.

Doug McTaggart
Chairman

Wayne Pickup
Managing Director and
Chief Executive Officer

19 August 2026

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Independent auditor's report to the members of The Lottery Corporation Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of The Lottery Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated Balance Sheet as at 30 June 2026, the consolidated Income Statement, consolidated Statement of Changes in Equity and consolidated Cash Flow Statement for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Reliance on automated processes and controls related to revenue

Why significant	How our audit addressed the key audit matter
The Group's financial reporting processes are reliant on IT systems with automated processes and controls over the capturing and recording of Lotteries and Keno subscription and commission revenue transactions. Given the significance of these processes and controls to the recording of subscription and commission revenue, the understanding and testing of these IT systems and the related processes and controls was considered a key audit matter.	With the involvement of our IT specialists, we assessed the operating effectiveness of the IT control environment and automated transaction processing controls relevant to the recording of subscription and commission revenue throughout the year. When testing controls was not considered an appropriate or efficient testing approach, alternative audit procedures were performed on the financial information being produced by those IT systems.

Impairment assessment of Keno's licence intangibles, other intangibles and goodwill

Why significant	How our audit addressed the key audit matter
The Group has licence intangibles of $182.6 million, other intangibles and goodwill of $572.2 million as disclosed in note C1 and C2, attributable to the Keno cash generating units (CGUs) and / or group of CGUs. An impairment assessment is performed on an annual basis for goodwill and indefinite life intangibles. Finite life intangibles including licence intangibles and other intangibles are assessed for impairment when there is a trigger. This assessment determines whether the carrying value of these assets and the related non-current assets exceed the recoverable amount. There are judgements inherent in the cash flow forecast including forecast business growth rates, discount rates, licence renewal and terminal value assumptions. The estimate of recoverable amount is sensitive to changes in these assumptions. As disclosed in note A1, the Australian Government has introduced proposed legislation into Parliament which would have the effect, among other things, of banning online keno-type lottery products nationally, effective from 1 January 2027. This has impacted the future cash flow forecasts and the estimates of recoverable amounts for certain elements of the Keno portfolio, most significantly in relation to the ACT operations. An impairment charge of $57.0 million has been recognised in relation to this CGU during the year ended 30 June 2026.	Our audit procedures included the following: ▪ We evaluated the future cash flow forecasts supporting the impairment assessment for goodwill, licence intangibles, other intangibles, and the related non-current assets within relevant Keno CGUs and the Keno group of CGUs. ▪ We evaluated the appropriateness of the forecasts by comparing the future cash flows to approved budgets and compared the results to historical forecasts to assess forecast accuracy. ▪ We performed sensitivity analysis around the key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an additional impairment charge. ▪ We involved our valuation specialists to assess whether the methodology applied is in accordance with Australian Accounting Standards and evaluated key assumptions including licence renewal and terminal values, long term growth rates, discount rates, capital expenditure assumptions and working capital requirements applied in the impairment models. ▪ We performed market capitalisation and earnings multiples cross checks in comparison with other comparable businesses to assess the output of impairment testing models.

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Inherent limitations

As discussed on pages 78 and 93 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

EY
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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of The Lottery Corporation Limited for the year ended 30 June 2026, 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.

Ernst & Young

Ernst & Young

Michael Collins
Partner
Melbourne
19 August 2026

Shareholder Information

As at 31 July 2026

Securities on Issue

The Lottery Corporation has on issue 2,225,771,703 fully paid ordinary shares (shares) which are quoted on the ASX under the code TLC. These shares represent the only Company securities quoted on the ASX.

Voting Rights

Shares issued by The Lottery Corporation carry one vote per share.

Substantial Shareholders

The following organisations have disclosed a substantial shareholder notice to The Lottery Corporation.

Name	No. of ordinary shares	% of issued capital
AustralianSuper Pty Ltd	306,875,806	13.79 %
State Street Corporation	180,171,520	8.09 %
Vanguard Group	138,094,904	6.20 %
BlackRock Group	123,793,533	5.56 %

On-market Buy Back

There is no current on-market buy back.

Distribution of Securities Held

No. of share held	No. of holders	No. of securities	% of issued capital
1 to 1,000	68,655	22,238,848	1.00
1,001 to 5,000	52,525	125,682,573	5.65
5,001 to 10,000	9,028	64,046,515	2.88
10,001 to 100,000	6,487	140,586,866	6.32
100,001 and Over	288	1,873,216,901	84.16
Total	**136,983**	**2,225,771,703**	**100**

Unmarketable Parcels

As at 31 July 2026, there were 9,894 shareholders holding less than a marketable parcel of TLC shares. These shareholders held a combined total of 421,180 securities.

A marketable parcel of TLC shares was 90 shares, based on a closing price of $5.59 on 31 July 2026.

Twenty Largest Registered Holders of Ordinary Shares

Investor name	No. of ordinary shares	% of issued capital
J P MORGAN NOMINEES AUSTRALIA LIMITED	638,833,974	28.70 %
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	575,466,764	25.85 %
CITICORP NOMINEES PTY LIMITED	287,489,674	12.92 %
BNP PARIBAS	218,419,815	9.81 %
INVIA CUSTODIAN PTY LIMITED	14,529,796	0.65 %
NETWEALTH INVESTMENTS LIMITED	13,692,171	0.62 %
WENTWORTH INVESTMENTS	12,966,844	0.58 %
ARGO INVESTMENTS LIMITED	9,048,951	0.41 %
IOOF INVESTMENT MANAGEMENT LIMITED	7,460,809	0.34 %
BOND STREET CUSTODIANS LIMITED	5,069,509	0.23 %
TABCORP NRT LIMITED	3,020,448	0.14 %
MRS VICKI LEA MAY BRAUN	2,967,441	0.13 %
YEVRAH NOMINEES NO 2 PTY LTD	2,729,758	0.12 %
PALM BEACH NOMINEES PTY LIMITED	2,706,522	0.12 %
KAYAAL PTY LTD	2,681,819	0.12 %
CHRISTOPHER ERROL WHITE	2,548,374	0.11 %
GEANMONEY INVESTMENTS PTY LTD	2,519,219	0.11 %
SEYMOUR GROUP PTY LTD	2,444,366	0.11 %
MR GEOFFREY WILLIAM NETTE	2,225,015	0.10 %
KERRERA PTY LTD	2,020,050	0.09 %
Total	**1,808,841,319**	**81.26 %**

Key Dates

2026	
Half year results	**18 February**
Ex-dividend for interim dividend	**25 February**
Record date for interim dividend	**26 February**
Interim dividend payment	**26 March**
End of financial year	**30 June**
Full year results announcement	**19 August**
Ex-dividend for final dividend	**26 August**
Record date for final dividend	**27 August**
Final dividend payment	**24 September**
Annual General Meeting -Sydney	**14 October**

Indicative Key Dates

2027(i)	
Half year results	**17 February**
Ex-dividend for interim dividend	**24 February**
Record date for interim dividend	**25 February**
Interim dividend payment	**25 March**
End of financial year	**30 June**
Full year results announcement	**18 August**
Ex-dividend for final dividend	**25 August**
Record date for final dividend	**26 August**
Final dividend payment	**23 September**
Annual General Meeting - Brisbane	**13 October**

(i) Proposed dates set out above are subject to change. Payment of any dividend is subject to Board approval and the key dates for each dividend will be confirmed to the ASX. Please refer to the Company's website for any updates.

Notice of meeting

The 2026 Annual General Meeting of The Lottery Corporation will be held in person on Wednesday, 14 October 2026, commencing at 10:00am (Sydney time) at the Whiteley Ballroom, Amora Jamison Sydney located at 11 Jamison Street, Sydney NSW 2000.

The Notice of Meeting for the 2026 Annual General Meeting is available on our website at:
www.thelotterycorporation.com/investors/annual-general-meeting

Glossary

Term	Definition
1H / 2H	six months ended 31 December / 30 June of the relevant financial year.
Active registered customers	registered customers who have purchased in the previous 52 weeks in either, or both of, the retail and digital channels.
ACT	Australian Capital Territory.
AI	Artificial Intelligence
ASX	the Australian Securities Exchange.
Audit Committee	Board committee responsible for oversight of financial reporting, internal controls, risk management, external audit, and compliance matters.
BBB+	The Lottery Corporation's investment-grade credit rating as assessed by S&P Global Ratings.
Board	the Board of The Lottery Corporation Limited.
Company	The Lottery Corporation Limited (ABN 21 081 925 706).
CCO	Chief Commercial Officer
CEO	Chief Executive Officer
CGU	Cash Generating Unit, being the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets for impairment testing purposes.
Corporations Act	the Corporations Act 2001 (Cth).
CODM	Chief Operating Decision Maker, being the individual responsible to allocate resources to and assess the performance of the Group's operating segments.
CPS	cents per share.
CRROs	Climate-related Risks and Opportunities, being risks and opportunities arising from climate change that may impact the Group's strategy, operations, financial performance or stakeholders.
CY	Calendar Year (e.g. CY26 = calendar year 2026).
D&A	Depreciation & Amortisation.
Directors	the Directors of the Board of The Lottery Corporation.
Directors' Report	the report on pages 39 to 47.
DRP	dividend reinvestment plan.
EBIT	earnings before interest and tax[i].
EBITDA	earnings before interest, taxes, depreciation, amortisation and impairment[i].
EPS	earnings per share.
ESG	environmental, social and governance.
Financial Report	the report on pages 99 to 144.
Financial Year / FY	the Group's financial year is 1 July to 30 June.
FY25	the financial year ended 30 June 2025.
FY26	the financial year ended 30 June 2026.
GHG	Greenhouse gas.
Group	The Lottery Corporation Limited and its subsidiaries.
GST	Goods and Services Tax.
IPCC	Intergovernmental Panel on Climate Change.
ISI	Instant Scratch-Its.
Jackpot games	Powerball and Oz Lotto.
Jurisdictional Power Percentage	A factor used in Australian market-based Scope 2 emissions calculations to allocate residual electricity emissions by jurisdiction.
Keno	refers to a random number game offered by the Company as further described on page 18 of this report or the Company's Keno business segment.
KMP	key management personnel.

Term	Definition
Kyoto Protocol-listed greenhouse gases	The seven greenhouse gases covered by the GHG Protocol Corporate Standard for corporate greenhouse gas inventories: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.
LGCs	Large-scale Generation Certificates.
Location-based emissions	as defined on page 90 of this report.
Lottery or Lotteries	refers to the Company's lotteries business and includes the lotteries products as further described on pages 15 to 17 of this report.
LTI	long term incentive.
LTIFR	lost time injury frequency rate.
Market-based emissions	as defined on page 90 of this report.
MD	Managing Director.
NGFS	Network for Greening the Financial System.
n.m.	not meaningful.
Net debt	gross debt less cash and cash equivalents.
non-IFRS	non- International Financial Reporting Standards.
NPAT	Net Profit After Tax,
NPATA	Net Profit After Tax before significant items adding back total licence amortisation after tax.
NSW	New South Wales
NT	Northern Territory
Operating & Financial Review	the report on pages 10 to 14.
Opex	net operating expenses.
P&L	Profit & Loss.
p.a.	per annum.
pcp	prior corresponding period.
Performance Rights	a right to receive one ordinary The Lottery Corporation share, at no cost to the employee, subject to the satisfaction of performance and service conditions.
People and Remuneration Committee	being the committee responsible for oversight of remuneration, people strategy, culture, succession planning, health, safety and wellbeing.
QLD	Queensland
Risk and Compliance Committee	being the committee responsible for oversight of risk management, compliance and related governance matters.
relative Total Shareholder Return / rTSR	as defined on page 63 of this report.
Remuneration Report	the report on pages 49 to 76.
RECs	Renewable Energy Certificates; a general term for certificates representing renewable electricity generation. In Australia, this may include Large-scale Generation Certificates or Small-scale Technology Certificates, depending on context.
Renewable Energy Target	The Australian Government scheme that encourages renewable electricity generation through the Large-scale Renewable Energy Target and Small-scale Renewable Energy Scheme.
Residual mix factor	An emissions factor used in market-based Scope 2 calculations to represent grid electricity not matched to recognised renewable electricity claims or instruments.
Responsible Gambling Codes of Conduct	Jurisdiction-specific codes and standards governing responsible gambling practices and customer protections.
Responsible Play Committee	Management committee responsible for oversight of responsible gambling strategies and opportunities for improvement.
Restricted cash	certain cash balances that are held by the Group that are restricted under various regulatory requirements pursuant to State-based licences.
Restricted Shares	The Lottery Corporation shares that are registered in the employee's name and placed under a holding lock on the share register. The shares are restricted from trading until the end of the applicable restriction period and are subject to forfeiture, malus, and clawback conditions.
Return on Invested Capital / ROIC	as defined on page 63 of this report.
Risk Consequence Matrix	A component of the Group's risk assessment framework used to assess climate-related risks and opportunities.
SA	South Australia

Term	Definition
Scope 1 emissions	Direct greenhouse gas emissions from sources within the Group's operational control, including fuel used by its leased vehicle fleet.
Scope 2 emissions	Indirect greenhouse gas emissions from purchased or acquired electricity, steam, heat or cooling consumed by the Group.
Scope 3 emissions	Other indirect greenhouse gas emissions in the Group's value chain.
SLT	Senior Leadership Team, being the Company's executive leadership group.
Social licence	The level of trust and acceptance granted by customers, communities, governments and other stakeholders that enables the Company to operate successfully.
S&P	S&P Global Ratings, an independent credit ratings agency.
Subscription price	the entry cost for a game before adding any commission.
Syndicate / Store Syndicates Online	a group play format where customers pool funds to purchase entries and share winnings. Store Syndicates Online is TLC's digital tool for creating and managing syndicates via the app.
STI	short term incentive.
SGC	superannuation guarantee contribution - the minimum superannuation contributions the Company is required to make into a nominated superannuation fund on behalf of the employee.
SSP	Shared Socioeconomic Pathway.
Sustainability Report	the report on pages 77 to 93.
Sustainability Working Group	Cross-functional management group responsible for delivery and oversight of the Company's ESG strategy and related initiatives.
TAS	Tasmania
tCO2-e	Tonnes of carbon dioxide equivalent.
The Lott	umbrella brand for the entire Lotteries business.
TLC	The Lottery Corporation Limited (ABN 21 081 925 706).
Total Shareholder Return / TSR	the combined return to shareholders from share price appreciation plus dividends.
Turnover	game sales based on the subscription price (i.e. excluding commissions).
Variable Contribution / VC	revenue less variable costs (principally Lottery and Keno taxes, GST and commissions paid).
Voluntary Sustainability Report	refers to the FY26 voluntary sustainability report which can be found here: www.thelotterycorporation.com/esg-strategy
WCIFR	Workers' Compensation Injury Frequency Rate.
World Lottery Association Responsible Gaming Framework	International responsible gambling framework administered by the World Lottery Association and used by the Company to assess and maintain accreditation.

(i) Includes interest revenue earned in the ordinary course of operations from certain prize-related financial assets.

Directory

Share Registry

For any queries about shareholdings in The Lottery Corporation Limited, please direct all correspondence to our share registry MUFG Corporate Markets.

MUFG Corporate Markets

Liberty Place, Level 41

161 Castlereagh Street

Sydney NSW 2000 Australia

Telephone (within Australia)	1800 550 560	Telephone (outside Australia)	+61 1800 550 560
Email	thelotterycorporation@cm.mpms.mufg.com		
Website	www.mpms.mufg.com		

Registered Office

The Lottery Corporation Limited

Level 8, 180 Ann Street

Brisbane QLD 4000 Australia

Telephone 07 3001 9300

Corporate information

The Company is a company limited by shares that is incorporated and domiciled in Australia.

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Investment warning

Past performance of shares is not necessarily a guide to future performance. The value of investments and any income from them is not guaranteed and can fall as well as rise. The Lottery Corporation recommends investors seek independent professional advice before making investment decisions.

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Telephone 02 8239 6400

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727 Collins Street

Melbourne VIC 3008 Australia

Telephone 03 6811 2700

Website

www.thelotterycorporation.com

Privacy

The Lottery Corporation respects the privacy of its stakeholders. The Lottery Corporation's Privacy Policy is available on the Company's website at www.thelotterycorporation.com.

Currency

References to currency are in Australian dollars unless otherwise stated.

Trade marks

® These trade marks are registered in Australia either across Australia or limited to certain State(s) or Territory(ies) and are owned by or licensed to a company in the Group.

The Lottery Corporation Limited
ABN 21 081 925 706