

# INVESTOR PRESENTATION

Year ended 31 December 2017

jackpotjoy plc



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# DISCLAIMER

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

## INVESTOR PRESENTATION

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- 1 Business Overview
  - 2 FY17 Financial Results
  - 3 Strategy and Opportunities
  - 4 Appendix – Additional Information
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## HIGHLY EXPERIENCED MANAGEMENT TEAM



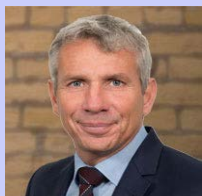
Neil Goulden  
*Executive Chairman*

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



Keith Laslop  
*CFO*

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



Simon Wykes  
*JOL CEO*

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

# JACKPOTJOY PLC UPDATE

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

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

## Attractive Financial Profile

- Highly cash generative business with 97%<sup>(2)</sup> operating cash flow conversion
- LTM Dec 17<sup>(3)</sup> group revenue of £305 million and Adj. EBITDA<sup>(4)</sup> of £109 million
- Attractive revenue growth profile with all 3 business segments profitable




## Positive Trading Momentum

- Gaming revenue increased 14% in FY 2017<sup>(3)</sup> (up against previous comparable period),
- Adj. EBITDA<sup>(4)</sup> increased 6% in FY 2017<sup>(3)</sup> (up against previous comparable period)
- Average Active Customers<sup>(5)</sup> grew 6% yoy in LTM Dec-17<sup>(3)</sup>

## Highly Regarded Leadership

- Highly regarded management team with focus on organic growth
- Supported by an experienced and strengthened Board
- Fully compliant with the UK Corporate Governance Code

# CORE SEGMENTS & BRANDS

			
<b>Products</b>	B2C Online Bingo (Jackpotjoy, Botemania) B2C Online Casino (Starspins) B2C Social Slots (Jackpotjoy Social, Starspins Social)	B2C Online Casino (Vera&John, InterCasino)  B2B White Label (Plain Gaming)	B2C Online Bingo  Affiliate Business (Casino Choice)
<b>Software Provider</b>	Gamesys group	Proprietary	888 (Dragonfish)
<b>Licenses<sup>1</sup></b>	Gibraltar, Spain, UK	Malta, UK, Denmark	Gibraltar, UK
<b>FY 2017 Revenue</b>	£211.3 million	£73.2 million	£20.2 million
<b>FY 2017 Adj. Net Income<sup>2</sup></b>	£95.1 million	£16.1 million	£7.1 million

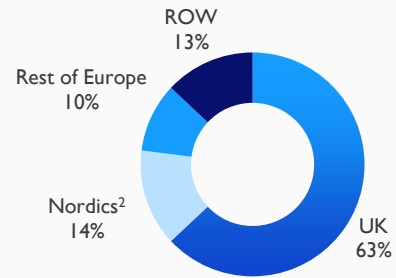
## Core Brands



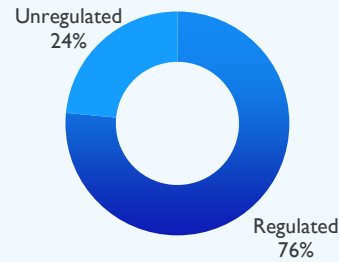
# BUSINESS SNAPSHOT

## LTM to 31 December 2017 Revenue Segmentation

### Geographic



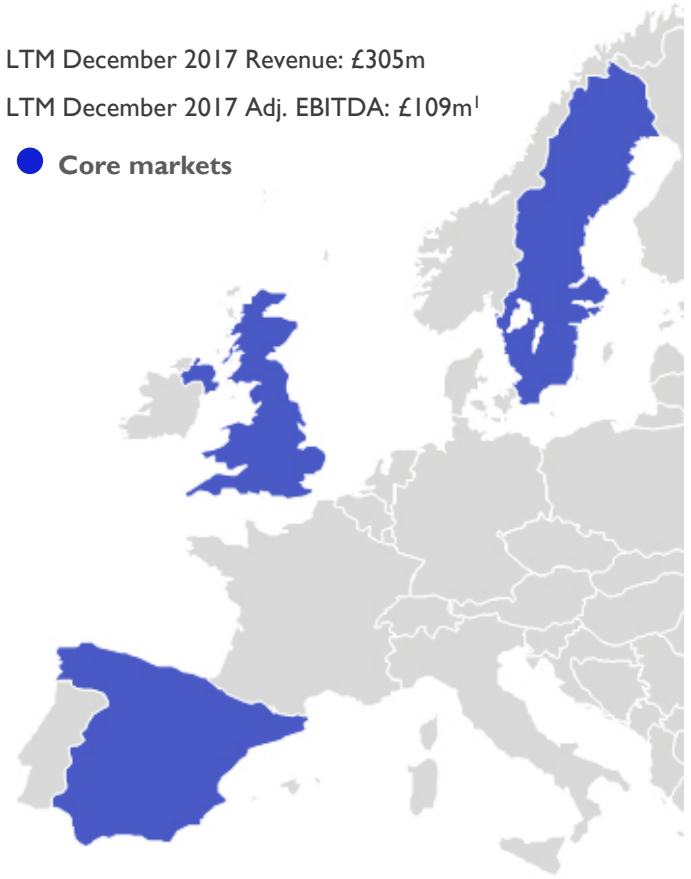
### Regulatory Mix



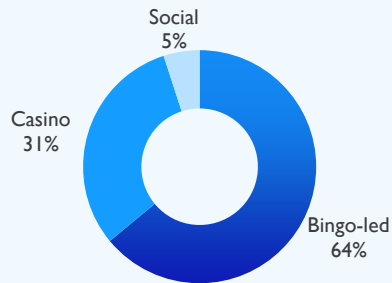
LTM December 2017 Revenue: £305m

LTM December 2017 Adj. EBITDA: £109m<sup>1</sup>

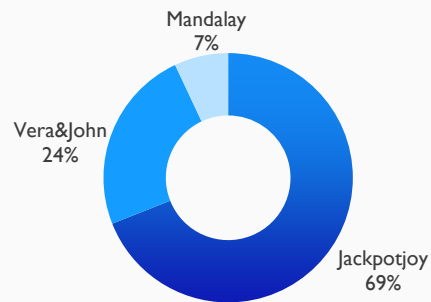
● Core markets



### Product



### Divisions





# ONLINE BINGO CHARACTERISTICS

Engaging user interface facilitating significant cross-sell to casino games...

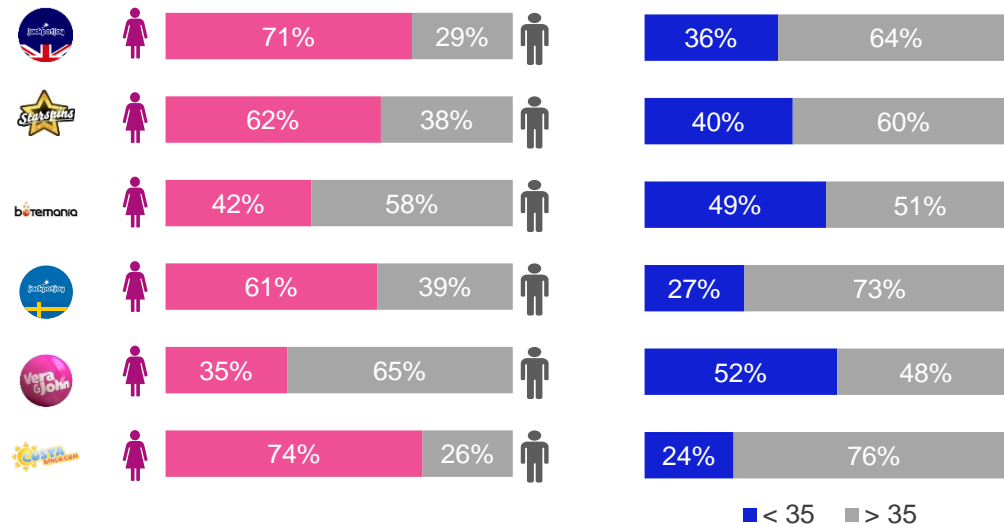


## Key Highlights

- ★ 1 Bingo draws happening every 6 minutes
- ★ 2 Side games provide >80% of revenue
- ★ 3 Small and more “personal” forums
- ★ 4 Recreational gamers base
- ★ 5 Live chat feature

# FOCUSED ON THE FEMALE AUDIENCE

Active Members Gender and Age Split (1)



- Product appeals predominantly to female customers, who in general
  - are less targeted by sports book-led operators
  - are more attached to the social aspect
- Use of mobile is skewed towards a younger customer base which
  - constitutes the highest growth segment for the Company
  - higher spend per capita driven by more frequent play

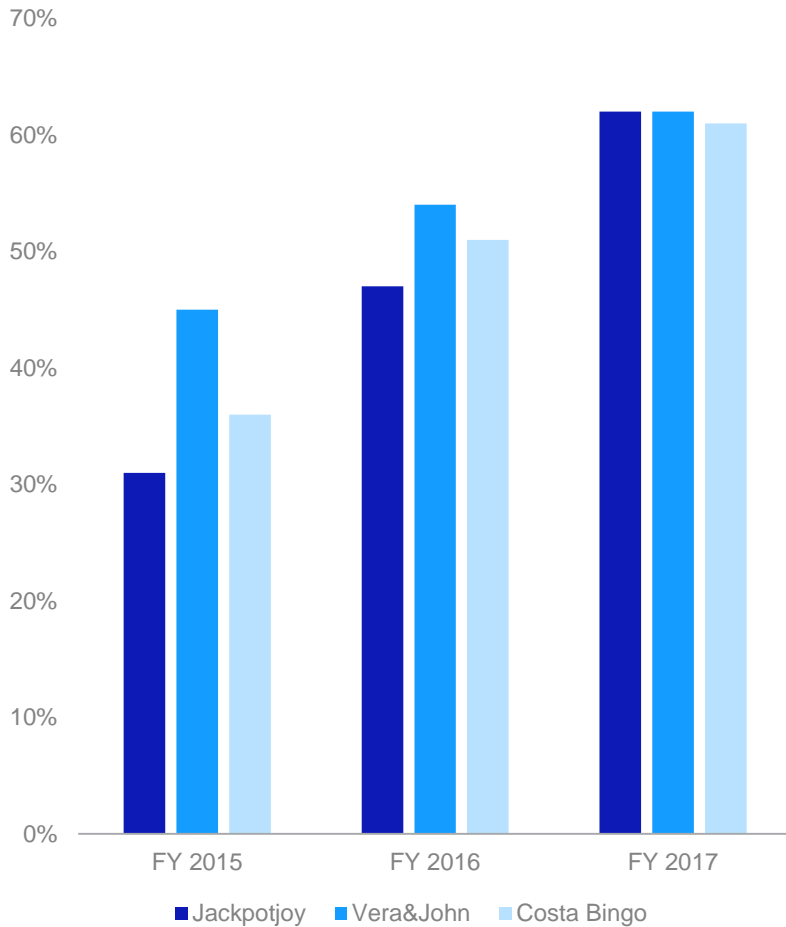
Average Age by Device (2)



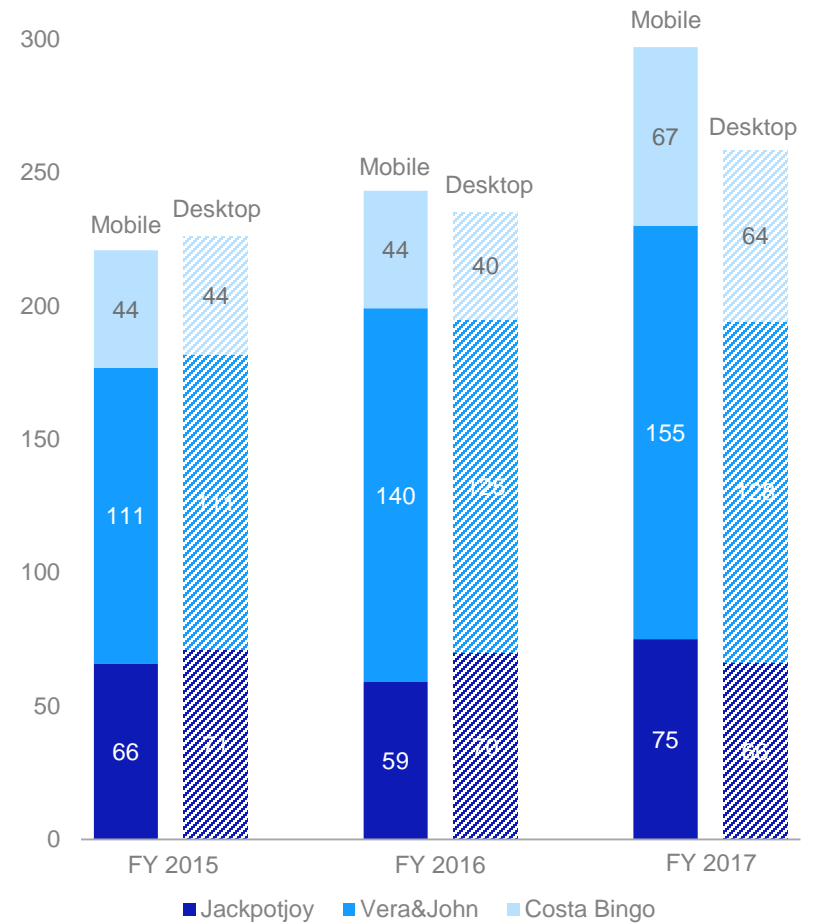
Source: Company information and Gamesys group data. (1) Based on monthly average across January to December 2017. (2) Average age of players acquired between January to December 2017.

# INCREASINGLY PLAYED ON MOBILE

Mobile Gaming Revenue

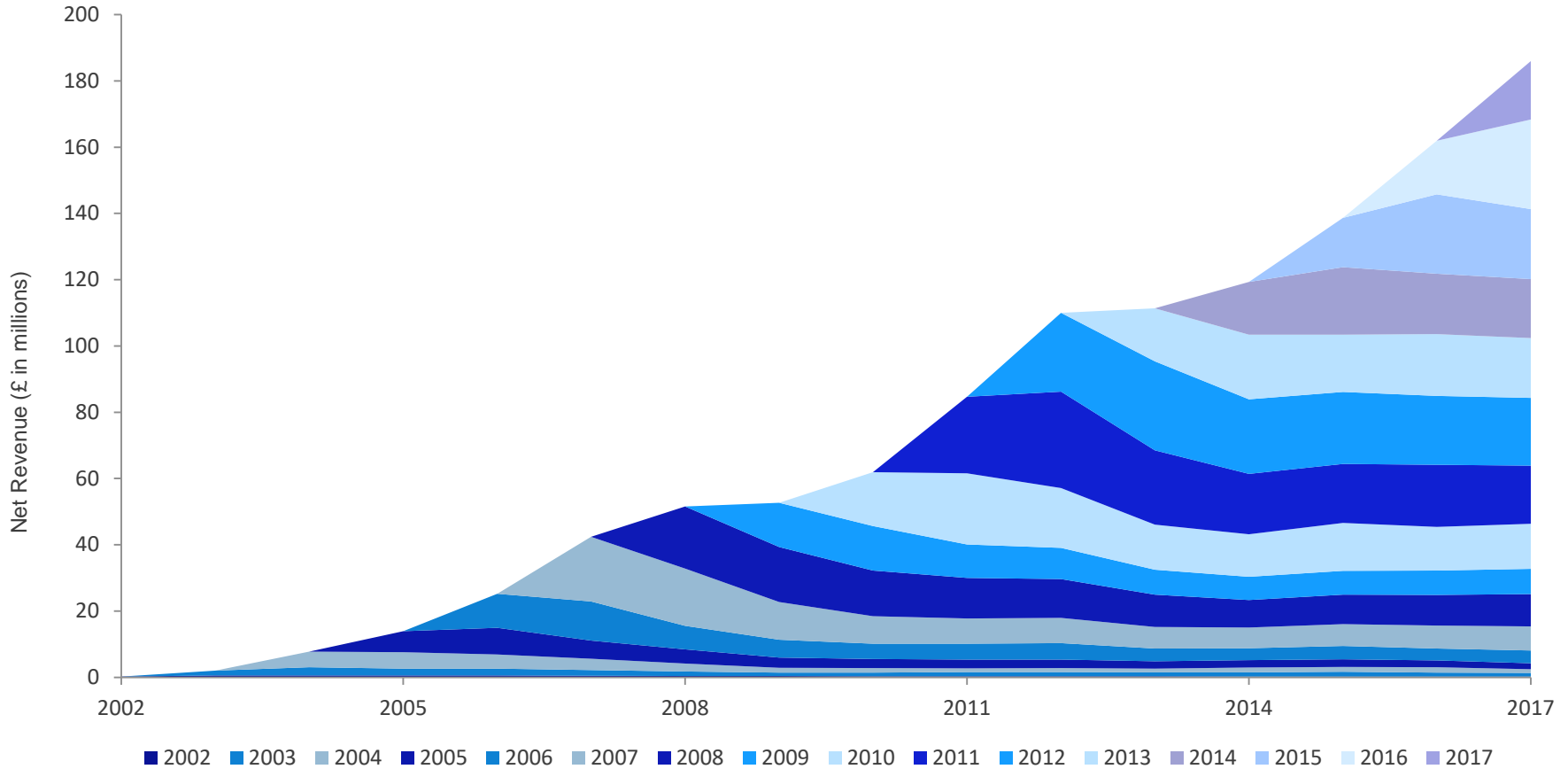


Average Revenue Per User (GBP)<sup>(1)</sup>



Source: Company information (1) JPJ Sweden (GBP/SEK=0.088) and Botemania & Vera&John (GBP/EUR=0.88) converted on a constant currency basis at spot rate as of 16 March 18. Mobile as % of total.

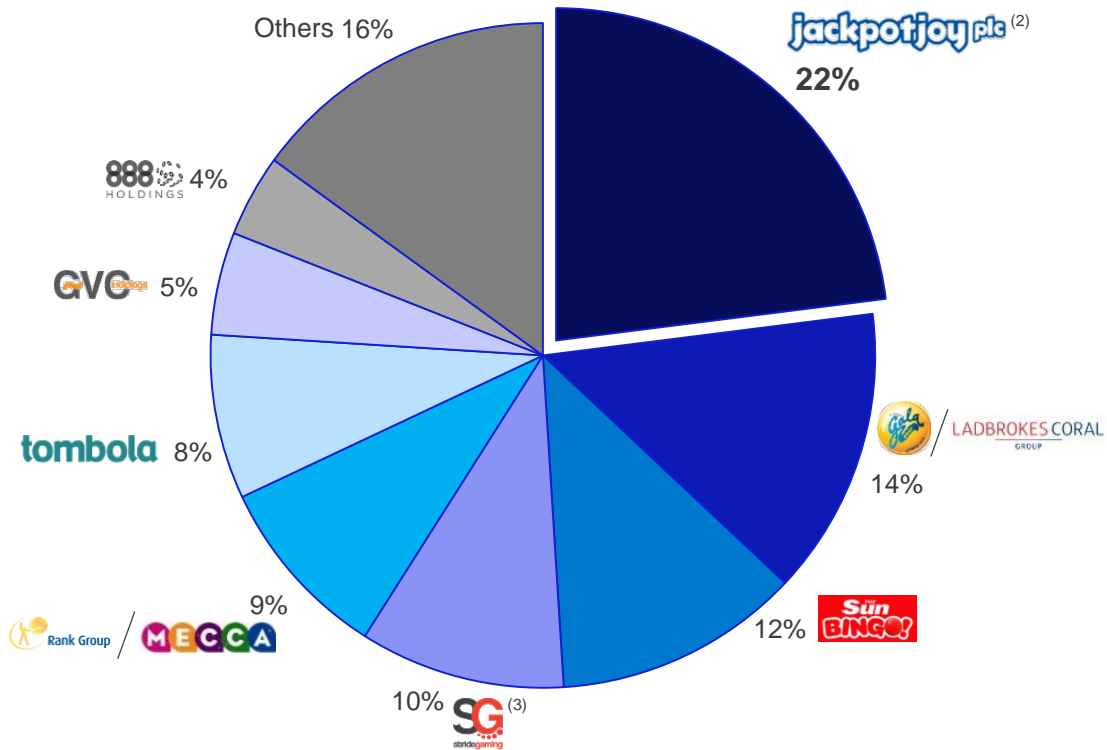
# RESULTS IN SUPERIOR CUSTOMER RETENTION



In the full year of 2017, 90% of the Jackpotjoy segment revenues came from players that joined in 2016 or earlier. A loyal customer base delivers higher return on investment, greater visibility of revenue and higher operating margins for the group

# CLEAR LEADER IN A MARKET WHERE SCALE IS INCREASINGLY KEY

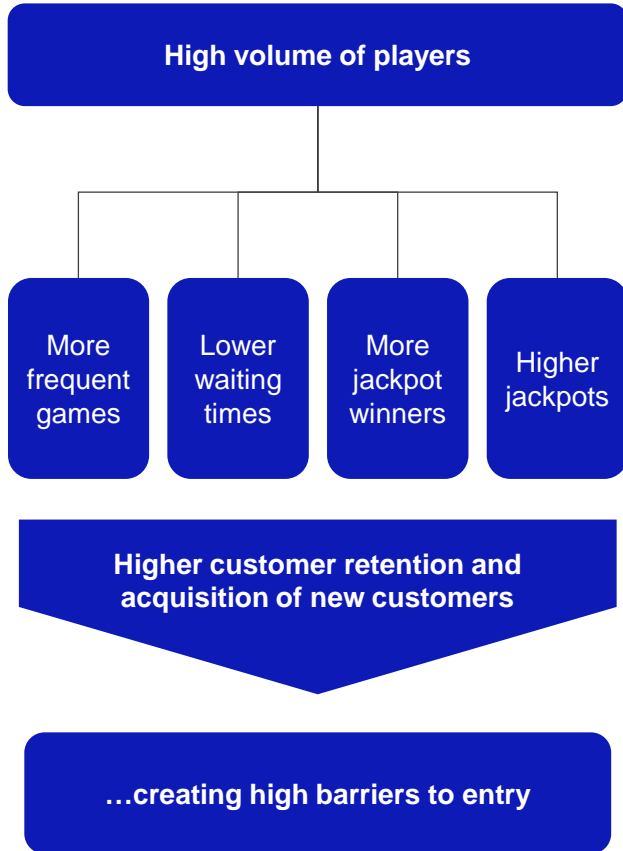
UK Online Bingo-led Market Share<sup>(1)</sup>



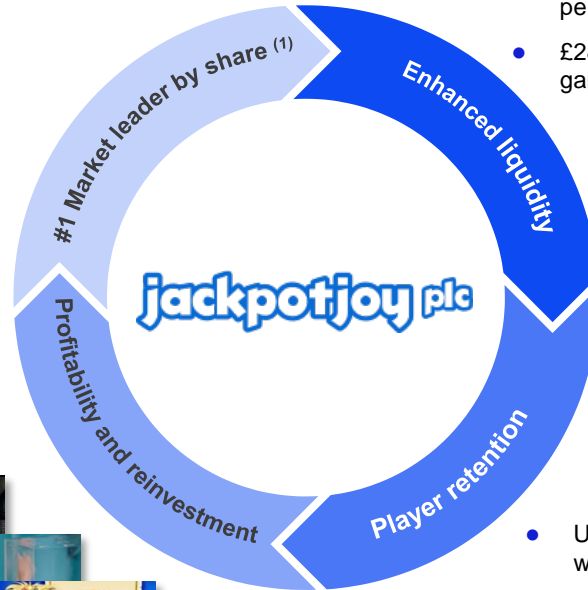
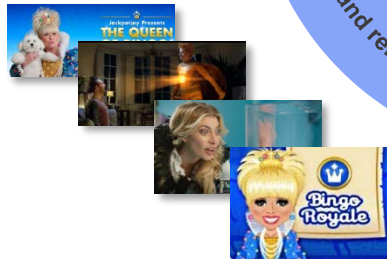
Why does scale matter?

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

# CLEAR LEADER IN A MARKET WHERE SCALE IS INCREASINGLY KEY



- Jackpotjoy.com is a multi-award winning site



- Market leadership generates high levels of player liquidity
- 250k average active customers per month
- £282 million total real money gaming revenue



- User friendly mobile interface with innovative skins
- Vibrant social chat room
- Economies of scale for chat hosts and VIP hosts

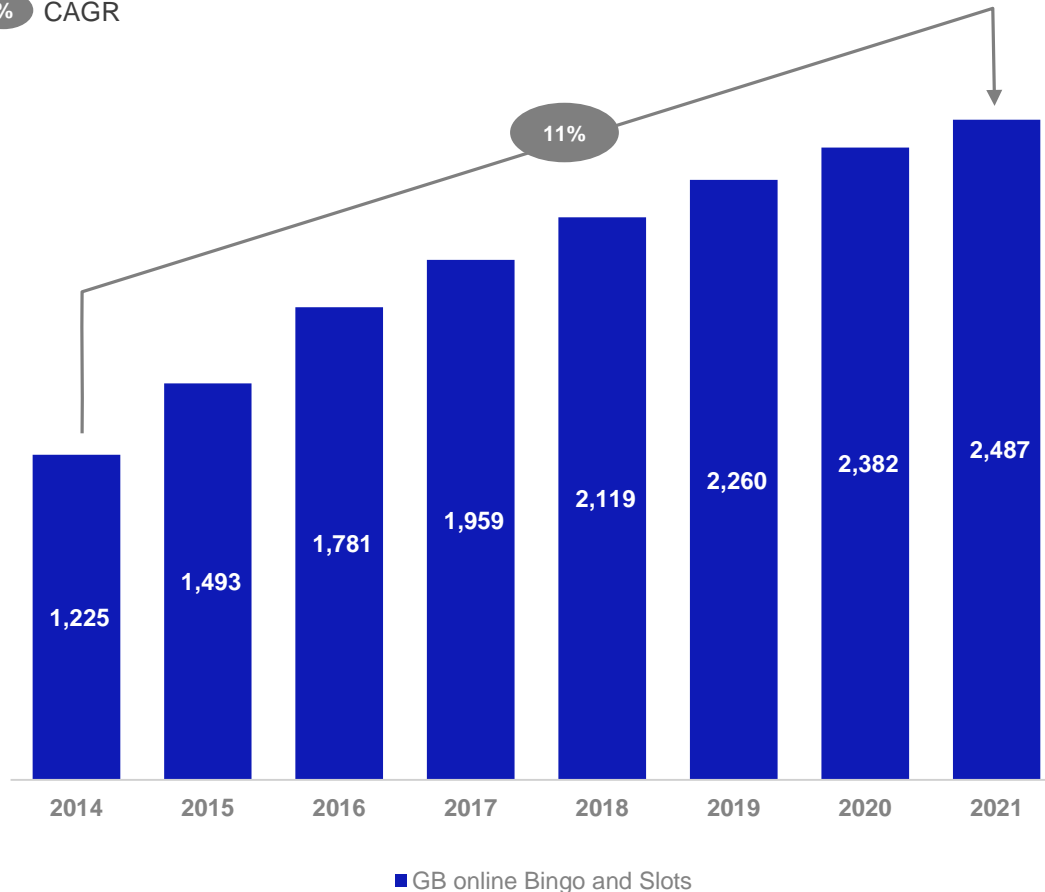
*Market leadership drives a “virtuous cycle” of a growing and loyal user base, enhanced liquidity and reinvestment in the business*

# OPERATING IN HIGHLY ATTRACTIVE MARKETS

## UK Net Gaming Revenue<sup>(1)</sup>

(£ in millions)

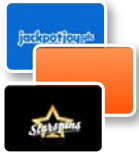
% CAGR



## Key Highlights

- Long term structural growth in online gaming mainly driven by
  - Technology – particularly **increasing mobile penetration**
  - Demographics / social change
  - Ongoing shift from brick and mortar to online
- Online bingo and casino constitutes c.**29.1%** of the total global online gambling market<sup>(2)</sup>
- **Attractive fundamentals** compared to sports betting
  - Sticky customer base with high margins
  - Niche focus on the female demographic
- UK is the largest market in the Online Bingo segment (c.11% of the global market)

# DIVERSIFIED CORE TECHNOLOGY PLATFORMS WITH STRONG IN-HOUSE CAPABILITIES



## Jackpotjoy group Owns

### Brands

### Exclusive Content

### Intellectual Property

### Customer Data

### Liquidity

## Key Protections

- B2C bingo non-compete in UK, Ireland, Sweden and Spain until April 2019
- Key dedicated personnel, with option to internalise all staff from April 2019
- Right to switch platform provider from April 2019
- Feature parity right<sup>(1)</sup>
- Segregated player data and player funds
- Annual service cost increase cap
- Option to segregate liquidity

## Why is this a Positive?

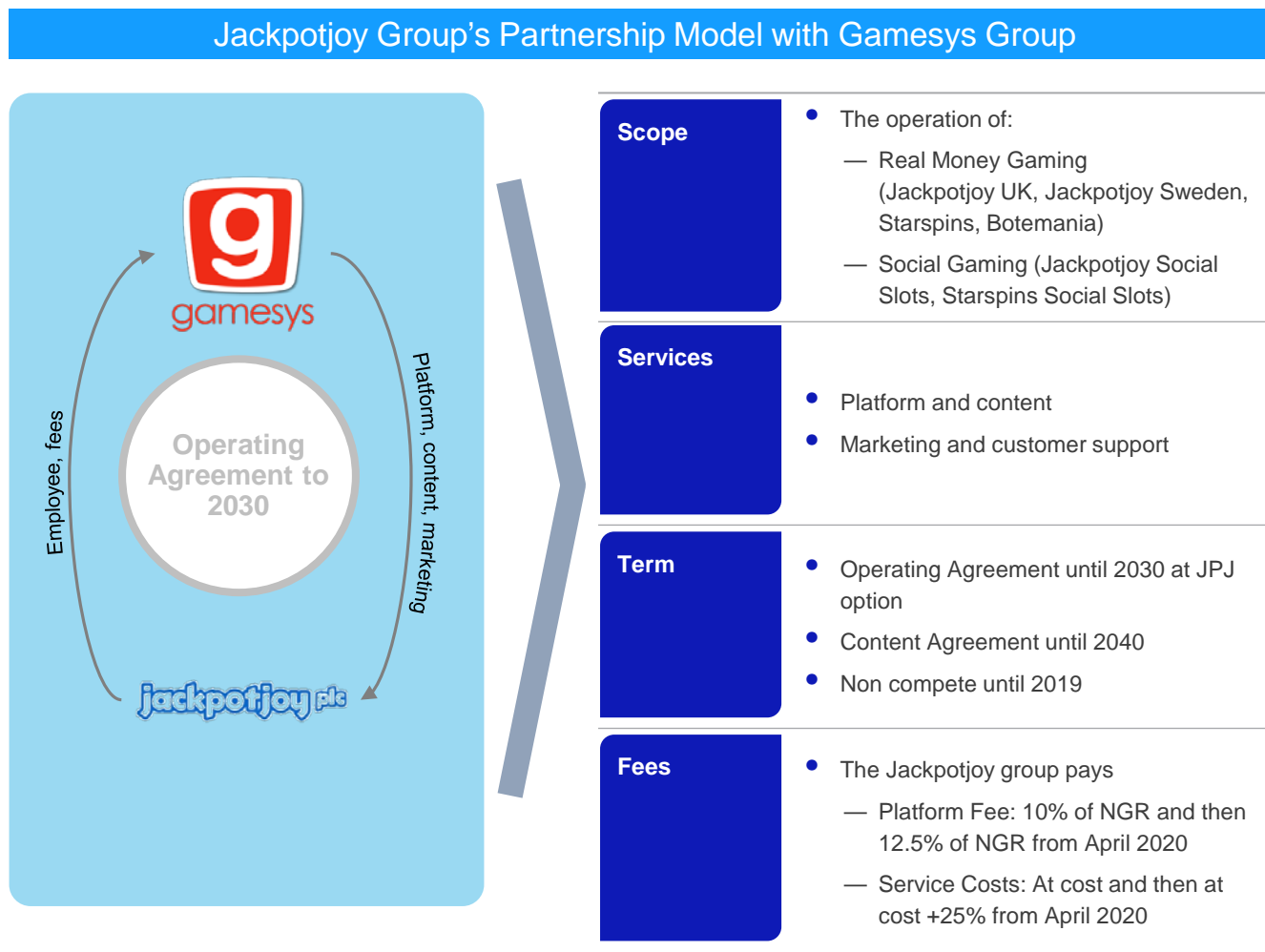
- Asset-light and highly cash generative model
- Partnered with best in the industry
- Flexibility to move to alternative platform and bring in-house if/when required
- The Jackpotjoy Group is by far Gamesys' largest customer and contributes a majority of Gamesys' EBITDA

*Strong support from the Gamesys group, a key operating partner*



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

- Noel Hayden, founder of Gamesys remains an advisor to the Company
- **276** Gamesys FTEs are dedicated to the Jackpotjoy business, c. 28% of Gamesys workforce
- **Earn-out for non-Botemania assets concluded** in June-17 and Jackpotjoy group sets out the strategic decisions with Gamesys group
- **Significant protections against Gamesys financial risk** – in the event Gamesys free cash balances fall below £20 million, source code and executable code to be held in escrow



## INVESTOR PRESENTATION

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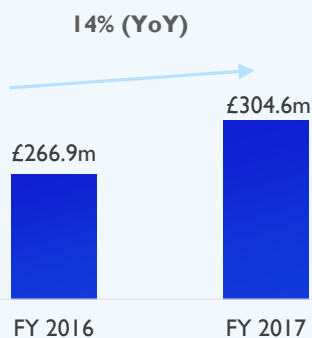
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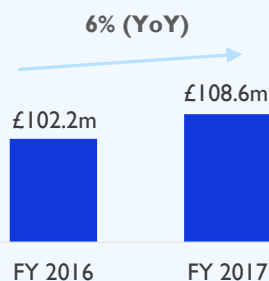
# CONSOLIDATED AND SEGMENTAL FINANCIAL PERFORMANCE

## CONSOLIDATED RESULTS

### Gaming Revenue

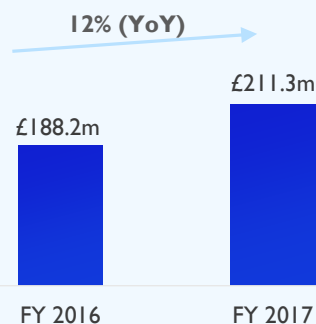


### Adjusted EBITDA<sup>1</sup>

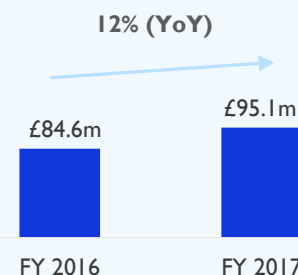


## JACKPOTJOY

### Gaming Revenue

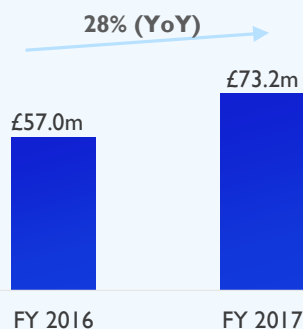


### Adjusted EBITDA<sup>1</sup>

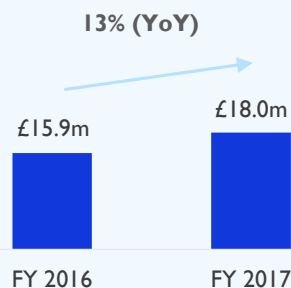


## VERA&JOHN

### Gaming Revenue



### Adjusted EBITDA<sup>1</sup>

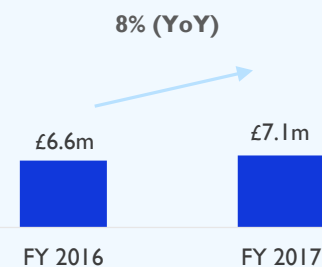


## MANDALAY

### Gaming Revenue

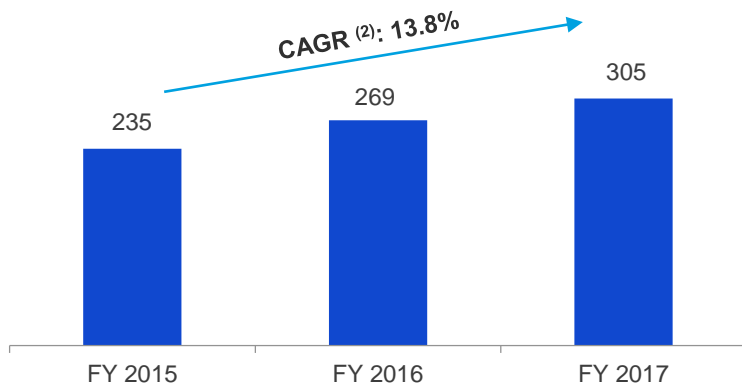


### Adjusted EBITDA<sup>1</sup>

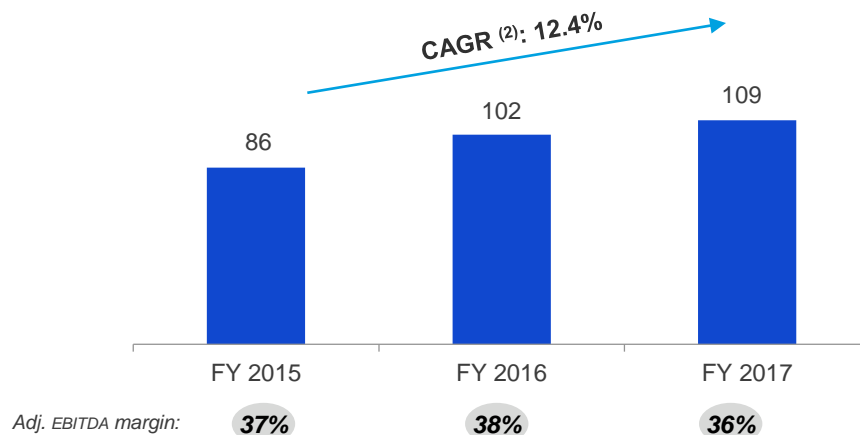


# Financial Track Record of Cash Generation and Growth

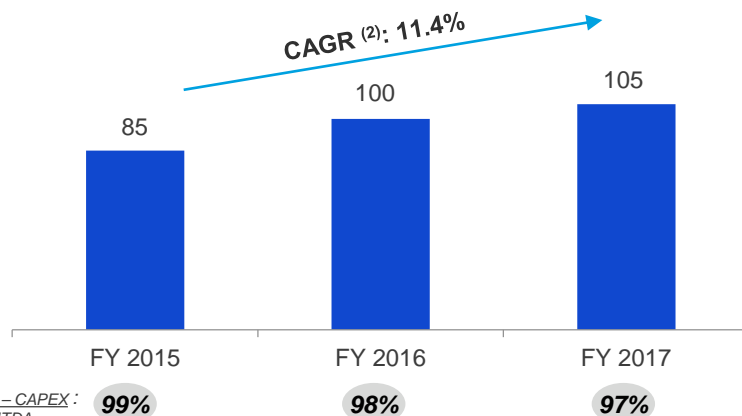
Revenue (£ in millions)



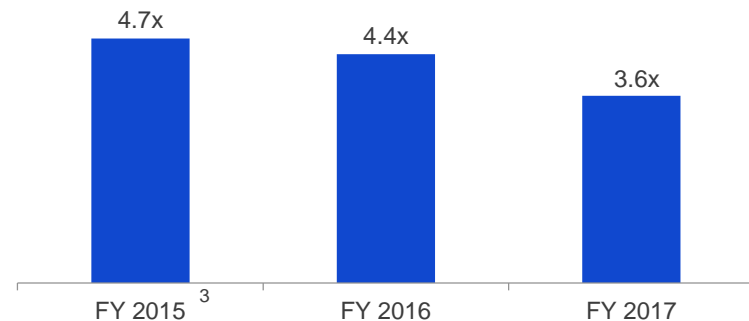
Adj. EBITDA<sup>(1)</sup> (£ in millions) and Adj. EBITDA margin



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



Net Debt + Earn-out / Adj. EBITDA<sup>(1)</sup>



Adj. EBITDA – CAPEX :  
Adj. EBITDA

99%

98%

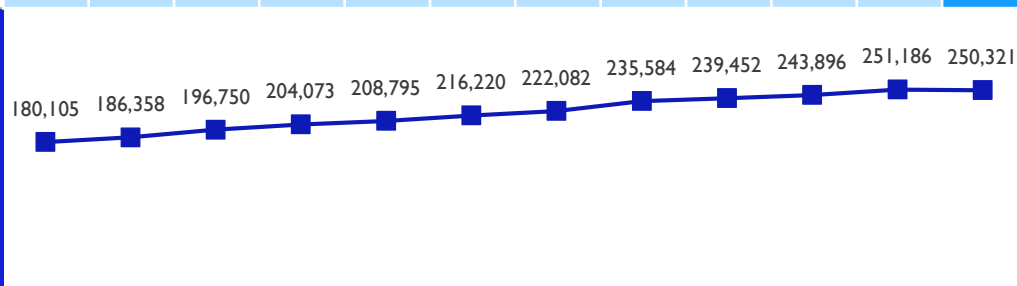
97%

# Consistently Strong Business Momentum

## Group KPIs<sup>(1)</sup>

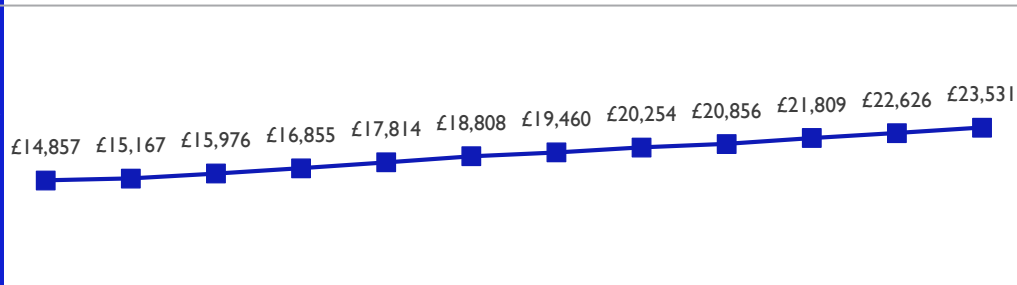
LTM Q1 2015	LTM Q2 2015	LTM Q3 2015	LTM Q4 2015	LTM Q1 2016	LTM Q2 2016	LTM Q3 2016	LTM Q4 2016	LTM Q1 2017	LTM Q2 2017	LTM Q3 2017	LTM Q4 2017	Observations
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### Average Active Customers per Month



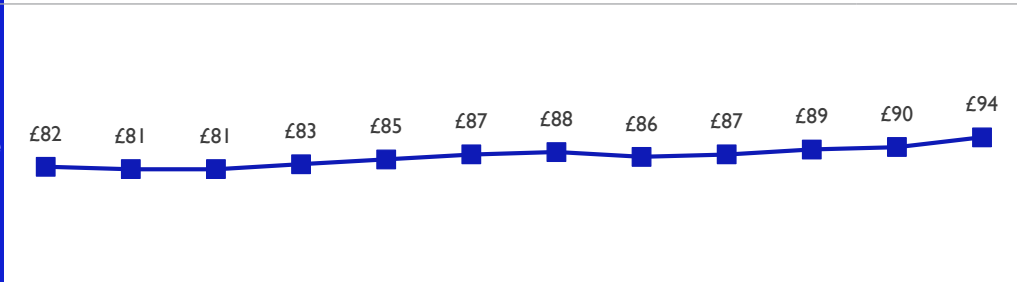
Average Active Customers grew to 250,321 in LTM 31 Dec 2017, an increase of 6% yoy

### Average Monthly Real Money Gaming Revenue (£000's)



Average Monthly Real Money Gaming Revenue grew to £23.5m in LTM 31 Dec 2017, an increase of 16% yoy

### Average Monthly Real Money Gaming Revenue per Active Customer (£)



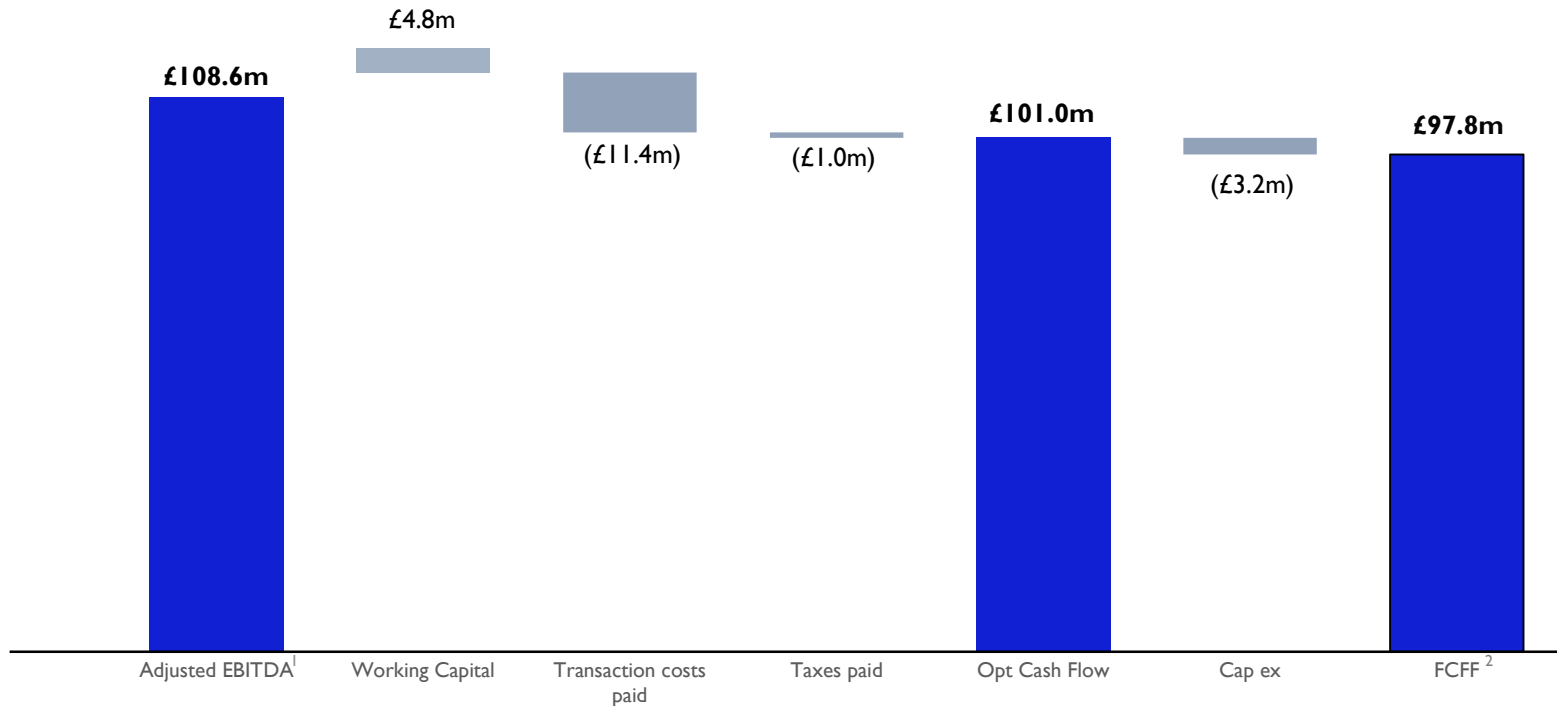
Average Monthly Real Money Gaming Revenue per active customer of £94 in LTM 31 Dec 2017, an increase of 9% yoy

Note: Source: Company information.

(1) For additional details, please refer to the information under the heading "Key performance indicators" in the FY 2017 Release

# EBITDA TO OPERATING CASH FLOW BRIDGE

Operating cash flow – Year Ended 31 December 2017



1. Non-IFRS measure. See "Non-IFRS Measures", "Reconciliation of Consolidated Adjusted EBITDA" on slides 31-33 and the FY 2017 Release  
2. Free cash flow to the firm is operating cash flow less capital expenditures

# LEVERAGE RATIOS – DEBT REFINANCING

## Adjusted Net Leverage

(£m)	As at 31 December 2017
Gross Debt <sup>1</sup>	386.7
Earn-out <sup>2</sup>	59.6
Cash <sup>3</sup>	(59.0)
Adjusted Net Debt <sup>4</sup>	387.3
<b>Adjusted Net Leverage<sup>4,5</sup></b>	<b>3.57x</b>

## Debt Refinancing

	Loan (£m GBP)	Interest Rate*	PF Interest Cost (£m GBP)
Existing IL (USD)	194.3	8.07%	15.7
Existing IL (GBP)	53.3	7.00%	3.7
Existing IL (EUR)	17.6	6.13%	1.1
Existing 2L (GBP)	90.0	10.00%	9.0
<b>Total</b>	<b>355.2</b>	<b>8.30%</b>	<b>29.5</b>
New IL (GBP)	250	5.75%	14.4
New IL (EUR)	125	4.25%	5.3
<b>Total</b>	<b>375</b>	<b>5.25%</b>	<b>19.7</b>

Pro Forma interest savings – £9.8M

Based on actual 31 December 2017 balance sheet.

- Gross debt consists of GBP and EUR existing term loan, convertible debentures, and non-compete clause payout.
- Earn-out represents “contingent consideration” as reported under IFRS on the balance sheet at 31 December 2017
- Excludes restricted cash
- Adjusted Net Debt consists of existing term loan, convertible debentures, non-compete clause payout and “contingent consideration” liability, less non-restricted cash.
- Adjusted Net Debt divided by LTM to 31 December 2017 Adjusted EBITDA of £108.6m.

\*Assumed LIBOR:

- USD – 1.57%
- EUR – 0.50%
- GBP – 0.00%

## INVESTOR PRESENTATION

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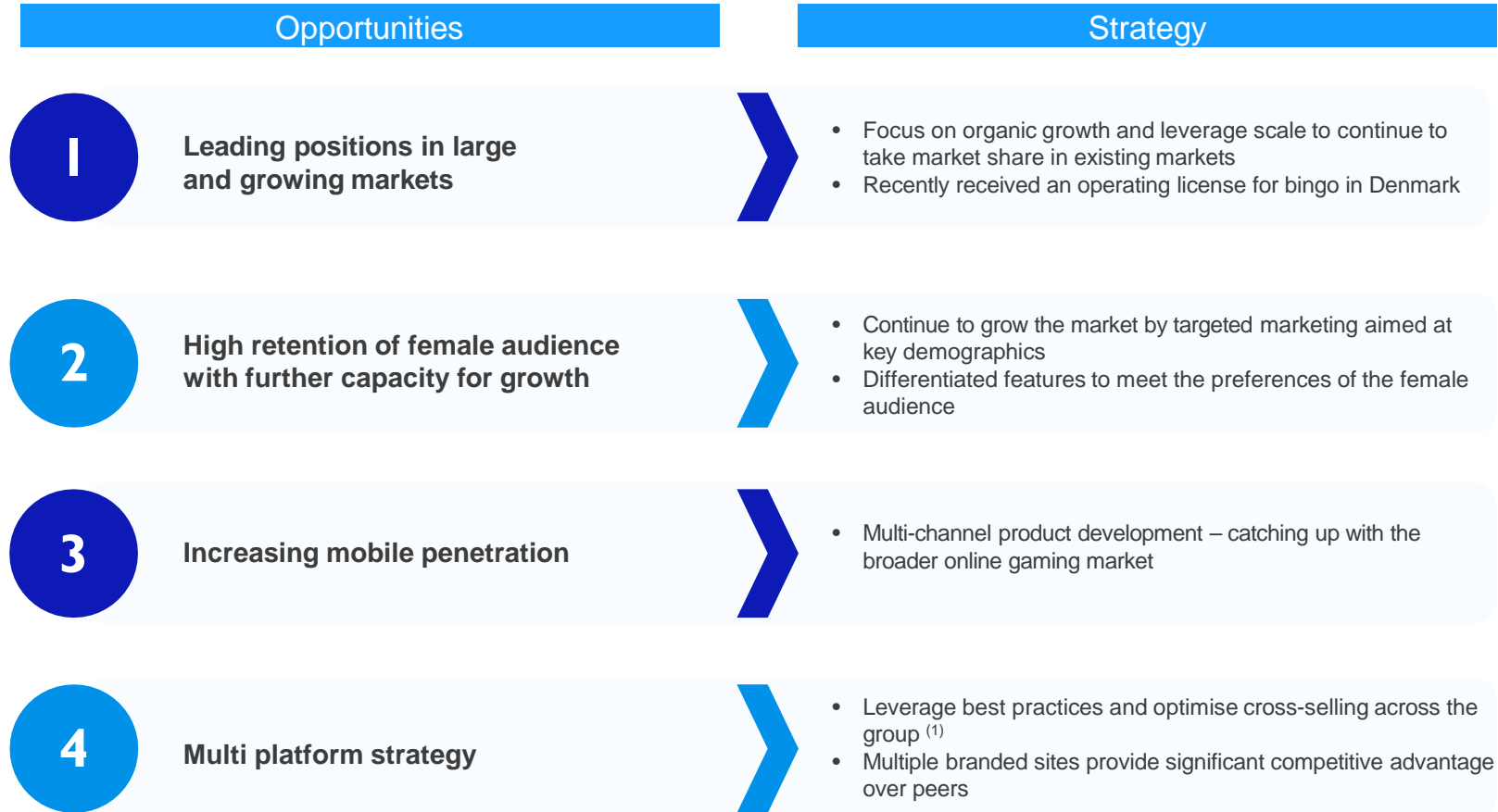
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- 1 Business Overview
  - 2 FY17 Financial Results
  - 3 Strategy and Opportunities
  - 4 Appendix – Additional Information
-



# IMPRESSIVE FINANCIAL TRACK RECORD OF CASH GENERATION AND GROWTH

- Tangible strategy to capture organic growth...



# SUMMARY HIGHLIGHTS

jackpotjoy plc

1

#1 Bingo-led operator globally with the deepest liquidity

2

Attractive demographic primarily focused on the female audience

3

Distinctive brands deliver high customer retention

4

76%<sup>1</sup> of revenue generated from regulated markets

5

High growth, high margins and highly cash generative

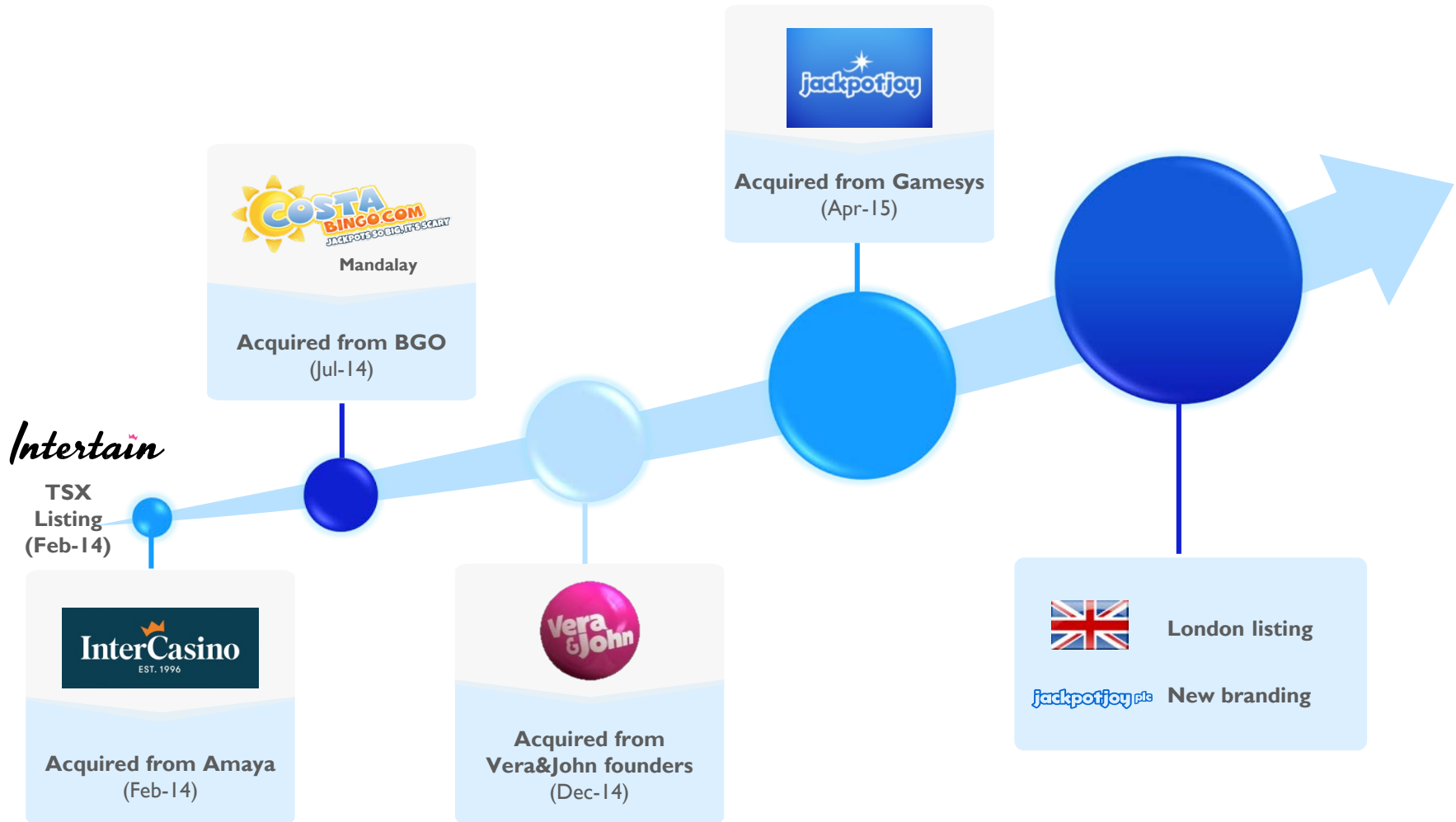
## INVESTOR PRESENTATION

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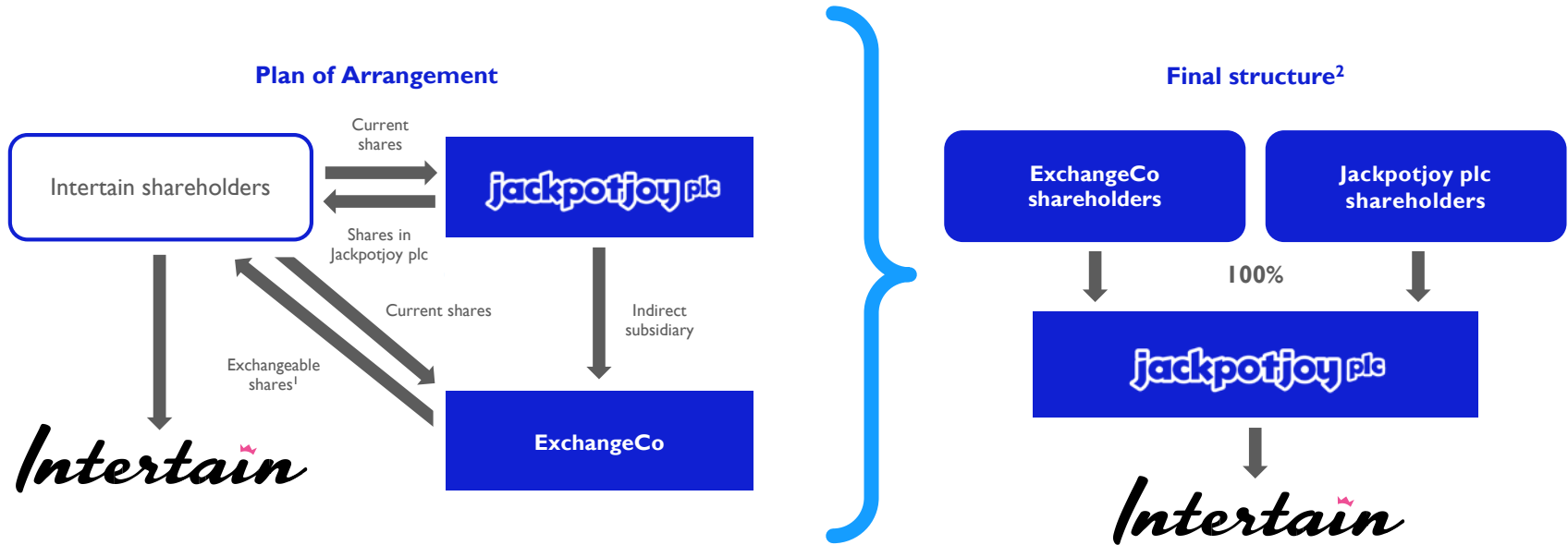
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# EVOLUTION OF THE GROUP



# UK LISTING STRUCTURE



- UK incorporated Jackpotjoy plc acquired Intertain via a Plan of Arrangement

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

# JACKPOTJOY SITE PHOTOS

Jackpotjoy



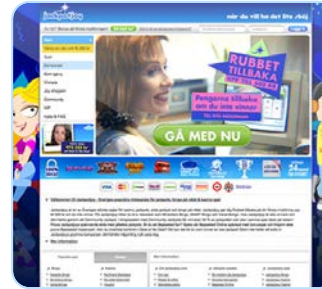
Botemania



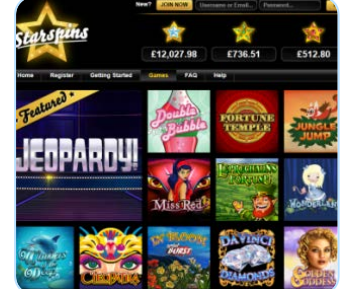
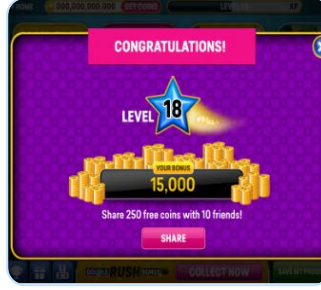
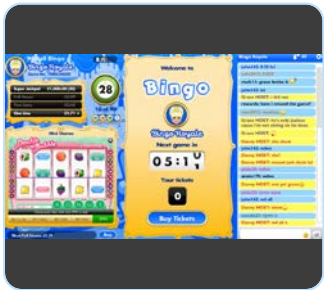
Jackpotjoy Social Slots



Jackpotjoy Sweden



Starspins



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## NON-IFRS MEASURES

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

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

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

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

# RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA

(£ in 000's)

	FY 2017	FY 2016
<b>Net loss for the year</b>	<b>(67,897)</b>	<b>(40,643)</b>
Interest expense, net	30,007	18,087
Accretion on financial liabilities	25,049	17,857
Taxes	701	(64)
Amortisation and depreciation	63,042	56,133
<b>EBITDA</b>	<b>50,902</b>	<b>51,370</b>
Share-based compensation	1,429	2,264
Severance costs	700	5,695
Fair value adjustment on contingent consideration	27,562	49,382
Gain on sale of intangible assets	(1,271)	–
Independent committee related expenses	–	1,693
Loss/(gain) on cross currency swap	12,512	(34,070)
Transaction related costs	6,710	22,767
Foreign exchange loss	10,051	3,098
<b>Adjusted EBITDA</b>	<b>108,595</b>	<b>102,199</b>



# RECONCILIATION OF CONSOLIDATED ADJUSTED NET INCOME

(£ in 000's)

	FY 2017	FY 2016
<b>Net loss for the year</b>	<b>(67,897)</b>	<b>(40,643)</b>
Share-based compensation	1,429	2,264
Severance costs	700	5,695
Fair value adjustment on contingent consideration	27,562	49,382
Gain on sale of intangible assets	(1,271)	–
Independent committee related expenses	–	1,693
Loss/(gain) on cross currency swap	12,512	(34,070)
Transaction related costs	6,710	22,767
Foreign exchange loss	10,051	3,098
Amortisation of acquisition related purchase price intangibles and non-compete clauses	61,227	55,505
Accretion on financial liabilities	25,049	17,857
<b>Adjusted Net Income</b>	<b>76,072</b>	<b>83,548</b>
<b>Diluted net loss per share</b>	<b>£(0.92)</b>	<b>£(0.57)</b>
<b>Diluted adjusted net income per share</b>	<b>£1.02</b>	<b>£1.13</b>