



5 May 2026

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

## LANDMARK 40-YEAR VICTORIAN LOTTERY LICENCE EXTENSION

### Highlights

- **Early licence extension of 40 years (vs 10 years historically)**
- **Significantly improves the risk profile of the Lotteries business; adds to recently announced favourable federal regulatory reforms<sup>1</sup>**
- **Next major lottery licence renewal now not until 2050 (NSW), highlighting the strength of the licence portfolio and capital-lite nature of the business outside of infrequent licence renewals**
- **Fully debt funded licence payment reflective of strong financial position**
- **Change in dividend policy to 80-100% of NPATA<sup>2</sup> supporting total shareholder returns**

The Lottery Corporation Limited (**The Lottery Corporation** or **the Company**) has reached agreement with the Victorian State Government (**State**) in relation to a 40-year extension of the Public Lottery Licence, following a period of exclusive, bilateral negotiations (**Victorian Licence Extension**).

The Lottery Corporation, through subsidiary Tattersall's Sweeps Pty Ltd (**Tatts**), has held a Public Lottery Licence in Victoria since 1954. Historically, the licence has been offered on 10-year terms and was set to expire on 30 June 2028.

Under the terms of the extension, the Public Lottery Licence is extended to 30 June 2068, securing The Lottery Corporation's position as the long-term exclusive provider of commercial lotteries in Victoria and better aligning the licence term with the Company's other long-dated major state-based licences.

The Company will pay an upfront premium for the Victorian Licence Extension of \$1,145 million to the State (**Premium Payment**). This Premium Payment reflects valuation and return parameters which are consistent with the Company's prior long-term lottery licence acquisitions and implies a high single digit EBITDA multiple<sup>3</sup>.

The Lottery Corporation Managing Director and CEO, Wayne Pickup said: "The Lottery Corporation is delighted to have agreed an extension of the Public Lottery Licence with the State, securing our future in Victoria through to 2068. The 40-year extension strengthens our national licence portfolio and will help shape the next chapter of the Company's growth. The longer term extension also significantly lowers the risk profile of the business and secures our position as the national lottery operator, with our next major lottery licence renewal now not until 2050.

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<sup>1</sup>Proposed reforms remain subject to government and legislative processes.

<sup>2</sup>NPATA is Net Profit After Tax (NPAT) before significant items adding back total licence amortisation after tax which is forecast to be ~\$44 million in FY27.

<sup>3</sup>Based on the expected EBITDA for Victoria in FY27.



“Typically, almost one in two adult Victorians play our lottery games each year – some of which are among Australia’s most recognised and iconic brands. Today’s licence extension allows The Lottery Corporation to continue to responsibly deliver safe, engaging and sustainable entertainment to Victorians for many years to come, while supporting a vibrant lottery retail network underpinned by small businesses, and generating material lottery duty revenue to fund state and community services.”

### **Victorian Public Lottery Licence Extension Benefits**

The Victorian Licence Extension will provide significant long-term benefits to The Lottery Corporation, the State and the various stakeholders. The extension:

- Secures the Company’s position as the exclusive provider of commercial public lotteries in Victoria until 30 June 2068 and provides long-term earnings certainty in our second largest jurisdiction by lottery turnover and third largest by lottery EBITDA.
- Consistent with the Company’s strategy to enhance the profile of its licence portfolio, provides a material increase in the average remaining term of our high-quality national portfolio of licences, with no major lottery licence renewal for another 24 years (2050). This secures the Company’s national lottery operating footprint across all Australian states and territories (other than Western Australia) and is complemented by the Federal Government’s recently announced proposed reforms to “crackdown on harmful and emerging online lottery products”.
- Allows the Company to continue providing Victorian players an attractive portfolio of lottery games underpinned by its trusted brands, and national scale and liquidity.
- Provides the opportunity for stronger future innovation and growth potential through the Company’s long history of Victorian licence operation and deep customer insights.
- Includes improved terms compared to the existing Public Lottery Licence terms, appropriate for a long-term lottery licence.
- Provides benefits for small business lottery retailers, including a 10-year extension of Victorian retailer agreements for our lottery network partners<sup>4</sup> and a refresh of hardware and operating systems to help enhance our responsible play delivery and the digitally enabled player experience.
- Offers the Company confidence and long-term certainty over a significant portion of its operations and cashflows without medium term renewal risk, enhancing the Company’s competitiveness and growth potential.

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<sup>4</sup> Victorian franchisees of Tatts who hold a current franchise agreement as at the date of this announcement will be offered a renewed agreement with an extended term through to 2038 (**Offer**). Franchisees must meet eligibility criteria including minimum sales and compliance requirements to receive the Offer.



## The Company's Lottery Licences and Approvals

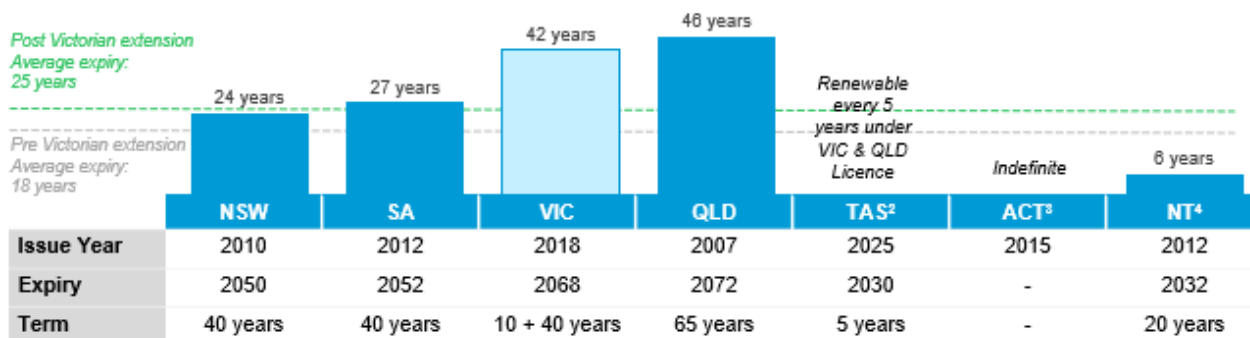
### Lottery Licences

Remaining term<sup>1</sup>

**18 → 25 years**  
Average remaining licence term

Post Victorian extension  
Average expiry:  
25 years

Pre Victorian extension  
Average expiry:  
18 years



	NSW	SA	VIC	QLD	TAS <sup>2</sup>	ACT <sup>3</sup>	NT <sup>4</sup>
Issue Year	2010	2012	2018	2007	2025	2015	2012
Expiry	2050	2052	2068	2072	2030	-	2032
Term	40 years	40 years	10 + 40 years	65 years	5 years	-	20 years

In addition, the average remaining term for the Company's Keno licences is 27 years.

Notes:

(1) As at 30 April 2026.

(2) 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.

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

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

### Funding & Capital Management

The Premium Payment for the Victorian Licence Extension is scheduled to be paid in two instalments, with \$250 million paid on 3 July 2026 and \$895 million paid on 1 October 2026. Consistent with the Company's Capital Management Framework, following the Premium Payment, it is expected that pro forma leverage will initially rise to around the upper end of the Company's 3–4x target leverage range.

To provide funding certainty to the State, the Company has obtained a commitment for a new \$1,000 million bank loan facility, combined with approximately \$145 million under existing undrawn debt facilities.

The Company will remain well funded following the Premium Payment and expects to retain a strong investment grade (BBB+) credit rating. In the coming months, the Company will consider access to long-term debt funding markets as part of its broader financing strategy.

### Update to Dividend Policy

The Victorian Licence Extension is not expected to impact any FY26 dividends.

From FY27, the Company intends to amend its dividend policy to 80-100% of NPATA<sup>5</sup> before significant items from 80-100% of NPAT before significant items. The Company expects this will help deliver the consistent and reliable dividends targeted under the Company's capital allocation framework, and support

<sup>5</sup> NPATA is Net Profit After Tax (NPAT) before significant items adding back total licence amortisation after tax which is forecast to be ~\$44 million in FY27.



total shareholder returns. The move to a more cash-based measure is also expected to help keep leverage within the target range over time.

Macquarie Capital acted as financial adviser to The Lottery Corporation in relation to the Victorian Licence Extension.

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

**For more information:**

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