

10 November 2022

Jumbo 2022 AGM Chair and CEO Addresses and Trading Update

Jumbo Interactive Limited's (**Jumbo**) 2022 Annual General Meeting (AGM) will be held today at 11:00am (Brisbane time). The meeting will be held in a hybrid format, with shareholders able to attend in person at Level 1, 601 Coronation Drive, Toowong and via the AGM platform which can be accessed at <https://meetnow.global/MWK7ZR7>.

The Chair's and CEO's addresses to be delivered at the AGM, and AGM presentation including trading update are enclosed.

More information on the AGM, including the 2022 Notice of Meeting is available on the Jumbo website. If you are unable to join the AGM live, a recording will be made available on the Jumbo website later today.

- Ends -

Authorised for release by the Board of Directors.

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About Jumbo Interactive

Jumbo is Australia's leading dedicated digital lottery company, making lotteries easier by offering its proprietary lottery software platform and lottery management expertise to the government and charity lottery sectors in Australia and globally, and by retailing lottery tickets in Australia and the South Pacific via ozlotteries.com.

Jumbo was founded in Brisbane in 1995, listed on the ASX in 1999, and has ~265 employees creating engaging and entertaining lottery experiences for its global player base.



CHAIR'S ADDRESS – SUSAN FORRESTER

Introduction

Good morning and welcome to our first hybrid AGM, allowing shareholders to attend both in person and virtually.

External operating environment

Last year, we held our AGM virtually as we continued to navigate the uncertainty from COVID-19 including lockdowns and border closures, unprecedented government stimulus, historically low interest rates and benign inflation. Fast forward to today and while we continue to manage the lingering effects of COVID-19, the macro-environment has shifted dramatically. Inflation has emerged as a key global issue with central banks raising interest rates quickly, equity market valuations particularly for technology companies and long duration assets have been adversely impacted, and we saw the war for talent intensify amidst an extremely tight labour market.

Against this backdrop, Jumbo continues to execute on its strategy with another record result for Lottery Retailing and positive momentum in our Software-as-a-Service and Managed Services segments.

Strategy and financial performance

We held our first investor day in June this year, where we showcased our talented executive leadership team and our best-in-class lottery platform, and provided an update on our growth strategy and key priorities. We have a clear strategy and operating model designed to deliver sustainable growth over the long term.

Despite the uncertain operating environment, Jumbo performed strongly in FY22, delivering double-digit growth in ticket sales, revenue and earnings. As a result, the Board declared a final ordinary dividend of 20.5 cents per share, bring the total dividend for FY22 to 42.5 cents per share, fully franked.

Global lottery sector

With international borders now open, I had the pleasure of attending the World Lottery Summit in Vancouver last month, along with Mike and members of our senior leadership team. Whilst I was on a steep learning curve, participating in the summit provided access to all the major operators in the lottery sector and in fact brought my learning to life. The experience also demonstrated to me the huge level of international respect Jumbo has earned in the sector for its best-in-class software and leadership team and the strong relationships we have with the industry including The Lottery Corporation. I came away buoyed by the many opportunities on the horizon for digital lotteries and partnerships in Canada and the US.

Corporate Governance

I joined the Board in September 2020 with a mandate to support our international expansion by strengthening our governance foundations and frameworks. Jumbo operates in a heavily regulated industry and we have closely followed the recent enquiries into the casino sector to understand what went wrong and why. While Jumbo operates in a very different part of the market, we have considered how these governance lessons apply to our company and realigned responsibilities for

corporate compliance within the Group and enhanced both legal and internal audit resourcing as we broaden our operations internationally.

Your Board went through a period of renewal a few years ago with the appointments of Giovanni Rizzo and Sharon Christensen in 2019 and my appointment as Chair in 2020. Today, Giovanni Rizzo is seeking re-election. Giovanni will address you shortly when we reach the resolution for his election, and the Board recommends that you vote in favour of this.

The Board conducts annual reviews of its own performance and reviews its skill set regularly. The review findings are that we do work cohesively and respectfully with management, while providing sufficient challenge and keeping them firmly accountable for optimal performance. Today we are also seeking shareholder approval to increase in the maximum aggregate annual amount available to be paid or provided to the non-executive directors of the Company. The proposed increase is to ensure the fee pool can accommodate an additional non-executive director being appointed as the business expands and to ensure that the remuneration arrangements to attract and retain high calibre individuals remain competitive.

Our People

Jumbo prides itself on our cutting-edge technology and player-centric user experience, made possible by our most valued asset – our people. We have a diverse and talented workforce with a shared passion for technology and innovation. Over the last two decades we have fostered a unique and high-performing culture where Jumbo remains a sought-after employer for technology and marketing talent. This has positioned us better than some of our peers for the recent disruption to the labour market, where strong demand for talent resulted in heightened competition for candidates and the 'Great Resignation' had many employees rethinking their careers. While employee engagement remained above external benchmarks throughout this period, Jumbo was not immune to this disruption which led to elevated staff turnover and record high wage inflation to attract and retain talented staff.

People and culture sits at the heart of our mission and strategy. We have undertaken a comprehensive program of work to refresh our employee value proposition showcasing our business as a leading technology and growth company with a strong focus on sustainability, employee wellbeing, career development and purpose-driven work practices.

I would also like to take this opportunity to formally welcome Abby Perry to the executive leadership team as our first Chief People Officer. Abby has played a key role in driving the key elements of our people strategy and her promotion will ensure people and culture remains a critical focus, particularly as we integrate our recent acquisitions.

Sustainability

As a Board we believe it is our role to take a long-term view on Environmental, Social and Governance (ESG) topics that affect our business and the communities in which we operate. We were very pleased to release our first Sustainability Report this year outlining our commitment to being a socially responsible and sustainable business that delivers value for all our stakeholders. This Report was prepared under the stewardship of our Sustainability Council which comprises the heads of Investor Relations, Risk, People, and Sales and Marketing, and the Board commends their first year's effort at an authentic and practical Sustainability Report, which we will build on in coming years.

As would be the case for nearly all businesses in the current environment, data protection, privacy, cyber risk and security represent some of the most material risks for Jumbo. The Board and executive leadership team work hard to keep up to date with emerging data security regulation and best practice trends to maintain the integrity of our service offering and the privacy of our customer database. We have increased our training for Board and executives on cyber matters and include it as an active discussion area on each Board agenda. While our best-in-class lottery software and digital marketing expertise has resulted in strong active player and ticket sales growth, our priority is always the welfare of our players and we remain committed to leveraging technology to delivering a best practice responsible play experience.

Earlier this year Jumbo was certified as a Great Place to Work in Australia and we became a signatory to HESTA's 40:40 Vision, aimed at achieving gender balance in executive leadership across ASX 300 companies. We have also undertaken our first carbon baseline for our Australian operations and by the end of this financial year we are targeting carbon neutral emissions and Climate Active certification for our Australian operations.

We have made a serious and ongoing commitment to Sustainability through the setting of medium-term targets and from FY23, sustainability metrics will also form part of the executive team's short-term incentive scorecard.

Remuneration

On the topic of remuneration, the People and Culture Committee engaged an independent remuneration consultant to ensure that our executive remuneration framework continues to attract and retain talent, aligns with Jumbo's strategy, fosters culture and behaviours that support growth and drives long-term value for our shareholders. As a result of this review, our remuneration framework will be modified in FY23 to align with market practice. The most notable change relates to the long-term incentive structure where the cliff vesting share price hurdle, widely critiqued by proxy advisors, will be replaced by a relative Total Shareholder Return (TSR) measure and an Earnings Per Share (EPS) measure.

Conclusion

I would like to thank my fellow Board members for their counsel and support throughout the year. I would also like to thank Mike Veverka and the entire Jumbo staff for their adaptability through a changing work environment, their dedication, energy, and enthusiasm. I would also like to take this opportunity to formally welcome the teams from Stride in Canada and StarVale in the UK to Jumbo. When in North America for the World Lottery Summit, we also took the opportunity to travel to the Stride office to meet their team and better understand their operations and opportunities. It was evident from walking in their front door, that we have a shared and healthy Jumbo culture and I look forward to working with their team to further engage as part of the Jumbo family.

As a Board, we remain focused on providing sound governance and diligent stewardship of the company's strategy and culture. We continue to encourage management to invest in our technology, people, international growth opportunities and sustainability, which will be critical to delivering long term for all our stakeholders. I will now hand over to Mike to present a more detailed review of the Company's performance. Thank-you and I look forward to taking your questions later in the meeting.



CEO AND FOUNDER'S ADDRESS – MIKE VEVERKA

Thank-you Sue and good morning everyone.

Welcome to the 2022 Jumbo Interactive Annual General Meeting, my 24th meeting as CEO and Founder.

Jumbo's mission

Jumbo started off as a software company that found its niche in lotteries. Our mission is to make lotteries easier. It's the reason why we exist – to make it easier for our clients and easier for our players, and remove the complexity involved in running a lottery. We want to be the number one choice in digital lottery and services globally.

With the acquisition of StarVale now complete, we have an active player base of approximately 4 million players and 265 staff operating across 18 cities and 3 continents.

Strong track record of performance

FY22 added another year of strong revenue, earnings and cashflow performance to our track record of delivering for shareholders.

It was another record year for Lottery Retailing supported by good jackpots and increasing digital penetration for lotteries. All our Software-as-a-Service clients are enjoying the benefits of being on the Powered by Jumbo platform and we operationalised our first UK SaaS client. We continue to build our global player base, with the acquisitions of Stride in Canada and StarVale in the UK adding approximately 1.6 million active players in aggregate.

We have also significantly invested in the business, both in our people and our platform, and established strong foundations and capabilities to continue to drive growth.

At our FY22 results in August and as part of our proactive approach to capital management, we announced an on-market share buy-back of up to \$25 million. This was in addition to a record 42.5 cents per share fully franked dividend.

Our balance sheet, cash conversion and free cashflow remain strong. At 30 June 2022, we maintained a healthy cash position with approximately \$60 million. Together with our new debt facility, this provides capacity for further strategic growth.

Global lottery industry

Jumbo has cultivated strong relationships within the lottery industry over the last two decades. As Sue mentioned earlier, last month we attended the World Lottery Summit in Vancouver. This was my fifth summit in 10 years, and it was great to connect with all the key industry players in-person after a COVID hiatus. I also had the privilege of presenting on the effects of COVID on the lottery industry and the positive outlook for digital lotteries.

Digital lottery innovation

Jumbo remains at the forefront of innovation in digital lotteries. While we believe our core platform is best in class, we complement this with the latest technology and integrations to drive an unrivalled player experience and optimise our player acquisition, engagement, and retention.

Our use of machine-learning powered recommendations has led to a three-fold increase in recommended products purchased. Our Nurture Program leverages first-party data and behavioural analytics to personalise the player experience and create unique customer journeys.

We are constantly running experiments on-site and in-app on different experiences to measure the uplift in key metrics. This empowers us to iterate quickly, and approach increments objectively across key player journeys that would otherwise be risky to manage changes to.

Creating a blueprint for acquisitions

After the World Lottery Summit, I, along with some the Jumbo team and our key clients, travelled to Calgary to meet the Stride team. This was my first time seeing Stride's operations in person since we announced the acquisition in August 2021. I have been very impressed by the calibre of the team, the culture, the strong relationships developed with clients and industry knowledge. Stride has a significant opportunity to expand into other Canadian provinces such as Ontario and British Columbia and we will be working through the regulatory approval processes to get licensed in these provinces.

I was very pleased to complete the acquisition of StarVale last week, which admittedly took longer than anticipated. Despite the delay, we have been working in parallel to develop plans to successfully integrate and grow the business.

Lottery Retailing

The large jackpot environment for the first quarter of FY23 was relatively subdued and reflects one of the lowest average value per jackpot quarters in just over three years. In Q1FY23 there were 8 large jackpots with an aggregate value of \$200 million, equivalent to an average value per jackpot of just \$25 million. However, this is not unique with aggregate values of less than \$200 million over the past 3 years in Q2FY21 and Q4FY20.

Pleasingly we saw a strong recovery in October, with 5 large jackpots, an aggregate value of \$390 million, including a \$100 million and \$160 million Powerball, which is equivalent to an average value per jackpot of \$78 million.

Of course, in October we saw a significant improvement in sales with a \$100 million and \$160 million Powerball.

Specifically on the \$160 million Powerball, we were very pleased with the platform's performance on draw day with 100% uptime, approximately 60k new player signups, and a number of records broken in terms of signups, checkouts and tickets sold per second. Our fastest ticket was sold in just under 58 milliseconds. This performance is a testament to the work we have done in building a best-in-class lottery platform and we will continue to get even better and faster going forward.

In terms of sales, the \$160 million Powerball is now our best draw to date, with sales exceeding the \$120 million Powerball in February 2022 by more than 10%.

This was a welcome boost with Lottery Retailing TTV and Revenue as at the end of October now approximately 11% and 10% ahead of the pcg respectively.

We note the proposed price increase to Powerball and will be considering our options around pricing in due course.

SaaS and Managed Services

Today we have also provided the SaaS and Managed Services TTV and Revenue figures for the first quarter of FY23. Underlying SaaS TTV and external revenue increased 18% with all five SaaS clients fully operational on the platform. Pleasingly, Lotterywest TTV grew modestly despite the unfavourable jackpot environment.

The 1QFY23 Managed Services figures reflect contributions from Gatherwell in the UK and for the first time, Stride in Canada. On a constant currency basis Gatherwell TTV declined 7%. While the pipeline remains healthy, 1QFY23 was impacted by delays in onboarding of new clients. Despite the TTV reduction, revenue increased 12% due to a management-led shift towards programmes with higher management fees.

FY23 Outlook

Turning now to our FY23 Outlook. We continue to target a Group EBITDA margin in the range of 48% to 50%, excluding Stride and StarVale.

Stride, our Canadian subsidiary, continues to perform well and in line with our expectations, with the first full earn-out milestone achieved last month.

We also announced the completion of StarVale last week which will add significantly more scale to our operations in the UK. StarVale will make an 8-month contribution to FY23 Group earnings.

It is important to note that both acquisitions will result in a significant increase in the amortisation of acquired intangibles charge in our profit and loss in FY23. We are awaiting the independent expert's report following the completion of StarVale, but note this charge, along with the impact of Stride, will be reflected in our 1H23 accounts. As a result, and to aid in the understanding of our underlying performance, we will introduce a Net Profit After Tax Before Amortisation of Acquired Intangibles (NPATA) measure from FY23.

Conclusion

Before I conclude my presentation, I would like to take this opportunity to thank our staff for their hard work and commitment, and how as a team we have adapted to the changing work environment including multiple cities, time zones and remote working.

Our platform teams continue to work at over 90% capacity, 20% of our new hires in FY22 were fully remote workers, employee engagement levels are back up to FY21 levels and we have significantly dialled up our focus on Sustainability, prioritising diversity, equity, inclusion, employee wellbeing and career development.

Finally, I would also like to thank you, our shareholders for your ongoing support as we continue to grow the business and aspire to be the number one choice in digital lottery and services globally.

I'll now hand back to Sue.

Susan Forrester

Chair

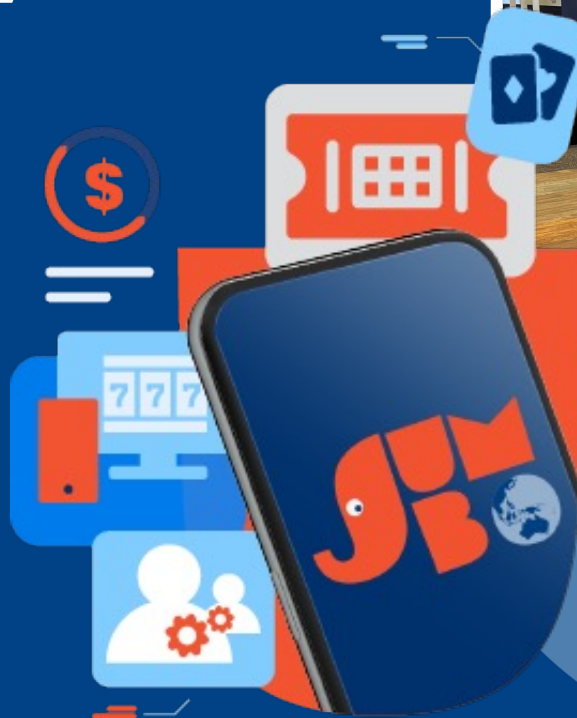


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World Lottery Summit

2022
Vancouver



Board of Directors



Susan Forrester AM

Chair of the Board
Independent Non-Executive Director

Appointed September 2020



Mike Veverka

Chief Executive Officer and
Founder, Executive Director

Appointed September 1999



Sharon Christensen

Independent Non-Executive Director
Chair of People and Culture Committee

Appointed September 2019



Giovanni Rizzo

Independent Non-Executive Director
Chair of Audit and Risk Management
Committee

Appointed January 2019

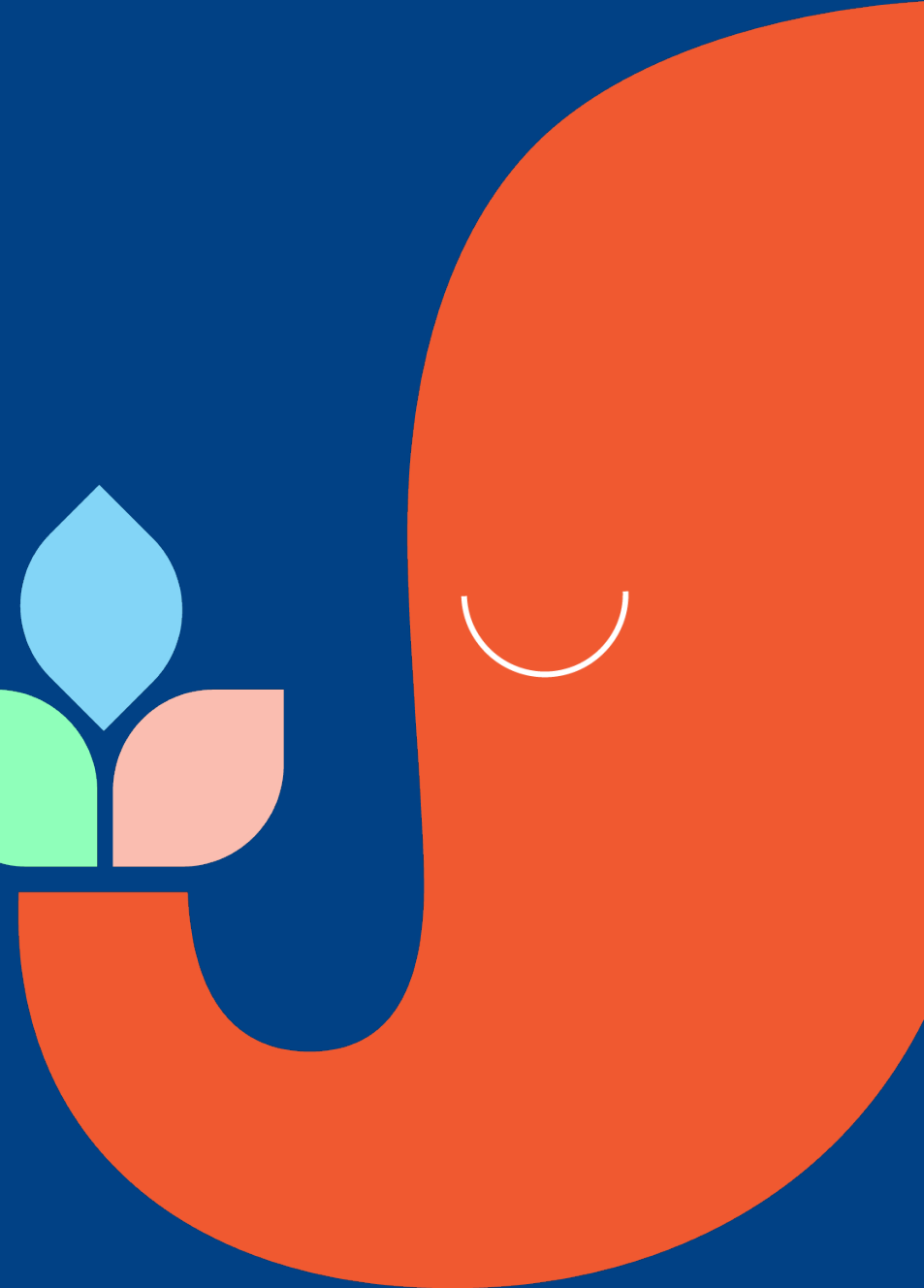
Our people

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Bailey Wilde: Digital Marketer of the Year, November 2022

**Modern sustainability
has three main pillars:
environmental, social,
and governance.**





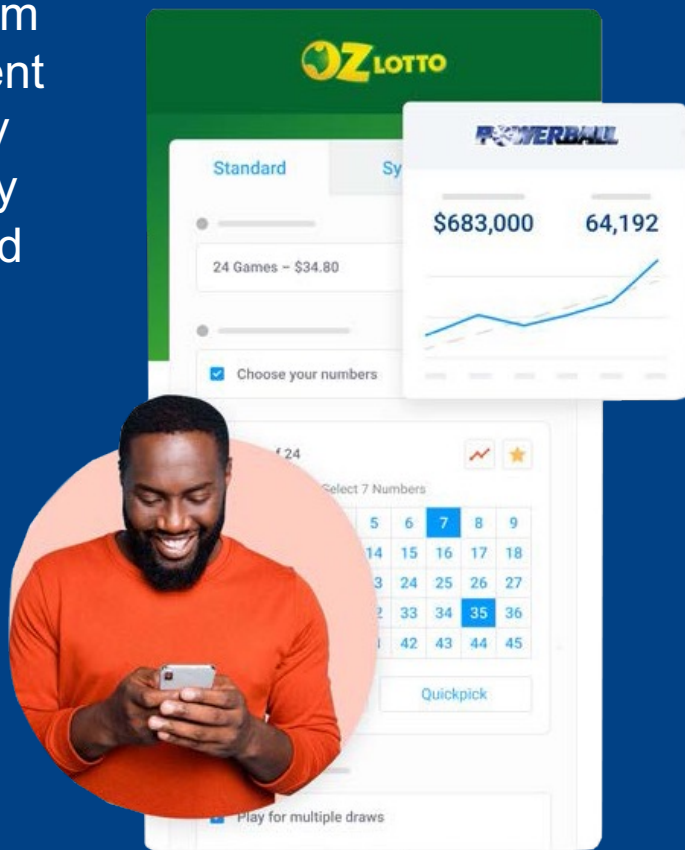
Mike Veverka

CEO and Founder



We are a digital lottery specialist

Providing our best in class lottery software platform and lottery management expertise to the charity and government lottery sectors in Australia and globally.



We exist to make lotteries easier by being the number one choice in digital lottery and services



Founded in 1995 and listed on the ASX in 1999



4 million active players across Australasia, UK and Canada



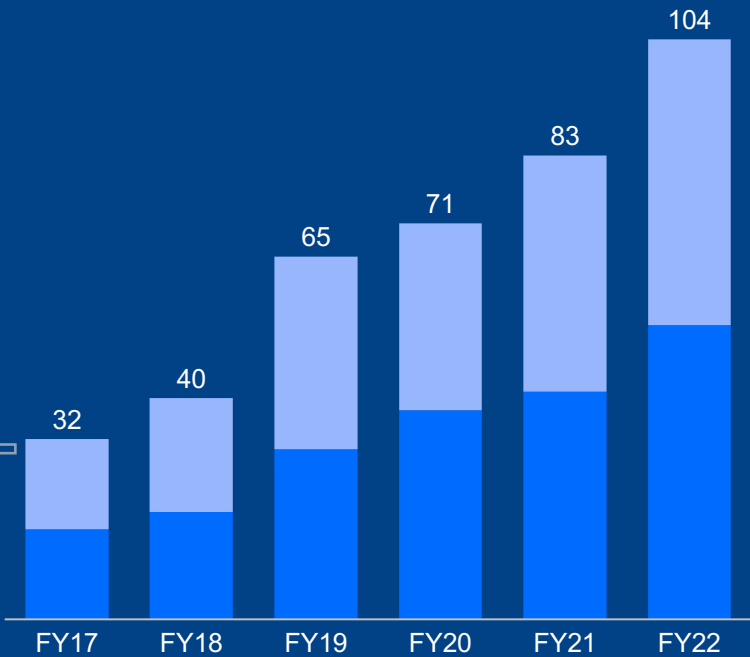
265 employees across Australasia, UK and Canada

Strong track record of earnings and cash generation

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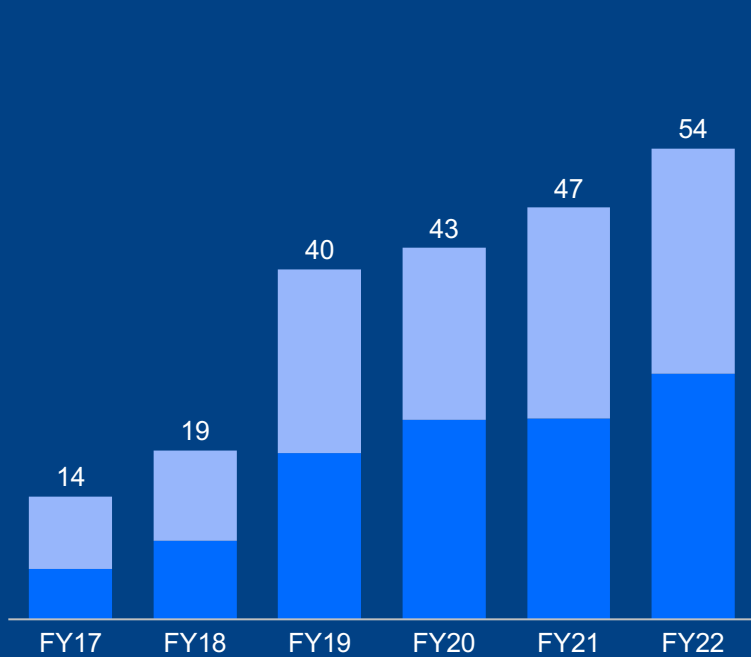
Revenue (\$m)

▲ +26% FY17 – FY22 CAGR



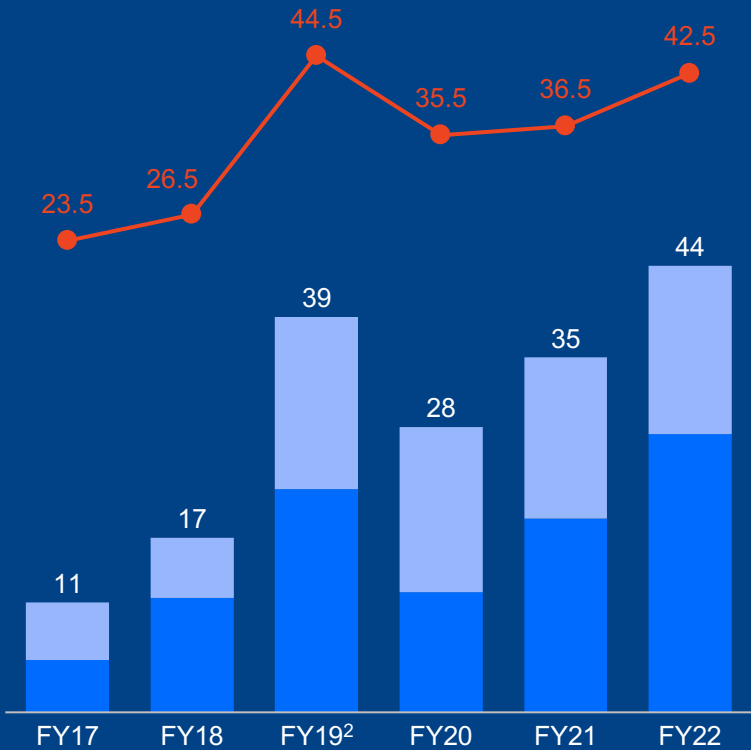
EBITDA (\$m)

▲ +31% FY17 – FY22 CAGR



Operating cashflow (\$m)

▲ +32% FY17 – FY22 CAGR



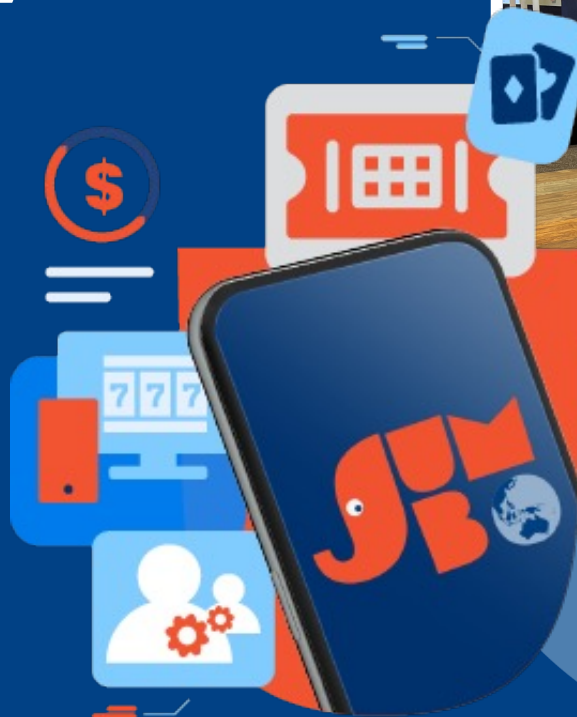
■ 2H ■ 1H ● Dividend declared (cps)¹

1. FY17, FY18 and FY19 include special dividends.
2. Reflects timing impact where trade and other payables was \$22m (FY18:\$14m), as payments to The Lottery Corporation are a week in arrears.



World Lottery Summit

2022
Vancouver

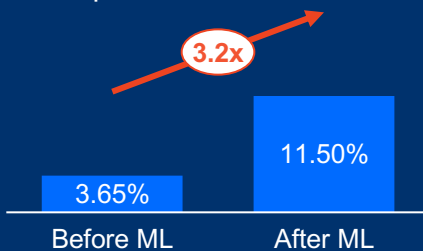


Innovation in digital lotteries



Machine-Learning Powered Recommendations

- ✓ Very large customer database requires ML to provide at-scale customization
- ✓ Without relevant messaging, players will be lost
- ✓ Recommended products purchased:



Nurture Program

- ✓ Customer journey from fresh signup to regular player
- ✓ Tailored messaging for maximum relevance for each individual customer
- ✓ Maximum engagement with minimum dormancy



Experimentation

Software-based simulations:

- ✓ Test enhancements with existing data
- ✓ Less live trial/error
- ✓ Less waste
- ✓ Improved engagement / player satisfaction

Creating a blueprint for acquisitions

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Alberta Cancer
FOUNDATION



CALGARY Stampede
Lotteries



FULL HOUSE
LOTTERY



STARS[®]
LOTTERY

STRIDE



ageUK



Believe in
children
Barnardo's



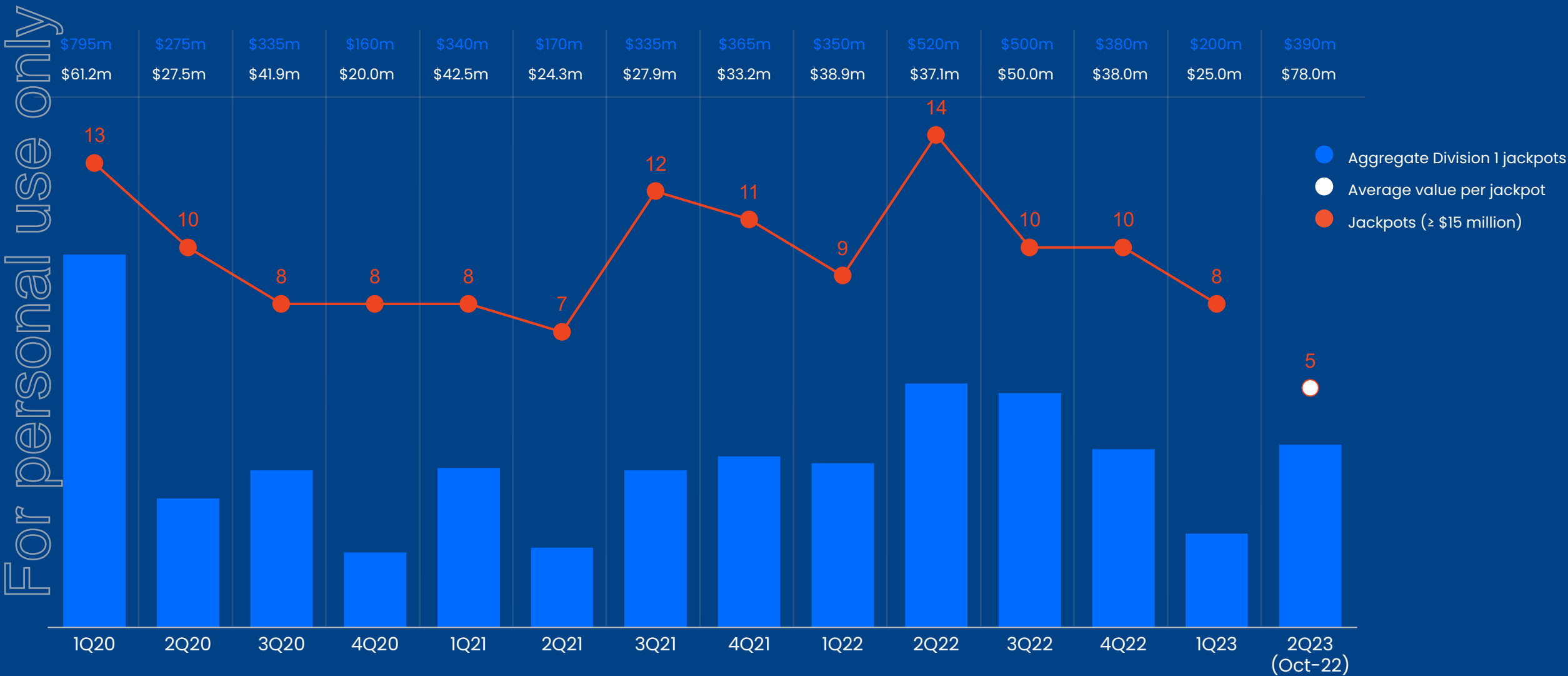
RSPCA



MACMILLAN
CANCER SUPPORT

LOTTERIES
StarVale

Strong start to 2QFY23 following a weak 1QFY23

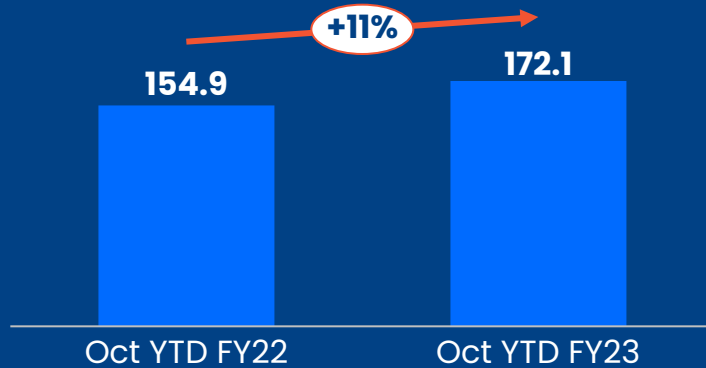


Lottery Retailing – Four months to 31 October 2022 trading update¹

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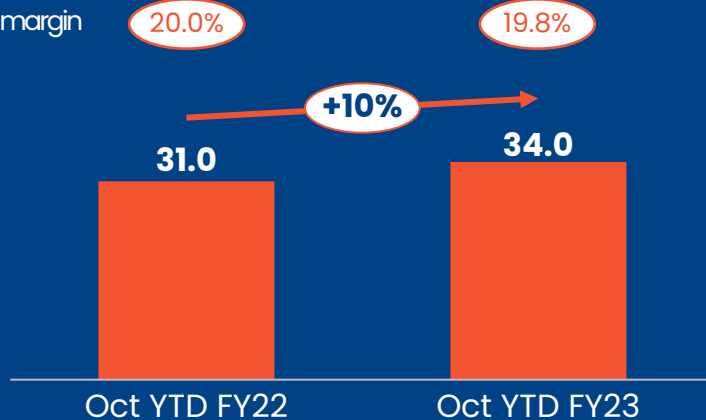
Lottery Retailing

TTV (\$m)



Revenue (\$m)

Revenue margin



Key stats from \$160m Powerball (Oct-22)



706,650 tickets sold
59k new signups
1,283 tickets sold per minute (peak)



>10% sales compared to \$120m draw in Feb 2022



100% uptime over the draw event (full service availability)



>13 signups/second during peak (47k new signups within 24 hours)



>69 tickets sold/second during peak



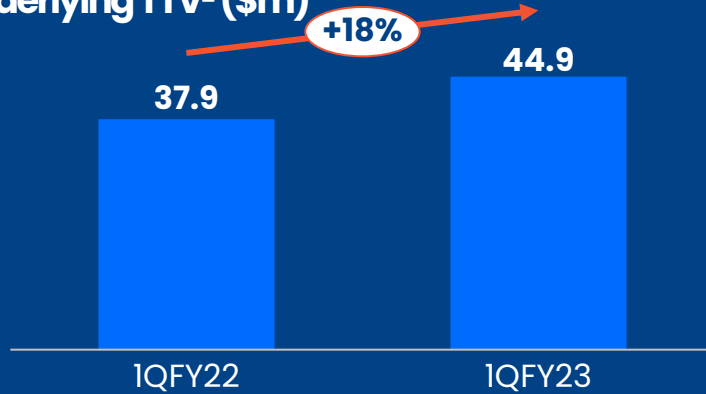
>2,450 support interactions on draw day: **89% satisfaction** (only 10 calls had a wait time > 2mins)

1. Figures are based on unaudited management accounts that have not been independently reviewed or verified.

SaaS & Managed Services – 1QFY23 trading update¹

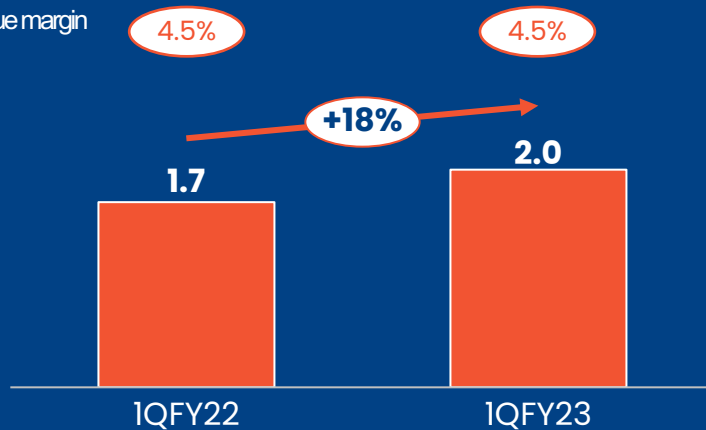
SaaS

Underlying TTV² (\$m)



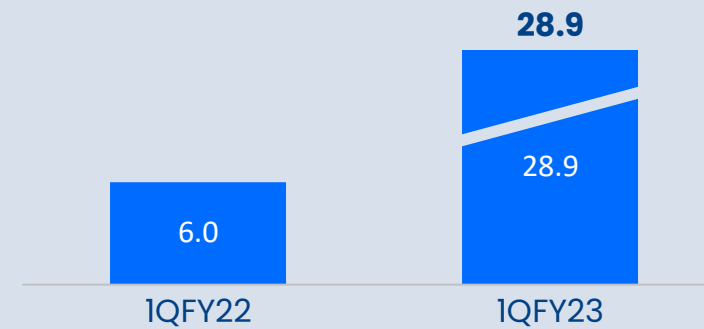
Underlying External Revenue² (\$m)

Revenue margin



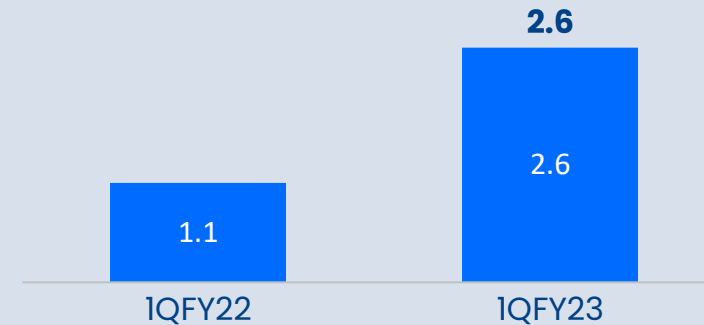
Managed Services

TTV (\$m)



- 1QFY23 includes Stride TTV of A\$23.8m³ (nil in 1QFY22)
- -7% decline in Gatherwell TTV vs pcp (on a constant currency basis)

Revenue (\$m)



- 1QFY23 includes Stride Revenue of A\$1.6m³ (nil in 1QFY22)
- +12% increase in Gatherwell Revenue vs pcp (on a constant currency basis)

1. Figures are based on unaudited management accounts that have not been independently reviewed or verified.
2. 1QFY22 excludes \$0.2m impact of Intellitron (sold on 30 June 2022).
3. Based on FX rate of A\$1.00 = C\$0.91.

FY23 Outlook

Lottery Retailing*

- Cost of sales to be impacted by the increase in The Lottery Corporation service fee to 3.5% of the subscription price of tickets purchased¹ (2.5% in FY22)
- Marketing costs are expected to be in the range of 1.5% to 2.0% of Lottery Retailing TTV (FY22: 1.7%)

Group

(excluding Stride and StarVale)

- Underlying operating cost growth excluding Lottery Retailing marketing costs is anticipated to moderate with Jumbo targeting an increase of 20% to 22% (FY22: 33.2%)
- The underlying EBITDA margin is anticipated to be within a range of 48%-50% (FY22: 52.9%)

Impact of acquisitions

(Stride and StarVale)

- Stride performing in line with expectations; first full earn-out milestone achieved
- StarVale completed on 1 November 2022; 8-month contribution to be reflected in FY23
- Amortisation charge for acquired intangibles to impact FY23 NPAT; NPATA² measure to be adopted from FY23

Capital Management

- Targeted dividend payout ratio range of 65% to 85% of statutory NPAT
- \$15m initial drawdown of \$30m debt facility; a further \$20m debt facility available for future strategic growth
- On-market share buy-back³ of up to \$25m

* Jackpots remain a significant driver of Lottery Retailing ticket sales (and revenue) and in any given year there is uncertainty as to the exact number and aggregate value of large jackpots.

1. Effective 13 July 2020, a service fee was introduced under the 10 year agreement with The Lottery Corporation (previously Tabcorp) (signed August 2020). The service fee is based on the cost of ticket purchases from The Lottery Corporation at 1.5% for FY21 purchases, 2.5% for FY2022 purchases, 3.5% for FY2023 purchases and 4.65% for FY2024 onward purchases. If the cost of ticket purchases exceeds \$400,000,000 in any applicable year then a service fee of 4.65% applies to the excess amount.

2. Net profit after tax and before amortisation of acquired intangibles.

3. The on-market share buy-back will be conducted on an opportunistic basis and commenced in September 2022. The timing and number of shares to be purchased will depend on the prevailing share price and alternative capital deployment opportunities. Jumbo reserves the right to vary, suspend or terminate the share buy-back program at any time.

Adapting to the **changing work environment**



Distributed workplace with **~65% of staff working from home**



Platform teams operating at **>90% capacity**



Top-tier tools and technology enhancing productivity, collaboration and business performance



Dedicated employee **engagement and communication** platform



~20% of new hires in FY22 were fully remote workers (not near a Jumbo office)



Employee engagement at 90% in August 2022 following a dip in FY22 (83%)



New relocation policy - work 180 days of any 12-month period anywhere in the world



Refreshed **employee value proposition** with a strong focus on **sustainability**

Disclaimer

This presentation contains summary information about the activities of Jumbo Interactive Limited ABN 66 009 189 128 (Jumbo) and its controlled subsidiaries (Group) current as at the date of this presentation. It should be read in conjunction with Jumbo's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), including the Annual Report, Full Year Report and Accounts and FY22 Results Media Release released 26 August 2022, available at www.asx.com.au.

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

This presentation may contain certain forward-looking statements including

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