

31 March 2022

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Demerger of The Lottery Corporation – Briefing Presentation

Attached is a presentation regarding Tabcorp Holdings Limited's (**Tabcorp**) proposed demerger of The Lottery Corporation.

This presentation will be webcast on Tabcorp's website at www.tabcorp.com.au from 10am (Sydney time) today.

The information contained in this presentation should be read subject to Tabcorp's Demerger Booklet dated 30 March 2022 lodged with the ASX today, and other periodic and continuous disclosure announcements lodged by Tabcorp with the ASX.

This announcement was authorised for release by the Tabcorp Board.

For more information:

Media: Nicholas Tzaferis, GM Corporate Communications, +61 3 9868 2529

Investors/Analysts: Chris Richardson, GM Investor Relations & Treasury, +61 3 9868 2800

Tabcorp Holdings Limited	Level 21, Tower 2 727 Collins Street Melbourne VIC 3008	GPO Box 1943 Melbourne VIC 3001	tabcorp.com.au ABN 66 063 780 709
--------------------------	---	------------------------------------	--------------------------------------



Ticket Number
01 100001 15667 016 659325 81

POWERBALL

SUPER QUICKPICK

GAME	1	2	3	4	10	11
1	2	3	4	10	11	
2	3	10	11	23	31	
3	7	11	13	19		
4	7	19	21	23		
5	9	13	14	18		
6	5	6	8	11		
7	3	18	20			

DEMERGER OF THE LOTTERY CORPORATION

BRIEFING PRESENTATION
31 MARCH 2022

ABN 66 063 780 709

DISCLAIMER

This Presentation contains summary information only about the current activities of Tabcorp Holdings Limited (Tabcorp) and its subsidiaries (Tabcorp Group) as at 31 March 2022. If you are a Tabcorp shareholder, you should read Tabcorp's demerger booklet dated 30 March 2022 (Demerger Booklet) in full before making any decision to vote on the Demerger. This Presentation is not in any way a substitute for the Demerger Booklet and should not be relied upon as such. This Presentation should also be read in conjunction with the Tabcorp Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

No member of the Tabcorp Group gives any warranties in relation to the statements or information contained in this Presentation. The information contained in this Presentation is of a general nature and has been prepared by Tabcorp in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information.

This Presentation is not a recommendation to acquire Tabcorp shares. The information provided in this Presentation is not financial product advice and has been prepared without taking into account any recipient's investment objectives, financial circumstances or particular needs, and should not be considered to be comprehensive or to comprise all the information which recipients may require in order to make an investment decision regarding Tabcorp shares.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

Neither Tabcorp nor any other person warrants or guarantees the future performance of Tabcorp shares or any return on any investment made in Tabcorp shares. This Presentation may contain certain 'forward-looking statements'. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, financial position and performance are also forward-looking statements. Any forecasts or other forward looking statements contained in this Presentation are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Tabcorp, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward looking statements. Except as required by law or regulation (including the ASX Listing Rules), Tabcorp undertakes no obligation to update these forward-looking statements.

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law. This Presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this Presentation nor anything contained in it shall form the basis of any contract or commitment. No securities in a Tabcorp Group member have been, and will not be, registered under the U.S. Securities Act of 1933 (Securities Act) and they may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.



Table of Contents

4 - 9 Overview of the Demerger

11 - 17 The Lottery Corporation post Demerger

19 - 27 New Tabcorp post Demerger

29 - 37 Appendices

Tabcorp



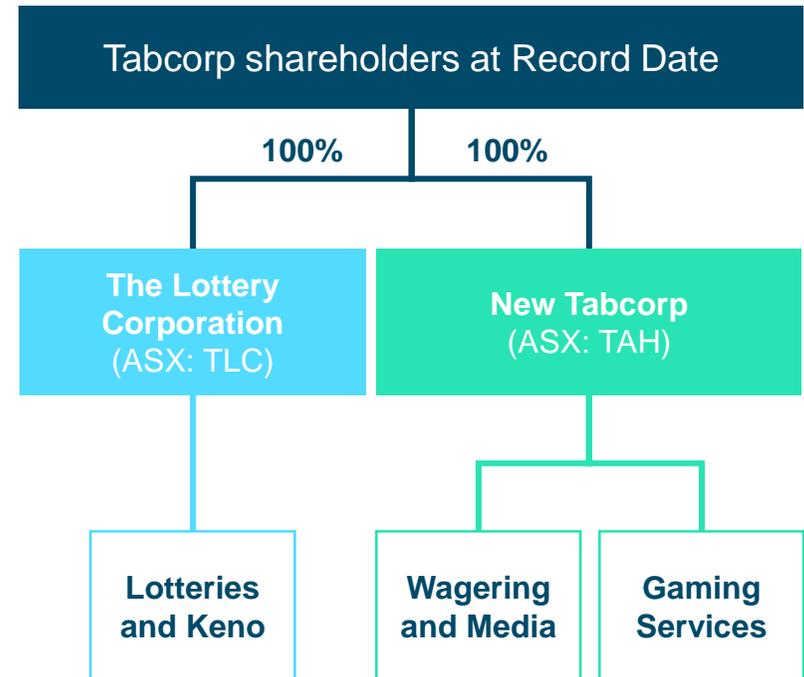
OVERVIEW OF THE DEMERGER

The Demerger is anticipated to create two significant, standalone ASX listed companies

OVERVIEW

- Tabcorp's Lotteries and Keno business ("The Lottery Corporation" or "TLC") to be demerged into a separate ASX-listed company
- Eligible shareholders (who have not elected to become a selling shareholder) will retain their current existing shares in Tabcorp and receive one TLC share for each Tabcorp share held at the record date on 25 May 2022
- Tabcorp has received a draft class ruling for demerger tax relief. Consistent with standard ATO practice, the final class ruling will only be received after the Demerger Implementation Date
- Shareholders will have the opportunity to vote on the Demerger at the shareholder meetings on 12 May 2022
 - The Tabcorp Directors unanimously recommend that you vote in favour of the resolutions to approve the Demerger
 - The Independent Expert has also concluded that the Demerger is in the best interests of Tabcorp shareholders
- Subject to receipt of the necessary regulatory, shareholder and Court approvals, The Lottery Corporation will commence trading on the ASX on 24 May 2022 on a deferred settlement basis with trading on a normal settlement basis expected to occur on 2 June 2022
- Comprehensive information on the Demerger (including the associated disadvantages and risks related to the Demerger and ongoing business operations – refer page 6 for a summary) is set out in the Demerger Booklet (www.tabcorp.com.au/investors/demerger), which should be read by Tabcorp shareholders in full before making any voting decision

POST DEMERGER STRUCTURE



RATIONALE FOR THE DEMERGER

The Tabcorp Board has determined that the Demerger is the most certain and timely path, with lower regulatory impediments, to maximise value for shareholders

- ✓ Creates two significant businesses with focused Executive Leadership Teams
- ✓ Allows each business to adopt a more focused operating profile and capital structure more aligned to its core operations
- ✓ Preserves shareholders' ability to benefit from participating in any future M&A activity
- ✓ Allows shareholders to retain full upside potential from various growth opportunities which may arise for both The Lottery Corporation and New Tabcorp
- ✓ Creates access to new and different investor categories with different investment preferences and ESG criteria
- ✓ Allows shareholders to value each business on a standalone basis with potential for market re-rating

POTENTIAL DISADVANTAGES AND RISKS OF THE DEMERGER

Potential disadvantages

- Transaction, implementation, and ongoing incremental corporate and operating costs of the Demerger
- Reduction in size and diversification of existing Tabcorp with implications to index inclusion
- The Lottery Corporation and New Tabcorp will not have the same credit profile as Tabcorp prior to the Demerger
- Some Shareholders will not be eligible to receive The Lottery Corporation Shares and may not be able to retain The Lottery Corporation or New Tabcorp Shares post Demerger

Potential risks

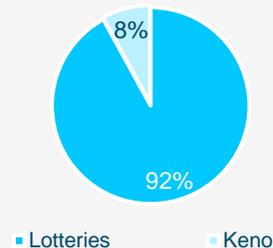
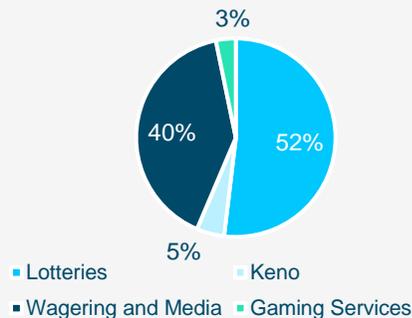
- Uncertainty about the combined market value of New Tabcorp Shares and The Lottery Corporation Shares relative to Tabcorp Shares prior to the Demerger
- Potential delays, unexpected costs or other issues in establishing The Lottery Corporation as a standalone entity
- Regulatory approvals may not be received or be received subject to conditions that are unacceptable to Tabcorp
- Failure to receive Court approval and delay of the Scheme

The Lottery Corporation and New Tabcorp will be subject to a number of specific business risks which are set out in detail in the Demerger Booklet, in particular section 3.14 in relation to The Lottery Corporation and section 4.12 in relation to New Tabcorp

IMPACT OF THE DEMERGER

	Tabcorp (actual)	The Lottery Corporation ¹	New Tabcorp ¹
FY21 Revenue (\$m)	5,686	3,206	2,493
FY21 EBITDA (\$m)	1,107	611	464
FY21 transactions		~600M tickets sold ²	~1bn wagering bets taken
FY21 digital share of turnover		32.8% for Lotteries; 15.5% for Keno	57.7% for Wagering
Number of customers		~8.3M lotteries customers ³	~1.9M wagering customers
Number of distribution points ⁴		3,863 lottery outlets; 3,409 Keno outlets	4,257 wagering venues
Number of employees ⁵		742	3,357

FY21 revenue by segment (excluding other revenue)

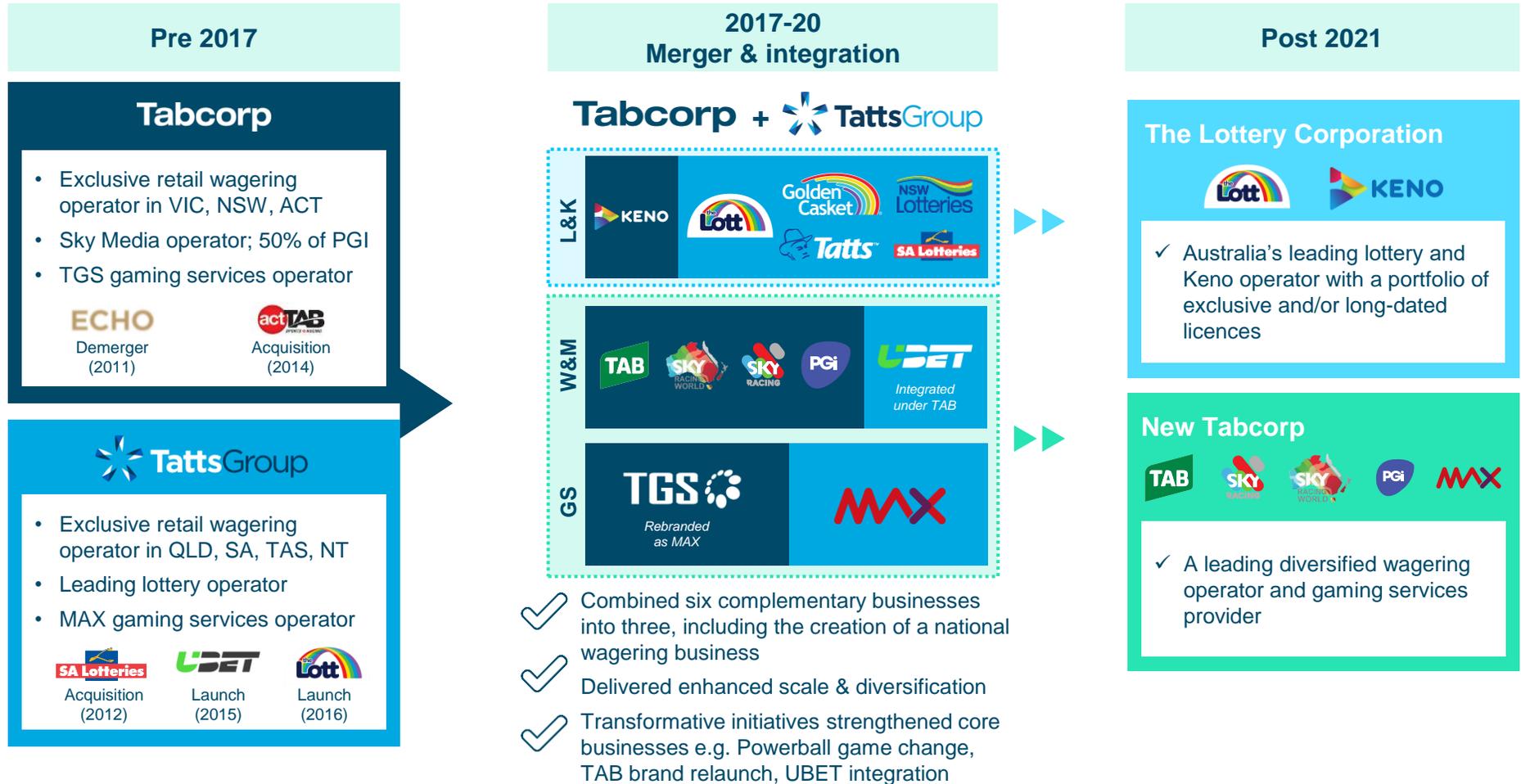


Note:

- Includes adjustments for incremental ongoing standalone costs (\$9m for The Lottery Corporation and \$23m for New Tabcorp) and other income/cost items
- Lotteries and Keno tickets
- Source: Roy Morgan Gambling Monitor, October 2020–September 2021. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations, and Australian adult population as at September 2021, based on Australian Bureau of Statistics monthly estimates
- As at 31 December 2021
- Expected employees as at 14 February 2022. Based on Demerger day-1 requirements

THE DEMERGER REPRESENTS THE NEXT PHASE IN THE TABCORP JOURNEY

The Lottery Corporation and New Tabcorp are well positioned to deliver further growth



KEY DATES

Subject to receipt of the necessary shareholder and Court approvals, The Lottery Corporation will commence trading on the ASX as a separately listed entity on 24 May 2022 on a deferred settlement basis

Event	Indicative date (Sydney time)
Demerger Booklet registered with ASIC and released to ASX	Wednesday, 30 March 2022
Last time and date by which the General Meeting and Scheme Meeting Proxy Forms can be lodged Time and date for determining eligibility to vote at the General Meeting and Scheme Meeting	7:00pm Tuesday, 10 May 2022
Demerger General Meeting and Scheme Meeting	10:00am (General Meeting) 10:30am ¹ (Scheme Meeting) Thursday, 12 May 2022
Second Court Hearing	9:15am Friday, 20 May 2022
Last time and date by which the Sale Facility Form must be received by Tabcorp Share Registry	5:00pm Monday, 23 May 2022
Effective Date (last day of trading in Tabcorp shares cum-Demerger Entitlement)	Monday, 23 May 2022
ASX listing of TLC (TLC shares commence trading on a deferred settlement basis)	Tuesday, 24 May 2022
Demerger Record Date	7:00pm Wednesday, 25 May 2022
Demerger Implementation Date	Wednesday, 1 June 2022
TLC shares commence trading on a normal settlement basis on ASX	Thursday, 2 June 2022

This timetable is indicative only and, amongst other things, is subject to the time at which the conditions precedent to the Scheme are satisfied or (if applicable) waived, and to all necessary Court and regulatory approvals. A more detailed indicative timetable for the Demerger is included in the Demerger Booklet

Note:

¹ Or as soon after that time as the General Meeting has concluded or been adjourned

Table of Contents

4 - 9 Overview of the Demerger

11 - 17 The Lottery Corporation post Demerger

19 - 27 New Tabcorp post Demerger

29 - 37 Appendices

The Lottery Corporation Board and ELT

Non-executive Board



Steven Gregg
Independent Chairman



Harry Boon
Independent Non-Executive Director



Anne Brennan
Independent Non-Executive Director



Doug McTaggart¹
Independent Non-Executive Director



John O'Sullivan¹
Independent Non-Executive Director

Executive Leadership Team (ELT)



Sue van der Merwe
Managing Director and Chief Executive Officer



Adam Newman
Chief Financial Officer



Patrick McGlinchey
Chief Legal & Risk Officer and Co-Company Secretary



Antony Moore
Chief Channel Officer



Callum Mulvihill
Chief Commercial Operations Officer



Andrew Shepherd
Chief Customer & Marketing Officer



Michelle Williams
Chief People Officer



Loren Fisher
Chief Information Officer

 **New to The Lottery Corporation**

Note:

¹ To be appointed following the Demerger, subject to the receipt of necessary regulatory and ministerial consents, and intended to be observers to the Board until such consents are received

The Lottery Corporation Overview

The Lottery Corporation is expected to be an omni-channel business with a portfolio of high profile, recognised brands and games, strong digital growth and a retail footprint across c.7,000 retail outlets / venues (one of the largest in the country)

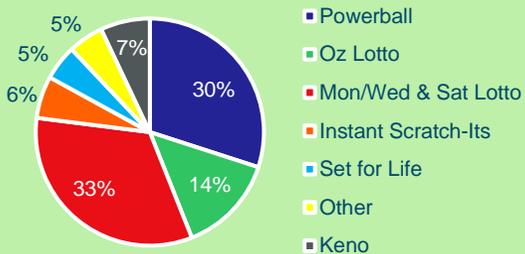
Lotteries Overview

- Australia's leading lottery operator with exclusive and/or long dated licences and approvals to operate nationally (except WA)
- One of the highest performing lotteries businesses globally¹
- Portfolio of 10 games that covers a range of player motivations, and participation from 46% of the adult population²
- Strong omni-channel offering with a retail distribution footprint of 3,863 outlets, digital platform

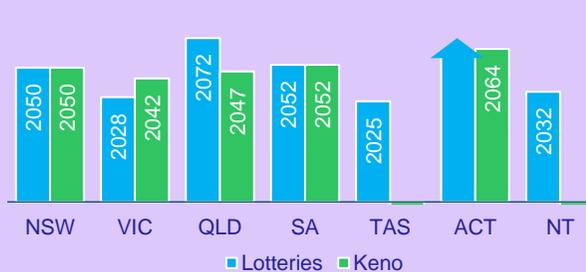
Keno Overview

- Licenced to provide Keno products to venues across NSW, VIC, QLD, SA and the ACT (including digital approvals in VIC and ACT)
- Recently awarded one of two 20-year VIC Keno licences to 2042
- Strong omni-channel offering with Keno distributed in 3,409 venues and digitally, with strong growth in digital uptake experienced in FY20-22, catalysed by retail outlet closure during COVID-19 related lockdowns

FY21 Revenue by Product (%)

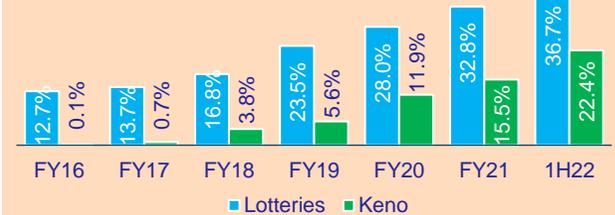


Licences Maturity^{3,4,5}



Digital Share of Turnover (%)

Opportunity for further penetration is supportive of additional growth and margin expansion



Note:

- 1 The Lottery Corporation has the third-highest draw lottery game sales per capita worldwide. Source: La Fleur's almanac 2021 (Lotto and spiel)
- 2 Source: Roy Morgan Gambling Monitor, October 2020–September 2021. Based on percentage of respondents who had purchased a lottery product over the last 12 months in The Lottery Corporation's jurisdictions of operations
- 3 The ACT Lotteries approval is indefinite unless revoked
- 4 The Tasmanian lotteries operate under renewable five-year permits linked to Victorian and Queensland licences
- 5 The NSW Keno licence is operated with ClubKeno Holdings (CKH) as co-licensee



Investment Highlights

The Lottery Corporation is Australia's leading lottery and Keno operator offering infrastructure-like asset qualities, with low capital intensity and upside potential from digital growth

1

The leader in the Australian lotteries and Keno market and one of the highest performing lottery operators globally, underpinned by exclusive and/or long-dated lottery licences and approvals¹

2

High profile of recognised brands with significant retail distribution and growing online platform

3

Strong cash flow generation with infrastructure-like characteristics

4

Strong strategy to drive earnings growth and maximise shareholder returns

5

Experienced Board and Executive Leadership Team



Growth Strategy

The Lottery Corporation management and Board are continuing to develop The Lottery Corporation growth strategy. The strategy includes a customer-led focus on product innovation, deepened engagement across all channels and digital expansion

Innovate Game Portfolio



- Continue to optimise and refresh the game portfolio to align with changing player motivations
- Innovation pipeline to be informed by deep in-house expertise along with international partnerships

Enhance Customer Experience



- Further innovate tailored customer experiences to drive engagement across all channels
- Complement this with data driven personalised marketing

Increase Digital Penetration as part of Omni-channel Strategy



- Continue to increase digital penetration through customer-led initiatives, increased digital conversion and greater integration with retail

Evolve Retail Footprint



- Further diversify retail channel mix through targeted growth in selected channels to meet changing customer purchasing behaviours

Pursue New Licence and Acquisition Opportunities



- Explore opportunities for enhancements to existing licences
- Evaluate potential future new licence opportunities (domestically and internationally)

STRONG INDUSTRY AND REGULATORY ENGAGEMENT AS WELL AS COMMUNITY CONTRIBUTION

Innovate Game Portfolio: Oz Lotto

New Oz Lotto game change set to launch in May 2022¹ has been carefully assessed based on player input and in the context of the wider game portfolio

Overview of Oz Lotto Game Portfolio Change Process and Considerations

1

Portfolio considerations

- Balance portfolio with strong brand positions
- Opportunity to strengthen Oz Lotto brand offer and position

2

Research

- Extensive qualitative and quantitative research completed with sophisticated game modelling
- Key stakeholder management with regulators and retailers
- Game is designed to deliver bigger divisional prizes, large jackpots more frequently with better chances to win a prize

3

Game change

- Matrix change from 7/45 to 7/47; third supplementary number
- 8.3% price increase (from \$1.20 to \$1.30 per game)
- Special prize boost feature increasing divisional prizes up to 30% in selected draws

4

Marketing

- The game changes will launch with a dedicated marketing campaign that leverages the “Big. Aussie. Fun” platform
- Advertising messages will focus on the key customer benefits, including “bigger prizes, more winners, and more reasons to play every week!”



OZ LOTTO
BIG. AUSSIE. FUN.

One of Australia's favourite lottery games is getting an upgrade.

We're bringing you **BIGGER PRIZES, MORE WINNERS** and more reasons to play every week!

8

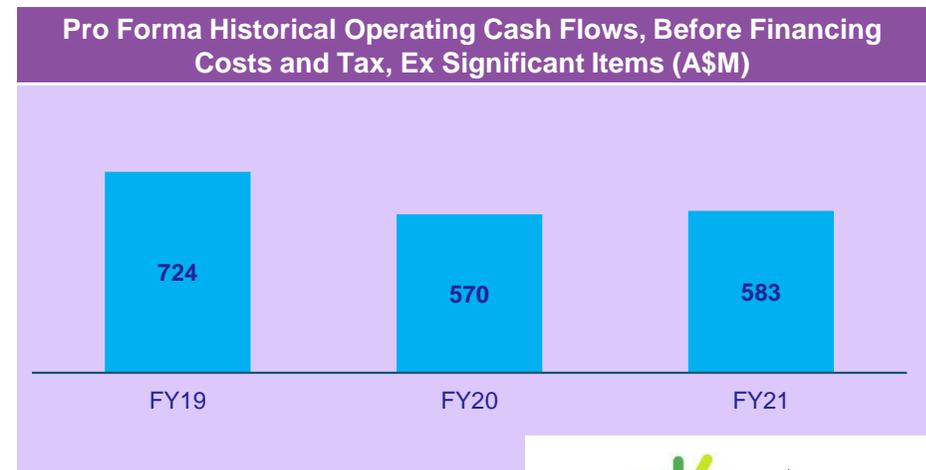
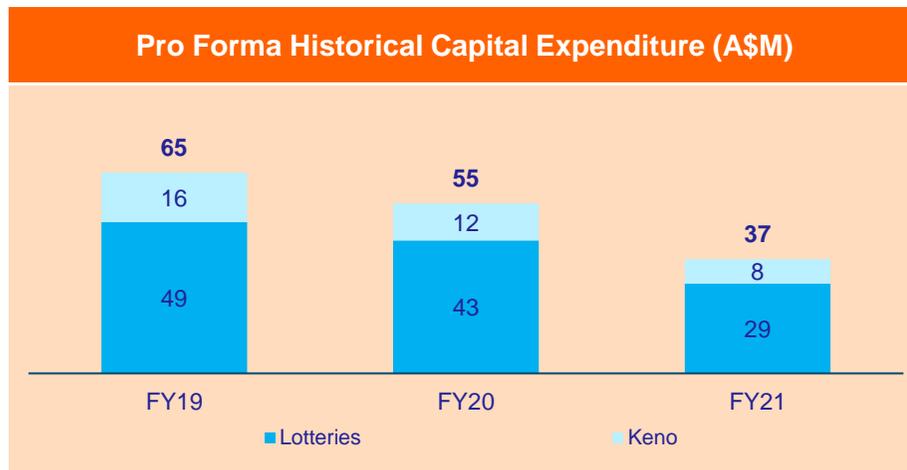
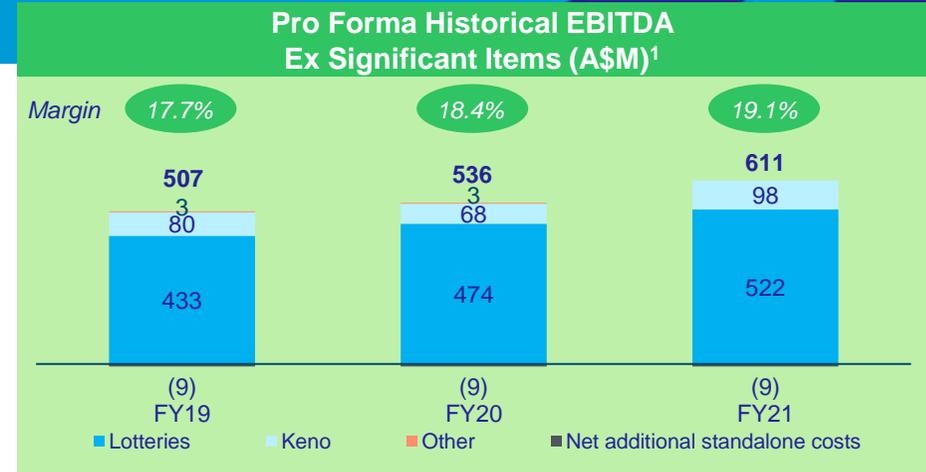
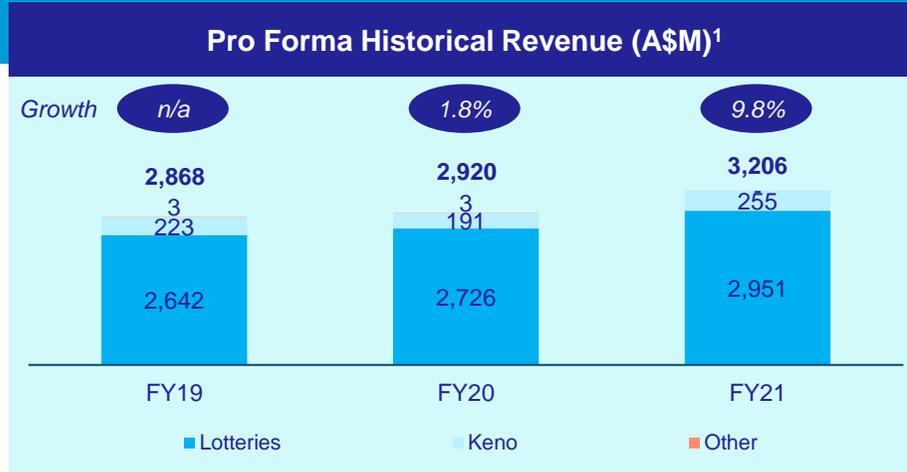
*Oz Lotto game changes are subject to regulatory approval.

the **Lott**
Official Home of Australia's Lotteries

by **Tatts** **NSW Lotteries** **Golden Casket** **SA Lotteries**

Historical Financials Overview

The Lottery Corporation has performed strongly over the past 3 years and was resilient through COVID-19



Note:
¹ Other relates to amounts not allocated to a segment in Tabcorp's consolidated financial statements, allocated to The Lottery Corporation based on the underlying nature of the item



Capital Structure Overview

The proposed capital structure of The Lottery Corporation has been developed having regard to its business requirements, earnings and cash flow generation. It is anticipated that The Lottery Corporation's first dividend will be the 1H23 interim dividend, with reference to 7 months of earnings post Demerger¹

TARGET NET DEBT
TO EBITDA²

3.5-4.0x

EX SIGNIFICANTLY RESTRICTED
CASH AND USPP FAIR VALUE
ACCOUNTING IMPACT

TARGET DIVIDEND
PAYOUT RATIO

70-90%

OF NPAT EXCLUDING
SIGNIFICANT ITEMS

EXPECTED OPENING
NET DEBT³

\$2.1-2.3B

EXCLUDING LEASE
LIABILITIES

TARGET CREDIT
RATING

**Strong
BBB**

INVESTMENT GRADE

Committed Debt Facilities

Debt facilities	Capacity/Principal
3-yr revolving loan facility	A\$400m
5-yr revolving loan facility	A\$550m
US\$ denominated USPP notes ⁴ (maturing in 2026, 2028, 2030, 2033)	US\$1,250m
A\$ denominated USPP notes (maturing in 2035, 2036)	A\$195m

Note:

- 1 See page 27 in relation to the current anticipated arrangements in relation to the Tabcorp Group FY22 final dividend
- 2 Net Debt including lease liabilities, excluding significantly restricted cash and excluding fair value accounting impacts on USPP notes
- 3 Net Debt excluding lease liabilities, excluding significantly restricted cash (A\$223m as at 31 December 2021) and excluding fair value accounting impacts on USPP notes. Excludes estimated remaining one-off demerger costs of approximately \$149m to be paid by The Lottery Corporation
- 4 Excludes Tabcorp USPP notes maturing in April 2022 of US\$133m, assumed to be closed out by additional drawdown by Tabcorp





Table of Contents

4 - 9 Overview of the Demerger

11 - 17 The Lottery Corporation post Demerger

19 - 27 New Tabcorp post Demerger

29 - 37 Appendices

New Tabcorp Board and ELT

Non-executive Board



Bruce Akhurst
Independent Chairman



David Gallop
Independent Non-Executive Director



Janette Kendall
Independent Non-Executive Director



Justin Milne
Independent Non-Executive Director



Brett Chenoweth¹
Independent Non-Executive Director



Raelene Murphy¹
Independent Non-Executive Director



Karen Stocks¹
Independent Non-Executive Director

Executive Leadership Team (ELT)



Adam Rytenskild
Managing Director and Chief Executive Officer



Dan Renshaw
Chief Financial Officer



John Fitzgerald
Chief Legal & Risk Officer



Tom Callachor
Chief Industry & Corporate Affairs Officer



Rebecca Riant
Chief Operating Officer (Wagering and Media)



Paul Carew
Chief Operating Officer (Gaming Services)



Sharon Broadley
Chief People Officer



Alan Sharvin
Chief Information Officer



Jenni Barnett
Chief Customer Officer



Angus Tiet
Chief Strategy & Ventures Officer

 **New to Tabcorp**

New Tabcorp Overview

New Tabcorp is a leader in omni-channel wagering, racing and sports broadcasting, and gaming services solutions. The business is well positioned for organic growth and potential upside from possible change in the wagering and gaming industry

Wagering overview

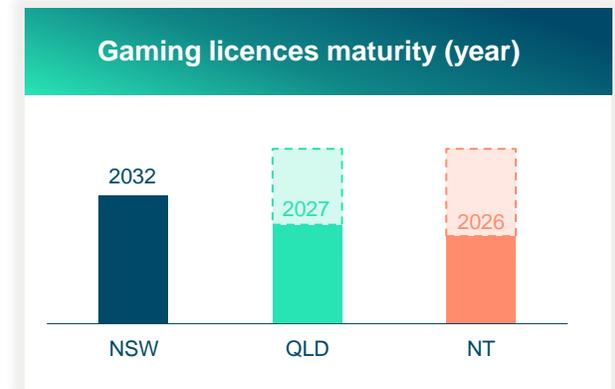
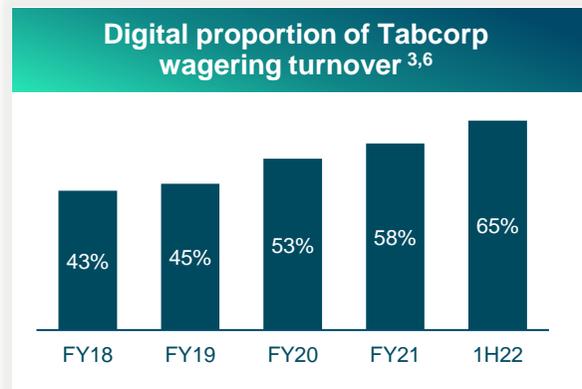
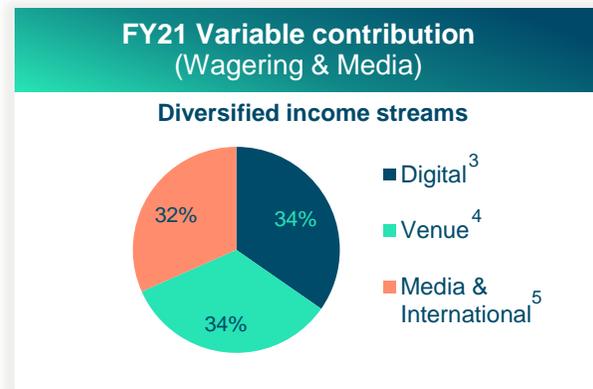
- TAB is a leading omni-channel wagering operator, that provides a differentiated proposition to consumers, focused on customer experience, brand, personalisation and digital-in-venue capabilities

Media overview

- Sky is a B2B leader in aggregated racing and sports broadcasting, distributing daily to millions of viewers and to 4,790 venues domestically
- Sky Racing World distributes racing content in the Americas, Sky exports Racing to 65 other countries and Premier Gateway International is one of the largest global tote hubs

Gaming Services overview

- B2B provider of monitoring systems for regulatory purposes, EGM financing and maintenance, value-added technology and advisory solutions
- Strong partner with venues, providing services to 3,955 venues and 84% of EGMs nationally¹
- Has 100% market share in NSW and NT and 73% market share in QLD for EGM monitoring services²
- Holds the exclusive monitoring licence in NSW to 2032. QLD and NT have indefinite rolling renewal capability



Note:

- As at 31 December 2021. Based on total number of electronic gaming machines (EGMs) that MAX provides at least one product or service to
- As at 31 December 2021
- Digital includes digital and call centre channels in which a customer transacts using their account
- Venue includes retail and on course channels in which a customer transacts using cash

- Media & International includes PGI, export, Sky Racing World and domestic Media business
- FY18 shown on a pro forma basis and includes Luxbet (100% digital).

Investment Highlights

New Tabcorp has scale, diversification, a unique omni-channel offering and growth potential from possible change in the wagering and gaming industry

1

A leading omni-channel diversified wagering operator in Australia and one of the most recognised wagering brands nationally¹

2

A B2B leader in racing and sports media broadcasting with key contracted rights to distribute vision

3

Well established and growing international business with New Tabcorp owning 100% of Sky Racing World and Premier Gateway International

4

National reach as a B2B provider in the gaming market, with services to 84% of all EGMs in Australia² as well as longstanding licensed venue relationships

5

Strong strategy to drive earnings growth and maximise shareholder returns

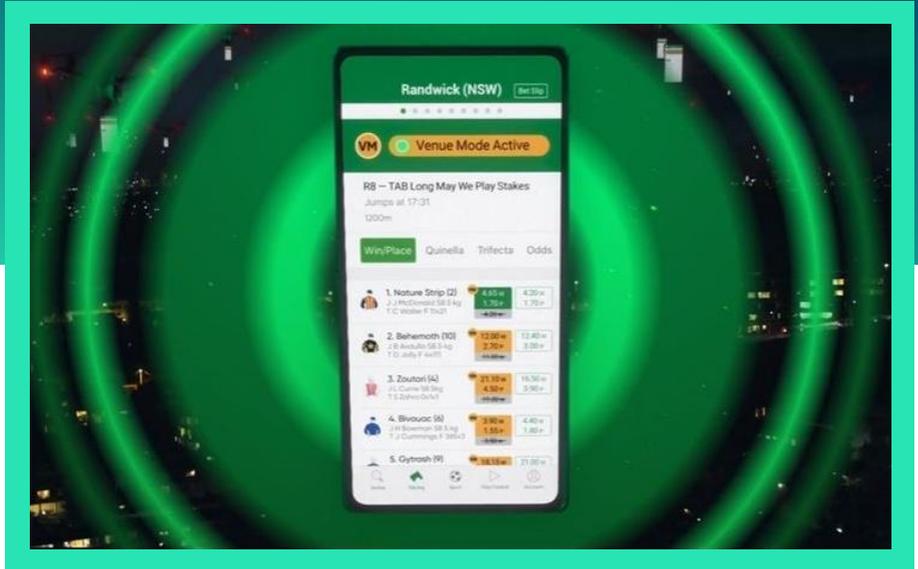
6

Experienced Board and Executive Leadership Team

Note:

1 Source: Nature Wagering Brand Health Monitor (national excluding Western Australia) as at January 2022

2 As at 31 December 2021. Based on total number of electronic gaming machines that MAX provides at least one product or service to



Scale & Diversity

New Tabcorp has a unique combination of scale and diversity



Wagering

- One of the most recognised wagering brands in Australia¹
- 58% digital and an extensive venue network (+4,000 venues)²



Media

- Retail and digital distribution
- 4,790 venues nationally
- Sky Racing Active - over-the-top service
- Breadth of rights underpins 24/7 aggregated vision across ~140k live races annually



International

- SRW – exposure to the US wagering market underpinned by a portfolio of content rights.
- Import/export of vision across 65 countries
- PGI – scale, global tote hub providing pool access for premium international customers



Gaming Services

- Significant reach across 84% of national EGMs³
- Monitoring capability with 100% coverage of NSW and NT market, and 73% QLD

Note:

1 Source: Nature Wagering Brand Health Monitor (national excluding Western Australia) as at January 2022

2 Digital proportion of wagering turnover in FY21

3 As at 31 December 2021. Based on total number of electronic gaming machines that MAX provides at least one product or service to

Impact of COVID-19

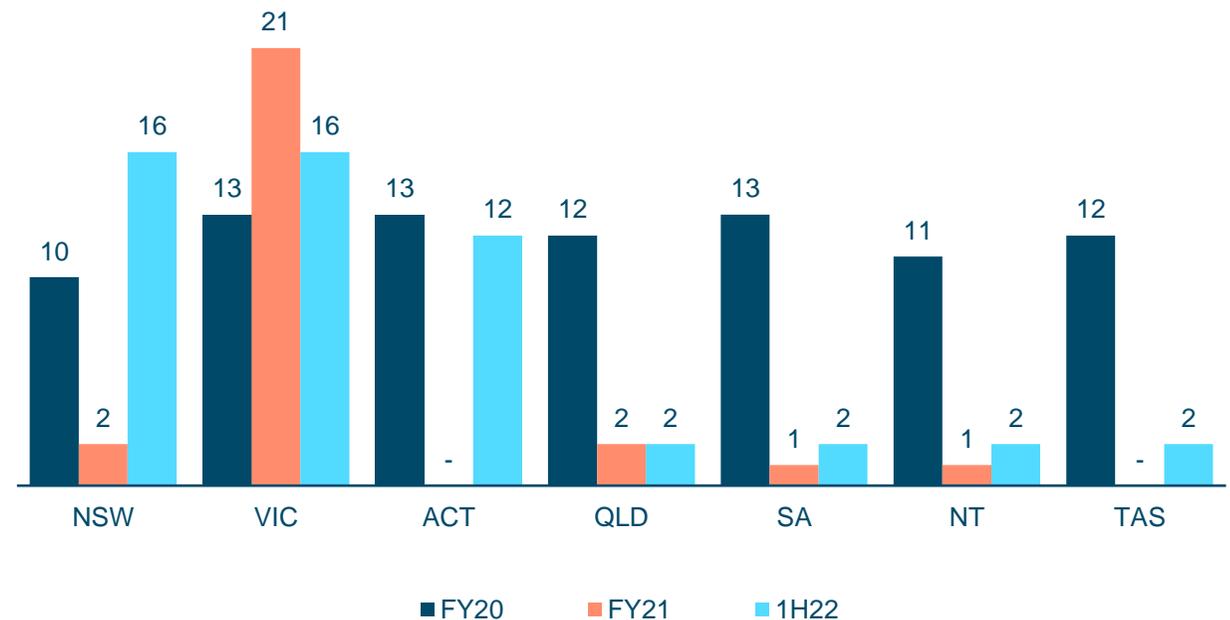
COVID-19 has significantly affected Wagering and Media through retail closures and disruption to the sports and international racing events calendar. Gaming Services has also been significantly affected by retail closures, with Tabcorp providing fee relief to venues through lockdowns

COVID-19 Initiatives

Initiatives taken to protect staff and retail partners, maintain continued operations and mitigate the impacts of COVID-19 include:

- Provision of Sky subscription relief to venues totalling \$20m in FY20, \$13m in FY21 and \$15m in 1H22
- Provision of fee relief to Gaming Services venues totalling \$62m in FY20, \$76m in FY21 and \$42m in 1H22
- Temporary standing down of employees, reducing technology contractors and reducing MD & CEO fixed remuneration and Board fees
- Reducing the working week and annual leave balances
- Significantly reducing discretionary expenditure including capital expenditure

Weeks Impacted Fully or Partially by Lockdown – Wagering and Media



Gaming Services was also impacted fully or partially by lockdowns in retail venues for FY20: 14 weeks, FY21: 48 weeks, and 1H22: 22 weeks

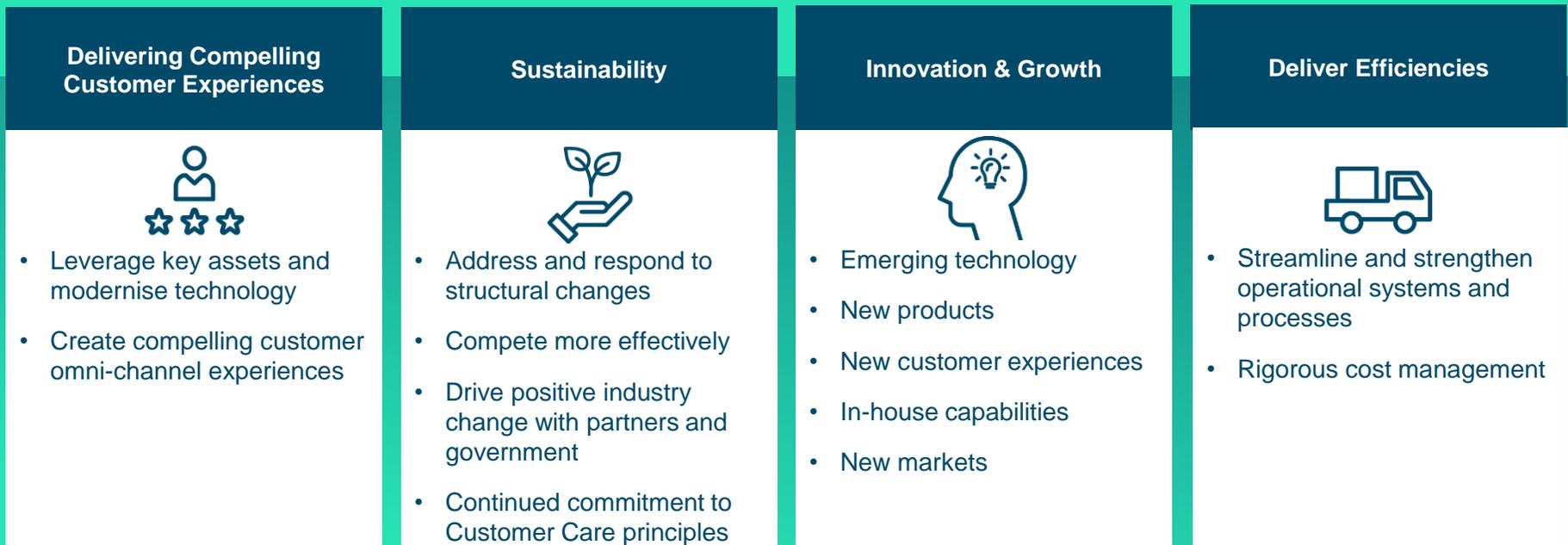
Transformation and Growth Strategy

The New Tabcorp management and Board are continuing to develop New Tabcorp's transformation & growth strategy

Executed to date:

- Strong data and personalisation capability, backed by market-leading Adobe technology
- *TAB brand ('long may we play')* re-established to better resonate with customers
- Sky Media business underpinned with key racing rights, digital distribution and created Sky Racing Active
- Digital In-Venue Mode providing exclusive features and offers to TAB app customers in venues
- International business expanded with 100% PGI ownership, Sky Racing World in US and expanded global exports
- Partnerships established with premium US sports

FRAMEWORK FOR NEW TABCORP STRATEGY



New Wagering App in Development

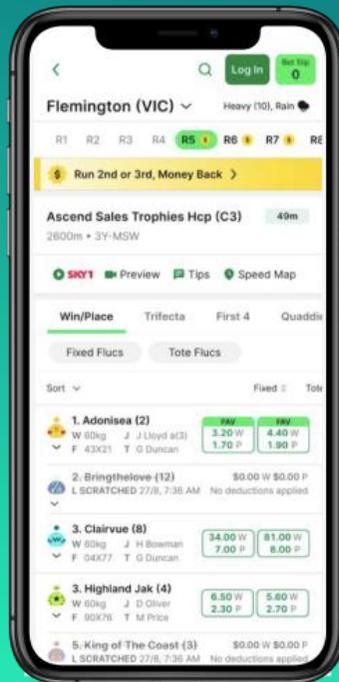
Delivering¹ a new betting experience with a refreshed user interface, faster platform, and removing customer friction points in account admin, post-bet experience, racing information and performance.

Step one in a strategy to improve digital competitiveness, allow for faster innovation, upgraded content and omni channel experiences

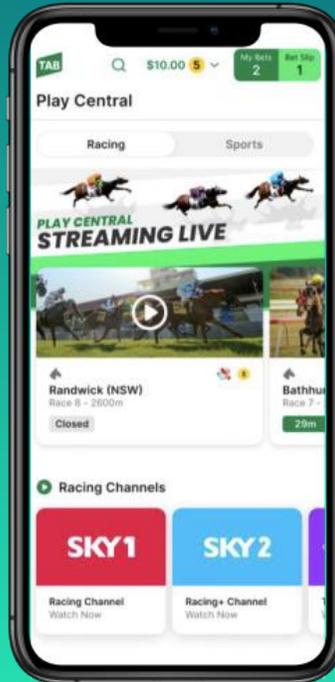
All New Betting Experience



Simpler Bet Placement



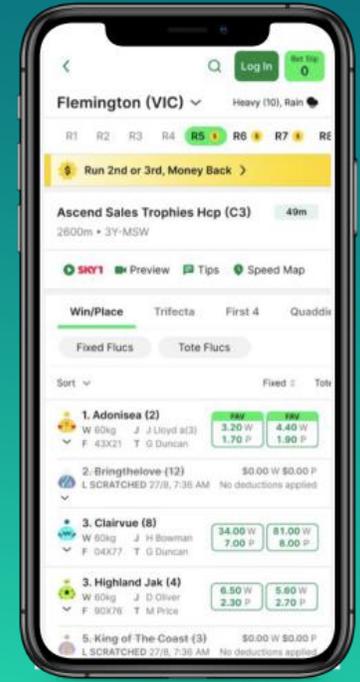
Leading Racing and Sports Content



Integrated Retail Experience

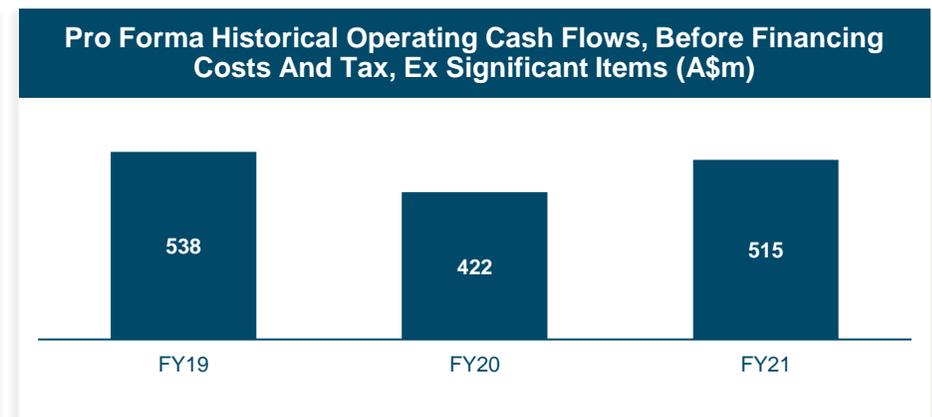
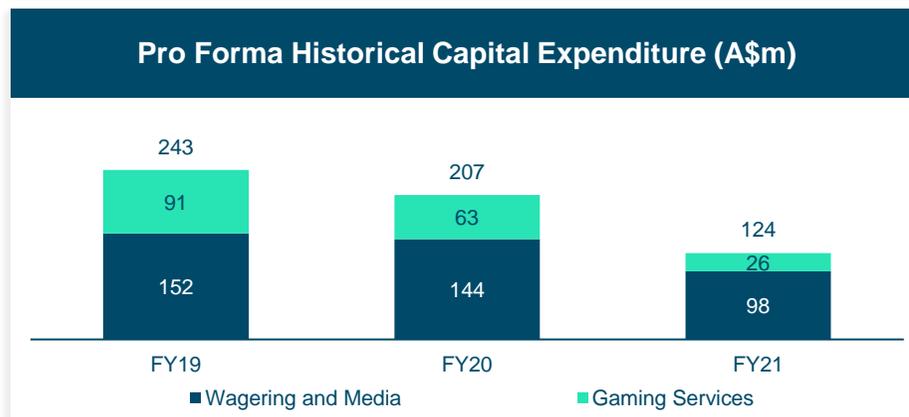
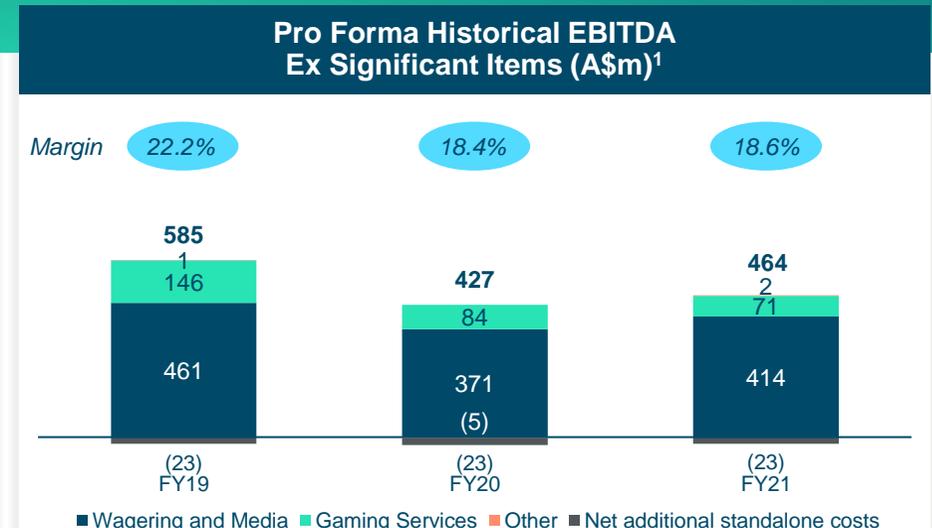
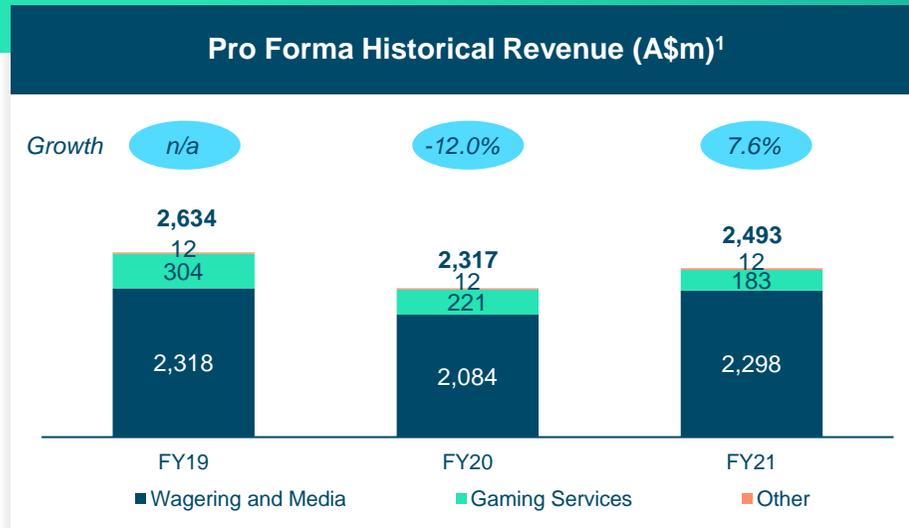


Streamlined New Product Pipeline



Historical Financials Overview

New Tabcorp's financial performance has been significantly impacted by COVID-19 over FY20 and FY21



Note:

1 Other represents revenue on services charged to The Lottery Corporation for servicing the Lotteries and Keno terminals

Capital Structure Overview

The proposed capital structure of New Tabcorp has been developed having regard to its business requirements, earnings profile and cash flow generation profile

New Tabcorp does not intend to hold a public credit rating at the time of the Demerger

Target Net Debt
to EBITDA¹

1.0-1.5x

Ex Significantly
Restricted Cash

Target Dividend
Payout Ratio

50-70%

Of NPAT Excluding
Significant Items

Expected Opening
Net Debt²

<\$100M

Excluding Lease
Liabilities

Committed Bank
Facilities Capacity

\$950M

\$400m 3-yr, \$550m 5-yr
Revolving Loan Facilities

FY22 Final Dividend Arrangements

- To assist in providing a tax efficient distribution, it is anticipated that New Tabcorp will pay a FY22 final dividend with reference to the 5 months of TLC earnings prior to the Demerger in addition to the 2H22 earnings of New Tabcorp
- Any dividend will be determined in accordance to the current target dividend payout ratio (70-80% of NPAT excluding significant items)
- **To receive this dividend, you must be a New Tabcorp shareholder at the dividend record date, anticipated to be in or around Sep 2022**
- The proposed dates of the FY22 final dividend are subject to change, and payment of any dividend is subject to law, business performance and all relevant Board approvals

Note:

1 Net Debt including lease liabilities, excluding significantly restricted cash

2 Net Debt excluding lease liabilities, excluding significantly restricted cash (\$83m as at 31 December 2021) . Excludes estimated remaining one-off demerger costs of approximately \$64m to be paid by New Tabcorp and FY22 final dividend funding requirement



Table of Contents

4 - 9 Overview of the Demerger

11 - 17 The Lottery Corporation post Demerger

19 - 27 New Tabcorp post Demerger

29 - 37 Appendices

Tabcorp



New Tabcorp – Building Capability

New talent appointed to Executive Leadership Team to build strategy execution capabilities

New Chief Information Officer (CIO)

Alan Sharvin

- Alan is currently the Head of Digital at ASX-listed Reece Group
- Prior to that he was the Senior Technology Manager at Amazon, based in Ireland
- He is a former General Manager of technology for Tabcorp, who also spent 6 years at Sportsbet as General Manager Technology – Portfolio Delivery and Head of Enterprise Technology

New Chief Customer Officer (CCO)

Jenni Barnett

- Jenni is currently with Telstra as Executive Director Telstra Digital, where she leads the digital customer experience strategy
- Prior to this, Jenni worked at the Commonwealth Bank where she played an integral role in establishing CBA's digital team

Chief Strategy & Ventures Officer (CSVO)

Angus Tiet

- Angus is currently the Senior VP of Strategy and Business Development at Aristocrat Digital (now Pixel United)
- Prior to this, Angus was the CFO at Aristocrat Digital, and Chief of Staff for the broader Aristocrat group, both based in the USA
- His experience spans strategy, mergers and acquisitions, finance and business operations across the USA, Europe and Asia Pacific

Chief Legal & Risk Officer (CLRO)

John Fitzgerald

- John is currently with AGL Energy as the General Counsel and Company Secretary where he leads the legal, risk, compliance, and advisory function within a complex regulatory environment
- Prior to this, John worked in both government and private legal practice
- John's expertise includes leading commercial advisory and governance functions, and managing large-scale transactions, projects and litigations

The Lottery Corporation – Pro Forma Historical Balance Sheet

\$M	Pro-forma historical Dec-21 ¹
Cash and cash equivalents ²	350
Intangible assets	2,936
Property, plant and equipment	68
Other current and non-current assets	699
Total assets	4,053
Payables	1,099
Interest bearing liabilities	2,581
Lease liabilities	86
Other current and non-current liabilities	231
Total liabilities	3,997
Shareholders' funds	56

Intangible assets

- Compared to the Tabcorp statutory accounts, there is a derecognition of fair value adjustments (predominantly goodwill and intangible assets of \$4,463m) from the Tatts Group combination in 2017 relating to the Lotteries and Keno businesses. These adjustments cannot be recognised as assets of The Lottery Corporation under Australian Accounting Standards
- Conversely, \$615m is recognised from the transfer of the Keno business to The Lottery Corporation under common control principles; with the final fair value adjustment to be determined depending on circumstances at the time of the Demerger

Interest bearing liabilities

- Includes \$246m from the estimated fair value uplift of the USPP notes effectively transferred to TLC, as Australian Accounting Standards require the fair value of the debt to be recognised on inception, rather than at the existing value. This fair value uplift will be excluded by the company when measuring net debt in the context of target gearing levels

Note:

1 The Lottery Corporation pro forma historical balance sheet as at 31 December 2021 has been prepared on the basis that the Demerger was effected and completed on 31 December 2021. The Lottery Corporation pro forma historical balance sheet has been prepared for illustrative purposes only, and does not reflect the actual or prospective financial position of The Lottery Corporation at the time of the Demerger. No adjustments have been made to reflect the trading of The Lottery Corporation since 31 December 2021

2 Includes \$223m of significantly restricted cash



Tabcorp

The Lottery Corporation – Pro Forma Historical Income Statements

\$M	FY19	FY20	FY21	1H21	1H22
Revenue	2,868	2,920	3,206	1,609	1,784
EBITDA, excluding significant items	507	536	611	306	353
Depreciation and amortisation ¹	(70)	(82)	(80)	(42)	(40)
Impairment	2	(1)	-	-	-
EBIT, excluding significant items	439	453	531	264	313
Significant items ²	(9)	(3)	60	67	-
EBIT	430	450	591	331	313
Net finance costs ³			(82)		(41)
Profit / (loss) before income tax			509		272
Income tax expense ⁴			(137)		(84)
Profit / (loss) after income tax			372		188

Note:

- 1 Impact on amortisation expense as a result of an expected uplift of Keno licence values upon transfer of the Keno business to The Lottery Corporation has not been included as the final fair value adjustment is to be determined depending on circumstances at the time of Demerger
- 2 Significant items mainly represent The Lottery Corporation's portion of the Tatts Group combination implementation costs (FY19: \$9m, FY20: \$3m, FY21: \$5m, 1H21: \$2m). For the FY21, it also includes restructuring costs (\$3m), and strategic review costs (\$1m), offset by profit on sale of Jumbo shares (\$69m), and for 1H21, the balance also includes \$69m profit on sale of Jumbo shares
- 3 Net finance costs include pro forma historical interest on USPP notes effectively transferred to The Lottery Corporation, interest and amortisation of bank fees on external borrowings that will be drawn down upon Demerger, unwinding of interest on the estimated fair value uplift recognised on the USPP notes undertaken; and interest on leases
- 4 Income tax expense is based on the pro forma historical profit before tax adjusted for permanent differences for the relevant periods, and the corporate tax rate of 30%

The Lottery Corporation – Pro Forma Historical Segment Information

\$M	FY19	FY20	FY21	1H21	1H22
Lotteries	2,642	2,726	2,951	1,477	1,665
Keno	223	191	255	132	119
Segment revenue¹	2,865	2,917	3,206	1,609	1,784
Other income transferred from Tabcorp ²	3	3	-	-	-
Pro forma historical revenue	2,868	2,920	3,206	1,609	1,784
Lotteries	433	474	522	259	316
Keno	80	68	98	52	42
Segment EBITDA¹	513	542	620	311	358
Other income/costs (net) transferred from Tabcorp ²	3	3	-	-	-
Net additional standalone operating costs ³	(9)	(9)	(9)	(5)	(5)
Pro forma historical EBITDA, excluding significant items	507	536	611	306	353
Lotteries	371	400	442	218	275
Keno	55	42	74	40	30
Segment EBIT¹	426	442	516	258	305
Other income/costs (net) transferred from Tabcorp ²	2	1	-	-	-
Net additional standalone operating costs ³	(9)	(9)	(9)	(5)	(5)
Derecognised intangibles' amortisation adjustments ⁴	20	19	24	11	13
Pro forma historical EBIT, excluding significant items	439	453	531	264	313

Note:

- 1 Represents the reported historical segment results relating to The Lottery Corporation included in Tabcorp's consolidated financial statements for the respective periods
- 2 Relates to amounts not allocated to a segment in Tabcorp's consolidated financial statements. These have been allocated to The Lottery Corporation based on the underlying nature of the item
- 3 Following the Demerger, The Lottery Corporation will be a standalone entity listed on the ASX. As a standalone entity The Lottery Corporation will incur additional operating costs relative to the costs incurred historically. These costs include the corporate functions (i.e. incremental people costs) required to support a standalone listed entity, the cost of maintaining a board of directors, company secretariat costs, ASX listing fees, share registry costs, insurance and statutory financial and tax compliance fees. In addition, The Lottery Corporation will incur costs associated with certain services and internal management systems that have previously been provided by or in conjunction with Tabcorp such as information technology, corporate and public company costs. These additional costs are partly offset by previously allocated shared technology, corporate and public company costs that will be incurred by New Tabcorp. It is anticipated that there will also be ongoing incremental technology costs for The Lottery Corporation and New Tabcorp following the expiry of the TSA
- 4 Intangible assets that arose upon the acquisition of the Tatts Group by Tabcorp in 2017, recognised in the consolidated financial statements of Tabcorp, will be derecognised upon the Demerger as these amounts cannot be recognised as assets by The Lottery Corporation under Australian Accounting Standards. Accordingly, amortisation of these amounts will not form part of the pro forma historical EBIT of The Lottery Corporation. This does not include any additional amortisation that may result when the purchase price allocation on the Keno business valuation is finalised as this is dependent on circumstances at the time of the Demerger and thus has not been recognised



Tabcorp

The Lottery Corporation – Pro Forma Historical Cash Flows

\$M	FY19	FY20	FY21	1H21	1H22
Pro forma historical EBIT, excluding significant items	439	453	531	264	313
Depreciation, amortisation and impairment	68	83	80	42	40
Pro forma historical EBITDA, excluding significant items	507	536	611	306	353
Other non-cash items	(2)	(1)	2	-	2
Change in working capital ¹	219	35	(30)	212	161
Pro forma historical operating cash flows, before financing costs and tax, excluding significant items	724	570	583	518	516
Payment for property, plant and equipment and intangibles	(53)	(65)	(37)	(14)	(19)
Proceeds from sale of property, plant and equipment and intangibles	-	1	20	2	-
Proceeds from sale of shares in an associate	12	-	-	-	-
Payment for exercise of call option	(8)	-	-	-	-
Payment for other financial assets	(93)	(15)	(73)	(51)	(18)
Pro forma historical operating and investing cash flows, before financing costs and tax, excluding significant items	582	491	493	455	479
Proceeds from sale of shares in an associate, significant item ²	-	-	98	98	-
Significant items ³	(9)	(3)	(9)	(2)	-
Pro forma historical operating and investing cash flows, before financing costs and tax	573	488	582	551	479
Financing costs			(109)		(54)
Income tax paid			(137)		(84)
Pro forma historical operating and investing cash flows, after financing costs and tax			336		341

Note

- Working capital movements are impacted by the timing of prize draws and settlements. The FY19 increase was largely driven by an increase in prize liabilities following the Lucky Lotteries Mega Jackpot and large jackpot activity in Oz Lotto at the preceding year end. FY20 and 1H21 include increases in payables of \$95m and \$120m respectively due to the deferral of Lottery taxes as a result of government initiated COVID-19 support, leading to a decrease in working capital in FY21 when these were paid in 2H21. The increase in 1H22 was largely driven by increased sale activity
- This balance relates to gross proceeds generated from the sale of Jumbo shares (a profit before tax impact of \$69m)
- Significant items excluding the sale of Jumbo shares

New Tabcorp – Pro Forma Historical Balance Sheet

\$M	Pro-forma historical Dec-21 ¹
Cash and cash equivalents ²	171
Licences	721
Other intangible assets	2,528
Property, plant and equipment	271
Other current and non-current assets	399
Total assets	4,090
Payables	578
Interest bearing liabilities	140
Lease liabilities	200
Other current and non-current liabilities	284
Total liabilities	1,202
Shareholders' funds	2,888

No noteworthy accounting treatments unique to New Tabcorp upon demerger in determining the pro-forma balance sheet

Note:

1 For the purposes of presenting the New Tabcorp pro forma historical balance sheet, it has been assumed that the Demerger was effective and completed on 31 December 2021. The New Tabcorp pro forma historical balance sheet has been prepared for illustrative purposes only and does not reflect the actual or prospective financial position of New Tabcorp at the time of the Demerger. No adjustments have been made to reflect the trading of Tabcorp since 31 December 2021

2 Includes \$83m of significantly restricted cash

New Tabcorp – Pro Forma Historical Income Statements

\$M	FY19	FY20	FY21	1H21	1H22
Revenue	2,634	2,317	2,493	1,268	1,156
EBITDA, excluding significant items	585	427	464	238	160
Depreciation and amortisation	(262)	(277)	(276)	(135)	(143)
Impairment	2	(20)	(3)	-	-
EBIT, excluding significant items	325	130	185	103	17
Significant items ¹	(27)	(1,167)	(133)	(29)	(17)
EBIT	298	(1,037)	52	74	-
Net finance costs ²			(20)		(10)
Profit / (loss) before income tax			32		(10)
Income tax (expense) / benefit ³			(39)		3
Profit / (loss) after income tax			(7)		(7)

Note:

- Significant items include in FY19, implementation costs relating to the combination with Tatts Group and Racing Queensland arrangements, offset by ACT POCT compensation; in FY20, implementation costs relating to combination with Tatts Group, Racing Queensland arrangements, goodwill impairment, impairment – other and onerous contracts; in FY21, implementation costs relating to combination with Tatts Group, Racing Queensland arrangements, restructuring costs, goodwill impairment, net property costs and strategic review costs, offset by profit on sale of Jumbo shares and gain on revaluation of previously held equity interest; in 1H22, profit on the sale of Jumbo shares, offset by implementation costs relating to combination with Tatts Group, Racing Queensland arrangements and restructuring costs; in 1H22, costs related to the proposed Demerger
- Net finance costs reflect the pro forma historical interest on estimated drawdown of external borrowings for New Tabcorp based on an allocation of the existing Tabcorp debt as at 31 December 2021 after allowing for an additional drawdown by Tabcorp to close out the Tabcorp USPP notes maturing in April 2022 and interest on leases
- Income tax (expense) / benefit is based on the pro forma historical profit before tax adjusted for permanent differences for the relevant periods, and the corporate tax rate of 30%

New Tabcorp – Pro Forma Historical Segment Information

\$M	FY19	FY20	FY21	1H21	1H22
Wagering and Media	2,318	2,084	2,298	1,189	1,073
Gaming Services	304	221	183	73	78
Other ¹	12	12	12	6	5
Pro forma historical revenue	2,634	2,317	2,493	1,268	1,156
Wagering and Media	461	371	414	227	148
Gaming Services	146	84	71	22	21
Other ²	1	(5)	2	-	2
Net additional standalone operating costs ³	(23)	(23)	(23)	(11)	(11)
Pro forma historical EBITDA, excluding significant items	585	427	464	238	160
Wagering and Media	281	175	216	132	43
Gaming Services	67	(14)	(10)	(18)	(17)
Other ²	-	(8)	2	-	2
Net additional standalone operating costs ³	(23)	(23)	(23)	(11)	(11)
Pro forma historical EBIT, excluding significant items	325	130	185	103	17

Note:

- 1 Represents revenue on services charged to The Lottery Corporation for servicing the Lotteries and Keno terminals
- 2 Relates to amounts not allocated to a segment in Tabcorp's consolidated financial statements for the respective periods. These have been allocated to New Tabcorp based on the underlying nature of the item
- 3 Following the Demerger, New Tabcorp will incur additional standalone operating costs relative to the costs incurred historically. These include the full costs (given these costs have historically been shared with The Lottery Corporation and will be partially reallocated to New Tabcorp) of maintaining corporate functions (i.e. incremental people costs) required to support a standalone listed entity, a board of directors, company secretariat costs, ASX listing fees, share registry costs, insurance and statutory financial and tax compliance fees. In addition, New Tabcorp will incur additional costs associated with certain services and internal management systems that have previously been partially allocated to The Lottery Corporation such as information technology, corporate and public company costs. It is anticipated that there will also be ongoing incremental technology costs for The Lottery Corporation and New Tabcorp following the expiry of the TSA

New Tabcorp – Pro Forma Historical Cash Flows

\$M	FY19	FY20	FY21	1H21	1H22
Pro forma historical EBIT, excluding significant items	325	130	185	103	17
Depreciation, amortisation and impairment	260	297	279	135	143
Pro forma historical EBITDA, excluding significant items	585	427	464	238	160
Other non-cash items	9	8	16	4	5
Change in working capital ¹	(56)	(13)	35	66	(84)
Pro forma historical operating cash flows, before financing costs and tax, excluding significant items	538	422	515	308	81
Payment for property, plant and equipment and intangibles	(225)	(225)	(146)	(87)	(67)
Proceeds from sale of property, plant and equipment and intangibles	2	11	48	3	5
Proceeds from sale of other non current assets	-	-	-	-	2
Cash acquired net of payment for business acquisition	-	-	52	-	-
Loan repayment received from customers	2	1	-	-	-
Pro forma historical operating and investing cash flows, before financing costs and tax, excluding significant items	317	209	469	224	21
Significant items ²	(27)	(55)	(44)	(29)	(17)
Pro forma historical operating and investing cash flows, before financing costs and tax	290	154	425	195	4
Net financing costs			(20)		(10)
Income tax (paid) / received			(39)		3
Pro forma historical operating and investing cash flows, after financing costs and tax			366		(3)

Note:

1 The reduction in working capital in FY19 is mainly due to a decrease in provision and payables balances due to the timing of payment. The decrease in working capital in FY20 follows a lower level of payables and provisions to mitigate the impacts of COVID-19. The FY21 and 1H21 increase in working capital was largely driven by an increase in customer account balances and payables from increased trading activity post a COVID-19 impacted June 2020. The 1H22 decrease in working capital is driven by an increase in receivables, predominantly due to the resumption of trading activity in this period compared to the COVID-19 impacted June 2021 and an increase in prepayments mainly due to timing

2 Excludes non-cash significant items

Tabcorp

