

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION. THIS ANNOUNCEMENT DOES NOT CONSTITUTE A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND NEITHER THIS ANNOUNCEMENT NOR ANYTHING HEREIN FORMS THE BASIS FOR ANY OFFER TO PURCHASE OR SUBSCRIBE FOR ANY SHARES OR OTHER SECURITIES IN JPJ GROUP PLC NOR SHALL IT FORM THE BASIS FOR ANY CONTRACT OR COMMITMENT WHATSOEVER.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION
FOR IMMEDIATE RELEASE
13 June 2019

Strategic Combination of JPJ Group plc ("JPJ" or the "Company") and Gamesys to create a world class online gaming company

The Board of JPJ is pleased to announce that it has entered into a conditional agreement to acquire the business of Gamesys (Holdings) Limited ("Gamesys"), excluding sports brands and games, for a mixture of cash and new JPJ shares (the "Acquisition").

The Acquisition will enhance scale, creating a group which is strategically well positioned for future growth in an evolving global gaming sector. The combined JPJ and Gamesys businesses (together "the Enlarged Group") will benefit from: (i) a diversified portfolio of leading consumer brands; (ii) greater operational control through proprietary technology; and (iii) a complementary executive and operational team. The Acquisition will result in a strategically aligned Enlarged Group with a strong financial profile set to compete in an evolving marketplace.

Key highlights

- JPJ to acquire Gamesys, excluding sports brands and games, for a total valuation of c.£490 million, comprising:
 - £250 million in cash, of which £175 million is to be funded by an add-on to JPJ's existing debt facilities; and
 - 33.7 million in newly issued shares, representing c.£240 million based on the 30-day volume weighted average price of JPJ
- The Acquisition represents an estimated multiple of 7.3x Adjusted EBITDA for Gamesys for the 12 months ending December 2018
- The Enlarged Group to be renamed Gamesys Group plc
- Consideration shares to represent c.31% of the Enlarged Group, with customary lock ups from major selling shareholders
- The Enlarged Group should qualify for inclusion in the FTSE 250
- The Acquisition is expected to be double digit accretive to earnings per share in the first full financial year of ownership (FY 2020)
- Highly experienced executive management team to be drawn from both JPJ and Gamesys. It is proposed that Lee Fenton (currently CEO of Gamesys) will become the Enlarged Group's CEO and Robeson Reeves (currently COO of Gamesys) will join as the Enlarged Group's COO. Neil Goulden and Keith Laslop will remain in their current roles. Simon Wykes will assume the role of Transition Director at Completion for a 12-month period from completion of the Acquisition ("Completion")
- The Acquisition is subject to JPJ shareholder approval, customary regulatory conditions and the Gamesys Group Reorganisation, as referred to below
- Completion is expected in Q3 2019

Acquisition Rationale

- **Delivering attractive financial benefits to the Enlarged Group**
 - The Target Business has a history of delivering high growth with double digit growth in net revenues and Adjusted EBITDA over the past three years and has been highly cash generative.
 - The directors of JPJ (the "JPJ Directors") believe that the Acquisition will be double digit earnings accretive (before one-off transaction and integration costs) in the first full financial year following Completion.
 - The JPJ Directors expect there to be annualised cost savings from the Acquisition of single digit millions Sterling in the first full financial year following Completion.
 - The pro forma net leverage ratio for the Enlarged Group is c.3.1x. The JPJ Directors expect the Enlarged Group to de-lever significantly in the medium to long-term.
- **Diversified brand portfolio with international expansion opportunities**
 - JPJ will acquire a portfolio of complementary, market-leading and high growth games content and brand licences, including: Virgin Games, Virgin Casino, Monopoly Casino, and Heart Bingo.
 - The Acquisition diversifies the Enlarged Group's portfolio of brands and creates a platform for international growth, particularly with globally recognised brands in Virgin and Monopoly.
- **Executive team with a track record of creating shareholder value**

- The Executive team of the Enlarged Group will be enhanced by the proposed appointments of Lee Fenton as group CEO and Robeson Reeves as group COO. Both individuals have proven track records of building and operating high growth online gaming businesses and have longstanding relationships with the existing JPJ team.
 - As a result of the Acquisition, the Enlarged Group will have in excess of 1,000 highly skilled employees with strong technology development, best in class digital marketing and data capabilities.
- **Greater operational control and enhanced development capabilities**
 - Following its 2015 acquisition of the Jackpotjoy brands, JPJ continued to source content, platform and operational support from Gamesys. As a result of the Acquisition, the Enlarged Group will have ownership of its technology platform and operations together with a reduced reliance on third party providers.
 - The previously planned alternative to the Acquisition was "internalisation", under which JPJ would onboard operational staff from Gamesys. Not only would this have been a significant distraction but would still have left both companies separate and potentially with conflicting strategies. The Acquisition ensures full strategic alignment, business continuity and minimisation of execution risk.
 - The Enlarged Group will also benefit from enhanced operational control as a result of technological and strategic alignment.
- **Increased scale enhances player experience and profitability**
 - The JPJ Directors believe that increased scale and liquidity create the conditions for a virtuous cycle leading to opportunities to increase growth and profitability.
 - Greater scale can lead to optimised marketing and campaign targeting, which increases player retention and wallet share opportunities and better positions the Company to respond to regulatory developments.
- **Commitment to responsible gambling**
 - The Enlarged Group will reflect the merging of two cultures, both of which are committed to promoting a culture of responsible gambling through building long term and sustainable relationships with customers.

Neil Goulden, Executive Chairman of JPJ, commented:

"This Acquisition marks an important transformational step in JPJ's growth, providing significant benefits for shareholders, employees and customers. For shareholders, we expect the Acquisition to deliver earnings accretion in the first full financial year of ownership, while our employees will benefit from the combination of two companies with a strong commitment to responsible gaming and where the greater scale will further enhance our product development and technology capabilities. Our customers will also now have an even greater choice of major brands and different games, all on one platform, creating a truly leading UK and international operator. The rationale for the acquisition of Gamesys is based on growth and both teams - at JPJ and our new colleagues joining us from Gamesys - are excited and motivated by the great opportunity which lies ahead."

Lee Fenton, Chief Executive of Gamesys and proposed Chief Executive of the Enlarged Group, commented:

"I am very excited to join the Enlarged Group as CEO. This is a strategically important transaction that adds scale and combines complementary capabilities as the competitive and regulatory environment continues to evolve. The Enlarged Group's combined brand portfolio, strategically aligned operating structure, technology capabilities and exceptional combined talent base will create significant opportunities for growth in the market."

Conference call

A conference call for analysts and investors will be held today at 3pm UK time. To participate, interested parties are asked to dial +44 (0) 20 3003 2666 or 1 800 378-3566 in Canada, or for US shareholders 1 866 966-5335, 10 minutes prior to the scheduled start of the call using the password "JPJ" when prompted. A transcript will be made available on JPJ Group plc's website at www.jpjgroup.com a few hours after the call has finished.

Enquiries

JPJ +44 (0) 203 907 4025

Neil Goulden

Keith Laslop

Jason Holden (Investor Relations)

Macquarie Capital (Europe) Limited (Lead Financial Adviser to JPJ) +44 (0) 203 037 2000

Sung Chun

Alex Reynolds

Canaccord Genuity Limited +44 (0) 207 523 8000
(Sponsor, Co-Financial Adviser & Broker to JPJ)

George Fleet

Emma Gabriel

Berenberg (Joint Broker to JPJ) +44 (0) 20 3207 7800

Chris Bowman

Mark Whitmore

Finsbury (PR Adviser to JPJ)

+44 (0) 20 7251 3801

James Leviton

Andy Pamis

Evercore Partners International LLP (Financial Adviser to Gamesys)

+44 (0) 20 7653 6000

Tiamán O'Rourke

Harrison George

JPJ Group plc

Proposed acquisition of Reunited Target Newco Limited (the "Acquisition")

1. Introduction

JPJ today announces that it has conditionally agreed to acquire the entire issued share capital of Reunited Target Newco Limited ("Target Group Holdco"). Target Group Holdco will be the holding company of a group of companies comprising the Target Business (the "Target Group"). The Target Business is the entirety of the business, assets and liabilities currently comprised within the Gamesys Group (being Gamesys and its subsidiaries and subsidiary undertakings), except the business, assets and liabilities relating to:

- i. the "Virgin Bet" branded sports betting business of the Gamesys Group and the recently acquired "Livescore" sports data and media business (together the "Residual Sports Business");
- ii. the non-bingo games studio and supply business of the Gamesys Group, together with a minority equity investment in a Norwegian games technology business and a minority equity investment in a US sports betting business including their respective associated assets and liabilities (the "Residual Content Business"); and
- iii. certain other immaterial subsidiaries of the Gamesys Group (together with the Residual Sports Business and the Residual Content Business, the "Residual Business").

In order to effect the Acquisition, the Gamesys Group will carry out a reorganisation prior to Completion (the "Gamesys Group Reorganisation"), to create the Target Group.

2. Key terms of the Acquisition

The total consideration for the Acquisition comprises:

- i. £240 million payable in cash on Completion (the "Completion Consideration");
- ii. £10 million payable in cash to Gamesys Shareholders 30 months after Completion (the "Deferred Consideration" and, together with the Completion Consideration, the "Cash Consideration"); and
- iii. the issue of 33,653,846 million ordinary shares of £0.10 each (the "New JPJ Shares") (together with the Cash Consideration, the "Consideration").

On the basis of the 30-day volume weighted average price of 713 pence per ordinary share of £0.10 each in JPJ on the 12 June 2019 the implied total valuation of the Acquisition is £490 million and with a 7.3x implied Adjusted EBITDA (which has the meaning given to it in "Presentation of Financial and Other Information") multiple of the Target Business for the 12 months ending December 2018.

Following the Acquisition becoming effective, the shareholders of Gamesys (the "Gamesys Shareholders") will hold approximately 31.1 per cent. of the shares in the Enlarged Group (in addition to approximately 4.5 per cent. of the Company's share capital already held by Gamesys Shareholders).

Owing to its size, the Acquisition constitutes a "reverse takeover" for the purposes of the Listing Rules (being the listing rules made by the FCA under Part VI of FSMA) and, therefore, also requires compliance with the rules applicable to "class 1" transactions under the Listing Rules, which include obtaining the approval of JPJ Shareholders at a General Meeting which is expected to be held in July 2019 (the "JPJ General Meeting"). A combined shareholder circular and prospectus containing further information on the Acquisition, a notice convening the JPJ General Meeting and details in respect of the new shares to be issued as a result of the Acquisition will be published shortly. Following the General Meeting, the result of the shareholder vote will be announced on JPJ's website and through a regulatory information service.

In addition, also as a result of the Acquisition being classified as a "reverse takeover", JPJ will be required to de-list and apply for the JPJ listing of the existing JPJ shares in issue immediately prior to Completion (the "Existing JPJ Shares") and the listing of the New JPJ Shares ("Admission"). Subject to the satisfaction of the Conditions Precedent further described below, it is expected that the Acquisition (and Admission) will become effective in Q3 2019.

3. Acquisition Rationale

The Board of JPJ believes that the Acquisition has compelling financial and strategic rationale:

Delivering attractive financial benefits to the Enlarged Group

Over the past three years, Gamesys has delivered double digit growth in net revenues and adjusted EBITDA, underpinned by strong key performance indicators. The JPJ Directors believe that the Acquisition will be double digit earnings accretive (before one-off transaction and integration costs) in the first full financial year following the Acquisition, with significant long-term financial benefits to the Enlarged Group and its shareholders thereafter.

The JPJ Directors expect there to be annualised cost savings from the Acquisition of single digit millions Sterling, expected to be realised within the first full financial year following Completion. These are expected to be delivered from factors including reduced accommodation costs, streamlining of elements of JPJ's current UK business, and from the cancellation of the programme to internalise parts of the Gamesys business servicing JPJ, as had previously been agreed with Gamesys.

As a result of the Acquisition, pro forma net leverage for the Enlarged Group is expected to be c.3.1x and the JPJ Directors expect growth and free cash flow generation to drive de-leveraging thereafter. JPJ has a strong track record of cashflow generation, typically generating over 90 per cent. operating cash flow conversion, and the Enlarged Group is expected to have similar characteristics.

Diversified brand portfolio with international expansion opportunities

As a result of the Acquisition, JPJ will acquire an enhanced portfolio of complementary and market-leading games content and brand licences, including: Virgin Games, Virgin Casino, Monopoly Casino, and Heart Bingo. Combining these well recognised brands with JPJ Group's existing brands will create both a more diversified portfolio, which will enhance the Enlarged Group's ability to increase player retention rates, reduce cost per acquisition and increase the overall lifetime player value.

The diversified brand portfolio also offers a stronger platform for international growth, particularly with recognised global super brands such as Virgin and Monopoly. The supply of services and software to Tropicana Atlantic City Corp. ("Tropicana") pursuant to the Tropicana Licence Agreement (being the agreement between Gamesys Limited and Tropicana dated 29 July 2013) (as described below), also provides JPJ with a platform for future growth in the exciting US market.

Executive team with a track record of creating shareholder value

JPJ and the Target Business have a longstanding and collaborative track record, combined with complementary business models. As a result of the Acquisition, a significant number of highly skilled employees will join forces to create an empowered, motivated and experienced workforce.

The executive leadership of the Enlarged Group will be enhanced by the proposed appointments to the Board of Lee Fenton as group CEO and Robeson Reeves as group COO. Both individuals have proven track records of building high growth businesses in the industry. In addition, the Enlarged Group will benefit from the expertise of an enlarged senior management team below Board level, comprising executives from both JPJ and the Target Business.

The Enlarged Group is expected to have an employee base of over 1,000 and the expertise of this team will enable development of an expanded and complementary range of content, brands, products and end-markets served. The Acquisition will include the purchase of a content studio, giving the Enlarged Group the flexibility to create more of its own content in future.

Greater operational control and enhanced development capabilities

Following its 2015 acquisition of the Jackpotjoy brands, JPJ continued to source content, platform and operational support from Gamesys. As a result of the Acquisition, the Enlarged Group will have ownership of its technology platform and operations together with a reduced reliance on third party providers.

The previously planned alternative to the Acquisition was "internalisation", under which JPJ would onboard operational staff from Gamesys. Not only would this have been a significant distraction but would still have left both companies separate and potentially with conflicting strategies. The Acquisition ensures full strategic alignment, business continuity and minimisation of execution risk.

The Enlarged Group will also benefit from enhanced operational control as a result of technological and strategic alignment.

Increased scale enhances player experience and profitability

Following the Acquisition, the Enlarged Group will have a greater number of registered accounts and monthly active customers, a more diversified player community, an enhanced database and increased liquidity. The JPJ Directors believe this will create the conditions for a virtuous cycle leading to opportunities to increase growth and profitability.

Greater scale can lead to optimised marketing, faster algorithm development, richer personalisation and campaign targeting, and vibrant social chat rooms. These factors combine to increase player retention and wallet share. The increased scale of the Enlarged Group will also better position it to respond to regulatory developments.

Commitment to responsible gambling

The Enlarged Group will reflect the merging of two cultures, both of which are committed to promoting a culture of responsible gambling through building long term sustainable relationships with their customers. While our customers should be free to enjoy the fun and entertainment of our sites, we will continue to implement and develop responsible gambling measures to protect all customers, especially those at risk from potential harm.

The Enlarged Group intends to remain at the forefront of the industry's efforts to ensure player protection and keeping the customer at the heart of everything we do will remain a consistent theme.

4. Cost savings as a result of the Acquisition

The JPJ Directors expect the Enlarged Group to achieve annualised cost savings arising from the Acquisition in the sum of single digit millions Sterling, which are expected to be realised within the first full financial year following Completion.

These benefits are expected to be delivered through a number of factors:

- Under the Operating Agreement between JPJ and Gamesys (the "Operating Agreement"), the Gamesys Group provides certain operational, financial, marketing, player services and support services in respect of the Jackpotjoy, Star spins and Botemania brands to JPJ. The Operating Agreement contains previously agreed arrangements under which JPJ has been planning to acquire staff, both from the Gamesys Group and externally, together with additional office accommodation at cost levels greater than those passed through under the Operating Agreement. Following the Acquisition, elements of those additional costs will be mitigated by a more efficient provision of staff and associated infrastructure, as the Acquisition is expected to bring benefits of scale not achievable by JPJ as a standalone business. The majority of the overall cost savings are expected to derive from these elements;
- The Acquisition will provide the Enlarged Group with significant UK facing infrastructure enabling JPJ to streamline elements of its current business. This is expected to result in the Enlarged Group reducing directly related costs; and
- Certain office accommodation cost savings arising from the more efficient use of property within the Enlarged Group.

The benefits identified above could not be achieved independently as they are contingent on the Acquisition. This statement of expected cost savings relates to future actions and circumstances which by their nature involve risks, uncertainties, contingencies and other factors. As a result, the benefits referred to may not be wholly achieved, or elements of those

achieved may be materially different from those estimated.

The JPJ Directors also expect the combined expertise of both the JPJ and the Target Business management teams across various product lines, customer relationship management and marketing, will enable the Enlarged Group to deliver potential revenue synergies through effective cross-selling across a much wider brand base. However, no quantification of this potential additional benefit has yet been assessed.

5. Current trading

Revenue in the UK in the full year ending 31 December 2019 is likely to reflect the impact of the enhanced responsible gambling measures introduced by both JPJ and Gamesys in 2018, which is expected to annualise out during H2 FY2019. Thereafter, the Directors expect a resumption of stronger revenue growth across the enlarged UK business. The rapid progression in the high growth Gamesys brands underscores the JPJ's Director's optimism in being able to deliver double digit earnings accretion from the Enlarged Group in FY2020. Greater operational control through proprietary technology, diversification of JPJ's brand portfolio with growing brands, and strategic alignment across the Enlarged Group, positions the Company to deliver significant growth and, thereby, value for shareholders.

6. Summary information on Gamesys

The Target Business is a developer of platform software and bingo games for, and an operator of, real money online gaming websites and apps.

The Target Business makes available real money online slots, casino, bingo, poker (on certain UK websites and apps) and instant win games to end users:

- on a B2C basis in the UK under the websites and apps branded "Virgin Games", "Heart Bingo" and "Monopoly Casino"; and
- in partnership with Tropicana in New Jersey, USA under the websites and apps branded "Virgin Casino" (together the "Target Business Branded Sites").

The Target Business' Branded Sites are powered by technology owned by the Target Business or licensed from third parties (the "Target Business Technology Platforms") and operated and marketed by an in-house operational support and marketing execution back office team (the "Target Business Back Office"). The games content available to end users on the Target Business Branded Sites is a combination of non-bingo games developed and made available by the Gamesys Group (the "Legacy Gamesys Non-Bingo Games Content"), bingo games developed and made available by the Target Business (the "Target Business Bingo Games Content") and games developed and made available by third party games providers.

The Target Business' operations are licensed in the UK, Gibraltar, Spain and New Jersey, USA.

In April 2015, the Gamesys Group sold the Jackpotjoy Business (being the Jackpotjoy, Starspins and Botemania brands, together with associated rights in or ownership of real money and social gaming player data related to such brands, trademarks, domain names and certain other related intellectual property rights (the "Jackpotjoy Brands"), together with certain minor real money bingo led sites which it operated on behalf of third-party brand owning partners) to JPJ. The sale of the Jackpotjoy Business in 2015 did not include the sale of the Target Business Technology Platforms, the Target Business Back Office (other than a small number of employees who transferred to JPJ) or any of the Legacy Gamesys Non-Bingo Games Content or the Target Business Bingo Games Content. In connection with the 2015 sale, the Gamesys Group and JPJ entered into the Operating Agreement and a separate social operating agreement so as to allow the Jackpotjoy Business to continue to operate on the same basis following its disposal to JPJ.

The Target Business also operates the websites and apps that are made available by JPJ to end users on a B2C basis (to the "JPJ Branded Sites") on behalf of JPJ on a B2B basis pursuant to the Operating Agreement, providing end-to-end technical, marketing and operational services using, amongst other resources of the Target Business, the Target Business Technology Platforms and the Target Business Back Office. The Legacy Gamesys Non-Bingo Games Content and the Target Business Bingo Games Content are also made available on the JPJ Branded Sites pursuant to the Operating Agreement.

Following Completion, the Operating Agreement will be terminated as the Target Business Technology Platform, the Target Business Bingo Games Content, the Target Business Back Office and the related personnel and resources (other than the Legacy Gamesys Non-Bingo Games Content and related personnel and assets, which will be owned by the Residual Content Business) required to operate the JPJ Branded Sites and the Target Business Branded Sites will be acquired by JPJ pursuant to the Acquisition.

The Legacy Gamesys Non-Bingo Games Content, however, will be owned and made available by the Residual Content Business (being the non-bingo games studio and supply business of the Gamesys Group, together with a minority equity investment in a Norwegian games technology business and a minority equity investment in a US sports betting business including their respective associated assets and liabilities) which is not being acquired by JPJ pursuant to the Acquisition. As such, upon Completion, the Legacy Gamesys Non-Bingo Games Content will be made available to JPJ (including the Target Business) on an arm's length basis pursuant to the terms of the Gamesys Licence Agreements as summarised further below.

Further information on the financial position and results of the Target Business, including pro forma financial information is contained in the Appendix.

4. What is being Acquired

The Target Business currently comprises five key aspects:

- I. The Target Business Branded Sites and Tropicana Site;
- II. The Target Business Bingo Games Content;
- III. The Target Business Technology Platforms;
- IV. The Target Business Back Office; and
- V. Operational Services.

I. The Target Business Branded Sites

The Target Business Branded Sites (being the websites and apps branded "Virgin Games", "Heart Bingo", "Monopoly Casino", and "Virgin Casino") are operated by the Target Business on a B2C basis, using the Target Business Technology Platforms and the Target Business Technology Platforms (in respect of "Virgin Casino" in New Jersey, in partnership with Tropicana).

The Target Business operates each of the Target Business Branded Sites pursuant to a trademark licensing agreement with the relevant brand owner, as described in more detail below. Each of the Target Business Branded Sites is aimed at different segments of consumers in the territories in which they are made available, with a different offering of games content to reflect this differentiation. All the Target Business Branded Sites lead with Gamesys games and are supported by a range of third-party casino games. The Target Business Branded Sites do not offer third party bingo games.

Virgin Games and Virgin Casino (New Jersey)

Virgin Games is a UK casino-led site offering mainly slots and casino products. The site has a broad selection of Gamesys bespoke and third-party games. In the context of the high degree of brand awareness of the Virgin name within the UK market, the site's growth has been driven by strong acquisition and retention of players.

The Virgin Casino site in New Jersey in the United States is a casino-focused brand. It is only available to players in the US state of New Jersey. The site is operated using a brand license with Virgin Enterprises Limited ("VEL") and in partnership with Tropicana. The website is operated under the permit issued to Tropicana by the Division of Gaming Enforcement in New Jersey, USA pursuant to the Tropicana Licence Agreement.

The Virgin Games site is operated under a brand license with VEL, entered into by Gamesys Limited and its wholly owned subsidiary Nozee Limited ("Nozee") on 29 January 2013 and subsequently amended and restated, for the operation of online gaming under the names Virgin Games, Virgin Bet and Virgin Casino of: (a) real money online gaming and betting on a worldwide basis (but excluding New Jersey, USA, and those territories in which such activities are not legally permitted or in which Nozee does not hold the requisite licences); and (b) social gaming and betting on a worldwide basis (excluding the Middle East) (the "Virgin Agreement").

Gamesys Limited also entered into an agreement with VEL on 21 November 2013 (and amended on 26 November 2016) for the operation of online gaming under the name Virgin Casino in the state of New Jersey, USA (the "Virgin NJ Agreement").

The Virgin Agreement is for an initial term of 20 years which expires in November 2038. Provided that certain conditions are satisfied, the agreement provides for two automatic five-year extensions. The Virgin Agreement includes termination rights for VEL in certain circumstances, such as a change of control, if there is a failure to thrive in a particular territory and/or if there is a failure to launch into a new territory within a particular timeframe after it has become legally possible to do so.

On and subject to Completion, the Virgin and Virgin NJ Agreements shall be amended and restated to allow the Enlarged Group to continue providing the same Virgin branded products and services as those currently provided by the Target Business.

Heart Bingo

The Heart Bingo site is a specific UK bingo-led brand in partnership with Global Radio. The site is particularly aimed at female players and focuses on the on-site player community.

The Heart Bingo site is operated under a contract with Global Radio Services Limited ("GRS"), entered into on 22 February 2018, under which the Target Business provides online bingo, slots, instant win and casino games with an exclusive use of the Heart brand for these services. The initial term expires on 31 March 2021, following which the contract continues on a rolling basis (the "GRS Agreement").

Users of the website must have an address in the UK or Ireland and any additional territories agreed between the parties.

The terms of the GRS Agreement do not necessitate any consents or waivers from GRS, or require any revisions to the terms of the contract, as a result of the Acquisition.

Monopoly Casino

The Monopoly Casino site is a UK brand focusing on casino players. The site features bespoke Hasbro games, as well as Gamesys and third-party games. The site is operated in partnership with Scientific Games pursuant to an arrangement between Scientific Games and Hasbro.

The Monopoly Casino site is operated under an agreement with Scientific Games Worldwide Limited ("SGW") dated 5 October 2015 under which the Target Business operates a Monopoly-branded real money online casino in accordance with the terms of SGW's licence agreement with Hasbro, Inc. (the owner of the Monopoly brand) (the "Monopoly Website Agreement").

Pursuant to a separate agreement entered into between SGW and Gamesys Limited on 5 October 2015 (the "Monopoly Branded Games Agreement"), Gamesys Limited was granted the right to develop casino-style games themed on Hasbro's intellectual property.

Under the Monopoly Website Agreement, Gamesys (Gibraltar) Limited is granted the exclusive right to operate a Monopoly-based real money online casino, and to use Hasbro-branded games on that online casino. Under the Monopoly Branded Games Agreement, Gamesys Limited is granted the exclusive right (save in respect of SGW and its group) to develop and use casino-style games that are themed on Hasbro's intellectual property.

The Monopoly Website Agreement with Scientific Games (Gibraltar) Limited (a group company of SGW) ("SGG") took effect from 1 January 2015 for an initial term of two years, following which it continued for a further year, provided that Gamesys met certain key performance indicators. The initial term of the Monopoly Website Agreement has since been extended to expire on 31 December 2025.

The Monopoly Branded Games Agreement took effect from 5 October 2015 for an initial term of three years. After the expiry of the applicable initial term, the agreement automatically renews for successive one-year periods until either party terminates with at least 90 days' notice.

Tropicana

Pursuant to an agreement entered into with Tropicana on 29 July 2013 (the "Tropicana Licence Agreement"), Gamesys provides software and services to Tropicana for use by Tropicana in respect of its "Tropicana Atlantic City" website in New Jersey, USA, using certain elements of the Target Business Technology Platforms and the Target Business Back Office. The Tropicana website leads with Gamesys games and is supported by a range of third-party casino games. The website does not offer third party bingo games.

The Tropicana website is operated by Tropicana using such software and services under the permit Tropicana holds with the New Jersey Division of Gaming Enforcement. From a New Jersey regulatory perspective, the Target Business also licenses

software and provides services to Tropicana on the same basis in respect of the "Virgin Casino" offerings made available to end users in New Jersey, and the same are used by Tropicana to operate such offerings under the permit Tropicana holds with the New Jersey Division of Gaming Enforcement. Gamesys does so pursuant to the Tropicana Licence Agreement as well.

The initial term of the Tropicana Licence Agreement expires in November 2019. Upon expiration of the initial term, the Tropicana Licence Agreement automatically renews for additional successive two-year terms unless and until either party provides written notice of non-renewal at least ninety (90) days prior to the end of the then current term. The Tropicana Licence Agreement contains a number of mutual termination provisions.

It is intended that Gamesys Limited and Tropicana shall agree to vary the Tropicana Licence Agreement such that Gamesys Limited is entitled to: (a) subcontract the provision of games to a subsidiary of Content HoldCo (to reflect the fact that, with effect from Completion, all non-bingo games will be owned by a subsidiary of Content HoldCo), and (b) subcontract any and all of its obligations to provide a gaming platform to SBTech. The term will also be varied to renew for a single additional two year term following the expiry of the initial term, save if either party gives notice by the end of 2019 in which case it will expire in November 2020.

II. The Target Business Bingo Games Content

The Target Business bingo team is responsible for both the creation and build of new bingo games, as well as the scheduling of all bingo games and price of the tickets for participation. Promotions are critical to the success of bingo games on the sites and are intended to grow liquidity by increasing the volume of play. Bingo as a game is core to the JPJ and Heart Bingo product stable and it provides an important opportunity to acquire new players through both digital and above the line marketing.

III. The Target Business Technology Platforms

The Target Business Technology Platforms service all devices, desktop, tablet and mobile devices and deliver a common user interface across all services. This ensures that players have the same experience irrespective of the device they use to access the site. During the nine months ended 31 December 2018, 85 per cent. of the Target Business' players accessed a mobile device to play on the Target Business Branded Sites.

IV. The Target Business Back Office

The Target Business Branded Sites back office is a combination of third-party software such as Oracle Right Now and Transunion coupled with Gamesys bespoke back office tools such as the Gaming Finance and Admin applications. The Target Business Back Office function aims for high quality customer interactions whilst supporting the Target Business' legal and regulatory obligations.

V. Operational Services

The Target Business operates the JPJ Branded Sites and currently provides JPJ with platform services and gaming content with respect to the Jackpotjoy Business on a B2B basis under the terms of the Operating Agreement. Pursuant to the Operating Agreement, the Target Business provides end-to-end technical, marketing and operational services using, amongst other resources of the Target Business, the Target Business Technology Platforms and the Target Business Back Office. The Legacy Gamesys Non-Bingo Games Content and the Target Business Bingo Games Content is also made available on the JPJ Branded Sites under the terms of the Operating Agreement.

5. Principal Agreements in connection with the Acquisition

Primary Sale Agreement

On 13 June 2019, a conditional sale and purchase agreement in respect of the entire issued share capital of Target Group Holdco, was entered into between Noel Hayden, Andrew Dixon, Robin Tombs, Lee Fenton, Robeson Reeves and Michael Mee (the "Gamesys Majority Shareholders") and JPJ (the "Primary Sale Agreement") to give effect to the Acquisition. Pursuant to the Primary Sale Agreement the Gamesys Majority Shareholders have agreed conditionally to sell, and to procure the sale of, the entire issued share capital of Target Group Holdco to the Company.

Conditions to Completion

Completion is subject to the satisfaction or waiver (to the extent the relevant party is permitted to waive the relevant condition under the terms of the Primary Sale Agreement) of certain conditions by 31 December 2019, unless agreed otherwise in writing by the Company and a representative of the Gamesys Majority Shareholders. Such conditions include the completion of the Gamesys Group Reorganisation, the publication of the prospectus and, if required, any supplementary prospectus, the passing of the JPJ Shareholder Resolutions pursuant to publication of a Class 1 circular containing a notice of general meeting, and relevant regulatory approvals.

The Gamesys Majority Shareholders have agreed to comply with customary restrictions governing the conduct of the Target Group during the period between exchange of the Primary Sale Agreement and Completion.

Consideration and Completion Accounts

Certain of the consideration is payable on Completion and certain of the consideration is deferred such that it is payable 30 months after Completion.

In addition, the consideration will be subject to an upwards or downwards adjustment by reference to the working capital and net debt of the Target Group as at Completion. JPJ may also be required to make certain post-Completion payments to the sellers in the event of receipt of the Target Group of recoveries under certain existing contracts.

£20 million of the cash component of the consideration will be held in an escrow account for a period of 30 months following Completion. The amount held in escrow and the £10 million of Deferred Consideration, which is deferred for 30 months, may be used to satisfy any bona fide claims (other than claims that are covered by warranty and indemnity insurance) against the sellers under any transaction document. JPJ has also obtained warranty and indemnity insurance in relation to certain claims.

Break fee

JPJ has agreed to pay Gamesys a break fee of £4,500,000 if the Primary Sale Agreement is terminated as a direct result of,

among other things, the JPJ Board failing to comply with its obligation under the Primary Sale Agreement to recommend that the JPJ Shareholders approve the Acquisition.

Games Licence Agreements

A company within the Residual Content Business, will, from Completion, license to the Target Business for 15 years certain existing real money games including three year exclusivity for top game titles and two year exclusivity for tier 2 titles and, subject to further agreement, newly created real money games in each case for use by the Target Business in the UK, Spain and Sweden. A fee will be charged by the licensor for the licence based in part on the net revenue earned by the Target Business from the games. A broadly equivalent agreement will be entered into in respect of New Jersey.

Transitional Services Agreement

On Completion, Gamesys (Gibraltar) Limited and the holding company of the Residual Business will enter into a transitional services agreement (the "Transitional Services Agreement") pursuant to which the parties will provide certain transitional services to each other in relation to, amongst other things, the use of certain office space, the provision of certain IT services and support and the provision of access to certain game integrations.

The services will be provided for the period up to 31 December 2021. Cost sharing principles have been agreed to compensate each party for the provision of the various services.

Lock-Up Agreements

Certain of the major sellers (notably Noel Hayden, Andrew Dixon, and Robin Tombs who are expected to hold approximately 15.0%, 5.2% and 4.1% respectively of the Enlarged Group's issued share capital following Completion) and senior employees of the Gamesys Group who will become senior employees of the Enlarged Group following Completion (and which includes Lee Fenton and Robeson Reeves who are expected to hold approximately 0.7% each respectively of the Enlarged Group's issued share capital) will be required to enter into lock-up agreements on Completion, pursuant to which they will agree that, subject to certain customary carve-outs, they will not dispose of any new JPJ Shares during lock up periods of between 90 days following Completion and 18 months following Completion.

Financing

On 13 June 2019, JPJ entered into a commitment for an additional term loan facility under its existing senior facilities agreement pursuant to which each of Macquarie Corporate Holdings PTY Limited (UK Branch) and Nomura International plc (as mandated lead arrangers and underwriters) have severally and not jointly agreed to provide to an indirect subsidiary of JPJ additional commitments of the euro equivalent of £175 million in aggregate under the EUR TLB loan facility (the "Additional Facility") in connection with the financing of the Cash Consideration payable to the sellers pursuant to the Acquisition.

Warrant Instrument

On Completion, the Company shall enter into a warrant instrument in favour of VEL, or such other entity or person as VEL may nominate (such entity or the entity which VEL elects to hold the warrant being the "Warrant Holder"), pursuant to which the Warrant Holder shall be issued with a warrant to subscribe for 300,000 JPJ Shares at a subscription price of 892.878 pence per JPJ share. The Warrant Holder shall be entitled to exercise the warrants and subscribe for the relevant JPJ shares for a period of five years or until completion of a takeover of JPJ, if earlier. The Warrant Holder shall be subject to certain lock-up and orderly market provisions in respect of the relevant JPJ shares for a period of 18 months or 12 months, dependent upon the timing of exercise of the warrants.

6. Key Employees and new JPJ Directors

The key members of the Target Business management team who will be joining the Enlarged Group are:

- Lee Fenton - Chief Executive Officer of Gamesys who will join JPJ as a Board Director; and
- Robeson Reeves - Chief Operating Officer of Gamesys who will join JPJ as a Board Director.

Service contracts of new JPJ directors

Upon Completion, Lee Fenton and Robeson Reeves shall be appointed to the board of the Enlarged Group.

It is proposed that Mr. Fenton will be employed by JPJ as Chief Executive Officer and that Mr. Reeves will be employed as Chief Operating Officer.

Lee Fenton would be entitled to an annual base salary of £500,000 per annum and Mr. Reeves would be entitled to an annual base salary of £350,000 per annum. Both would be eligible to participate in JPJ's long term incentive plan and in JPJ's annual discretionary bonus scheme.

JPJ may terminate the service agreements on 12 months' written notice at any time. In addition, it may terminate the employment with immediate effect if the employee is found guilty of, among other things, gross misconduct, fraud, a serious breach of any rules or is convicted of a criminal offence. Mr. Fenton and Mr. Reeves may terminate their respective employment on six months' prior written notice to JPJ.

Both Mr. Fenton and Mr. Reeves shall be subject to post-termination restrictive covenants of 12 months' duration covering, amongst other things, competition with the parts of the business of JPJ which they were involved in to a material extent in the 12 months prior to the termination of their employment and the solicitation of key employees. The new directors will also be subject to provisions restricting their use and disclosure of confidential information in respect of JPJ.

7. UK Gambling Commission

On 12 June 2019, the UK's Gambling Commission ("UKGC") announced that it had undertaken an investigation focused on three customers of sites operated by Gamesys (Gibraltar) Limited, who were active between 2014 and 2016. All three customers had been the subject of police investigations and following these investigations it was established that stolen money had been spent on online gaming on such sites. At the time, Gamesys was required to comply with the 2007 Regulations concerning safeguards against money laundering. The UKGC investigation found, and Gamesys accepts, that there were historical weaknesses in AML controls between 2014 and 2016 relating to how it managed customers for anti-money laundering and social responsibility purposes. As a result of the investigation, Gamesys agreed a regulatory settlement package with the UKGC involving a payment of £690,000 to the National Strategy to Reduce Gambling Harms and a divestment to reimburse identified victims of crime of £460,472.

The UKGC noted that Gamesys had taken proactive and timely improvements to address the issues identified, was open and transparent from the outset of the investigation, fully co-operative throughout and actively self-identified the issues in each of the three cases. Gamesys takes its responsibilities to provide a safe and secure environment for its customers very seriously. Since 2016, Gamesys has put in place many enhancements to its AML and responsible gaming policies and procedures, which is an area of continuous focus and improvement.

8. Dividend Policy

The JPJ Board remains committed to returning excess cash to shareholders, when it can do so on a progressive and sustainable basis. JPJ's debt facility allows JPJ to return cash to shareholders once the adjusted net leverage ratio falls below 2.5x, but for this to be sustainable, the adjusted net leverage ratio needs to be comfortably below this level. The JPJ Board remains committed to introducing a progressive dividend policy and also sees value in a sustainable share buyback programme should JPJ's share price remain, in its view, materially undervalued and at a discount to the peer group.

9. Expected timetable of principal events

Each of the dates in the table below is indicative only and may be subject to change without further notice.

Publication of Circular and Prospectus	Prior to 30 June 2019
JPJ General Meeting and Vote	Prior to 31 July 2019
Expected Completion	Prior to 30 September 2019

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is Dan Talisman, Company Secretary. Further announcements will be made as appropriate.

Important notices

This Announcement is not a prospectus and has been prepared solely for the Acquisition. A copy of the Company's shareholder circular and prospectus in relation to the Acquisition, when published, will be available from the registered office of the Company and on the Company's website at www.jpjgroup.com/investors. The Company will publish a further announcement upon the publication of the shareholder circular and prospectus.

This Announcement is for information only and, save as expressly set out herein, does not constitute an offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities or investment advice in any jurisdiction, including without limitation, the United Kingdom, the United States, Australia, Canada, Japan, Jersey or South Africa. Persons needing advice should consult an independent financial adviser.

This Announcement has been prepared for the purpose of complying with the applicable laws and regulations of the United Kingdom and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Macquarie Capital (Europe) Limited ("Macquarie") or Canaccord Genuity Limited ("Canaccord") (each a "Bank" and together, the "Banks") or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Macquarie is authorised and regulated by the UK Financial Conduct Authority (the "FCA") and is acting for the Company and no one else in connection with the Acquisition. In connection with such matters, Macquarie, its affiliates and their respective partners, directors, officers, employees and agents will not regard any person other than the Company as their client, nor will they be responsible to anyone other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matter referred to in this Announcement.

Canaccord is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Acquisition, and Canaccord will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.

Joh. Berenberg, Gossler & Co. KG, London Branch ("Berenberg"), which is authorised and regulated by the German Federal Financial Supervisory Authority and subject to limited regulation in the UK by the FCA, is acting as joint broker to JPJ Group PLC and no one else in connection with the matters referred to in this Announcement, will not regard any other person as its client in connection with the matters referred to in this Announcement and will not be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to any transaction or arrangement referred to in this Announcement.

Evercore Partners International LLP ("Evercore") is authorised and regulated by the FCA. Evercore is acting exclusively for Gamesys in connection with the matters set out in this Announcement and the Acquisition. Evercore is not, and will not be, responsible to anyone other than Gamesys for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on it by the Financial Services and Markets Act... Evercore Partners International LLP ("Evercore") is authorised and regulated by the FCA. Evercore is acting exclusively for Gamesys in connection with the matters set out in this Announcement and the Acquisition. Evercore is not, and will not be, responsible to anyone other than Gamesys for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on it by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any responsibility whatsoever (whether direct or indirect, whether in contract or in tort, under statute or otherwise) and makes no representation or warranty, express or

implied, for the contents of this announcement, including its accuracy, fairness, sufficiency, completeness or verification or for any other statement made or purported to be made by it, or on their behalf, in connection with Gamesys or the Acquisition, and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Evercore and any of its subsidiaries, branches or affiliates accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Announcement or any such statement contained therein.

This document contains historical market data and forecasts which have been obtained from industry publications, market research and other publicly available information. Certain information regarding market size, market share, market position, growth rates and other industry data pertaining to the Company, Gamesys, other businesses and their respective businesses contained in this document consists of estimates based on data compiled by professional organisations and on data from other external sources including publications and data compiled by Regulus Partners. Industry publications and market research generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions.

The Company does not intend, and does not assume any obligation, to update industry or market data set forth in this Announcement. Market behaviour, preferences and trends are subject to change and the market and industry information in this document and estimates based on any data therein may not be reliable indicators of future market performance or the Company's or Gamesys' future results of operations.

The distribution of this Announcement in certain jurisdictions may be restricted by law and persons into whose possession this announcement or other information referred to herein comes should inform themselves about, and observe, any such restrictions. No action has been taken by the Company, Gamesys or the Banks that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required.

This Announcement contains forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results, and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. These forward looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "envisages", "plans", "projects", "anticipates", "targets", "aims", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. All matters that are not historical facts and involve predictions, including those statements with respect to the level of earnings accretion arising from the Acquisition; pro forma leverage ratio for the Enlarged Group and expectations regarding growth and free cash flow generation; the Acquisition providing a stronger platform for international growth; and the expected financial and other benefits of the Acquisition for the Company and its shareholders and other stakeholders.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements in this news release. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties factors and assumptions relating to the Company and Gamesys. Factors which may cause future outcomes to differ from those provided in forward-looking statements include, but are not limited to: general economic and business conditions; demand for the Company's and/or Gamesys' products and services; competitive factors in the industries in which the Company and Gamesys operate; exchange rate fluctuations; legislative, fiscal and regulatory developments; political risks; terrorism, acts of war and pandemics; changes in law and legal interpretations affecting the Company's intellectual property rights and internet communications; impact of technological change; that all necessary third party, regulatory, stock exchange, shareholder and other consents and approvals will be received in connection with the Acquisition on the timelines anticipated or at all, that all other conditions to closing, including completion of the Gamesys Group's corporate reorganisation, will be satisfied in the manner and on the timelines anticipated; the Company's, the Target Business' and following Completion, the Enlarged Group's ability to secure, maintain and comply with all requirements to carry out business in the jurisdictions in which they currently operate or intend to operate; governmental and regulatory actions; general business, economic and market conditions; competition; expected growth of the online gaming market; the Company's, the Target Business' and following Completion, the Enlarged Group's existing businesses and potential new market opportunities; anticipated and unanticipated costs; protection of the Company's, the Target Business' and following Completion, the Enlarged Group's intellectual property rights; the Company's ability to successfully integrate and realise the benefits of the Acquisition; the earn-out payments required to be made in connection with the Company's completed acquisitions; and the Company may not obtain all of the benefits it expects to receive from the Acquisition. Many of these risks and uncertainties relate to factors that are beyond the Company's and/or Gamesys', the Target Business' and following Completion, the Enlarged Group's ability to control or estimate precisely, such as future market conditions, the repercussions of the UK leaving the European Union, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Company's, the Target Business' and following Completion, the Enlarged Group's ability to continue to obtain financing to meet their liquidity needs, changes in the political, social and regulatory framework in which the Company, the Target Business and following Completion, the Enlarged Group operates or in economic or technological trends or conditions, the lack of available or qualified personnel or management, stock market volatility, taxation policies, changes in regulation, foreign operations, as well as the other factors described in the Company's past regulatory disclosures.

Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Forward-looking statements speak only as of the date of such statements and cannot be relied upon as a guide to future performance. Except as required by applicable law, neither the Company nor the Banks undertake to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Any indication in this Announcement of the price at which shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The shares referred to in this Announcement have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, into or within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law.

Certain figures contained in this Announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

Appendices

Appendix 1 - Sources and Bases of Information

In this Announcement, unless otherwise stated, or the context otherwise requires, the following sources of information and bases of calculation have been used:

- (1) As at the close of business on 12 June 2019, being the last Business Day prior to the date of this announcement, there were 74,473,678 JPJ Shares in issue.
- (2) Unless otherwise stated, the financial information relating to JPJ is extracted (without material adjustment) from the audited consolidated financial statements of JPJ for the relevant financial periods, prepared in accordance with IFRS.
- (3) Unless otherwise stated, the financial information relating to the Target Business is extracted (without material adjustment) from the audited consolidated financial information of the Target Business which will form the basis of the historical financial information of the Target Business in the Combined Prospectus and Circular for the relevant financial periods, prepared in accordance with IFRS, outlined in Appendices 2 and 3 of this announcement.
- (4) The JPJ 30-day volume weighted average price of £7.13 has been taken from Bloomberg as at close of business at 12 June 2019, being the last Business Day prior to the date of this announcement, and has been rounded to the nearest decimal.
- (5) The JPJ Share Price of £7.69 has been taken from Bloomberg as at close of business at 12 June 2019, being the last Business Day prior to the date of this announcement and has been rounded to the nearest decimal.
- (6) Any reference to the Acquisition multiple of the Target Business is calculated as the implied total valuation of the Acquisition divided by Adjusted EBITDA of the Target Business, whereby Target Business Adjusted EBITDA is adjusted for foreign exchange loss, employee bonuses related to disposal of business operations and deduction of income in respect of extension of non-compete; but before any impact of POC gaming tax increases, fees to be paid from the Games Licence Agreements and any annualised cost savings from the Acquisition as outlined in Appendix 3.
- (7) Any reference to the pro-forma net leverage is calculated as the pro forma net debt divided by pro forma Adjusted EBITDA, whereby:
 - a. Pro forma net debt of the Enlarged Group is calculated from the pro forma financial information in Appendix 3 of this announcement as long-term debt plus deferred consideration, less pro forma cash excluding Target Business cash held at payment service providers of £26.2m; and
 - b. Pro forma Adjusted EBITDA of the Enlarged Group for the year ended 31 December 2018 as outlined in Appendix 3 of this announcement.

Appendix 2 - Target Business Financial Information

Key Performance Indicators

	Unit	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17	31-Dec-18
TB Average Active Customers per Month	'000s	63.7	121.4	211.8	216.0	239.4
TB Total Real Money Gaming Revenue	£m	56.7	97.4	160.6	116.3	137.8
TB Average Real Money Gaming Revenue per Month	£m	4.7	8.1	13.4	12.9	15.3
TB Monthly Real Money Gaming Revenue per Average Active Customer	£	74.2	66.8	63.2	59.8	64.0

The Target Business KPIs are consistent with those reported on an ongoing basis by JPJ. The Target Business' KPIs are defined as follows:

- **TB Average Active Customers per Month**

A key performance indicator used by the Target Business management to assess real money customer acquisition and real money customer retention efforts of each of the Target Business' brands. The Target Business defines average active customers ("TB Average Active Customers") as being real money customers who have placed at least one bet in a given month. "TB Average Active Customers per Month" is the TB Average Active Customers per month, averaged over a 12-month period.

- **TB Average Real Money Gaming Revenue per Month and TB Total Real Money Gaming Revenue**

A key performance indicator used by the Target Business management to assess revenue earned from real money gaming operations of the Target Business. The Target Business defines total real money gaming revenue ("TB Total Real Money Gaming Revenue") as revenue less revenue earned from B2B websites. The Target Business defines average real money gaming revenue per month ("TB Average Real Money Gaming Revenue per Month") as TB Total Real Money Gaming Revenue per month, averaged over a 12-month period.

- **TB Monthly Real Money Gaming Revenue per Average Active Customer**

A key performance indicator used by the Target Business management to assess the Target Business' ability to generate TB Real Money Gaming Revenue on a per customer basis. The Target Business defines monthly real money gaming revenue per average active customer ("TB Monthly Real Money Gaming Revenue per Average Active Customer") as being TB Average Real Money Gaming Revenue per Month divided by TB Average Active Customers per Month.

Operating Results

Results of operations of the Target Business for the period under review

	12 months ended			9 months ended	
	31 March			31 December	
	2016	2017	2018	2017	2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(£ millions)					
Revenue					
Gaming	58.9	100.0	163.3	118.4	139.7
Support Services	80.4	91.3	108.9	80.3	83.4
Total revenue	139.3	191.3	272.2	198.8	223.1
Distribution costs	(86.9)	(117.6)	(162.0)	(120.2)	(126.6)
Administrative expenses	(50.8)	(60.2)	(67.2)	(48.1)	(53.3)
Foreign exchange gain / (loss)	0.3	0.4	(0.2)	(0.1)	(0.1)
Total costs and expenses	(137.4)	(177.4)	(229.4)	(168.3)	(180.0)
Other income	-	-	12.0	9.0	9.0
Interest income	0.7	0.7	0.5	0.3	0.4
	0.7	0.7	12.5	9.3	9.4
Net profit for the period/year before taxes from continuing operations	2.7	14.6	55.3	39.8	52.5
Current tax	0.1	(0.5)	(3.0)	(1.8)	(7.9)
Deferred tax	2.7	(3.4)	1.6	6.5	4.1
Net profit for the period/year from continuing operations	5.4	10.7	53.9	44.5	48.7
Discontinued operations	712.5	28.8	6.4	5.8	0.7
Total profit for the period/year	717.9	39.5	60.3	50.3	49.4
Other comprehensive income: Items that will or may be reclassified to profit or loss in subsequent periods					
Foreign currency translation gain / (loss) on foreign operations	0.2	0.4	(0.3)	(0.2)	0.1
Total comprehensive income for the period / year attributable to owners of the Target Group	718.0	39.9	60.0	50.0	49.4
Total profit for the period / year before taxes from continuing operations	2.7	14.6	55.3	39.8	52.5
Interest income	(0.7)	(0.7)	(0.5)	(0.3)	(0.4)
Amortisation and depreciation	7.5	6.7	7.5	5.6	6.3
EBITDA from continuing operations	9.5	20.7	62.3	45.1	58.3

Reconciliation between EBITDA and Adjusted EBITDA (Continuing Operations)

	12 months ended			9 months ended	
	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17	31-Dec-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(£ millions)					
EBITDA	9.5	20.7	62.3	45.1	58.3
Foreign exchange	(0.3)	(0.4)	0.2	0.1	0.1
Employee bonuses related to disposal of business operations	11.6	8.3	2.7	-	-
Income in respect of extension to non-competes	-	-	(12.0)	(9.0)	(9.0)
Adjusted EBITDA	20.8	28.6	53.2	36.1	49.4

Reconciliation between Net Income and Adjusted Net Income (Continuing Operations)

	12 months ended			9 months ended	
	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17	31-Dec-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(£ millions)					
Net Income	5.4	10.7	53.9	44.5	48.7
Foreign exchange	(0.3)	(0.4)	0.2	0.1	0.1

Employee bonuses related to disposal of business operations	11.6	8.4	2.8	-	-
Income in respect of extension to non-compete	-	-	(12.0)	(9.0)	(9.0)
Adjusted Net Income	<u>16.7</u>	<u>18.7</u>	<u>44.9</u>	<u>35.6</u>	<u>39.8</u>

9 months ended 31 December 2018 compared with the 9 months ended 31 December 2017

	Revenue		Income before taxes*	
	9 months ended		9 months ended	
	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18
	Unaudited	Unaudited	Unaudited	Unaudited
			(£ millions)	
Real Money Gaming	118.4	139.7	30.3	42.3
Support Services	80.3	83.4	0.5	1.2
Total Target Business	<u>198.8</u>	<u>223.1</u>	<u>30.8</u>	<u>43.5</u>

*Continuing operations only and excludes other income of £9.0 million in the 9 months ended 31 December 2017 and other income of £9.0 million in the 9 months ended 31 December 2018

12 months ended 31 March 2018 compared with the 12 months ended 31 March 2017

	Revenue		Income before taxes*	
	12 months ended		12 months ended	
	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited
			(£ millions)	
Real Money Gaming	100.0	163.3	14.2	42.7
Support Services	91.3	108.9	0.4	0.6
Total Target Business	<u>191.3</u>	<u>272.2</u>	<u>14.6</u>	<u>43.3</u>

*Continuing operations only and excludes other income of £12.0 million in the 12 months ended 31 March 2018

12 months ended 31 March 2017 compared with the 12 months ended 31 March 2016

	Revenue		Income before taxes*	
	12 months ended		12 months ended	
	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17
	Unaudited	Unaudited	Unaudited	Unaudited
			(£ millions)	
Real Money Gaming	58.9	100.0	2.9	14.2
Support Services	80.4	91.3	(0.2)	0.4
Total Target Business	<u>139.3</u>	<u>191.3</u>	<u>2.7</u>	<u>14.6</u>

*Continuing operations only

Cash flows

Net cash flows from operating activities

	12 months ended		9 months ended	
	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17
	Unaudited	Unaudited	Unaudited	Unaudited
			(£ millions)	
Cash flows from operating activities				
Total comprehensive income for the period attributable to owners of the Target Group	717.9	39.5	60.3	50.3
Amortisation and depreciation	7.5	6.7	7.5	5.5
Impairment of tangible assets	-	-	-	-
Current tax	(0.1)	0.5	3.0	1.8
Deferred tax	(2.7)	7.7	0.6	(4.5)
Interest income	(0.7)	(0.7)	(0.5)	(0.3)
(Profit) / loss on sale of tangible assets	0.0	-	-	-
Profit on disposal of business operation	(665.2)	-	-	-
Movement on contingent consideration	(45.8)	(33.2)	(8.6)	(7.8)
Foreign exchange loss/(gain)	0.3	0.4	(0.2)	(0.1)
	<u>11.3</u>	<u>21.1</u>	<u>62.1</u>	<u>44.9</u>
Change in non-cash operating items				
Trade and other receivables	3.4	(3.2)	(4.8)	5.8
Accounts payable and accrued liabilities	6.6	12.7	(3.7)	(2.0)
Provisions	-	-	0.7	-
Net cash inflow from operating activities	<u>21.2</u>	<u>30.6</u>	<u>54.3</u>	<u>48.7</u>

Net cash flows from investing activities

	12 months ended			9 months ended	
	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17	31-Dec-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(£ millions)					
Cash flows from investing activities					
Sale of business operations	370.5	150.0	94.2	94.2	63.5
Purchase of tangible assets	(1.6)	(5.2)	(4.8)	(5.6)	(1.2)
Purchase of intangible assets	(4.3)	(5.3)	(6.0)	(3.9)	(4.3)
Proceeds from sale of tangible assets	-	-	-	-	-
Interest received	0.7	0.7	0.5	0.3	0.4
Loans given to inter-company	-	-	(58.8)	(58.8)	-
Net cash inflow from investing activities	<u>365.3</u>	<u>140.2</u>	<u>25.1</u>	<u>26.3</u>	<u>58.4</u>

Net cash flows from financing activities

	12 months ended			9 months ended	
	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-17	31-Dec-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(£ millions)					
Cash flows from financing activities					
Issue of ordinary shares	0.0	-	-	-	-
Purchase of ordinary shares for cancellation	(321.9)	(45.9)	(161.2)	(161.2)	(56.7)
Dividend	(6.0)	-	-	-	-
Deemed distribution	(19.9)	(24.7)	(31.7)	(36.2)	(26.4)
Restricted cash movement	(1.0)	(0.3)	(0.8)	(0.9)	(3.8)
Loan to shareholder	-	(20.0)	20.0	20.0	-
Net cash outflow from financing activities	<u>(348.9)</u>	<u>(90.8)</u>	<u>(173.7)</u>	<u>(178.3)</u>	<u>(86.9)</u>

Financial condition

	31-Mar-18	31-Dec-18	Variance 31-Dec-18 vs. 31-Mar-18
	Unaudited	Unaudited	Unaudited
(£ millions)			
Cash and cash equivalents (incl. customer balances)	115.8	134.2	18.4
Trade and other receivables	142.8	89.5	(53.3)
Taxes receivable	2.2	4.4	2.2
Total current assets	260.8	228.0	(32.7)
Tangible assets	8.2	7.2	(1.0)
Intangible assets	8.3	8.6	0.3
Goodwill	7.7	7.7	-
Other long-term receivables	4.2	-	(4.2)
Deferred tax asset	-	1.4	1.4
Total non-current assets	28.4	24.8	(3.5)
Total assets	289.2	252.9	(36.3)
Accounts payable and accrued liabilities	51.2	55.5	4.3
Provision for taxes	2.3	9.5	7.2
Employee benefit liabilities	14.6	2.7	(11.9)
Provisions	0.7	0.7	-
Total current liabilities	68.8	68.3	(0.5)
Employee benefit liabilities	2.0	2.5	0.5
Deferred tax liability	2.7	-	(2.7)
Total non-current liabilities	4.7	2.5	(2.2)
Total liabilities	73.5	70.8	(2.7)
Total net assets	215.7	182.1	(33.6)

Appendix 3- Pro forma financial information

The unaudited pro forma financial information of the Enlarged Group comprises the following:

- the unaudited pro forma statement of net assets of the Enlarged Group as at 31 March 2019, which has been prepared to illustrate the effect on the consolidated net assets of JPJ as if the Acquisition had taken place on 31 March 2019; and
- the unaudited pro forma income statement of the Enlarged Group for the year ended 31 December 2018, which has been prepared to illustrate the effect on the consolidated income statement of JPJ as if the Acquisition had taken place on 1 January 2018,

collectively referred to as the "Unaudited Pro Forma Financial Information".

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent JPJ's, the Target Business' or, following Completion, the Enlarged Group's actual financial position or results.

The Unaudited Pro Forma Financial Information does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

The Unaudited Pro Forma Financial Information is based on:

- the consolidated income statements of JPJ and the Target Business for the year ended 31 December 2018; and
- the consolidated net assets of JPJ as at 31 March 2019 and the Target Business as at 31 December 2018,

as set out in the audited consolidated financial statements of JPJ for the year ended 31 December 2018, the unaudited consolidated financial statements of JPJ for the three months ended 31 March 2019 and the unaudited consolidated financial information of the Target Business which will form the basis of the historical financial information of the Target Business in the Combined Prospectus and Circular, which has been prepared in a manner consistent with the accounting policies adopted by JPJ in preparing such information and on the basis set out in the notes set out below.

Unaudited pro forma statement of net assets

	JPJ Group net assets as at 31 March 2019 (note 1)	Target Business net assets as at 31 December 2018 (note 2)	Acquisition of the Target Business (notes 3,4,5,6)	Pro forma net assets of the Enlarged Group
	£000's			
ASSETS				
Current assets				
Cash	106,146	125,464	(178,254)	53,356
Restricted cash	9,458	7,000	-	16,458
Customer deposits	13,053	8,688	-	21,741
Trade and other receivables	24,826	82,488	(78,892)	28,422
Taxes receivable	7,141	4,398	-	11,539
Total current assets	<u>160,624</u>	<u>228,038</u>	<u>(257,146)</u>	<u>131,516</u>
Non-current assets				
Tangible assets	2,049	7,150	-	9,199
Intangible assets	208,770	8,612	-	217,382
Goodwill	271,992	7,655	326,707	606,354
Right-of-use assets	2,939	-	-	2,939
Other long-term receivables	5,021	-	-	5,021
Deferred tax asset	-	1,412	-	1,412
Total non-current assets	<u>490,771</u>	<u>24,829</u>	<u>326,707</u>	<u>842,307</u>
Total assets	<u>651,395</u>	<u>252,867</u>	<u>69,561</u>	<u>973,823</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	17,859	49,943	(9,934)	57,868
Other short-term payables	10,278	-	(8,292)	1,986
Interest payable	85	-	-	85
Payable to customers	13,053	8,870	-	21,923
Current portion of contingent consideration	5,000	-	(5,000)	-
Provision for taxes	7,789	9,488	-	17,277
Total current liabilities	<u>54,064</u>	<u>68,301</u>	<u>(23,226)</u>	<u>99,139</u>
Non-current liabilities				
Other long-term payables	880	2,475	-	3,355
Lease liabilities	2,958	-	-	2,958
Deferred tax liability	986	-	-	986
	-	-	10,000	10,000

Deferred consideration	-	-	10,000	10,000
Long-term debt	366,495	-	175,000	541,495
Total non-current liabilities	371,319	2,475	185,000	558,794
Total liabilities	425,383	70,776	161,774	657,933
Net assets	226,012	182,091	(92,213)	315,890

Notes:

- The consolidated net assets of JPJ at 31 March 2019 have been extracted without material adjustment from the unaudited consolidated financial statements of JPJ for the three months ended 31 March 2019.
- The net assets of the Target Business as at 31 December 2018 have been derived as set out below:

	As reported by the Target Business as at 31 December 2018 (note 2(a))	Reclassification adjustments (note 2(b)) £000's	The Target Business as at 31 December 2018 under JPJ's presentation (note 2(c))
ASSETS			
Current assets			
Cash	134,152	(8,688)	125,464
Restricted cash	-	7,000	7,000
Customer deposits	-	8,688	8,688
Trade and other receivables	89,488	(7,000)	82,488
Taxes receivable	4,398	-	4,398
Total current assets	228,038	-	228,038
Non-current assets			
Tangible assets	7,150	-	7,150
Intangible assets	8,612	-	8,612
Goodwill	7,655	-	7,655
Other long-term receivables	-	-	-
Deferred tax asset	1,412	-	1,412
Total non-current assets	24,829	-	24,829
Total assets	252,867	-	252,867
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	55,468	(5,525)	49,943
Employee benefit liabilities	2,655	(2,655)	-
Provisions	690	(690)	-
Other short-term payables	-	-	-
Interest payable	-	-	-
Payable to customers	-	8,870	8,870
Current portion of contingent consideration	-	-	-
Provision for taxes	9,488	-	9,488
Total current liabilities	68,301	-	68,301
Non-current liabilities			
Employee benefit liabilities	2,475	(2,475)	-
Other long-term payables	-	2,475	2,475
Deferred tax liability	-	-	-
Long-term debt	-	-	-
Total non-current liabilities	2,475	-	2,475
Total liabilities	70,776	-	70,776
Net assets	182,091	-	182,091

- The consolidated net assets of the Target Business have been extracted without material adjustment from the unaudited consolidated financial information of the Target Business which will form the basis of historical financial information on the Target Business as at 31 December 2018 in the Combined Prospectus and Circular.
 - Certain reclassification adjustments have been made to accord with JPJ's accounting presentation, as follows:
 - Restricted cash moved from trade and other receivables.
 - Customer deposits moved from cash.
 - Within current liabilities, payable to customers from accounts payable and accrued liabilities.
 - Within current liabilities, movement to accounts payable and accrued liabilities from employee benefit liabilities and provisions.
 - Within non-current liabilities, movement to other long-term payables from employee benefit liabilities.
 - Represents the sum of columns (a) and (b)
- An adjustment has been made to reflect the estimated goodwill arising on the acquisition of the Target Business.

For the purposes of this Unaudited Pro Forma Financial Information, no adjustment has been made to the separate assets and liabilities of the Target Business to reflect their fair value. The difference between the net assets of the Target Business as stated at their book value at 31 December 2018 and the estimated consideration has therefore been presented as a single value in "Goodwill". The net assets of the Target Business will be subject to a fair value restatement as at the effective date of the transaction. Actual goodwill included in JPJ's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets. The estimated consideration for the Target Business is approximately £509 million based on the closing price of JPJ Shares on the Latest Practicable Date.

	£000's
Consideration payable in cash	250,000
Consideration payable in JPJ shares	258,798
Estimated total consideration	508,798
Book value of the Target Business's net assets as at 31 December 2018	(182,091)
Pro forma goodwill adjustment	326,707

4. The decrease in cash and increase in long term debt comprises:
- the consideration payable in cash of £250.0 million, of which £175.0 million has been financed from additional long-term borrowings and £10.0 million has been deferred;
 - estimated transaction costs of JPJ of £14.0 million; and
 - the acquisition of the Target Business is to be on a 'cash free, debt free' and normal level of working capital basis. Accordingly, there is provision within the Primary Sale Agreement for the sellers to extract accumulated cash at the date of completion and for settlement of the "Amounts owed by carve out business" receivables. These are material to the net tangible assets to be acquired at acquisition and therefore to the estimated goodwill arising. As a result, an adjustment has been made to reflect the reduced level of cash and receivables being acquired as at 31 December 2018. No adjustment has been made for the potential price adjustment relating to a normal level of working capital. The actual amount of accumulated cash extracted by the sellers will be based on the balances at the date of completion, which are likely to be different from the balances at 31 December 2018.
5. The elimination of amounts outstanding between JPJ and Gamesys as at 31 March 2019 (eliminated from the JPJ balance sheet) and as at 31 December 2018 (eliminated from the Target Business balance sheet) results in a £23.2m decrease in current liabilities and a £21.4 million decrease in receivables.
6. No account has been taken of the financial performance of JPJ since 31 March 2019 or the Target Business since 31 December 2018, nor of any other event save as disclosed above.

Unaudited pro forma income statement

	JPJ Group income statement for the year ended 31 December 2018	Target Business income statement for the year ended 31 December 2018	Acquisition of the Target Business				Pro forma income statement of the Enlarged Group
			(note 3a)	(note 3b) £000's	(note 3c)	(note 3d)	
Gaming revenue	319,588	184,555	-	-	-	-	504,143
Support services revenue	-	111,971	(111,971)	-	-	-	-
	319,588	296,526	(111,971)	-	-	-	504,143
Costs and expenses							
Distribution costs	158,865	168,428	(94,634)	8,500	-	-	241,159
Administrative costs	109,444	72,422	(27,311)	-	-	-	154,555
Severance costs	850	-	-	-	-	-	850
Transaction related costs	1,888	-	-	-	14,000	-	15,888
Foreign exchange loss	354	240	(240)	-	-	-	354
Total costs and expenses	271,401	241,090	(122,185)	8,500	14,000	-	412,806
Fair value adjustments on contingent consideration	7,208	-	(7,208)	-	-	-	-
Interest income	(349)	(535)	-	-	-	-	(884)
Interest expense	19,821	-	-	-	-	11,072	30,893
Accretion on financial liabilities	2,993	-	(2,409)	-	-	-	584
Financing expenses	29,673	(535)	(9,617)	-	-	11,072	30,593
Other income	-	12,000	(12,000)	-	-	-	-
Net income/(loss) for the year before taxes from continuing operations	18,514	67,971	7,831	(8,500)	(14,000)	(11,072)	60,744
Current tax provision	853	9,035	-	-	-	-	9,888
Deferred tax (recovery)/provision	(395)	799	-	-	-	-	404
Net income/(loss) for the year after taxes from continuing operations	18,056	58,137	7,831	(8,500)	(14,000)	(11,072)	50,452
Net (loss)/income from discontinued operation	(3,579)	1,302	-	-	-	-	(2,277)
Net income/(loss) for the year attributable to owners of the parent	14,477	59,439	7,831	(8,500)	(14,000)	(11,072)	48,175
Adjusted EBITDA for the year (note 5)	112,701	66,663	-	(8,500)	-	-	170,864

Notes:

- The consolidated income statement of JPJ for the year ended 31 December 2018 has been extracted without material adjustment from the audited consolidated financial statements of JPJ for the year ended 31 December 2018.
- The consolidated income statement of the Target Business for the year ended 31 December 2018 has been derived as set out below:

	Target Business income statement for the:				
	year ended 31 March 2018 <i>(unaudited)</i> <i>(note 2(a))</i>	9 months ended 31 December 2017 <i>(unaudited)</i> <i>(note 2(b))</i>	3 months ended 31 March 2018 <i>(unaudited)</i> <i>(note 2(c))</i> £000s	9 months ended 31 December 2018 <i>(unaudited)</i> <i>(note 2(d))</i>	year ended 31 December 2018 <i>(unaudited)</i> <i>(note 2(e))</i>
Gaming revenue	163,305	118,409	44,896	139,659	184,555

Support services revenue	108,894	80,345	28,549	83,422	111,971
	272,199	198,754	73,445	223,081	296,526
Costs and expenses					-
Distribution costs	162,038	120,216	41,822	126,606	168,428
Administrative costs	67,172	48,060	19,112	53,310	72,422
Foreign exchange loss	188	62	126	114	240
Total costs and expenses	229,398	168,338	61,060	180,030	241,090
Interest income	(454)	(346)	(108)	(427)	(535)
Other income	12,000	9,000	3,000	9,000	12,000
Net income before taxes from continuing operations	55,254	39,762	15,493	52,478	67,971
Current tax provision	2,954	1,837	1,117	7,918	9,035
Deferred tax recovery	(1,637)	(6,540)	4,903	(4,104)	799
Net income after taxes from continuing operations	53,938	44,465	9,473	48,664	58,137
Net income from discontinued operation	6,401	5,800	601	701	1,302
Net income attributable to owners of the parent	60,339	50,265	10,074	49,365	59,439

- a. The unaudited consolidated income statement of the Target Business for the year ended 31 March 2018 has been extracted without material adjustment from the unaudited consolidated financial information of the Target Business which will form the basis of historical financial information on the Target Business in the Combined Prospectus and Circular.
 - b. The unaudited consolidated income statement of the Target Business for the 9 months ended 31 December 2017 has been extracted without material adjustment from unaudited consolidated financial information of the Target Business which will form the basis of the historical financial information on the Target Business in the Combined Prospectus and Circular.
 - c. Represents column (a) less column (b).
 - d. The audited consolidated income statement of the Target Business for the 9 months ended 31 December 2018 has been extracted without material adjustment from the unaudited consolidated financial information of the Target Business which will form the basis of historical financial information on the Target Business in the Combined Prospectus and Circular.
 - e. Represents the sum of columns (c) and (d).
3. Adjustments relating to the acquisition of the Target Business comprise:
- a) the elimination of balances relating to the current Operating Agreement between JPJ and Gamesys, the current non-compete agreement between JPJ and Gamesys and fair value adjustments of contingent consideration payable by JPJ to Gamesys;
 - b) an addition of a £8.5 million fee the Enlarged Group will pay under the Games Licence Agreements discussed above;
 - c) the estimated transaction costs of JPJ of £14.0 million; and
 - d) an additional interest expense of £11.1 million, reflecting the additional interest which would have been incurred had the additional long term debt been taken out at the start of the year to finance the cash consideration, plus interest on the £10.0 million of deferred consideration. For these purposes, an interest rate of 6.00 per cent has been applied to the additional long-term debt (representing the estimated aggregate of a 4.25 per cent. margin plus three month EURO LIBOR plus cross currency swap expenses), pursuant to the commitment for the Additional Facility, an additional term loan facility under its existing Senior Facilities Agreement. An interest rate of 5.72 per cent has been applied to the deferred consideration (comprising a 5 per cent. margin plus one month GBPLIBOR of 0.72 per cent. as at 11 June 2019)
4. The adjustments are all expected to have a continuing impact on JPJ, save for the estimated transaction costs set out in paragraph 3(c) above.
5. Adjusted EBITDA, as defined by the Company, 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.

Pro forma Adjusted EBITDA of the Enlarged Group for the year ended 31 December 2018 has been calculated as follows:

	JPJ Group	Target Business	Adjustments	Pro forma
			£'000s	
Net income	18,056	58,137	(25,741)	50,452
Interest	19,472	(535)	11,072	30,009
Accretion on financial liabilities	2,993	-	(2,409)	584
Tax	458	9,834	-	10,292
Depreciation & amortisation	60,839	8,232	(10,214)	58,857
EBITDA	101,818	75,668	(27,292)	150,194
Share-based compensation	583	-	-	583
Severance costs	850	-	-	850
Fair value adjustments on contingent consideration	7,208	-	(7,208)	-
Transaction related costs	1,888	-	14,000	15,888
Foreign exchange loss	354	240	-	594
Employee bonuses related to disposal of business operations	-	2,755	-	2,755
Income in respect of extension of non-compete	-	(12,000)	12,000	-
Adjusted EBITDA	112,701	66,663	(8,500)	170,864

6. No account has been taken of the financial performance of JPJ since 31 December 2018, the financial performance of the Target Business since 31 December 2018, nor of any other event save as disclosed above.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@lse.com or visit www.ms.com.

END

MSCSFSSADFUSEDM