

# INVESTOR PRESENTATION

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Year ended 31 December 2018

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All historical financial and operational information relating to the Jackpotjoy business prior to the Company's acquisition of the Jackpotjoy brands from the Gamesys group in this presentation is based exclusively on information made available by the Gamesys group and its representatives, and has not been independently verified by the Company. Although the Company has no reason to doubt the accuracy or completeness of the information provided by the Gamesys group, such information may be incomplete or inaccurate and any omission or inaccuracy in such information could result in unanticipated liabilities or expenses, or may adversely affect the operational plans of the Company and its results of operations and financial condition.

- 1 Business Overview
- 2 FY18 Financial Review and KPIs
- 3 Business model and market positioning
- 4 Appendix – Additional Information

# HIGHLY EXPERIENCED MANAGEMENT TEAM



**Neil Goulden**  
Executive Chairman

- Joined the Board of JPJ Group plc in August 2016
- Neil occupied key positions at Marston's plc as Non-Executive Director from 2009-17. He also chaired the Remuneration Committee and the Audit Committee during his directorship at Marston plc
- He also held board level positions for 25 years within the Leisure industry across Ladbrokes, Compass, Allied Leisure and Gala Coral
- He advised the government on gambling matters as a member of the Responsible Gambling Strategy Board (2008-11), and Chairman of The Responsible Gambling Trust (2011-16)



**Keith Laslop**  
CFO

- Co-founded Intertain Group in 2013 and was appointed to the Board of JPJ Group plc in September 2016
- Previously, Keith was a principal at Newcourt Capital, a boutique private equity group; he served as the CFO and then President of Prolexic Technologies from 2004-08, the CFO and Business Development Director of Elixir Studios, a UK based video gaming software developer, from 2001-04
- Keith also served in various corporate development, mergers and acquisitions, and gaming consultant roles in London, England and Toronto, Canada
- Keith is a Chartered Accountant and CFA charterholder



**Simon Wykes**  
CEO, Jackpotjoy  
Operations Ltd.

- Joined JPJ Group plc in November 2017
- Formerly, the CEO of Gala Leisure and managing director at Gala Coral Group where he oversaw the successful turnaround plan of its bingo division
- Simon was consultant to Ladbrokes Coral on its merger integration plans
- Simon also served as managing director of the Mecca Bingo division at Rank Group and completed a number of other operational roles for various leisure and gaming businesses

# JPJ GROUP PLC UPDATE

## #1 Online Bingo Business<sup>(1)</sup>

- No. 1 bingo-led operator globally, with the deepest liquidity
- Leading portfolio of online gaming brands, delivering high customer retention rates
- Attractive demographic profile with a primarily female audience

## Attractive Financial Profile

- Highly cash generative business with 94%<sup>(2)</sup> operating cash flow conversion
- FY 2018<sup>(3)</sup> group revenue of £319.6 million and Adj. EBITDA<sup>(4)</sup> of £112.7 million
- Attractive revenue growth profile with increasing geographic spread

## Positive Trading Momentum

- Total gaming revenue increased 10% yoy in FY 2018
- Operating cash flow increased 5% yoy in FY 2018 to £105.9m
- Average Active Customers<sup>(5)</sup> grew 4% yoy in FY 2018<sup>(3)</sup>

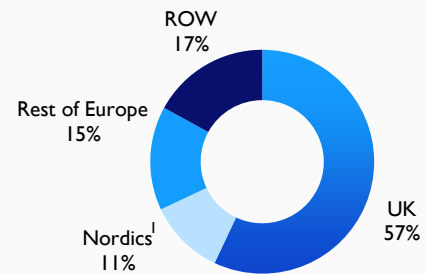
## Premium Listing July 2018

- Sets highest standards of corporate governance
- Increases exposure to wider investor base and enhances liquidity
- Inclusion in FTSE indexes from September 2018

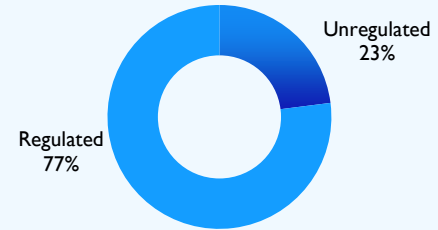
# BUSINESS SNAPSHOT

LTM to 31 December 2018 Revenue Segmentation

## Geographic



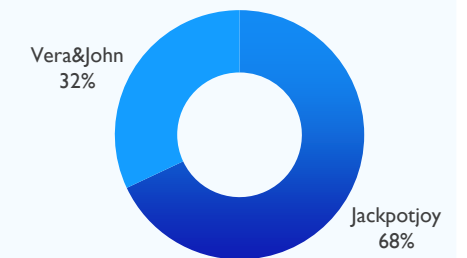
## Regulatory Mix<sup>2</sup>



## Brand



## Divisions



# CORE SEGMENTS & BRANDS

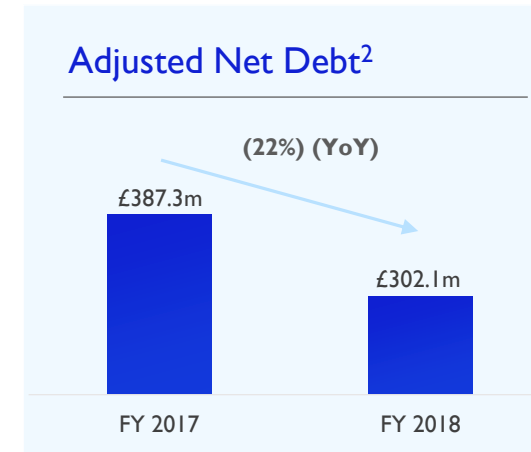
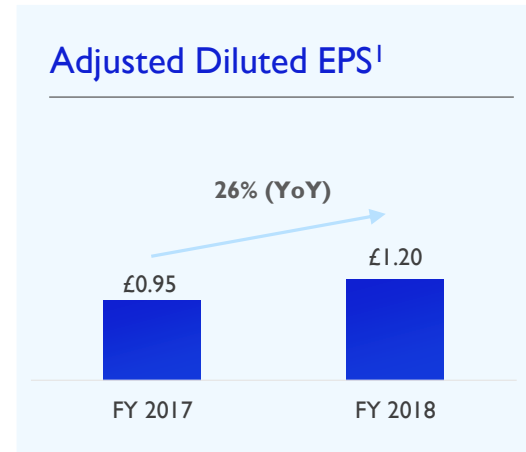
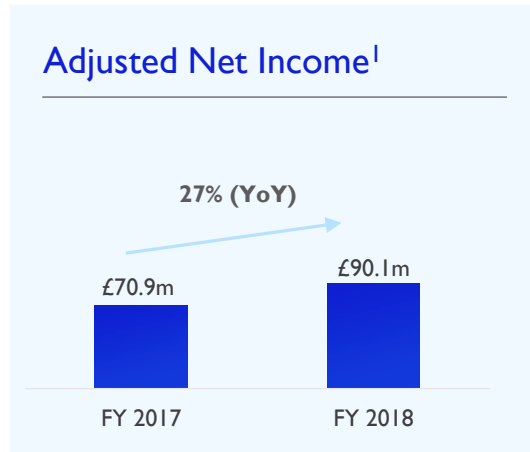
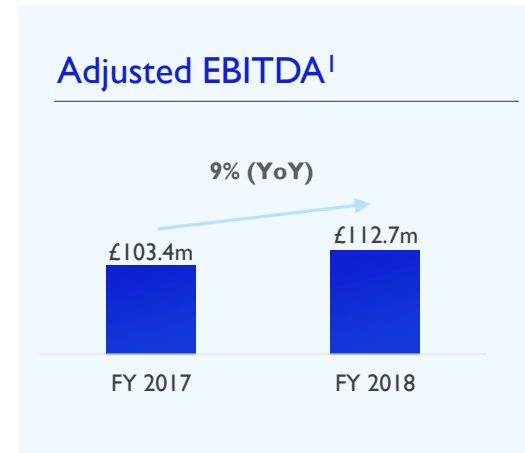
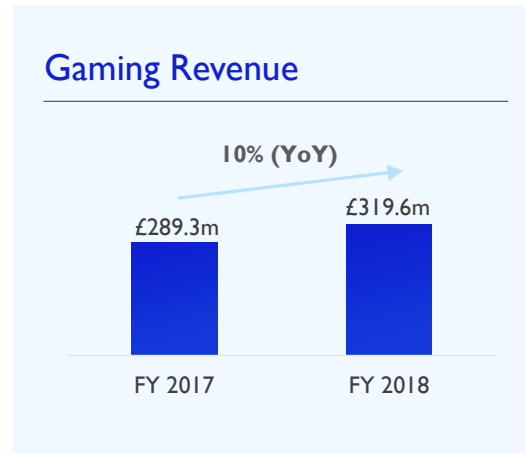
		
<b>Products</b>	B2C Online Bingo (Jackpotjoy, Botemania) B2C Online Casino (Starspins)	B2C Online Casino (Vera&John, InterCasino) B2B White Label (enjoy)
<b>Software Provider</b>	Gamesys group	Proprietary
<b>Licences<sup>1</sup></b>	Gibraltar, Spain, Sweden, UK	Malta, Sweden, UK
<b>FY 2018 Revenue<sup>2</sup></b>	£216.0 million	£103.6 million
<b>FY 2018 Adj. Net Income<sup>2,3</sup></b>	£92.9 million	£28.7 million
<b>Core Brands</b>	  	 



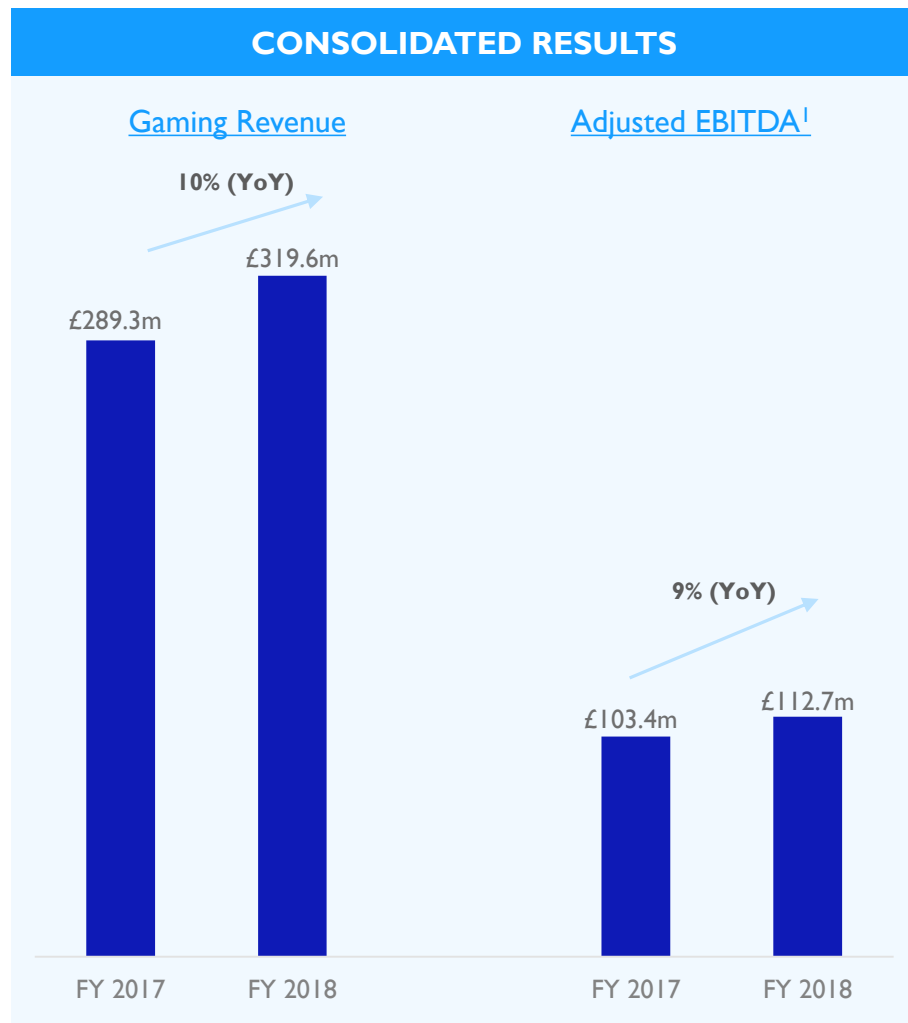
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# FINANCIAL HIGHLIGHTS (REPORTED)



# CONSOLIDATED FINANCIAL PERFORMANCE



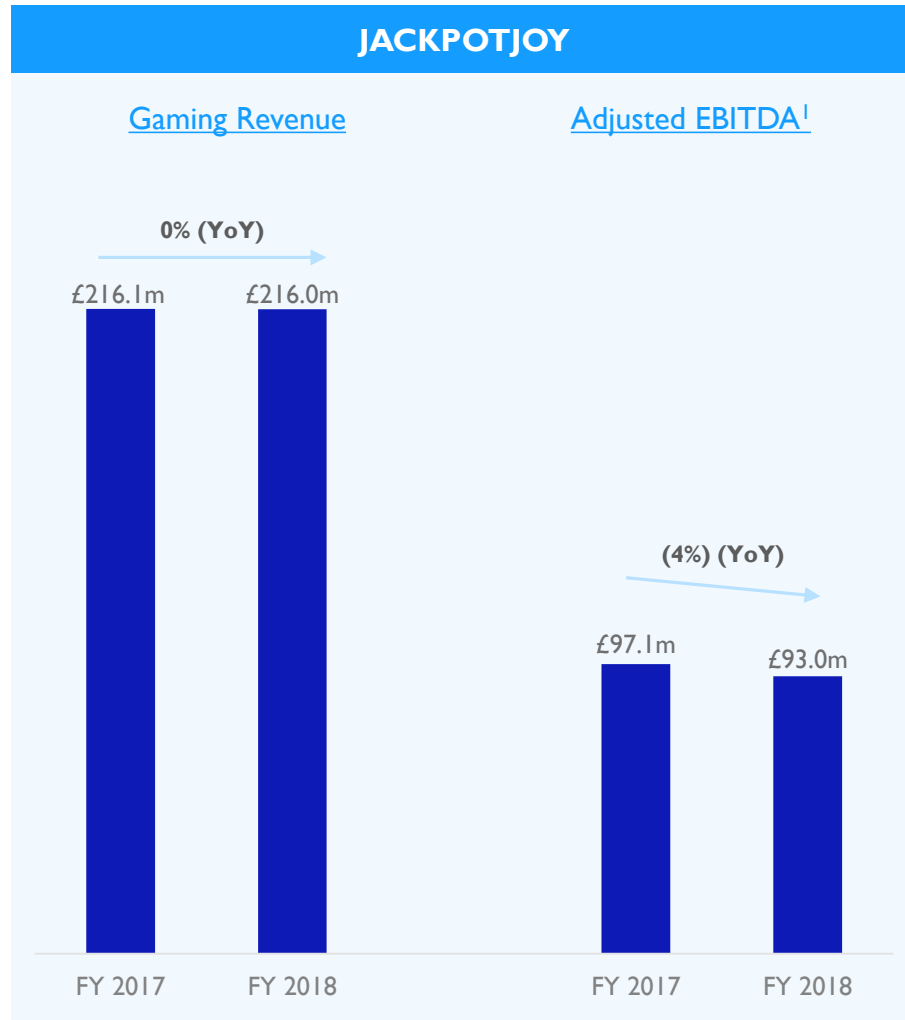
## Financial highlights

- 2018 results represented a record performance for the Group in terms of both revenues and profits
- Gaming revenues +10% to £319.6m, Adjusted EBITDA<sup>1</sup> +9% to £112.7m
- Operating cash flow of £105.9m, an increase of 5% year-on-year, and 142p of operating cash flow per share<sup>1</sup>
- Adjusted EBITDA<sup>1</sup> to cash conversion of 94%; free cash flow of £100.6m
- Following a payment of £63.5m in June (primarily for Botemania), the vast majority of earn-out payments have now been met
- Adjusted net debt of £302.1m; leverage of 2.68x significantly reduced from the 3.57x at the end of 2017

## Corporate developments

- July 2018 - transfer from a Standard Listing to a Premium Listing on the Official List of the FCA
- August 2018 - completed the disposal of our social business for £18.0m – the Group is now exclusively focussed on our core activity of real money gaming
- March 2019 – completed the sale of Mandalay to 888 Holdings plc for £18.0m; brand strategy in the UK now concentrated on Jackpotjoy

# JACKPOTJOY SEGMENTAL FINANCIAL PERFORMANCE



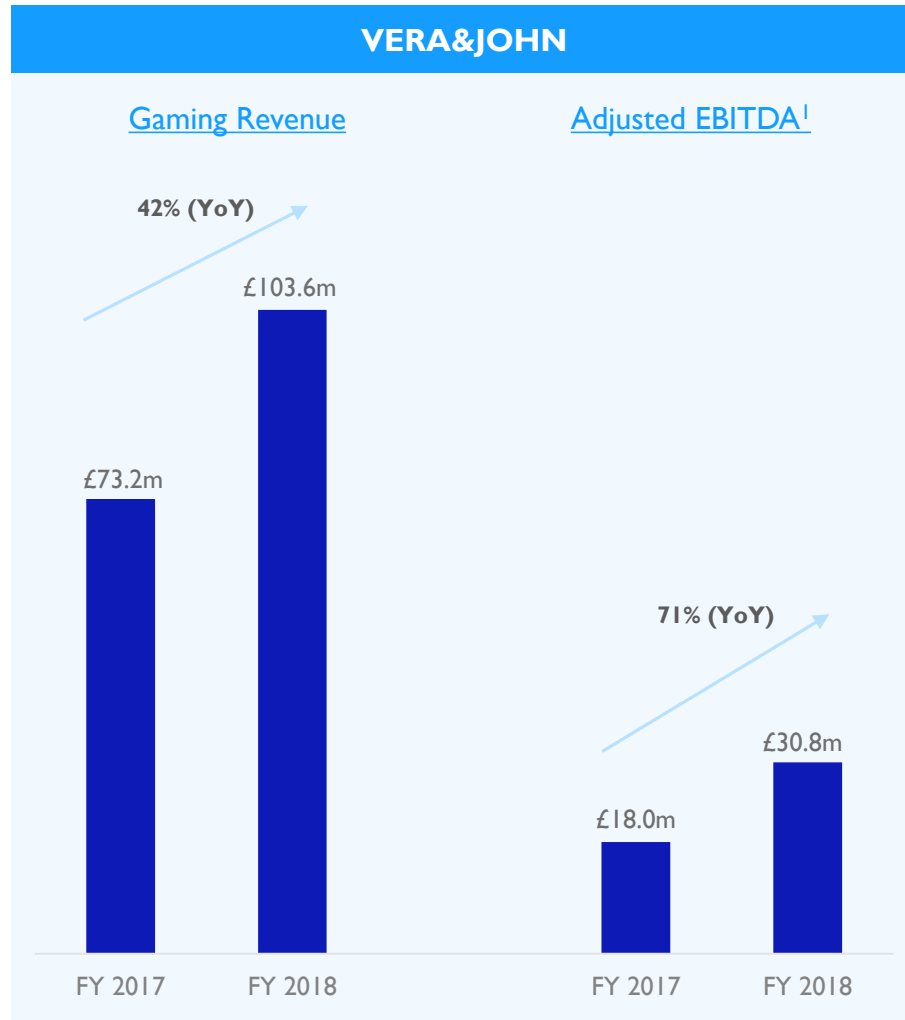
## Financial performance

- Revenues flat at £216.0m, Adjusted EBITDA<sup>1</sup> of £93.0m down 4%
- Strong revenue growth from Botemania and Starspins offset by lower revenues at Mandalay
- Adjusted EBITDA<sup>1</sup> impacted by increased UK gaming tax
- Growth in Jackpotjoy UK customer numbers and revenue - other than top tier VIPs

## Business highlights

- Meeting the challenges of enhanced RG measures in the UK
- Smooth transition of brand ambassador in the UK
- Successful 'Boteman' TV campaign in Spain
- Disposal of the Social business for £18.0 million in August
- Post year-end, sale of Mandalay to a subsidiary of 888 Holdings plc for £18.0m
- Focused brand strategy in the UK through Jackpotjoy

# VERA&JOHN SEGMENTAL FINANCIAL PERFORMANCE



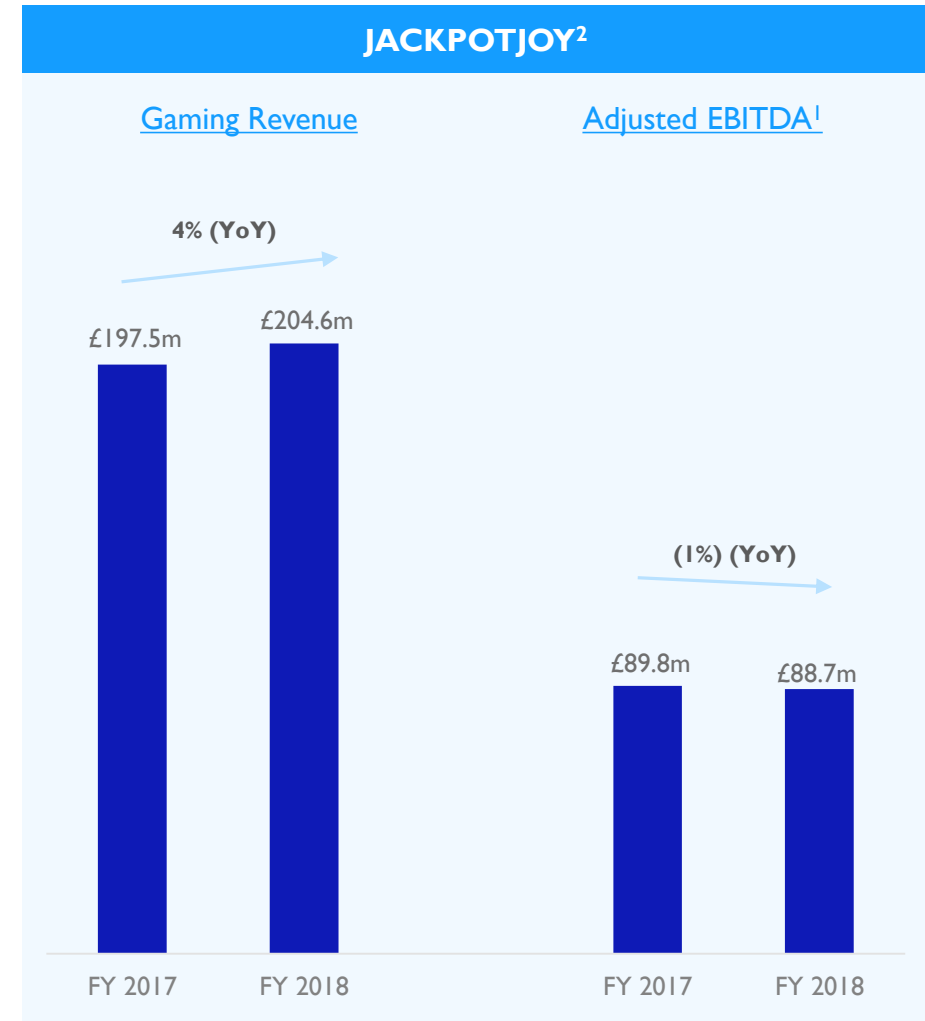
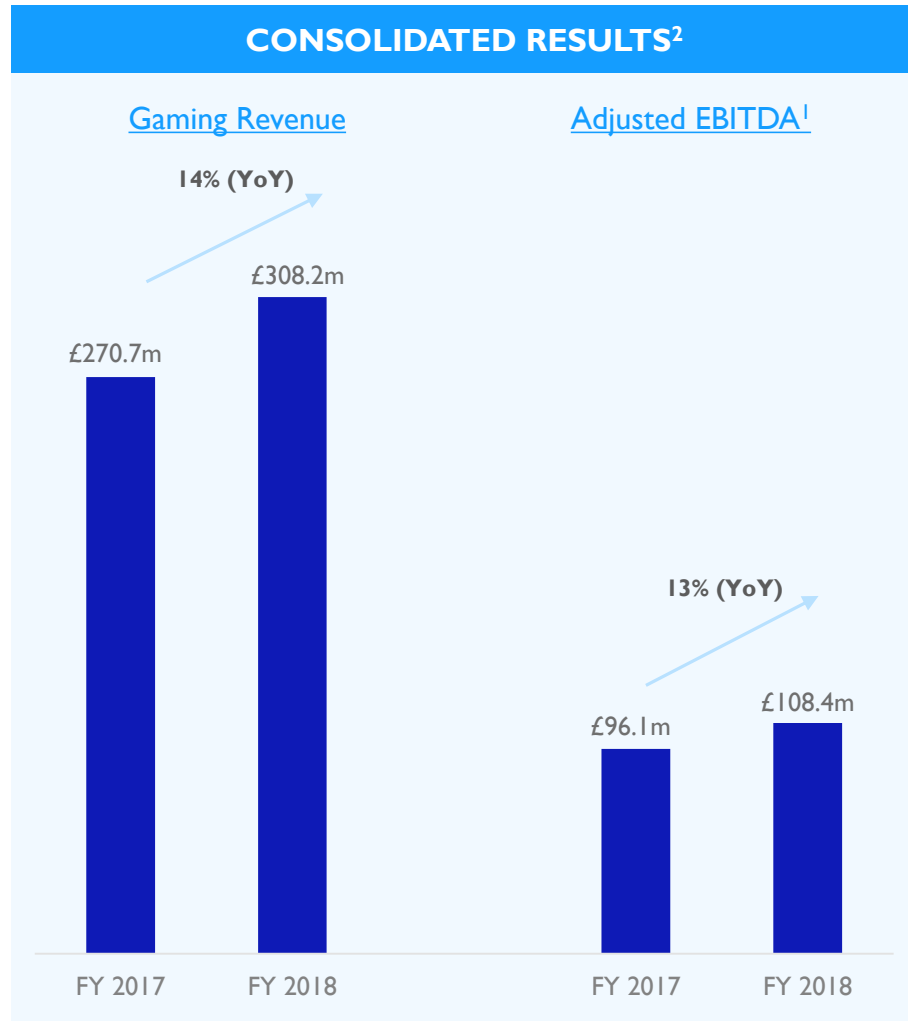
## Financial performance

- Revenues +42% at £103.6m, Adjusted EBITDA<sup>1</sup> of £30.8m up 71%
- Adjusted EBITDA<sup>1</sup> margins increase from 25% to 30%
- The rate of revenue progression increased in each quarter during 2018

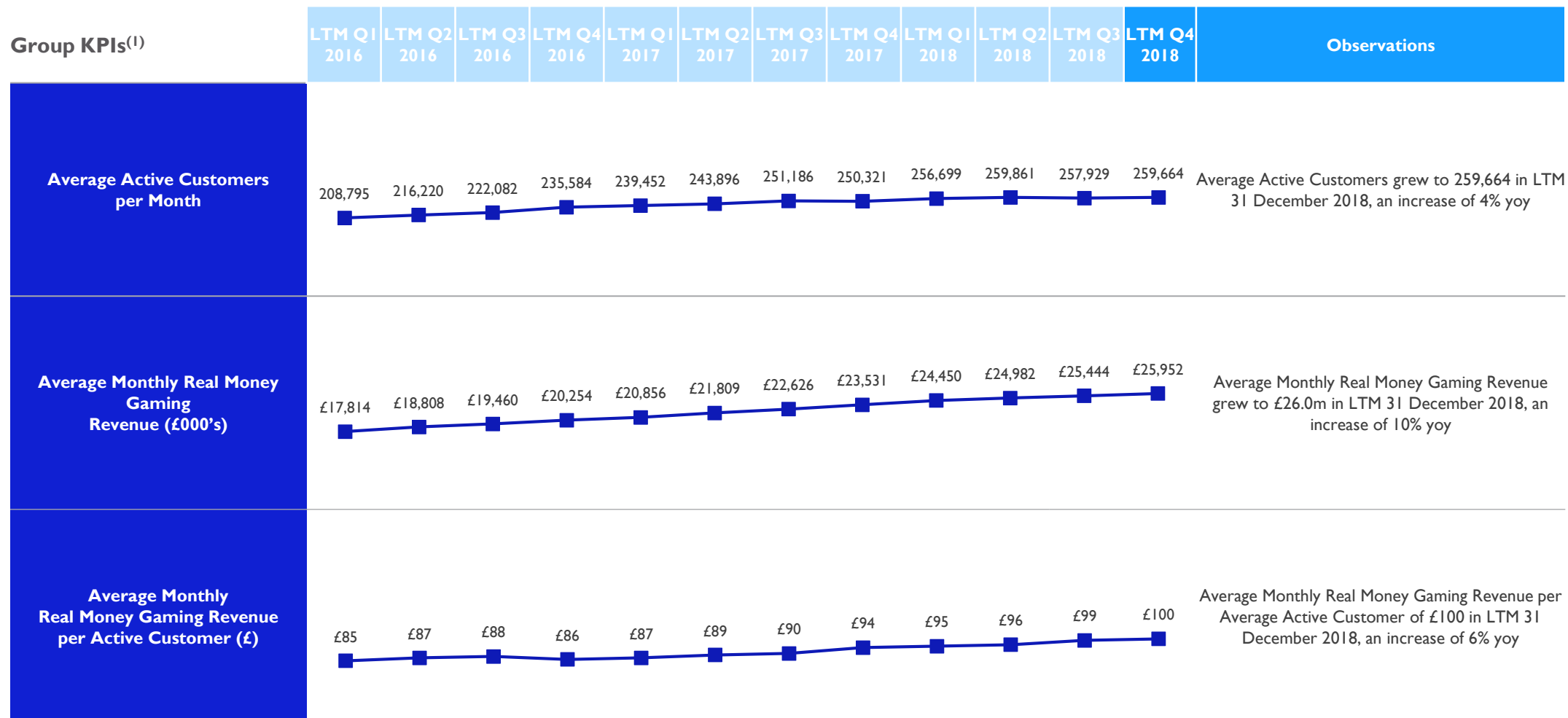
## Business highlights

- Momentum reflects value of our proprietary and scalable technology - enjoy
- The enjoy platform differentiates us from the competition and adds speed and flexibility to market selection and entry
- Delivered significant growth internationally
- The B2B business continues to grow strongly
- Games Aggregation business launched in 2018; revenue has grown steadily
- We now offer over 1,500 games to a number of customers through this channel
- Building a content business to bespoke our offering with exclusive games and increase margins; our 'Hawaiian Dreams' game has established itself as our top slot game in Asia

# CONSOLIDATED AND SEGMENTAL FINANCIAL PERFORMANCE: EXCLUDING MANDALAY

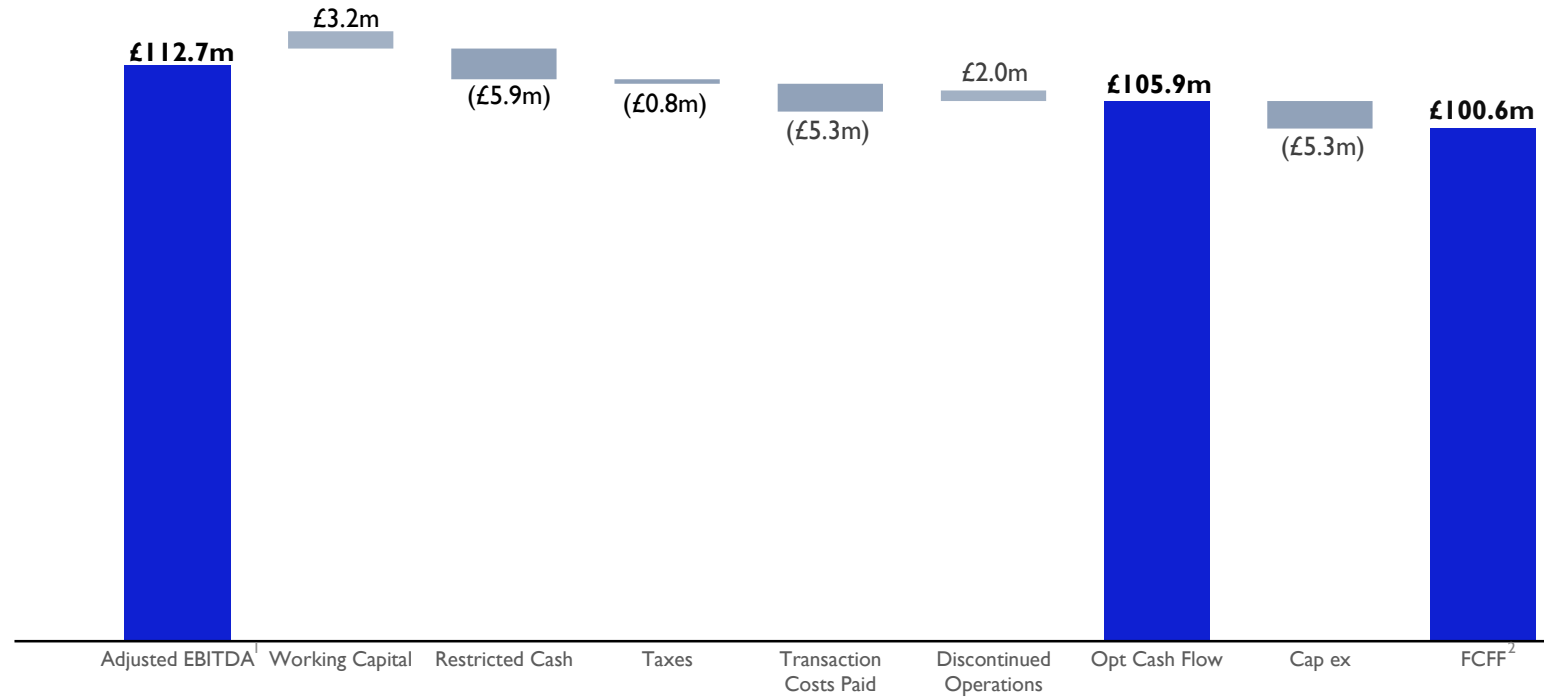


# CONSISTENTLY STRONG BUSINESS MOMENTUM



# EBITDA TO OPERATING CASH FLOW BRIDGE

## Operating cash flow – Year ended 31 December 2018





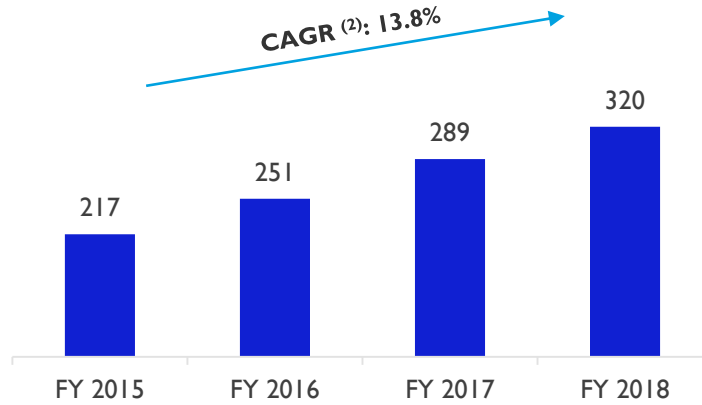
## NET DEBT AND LEVERAGE RATIOS

(£m)	Adjusted Net Leverage	
	As at 31 December 2018	As at 30 September 2018
Gross Debt <sup>1</sup>	381.5	382.3
Milestone payments <sup>2</sup>	4.5	8.8
Fair Value of Swap <sup>3</sup>	0.5	0.2
Cash <sup>4</sup>	(84.4)	(71.5)
Adjusted Net Debt <sup>5</sup>	302.1	319.8
<b>Adjusted Net Leverage<sup>5,6,7</sup></b>	<b>2.68x</b>	<b>3.03x</b>

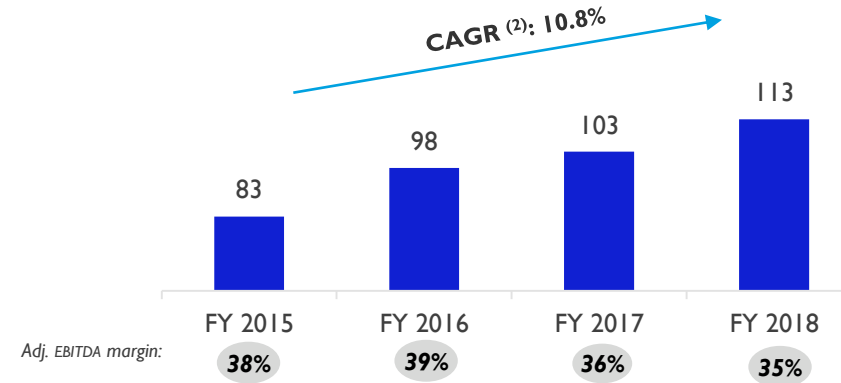
1. Gross debt consists of GBP and EUR existing term loan and non-compete clause payout.
2. Milestone payments represent "contingent consideration" as reported under IFRS on the balance sheet at 31 December 2018.
3. Value of interest rate swap as at 31 December 2018.
4. Excludes restricted cash.
5. Adjusted Net Debt consists of existing term loan, non-compete clause payout, fair value of swap and "contingent consideration" liability, less non-restricted cash.
6. Adjusted Net Debt divided by FY 2018 Adjusted EBITDA of £112.7m.
7. FY 2018 Adjusted EBITDA of £112.7m excludes social gaming results.

# FINANCIAL TRACK RECORD OF CASH GENERATION AND GROWTH

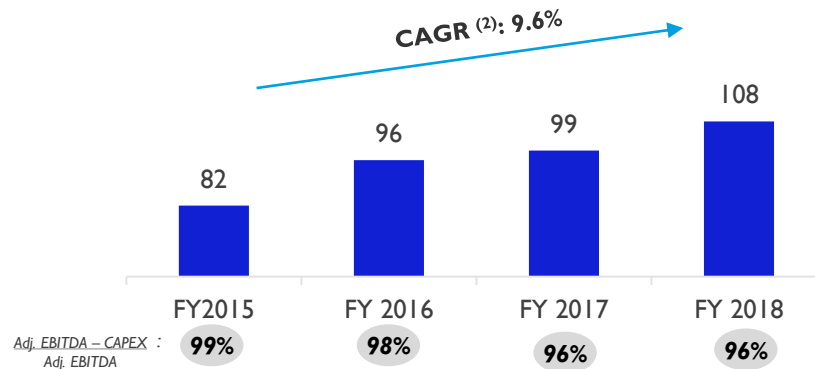
Revenue (£ in millions)



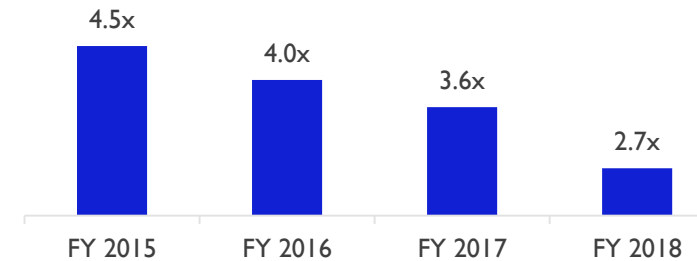
Adj. EBITDA<sup>1</sup> (£ in millions) & Adj. EBITDA<sup>1</sup> margin



Adj. EBITDA<sup>1</sup> – Capex (£ in millions)



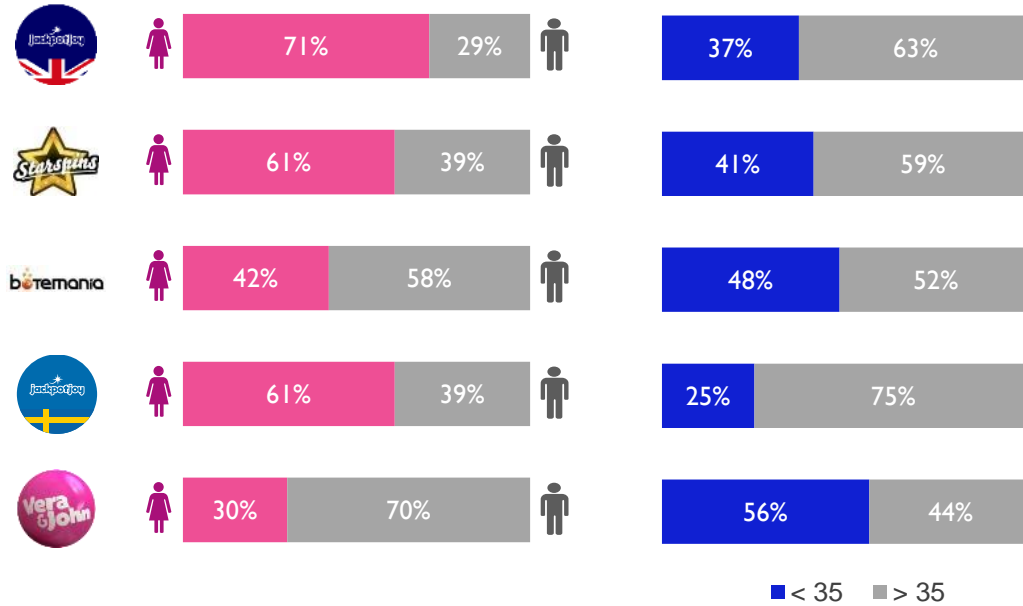
Adj. Net Leverage<sup>3,4</sup>



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# DEMOGRAPHIC ANALYSIS

Active Members Gender and Age Split <sup>(1)</sup>



Average Age by Device <sup>(2)</sup>



Product appeals predominantly to female customers, who in general:

- are less targeted by sports book-led operators
- are more attached to the social aspect

Use of mobile is skewed towards a younger customer base which:

- constitutes the highest growth segment for the Company
- higher spend per capita driven by more frequent play

Female focus

Diverse age ranges

Multi-platform offering

Social / chat room community increases stickiness further

# ONLINE BINGO CHARACTERISTICS

The screenshot displays the 'Bingo Royale' interface. At the top, a balance of £74.07 and a 'Deposit' button are visible. The 'Mini Games' section on the left features 'Double Bubble' and 'Tiki Island' slots. The main area shows the bingo board with 70 balls and a 'Buy' button for the next full house (£87.92). The chat window on the right contains the following messages:

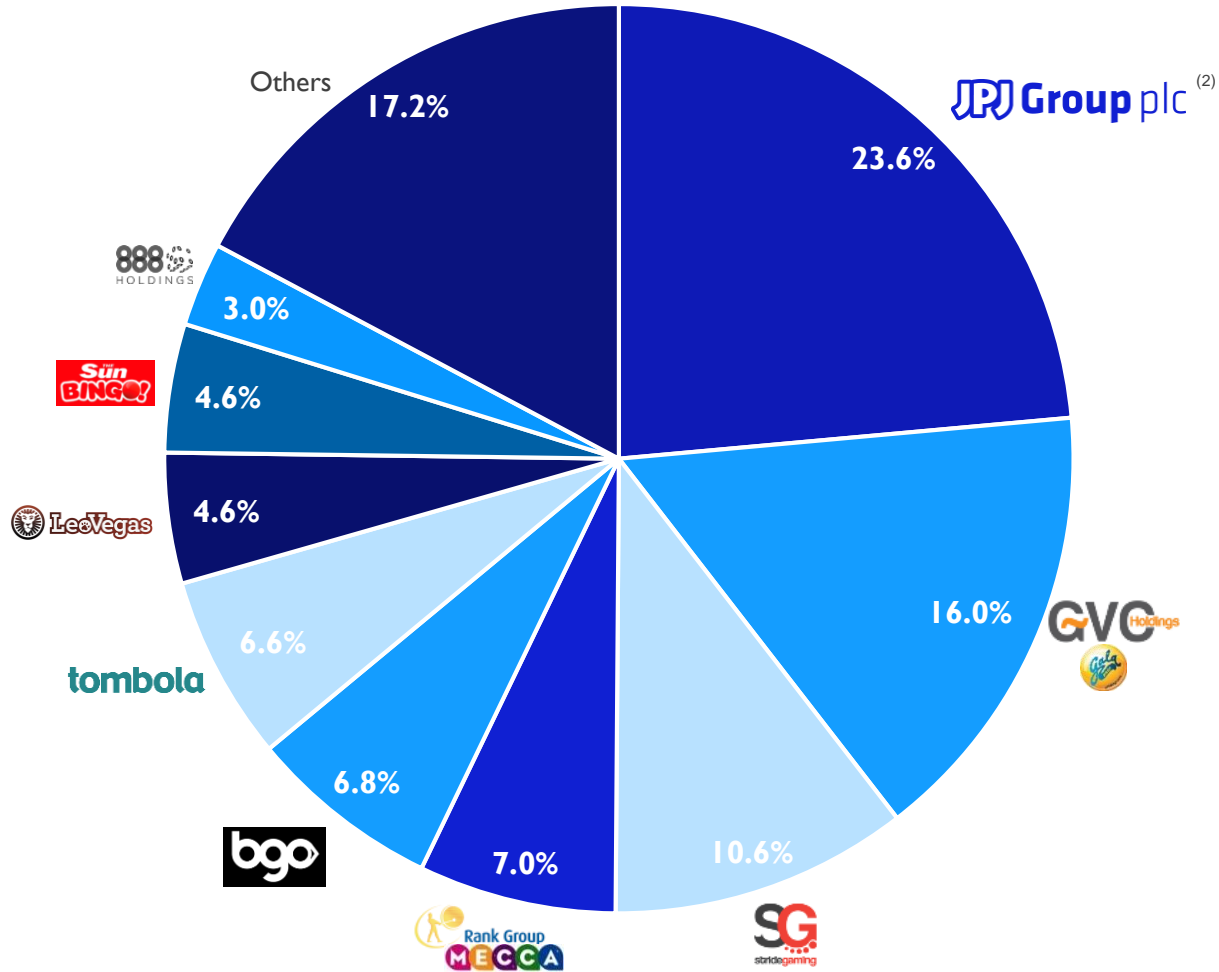
- twinkle61:** 4TG
- rosiemg:** If I win, I'll buy everyone in the room some ice cream
- Glinda HOST:** ❤️
- markrog:** Can i have creme brulee instead?
- twinkle61:** omg!
- twinkle61:** ty
- twinkle61:** Oh, get me chocolate chip please
- becky90:** 2 scoops for me please!
- becky90:** !!!
- twinkle61:** but no flake, trying to watch my figure
- rosiemg:** What's everyoes favourite flavour??
- Glinda HOST:** Any flavour is good with me!

## Key Highlights

- ★ Bingo draws happening every 6 minutes
- ★ Engaging user interface facilitating significant cross-sell to casino games...
- ★ Small and more "personal" forums
- ★ Recreational gamers base
- ★ Live chat feature

# CLEAR LEADER IN A MARKET WHERE SCALE IS INCREASINGLY KEY

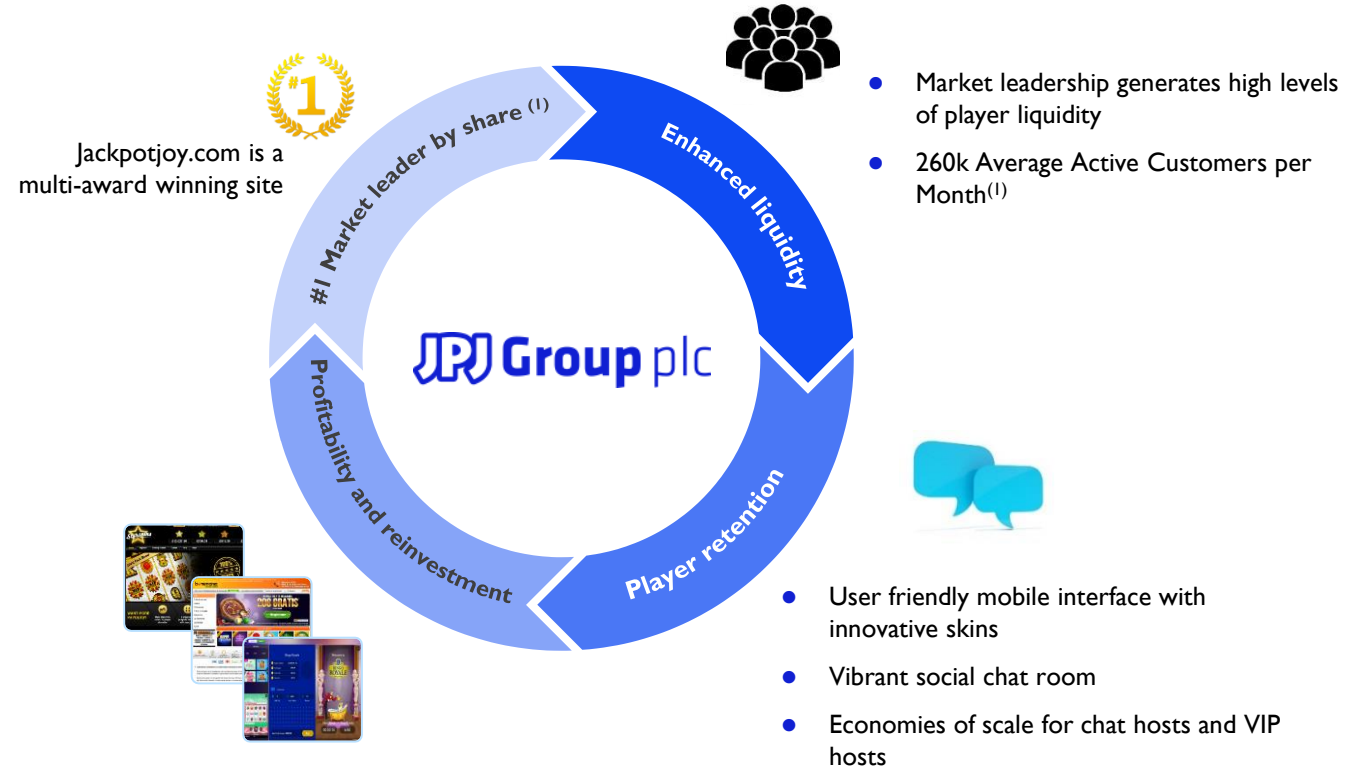
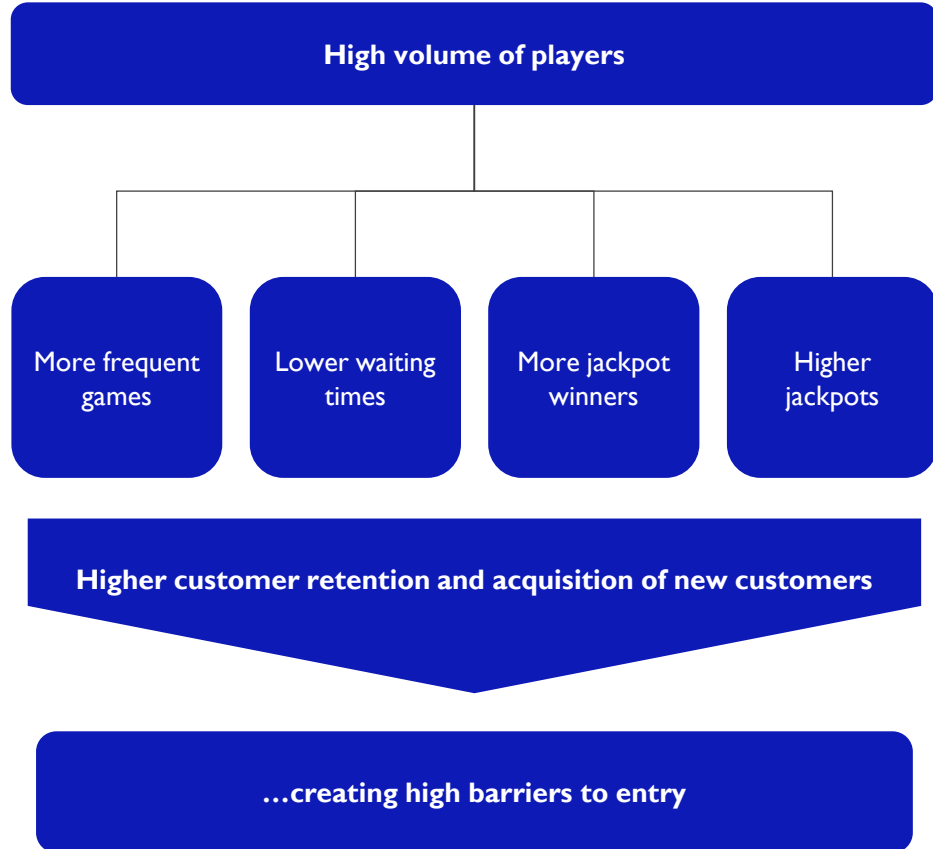
UK Online Bingo-led Market Share<sup>(1)</sup>



## Why does scale matter?

- ✓ Liquidity
- ✓ Marketing efficiency
- ✓ Procurement
- ✓ Market visibility
- ✓ Profitability boost
- ✓ Ability to absorb regulatory change

# CLEAR LEADER IN A MARKET WHERE SCALE IS INCREASINGLY KEY

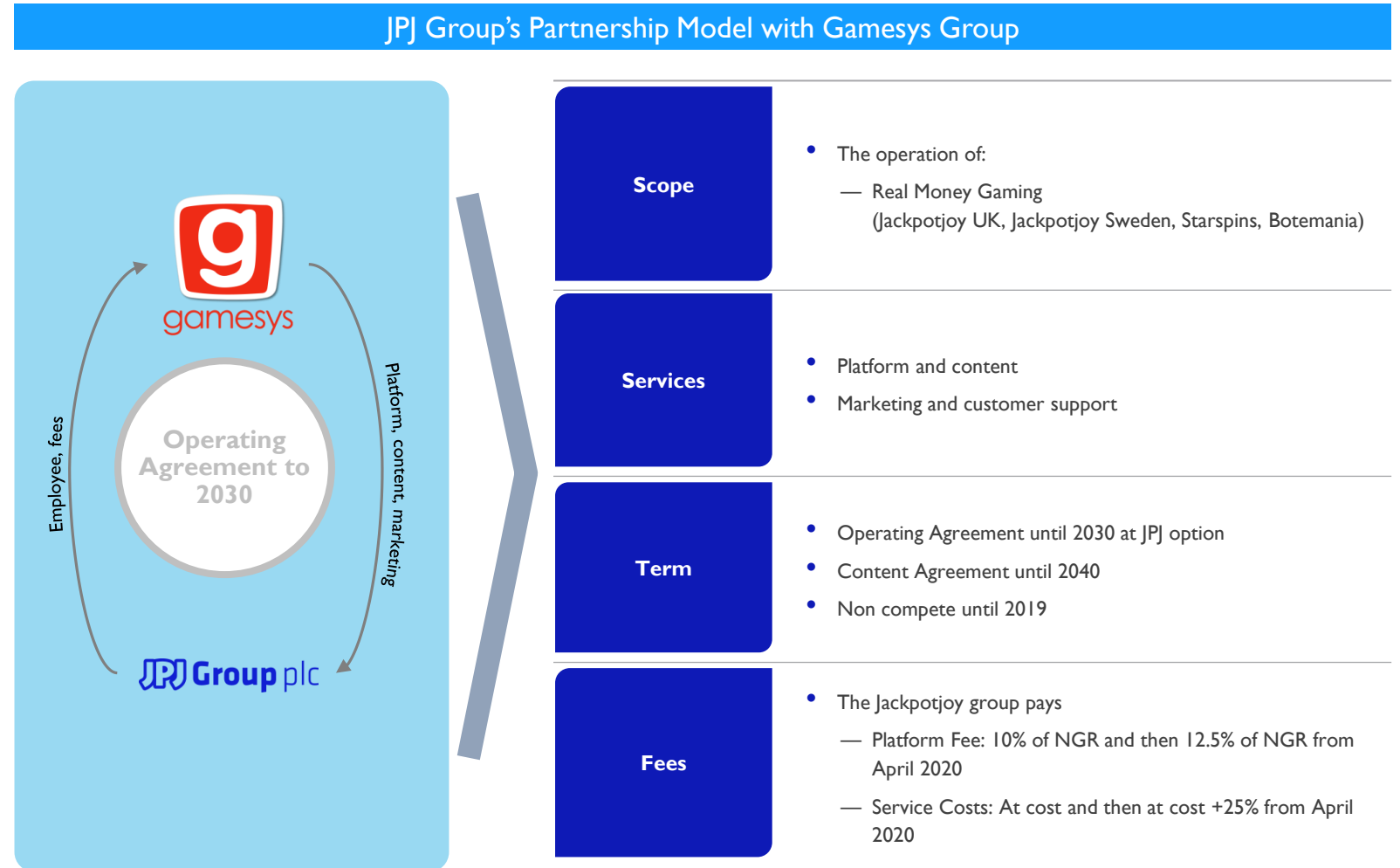


Market leadership drives a “virtuous cycle” of a growing and loyal user base, enhanced liquidity and reinvestment in the business



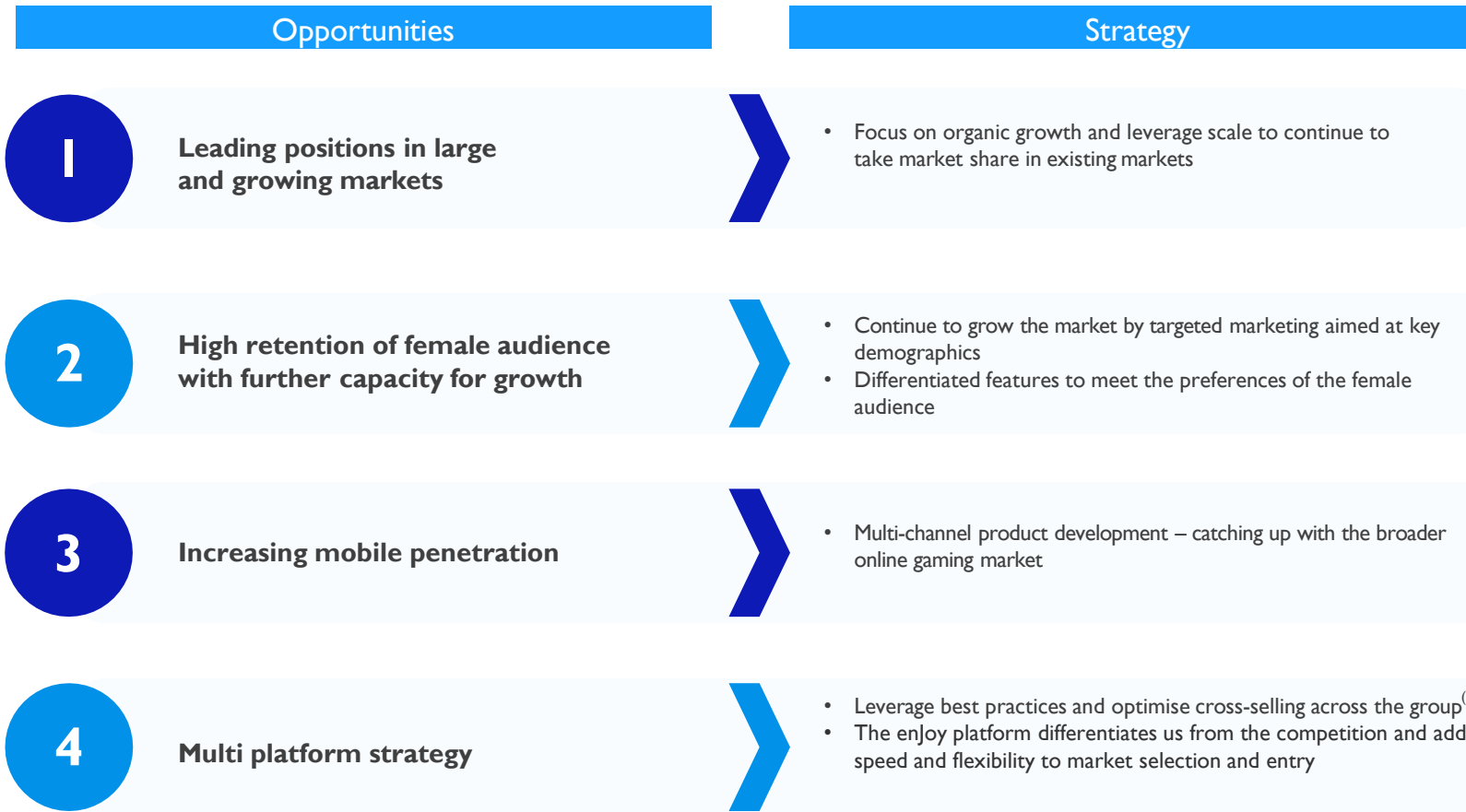
## DIVERSIFIED CORE TECHNOLOGY PLATFORMS WITH STRONG IN-HOUSE CAPABILITIES

- Noel Hayden, founder of Gamesys remains an advisor to the Company
- **c.200** Gamesys staff are dedicated to the Jackpotjoy business
- **Earn-out for non-Botemania assets concluded** in June-17 and Jackpotjoy group sets out the strategic decisions with Gamesys group
- **Earn-out for Botemania assets concluded** in June-18
- **Significant protections against Gamesys financial risk** – in the event Gamesys free cash balances fall below £20 million, source code and executable code to be held in escrow



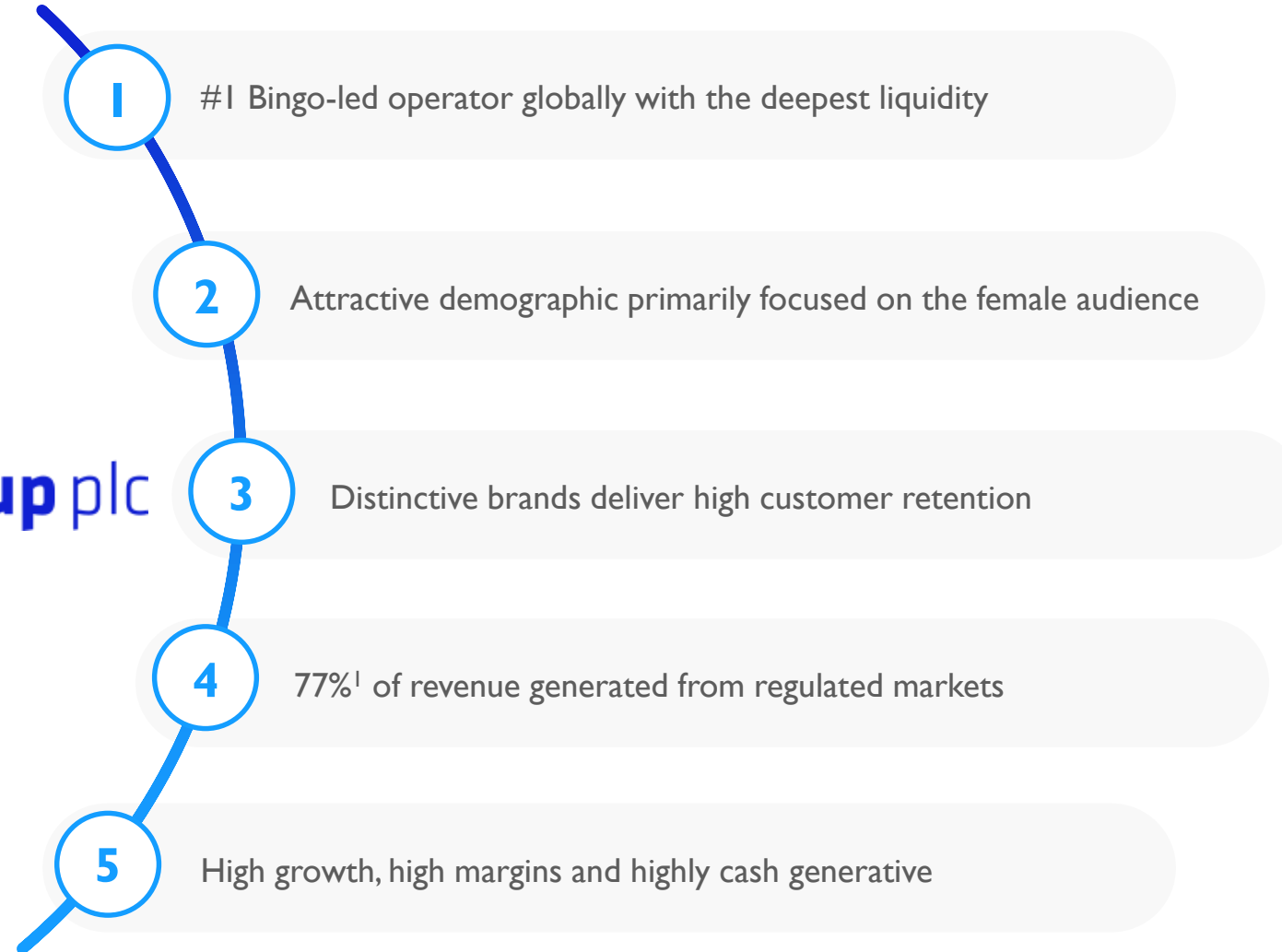
# IMPRESSIVE FINANCIAL TRACK RECORD OF CASH GENERATION AND GROWTH

Tangible strategy to capture organic growth...The enjoy platform differentiates us from the competition and adds speed and flexibility to market selection and entry



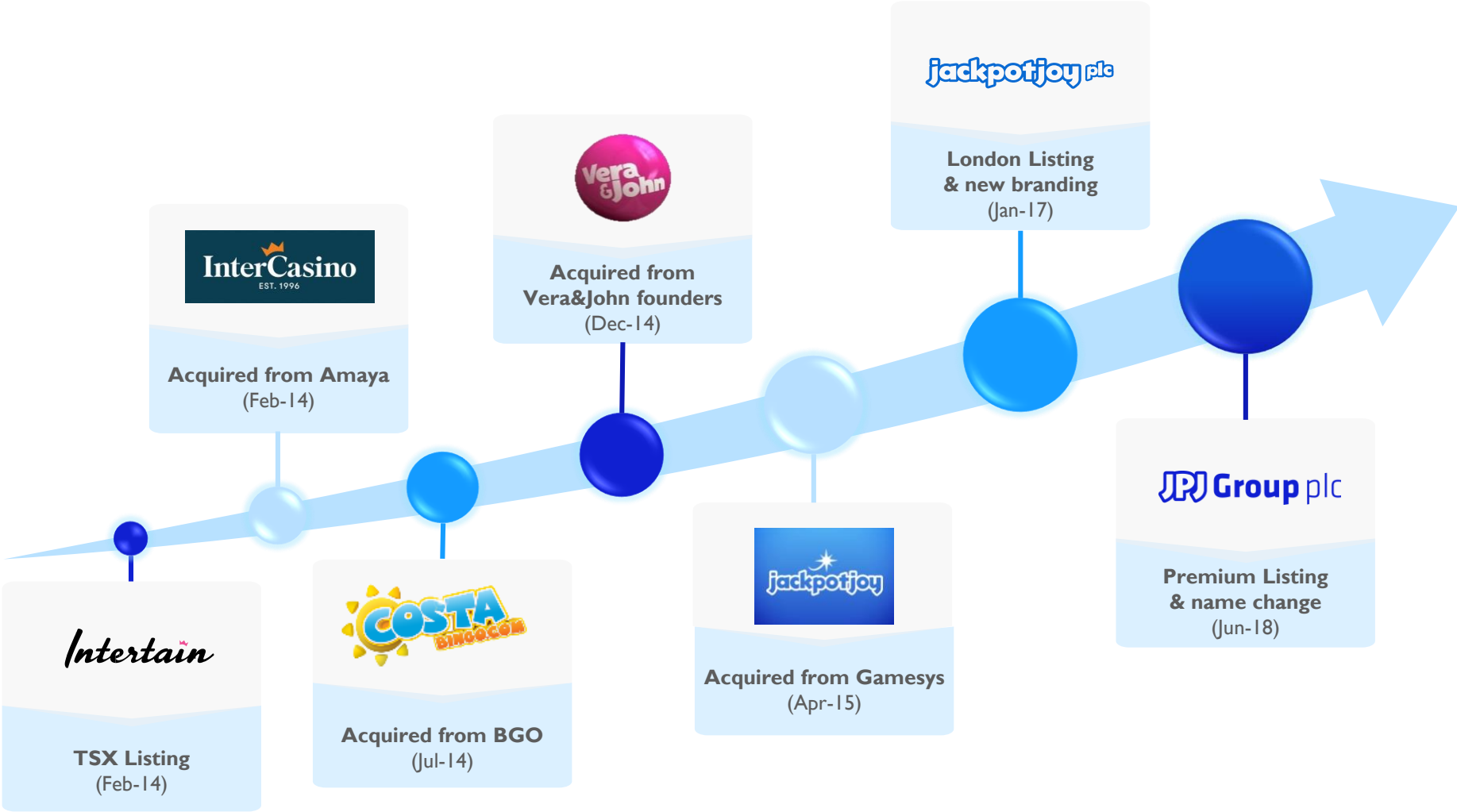
# SUMMARY HIGHLIGHTS

**JPJ Group plc**

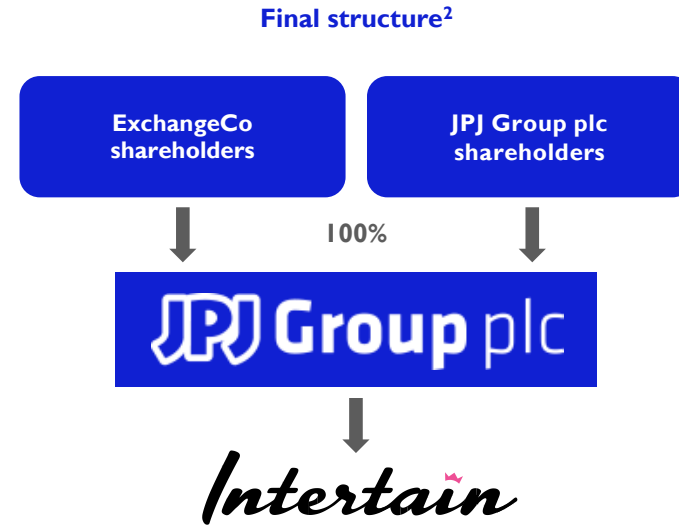
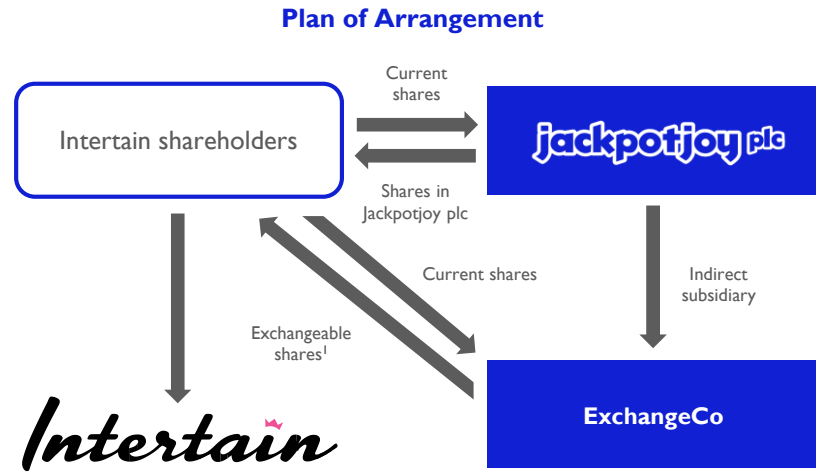


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# EVOLUTION OF THE GROUP



# UK LISTING STRUCTURE



UK incorporated Jackpotjoy plc acquired Intertain via a Plan of Arrangement

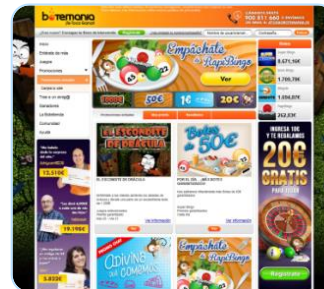
- Intertain shareholders received:
- UK incorporated JPJ Group plc shares
- or
- Exchangeable shares listed on the TSX issued by an indirect subsidiary of JPJ Group plc

# JACKPOTJOY SITE PHOTOS

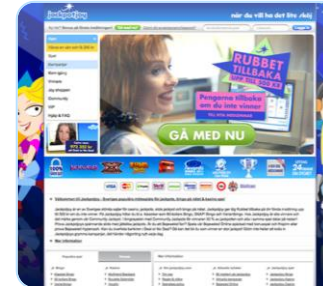
Jackpotjoy



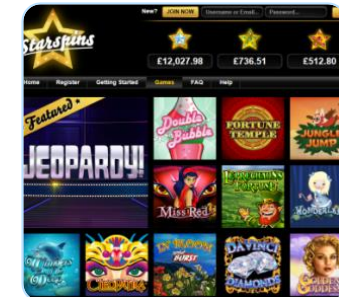
Botemania



Jackpotjoy Sweden



Starspins





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## NON-IFRS MEASURES

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This presentation makes reference to certain non-IFRS measures, including Adjusted EBITDA, Adjusted Net Income, and Diluted Adjusted Net Income per share. The Group uses non-IFRS measures because management believes that they provide additional useful information regarding ongoing operating and financial performance. Readers are cautioned that the definitions are not recognised measures under IFRS, do not have standardised meanings prescribed by IFRS, and should not be considered in isolation or construed to be alternatives to revenues and net income/(loss) and comprehensive income/(loss) for the period determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. The Group's method of calculating these measures may differ from the method used by other entities. Accordingly, the Group's measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

Adjusted EBITDA, as defined by the Group, is income from continuing operations before interest expense including accelerated debt costs and other accretion (net of interest income), income taxes, amortisation and depreciation, share-based compensation, severance costs, realised loss on cross currency swap, fair value adjustments on contingent consideration, transaction related costs, foreign exchange (gain)/loss, and gain on sale of intangible assets. Management believes that Adjusted EBITDA is an important indicator of the issuer's ability to generate liquidity to service outstanding debt and fund the remaining acquisition milestone payment and uses this metric for such purpose. The exclusion of share-based compensation eliminates non-cash items and the exclusion of realised loss on cross currency swap, fair value adjustments on contingent consideration, severance costs, transaction related costs, foreign exchange (gain)/loss, and gain on sale of intangible assets eliminates items which management believes are either non-operational and/or non-routine.

Adjusted Net Income, as defined by the Group, means net income from continuing operations plus or minus items of note that management may reasonably quantify and believes will provide the reader with a better understanding of the Group's underlying business performance. Adjusted Net Income is calculated by adjusting net income for accretion on financial liabilities, amortisation of acquisition related purchase price intangibles (including non-compete clauses), share-based compensation, severance costs, realised loss on cross currency swap, fair value adjustments on contingent consideration, transaction related costs, foreign exchange (gain)/loss and gain on sale of intangible assets. The exclusion of accretion on financial liabilities and share-based compensation eliminates the non-cash items and the exclusion of amortisation of acquisition related purchase price intangibles (including non-compete clauses), realised loss on cross currency swap, fair value adjustments on contingent consideration, severance costs, transaction related costs, foreign exchange (gain)/loss, and gain on sale of intangible assets eliminates items which management believes are non-operational and/or non-routine. Adjusted Net Income is considered by some investors and analysts for the purpose of assisting in valuing a company.

Diluted Adjusted Net Income per share, as defined by the Group, means Adjusted Net Income divided by the diluted weighted average number of shares outstanding, calculated using the IFRS treasury method, for the applicable period. Management believes that Diluted Adjusted Net Income per share assists with the Group's ability to analyse Adjusted Net Income on a diluted weighted average per share basis.

## RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA

(£ in 000's)

	FY 2018	FY 2017
<b>Net income/(loss) for the year</b>	<b>18,056</b>	<b>(70,717)</b>
Interest expense, net	19,472	30,007
Accretion on financial liabilities	2,993	25,049
Taxes	458	701
Amortisation and depreciation	60,839	60,882
<b>EBITDA</b>	<b>101,818</b>	<b>45,922</b>
Share-based compensation	583	1,429
Severance costs	850	700
Fair value adjustments on contingent consideration	7,208	27,562
Gain on sale of intangible assets	–	(1,271)
Realised loss on cross currency swap	–	12,512
Transaction related costs	1,888	6,710
Foreign exchange loss	354	9,857
<b>Adjusted EBITDA</b>	<b>112,701</b>	<b>103,421</b>

## RECONCILIATION OF CONSOLIDATED ADJUSTED NET INCOME

(£ in 000's)

	FY 2018	FY 2017
<b>Net income/(loss) for the year</b>	<b>18,056</b>	<b>(70,717)</b>
Share-based compensation	583	1,429
Severance costs	850	700
Fair value adjustments on contingent consideration	7,208	27,562
Gain on sale of intangible assets	–	(1,271)
Realised loss on cross currency swap	–	12,512
Transaction related costs	1,888	6,710
Foreign exchange loss	354	9,857
Amortisation of acquisition related purchase price intangibles	58,196	59,067
Accretion on financial liabilities	2,993	25,049
<b>Adjusted Net Income</b>	<b>90,128</b>	<b>70,898</b>
<b>Diluted net income/(loss) per share</b>	<b>£0.24</b>	<b>£(0.96)</b>
<b>Diluted Adjusted Net Income per share</b>	<b>£1.20</b>	<b>£0.95</b>